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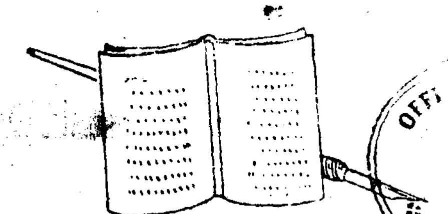

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Manuscripts and photographs, if any, sent therewith, if not accepted for publication, will be returned only if the sender so desires and encloses the usual stamped and self-addressed envelope.

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CONTENTS

ACKNOWLEDGMENTS

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

Central Railway Newsletter—*May 1955*
Central Railway Magazine—*May 1955*
Northern Railway Magazine—*May 1955*
North Eastern Railway Magazine—
Western Railway Magazine—
Chartered Accountant—*May 1955*
Eastern Railway Magazine—
Southrailnews—*May. 1955*
Indian Railway Gazette—*June 1955*
Accountants' Journal, New Zealand—*May 1955*
Australian Accountant—*April 1955*
Careers & Courses—*June 1955*
Wednesday Review—*W. E. 1-6-1955*
Railway Herald—*W. E. 6-6-55*
Monthly Railway Statistics—
(Rly. Board)—*December 54*

THE RAILWAY ACCOUNTANT

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

14, BALAKRISHNA ROAD, MADRAS-4.

Vol. II **JUNE 1955** **No. 3.**

Simplification of Railway Accounting

During the discussions in Parliament some months ago, on the Railway
Budget, many Members insisted upon the review of the accounting procedure on
the railways with a view to simplify it and make it more efficient. Though
these remarks were very broad and generally covered no specific cases, still from
the professional point of view, there is something to which we can possibly
divert our attention. In the past, the Railways in India were owned by different
agencies and management was also made by a number of vested interests. But
since the integration of the Railways, practically the entire railway system in
India is State-owned and State-managed. Consequently, many details of work
which were found essential in the past are not now necessary at all. Some action
has already been taken in this direction by doing away with the hire and haulage
of interchanged stock, joint station expenses etc. But there are several other
phases of work, in which action is still called for. As an instance : in the case
of paper tickets made out by Carbon process, there is not much uniformity in
respect of their preparation. In some cases such as the foreign blank paper
tickets, there is an Accouuts Office foil, while in others like the Luggage Ticket
there is no such foil, though collected receipts are sent by the Receiving Stations
to the Accounts Office for check and record.. Similarly, in the case of Parcel
Way Bills, there is no Accounts Office foil, but the foil used for P. W. Bill is sent
by the Receiving Station to the Accounts Office for scrutiny. Again, luggage
tickets are not issued in continuous numbers to each station nor is the P.W.B.
so issued. In the case of a Goods Invoice, however, a manuscript number is
furnished for the purpose of easy verification. The Invoice Number is this
Manuscript number, whereas the printed number on the foil is called the Rail-
way Receipt Number. It is thus obvious that there is a variety of procedure, of
course, each one having some justification. The basis of the Accounts system
should be to see not only that the Station Staff who demand and collect necessary
freight charges properly bring them to account and remit the collected money
correctly and currently, but also that there is no short remittance of such collec-
tions. Keeping these principles in view, it is necessary to review the position
whether the returns now received from the stations by grouping together traffic
for each pair of stations, are adequate and whether it is not possible to revise
the method so as to give something more authentic to the Accounts Office, with-
out having to wait for the receipt of the collected tickets from the Receiving
Stations, which are almost always deficient. It is possible that, by introducing,

an Accounts foil in the various paper ticket books and attaching them to the respective returns of forwarded traffic in support of the entries made therein, and making the returns themselves briefer by quoting numbers, dates and amounts in all cases, a safer system may be available. We would urge a fuller consideration of this aspect by all Railways, particularly those who are actually dealing with the subject and the opinions of the practical men expressed through articles in this Journal.

F. A. & C. A. O's Position in the Railway Organisation

As desired by the Public Accounts Committee, the Railway Board gave them the following Note stating the position of the F.A. & C.A.O. in the integrated set-up of the Finance and Accounts on the Railways. This has been published as an Appendix in the Public Accounts Committee Report (Tenth Report) on Appropriation Accounts (Railways) for 1953-54.

" The Financial Adviser and Chief Accounts Officers is one of the principal officers on each Railway. He is responsible for the internal check and compilation of Railway Accounts and acts as the financial Adviser of the General Manager. In regard to technical accounting matters, he cannot be overruled without reference to higher authorities. As regards financial advice, which involves scrutiny of the financial implications of all proposals involving expenditure and|or receipts, before the same is incurred or commitments entered into, financial concurrence is required to be accorded by the F.A. & C.A.O. or on his behalf by the Deputy Financial Adviser, who is in charge of the Finance Wing of the Administration. The Deputy Financial Adviser like other Deputy Chief Accounts Officers is subordinate to the F.A. & C.A.O., and functious under his directions. Sanctions to proposals are accorded by the General Manager or the principal officer concerned within the powers delegated to them with the concurrence of the Finance Branch controlled by the F.A. & C.A.O. Though technically the financial powers have been delegated to the General Manager, they are, by convention, at present exercised with the concurrence of the Financial Adviser.

The F.A. & C.A.O., like other Heads of Departments is administratively subordinate to the General Manager, who writes Confidential Reports on his work as an Administrative Officer under his control. He is not independently reported on professionally by any higher authority. The Reports recorded by General Managers are submitted to the F.C. and other Members of the Board for information."

We have already pointed out on pages 167 to 169 and 193 and 194 of the October and November 1954 Issues of the *Railway Accountant* that the entire arrangement of the Finance Organisation should be reviewed and modified.

Southern Railway Accounts Society

It is learnt that a Society under the above denomination was recently started at Madras with the active co-operation of several Officers and Senior Accountants with the avowed object of collecting and publishing information likely to be of use for App. II and III Examinations. There already exists another Society under the same name which having been in existence some years ago on the ex. S.I. Railway, was revived recently at Trichy. There is, in addition a Traffic Accounts Association at Trichy and another such association, (perhaps defunct), at Madras. There is also the Southern Railway Finance and Study Circle under official auspices in existence during the last three years. There is yet another Society viz., the Bapuji Literary Society, at the Headquarters Office at Madras, and working now for several years.

A multitude of such associations cannot but overlap each other and cannot also work effectively since membership is likely to be affected considerably. It is high time that before any new Institution is sought to be promoted, existing material should be well scrutinised and attempts made to utilise them as far as possible without having other parallel or overlapping institutions.

It is not also clear to what extent these various Societies or Associations can be or are officially recognised. The fact that some of the staff are active workers in the various Offices may give them the facility for getting hold of papers of an important nature, but to what extent they could make them available for publication without official support is a point to be thought about.

The attention of the authorities is drawn to the above facts for a full and impartial consideration of the situation and taking such constructive action as is necessary to bring about one useful institution for the benefit of their staff, by merger or otherwise.

What Others think of us

" I am very glad to inform you that when total darkness was about to engulf me all around, your "Railway Accountant" served as beacon and helped me to come out successful in the S.A.S. (Railways) Examination this year . ... Three of us who read together in consultation with your Magazine have all passed the ordeal and we safely certify that your magazine has helped us very much in attaining our goals." K. C. Das, Bhadreswar, 12—5—'55.

" . . This monthly enters on its second round of life having fairly well satisfied the cravings of the technical accountants that dare but shy beyond the depths of their ledgers and journals and hardly far away from the edge of their groaning desks. It is for the Auditors and Accountants to testify to their enlightenment after this journal peeped into their midst with not much of officiousness we trust, and with no self-constituted authority, we hope. The editor's retrospect speaks for itself and appeals to those in responsible positions to share their quota of knowledge through this journal with a wider circle of eager and expectant group of examinees to win, for it is to them this might or must matter. And in this connection we bring back to all what we uttered at first as regards the cooperation between official secrets and journalistic endeavour, however, technically guised though. The contribution on Cost Accounting is informative enough and must add to the quantum of acquaintance with the much dreaded subject of Cost Accounts, coming as it does from the lips of an expert in the biggest locomotive works of our land. Other matters are culled and arranged well from many a source that counts. We wish all cheer to this technical contemporary." Wednesday Review, 11—5—'55.

The User of Rail Transport

A suggestion that British Railways should concentrate more and more on carrying, "with a corresponding reduction of ancillary activities, was made by Mr. L. G. Burleigh, Transport Officer, Imperial Chemical Industries Limited, in a paper on the road and rail situation read to the Railway Students' Association in London on February 16. The whole conception of the Railway function is changing, he thinks, and with new freedoms, commercial enterprise, and the core of passenger and freight traffic that must go by rail, the user will expect to see great changes on British Railways. He considers many of the criticisms of railwaymen to be unfair and unkind, and hopes that at all levels they will be encouraged to regain pride in railway service and accept changes. The stress in the future must be on economics and new techniques, not on increased charges, if Britain is again to have the finest railways in the world. Mr. Burleigh declined to comment on the new charges scheme because of conversations in progress between the British Transport Commission and the Traders' Co-ordinating Committee on Transport.

The user of transport judges by cost and service in relation to his particular activity. Many have no doubt which is the better form of transport according to their type of business. Others who take a broader view, Mr. Burleigh believes can see more clearly the implications of major changes. The user should be prudent in his decisions and guard against the temptation always to prefer the service which offers the best immediate short-term advantage, but hard facts have sometimes to be faced where the market is keen and a more suitable service is available by a method of transport which the user considers to be functionally wrong.

A great advantage is afforded both to the railways and to users by private sidings. They offer a door-to door service, particularly for traffics moving in large quantities. Mr. Burleigh considers that the railways can obtain a strong competitive advantage from these sidings, which should be used to the full by reducing, as far as possible, restrictive irritations. Unfortunately, a steady trickle of private siding traffic is passing to the road—often at the request of the customer of the private siding owner. The uncertainty of railway transit times is one disturbing feature. If there should be a serious delay in transit, the consignor can get little definite information. Transport is becoming more and more part of the production and storage line between manufacturer and customer, and speed in transit reduces the financial burden of carrying in the pipeline large quantities of products. Unreliability in service encourages the customer to over-order, and this further increases the quantity in the pipeline. Speed of transit reduces the capital burden in the case of expensive returnable empties.

Many improvements have been put forward in the modernisation plan of British Railways; but Mr. Burleigh, while welcoming the plan as encouraging for the future health of the railways, feels that insufficient confidence is expressed in the container system as a competitive instrument. He feels that the container, with specialised internal equipment, and the road trailer wagon carrier, should be developed extensively.

Dealing with road vehicles, operating under "C" Licence conditions, the number of which is increasing in most countries, Mr. Burleigh points out that users are not likely to put down capital to purchase lorry fleets and accept the responsibility of running them, if the professional carrier can provide as satisfactory a service. The user, however, holds strongly that he must retain freedom to operate his own road vehicles and freedom to choose the form of transport which he considers most suitable for his particular requirements. These freedoms are recognised internationally by users as being essential and have formed resolutions of the International Chamber of Commerce.

The second part of his paper is devoted to a survey of the main features and management of factory transport and the relationship between them and the other activities of a manufacturing concern. Of the future, he hopes that a period of stability will be created in which enterprising and dynamic transport policies will be encouraged. The newer flexible and the older non-flexible services can and should live together and prosper to the advantage of the trade of the country as a whole.

By courtesy—The Railway Gazettte, London.

Audit Reports

"A new broom sweeps well" says the proverb. And it is legitimate to expect that when there is a change of Government or the head of an administration, new problems should be taken up for consideration or old ones tackled from a new angle and improvements effected. But promises are often made or expectations raised which ultimately lack fulfilment.

One such was the hope of economies raised as a result of the constitution of the Indian Railways into six zones; not that the reduction of the hundred and odd administrations by which the Railways in India were governed before the consolidation and integration of India into a single political unit was carried out was not justified amply on other grounds. But the idea of economy tantalisingly continued to be held out before the public without any details of actual realisation. The last Budget Speech of the Railway Member made no mention of it, though, during the previous twelve months, hot pursuit of the item of economy appeared to have been in progress.

Of recent origin is the "assurance that in future the Audit Report of a year will bring to the notice of the Government the major irregularities relating to the financial year immediately preceding it" as has been described in a recent leading article of THE HINDU. Are we not here too optimistic?

To understand the question correctly, certain misapprehensions have to be removed. What is the genesis of an Audit Report and how are the materials for it collected? Now, when an irregularity is committed or a fraud perpetrated, it is some time before it comes to light. The Auditor has to take it up with the lower officials in the official ladder and answers are not too prompt nor too full in the first instance Further correspondence ensues and to get a complete picture of the transaction, sometimes the assistance of the higher authorities has to be invoked. When a complete picture has been made out, the Auditor is in a position to determine the nature of the irregularity, to suggest a remedy for it and to indicate the persons responsible. At this stage, the matter goes to the Government, State or Central as the case may be. Even then it is not smooth sailing. Sometimes the Auditor is badgered or further explanations called for from the lower officials, there being always in the background a reluctance to admit the irregularity or give credit to the Auditor for discovering it. This takes more time, the more serious the irregularity or the larger the amount involved or the higher the person at fault; consequently, the longer the time before the Government come to grips with the question and arrive at a decision.

Until all these preliminaries are completed, it is not the practice of the Auditor to incorporate the item in his Audit Report. He is naturally anxious to let the Administration have all the rope and to obtain all the facts of the case before he makes out an indictment; he does not want to base his judgment on incomplete material and to look foolish or to give an opportunity to the Government to argue that there was material which was not asked for nor obtained. In fact on a previous occasion, the Public Accounts Committee observed as follows:

"The Committee feels constrained to observe that Executive Departments should co-operate with the Audit Department in the timely verification of facts proposed to be incorporated in the Audit Report and that subsequent attempts on the part of representatives of the Ministries to contradict any statement contained in the Audit Report at the time they appear before the Committee should be avoided in order to prevent waste of time of the Committee and Parliament."

Further, as soon as a paragraph is ready for the Report, it is sent to the Administrative authorities. It will thus be seen that the appearance of an item in the Report is not the earliest stage at which it comes to the notice of the Government. The Audit Report is merely a collection of all irregularities brought together for the information of the Houses of Legislature. The delays which are much too obvious now will continue so long as there is no material change in the manner in which the raw material is dealt with by the limbs of the Administration at the several stages. It is not an improvement which can be brought about unilaterally by the Audit Department, however devoutly the Auditor General may pray for such a consummation; it cannot be achieved without the active and earnest co-operation of the Departmental Officers. Whether early or late, the results of the postmortem carried out by the Auditor and embodied in his Report must serve a useful purpose, provided the Departments take them to heart and resolve to profit by them.

K. V. Iyer.

[By Courtesy—the Hindu]

Budgetary Control of Expenditure

A few years ago, at the suggestion of Mr. I. S. Puri, the then Financial Commissioner of Railways, the Demands for Grants were re-organised, with a view to segregate expenditure of a fixed nature from that of a variable nature, to be in keeping with the requirements of Railways as a business concern, which had to regulate its expenditure according to the quantity of work done, varying with the demand for transportation by the users of Transport, unlike other Service Departments, where the entire expenditure is more or less of a fixed character. In effect, some amount of necessary flexibility was introduced in the method of budgeting and presentation to the Parliament of the Demands for Grants to suit the peculiar nature of the functions of the Railways which, as a commercial concern, should be entitled without having to obtain Parliamentary sanction, to incur expenditure on operation required to meet additional traffic, (the Railway Board having the power to transfer funds from one Railway to another under the same Grant e.g., Fuel or Operating Expenses). At the same time, this deprived (and correctly so) the Railways of their previous power to re-appropriate funds from one head to another in the same Revenue Abstract, which enabled them, for example, to transfer funds from "Fuel" to "General Administration". In other words, the Railways were enabled to utilise savings under the grant for "variable expenditure" for extra expenditure under "Fixed Expenditure".

There is no doubt that to some extent, the object sought to be achieved by the re-arrangement of demands on a functional basis has been secured. But this re-arrangement requires to be carried still further, in order fully to secure the purpose in view. As it is, even in the same Demand for Grant, there is a medley of fixed and variable charges to some extent and it is eminently desirable that these should be segregated and shown under separate detailed heads of grants (Demands) for a proper budgetary control. For example, take the case of Demand No. 5 Repairs and Maintenance, under which both salaries and wages of staff, as well as the cost of Stores etc., are booked. The cost of repairs to rolling stock (wages, stores, on cost etc.) incurred in the workshops, initially and adjusted subsequently to Revenue is also booked under this Demand. Better control over expenditure can be exercised if the expenditure on staff and stores is segregated, and a further analysis made between workshop expenditure debited to Revenue and other expenditure. It may be said that there are separate sub-detailed heads of account to book the expenditure on workshop repairs to Engines, carriages and wagons, as opposed to expenditure incurred outside the shops. It would, however, appear that this would not fully meet the purpose in view, (i.e.. Parliamentary control as such). Secondly, this segregation of expenditure between workshop repairs and other repairs is not done for items other than rolling stock. Apart from this, temporary works chargeable to Ordinary Revenue are not separately provided for, but included under the different service heads.

It seems that the time is now ripe for a proper examination of the matter in the light of what is stated above.

—Kalab.

Responsibility for Loss or Embezzlement of Cash

The Code Rules lay down that the responsibility of the respective staff for the custody of Railway Cash at different stages should be clearly defined so that the possibility of loss or embezzlement may be obviated to the maximum extent, and that even in the event of loss or embezzlement occurring, there will be no difficulty in fixing responsibility on the staff concerned and recovering the amount, apart from the infliction of other punishment under the Disciplinary Rules. Arising out of the comments of the Public Accounts Committee on particular cases that were reported some time ago, the Railway Board have issued the following general instructions in regard to custody of cash by the staff.

(i) Safe Collection and Custody of Cash

The Supervisor in charge Head Clerk, Chief Goods or Parcel Clerk or the Station Master responsible for the custody of earnings should take over cash frequently from the counter during the course of the day, recording in the Daily Cash book the amounts in words and figures, corrections, if any, being fully attested. He will be personally responsible for the amount(s) so received till it is finally handed over to the Station Master or Assistant Station Master on duty. At the time of relief, all cash must be counted in its entirety and signed for in full, showing the amount in words and figures by both the relieved and relieving Station Masters on duty. The relieving Station Master will then be personally responsible for its safe custody during his duty hours. The keys of the safe in which cash or cash bags are kept should always be in the custody of the person who is responsible for the cash.

(ii) SAFE DEPOSIT FOR TRANSIT

The Station Master who is responsible for custody of cash at the station should see that the amount is properly entered in the cash remittance note and the cash is correctly placed in the cash bag. He should satisfy himself that the cash bag is in sound condition before the cash is put into it. All operations in connection with placing the cash in the cash bag, its locking and sealing etc. should be carried out by himself or he should be present throughout, watching these operations. While these operations are carried out, excepting one or two essential staff, nobody else, whether Railway employee or outsider, should be present in the room. The sealed cash bag awaiting despatch must be kept locked up in the station safe and on the arrival of the train must be deposited in the Travelling Cash Box/Safe by the Station Master on duty in the presence of the guard who should also examine the printed numbers, seals and the condition of the bag carefully and sign in full in the Guard's signature book in token of his having done so.

(iii) SAFE TRANSIT OF CASH

The guard is personally responsible for the safe transit of the Travelling Cash Box/Safe and delivery thereof at the destination station. At the end of his journey the guard must hand over the Travelling Cash Box/Safe to the Station Master on duty of the destination Station. Whenever there is a change of guard in the course of the journey of the Cash Safe/Box, the relieved guard will obtain the signature of the relieving guard for its safe handing over in good condition in his train report.

(iv) SAFE RECEIPT AT THE DESTINATION STATION

The Cash Boxes/Safes arriving at the destination station should be unloaded before any shunting is done. These will be taken charge of by the Station Master on duty who will examine the locks and seals on them and remove them to the Traffic Strong Room or Cash Office Strong Room as per arrangements. Cash Boxes/Safes should be opened one at a time personally by the Asst. Station Master (Cash) who should examine the condition of cash bags and seals on them before handing over the bags to the Cashier. The seals of the Cash Boxes/Safes are to be removed carefully and preserved till such time as a certificate is given by the Chief Cashier that the earnings of the day in question have been received correctly. If the Cash Boxes/Safes are handed over to the Cashier unopened, the Cashier. when he takes them over from the Station Master on duty should see that each Cash Box/Safe is properly locked and sealed. Any defect in the locks or seals should be at once reported. The cashier will open Cash Boxes Safes one by one in the presence of Special Cash witness of Traffic Department and examine each bag and the seals on it carefully. He will record the particulars of all the Cash Boxes/Safes and their contents in the relevant registers which will be jointly signed by Asst. Station Master (Cash) and Cashier or by the Cashier and Special Traffic Cash witness as the case may be.

(v) SAFE RECEIPT OF CASH BY CASHIER

The Cashier or his staff will open the Cash Bags one by one and count the contents in the presence of the Cash Witness of the Traffic Department and see that the contents tally with the Cash Remittance Note accompanying them.

Any defect in the condition of bags or seals or any shortage in Cash should be at once reported to the Station concerned and further action taken according to the nature and importance of the case.

(vi) There should be surprise check by Gazetted Officers of the Traffic and Accounts Departments to ensure that the procedure is being followed.

—*(Contributed)*

Railway Freight on Export Traffic

[The following from the pen of Sri G. Runga Raju, Retired D. T. S. Southern Railway, has been reproduced from the 'Hindu' by kind courtesy]

The Union Minister for Commerce and Industries stated during the deliberations of the Export Advisory Council on May 22 that the demand for special treatment of exports in respect of railway freight rates deserved consideration. The Railways in U.S.A., Canada and South Africa, among others, have freight rates on certain articles of export or import, lower than those charged on the same articles for inland movement with the intention of assisting foreign trade.

For instance, Section 2 (1a) of the Inter-State Commerce Act in U.S.A. allowing such rates, is an exception to Section 3 of the Act prohibiting such discrimination for inland traffic and the former specifically directs the Inter-State Commerce Commission to conform to its provisions, in hearing applications or in enquiries initiated by them.

Under Section 28 of the Indian Railways Act IX of 1890, such discrimination will amount to "Undue Preference" when articles for export to a Port are also intended for local use at that Port. The Indian Railway Rates Tribunal, corresponding to the Inter-State Commerce Commission in this respect has jurisdiction under that Section and its majority decision is final. This Section, which more or less corresponds to Section 3 of the Inter-State Commerce Act should be amended, so as to exclude export traffic from its purview, similar to Section 3 (a) of that Act.

The Indian Railways Act requires thorough revision to suit the present day conditions.

"Uneasy Money"

Scene: A large room in the non-official residence of a non-official. In this room are assembled the members of the Non-Official Committee for the Cleansing of the Corrupters of Railwaymen and Corrupted Railwaymen. The members of the Committee are men who transact business with the Railways. In an adjoining room are a few Railwaymen, who will be called when required to give their evidence before the Committee. The Chairman is an elderly citizen who has made a sizeable fortune by shrewd and sharp practices in the world of big finance, but who now feels it is time for him to do something big in the moral sphere before he lays himself down to sleep for the last time and wakes up on the Other Side face to face with his Maker.

The Committee now swings into verbal action.

Chairman—We are gathered here out of the goodness of our hearts, and not because of any official appointment, to discuss ways and means by which we, who are the Corrupters of Railwaymen and the Corrupted Railwaymen, can decisively end this vicious corruption racket Each of you in presenting his evidence must tell the Committee exactly how you corrupted the railway staff from whom you sought certain preferential treatment, or diverted the legitimate revenues of the State from the cash tills of the State to the pockets of the corrupted Railwaymen. Are we agreed on the terms of reference?

All Members—Unanimously.

1st Merchant—I deal in piecegoods in a big way. My piecegoods have to find a market in all parts of the country and usually move in full wagons loads. But the problem for me is how to get the wagons when I want them, and not when the station master can get them for me according to his priority register. Well, to overcome, or should I say, circumvent the railway rules, I must obviously use some form of of persuasion, and what better than offering the station master some cash persuasion. And so it is done. I get the wagons when I want them, and mark you, it is worth my while, as I can't afford to have large stocks tied up waiting for transport, and the station master gets his cash reward.

2nd Merchant—I deal in what is known in rail jargon as "perishable" traffic—vegetables, fruits, etc. During the various seasons of the year I buy up the produce of small farmers. Now my problem is to get my consignments of vegetables and fruits to move rapidly from the sparsely-populated rural areas where they are not in demand to the thickly-populated towns and cities where the demand is great. So right along the line my agents have to bring to the stations and load into the fast trains hundreds of baskets of the seasonal vegetables and fruits. My perishable consignments must be loaded into fast trains and moved to the market points quickly: otherwise they soon decay into that state described by railway parcel clerks as 'unfit for human consumption.' Well, we have an arrangement with the assistant siation masters and/or parcel clerks at loading points, and not to mention the guards of the trains, that for every basket loaded into the brake vans of the fast trains, we pay a certain fee, which presumably is pooled and shared out amongst those railwaymen who have done us the favour of providing quick transit.

Petty Dealer—My business is to buy in the wholesale markets of large cities and travel mainly by rail to the rural areas to sell my wares. At first I pay my way legitimately, but when I come to know the ticket examining and checking staff of the various sections of the railway over which I travel, I find I can cut down on my overhead expenses by travelling without a ticket and not paying freight for the bundles of goods I carry to sell. With a little persuasion I can get the ticket staff in the trains and at stations to accept a lesser amount for their own pockets than the legitimate fare and freight. Obviously, no receipt is issued to me.

Used-Ticket Operator—I make dishonest living by reselling used railway tickets, but I confine my operations to the suburban areas of large cities. It is really quite simple provided I have a partner amongest the ticket collectors at one of the large railway termini. Here's how it is done. Suburban trains run every few minutes throughout the day pouring in passengers from the smaller suburban towns and villages into the city and taking them back again at the end of the day. All I have to do is to have my ticket collector partner keep aside a large number of collected tickets from stations within say an hour's journey, before these are punched and cancelled. These he passes over to me. I then board a local train back to the station from where the tickets were issued at say four to six annas each. I then move around in certain spots and before long I have resold my stock of

used tickets at a slightly lower rate. The buyers need have no fear as those tickets are valid throughout that day. By repeating this method two or three times a day, and operating at different stations to keep down suspicion, I can make quite a tidy income. But as I said before, the success of my type of business depends a lot upon the co-operation of a ticket collector to whom I must pay a certain percentage of my rake-off.

Chairman— Gentlemen, I am sure we all appreciate the candour and veracity with which each one of you have described some of the methods by which you corrupt railwaymen. Now, let us have in some of these Railwaymen and read out your evidence for their comments.

(A Station Master, Parcel Clerk, Guard and Ticket Collector enter and are seated. The Chairman reads out the evidence already offered and asks for any comments. The Station Master, being the senior railwayman present, acts as spokesman.)

Station Master—We confess that the evidence of the Members of the Committee is correct, and they have truthfully described some of the ways and means by which they tempt railwaymen to make uneasy money. Of course, there are so many other ways as well, not to mention corruption in high places, and the bribe-offering and bribe-taking within each railway system itself, of which the non-railway public has little or no knowledge......

Chairman- On the public sector side, the evidence shows that bribes are offered to railwaymen to secure some preferential treatment, or to cut down the cost of overhead expenses: in short, to try and increase the margin of profit, which appears to be a sound business axiom.

Public Members — (unanimously)—Well put, Mr. Chairman. After all, in the world of business we are always up against sharp practices and competitors who are not averse to use the weapon of bribery to increase their margin of profit.

Chairman—Well, Mr. Station Master, What is your motive, or should I say, the motive of the dishonest type of railwayman, for accepting what you so quaintly term as 'uneasy money.?

Station Master—The same as you businessmen. After all, what is the motive for your so-called 'increasing the margin of profit?' Just another way of saying 'increasing my personal bank balance.' Isn't that what we are all after? You as businessmen have more scope to amass wealth. As you increase your margin of profit by your shrewd and sharp business methods, you pile up wealth to an extent which we railwaymen can only think of in day-dreams Our only means of increasing our bank balance honestly is by putting away a pittance of three to five rupees a month from our salaries, and this can only be done by what was once popularly known as 'austerity' methods of living.

Chairman—Mr. Station Master, you would have made an excellent business man, but we are gathered here to explore ways and means by which we can put an end to offering and taking uneasy money. To my mind it is really quite simple. Those who offer the bribes should not offer henceforth, and those who take just should not take......

Members from the Public Sector—(With a note of concern). Agreed Mr. Chairman. the solution does seem so simple. But we can't wait for our wagons, or have our baskets of perishable market produce rotting on railway platforms, and after all if we can find some way of cutting down on our overheads, even if it is not strictly honest......

Station Master—Strictly honest! Ay, there's the crux of the whole matter, Gentlemen. There's no need for us to proceed further. The solution to the whole problem lies in those two words 'strictly honest.' When you businessmen and we railwaymen are whole-heartedly converted to that famous rule of personal conduct 'honesty is the best policy,' then and then only there will be no need to set up Committees to find ways and means to stamp out that obnoxious breed of Corrupters and the Corrupted. But, and that BUT is really an enormous BUT, as long as human beings are what they are......

(The Non-Official Committee for the Cleansing of the Corrupters of Railwaymen and Corrupted Railwaymen now voluntarily and unanimously decide to dissolve their Committee and expunge all evidence from the records.

— *A. H. Pearson.*

Subjects of Moment

House Rent Allowance—Employee residing in a house owned by his Father

A Government Servant, who is residing in a house owned by his father, may be treated as residing in his own house for the purpose of drawal of House Rent Allowance in accordance with the Railway Board's Memorandum of the 1st November 1947. In determining the quantum of House Rent Allowance on percentage basis, the rental value of accommodation actually occupied by the Government Servant as compared to that of the total accommodation of the House should be taken into consideration. Further, if the accommodation is shared by two or more brothers as well as the father, all of whom are Government servants, care should be taken to ensure that their claims for the drawal of the House Rent Allowance on the basis of the portion of the house occupied by each does not overlap one another.

Railway Board's No. E-(S) 55 CPC/AL/9 of 16-4-55.

* * *

Use of Railway Rest House by Members of the Regional Railway Users' Consultative Committee

The Railway Board have circularised all General Managers for information, the proposal to allow use of rest houses by members of the Regional Railway Users' Consultative Committees. The Railways have to state how far the grant of such a facility will affect the legitimate interests of the Railway Officers on duty.

Railway Board's No. 325-TG/55 dated 22nd April 1955.

* * *

Running Room Facilities

In connection with the provision of adequate running room facilities to running staff on Railways, the Administrations have been desired to consider the following points for action:

(1) Regular inspection by Officers.

(2) Replacement of old worn-out furniture and beddings.

(3) Provision of daily papers and magazines and in case of stations where a large number of running staff have to rest.

(4) Provision of at least one dressing table, and

(5 Provision of a separate ante-room properly furnished with easy chairs and tables.

Railway Board's No. E-55 RCI/49/3 dated 27-4-55.

* * *

Reduced Number of P. T. Os.

The Railway Board have reiterated their intention communicated in their letter of the 17th November 1953 that since January 1953, until further orders, only 3 sets of P. T. Os. per year may be granted per employee in Class III and IV service.

Vide Railway Board's No. 1000-TG/55/3 dated 20-4-55 to Central Railway.

* * *

Issue of Transfer Passes after six months

When necessity is felt in future for grant of passes on transfer account, beyond the prescribed time limit of six months from the date of transfer. President's sanction should be obtained by specific reference to the Railway Board explaining the circumstances warranting issue of such passes after the limitation period.

Vide Board's letter No. 1000-TG/53/4 dated 19-4-1955 to the General Manager, Eastern Railway.

* * *

Release of Technical Personnel to take up Jobs Elsewhere

The Board have decided that for the next few years permanent technical staff —both Gazetted and Non-Gazetted—serving on the Indian Railways will not be relieved to take up jobs elsewhere. In case of other permanent personnel both Gazetted and non-Gazetted—applications will not normally be forwarded, exceptions being made only under very special circumstances if fully justified in public interest. But any application so forwarded will be with the condition that in the event of selection for the post applied for, the employee will have to sever his connections with the Indian Railways,

Vide Board's letter No. E-54/AB-2/1/2 dated the 22nd April 55.

* * *

Eligibility of the Type of Quarters

The Board have decided that Dearness Pay should be taken into account as part of emoluments in order to determine the type of quarters to which an employee is entitled.

Vide Board's Letter No. 55/W/190/77 dated the 14th April 1955.

* * *

Dearness Pay for Transfer Grant

Dearness Pay should also count as pay for the purpose of calculating the amount of transfer grant admissible to Railway Servants under Railway Board's letter of the 23rd March 1955.

Vide Board's No. E(S) 54 DAI (7) dated 9-4-1955.

Note: Old cases should not be re-opened.

* * *

Cashing of Private Cheques of Railway Officers from Station Earnings

In view of the objection raised by the Ministry of Finance, Government of India, to the cashing of private cheques of Railway Officers, from station earnings, the Board have circularised all the Railways for copies of rules followed in this connection by each Railway along with the Administrations' views in consultation with the F. A. & C. A. Os. in justification of continuing the existing practice or restriction of its scope.

Vide Railway Board's letter No. F(X) I-54/CHQ/1 dated 22-4-1955.

* * *

Special Pay for Utilisation of Typists as Stenographers

The Board have decided that a special pay of Rs. 30 per month to Hindi/English typists utilised as Stenographers in cases where a full time Stenographer is not justified, but which is none the less necessary to make some arrangement in lieu of Stenographers. The Board further add that the criterion should not be *occasional* work in the sense that it is of infrequent occurrence, but work should be more or less of a *regular* nature, but dictation would not be so frequent or important as to justify a full time stenographer.

* * *

Subsidy to Co-operative Stores

An advance correction slip has been issued by the Railway Board, introducing the following sub-detailed head of account to record the payment of subsidy by the Railway to Railway Employees' (Consumers') Co-operative Stores :—

G-1935-Subsidy to Co-operative Stores.

* * *

Appropriation Accounts

The money limits for furnishing explanations for variations between the original and final grants, and final grants and actuals, have been increased as shown below :—

Grant or Appropriation	*Existing limits*	*New limits*
All grants and appropriations excluding grants Nos. 15, 16, 17 and 18.	5% or Rs. 1 00,000 whichever is less	5% or Rs. 5 lakhs whichever is less
Grant No. 15 Construction of new lines.	10% or Rs. 5 lakhs, whichever is less	10% or Rs.10 lakhs whichever is less
Grant No. 16 Open Line Works-Additions. Grant No. 17 Open Line Works-Replacements. Grant No. 18 Works-Development Fund	5% or Rs. 1 lakh whichever is less	10% or Rs.10 lakhs whichever is less

Para 609-G as amended, giving effect to the above alterations would read as under :

"If the aforesaid variations are not more than 5 per cent of the grant or appropriations or 5 lakhs, whichever is less, or, in the case of Grant No. 15—Construction of New Lines 16—Open Line Works, Additions 17—Replacements and 18—Development Fund, 10 per cent or 10 lakhs, whichever is less, no explanation is necessary. If, however, the net excess or saving under any sub-head falls within the aforesaid limits, but is made up of plus and minus variations exceeding those limits, the causes of such variations should also be mentioned."

This will be effective from the Appropriation Accounts for 1954-55.

* * *

Quarterly Progress Report and Financial Review for Works Costing Rs. 20 lakhs and over in new Constructions

At present, under para 1043-E, *separate* progress reports and financial reviews are required to be submitted to the Rly. Board. The Railway Board have now decided that the quarterly progress report and the financial review should be combined into one and that the revised report should show the progress based both on the physical progress as well as progress of expenditure, actual and anticipated, for each of the works costing Rs. 20 lakhs and over (and new constructions irrespective of any money limit). This quarterly progress report should invariably give the over-all percentage of the physical as well as financial progress, the date of commencement of the work and probable date of its completion. If very little progress has been made on any work during any quarter, reasons for the slow progress are required to be given, along with an indication of the steps that are being taken by the Railway Administration to expedite completion of the work. A proforma has also been furnished by the Railway Board.

The monthly progress reports for sanctioned works costing above Rs. 10 lakhs, which are now being submitted, to the Railway Board, will be discontinued in future. (This is not provided for in the Code, but was prescribed as a special return, for control of expenditure and progress of works by the Railway Board).

In regard to emergent works, however, special reports will have to be submitted at more frequent intervals.

* * *

Wagon Registration Fees

(1) *Receipt for Refund* :

It has been decided by the Railway Board that, as a receipt for the refund of wagon registration fee is without consideration, it would be exempt from payment of Stamp Duty in view of the exemption uuder article 53 of the Stamp Act.

(2) *Time Limit for Refund* :

The Railway Board have decided that the time limit for preferring claims for the refund of Wagon Registration Fee should be 3 years from the date of payment of Registration Fee.

* * *

Interest on Provident Fund of ex-State Railways" Staff

The Railway Board have decided that, on the accumulations in the Provident Fund account as on 1-4-1950 (the date of Federal Financial Integration) of each subscriber who was entitled to a Guaranteed/Fixed rate of interest under the respective State rules, interest should continue to be allowed at the same guaranteed or fixed rates in force then, but so far as the subscriptions and contributions made from 1-4-1950 are concerned, the current rates for Indian Government Railways Provident Fund as announced from time to time should be applied. In order to implement this decision, the Provident Fund account of each subscriber should be split up into two parts :—

(1) one part dealing with accumulations upto 1-4-1950 and interest accruing thereon at the guaranteed or fixed rate as the case may be ;

and (2) the other part to record subscriptions and contributions from 1-4-1950 onwards, earning interest at the current rates for Indian Government Railways Provident Fund from time to time.

This will of course, involve some extra work to the Provident Fund accounting sections of Railways because, in addition to the two categories now obtaining, viz., the interest-protected subscribers and others, this division within the same account of this particular category of employees (i.e., ex-State Railway Staff who have opted for the CPC scales of pay) will have to be maintained.

* * *

Powers of Re-appropriation

Re-appropriation of funds from one grant to another, is not permissible. Re-appropriation within the same grant is within the powers of the Railway Administration (G.M.), except in regard to certain items notified by the Railway Board every year in the Budget Order. The items so notified in the Budget Order for 1955-56 are as under :—

(i) to and from the lump sum provision for works costing not more than one lakh each.

(ii) to and from the provision for 'Track Renewals'.

(iii) to and from the provision under detailed heads "Passenger Amenities" and "Labour Welfare" in Grant No. 18.

(iv) to and from the provision under the special heads in Grant No. 5.

(v) to and from the provision for 'payments to other railways' in Grant No. 8.

(vi) to and from the provision for 'suspense' and 'subsidy on Grainshops' in Grant No. 9.

In the above cases, the re-appropriation requires Railway Board's prior sanction.

In regard to "Civil Grant No. 120—Loans and Advances by the Central Government—interest bearing advances" also, no re-appropriation is permissible from one sub-head to another. The sub-heads are :—

(i) Advances for the purchase of motor-cars.

(ii) Advances for the purchase of other conveyances.

(iii) Passage advances.

(iv) Loans to Branch Line Companies.

* * *

Increase in Assessed Pool Rent

It has been decided that the assessed pool rent of each class of quarters should be calculated at 6% on the capital cost and on the area basis. This is however subject to the operation of the 10% limit of the employees' emoluments.

For the present the above decision has to be applied to the Officers' Bungalows only. Reports and effects of implementation of these orders on the entire Railways are called for.

R. B. No. F (X) II-50/RN-1/3 dated 6-5-1955.

* * *

Employment of Women During Night Hours

The Railway Board have advised Railways that Women Staff should not as far as practicable be employed between 10 p.m. and 6 a.m.

R. B. No. E 54R-1-5 (L) dated 3rd May 1955.

* * *

Leave Etc., Reserve for Sub-Inspectors

It has been decided that a reserve should be provided in the rank of Sub-Inspectors, Grade II, equal to 15% of the total number of working posts of Inspectors and Sub-Inspectors to serve as Leave, Training, Casualty and Emergency Reserve. Only 10% of the reserve should be made permanent for the present.

R. B. No. E 55/PLI/12/3 dated 5-5-'55.

* * *

Promotion of Provisional by Substantive Class III Staff to Class II

The Board have decided that provisionally Substantive Class III employees can be appointed by G. M. to officiate in Class II Service (LGS).

R. B. No. E 52 PM/1-42 dated 13th May 1955.

* * *

Overtime Allowance to Shed Supervisory Staff

The Railway Board have asked for information from the General Manager, Northern Railway,

(1) whether there are any categories of supervisory staff such as chargemen who are in receipt of overtime at present,

(2) the authority for such payment

and (3) the administration's views regarding the need for its continuance.

R. B. No. E(s) 55 CPC/AL/14 dated 17-5-55.

(*Note*:—Possibly there may be similar cases in other Railways also. A review of such cases may profitably be made by the various Administrations to ensure uniformity of procedure on all Railways. —*Editor R.A.*)

* * *

Tenure Posts in Railway Board's Office

The Posts of Directors and Joint Directors in the Railway Board's Office are declared to be tenure posts for a period of four years.

Railway Board's No. E 50 CAI/2/4 dated 20-4-55.

* * *

Condemned Wagons used as Staff Quarters

The Board have decided that wagons should no more be used as quarters for accommodating staff and that steps should be taken to liquidate these as quickly as possible. Also that the practice of charging rent by certain railways from the staff for use of these condemned wagons should be stopped forthwith.

R. B. No. 55 W/169/18 dated 29th April 1955.

* * *

Passes for R. U. C. C. Members

The Board have advised the Railways that Members of the Railway Users' Consultative Committees are eligible for First Class Pass with a Servant in III Class from the nearest Railway Station to the Member's Town of residence to the place of meeting and back. They have to pay the difference in fares between First Class and Air Conditioned Accommodation when they travel by Air Conditioned Coaches.

R. B. No. 326 TG1/55 dated 30-4-1955.

* * *

Extra Pay to Running Staff for Working Specials

Running staff when utilised to work on President's or Prime Minister's Special train and on advance pilot trains to the President's or Prime Minister's Special train, should be paid one day's extra pay and half a day's extra pay respectively.

Railway Board's No. E (S) 55RS/3 dated 3rd May 1955.

* * *

Quarters for Grade II Asst. Surgeons

The Railway Board have decided that Assistant Surgeons, Grade II, who are appointed on the initial starting pay of Rs. 200 per month (pay for Medical Graduates) in the scale of Rs. 200—300 should be provided with type III quarters.

* * *

Rate of Interest to be Charged on Advances

The rate of interest to be charged on passage advances and advances for the purchase of motor cars and other conveyances granted to Government Servants from Central Revenues during the period from 1st April 1954 to 31st March 1955 has been finally fixed at 3¾% per annum. (The provisional rate previously notified by the Government of India was also the same).

R. B. No. F (E) 54/IT 2/(1) dated 14th May 1955.

* * *

Officiating Service of over Five Years

The Railway Board have decided that a Railway Servant who has been officiating in a higher post for five years or more should be treated as though confirmed in the higher post and be given Special Contribution to PF / Gratuity calculated on the last officiating pay in such higher officiating post, subject to certain conditions as under:

(i) The concession will be admissible to a Railway servant only if he had continuously officiated in the higher post during five complete years immediately before his retirement or death;

(ii) For the purpose of this concession, all kinds of leave taken during the last five years of service will be included in the five years period, if it is certified that the Railway servant would have continued to hold the higher post if he had not proceeded on leave; and

(iii) If while, officiating in a particular higher post he is appointed to officiate in a still higher officiating post or posts, it is certified that but for his appointment to a still higher officiating post or posts he would have officiated in the lower officiating post, the period of service in the still higher officiating post or posts would also count towards the five years limit in the lower officiating post.

Note:—(i) The orders contained in Board's letter No. F(E) 52/PF-8/1 dated 17-7-53 will also continue to be in force but Railway Servants who come within the scope of those orders as also the present orders will be paid their Special Contribution/Gratuity on the basis of the orders that give the larger amount.

(ii) These orders will also be applicable in the case of staff of the ex-Companies Railways who have retained the ex-Companies Provident Fund and Gratuity Rules.

(iii) These orders will take effect from the date of issue and remain in force for the time being upto 31-12-1957.

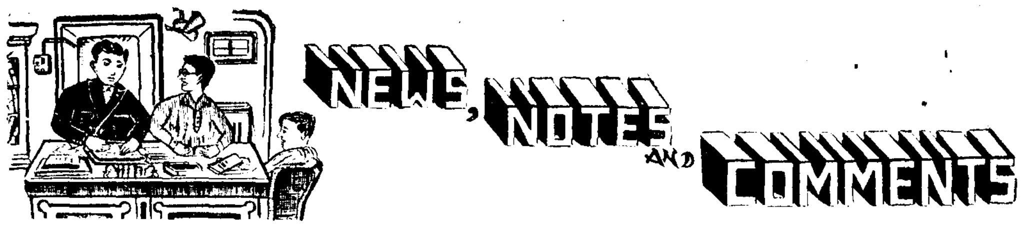
Railway Board's No. F (E) 55/PF-8 (2) dated 12th May 1955.

* * *

Renewals and Replacement Expenditure

Arising out of the question of the method of exhibition, in accounts of adjustments between the Consolidtaed Fund of India and the Public Accounts,

(*Continued on page 88*)



Audit in Central P. W. D.

The Government of India are setting up a new unit called the Surveyor of Works Organisation in Central Public Works Department in pursuance of Government's policy to introduce internal, concurrent and continuous audit in each spending department. This organisation will undertake planning of various projects, which at present is being done by the Superintending Engineers of the two planning circles in the C.P.W.D. These Circles will therefore get merged into the organisation and assist the Chief Engineer in all technical matters like designing of works, preparation and checking of estimates. They also draw up standard schedule of rates, fair wages and specifications etc., but do not conduct concurrent technical audit of the expenditure. The organisation will, in addition, be responsible for the drafting of contract documents with particular reference to rates and specifications checking of measurements and technical examination of a part of the Contractor's Bills before payment. It will also deal with legal and arbitration cases.

A similar proposal was mooted in 1917 and again examined by a Committee in 1948, but could not be proceeded with earlier because of financial stringency. In England, functions of Engineers and Quantity Surveyors were separated more than a 100 years ago.

* * *

River Valley Projects

The Government of India are deeply concerned with frequent upward revision of the estimates of major Hydro electric and Irrigation Projects in India. These increases in six projects, Bhakra Nangal, Hirakud, Damodar Valley, Khosi, Chambal and Rihand, cover 153 crores or about 46% on the original estimate of 324 crores. Some of the increase is due to modifications necessitated by increase in the scope of the project, but the main reason for enhancement has been a general lack of basic data relating to rates and important items of work of the projects. Increased cost of materials and devaluation of the rupee are also other causes of the increase in estimates. Government hope that the Committee which has been appointed by them to look into the matter would help materially the framing of estimates for future projects before sanction is accorded thereto.

* * *

(Continued from page 87)

regarding expenditure on various Reserves, the question of exhibiting Appropriation to Depreciation Reserve Fund in the Railway books has been considered by the Railway Board. It has been decided by the Board in consultation with the Comptroller and Auditor-General of India that Appropriations *to* Depreciation Reserve Fund should, in future, be exhibited under a separate minor head, instead of being exhibited along with the expenditure on Renewals and Replacements under the same main head as done at present. Accordingly, Appropriation *from* Revenue to Depreciation Reserve Fund should be booked under a new minor head "K—Appropriation to DRF" from 1st April 1955, while expenditure on Renewals and Replacements should continue to be booked under the main heads A-IV, B-IV, C-IV, D-IV, H-IV and J-IV.

[This removes the rather anamolous position in the existing method of exhibiting Appropriation to D.R.F. as well as replacements and renewals expenditure (Appropriation from Depreciation Reserve Fund) in the respective Revenue Abstracts. *—Ed. Rly. Acctt.*]

Indian Railway Coaches for Pakistan

It is understood that the Government of India has agreed to supply Pakistan on a *no profit* basis 28 broad gauge Railway passenger coaches and underframes with wheels for another 28 coaches. The coaches and underframes are to be delivered to the Pakistan Railway authorities at Attary shortly.

* * *

Chittaranjan Loco Workshops

In connection with the scheme of expansion of Chittaranjan Loco Workshops, where the target of production has been raised to 200 locomotives a year and more thereafter, the first phase of expansion of the shops has been sanctioned by the Government of India, on certain preliminary works like construction of additional staff quarters and procurement of building and structural materials

As, by a single shift the workshop has already been producing on an average 10 W. G. locomotives a month, the Railway Board have approved of the working of a second shift at the workshop for implementing the expansion programme.

* * *

Railway Equipment Showroom at Perambur

A showroom displaying exhibits of imported items of Railway Equipment was opened on 1st June under the joint auspices of the Southern Railway and the Integral Coach Factory, Perambur, at the foot of the overbridge near the Loco Works Station. The object of this showroom is to give an opportunity to manufacturers for extending their existing plans or setting up new industries in India for producing items of Railway equipment which are at present being imported. This showroom is open to the public from the 2nd June 1955 to 31st July between 8-30 A.M. and 6-30 P.M., excepting for an interval of 3 hours between 12-30 and 3-30 P.M. Attention of the readers in this connection is invited to pages 23 and 24 of the RAILWAY ACCOUNTANT for April 1955, publishing a questionnaire issued by the Railway Equipment Committee.

Mr. M. Bakthavatsalam, Minister for Industries and Commerce, Madras Government, while declaring the Exhibition open, stressed the need for attaining self-sufficiency in the matter of Railway Equipment by getting them manufactured in the country to enable a smooth pursuit of the Development programme.

A large gathering of businessmen and industrialists were present on the occasion.

Welcoming the gathering, the General Manager, Southern Railway, explained the broad aspects of the Exhibition and pointed out that many of the items on show had yet to be manufactured within the country, though in respect of a few of them manufactures already made in the country were insufficient to meet the needs of the Railways. This was the first of such showrooms to be opened in India, the others being set up later in Bombay, Calcutta and Delhi. The Exhibits related to several departments, like Loco, Carriage and Wagon, Signalling, Electrical Engineering etc.

Mr. G. B. Kotak, Chairman of the Railway Equipment Committee, who presided on the occasion, explained that Railways, under the 2nd Five Year Plan, have to construct about 1,15,000 wagons, 12,000 coaches and 6,000 locomotives, which would mean a tremendous amount of manufacturing capacity in the country. The Railway Equipment purchases were about 70 crores within the country and 25 crores from outside every year. Government's desire was that even this latter should be manufactured within the country. Mr. Kotak referred to the suggestion he had received to fix a uniform price for coal throughout the country in order to give equal opportunities to Industrialists everywhere.

While declaring the showroom open, Mr. Bakthavatsalam, said that it was a unique venture and coincided with the desire of the public to have the Railways extended everywhere within the country. Technical skill was not wanting in the country, but only a proper use had to be made thereof in order to attain self-sufficiency. One big feature of this Exhibition was that the Exhibits were those which were imported and not those manufactured in the country as in the case of normal Exhibitions. This Exhibition should therefore instil into the minds of the manufacturers and industrialists a desire to go ahead with the development of the industries of the country. This would of course be in addition to the development of the Railway Workshops.

Mr. K. Sadagopan, Chief Administrative Officer, Integral Coach Factory, while proposing the vote of thanks endorsed the appeal of the Chairman for increasing the output of steel in this country which was now in acute short supply, particularly in the direction of the specialised kind of steel that would be required for use in integral coaches. He also emphasised the need for the production of springs, tubes and rollers and ball bearings.

The visitors went through the Exhibition where multicoloured posters were illuminated showing the progress of the five year plan and electrification of the Southern Railway.

* * *

Remodelling of Rajahmundry Railway Station

The Railway Board has sanctioned a scheme for the remodelling of the Rajahmundry Station Yard on the Southern Railway at a cost of over Rs. 18 lakhs.

Rajahmundry is an important trading centre in Andhra State and its importance from the traffic point of view is likely to increase as a result of the greater economic activity under the 2nd five year plan.

The remodelling scheme covers laying of new lines inside the Yard, construction of two foot over bridges and new platforms and provision of amenities like Booking Offices, Parcel Offices, Waiting Halls etc. When completed, it will be able to deal with 2 or 3 passenger trains at the same time and the yard's holding capacity increased from 571 to 877 wagons at a time.

* * *

Annapoorna Dining Car Service

Annapoorna Dining Car Service has been reintroduced, with effect from the 15th May 1955, on the Madras Delhi Janatha Express Trains, Nos. 17 and 18 —once a week from each end—on Thursdays from Madras and Sundays from Delhi.

* * *

Safety Device on French Railways

Dr. Jean Broggiotti of Biaritz invented a screw for use by Dentists to ensure their patients' not losing their false teeth. When M. Robert Levy, Head of the Permanent Way Department of the French Railways saw one of these dental screws, he immediately declared that it was a sort of sleeper screw that would be able to lock the rails more tightly to the wooden sleepers. He accordingly ordered mass production of a scale model. French Railways have ordered 5 million of these screws to lock the rails.

* * *

An Important Scientific Invention

U. S. Scientists and Engineers have developed an "Inspection Tool" which can "see" through steel seven inches thick, thus making available another use of Atomic energy. This unit is named "Isocope" and uses Radio Active Cobalt 60. It requires only 1/3 exposure time of a million volt X-ray unit used for inspection purposes.

* * *

Reserpine—(A drug for Curing Mental Illness)

Dr. E. S. Foote, Dy. Medical Superintendent of a Dorchester Mental Hospital revealed that after the use of the drug (Reserpine) he found the most destructive patient being calmed down. This drug is derived from a root known and used in India from time immemorial and now highly valued by American Indians for curing mental illness.

The drug was tried on 32 other patients and a marked quietening effect was noticed.

It is hoped that an extensive trial of this drug will be made in the near future.

Owing to the restriction imposed by the Government of India on the export of the Indian Drug from which Reserpine was extracted by the United States, Australian Scientists of the Commonwealth and Industrial Research Organisation have discovered an alternative viz. the Bitter Bark Tree from which the drug could be produced.

* * *

Regional Railway Users Consultative Committee, Trichy Region Southern Railway

In the meeting held at Madura on the 19th May 1955, several suggestions were discussed in regard to running of diesel coaches between Tambaram and Chingleput J., running of additional trains from Pondicherry to Villupuram and vice versa, extra facilities at certain stations and so on. It also desired provision of sleeping accommodation for third class passengers between Madras and Madurai by the Tirunelveli—Madras Express.

Defects in Electric fans and lighting in 3rd Class compartments on certain trains were also discussed as also measures for eradicating beggar nuisance in passenger trains. The Administration promised to look into these complaints.

(*Note:*—A correspondent of "The Hindu" has also prominently brought to Notice the absence of cleaning of third class carriages en route and the failing of electric fans and current without any adequate attention en route on long distance trains. It is expected that the Administration would surely look into these things and prevent recurrence of such cases. —*Editor, Rly. Acctt.*)

* * *

Overcrowding on Railway Trains

There is a constant complaint of overcrowding on Indian Railways and the inadequacy of the steps taken by the Railway Ministry in this connection. The Administration, no doubt, has explained its own defects and promised remedy in due course. In this connection it is well worth noting that in London, underground trains in spite of running at intervals of nearly a minute and a half and with over 7500 trains a day are still unable to avoid overcrowding. The problem of overcrowding therefore is not so simple as what a layman thinks.

* * *

Piece Work System

Two years ago, the Government of India decided to abandon the piece rate system of employment in Docks and introduced the time-rate system for Dock Workers. At once, having been assured of their income, the workers did not bother about their output; and consequetly, their efficiency has suffered of late by about 30%. Many of the Shipping Concerns from Foreign Countries complained that their cargo was unnecessarily held up at the ports, and that therefore they had to combat the loss thereby by levying a surcharge on freight rates on goods imported into India with effect from the 1st June 1955. The Government has, therefore, been seriously considering the situation thus caused and a Committee under the Chairmanship of Shri S. S. Vasist was appointed by the Transport Ministry, three months ago to consider the position,

1232

Mr. R. N. Mehr (who is Adjudicator in the dispute between the workers and the Port Trust of Bombay), is also dealing with the problem. The Shipping Companies who have been addressed to stay their hands until the Government is in a position to reach a decision in about four or five months, have agreed accordingly.

It is, however, interesting to note that since the announcement of the Shipping Companies to levy a surcharge, labour in Calcutta has been very active and their daily output is on the increase. The possibility of the Vasist Committee recommending the reintroduction of the piece-rate system seems to have induced the workers to increase their output, presumably to justify the continuance of the present time-rate system. It is felt in all quarters that only strong action on the part of the Government can remedy the situation. It is felt that Labour Leaders while emphasising the rights of the workers should also occasionally draw their attention to their corresponding duties and responsibilities. The output in Britain by workers on duty is always satisfactory while in India the workers do not put forward their best and maintain reasonable standards of efficiency. Further developments will have to be watched carefully.

Note: What has been stated above in respect of Dock Workers applies to a very great extent to the subordinate ministerial staff in the various Government Offices, including Railways. It is possible perhaps to have some sort of standard output fixed and insist upon it from the staff in return for the heavy salaries that are being paid to them. It is common knowledge that many of the staff spend time intended for official work on items which generally relate not to Office, but to either private or quasi-private work like Grainshops, Bank, or Society, or Canteen etc., not to speak of the time that is spent freely without compunction on chatting, smoking etc. There is an immediate need for a thorough Job-analysis everywhere and especially where additional staff is requisitioned.

Editor, Ry. Acctt.

* * *

The Railway Equipment Committee

The Railway Equipment Committee commenced its two day session in Madras on the 25th May 1955 and met Representatives of Engineering concerns, who explained to the Committee the plans for increasing the capacity of their concerns and promised to submit detailed plans after studying the exhiblits in the Railway Equipment Showroom at Perambur, after its opening on 1st June 1955. The Committee recorded evidence of Representatives of Chambers of Commerce in Madras. The Chambers referred to the acute shortage of steel and other raw materials such as pig iron in the country. They also mentioned about the railway transport difficulty and wanted special consideration for Transport of raw materials and finished products in connection with Railway work. The Committee toured Coimbatore and Bangalore and returned to Madras on 1st June 1955.

While at Coimbatore, the Committee explained to the Representatives of Indian Chambers of Commerce and the South Indian Engineering Manufacturing Association that the Government of India was keen on locating idle capacity in the Engineering Industry if any of them was willing to consider expansion of the existing units or setting up of new units with a view to achieving self-sufficiency in respect of all types of Railway Equipments. The Chairman requested the Industrialists of Coimbatore to adopt new kinds of manufacture and thus assist in the early achievement of the Government's desire for self sufficiency. The Chairman further explained that out of the 1500 crores set apart for Railways in the Second Five Year Plan, nearly 300 crores will be earmarked for equipment alone.

Iron sleepers which were being wholly imported at present was one of the items towards which manufacturers could divert their attention. Cast iron sleepers could be cast in or about Coimbatore area and supplied to the Railways, particularly Southern Railway where lead was so short.

* * *

Supply of Steel Inadequate

A spokesman of the Railway Equipment Committee, after conclusion of its sittings in Madras, informed Pressmen that the Committee had submitted an interim report to the Railway Ministry pointing out that shortage of steel was proving to be a handicap for the engineering firms, engaged in the fabrication of railway equipment. The Committee has urged the Railway Ministry to make necessary arrangements for the import of steel so that these engineering firms may be supplied with adequate quantity of steel to enable them to proceed with the manufacture and fabrication of railway equipment.

The Committee has already visited Bombay, Madras, Coimbatore, Bangalore and other places. It is expected to reassemble at Calcutta and continue its enquiry during the middle of July and later visit Uttar Pradesh, Madhya Pradesh and the Punjab before finalising its report.

* * *

Per Capita in U. S. A.

The per capita income in the United States—i.e. the total income of the country divided up for every man, woman and child—amounted to $ 1709 or Rs. 8,117 in 1953, the latest year for which statistics are available. This represented a gain of almost four per cent over 1952 and 19% over 1950. It is also the highest per capita income ever recorded in the United States so far.

[Similar figures for India would be very helpful in carefully watching the economic prosperity of the country. The Government of India expects at least a 25% increase in income for an Indian by the end of the Second Five-Year Plan: a modest aim indeed.

Editor, Ry. Acctt.]

* * *

Study Circle's 'at home' Party to Passed Candidates

On the 14th May 1955, a party was arranged by the Southern Railway Finance and Study Circle to meet the staff who had passed in the S.A.S. (Railways) Examination of 1954.

Mr. Balakrishnan, Vice - President, congratulated the staff of the Southern Railway, who had passed and gave a few words of advice as to how they should conduct themselves thereafter, as it was necessary for them to apply practically the knowledge that they had acquired in the course of their study for the examination.

Mr. L. V. Gopalan, who was present by invitation, spoke a few words to them in regard to the methods of study that should be adopted with a view to their being of practical use not merely for the examination but in their official career as well.

Mr. Venkateswara Rao, replied on behalf of the guests thanking the hosts for the opportunity given to them for meeting each other.

Mr G. Pitchumani, I. T. A., Southern Railway also spoke a few words on "Examination and its usefulness".

* * *

Passenger Amenities on Railways

In a broadcast from the Delhi Station of All India Radio on the 1st June 1955, the Minister for Railways detailed the various schemes that had been or were already undertaken in respect of amenities for passengers on the Indian Railways. Among these are the following:

1. Vestibuled Janatha Trains in which passengers can walk from one end of the train to the other, to be introduced within the next few months.

2. Re-designing of dining cars on more utilitarian lines, with cheap standard menus to suit regional tastes.

3. Mobile Cinema vans to exhibit selected documentary films by rotation

at important stations through the country in order to "usefully fill the time of passengers waiting for trains and at the same time to give them a visual idea of what is going on in this great country of ours", through printed literature and loud speaker announcements.

Regarding overcrowding, he said that in spite of very great measures having been taken to increase the carrying capacity both by addition of coaches and addition of trains, there was much more to be done; but necessarily this would take a long time as priority would also have to be accorded for the movement of goods traffic.

The Minister assured that the Passenger Amenity Works would never be allowed to be stopped for lack of funds. But the difficulties were the non-availability of adequate physical resources like steel, construction materials etc.

* * *

Parliamentary Committees

Two Committees for functioning during 1955-56 have been formed as under:

ESTIMATES COMMITTEE

Members elected from *Lok Sabha*:

Shris Balvantray Gopaljee Mehta, T. Madiah Gowda, Amarnath Vidyalankar, Lalit Narayan Mishra, M. R. Krishna, R. Venkataraman, Dr. Ram Subhag Singh, Shris Raghavendrarao Srinivasarao Diwan, Nageshwar Prasad Sinha, Satis Chandra Samanta, Col. B.H. Zaidi, Shris Rohanlal Chaturvedi, Venkatesh Narayan Tivary, Govind Hari Deshpande, B. L. Chandak, Srimati B. Khongmen, Shris Jethalal Harikrishna Joshi, B. S. Murthy, K. S. Raghavachari, C. R. Chowdary, V. P. Nayar, Bhavani Singh, P. N, Rajabhoj, Vishnu Ghanashyam Deshpande and P. Subba Rao.

PUBLIC ACCOUNTS COMMITTEE

Members elected from *Lok Sabha*:

Shris U. Srinivasa Malliah, Kamal Kumar Basu, V. V. Giri, Ramananda Das, Awadeshwar Prasad Sinha, Srimati Ammu Swaminathan, Shris S. V. Ramaswamy, K. G. Deshmukh, Balwant Sinha Mehta, C. D. Pande, Diwan Chand Sharma, Y. Gadilingana Gowd, Uma Charan Patnaik, Boovaraghaswamy and Dr. Indubhai B. Amin.

Members elected from the *Rajya Sabha*:

Shrimathi Violet Alva, Shris Diwan Chaman Lall, Ram Prasad Tamta, P. S. Rajagopal Naidu, Mohammad Valiulla, V. K. Dhage and B. C. Ghose.

The above Committees enter on their duties from 30-6-1955.

* * *

Over - Capitalisation

The element of over-capitalisation included in the total capital-at-charge of about Rs. 900 crores of Indian Government Railways is estimated by the Railway Board at Rs. 100 crores, on which dividend is payable by the Railways to the General Revenues at the rate of interest charged to Commercial Departments, (i.e., less than 4% which is the rate of dividend payable to General Revenues.

The element of over-capitalisation has been arrived at, presumably taking into account the book values of the intangible or non-existent assets—balances arising under various circumstances such as in connection with the purchase of railway lines owned and/or worked by Companies etc., in the old regime—held in the Capital Account of the Railways. We would have preferred a write-off of such intangible expenditure from the capital account, in accordance with sound commercial practice, in instalments, as the amount is large. But as we had suggested on a previous occasion, necessary adjustments in the capital structure may be made by appreciating certain other assets, the present value of which is much above their book value, and writing off the intangible expenditure.

[*Please see page 89 of the Railway Accountant, July 1954 issue.*
Ed., Ry. Acctt.]

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Ticket Issuing Machine for Howrah

In order to save much time of rush for tickets, the Eastern Railway authorities have decided to instal at Howrah Station, a ticket *printing and issuing* machine, known as six-way Mini-Printer for third class single journey adult tickets from Howrah to six nearby stations as an experimental measure. The electrically operated device will be in operation for a period of fourteen days from the 7th of June.

(*Note.* We have no doubt that the experiment will be a thorough success and it is only a question of ascertaining how far the investment can be financially justified. That it is an operating improvement goes without question. *Editor, Railway Accountant*)

* * *

Scientific Advancement in India

Sir Alfred Egerton, a leading British Scientist told his audience at London recently that India held the key to man's destiny. He said that 'during the five years following Independence, 12 laboratories were completed, equipped and established. 328 research schemes were financed, 207 Indian patents and 21 foreign patents were filed and over a 1000 research papers were communicated. The creation of a chain of laboratories in so short a time and the organisation it has involved is a fine achievement, Sir Alfred added. "It has provided the young Indian Scientist with the means to show his mettle. I have faith in India's young Scientists and technologists that with initiative and integrity, patience and persistence they will be able to fulfil their trust."

He added that research in engineering subjects had not made much headway in India.

* * *

Railways in the Second Five-year Plan

The Second Five Year Plan of the Indian Railways may involve a total outlay of Rs. 1,480 crores according to present indications.

The estimated expenditure is more than three-and-a-half times the provision made for the Railways in the first Plan. viz., 400 crores, which may actually become 418 crores.

The target expenditure of Rs. 1,480 crores for the Second Plan is based on the assumption that the Railways will be expected to carry 50 per cent more goods traffic at the end of the Plan than at the end of the first Plan. This increased traffic is expected to flow from the higher targets of industrial, agricultural and other productions, which will be laid down in the Second Plan. An increase in passenger movement during this period is also envisaged.

If this estimate of Railway expenditure is finally accepted by the Planning Commission, the Railways will be spending on an average in the neighbourhood of Rs. 8,000,000, every day of the Plan period.

About one third of the entire outlay in the Railways' Second Plan is expected to be swallowed by the expenditure on the procurement of new locomotives, goods wagons and passenger amenities. The final draft of the Plan is likely to call for the maximum effort for the production of as much of the rolling stock needs as possible within the country itself. Recommendations of the Railway Equipment Committee, which is now functioning, are likely to materially help in this direction. Informed circles, however, believe that imports of rolling stock on a substantial scale are inevitable, if the country's economy is not to be let down as a result of an inadequate transport system.

The Second Plan of the Railways is also likely to provide for heavy expenditure on items like construction of new railway lines, renewal of track, electrification of more sections of the Railway systems and safety works. The provision for passenger amenities is expected to be in the neighbourhood of Rs. 15,000,000.

* * *

S. A. S. (Railways) Examination 1954

The list of marks of the candidates who failed in the above Examination has not yet been received and consequently it is expected that many of those who wish to appear again for the coming Examination in 1955 are handicapped as to their selection of the groups. It should be made a regular feature that these marks should be published not later than a week of the publication of the passed list.

Several of the candidates who had appeared for App. II Examination held in February and March 1955 were also contemplating to appear for App. III to be held in November 1955. In the absence of the publication of the results of the App. II Examination they have been prevented from giving their names without knowing that they have passed in App. II. It is needless to emphasise that the results of these examinations should be arranged to be anrouned within eight to ten weeks of the Examination.

[*Note* : We learn that the list was received on the 10th June. *Ed., R. A.*]

* * *

Railway Surveys

The preliminary Survey for a 43-mile BG line between Satna and Govindgarh via. Rewa on the Central Railway in Vindhya Pradesh has been sanctioned by the Railway Board. Rewa, the Capital of Vindhya Pradesh, is at present about 32 miles from the nearest Railway Station viz., Satna on the Allahabad-Bombay line. There has been very heavy traffic between these two places for very many years. After the location of the capital at Rewa, the City has grown in importance and the present Bus Service catering to the needs is found to be far too inadequate.

* * *

Calendar Reform

This subject, which has been dealt with on previous occasions in this Journal, was the subject of a lecture by Prof. A. D. Ross, Secretary, Pan-Asian Ocean Science Congress, Australia, on the 12th May 1955 at the Central Leather Research Institute, Guindy. Prof. Ross stated that the need for having new time table every year on the Railways, Factories and the like could be avoided by the proposed reformed calendar. He hoped that in view of the opposition of many nations to this reform, there might still be some possibility of a rationalised consideration of the matter.

On the 16th May 1955, "UNESCO" decided to postpone, until next year, consideration of the Indian plan to change the world calendar. This was as a result of nearly fifty Governments not having sent their comments to the Council. The Government of South Africa has stated that it was unable to support the proposal due to the opposition from the Principal Religious Bodies in the Union.

From the point of view of Railways, the proposed calendar would be of immense help for purposes of comparative statistics, and in effecting economies in other directions as well, like printing calendars, etc.

The final decision in the matter will therefore be watched with great interest.

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The Committee appointed by the Council of Scientific and Industrial Research in 1952 with Prof. M. N. Saha, as Chairman, is understood to circulate shortly recommendations to the State Governments for their information on a new Reformed Calendar for All India use from next year, commencing with March 21, 1956 as the New Year's day.

The Committee has prepared a reformed calendar for five years (from 1954–55 to 1958–59). The leap year system has been introduced in the proposed National Calendar and the Saka Era adopted as the National Era of India. The Committee said this era is used in all existing calendars, of which there are about 30, either primarily or secondarily, and all the astronomical treatises have used it for the last 1500 years.

The Committee has suggested that the day following the Vernal Equinox day, that is, March 22, be observed as such in all States as the New Year's day. The present names of months — Chaitra, Baisakh etc.,—have been retained and a fixed number of days allotted to each month. The reformed National Calandar will be based on the length of the tropical year, which is 365.2322 days, instead of the Surya Siddhanta year of 365.2587 days as now.

The Committee says that the length of the Surya Siddhanta year is greater than that of the year of the seasons by 24 minutes and this error has accumulated to about 23 days during the last 1400 years. The result is that the New Year's day which used to fall on the day following the sun's crossing the Vernal Equinox has been pushed back by 23 days. The Committee has adjusted this error by starting the year from the month of Chaitra instead of Bishak and making the eighth day of Chaitra, the first of Chaitra, the new year day.

The seasons will, it has also been suggested, be permanently fixed in relation to the reformed calendar, for example, the rainy season will begin on the first of Ashad.

The Committee has laid down, a uniform procedure for the calculation of dates of religious festivals, which now differ widely in different parts of India.

* * *

Rail Bridge over Brahmaputra—10 crores Scheme

It is proposed to have a rail-cum-road bridge over the Brahmaputra river under the Second Five Year Plan at an estimated cost of Rs. 10 crores. This was disclosed by Shri O. V. Alagesan, Union Deputy Minister for Transport and Railways recently.

* * *

Cost of Manufacture of Locomotives

Anent the para on "Cost of manufacture of Locomotives" appearing in our "Notes and Comments" on page 332 of THE RAILWAY ACCOUNTANT for March 1955, the Deputy Financial Adviser and Chief Accounts Officer, Chittaranjan Loco Works, writes as under.

"Certain remarks have been made regarding the cost of manufacture of locomotives under 'Notes & Comments' (page 332) in the issue of your "Railway Accountant" of March 1955 which seem to call for some comments. It is necessary that there should be no misapprehension on this account and that the position should be understood clearly. We have not been able to get a copy of the May 1954 issue of your Journal in which it appears, the "Development Expenditure" of C. L. W. has been discussed, but your present remarks on the cost of the manufacture of locomotives seem to stand on their own.

"2. In the first instance it is not correct to say that the Chittaranjan Locomotive Workshops are selling the locomotives they manufacture at less than the cost of the imported ones. The price at which WG locomotives which are under manufacture at Chittaranjan is being issued to the Indian Railways was fixed at a high level and this represented the landed cost of a WG Locomotive at that time.

"3. Accountants should, again, be aware of the difference between the price of an article and its cost. It would be impossible to price commodities at each and every occasion at their current cost of manufacture. It would also be obvious that for a manufacturing concern like the C. L. Works, which have started the other day, the cost of manufacture initially would be higher than when production has fully stabilised. It is not unusual for a new industry to market its products at a reasonable price which may be below the cost of manufacture. Otherwise, the industry may find it difficult to enter into the market at any time.

"4. The locomotives which have been manufactured here are being issued to the Indian Railways and their costs are to be charged against Capital or Depreciation Fund Programme. These programmes are finalised well ahead of the year of execution and if the prices of the locomotives were to be fixed in relation to the actual cost of production, large fluctuations in the programme of the open Line Railways would result. This is an aspect which has been omitted in your appreciation altogether.

"5. Whatever be the cost of production at Chittaranjan—whether it is below or above the landed cost of an imported unit—it is absolutely incorrect to say that the Government of India in the Ministry of Railways or the Parliament are not aware of the full facts of the case. Chittaranjan is entirely a Government concern, and the suggestion contained in your 'Notes' that the Government or the Parliament are not aware of the full facts of the position requires to be strongly protested against.

"6. We should be much obliged if the position is cleared up immediately for the benefit of all concerned......"

Re. para (2) of Dy. F. A. & C. A. O. (CLW)'s note above, it may be stated that the first sentence of our Notes at page 332 on this subject, is based on a Press Report which has not been contradicted so far. We however, appreciate the elucidation of the position as now furnished, but there are some misstatements in the elucidation which require to be corrected. Firstly, it was never stated in the Notes and Comments that the Government (Ministry of Railways) were not aware of the full facts. We have only mentioned that the loss will have to be detailed and suitably explained to the Parliament, and not the Ministry of Railways. Though it is now stated that the Parliament is aware of the facts, the manner in which the Parliament has been or is being advised has not been indicated.

The reference to the Rolling Stock Programme being finalised well ahead of the year of manufacture is beside the point, because the programme is only an estimate, while the debits for the supply will be based on actuals unless the provision in the Programme is based on a *firm* quotation by the Chittaranjan Loco Works (accepted as a concluded contract by the Railway Board. In the case of supplies from other sources (Manufacturers in Europe etc.), the difference between the actual cost and that provided in the programme is explained suitably in the Appropriation Accounts, and there is no reason why the same procedure should not be followed in the case of supplies by Chittaranjan Loco Works also, if the intention is that the Chittaranjan Works should be treated as a separate entity in the role of an independent manufacturer for supply of locomotives to Railways.

An extract of the article on "Development Expenditure in Railway Manufacturing Workshops" in the "Railway Accountant" of May 1954 referred to by the Dy. F. A. & C. A. O., Chittaranjan Loco Works, has since been sent to him for information.

[Appendix XXI of the Tenth Report on Appropriation Accounts (Railways) etc., of the Public Accounts Committee (1953-54) Vol. II, contains a memorandum on "Costing of the locomotives manufactured in the Chittaranjan Locomotive Workshop vis-a-vis by the Telco," but this does not touch on the points referred to by us in our Notes. *Editor, R. A.*]

WHAT OTHERS THINK OF US :

"I have all along been appreciating your Journal for affording great help in the preparation for examination. This is now keenly felt when we have to co-ordinate theory with practice....."

V. R. Halve, Jhansi. 2—6—'55.

Readers' Forum

Item 35 of the Revised Appendix VII-G embodying the Schedule of Powers of General Managers of Indian Railways provides that the previous sanction of higher authority is necessary

"to allowances or fees to private persons *for* donations to private bodies including Railway Institutes, Railway Funds, Hospitals and Schools in excess of the scales or maximum limits laid down by the Railway Board".

This wording has been carried forward from the corresponding previous Schedules—Appendix X-G. The word "for" italicised above, should presumably read "or", and this is confirmed by the fact that in a much earlier issue of the Schedule, the word "or" appeared and its substitution by the word "for" is probably accidental and not intentional. The Railway Board may perhaps consider the issue of necessary correction slip to this item to clearly bring out the intention.

AN OMISSION

At the end of column 1 of page 64 of the Issue for May 1955, insert "M. Krishna Rao, Khargpur".

Personnel

Shri P. C. Bhattacharyya, Financial Commissioner for Railways proceeded on two months' leave from 1-6-1955.

Shri N. C. Deb, Director, Finance (Expenditure) is appointed to Officiate as Financial Commissioner for Railways.

Shri D. P. Mathur, Director, Finance (Accounts) Railway Board, has been appointed Senior Dy. General Manager, Central Railway, Bombay.

Sri C. T. Venugopal, Senior Deputy General Manager, North Eastern Railway, Gorakhpur, has been transferred to the Railway Board, in place of Shri D. P. Mathur and appointed as Director, Finance (Expenditure).

Shri D. U. Rao, Jt. Director, Finance (Budget) is promoted as Director Finance (Accounts).

Shri S. L. Saxena, Director, Railway Equipment, has been transferred as Director, Mechanical Engineering, Railway Board, in place of Mr. P. Morris, retired.

Shri H. D. Singh, Controller of Stores, Chittaranjan Loco Works, has been posted as Director, Railway Equipment, Railway Board.

Shri A. Sahul Hamid is now Deputy Chief Accounts Officer (Traffic Accounts) Southern Railway, Madras.

Sri K. Uthamanathan, Officiating Asst. Accounts Officer, R. A. O.'s Office, Tiruchirapalli, has been transferred to the R. A. O.'s Office, Madras, from 6-5-1955.

Sri K. S. Rajagopalan, Officiating Asst. Accounts Officer, R. A. O.'s Office, Madras, has been transferred to R.A.O.'s Office, Tiruchirapalli, where he reported for duty on 9-5-1955.

Sri K. Sankaran, Officiating Asst. Accounts Officer, R. A. O.'s Office, Madras, has been granted sixty days' leave on average pay from the 16th May 1955.

Shri P. H. Sethu Rao, Officiating Senior Accountant, R. A. O.'s Office, Mysore, has been recalled from leave and promoted to Officiate as Asst. Accounts Officer and posted to Madras from 16th May 1955.

STUDENTS' CORNER

Bills

A Bill has been defined as a document through which a claim is preferred. Such claims may be those either payable by the Railway or recoverable by the Railway. Normally, a person who has to recover has to prefer his claim setting out various data, establishing his claim for the amount mentioned therein, in consideration of services rendered or supplies made to the other party, against whom the claim is made. In big organisations, however, this aspect is not carried out and the claim may be made by somebody on behalf of the Creditor who signs the Bill in token of the correctness of the information furnished therein. For instance on the Railways, a Bill is prepared by the Engineering Department on behalf of a Contractor for work executed by him, basing the claim on the information recorded in the Measurement Book, which is a Railway Record. At the time of taking measurements by the Railway authorities, the contractor is present and accepts the accuracy of the measurements recorded in the Measurement Book. When the bill is subsequently prepared on this basis, he accepts the correctness thereof by signing the Bill which thereafter is treated as the Contractor's Bill. Similarly in the case of wages, instead of the individuals who rendered services in various capacities claiming amounts due to them individually, a Bill is prepared collectively for a group of such employees or for the establishment, on the basis of records maintained in such Office, showing the period of service, absences, rate of pay and allowances permissible, deductions to be made, etc. etc. Such a Bill is signed by the Head of the Office who for the purpose becomes the Representative of the Group or the establishment which is included in the Bill and he has to certify that the facts upon which they are based are all correct. In the case of supplies, however, bills have to be prepared by supplying firms or the vendors and supported by the authorities who ordered for such supplies and who certify the correct receipt of such supplies, before the claim can be accepted. So much for bills payable by the Railways.

In the case of amounts due to the Railways also, Bills have to be prepared by the Railway Department showing their claims against persons or Departments concerned, furnishing full details as to the basis upon which such claims are made. For instance, when Railway land is leased to another Department or to an outsider, Bills have to be sent to the Lessees for their acceptance and arranging for payment.

It will thus be seen that all claims have to be initiated through Bills whether for payment by the Railway or recovery by the Railway. This is an essential condition, and reasons therefor are not far to seek. Since all claims against the Ry. are to be preaudited, before payment can be effected and since such pre-audit is centralised in the Accounts Office, claims have to be sent to the Accounts Office, by the various Departmental Offices or the various firms or others, so that necessary record may be kept for watching whether the claim is a proper charge against the Railway and whether it is substantiated by full consideration and also to ensure the proper Recording of all such accepted claims in such a way that there is no possibility of allowing a second claim on the same account at a future date. Preferring a Bill also ensures authenticity of the claim and in a way also ensures promptness in liquidation.

A. S. (RAILWAYS) EXAMINATION 1954

STATION ACCOUNTS

(With Books)

(Tariffs may be allowed)

Question 1 carries 25 marks. All other questions carry 15 marks each. Candidates are to answer SIX questions in all. Of these question 1 is compulsory.

1. Prepare a Station Balance Sheet from the following details:

		Rs.
(i)	Value of Time Tables sold	30
(ii)	Parcels Outward Paid, Local	505
	Parcels Outward Paid, Foreign	300
(iii)	Parcels Inward Paid, Local	150
	Parcels Inward Paid, Foreign	106
(iv)	Parcels Outward To Pay, Local	400
	Parcels Outward To Pay, Foreign	100
(v)	Parcels Inward To Pay, Local	200
	Parcels Inward To Pay, Foreign	172
(vi)	Refund on Station Pay Orders	50
(vii)	Amount of fare collected on Passenger Tickets:—	
	Local	12,056
	Foreign	9,352
(viii)	Platform Tickets	135
(xi)	Luggage Traffic	480
(x)	Freight charges for consignments transferred to LPO:—	
	(a) Original freight	300
	(b) Freight accrued on booking to LPO	50
(xi)	Error sheets received in the month	750
(xii)	Error sheets not received and shown in last Advice of Internal Check on hand	170
(xiii)	Amount of Warrants and Credit Notes	3,000
(xiv)	Outstanding at the end of the month	
	Parcels not to hand	100
	Parcels on hand 'Paid'	500
	Parcels on hand 'To Pay'	600
	Error sheets	135
	Imprest cash	100
(xv)	Freight of consignments diverted to other stations	50
(xvi)	Opening balance	3,000
(xvii)	Cash remitted constitutes the balance after taking into account all the above items.	

2. Calculate wharfage and demurrage charges in the following cases:

(i) Twenty bales of cotton piecegoods were received on the 7th at 15 hours and were delivered at 14 hours on the 10th (9th was a Sunday).

(ii) Four wagons of lime (carrying capacity 17 tons) were received at 16 hours on the 11th, placed in position for unloading at 10 hours on the 12th, but were actually released after unloading only on the 16th at 14 hours. Consignments unloaded were removed by the consignee on the 18th instant at 11 hours (15th was a Sunday).

(iii) A parcel weighing 2 mds. 8 srs. received at 10 hours on the 14th instant, was taken delivery of, on the 17th instant at 11 hours. 12th was a Bank holiday.

3. What checks are exercised by the Accounts offices in regard to Station Outstandings? What duties devolve on them in regard to bringing matters to the notice of the Commercial Authorities? What do the rules provide for expeditious clearance of different categories of Station Outstandings?

4. Explain in detail the method of apportionment on foreign traffic. In what respects is it an impovement on and simplification of the previous procedure?

5. Are railways materials charged any freight? What was the position in 1951-52 and 1952-53? What is the present position?

6. What are the items under 'TA Suspense' for the clearance of which the Accounts office is responsible? What sort of transactions finds place therein and what detailed review thereof, will you lay down for expeditious clearance of the items?

(To be Continued)

Special Intimation to Subscribers

It is a matter of some importance to note that the usefulness of the Journal has been voluntarily accepted by many of the past readers and subscribers, who have been communicating their views individually. Addition of new subscribers, though at a slow rate, is ample testimony of the above views. But 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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