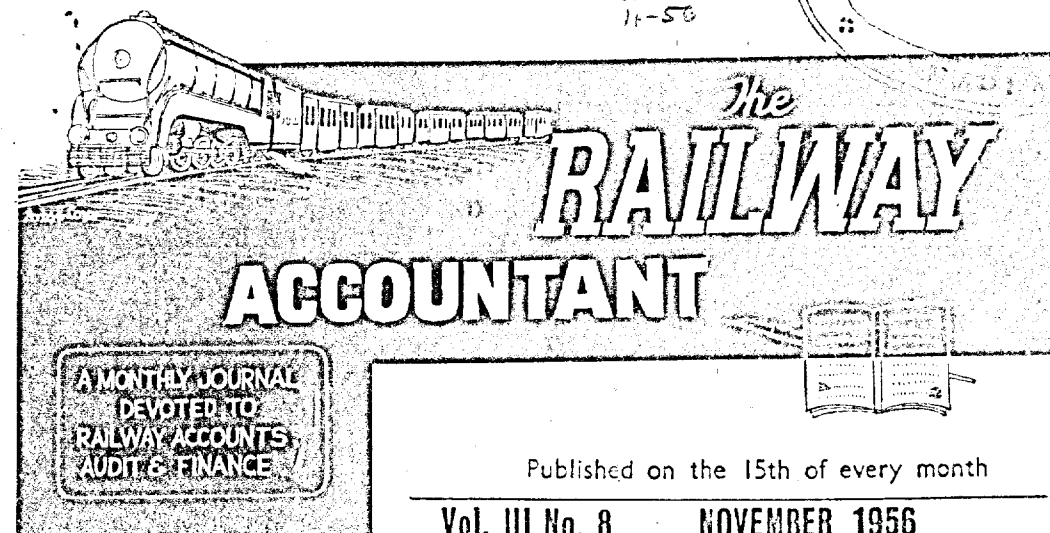
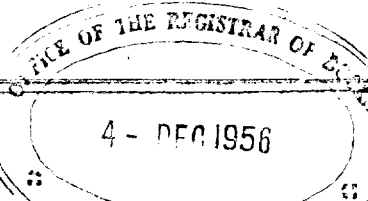


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NOVEMBER 1956

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(WITH A SUPPLEMENT)

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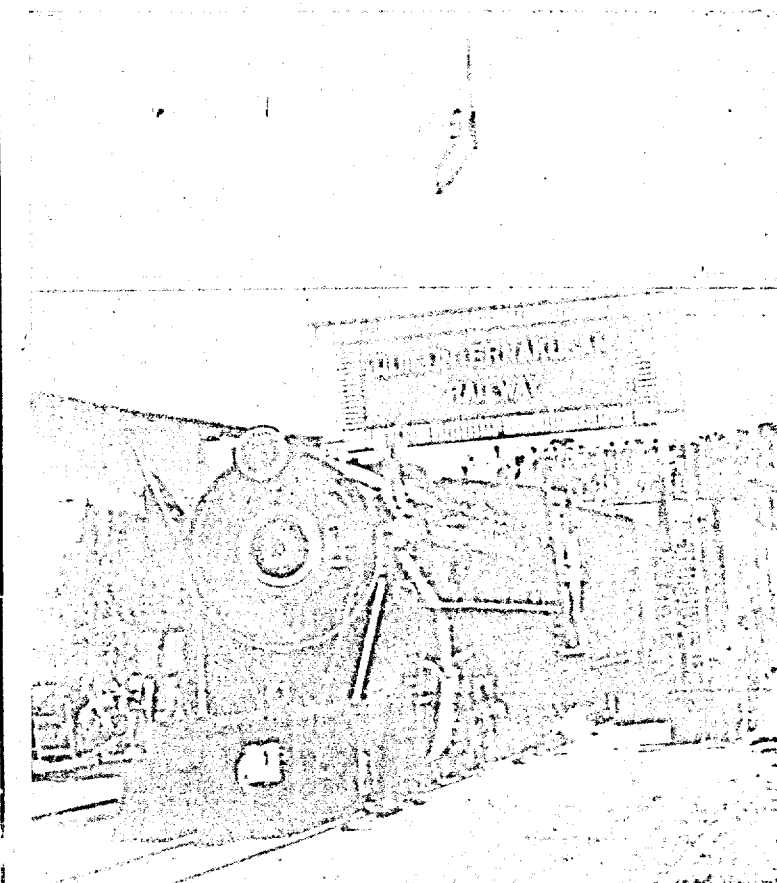


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Manuscripts and photographs, if any, sent therewith, if not accepted for publication, will be returned only if the sender so desires and encloses the usual stamped and self-addressed envelope.

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THE FOLLOWING JOURNALS AND MAGAZINES HAVE BEEN RECEIVED SINCE THE LAST ISSUE:—

EASTERN RY. MAGAZINE	—	S. RY. ACCOUNTS SOCIETY BULLETIN	—
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WESTERN RAILWAY MAGAZINE	—	ACCOUNTANTS' JOURNAL, NEW ZEALAND	Sep. '56
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CENTRAL RAILWAY MAGAZINE	Oct. '56	TAX RELIEF BULLETIN	—
CENTRAL RAILWAY NEWSLETTER	Oct. '56		
INDIAN RAILWAYS	Nov. '56		



Vol. III

NOVEMBER 1956

No. 8

Railway Development

It is in the fitness of things that a strong team of Railway and Financial Experts from the Government of India has been deputed to meet the World Bank authorities and press upon them the necessity and justification for financial assistance by way of loan from the World Bank, for the development programme of the Indian Railways in the Second Five Year Plan. Whatever may be said of the other parts of the Second Five Year Plan, there is no doubt that the provision of Rs. 1,125 crores for the Railways in the Plan is not only absolutely essential but also the barest minimum required for providing the necessary facilities for dealing with the increased rail transport anticipated in the Second Five Year Plan period. Indeed, if the other parts of the Plan for the industrial and other developments, such as steel plants, oil refineries, manufacturing units of various types etc., are to be successfully carried through, it is imperative that necessary transport facilities both for the raw materials, and for the finished products, should be available in time, so that the projects may be constructed and put into commission according to the time schedule. There is no gain-saying the fact that the Indian Railways have, particularly during the last three or four years, shown themselves outstanding in regard to efficiency of operation. The record of Railway operation during 1955-56 has broken all previous records, even the highest reached in the War years, under almost every standard of test for judging the efficiency of performance, such as wagon miles per wagon day, net ton miles per engine hour etc. In the current year, with the drive and enthusiasm of Mr. K. B. Mathur, Member, Transportation, Railway Board, even the record of 1955-56 is bound to be surpassed and new standards set. For instance, wagon detentions in marshalling and goods yards constitute a great bottleneck for the quick movement of traffic and, unless detentions are reduced considerably, not only will the quick movement of traffic be retarded resulting in delays in the receipt of the goods at destinations where they are required by industries etc., for essential purposes, but the best utilisation of the existing number of wagons is rendered difficult. The reduction of the wagon detentions would, therefore, for one thing, enable a larger amount of traffic being dealt with, with the same number of wagons, having a greater turn round. It is gratifying to note in this connection that, with this end in view, the Railway Board have issued instructions to Railway Administrations to depute Senior Transportation Officers to large marshalling yards and goods yards where there are severe

bottlenecks at present, and personally examine the conditions and review each process of operation continuously from hour to hour,—and improve the method of working or remove the slackness that may exist, so that the wagons are not detained longer than absolutely necessary for the operation. The Railway Board have not been content with instructing the Zonal Administrations to do this, but the Members of the Railway Board themselves have personally visited some of the more congested marshalling yards and put into immediate effect remedial measures. For instance, Mr. K. B. Mathur, Member, Transportation, and Mr. J. Dayal, Financial Commissioner, it would appear, personally inspected the conditions obtaining in Moghulsarai yard, which is perhaps the largest and hardest worked yard (particularly for coal wagons), in India, and as a result of their examination and review of the conditions, the intake of the wagons in the yard has been increased considerably, and the wagon detention at this particular yard has also been brought down. We can confidently hope that this will be followed by similar results in other shunting, marshalling and goods yards also.

The American experts Messrs. Sanderson and Porter who made a preliminary investigation of the Indian Railways' working, must, we are sure, be convinced of the efficiency of the Indian Railways, having regard to the facilities provided here.

The Railway Finances in general are on a sound footing, and the operating ratio is also reasonable, comparing favourably with that obtaining in many other advanced countries of the West. The 4% dividend to the General Revenues is being paid without any arrear and a balance is also left for contribution to the Development Fund etc. Contribution to the Depreciation Reserve Fund has also been increased to Rs 45 crores per annum. In fact, out of the Rs. 1125 crores provided for Railways in the Second Five Year Plan, 20% of the Plan provision or Rs. 225 crores is met by the Railways themselves by using up the annual contribution to Depreciation Reserve Fund (Rs. 225 crores for 5 years). If we take into account the dividend paid to the General Revenues also, as the amount available for use for the Railway Plan, the amount to be provided from the General funds or loans, would be still less (about Rs. 700 crores).

Even the British Railways have launched their modernisation plan amounting to £. 1200 million and if the Railways require modernisation even in such an advanced country as Great Britain, need it be said that the justification and necessity for modernisation of the Indian Railways is not the less?

It may quite confidently be hoped that the mission of the Railway and Financial Experts headed by Mr. P. C. Bhattacharyya, who combines in himself the experience both of regular general finance of the Government of India and also specialised knowledge of Railway finance and Railway matters generally (as he was for some time Financial Commissioner of Railways), will be successful and the delegates will return from the World Bank with flying colours.

There is, however, one aspect of the matter which requires to be given proper consideration at this stage. It is absolutely essential that the physical targets contemplated in the Railway Plan should be fully achieved in the period. But, if, as appears to be evident, the prices rise, and no efforts are made to arrest these, the physical targets for the Plan amount of Rs. 1125 crores are bound to be reduced—which certainly is not a desirable event to contemplate. It would, therefore, be

[Continued on Page 231]

Individual Costing of Locomotive Repairs: Some Considerations

BY YASH PAL PURI, M.A., J.D., A.C.W.A. (LONDON); GRAD. I.I.A. (LONDON),
Member of the National Association of Cost Accountants (New York).

I. BOILER ACCOUNTING.

The time taken to repair a boiler generally exceeds that of the rest of locomotive and therefore, to avoid idle time, a locomotive received for repairs in the workshop has often to be fitted with another new or reconditioned boiler, while the boiler taken off from it is repaired in due course and is transferred to stock for a future exchange. In order to meet this contingency of boiler "exchanges," the Railway Workshops have been authorised to maintain a stock of spare boilers under the Capital head V-Rolling Stock, for each type of locomotive in use, upto 7% of the total authorised stock.

2. The boiler exchanges and treatment of spare boilers as items of rolling stock, however, pose a very intriguing question in those workshops where the practice is to cost repairs to locomotives individually, which is, should the repair cost charged to the repair account of the locomotive be that of the boiler released or that of the boiler now *actually fitted* to the locomotive?

3. There is no uniformity of practice in Railway Workshops at present in this regard and the same may be attributed to the following inherent anomalies in adopting either of the above procedures:-

(i) When the cost of repairing the boiler *actually fitted* is charged to the locomotive repair account, no debit goes to this account in respect of boiler where a new boiler is fitted to the locomotive in lieu of the one taken off from it, and

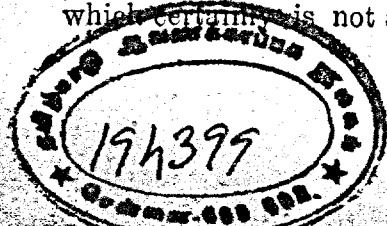
(ii) When the cost of repairing the *released* boiler is charged to the locomotive repair account, no debit goes to this account where the released boiler is not repaired but instead is cut up as unserviceable.

Both of these situations are obviously unrealistic and the preference of the Workshops for one or the other procedure, is therefore more or less a matter of predilection.

4. It may be added here that a boiler has a "life" of only 20 years as against 40 years of a locomotive and as such the latter wears out two boilers, on the average, in its life time. The cases of brand new boilers being fitted to old locomotives, or old boilers being cut up, are, therefore, not infrequent in Railway Workshops.

5. There is yet another question which deserves consideration. A boiler removed from a locomotive has not only undergone wear and tear which has to be made good by repairs, but has also suffered a wastage of life which will be ultimately made good by renewals. It is only logical that this wastage of life should be reflected in our repair cost accounts. We actually express such "depreciation" in our repair accounts in so far as other loco parts are concerned; for instance when we return the worn out parts to Stores at scrap rates and draw new/repaired parts instead, the ultimate effect of the same is a debit to the repair account in regard to the wastage of life of the worn out parts returned. Such a treatment is possible in their case as the new/repaired duplicates form part of Stores stock (Capital IX). Spare boilers, on the other hand, are classified as part of capital equipment (Rolling Stock) and as such their wastage is provided for separately through the provision for "Depreciation" and is not reflected directly in the repair account.

6. Now, there does not appear to be much justification for classifying the



spare boilers as items of capital equipment (Rolling Stock). A boiler, though a costly thing, is still no more than an "expendible" component of a locomotive and as such should be placed on the same footing as the other locomotive duplicates i.e. spare boilers should be treated as part of Stores Suspense, Capital IX. Once that is done, the repairable boilers can be returned to Stores at a fair valuation by credit to the locomotive repair account and a new reconditioned boiler drawn from Stores in lieu thereof. This arrangement would make locomotive repair costs more realistic and steer us clear of the anomalies of the existing procedures. The accounting adjustments in regard to the repairable boilers (excluding fire boxes) removed from locomotives can then be made in the following manner.

7. Calculations showing the "un-repaired value" of boiler (excluding fire-box) released from locomotive No.

	Miles
(a) Average life mileage (say)	6,00,000
(b) Total mileage run (say)	1,20,000
(c) Unexpired life mileage (a-b)	4,80,000
	Rs.
(d) Present day new value (say)	83,000
(e) Scrap value (say)	3,000
(f) Loss during life (d-e)	80,000
(g) Residual life value $\frac{(f \times c)}{a}$	64,000
(h) Less cost of repairs (estimated)*	5,000
(i) Net residual value (g-h)	59,000
(j) Add scrap value (e)	3,000
(k) Unrepaired value (i+j)	62,000

*Estimate of Repairs.

	Rs.
Labour	1,000
Material	1,800
Overheads	2,500
Less scrap returned.	300
	5,000

Separate calculations will be necessary in regard to fire-boxes, as their "life" is only about half that of the boiler. These calculations, however, will be on the same line as for boilers.

8. Assuming now, for the sake of illustration, that the "unrepaired value" of the corresponding fire-box is Rs. 30,800/- while the "repaired value" of the same is Rs. 44,800/- (c.f. Exhibit I), the repair account of the locomotive from which the boiler was released, would be afforded credit at the "un-repaired value" of Rs. 92,800/- (i.e. unrepaired value of the boiler, Rs. 62,000/- plus unrepaired value of fire-box, Rs. 30,800/-) and the boiler including firebox, after having been reconditioned, would stand under Stores stock at Rs. 1,11,800/- i.e. unrepaired value (Rs. 92,800/-) plus cost of repairs (Rs. 5,000/- for boiler plus Rs. 14,000/- for firebox).

Should the actual cost of repairs differ from that used in arriving at the unrepaired value, necessary adjustments would be made against the locomotive from which the boiler was recovered.

9. For the purpose of the foregoing calculations, a boiler may be taken to represent the barrel, casing, roof stays, longitudinal stays, foundations and fire-hole rings and smoke-box tube plate, while the "fire-box" will represent the copper wrapper, tube and doorplates and stays.

Boilers will be transferred to and from stock unmounted and untubed and the cost of maintaining mountings and tubes will be charged direct to the individual locomotives.

10. A *proforma* has been suggested in Exhibit I to incorporate the calculations in regard to "repaired" and "unrepaired" values of boilers and fire-boxes.

EXHIBIT I

BOILER EXCHANGE SHEET

Boiler No. 182 Class W.P. off Engine No. 3182 W.P.

Date put to stock 30-11-55 And replaced by S.H.W.P. Class Blr. No. 187 off Eng. No. 3187 W.P.

Date New		Age		Date Replaced	Date Repaired	Boiler stock order	Appropriated		Date Broken up	Date Cr. by stores
Boiler	Fire-box	Boiler	Fire-box				Date	En-gine No.		
Oct. 1952	Oct. 1952	Y.M. 3-1	Y.M. 3-1		5-1-56	1632 D/ 3-12-55	5-1-56	3192 W.P.		

Issued to Boiler stock order No. 1632 D/ 3-12-55.

				Repaired Value	
				Boiler	Fire box
				Rs.	Rs.
Wages	...	...		1,000 0	3,000 0
Overheads	...	...		2,500 0	7,500 0
Material	...	...		1,800 0	6,000 0
Cr. Scrap	...	...		300 0	2,500 0
Total Repairs*	...	...		5,000 0	14,000 0
Unrepaired value**	...	...		62,000 0	30,800 0
Repaired value				67,000 0	44,800 0

**Unrepaired value

		Boiler	Fire box
(a) Average life mileage	...	6,00,000 miles	3,00,000 miles
(b) Total mileage run	...	1,20,000 "	1,20,000 "
(c) Unexpired life mileage (a-b)	...	4,80,000 "	1,80,000 "
		Rs.	Rs.
(d) Present day value new	...	83,000	64,000
(e) Scrap value	...	3,000	16,000
(f) Loss during life (d-e)	...	80,000	48,000
(g) Residual life value $\left(\frac{f \times c}{a}\right)$	...	64,000	28,800
(h) Less Cost of repairs (as at above)*	...	5,000	14,000
(i) Net Residual value (g-h)	...	59,000	14,800
(j) Add scrap value	...	3,000	16,000
(k) Unrepaired value (i+j)	...	62,000	30,800

II. BOILER STOCK

11. Mention has already been made of the fact that in order to accelerate locomotive repairs, the Railway workshops have been authorised to maintain spare boilers for each type of locomotives in use up to 7% of the total authorised stock. But is 7% the right figure or is it inadequate or excessive? A scientific assessment appears to be necessary, for the average cost of a boiler is about a lakh of rupees and boilers in excess of requirements mean locking up of capital on which 4% per annum becomes payable to the General Revenues as "dividend."

12. Perhaps, the provision of 7% is a little on the high side. A recent survey of boiler "exchanges" occurring in a major Locomotive workshop from April

'55 to March '56 revealed the following position:—

- (i) No. of Locomotives allotted to the workshop for repairs 505
(These 505 locos fall into 14 "classes.")
- (ii) No. of spare boilers stocked 39
- (iii) Boilers actually exchanged:
 - (a) April, May, June & Dec. 1955 7
 - (b) September & October '55 4
 - (c) November '55 & March '56 5
 - (d) February '56 6
 - (e) August '56 8
 - (f) July '55 9
 - (g) January '56 3
- (iv) No. of locos which after heavy repairs went out during the year 1955-56 with original boilers 31

13. It is fairly obvious in view of the foregoing facts, that the stock of 39 spare boilers is a little excessive with reference to the actual boiler exchanges which ranged between 3 in Jan. '56 to 9 in July '55.

14. Now, each Locomotive workshop has in force its own Schedule of heavy and light repairs to locomotives and boilers. As per a "typical" Schedule, a locomotive needs 30 days for a periodical overhaul and 20 days for an Intermediate overhaul while a boiler needs 42 days for Extra Heavy Repairs, 34 days for Heavy Repairs, 28 days for Intermediate Repairs and 19 days for Light Repairs. An efficient workshop should not take more than 18 to 20 days for the repair of a locomotive, but taking into consideration even the "typical" Schedules given above, the "economic stock of spare boilers" for a workshop, can be determined with a fair accuracy after making due provision for emergencies and taking into account the fact that certain types of boilers can be fitted on more than one

'class' of locomotives, while certain other types of boilers viz, W.P.; W.G., W.D. etc. are mostly repaired on the engine frame itself and do not need frequent "exchanges." Ordinarily, the requirements should be equal to the difference between time (in terms of months) taken to repair a boiler and a locomotive, multiplied by the average number of engines repaired during the month plus provision for emergencies etc.

15. A self explanatory *proforma* for determining the requirements of boilers in a workshop, on the lines indicated above has been given in Exhibit II. Having regard to the facts that there are at present more than 8,000 locos on the line (for the repair of which spare boilers have to be provided) and a lot many more locos will be acquired during the Second Five Year Plan, the assessment of "economic stock of spare boilers" as suggested in the *proforma* may ultimately result in a Saving of a couple of crores of rupees to the railways.

[Continued from Page 226]

necessary to devise a machinery by which the prices including the cost of labour and contract works, are kept down at reasonable levels and prevented from soaring up. The prices of foodstuffs can be kept at a reasonable level only by action on the part of the State Governments and the appropriate Ministries of the Central Government; unless this is done, the wages for casual labour and contract labour are bound to rise and an increase in wages on account of rise in the price of foodstuffs and other necessities of life, cannot be resisted. The spiral of prices chasing wages and wages chasing prices should not be allowed to occur. On the part of the Railway, there are at least two methods by which the rising prices and contract costs can be arrested. In the first place, in view of the large man-power available in the country, works may be undertaken departmentally, with proper supervision, which will, if not anything else provide a warning to the contractors that the Railway will not be at the mercy of the contractors for carrying out the works. This by itself may bring down the rates of the contractors who may not prefer to be out of the business. Secondly, to some extent, the pace of development work involving engagement of contractors may be slowed down and the funds utilised for the purpose of purchase of other essential equipment which has not registered any unreasonable rise in prices.

EXHIBIT II

Proforma

for determining the

Economic Stock of Spare Boilers

1	2	3	4	5	6	7
Class of Boilers	Class of engines on which boilers shown in col. (1) are capable of being used	No. of engines the workshop is responsible for repairing (under each class)	No. of engines not to be reboilered (engines on breaking up list)	Time taken to repair an engine (average) Days	Time taken to repair a boiler (average) Days	Difference between time taken to repair a boiler and engine col. (6)—col. (5) (in terms of months)
W. P.	W. P.	100 W. P's.	2	30	42	$\frac{1}{2}$ month Approx :
8	9	10			11	
Average No. of engines heavily repaired in a month (excluding engines of which boilers in any case would be repaired on frames of engines)		Normal Requirements of Boilers Col (7) x Col (8) (a)	Adjustments to col. (9) to meet seasonal requirements			ECONOMIC STOCK OF SPARE BOILERS Cols (9+10)
Seasonal (highest) (b)	Normal (a)		Exceptional Demands (seasonal) col. (7) x col. (8a—8b)	Other Causes (including emergencies)	Total	
6	8	3	1	1	2	5
12		13	14	15	16	17
Stock of spare & surplus boilers on hand		Additional spare boilers required col (11)—col (12)	No. of excess stock col (12)—col (11)	Boilers to be broken up during the year	Ultimate excess or shortage	Remarks
New & S. H. on hand	Surplus boilers to be recovered from engines to be broken up during the year (estimate with reference to col. 4)					
7	2	9	—	4	1	3
						Excess

Towards Greater Co-ordination of TransportBY K. B. MATHUR, *Member, Transportation, Railway Board*

Shri Mathur, in this article, makes a series of constructive suggestions on how the road services can supplement the effort of the railways in the important task of "delivering the nation's goods" during the second Plan period. Giving the break-up of the allocation of Rs. 1125 crores made to the Railways during the second Plan period, Shri Mathur explains how the "uncovered" gap in transport capacity can be made good.

What should be the respective role of the various means of transport in India and what should be their relative priorities for development during the second Plan period? This is a question frequently posed, but it has so far not received a clear-cut answer.

It is my desire in this article to examine the question of transport co-ordination in the light of the country's needs specifically during the second Five Year Plan period.

For an objective appraisal of this problem, it is inescapably necessary to take into account the nature and volume of the goods traffic which is likely to develop during the Plan period, and the areas between which it will move.

TRANSPORT OF COAL, STEEL, CEMENT, FOOD

The major portion of the additional traffic will relate to coal and steel, which will move in bulk from centres of production to all parts of the country. Rail transport is undeniably cheaper and better suited than any other form of transport for the movement of goods in bulk. It has, therefore, been assumed that a major portion of this traffic, amounting to about 38 million tons, will move by rail.

This does not take into account nearly five million tons of coal which will be consumed partly locally and partly carried by road over short distances or by river. About a million tons

or so may be carried over the Durgapur canal. As even in this case coal has to be carried by rail from the pitshead to the canal jetties, the relief to the railways is greatly nullified, because much of the "wagon-time" is wasted in terminal services. Road transport would obviously be a better substitute for this traffic but it is questionable whether it would pay road operators to carry it.

The case of coastal shipping is similar. Where the ultimate destination of coal carried by sea lies in the interior of the country, the railways hardly receive any relief. They have to carry coal first from the pitshead to the Calcutta port and then again from the terminal port to the destination in the interior. Also, it has to be realised that terminal delays to wagons are much greater at the ports than elsewhere.

Another material factor is that sea freight for coal is roughly twice the railway freight, and road charges are likely to be even higher.

Considering all these factors, it is difficult to visualise how any appreciable relief to the railways can result from the movement of coal or steel by any other means of transport.

Next in importance after coal and steel is cement and foodgrains traffic. The additional cement production originally estimated was five million tons, but this has subsequently been revised to about eight million tons. Food production is now estimated to increase by about 30 per cent or by 19 million tons, out of which at least one-third or 6 million tons will require transport.

Besides these commodities, there will be numerous other developments. The latest indications are that the target for piece-goods will be revised. The export drive is also being intensified. Some adjustment for "repeat" movement is also

necessary, as it is common experience that goods, after being carried to the stockist or wholesaler move to the retailer and again to the ultimate consumer.

TOTAL ADDITIONAL TRAFFIC

Incidentally, these considerations point to a substantial increase in the original target of 60.8 million tons of additional transport, which may now well increase to 75 to 80 million tons by the end of the Plan period.

As against this, on present calculations the Railway Plan provides for an additional movement of only 47 million tons. These calculations take into account an approximate improvement of 10 to 15 per cent in operational efficiency, and also allow for a likely increase of 10 to 20 per cent in the average lead of traffic, an inevitable sequel to extensive development.

A concerted endeavour is being made to achieve even greater improvement in operational efficiency, but it is difficult to assess the measure of success that will attend this effort.

WHERE ROAD SERVICES CAN HELP

It goes without saying that the development of other means of transport must be proceeded with. But while doing so, certain limitations have to be borne in mind in so far as the second Five Year Plan is concerned.

A primary consideration is that the railways must not become a burden to the general exchequer. Consequently, the railways should not be deprived of a fair share of high-rated traffic, for otherwise the rail freight for industrial raw products may have to be enhanced substantially. Also, the country cannot afford the duplication of transport services.

It follows logically that road services should be developed as ancillary to the railways and should work in co-ordination with them.

Within this framework, there is vast scope for the road services. For instance, if the general goods traffic by rail increases by 30 to 35 million tons, road hauliers will be required to cater to the correspondingly increased terminal services. The bullock cart has been our mainstay as a feeder service, but with emphasis on increased agricultural output more and more bullocks will be withdrawn from the road to the field, leaving the road services to fill the gap. Then, again, with the vast constructional activity going on in the country, large quantities of goods will have to be carried by road. The volume of this traffic must steadily grow. There will also be several areas which are not touched by rail or where rail transport may be deficient, and all these will fall in the natural sphere of road services.

There is, in these directions, rich scope for the development of road transport, as a service supplementing the effort of the railways.

In the larger interests of the country, this development must be well regulated. For instance, on sections where there is already a heavy movement of empty wagons (e.g., from the ports, in the opposite direction, or on trunk routes, towards the coalfields) development of road transport would amount to unnecessary duplication. A strong machinery is needed, in my opinion, to ensure that road services are pressed into service only where they are really needed.

HELP IN PASSENGER TRANSPORTATION

The second Five Year Plan makes provision for only 15 per cent additional passenger traffic during the five-year period. No provision has been made for the removal of overcrowding. The extent of overcrowding varies on different sections, but on an average it is 16 per cent on B.G. and 30 per cent on M.G. Some trains, however, in both cases, are overcrowded to the extent of 50 to 100 per cent.

With an anticipated 5 per cent per annum increase in national income, the prospects of large scale employment and the consequent inevitable drift of population from the rural to the urban areas, an increase of 3 to 4 per cent per annum in passenger traffic is inevitable. The provision made in the Plan, therefore, hardly touches the fringe of the problem; moreover, no margin is left for tackling the problem of overcrowding.

It is clear, therefore that passenger transportation is a field in which road services can play a more important role than they are doing at present.

LIMITED ROAD VEHICLE PRODUCTION

Those who may be thinking in terms of road services as substitutes for the railways for the purpose of covering the unprovided for gap in the transport capacity during the Plan period, may pause to consider as to what the country's capacity for the manufacture of road vehicles is.

The annual target production laid down by the last year of the second Plan is 45,000 vehicles. Rehabilitation requirements alone are likely to be of the order of 20,000 to 25,000 vehicles. These should obviously receive priority. The balance of the additional capacity production must, therefore, condition the quantum of increased traffic which road transport can cater to, for obviously the country can ill-afford to budget for substantial additional foreign currency for the import of road vehicles from abroad.

ROLE OF COASTAL SHIPPING

In regard to coastal shipping, the exact nature and volume of traffic which can be conveniently and economically carried by sea will be better known only when the Rail-Sea Co-ordination Committee's report is out. It is clear, however, that its development is essential from the national point of view.

The pace of development, however, is governed by the availability of ships and the foreign exchange that can be allotted for their purchase. It would appear from a recent Press Note that it has been decided to acquire 24 ships during the Plan period. Some of these will presumably be diverted to international routes, which are more paying and where they are more in demand. Substantial relief to the railways from shipping, therefore, seems problematical during the second Plan period.

DISTRIBUTION OF RAILWAY PLAN FUNDS

It has sometimes been argued that even the reduced allocation of Rs. 1,125 crores to the railways is on the side of excess. This point deserves to be examined with some care.

The table below gives an idea of how the allocation of Rs. 1,125 crores is proposed to be utilised :

No.	Item	Provision (Rs. in crores)
1.	Rolling Stock	380
2.	Workshops, Plant & machinery	65
3.	Track renewals	100
4.	Bridge works	
	Rehabilitation (18)	33
	Ganga Bridge (9)	
	New bridges (6)	
5.	Line capacity works including expansion of goods sheds	186
6.	Signalling and safety works	25
7.	Electrification	80
8.	New constructions	66
9.	Staff welfare and staff quarters	50
10.	Stores depots	7
11.	Training schools	3
12.	Railway users' amenities	15

13. Other projects including Vizagapatam Port	15
14. Railways' share in road transport undertakings	10
15. Stores suspense	50
16. Extra for imported steel	40
Total	1,125

I will try and give a broad analysis of the main items of expenditure to show how much of it is purely for rehabilitation purposes, and how much for real development.

ANALYSIS OF PLAN EXPENDITURE

The provision of Rs. 380 crores for rolling stock includes Rs. 197 crores for rehabilitation and Rs. 183 crores for additional requirements. Obviously, if the railways are to continue to maintain their existing services, the replacement of unserviceable rolling stock cannot be avoided. Even the provision of Rs. 183 crores for additional requirements includes Rs. 43 crores needed for additional passenger traffic, leaving only Rs. 140 crores for goods traffic.

Nor can track renewal and bridge rehabilitation, which are estimated to cost Rs. 118 crores, be put off.

The expenditure under workshops, plant and machinery is part of a co-ordinated plan to ensure self-sufficiency of stores for which so far we have been dependent upon imports and also to provide an adequate capacity for repair of the additional rolling stock that will be acquired. Railway workshops are so designed that, should the need arise, they can be pressed into service for any national emergency. They are also a training ground for technicians. They are, thus, not only an essential ancillary

to the modernisation of the railways but also a national asset with vast potentialities.

The Ganga Bridge is already under construction. The new bridges provided in the second Plan include a bridge across the Brahmaputra between Pandu and Amingaon, another bridge over the Jamuna between Ghaziabad and Delhi, and doubling of the bridge between Hajipur and Sonepur. These are works of considerable strategic importance, apart from their importance to the railways.

The provision of Rs. 25 crores for signalling and safety works includes Rs. 5 crores purely for safety works, and about Rs. 6 to Rs. 7 crores for rehabilitation, leaving about Rs. 13 crores for the signalling of new lines and yards and for modernisation which is necessary to help in improving sectional capacity.

A major item is electrification, for which Rs. 80 crores have been allotted. This includes Rs. 35 crores for the electrification of the Calcutta suburban services which have reached the saturation point with steam traction. It is well-known that the suburban services in this area are seriously overcrowded during peak hours in spite of a fairly well-developed bus service. The volume of traffic continues to grow and it cannot be catered to without electrification, which will also help to ease congestion in Calcutta and develop its distant suburbs.

The balance of Rs. 45 crores is required to extend electrification on the Eastern Railway beyond the suburban area to Gomoh, where an intensive train service and the availability of electric power from the Damodar Valley Corporation are conducive to greater efficiency and economy in transport.

Also included for electrification is the Igatpuri-Bhusawal section which has reached saturation with steam traction. It is extremely important that this link

to the Bombay area should have an adequate capacity to cater to its growing needs.

The whole question of electrification is at present under review in the light of the report recently submitted by the French Railway Mission.

Of the new lines provided for in the Plan, it is interesting to note that those required in connection with coal and steel alone will cost Rs. 61 crores, leaving the small balance of Rs. 5 crores for other lines.

Items 9 to 16 in the table above hardly need any explanation as their necessity is self-evident.

WHAT ANALYSIS SHOWS

The above analysis of the provision of Rs. 1,125 crores for the railways has been attempted to separate expenditure on rehabilitation from that on development. Under the latter head we have additional rolling stock for passenger and goods traffic costing Rs. 183 crores, line capacity works including expansion of goods sheds costing Rs. 186 crores, and signalling improvements costing about Rs. 4 crores.

Among the line capacity works included in the Plan are doublings, development of yards and sidings etc., required purely for dealing with coal and steel traffic, the cost of which is Rs. 33 crores. Other important doubling works included in the Plan cost Rs. 70 crores. I think there can be no divergence of opinion as to the necessity of these works, intended to serve both short and long term objectives.

These developments have been planned on trunk routes which for all times will constitute our main arteries of transport. They need strength and vitality to withstand the growing pressure of industrialisation. It would be bad strategy, too, if we did not have some flexibility of sectional capacity on these routes which could be harnessed in emergencies.

After meeting these costs, an amount of Rs. 67 crores is left over for marshalling yards, crossing stations and loops and other improvements which for a vast country with 35,000 route miles of railways can hardly be considered an excessive investment. The existing facilities on our railways were not designed to cope with the large increase in traffic which will materialise under the impact of extensive industrialisation; and it stands to reason that any remodelling of yards etc. which is now planned must be on a fairly long-term basis, as frequent tinkering is not conducive either to efficiency or to economic working.

COST OF CARRYING MILLION TONS

An allied question is the approximate cost of facilities required for the movement of an additional million tons of goods by rail. Since the main impact of industrialisation will be experienced on the broad gauge system, I will confine my remarks to this system only.

The average load carried in a B.G. wagon in 1954-55 was 15.8 tons. To carry a million tons of goods per annum, therefore, 176 wagons should be loaded daily. On the basis of a wagon turn-round of 9.5 days, the number of wagons required to move a million tons works out to 176×9.5 or 1,672; allowing for a 5 per cent margin for damages and repairs, the total requirements of wagons work out to 1,756. The average cost of a wagon being about Rs. 14,000, the cost of 1,756 wagons will be Rs. 2,45,84,000.

Approximately three trains are required to clear 176 wagons daily. Since the average lead of traffic on the Indian railways is 300 miles, the train miles per day will be 900 each way, or 1800 both ways. Since an engine does 100 miles per day, the number of engines required to move a million tons is 18. Allowing for a 15 per cent margin for damages and repairs, the total requirement will be approximately 21 engines.

The cost of an engine being Rs. 5.4 lakhs, the total cost of 21 engines works out to Rs. 1,13,40,000. Also, 21 brake vans will be required at a cost of Rs. 16,000 each, their total cost being Rs. 3,36,000.

Thus the total cost of rolling stock required to move a million tons is:

(a) Wagons	...	Rs. 2,45,84,000
(b) Engines	...	Rs. 1,13,40,000
(c) Brake vans	...	Rs. 3,36,000
Total		Rs. 3,62,60,000

To this may be added a sum of about Rs. 40 lakhs for minor facilities. The trunk routes and sections where these facilities are made available will in consequence acquire greater flexibility with the result that they will be able to handle some more traffic with this capital outlay. Thus the total amount required for moving a million tons comes to about Rs. 4 crores.

The comparative cost of carrying a million tons by road is about Rs. 11 crores. This is based on operating costs as worked out by the Transport Study Group appointed some time ago by the Central Government. The cost of an equipped six-ton diesel truck, as confirmed by the Tatas, has been assumed as Rs. 35,000.

HOW TO COVER THE GAP?

The uncovered gap in the transport capacity during the second Plan period would appear to be of the order of 30 million tons. The problem is: how is this gap to be covered? We cannot obviously leave this matter to chance. Since the main impact of additional traffic will come when the new steel works go into full production, there is yet time to plan.

The Railways may be able to cover this yawning gap with additional funds to the extent of Rs. 150 crores, which would also cover the cost of the strengthening of line capacity, some of which will be helpful even during the third Five Year Plan. This, however, would not include the cost of any of the new lines which have been excluded from the Plan as a result of the cut in the allocation to the railways.

The advantage of the railways is that they are already in stride and have their plans ready.

Can the same thing be said about the road services? Here, there are many "ifs" and "buts" and vague assumptions. There is obviously no time now to make new plans on hypothetical assumptions. Practical considerations require that we build our plans on well-tested foundations and on proved data.

If development of goods transport by road were quite as simple as some would like to suggest, the private sector with all its resourcefulness and initiative would ere long have cashed in on the situation. The fact that they have held their hand should point to a moral.

In actual experience, well-established business houses, including the oil companies, find road haulage beyond certain limits unattractive and look to the railways for carrying their goods.

The railways cater to all traffic, some of which, like coal and steel, they carry at "sacrifice" prices. Road transport cannot cater only to the high-rated cream of the traffic. If, like the railways, in areas where the railways are under-developed, the road services were to carry low-rated traffic with high-rated traffic, mixing the lucrative with the less lucrative, they can certainly serve an important national purpose.

Railways in India

BY SRI S. A. VANEESWAR, *Retd. Accountant General.*

Some of the changes and problems on the Railways today have been jotted down as likely to be of interest to readers.

I find that the main problems are much the same as some years ago. There have been the following important changes.

1. *Reclassification of passengers*, abolishing I class and renaming II and Inter class as I and II classes, carrying their old rates of fares. Owing to the abolition of I classes at the old fare there would have been a recurring loss to the Railway. The new II class compartment is generally overcrowded, on railways with hardly sitting accommodation and is less convenient and more expensive than III class. More amenities are provided on the III class, including sleeping accommodation for long distance travel. There is a talk of air-conditioning of III class coaches. This will be at the expense of the other two classes. It is a matter of doubt whether air-conditioning of III class coaches is really necessary or justified in a poor country like India, whose people are accustomed to a hot climate and simple life. II class requires to be made more attractive in point of accommodation, including sleeping accommodation.

II. *Integration of Railways* has been implemented and has got into working order. It remains to be seen whether it has secured all the advantages by way of departmental control, efficiency and economy claimed for it.

III. *Divisionalisation of Railways*: This seems to be a sequel to integration, so that the system might not be too centralised and there should be a devolution of responsibility on a Divisional basis. This is a system which has been tried on the old N.W. Railway and is

bound to be successful. Divisionalisation with immediate effect has resulted in wholesale transfer and hurried construction of offices and staff quarters at the new Head Qrs. Perhaps a forward date could have been conveniently worked up to.

IV. *Ticketless Travel* is an old problem which presents new features and devices. Ticketless travellers comprise beggars who can not afford to buy tickets and others who can but will not buy them. They consider themselves entitled to travel free on their own National Railways. Closer checking by the Platform Ticket Inspectors and by the flying Squad on running trains and prompt punishments by mobile Hony. Magistrate's Court will have the desired effect. Railway police in running trains and on big platforms will be able to detect miscreants and will have a deterrent effect on such passengers. A small percentage of the excess collections from ticketless travellers may be offered as a bonus to the Ticket Inspectors and flying squads concerned as a reward and inducement to them to exert their best in the matter. It may be useful to know how this problem is tackled in U. K. and U.S.A.

V. *Fuel Economy* is worth investigation and implementation with reference to the supply, transport and distribution of coal without losses en route and proper maintenance and operation of locomotives. The coal bill is a heavy one indeed for the Railway and can offer scope for reduction.

VI (i). *Financial Control* exercised by the Financial Adviser can be intensified through cost accounts with a view to determining the actual operating cost of rates as compared with the normally permissible ones thereby reducing expen-

diture and increasing earnings. Means of ensuring efficiency and economy in all departments could be explored and adopted wherever possible.

(ii) Closer budgeting and correct re-appropriation through surrenders or supplementary grants in time are insisted on by the Estimates and Public Accounts Committees.

(iii) Accounts Department and Statutory audit will have to see in particular that Suspense accounts and Station out-standings are adjusted and cleared as early as possible without tending to accumulate. The older the item the

more difficult it becomes to investigate and adjust it.

VII. Indian Railways have a great future before them, in connection with the Second Five Year Plan and progressive development of the transport system. How far buses and lorries can supplement the Railways, whether the former should be allowed to compete with the latter over long distance and inter State journeys and whether the former should be limited to short distances to enable Railways to minimise stopping stations and speed up service; these are urgent problems calling for satisfactory solution.

World Bank Loan to Indian Railways

In the News & Notes Section, reference has been made to the text of letters exchanged between the Finance Minister, Government of India, and the World Bank President, Mr. Eugene Black, on the question of the loan to the Indian Railways for financing the Second Five-Year Plan. Relevant Extracts from these letters are reproduced below for information.

TEXT OF MR. BLACK'S LETTER

The following is the text of Mr. Eugene Black's letter to Mr. T. T. Krishnamachari, dated September 5, 1956.

"The Bank has now had an opportunity of considering the report of the economic mission led by Mr. Thomas H. McKittrick, which visited India earlier this year at the invitation of your Government and I am writing to inform you of the general conclusion which we have reached.

"We in the Bank have great admiration for the solid achievements in the economic field which have been recorded in India during the past five years. We

have also been impressed with the broad outlines of the development programme which your Government is proposing to follow during the next five year period. At the same time, there are certain aspects of the programme and of your plans for its execution, which in the Bank's view, should give India cause for concern. On these, I am sure you would wish me to state our views frankly. In saying this, I have in mind the generally sympathetic reception which your Government has given to the observations on economic programmes and policies in India which our mission communicated to Mr. Deshmukh on June 30 and we welcome the fact that you have made these observations public in India.

Role of Private Enterprise UNDERESTIMATION OF POTENTIALITIES

"In making my own comments I should like first to emphasise once again my conviction that India's interest lies in giving private enterprise, both Indian and foreign, every encouragement to make its maximum contribution to the development of the economy, particularly

in the industrial field. While I recognise that the Government of India itself must play an important role in India's economic development, I have the distinct impression that the potentialities of private enterprise are commonly underestimated in India and that its operations are subject to unnecessary restrictions there. Above all, in a country which is short of capital and with limited resources of managerial and administrative talent, it is important that the respective roles of public and private enterprise should be fixed entirely on a basis which will ensure the most effective contribution of each to economic development and not on any theoretical concept of the role that each should play.

Views on Second Plan

NEED FOR FOREIGN INVESTMENT

"The Bank has carefully studied the mission's findings with regard to the Second Five-Year Plan and it shares the mission's conviction that in so far as the public sector is concerned, the programme is too large to be completed within five years. Quite apart from possible financial limitations, it seems inevitable, in the light of past experience in India and elsewhere, that the execution of projects will be delayed by administrative difficulties and by a lack of trained managerial and technical personnel with experience of large-scale construction and industrial operations. This makes it all the more important that every effort should be made to secure the technical co-operation and financial support of foreign private enterprise in carrying out the development programme. The Bank welcomes the arrangements that have been made to associate foreign firms with the construction and operation of a large number of major undertakings both in the public and the private sectors, but hopes that more positive measures will be taken to facilitate foreign investment and that consideration will be given to the suggestions made by the mission in its memorandum.

"The Bank has been impressed with the record of financial stability maintained in India over the past five years and with skill displayed in the management of public finance. At a time when the rate of development is accelerating rapidly, I am sure that the financial and monetary authorities will continue to realise the importance of keeping a close watch over the financial balance of the economy and to take prompt action to curb any inflationary rise in the aggregate demand which, if allowed to proceed unchecked, could easily jeopardise the success of the whole development programme. There is a danger that the amount of deficit finance proposed in the Second Five-Year Plan will prove to be well beyond the capacity of the Indian economy to absorb without excessive price increases and the Bank would, therefore, urge upon the Government the need to keep a careful and continuous check on development expenditures in the light of the financial resources currently available to meet them.

SINCERE INTEREST IN INDIA'S DEVELOPMENT

"The contribution which the Bank has already made to the financing of development in India is an indication of the Bank's sincere interest in the success of India's development programme and in the improvement of the material well-being of the Indian people. We are anxious to play our full part in assisting India to achieve a satisfactory rate of economic growth. The Bank believes that the Indian economy has the capacity to develop the basic strength which would justify a considerable increase in overseas borrowing during the next five years. The Bank would, therefore, hope and expect to play an important role in providing external finance for your development effort.

"It is scarcely possible, however, for the Bank to commit itself to any specific figure for lending to India during the

period of the Second Five-Year Plan. We feel that we will have to consider the pace and scale of our further loan operations in India from time to time in the light of economic conditions and prospects and taking into consideration the economic policies which are pursued by your Government. On the one hand, we should have to take into account the extent and the character of the impact on India's balance of payments of the service of external debt contracted from sources other than the bank. On the other hand, our disposition to lend would be favourably influenced by the amount of external financial assistance which India obtains without incurring fixed foreign exchange obligations. I hope that we may contemplate the development of a close co-operative relationship between your Government and the Bank in which from time to time we shall mutually review the progress being made in the execution of the Second Five-Year Plan and consider together the further role which the Bank may be able to play.

"For the present I should like to assure you that the Bank is ready to embark forthwith on the consideration and analysis of such further investment projects as your Government may decide to put forward.

PROBLEM OF TRANSPORT

"The problem of transport is one which has particularly engaged the attention of the Bank as well as of your own Government and of private interests throughout India. We are struck by the extent to which the lack of adequate transportation facilities threatens to constitute a bottleneck in the country's economic development. We recognise that substantial resources are already allocated for investment in the railways under the Second Five-Year Plan and we are not necessarily suggesting an increase in this allocation. Indeed in view of the acute shortage of capital for development and the very high import content of railway investment, attention should be

given first to the possibilities of improving the operational efficiency of the railways and of encouraging road transport and coastal shipping; the latter between them should be capable of making a considerably larger contribution than at present.

"I think that transportation could appropriately be regarded as a top priority for any bank financing that may be devoted to the Second Five-Year Plan. As a preliminary, however, to the detailed examination of projects in this field, I suggest that it would be useful if the general problem of transport in India could first be discussed between your Government and the Bank in the light of the study of the Indian railways which I understand has recently been carried out at your invitation by a team of American railway consultants.

"I shall welcome your observations on this suggestion and any other points raised in this letter."

TEXT OF T.T.K.'s REPLY

The following is the text of the reply sent by Mr. T. T. Krishnamachari:

* * *

"I thank you also for your words of praise for India's achievements in the last few years and for the comments on our policies and programmes that your letter contains. We welcome as you are aware, comments and criticisms from all quarters and when they come from a source so well qualified through experience to make them and with a goodwill of which we have absolute assurance, they are entitled to be and will be treated with the highest respect. We are neither omniscient nor infallible nor are we so rigidly wedded to any course of action as not to alter it if it becomes apparent to us that we are mistaken. It is for this reason that we continuously welcome the people of India and our friends abroad telling us when and where they think we are going wrong.

"I note your comment on the importance of financial stability. I doubt if the Indian record can be a source of anxiety on this score. We are fully aware of the dangers of inflation and are determined in the future, as in the past, to avoid it. You might have observed that a few days ago we raised substantially the excise duty on cloth and have been wondering whether there is a comparable example of a democratic Government insisting on taxing, in the interests of financial stability, the necessities of the people immediately before a general election.

I am, therefore, very glad indeed that the Bank hopes and expects to play an important role in providing the external finance we require.

* * *

FOREIGN EXCHANGE

"The problem of foreign exchange has been giving me personally and the Government of India generally cause for considerable anxiety. You will be interested to hear that we are now engaged in phasing the projects in the plan with a view to giving high priority to those which would save or earn foreign exchange. We are examining the obstacles, whether of procedure or of policy, which prevent an increase in our exports. We are seeking to establish export markets for commodities not hitherto exported on any large scale and we are undertaking a comprehensive review of the policies and procedures that inhibit foreign private investment.

PRIVATE AND PUBLIC ENTERPRISES

"I am aware that your views and ours about private and public enterprise do not altogether coincide, though the differences are not quite as great as seem to appear in public debate. We are of course, not convinced that the motive of private profit is the only one which can ensure efficient operation of an industry, nor do we believe that private enterprise is inherently superior to State enterprise. Indeed, the short experience we have had with State enterprises leads us to believe

that they can often be more efficient than private units.

"It would be out of place for me to cover in this letter the whole ground of this complex and much debated question. Suffice it to say that the basic principle which inform Governmental policy in this matter are not very different from what you have stated, namely, that the respective roles of public and private enterprise should be fixed entirely on a basis which will ensure the most effective contribution to economic development. The industrial policy resolution was not intended to be an ideologically dogmatic document and has not been interpreted as such in India. Indeed, the formulation of this resolution by Government has given perhaps the largest single fillip to Indian private industry in recent times as evidenced by the buoyancy and confidence with which it is expanding.

TRANSPORT DEVELOPMENT

"The problem of transport and, in particular, of railway transport is, as you say, of very considerable importance. It does not seem to me, however, that the time is ripe for a fruitful discussion on it. The American railway consultants, Messrs. Sanderson and Porter, have so far presented only an interim report suggesting that further studies should be made on certain specific points.

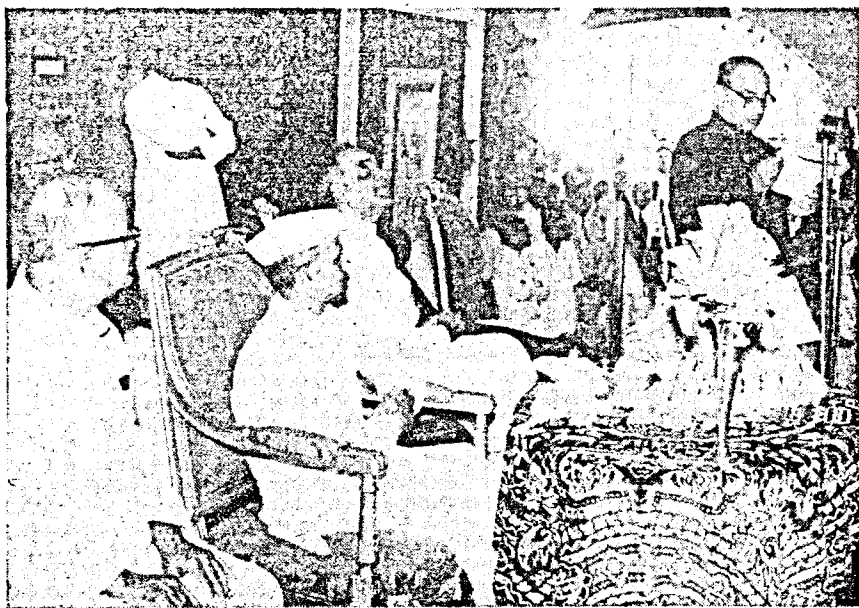
"It is only after these further studies have been made—and they are likely to take some considerable time—that the Railway Board and Government will be able to come to a decision in regard to what should be done. It would be useful, I think, if at that stage we could have a discussion with the Bank in regard to this problem. It would, in my view, be undesirable to postpone discussion on the financing of equipment for the railway till this general discussion as to the transport problem has taken place. It seems to be generally agreed that the total quantity of imports the railways have programmed to make will be insufficient even with increased opera-

tional efficiency to handle the growth in traffic. Any recommendation the team of railway consultants may make is hardly likely to reduce what is required to be imported, though it may result in its better utilisation. Even if, as a result of the recommendations of the consultants, the type of equipment to be ordered undergoes some change, it is not possible for the railways to wait till the consultants' reports have been considered and accepted to place their orders.

"I understand that the adoption of such recommendations as the consultants may finally make are not likely to affect the import programme for the next three years. If the orders have to be placed, they also have to be financed and in the financing of these particular imports, as you are aware, we are hoping the bank will pay a substantial role. My suggestion would, therefore, be that the bank at this stage, might agree to finalise that part of the import programme of the railways for which orders, in any case, have to be placed immediately while further financing can

depend on the result of the discussion you have envisaged.

"I understand your difficulty in committing yourself to any specific figure for lending to India but I trust it will be possible to come to a general understanding in regard to the order of figures involved and the phasing of your assistance as without a fairly concrete idea of when and how much external finance will be available, there is bound to be very considerable uncertainty as to the pace at which we can safely go forward. I am asking B. K. Nehru to stay on in Washington after the annual meeting in order to be able to discuss with you the whole programme of World Bank financing of our projects during the Second Plan. He is not unknown to you and he enjoys the complete confidence of myself and of the Government of India. If you have any doubts about our policies or of our intentions I would ask you to discuss them freely with him. He will be able to explain to you in greater detail than is possible in a letter the reasons and the objectives of our policies."



Engineer-in-chief addressing the Meeting at Ernakulam South

Ernakulam-Kottayam Rail Line

Declared Open by Shri Lal Bahadur Shastri

(Minister for Railways)

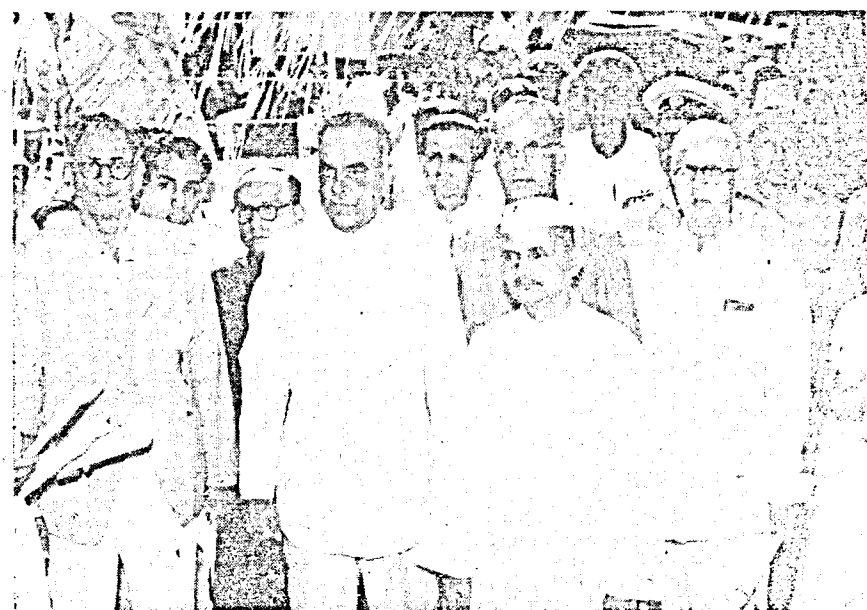
A proud achievement and long awaited one

(From our Special Correspondent)

"We would like to take for consideration at the earliest, electrification of this Ernakulam-Quilon Line. But, we have to import all the goods for Electrification, which is difficult due to the tight Foreign Exchange position. The question of dieselising the Section will mean infructuous expenditure if we have ultimately to go over to Electrification" declared the Minister for Railways, Shri Lal Bahadur

Shastri, and operated the Special Lever, providing signal for "Line Clear", for the inauguration train service between Ernakulam and Kottayam.

The occasion was declaring open the Section up to Kottayam of the new Metre Gauge Rail Line between Ernakulam and Quilon, a difficult distance of 97 miles approximately, due to the fact that a series of back waters from the



The Minister photographed with Ry. Officers after inauguration

Western Coast penetrate into the main land, leaving difficult spots for constructing very sound bridges for the Railway. In a gaily decorated Pandal outside Ernakulam South Railway Station were present the elite of Ernakulam, top officials of T.C. State Government, Senior representatives of the local Missionary, Panampalli Govinda Menon,

Mr. K. Madhava Menon, Ex-Madras Minister, Senior Southern Railway Officials including the General Manager, Chief Engineer, Chief Operating Superintendent and others including important Press Representatives specially invited for the occasion. Punctually at 3 p.m., the Hon. Minister for Railways and Transport arrived amidst a welcome by great ovation by

the crowds that had gathered all round the area, station platform and yards, and also by the Press, who stood up as a complete group.

Prayer was followed by a well worded and pronounced welcome speech by Sri T. A. Joseph, the General Manager, Southern Railway. In spite of heavy burdens and responsibilities, beyond description, he presented a smiling countenance, throughout. Probably he was too elated at this long cherished hope of his countrymen, reflecting his own happiness, seeing theirs.

In a very valuable inaugural speech to the invitees, the Minister said, that out of the total outlay of Rs. 1,125 crores for Transport in the Second Five-Year Plan, Rs. 225 crores will be contributed by Railways from their Depreciation Reserve Fund. Railways are also required to contribute an additional sum of Rs. 150 crores leaving a balance of approximately Rs. 750 crores which will be provided from the General allocation of the Plan. Thus Rs. 900 crores for Railway Development constituting 19% of the total planned outlay, is a subject of comment in some quarters. It is however, overlooked that Railways cater to the needs of private sector also and therefore, when working out this percentage of expenditure, the Funds allocated in the Private Sector should also be taken into account; if this is done, the percentage of Expenditure on Railways will come down to 14%. The Minister further utilised the opportunity to counter-weight the recent comments of Mr. Black, President of the World Bank. He compared the Operational Efficiency of Indian Railways with that of others and asserted that in spite of extra steps to improve it, additional funds were also absolutely essential.

Giving Statistical particulars, the Minister narrated the progress of the Railways during the First Plan Period and on the increasing tonnage lifted. Of course, Japan's rapid progress could not be compared with that of ours,

since they have large stretches of Electrified routes, as also their work round the clock. But Indian figures compared very favourably with that of other countries. Anyway, useful hints are expected from the reports of the team of senior officers of Railway Board who visited Japan recently. Indian Railways, will assimilate whatever is good as is observed by them for the benefit of the country, in any Railway System, assured the Minister.

Before concluding, the Minister paid tributes to Mr. T. A. Joseph, General Manager, as also to Mr. Warriar, the Executive Engineer, who was in charge of the Construction of this new line "for his drive and capacity".

Earlier, welcoming the Minister and esteemed guests, Mr. T. A. Joseph, sketched briefly the history of this new Quilon-Ernakulam Railway Scheme. Though the Railway Board had always extended a co-operative attitude to requests and sanctions, it was still found difficult to conquer Nature. Shallow lakes, loose soils, back waters and water-ways demanded an extraordinary number of bridges and sturdy ones. Also most unfortunate coincidence of incidents resulted in repeated delay in the receipt of Iron & Steel.

The Engineer-in-chief, before concluding a vote of thanks, explained to those assembled, the various difficulties in the execution of this scheme and particularly how in this part of the country, local climatic conditions, prevented work for months together during the rainy season.

It was proposed to run two trains each way daily on the newly opened section. The work on the rest of the Line has progressed considerably, and it is hoped that the entire line would be available for public use, both passenger and goods traffic, in about a year's time.

Subjects of Moment

Sub : Apportionment of earnings in respect of traffic inter-changed between the Indian Railways

Reference is invited to the Board's letter of even No. dated 17-2-55 on the subject indicated above. The Board have decided that inter-railway adjustments in respect of the under-noted categories of through traffic transactions should also not be carried out as between the Indian (Government) Railways :—

(i) Public claims refunds (e.g. amounts twice paid, paid consignments withdrawn, consignments delivered short of destination, refunds on account of error in weight and description i.e. other than those relating to overcharges detected in the course of internal check in connection with which the inter-Railway adjustment has already been dispensed with: vide Board's letter of even No. dated 27-3-54;

(ii) Over-charge sheets relating to clearance of Station outstandings;

(iii) Twice accounted for items;

(iv) Debits raised and subsequently withdrawn etc.; and

(v) Readjustment of items wrongly accounted for with a Railway when (on the account being proposed with the correct Railway the amount involved falls below Rs. 50/- in each case.

2. Some Railways have asked for clarification on the point whether the limit of Rs. 500/- referred to in para 2-1 (a) of the Board's letter No. 53-B-4110 dated 28/30-11-53 is to be applied in the case of settlement of through traffic transactions between the Indian Railways or the settlement is to be effected irrespective of any monetary limit in terms of para 1415 (i) A. The Board wish to make it clear that the limit of Rs. 500/- does not apply to through traffic transactions, the settlement in respect of which is to be effected irrespective of any monetary limit subject, however, to the

simplification authorised by the Board, from time to time, as for example in para 1 (v) above in the matter of carrying out inter-railway adjustments in respect of such transactions.

[R. B. No. 54 Ac. II 30/1 dated 24-9-56.]

Allowance for Lack of Running Room Facilities

The Railway Board have decided that a stay of 4 hours for payment of allowance of running staff in lieu of the running room facilities should be counted from the train arrival to train departure timings.

[R.B. No. E(S) 52 RS/13 dated 7-10-56.]

Selection for Assistant Chemists and Metallurgists

The Railway Board have decided to hold a Selection for promotion to the above Posts in Class II service from among the Class III Staff of all the Railways. Railways have accordingly been desired to recommend two names each along with full particulars.

[R.B. No. E 56 PM 2-19 dated 12-10-56.]

Casual Leave for Officiating Chargemen and Mistries

The Railway Board have decided that while Officiating Chargemen and Mistries may ordinarily be sanctioned Casual Leave proportionate to their period of Officiating service in these categories, it is left to the discretion of the competent authority to sanction Casual Leave in excess of the proportionate Casual Leave subject to the maximum of 15 days in a year.

[R.B. No. EG 54 LE 2/15/3 dated 16th October, 1956.]

Recruitment of Supervisory Posts in an Intermediate Grade for Mechanical Department on N. E. Railway

Railways have been asked to recommend the names of employees suitable for appointment on their Railway against Mechanical Department Supervisors with necessary service particulars.

[R.B. E 56 RC 1/49/3 dated 6/10/56.]

Liability to serve at any Station

Railways have been instructed to issue with letters of appointments in the case of new recruits an indication that he is liable to be transferred to any station on the Railway and that he should definitely indicate in his acceptance that he will abide by this condition.

[R.B. No. E56 R.C. 1/100/3 d/20th July 1956.]

Reversion as a Penalty

Reversion of an employee from an officiating appointment to a substantive post or to a lower officiating appointment does not constitute a penalty.

[R.B. No. E44 PM 12-PT d/ 22-11-'50].

Even the reversion on grounds of unsuitability would not constitute a penalty and would not necessitate the application of the procedure required by Law and Statutory Rules' said further Board's letter of December '54.

In view of the existence of a large number of temporary posts continuing over long periods, the Railway Board has decided that with immediate effect the performance of every Railway Servant, officiating in a higher grade should be adjudicated by the competent officer before the expiry of twelve months of the total officiating service; and if the performance is not satisfactory, either the Railway Servant can be reverted on the grounds of unsuitability or he may be warned that his work is not quite satisfactory, but that he is being permitted to draw his increment on the assumption

that his performance will improve during the next six months for which he will continue to be under observation. At the end of this period of 18 months, either the person should be declared suitable for retention in the grade or should be reverted as unsuitable. Any person who is permitted to continue for unsatisfactory work without following the procedure prescribed in the Discipline and Appeal Rules will be confirmed.

This procedure should be followed in the case of every Railway Servant officiating in higher grades at present for a total period of over 12 months so that with the next six months, necessary action may be taken either to retain him or to revert him.

[R.B's D.O. of May 56 to the General Manager, Western Railway.]

Note: It is presumed that the above instructions are not special to the Western Railway but are of common application.

—Editor, Railway Accountant

Dearness Pay to be treated as part of Pay for Educational Assistance

Dearness pay should be treated as part of the case of staff in receipt of Educational Assistance under the old Educational Assistance Rules. But no adjustments need be made for the period prior to 1-7-'56.

[R. B. No. E (S) 56 DA 1/9 date 14-7-'56.]

Deduction from apprentices pay for unpaid holidays

Railway Board has decided that no deductions should be made from the monthly stipends of the apprentices (both apprentice mechanics and trade apprentices) for unpaid holidays.

[R.B. No. E (S) 55 APP/1 d/4-7-'56.]

Retention of Railway Quarters by transferred staff

There is no objection if the General Managers redelegate powers to the Divisional Superintendents to permit the retention of railway quarters by non-affected employees up to one month at their old quarters before permanent transfer to another station on the same railway.

[R.B. Vo. F (E) 56/R.N./5/2 d/ 4-7-'56.]

Reduction of Pass & Exemption Marks App. II & III-A

With effect from the Examinations to be held in November 1956 onwards, the Railway Board have ordered the following revised percentage of Pass and Exemption Marks:

(i) Appendix II:

Pass Marks: 40% for each subject;
Exemption Marks: 50%.

(ii) Appendix III:

Pass Marks: each Compulsory Subject: 40%; each paper in Optional Subject: 40%.

With an aggregate of 45% in the two papers;

Exemption Marks: 60% in each subject.

Wharfage Accountals in L.P.O. Consignments

The following Railway Board's Order (No. 51AC/11/45/4 dated 1/11/1951) is reproduced for information of examinees and examiners. This is obviously in correction of the instructions contained in Para 1911 of the Traffic Code. No correction slip has however been issued to this Code apparently.

Unclaimed booked consignments are either transferred to L.P.O. or disposed

of directly at the Station. The Procedure followed at present regarding the accountal of demurrage, wharfage and storage charges accrued on such consignments at the Station differ from that obtaining in the L.P.O., in as much as in the former case, the said charges are taken to a/c by the Stations, while in the latter case these are neither taken to account by the Station nor by L.P.O.,

With a view to secure uniformity in the accountal of these charges by the Station and the L.P.O., the following revised procedure is laid down in this regard for the guidance of the staff concerned:

(i) The demurrage and wharfage charges accruing on unclaimed booked consignments before their transfer to L.P.O. will be taken to account by the Stations and shown on the rebooking free invoices/ P.W. Bills as paid on charges distinct from original freight charges.

(ii) The freight, demurrage and wharfage charges as shown on the rebooking invoice/ P.W.B. together with storage charges accrued at the L.P.O., will be taken to account by the L.P.O. as a distinct item through column 5 of the statement of To-Pay invoices/ P.W.Bs. received in the L.P.O. (Form T.1914/ Form A) and the Balance Sheet. These charges will also be likewise exhibited; in column No. 9 of the Statement of Consignments sold at L.P.O. (Form T. 1917/ Form C). The difference between the total charges due (freight due, wharfage, storage) and sale proceeds is shown in column No. 11 thereof. This deficiency will be treated as written off as a rule without formal sanction of competent authority and special credit taken therefor through the Balance Sheet.



Statistics of Indian Railways

Gross Earnings: The approximate Gross Earnings of Indian Railways during September 1956 amounted to 25.16 crores when compared with actuals of September 1955 which was only 24.49 crores, i.e. an increase of .67 crores. The total approximate Gross Earnings from 1st April 1956 to 30th September 1956 amounted to Rs. 165.01 crores as against 151.23 crores in 1955, i.e. an increase of 13.78 crores or 9.11%.

Goods Tonnage: The number of tons of merchandise lifted during September 56 was 62,99,000 and 15,01,000 Tons over B.G. and M.G. respectively which was 7.45 and 3.60 per cent less as compared with the previous months. The total No. of Tons lifted for the six months ending 30th September 56 was 38,731,000 and 99,94,000 respectively on the B.G. and M.G. which was an increase of 4.55 and 8.22 per cent respectively over corresponding figures of the previous year.

Wagons loaded: The No. of wagons loaded during the month of September was 39,40,80 and 23,17,37 over B.G. and M.G. respectively which showed a decrease of 7.50 and 2.56 per cent respectively over the figures of the previous month. The total No. of wagons loaded during the six months ending 30th September 1956 was 24,81,987 and 14,55,801 over B.G. and M.G. respectively which was an increase of 6.39 and 10.30 per cent respectively over the corresponding figures of the previous year.

The differences in loading during the period of six months are attributable in regard to B.G. to substantial increase in Jute Raw, Sugar cane, Cement, Iron and Steel others, Metallic Ores others, counteracted by shortage in non-Governmental

Railways Coal and Coke, Cotton Raw Jute manufactured and Pig Iron. In regard to M.G. the main increases are under Grains and Pulses Jute Raw, Jute Manufactured, Sugar Cane, Iron and Steel others, Tea, Iron Ore, Metallic Ores others counterbalanced by decrease under Cotton Manufactured, Coal for other Government Railways and Cement and Cotton Raw.

Government of India One Rupee Notes New Series

It is understood that the new series of One Rupee notes will shortly be issued. The design of the note will generally remain unchanged but the body colour of the note will be in purple and in the same colour Capital A will be printed at the end of the No. in black.

Co-operative Housing Societies for Railway Workers

It is understood that the Railway Board is evolving a tentative plan for starting co-operative societies for construction of houses for its employees and during the second plan have set apart Rs. 35 crores for this purpose.

House building work is a technical job and it requires technical assistance. There is also the need to obtain building materials like bricks, timber, cement, iron etc., All these require a good lot of pull with the concerned authorities. Especially when the work is spread out over a very large area—66,000 houses are contemplated—there seems to be need for a well-thought out plan in order to get the best return out of every rupee spent. It seems to us that instead of forming co-operative societies under the management of low paid staff, parti-

cularly ministerial, who cannot be expected to bestow adequate amount of time on the job of actual construction and who cannot also be expected to properly weigh alternative schemes for economical expenditure, it is preferable to have type designs of houses suited to the various localities and the possible occupants and under the direct control of the Railway Engineering Department who can build the houses strongly and neatly at cheap cost. In fact, a separate Housing Department can be instituted as a temporary measure in each Railway Administration to effectively carry out this job. If necessary, they can have small advisory bodies of a representative character from among the possible occupants of the houses at the various places for making their suggestions when the type-designs are considered. These houses could be transferred to the employees in due course on the long term lease-purchase system. This suggested process would avoid the possibility of the loans being diverted to other than the legitimate purposes. In fact, the Railway would be helping the staff to further up the welfare scheme under the colony system, particularly in big places.

Inspection of Railway Bridges

In framing the Rules for inspection and maintenance of Railway Bridges placed before the Houses of Parliament recently, provision was made for careful study of inspection reports of bridges for the last 15 to 20 years irrespective of whether they were major or minor or important or unimportant. Particular attention was required to be paid to their past history like tilting of piers and abutments or abnormal flood levels; and also to the study of the behaviour of rivers to ensure safer bridges.

Cranes for Indian Railways

In a keen competition for supply of ten ton and five ton steam travelling cranes, a British firm succeeded in getting a

contract from the Government of India for a three hundred thousand pounds contract. The supply is to be completed within the next two years.

Indian Railways (Amendment) Bill

The Lok Sabha recently passed the above Bill which has the effect of making Railwaymen all over India work for lesser hours during a week and enjoy longer periods of rest. This also introduced a radical change in the definition of intermittent workers.

The news is certainly welcome to the workers. But the employer at the same time has also a right to expect the worker to do his level best in helping the administration to get his 'pound of flesh'. There seems to be very great need for a thorough job analysis at every stage and in every place of work so that a proper standard may be fixed for the out-turn of work and thus ensuring that the payment has been financially justified.

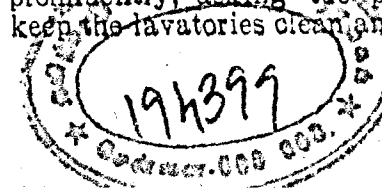
Passenger Amenities on Indian Railways

The revised schedule of amenities for various classes of passengers on the Indian Railways has been prescribed by the Railway Board. Some of these are:

- (a) Stipulating the No. of fans to be fitted in each compartment.
- (b) Equipping lavatories in II and III Class compartments with towel rails.
- (c) Providing more hooks and hat pegs in III Class sleeping Coaches.

Note:—We wonder whether the authorities have taken into cognisance the bad condition of the lavatories in running trains and the absence of proper cleaning with disinfectants at regular intervals and the provision of adequate supply of water for wash-out purposes.

It is also necessary that notices in regional languages should be exhibited prominently asking the passengers to keep the lavatories clean and sanitary.



III Class Coaches in long distance trains should also be swept and kept free from dust etc., by arranging regular cleaning at every junction.

It has been our experience that carriage cleaners do not carry out their job unless they are tempted to do so, thus defeating the very purpose of their employment.

Incidentally, the cleanliness of booking offices at various places should also receive timely consideration from the authorities concerned. There have been many lapses on this account and even after they are being pointed out.

—Editor, *Railway Accountant*.

Teleprinter Service Equipment

For Major Railway Stations.

All major stations, dealing with heavy goods traffic, on the Indian railways, will be equipped with teleprinters in the course of the next few years. This will facilitate unhindered flow of information in regard to wagon movements and other goods traffic affairs to the headquarters. Efforts are being made to equip the station yards with teleprinter services as early as possible, but the shortage in the supply of this instrument is reported to be coming in the way. It is, however, expected that the work will be completed within the next two years. The need of this equipment on the Indian Railways has been felt in view of the frequent failures of the telephone services and disturbances even on the wireless, through which the wagon movements are presently controlled. Among the stations on the North Eastern Railway that might get the teleprinters are Lucknow, Banaras, Muzaffarpur, Maniarighat, Siliguri and Panau.

Railway Board's Sanction for Revision

New Rail Line Surveys in Madhya Pradesh Coal Area.

The Railway Board has sanctioned the revision of the final location survey of

the Bijuri-Tagini-Karonji portion of the Bijuri-Sarnadhi railway line in the Central India coalfields, in Madhya Pradesh. The Railway Board has also sanctioned the final location survey for two branch lines to deviate from Karonji in opposite directions of the Bijuri-Karonji line. The distance between Bijuri and Karonji is nearly 57 miles and the total length of the two branch lines from Karonji would be nearly 17 miles. The surveys will be carried out by the South Eastern Railway. These lines are considered necessary for the movement of the additional coal expected to be produced from the Bistrampur coalfields in this area during the second plan period.

Railway Development in Second Plan

The Railways in India have an ambitious development plan which requires heavy finance and the authorities obviously banked upon the aid from the World Bank. It is possible that such aid was sought not because of a scarcity of capital financing within the country but because the foreign exchange position was not very satisfactory and that especially during the initial period of the plan, most of the locomotives and coaches and other equipment had to be imported from abroad.

Under these circumstances, the refusal by Mr. Eugene Black, the World Bank President, to grant the necessary aid to India with a comment upon their plan was a pill hard to swallow. The Finance Minister has given a suitable reply clarifying the stand of the Government.

Having however heard, from other sources in America that there was still the possibility of the necessary aid forthcoming from the Bank, the Government arranged for a Delegation to proceed to Washington for further talks with the World Bank. The Delegation led by Sr. P. C. Bhattacharya, Secretary Ministry of Finance, consists of several other Finance Department Officers, Mr. K. B. Mathur, Member Transportation

Board, and other financial and technical advisors from the Finance and Railway Ministry as under :

Mr. P. N. Murti, Electrical Adviser, Railway Board; Mr. P. Sahai, Joint Director, Mechanical (Planning), Railway Board; Mr. J. B. Rao, Joint Director, Traffic (Rates), Railway Board; Mr. Jagjit Singh, Joint Director, Efficiency Bureau, Railway Board (for Statistics); Mr. Y. T. Shaw, Jt. Director, Finance, Railway Board; and Mr. R. G. Dacosta, Railway Adviser to the High Commission in London—to join from London.

After their participation in the discussion with the World Bank, the delegates are expected to study for about ten days the American Railroad System in the United States.

Copies of letters that are exchanged between the Finance Minister, Government of India and the World Bank President are reproduced elsewhere for perusal.

Replacement of Rolling Stock

The Railway Board have decided to retain the Rolling Stock five years beyond their normal lives by additional maintenance. This decision is valuable for the following reasons.

- (i) Shortage of Rolling Stock;
- (ii) Difficulty in importing them due to delay in execution of orders;
- and (iii) the difficulty of finding sufficient foreign exchange.

This method of using wasting assets beyond their normal lives was in existence in the past also to a certain extent in the case of Goods Wagons, Locomotives, Permanent way etc.

Incentives to worthy Railway Employees

In pursuance of the Railway Board's desire to encourage good work among their staff, experimental measures have been taken for giving incentives in some Workshops, Marshalling Yards and Transshipment Yards with a view to increasing the output therein. In the Moghulsarai Marshalling Yard recently,

all the staff were given an additional set of privilege passes and a special grant of Rs. 5,000 was made to the Staff Institute.

A highly scientific system of incentives has been in force in the Chittaranjan Locomotive Workshops since December, 1954.

The question of association of workers with the management in Railway Workshops has also been taken up; but the final decision will be taken only after the return of the Official Delegation led by the Labour Secretary to the Government and two Railway Officials who are now touring Europe to make a special study of the subject for the benefit of the Railway Board.

Departmental Catering

In pursuance of the Railway Board's directions, the Central Railway had taken over direct management and supervision of catering at Jhansi, Nagpur, Wardha and Bhusaval stations from 1st April 1956. This departmental catering has now been extended to the Victoria Station from October 1st 1956 in regard to both the Refreshment Rooms and one of the two tea stalls there.

Two Storey Trains

America has inaugurated a two storey train as a regular service between Chicago and Los Angeles—a distance of 2,224 miles. The new passenger coaches are higher than the conventional coaches by two feet and are heavy, luxurious and costly.

Through greater economies in both operation and maintenance and greater revenue, this train is expected to justify the expenditure of several crores of rupees on the five rakes that have been put into action. The carrying capacity of each coach is 72 against 48 in the old coaches besides the passengers being given more of leg room and other facilities. It has been possible to use one coach less in the new train and yet carry 46% more passengers, thus serving more people

in more comfort in fewer coaches and at less cost.

We are still in the experimental stage in India in several places in regard to double decker buses. It is therefore not possible for us to conceive of a double decker railway train in the near future.

Sleeping Berths for Third Class Passengers

It has been announced by the Railway Minister that Sleeping accommodation is being provided for III Class passengers by construction of folding berths and that a charge of Rs. 3/- per night would be made for the same.

It is felt in certain quarters that this rate is rather very high and might have the effect of driving away those who wish to avail themselves of this convenience on account of the high rate. But the question has two sides. It is not merely the cost of equipping the new amenity but also the possibility of the consequent reduction of earnings in a higher Class by providing this amenity that has also to be considered. In any case, all the trains in India are not going to be furnished with this Third Class Sleeping accommodation at the same time. Therefore, as and when they are introduced on the various Railways, the reaction of the public can be watched. So far as the sleeping berths in the Janatha trains are concerned, it has been found that they are almost always fully booked much in advance. Hence, there is every reason to anticipate a similar demand even in the new arrangement.

Winter Programme for Ganga Bridge Construction

Engineers of the Ganga Bridge Project near Mokameh, are now engaged in brisk preparations for sinking the well foundations of seven piers this winter.

Plans are also ready and material is being collected for other important works connected with the bridge. The construction of a broad and metre gauge transshipment and marshalling yard for handling 500 broad gauge and over 1,000

metre gauge wagons a day is being taken in hand.

Nearly 13,000 tons of steel required for girders are being imported from the United Kingdom, but its shipment has been delayed.

Creating New Rail Transport Capacity Railway Board's Appeal for Co-operation from Trade

In a communication addressed to Chambers of Commerce and other representative business organisations, in the country, the Railway Board has invited the co-operation of the business community in making a success of the railway campaign to "work the wagons harder".

These organisations have been informed that the Railway Board has decided to reduce to *five hours* the existing "free time" allotted to the trade for loading and unloading wagons, so that these may be back-loaded the very same day. The reduced "free time will be enforced from November 1, 1956, when the new busy season starts.

As part of the campaign to "work the wagons harder", the Railway Board has already issued instructions that the Railway's own coal wagons should, with immediate effect, be released in *three hours* instead of six and that wagons containing other railway materials should be released within five hours instead of in six, as previously. Steps are also in hand to reduce the detention of wagons in collieries and other sidings and port areas.

The Railway Board's communication emphasises that in view of the likelihood of a shortfall in the availability of rail transportation during the second Plan period, it is of the highest importance that the maximum possible use should be made of the railway's existing resources in wagons, engines and line capacity, as more intensive use of existing resources would mean the "creation" of additional transportation capacity.

The Railway Board has urged the business community to extend its whole-

hearted support to this and to any other measures which Railway Administrations may be constrained to take, as these measures will not only be in the wider national interests, but also in the particular interests of the large number of individual business organisations which depend for their development on the maximum possible availability of rail transportation.

New Cure for High Blood Pressure

Russian doctors are curing high blood pressure patients of headaches and insomnia by giving them electrical shock treatment.

An apparatus, in front of which the patient sits holding handles containing electrodes, generates ultra high frequency shocks lasting a millionth of a second. Experiment shows that this treatment has lowered blood pressure considerably.

Use of Private Locks on Full Wagon Loads— an Additional Security Measure

The Railway Administration has resolved to permit and at the same time encourage traders to utilise their own locks on wagons containing their goods in full wagon loads. This will be an additional security measure. Traders are, therefore, permitted the use of private locks on wagons, in cases where consignors agree to do so, subject to the following conditions:—

(1) that each wagon is fully loaded with the goods of the firm only and for one station only;

(2) that the locking and unlocking of the wagons is done in the presence of the railway staff;

(3) that the Railway will accept no responsibility for the contents of wagons which arrive at destination with private locks intact;

(4) that the Railway will not be liable for the locks while on wagons or for their return to destination and it will be the responsibility of the consignees everywhere to meet these wagons and

Precis-Writing and Drafting

IN

Government Offices

By

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Government of India

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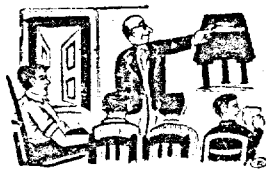
remove and receive their locks. In case the contents of a wagon have, for any cause, to be transhipped, the Railway will proceed to tranship the contents and no claim for damage or loss to either the contents of the wagons or the locks will be entertained.

(5) that the railway reserve to themselves the right to break open the locks in transit or at destination, if this be deemed necessary for any purpose, and if the keys of the locks are not available at the time; and

(6) that remarks to the effect that the sender agrees to put private locks subject to these conditions will be made by the consignor in the Consignment Note and this fact recorded on the Railway Receipt and other documents, if private locks are used.

Traders are requested to take advantage of this facility as the measure to be adopted will serve as an added security measure for safeguard of their goods in transit.

—Central Railway News Letter.



Readers Forum

We have received from the Secretary, Western Railway Mazdoor Sangh, Ajmer a copy of the petition addressed to the Railway Minister on the misappropriation of Railway cash of Rs. 1453 at Bijainagar Railway Station, Ratlam Division, Western Railway. The petition describes the circumstances under which the theft of goods earnings of 30th August of Bijainagar Station was alleged to have been committed and discovered by the Cash Officer at Ajmer when the cash bag was opened on 1-9-56. The petition deals at length with the various stages of the occurrence and points out the brutal treatment accorded to a marker to extract from him a statement of his being responsible for the missing notes. The petition points out very many snags in the approach to the question and the absence of adequate departmental enquiry currently in the matter. A number of questions has been included to show that the complaint of theft was foisted up by certain interested parties who have been screened some how.

It also appears from the extract of the news item in the Hindustan Times of the 26th September that the police have effected the arrest of four persons in connection with the alleged theft. The case is therefore obviously *subjudice* and it would not be right on our part to offer any remarks on the information furnished. But one thing is obvious that the marker has been brutally ill-treated even assuming for the moment that he was the culprit, and that the injuries were effected by unauthorised persons thus giving rise to a criminal case of assault and grievous hurt under the Penal Code.

We hope that on the merits of the case a detailed enquiry will be speedily held on the said issue and that the question of theft will be dealt with independently of the grievous treatment accorded to the marker for which adequate compensation will have to be borne by somebody. Incidentally it will also be seen to what extent the anti-corruption department was effective in a case of this sort.

—Ed., R. A.

Postponement of Appendix III-A Examinations, 1956

The Staff of the N.E., E., and S.E. Railways at Calcutta have appealed recently to the Financial Commissioner for Railways, Railway Board, asking for a second postponement of the above Examination to the middle of January 1957. The reasons adduced for this appeal are:

- (i) the late announcement of the results of the last year's Examination and
- (ii) the unforeseen difficulties experienced by the recent devastating floods in Bengal with the resultant break of studies for a long period.

Though the second reason is really an Act of God, still making it a lever for postponement of the Examination which has already been postponed once obviously on account of the first reason and also on account of the disturbances due to the formation of Divisions on Railways particularly in the West and in the South, it seems rather a difficult point for the authorities to properly weigh the pros and cons of the case. Whatever may be the decision taken this year, the position in regard to the fixation of a date for this examination

in future years should be fully reviewed as early as possible and a date which would satisfy all foreseen aspects should be taken into consideration and the date so fixed should not be altered lightly. Thus, apart from the difficulties of the Staff, there are also other factors like the Budget Season, Puja Holidays and so on and so forth which do come in the way of concentrated study. Apart from this, the authorities should also see that the results of the Examination are announced positively within three months of the said examination and there should be a clear interval of at least six months before the next examination.

—Ed., R. A.

Appendix III-A Examination 1955—Traffic Accounts

We have received from some of the candidates on the Northern Railway a copy of an appeal submitted by them to the Financial Commissioner for Railways, Railway Board, New Delhi, recently in regard to the valuation of Traffic Accounts Papers set for Appendix III-A Examination in December 1955.

There was already some representation in this respect previously, but after the issue of the commentaries on the answer papers of candidates recently, a fresh Memorial has now been sent up. The main plea of the appellants is that some of the commentaries do not take note of the changes in Rules and Procedure that have been introduced of late and also some years previously. In one case, they have referred to an Order of the Railway Board issued in 1951 regarding the account of wharfage on consignments transferred to LPO, which unfortunately has not been embodied as a Correction Slip to Accounts Code Vol. II. Whether this Order was intended to be observed by all Railways and whether they are actually being so observed by all Railways in the absence of such a Correction Slip, is matter of

doubt; and it is very necessary that this point should be clarified by the Railway Board immediately. In another case, the appellants rightly point out that the abolition of blank card tickets for foreign traffic has not been taken into account by the Examiner. In yet another case, the appellants are reading between the lines when they find fault with the Examiner in not distinguishing between the Register of Collected Tickets maintained at the Station and the Ticket Collector's Report sent to the Accounts Office daily.

In regard to the answers on the checking of the Station Balance Sheet, the appellants state that it was not their fault in having followed the wording of the Code and the objection taken by the Examiner to that point is therefore not sustainable in their opinion. It is true that the Code must be meticulously accurate and must not put the cart before the horse. But if, nevertheless, the point has escaped notice all along, and has been tolerated for years together, it is not right to penalise the candidates therefor.

The portion of the Appeal referring to the clearance of debits in the Accounts Office Balance Sheet and the mention of procedure on individual Railways is not correct as the Examiner wanted a pointed answer in this respect and nothing more.

The Appeal regarding the answer to Question 5 on the Check of Handling Bills is also not properly and correctly worded, as the question definitely required only one aspect of the work, namely, that of Handling by Station Masters and a reference to any other contractor in the answer would be out of place. To the extent that the procedure of work was common to the Station Master or to other contractors, a mere mention of the Station Master as a Handling Contractor would have satisfied the Examiner. It is, of course, not correct to state that the Station Master

was furnishing any depositor those bills were subjected to pre-audit.

The Appeal goes on further to work out a basis of marking by which an inference is drawn that an unconscionable marking has been made by the Examiner in Group A of the Traffic Accounts (Without Books) paper.

On these various grounds, the appellants have requested the F.C. to have the papers re-examined by some other Officer who has a thorough knowledge of practical working of Traffic Accounts and urged that this should be done before the advent of the next examination in December 1956.

We feel that, as we have explained once before in a previous issue of the Journal, that there must have been some sort of trouble in regard to the valuation of the Traffic Accounts Papers for 1955 both in the Without Books and in the With Books papers. What exactly it is, we are unable to say. But there is no gain-saying that there is very widespread discontent among all the candidates in that Subject on the declared results. We have felt that the candidates who took Receipts Accounts as their Optionals have been very badly let down this time.

Ed., R. A.

Personnel

Sri Dara Jehangir, C.C.S., Western Railway, resumed duties on 20th October 1956 on return from sick leave.

Sri T. L. Colaco, Officiating C.C.S. on reversion was posted as Divisional Superintendent, Kotah, vice

Sri B. M. Kaul, proceeded on leave.

Sri S. G. Samant, D.O.S. Bombay Central is posted as Secretary to G.M. vice

Sri M. L. Gupta.

Sri R. Srinivasan, Dy. Director, Establishment, Railway Board, posted as Secretary, Railway Service Commission, Allahabad, vice

Sri S. K. Ghose, transferred back to Northern Railway.

Sri D. R. Carmody, Chairman, Railway Service Commission, Madras, retired from service.

Sri K. N. Ranga Rao, Retired Chief Electrical Engineer, Northern Railway,

has been appointed Chairman in his place with effect from 31st October, 1956.

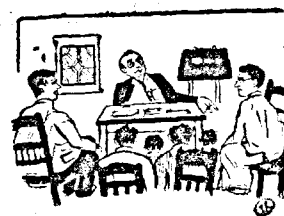
Sri M. Vaman Rao, Deputy Financial Adviser, Southern Railway, has been transferred to the Railway Board as Joint Director, Finance.

Sri K. P. Taimini, Deputy Director, Finance (Accounts), Railway Board, has been transferred as Deputy Chief Accounts Officer, Southern Railway.

Sri A. K. Ganesan, has been transferred from Central Railway as Deputy C.A.O., Construction, Southern Railway.

Consequent on the above, Sri G. F. Penn Anthony, Deputy Chief Accounts Officer, General, took over as Deputy Financial Adviser, Southern Railway, and Sri K. P. Taimini took over as Deputy Chief Accounts Officer (G),

Sri K. S. Arora, S. A. O., N. Railway, appointed as Deputy Director, Finance, Accounts, Ry. Board.



STUDENTS' CORNER

The Examination Problem

BY W. S. GILKISON, F.P.A.N.Z.,

The examination season will shortly be with us again. By the time this appears in print, students will be approaching the end of their winter studies and will be preparing themselves for the fateful November appointment. Not all of those who read these lines are likely to achieve everything they hope for, but it may reasonably be hoped that attention to the following points will help many to do themselves the best possible justice.

In 1954 and 1955 we have included notes on study and examination technique [see THE ACCOUNTANT'S JOURNAL, October, 1954 (p. 119), August, 1955 (p. 32) and September, 1955 (p. 86)]. These notes were true then and they are true today, and they could well be reprinted now, if only because the essential points are so frequently ignored or overlooked. However frequently these essential points are made, they are honoured more in the breach than in the observance. From years as a candidate I know that I made these very mistakes, times without number, and that I paid the appropriate penalty. And from some experience as an examiner I can only say that very many candidates fail simply from lack of regard for the special requirements of examination.

In inaugurating the 'Students Section' in August, 1950, Mr. M. K. Twomey published 'Some Thoughts on Examinations' in which he considered the necessity for this annual ordeal and put forward some suggestions as a means towards success. In the following

month he wrote 'Hints on Answering of Accounting Problems', in conjunction with which was published 'Advice on Passing Exams.', being an extract from a lecture by Sir Russel Kettle, F.C.A. These various papers are commended to students who have access to the 1950 issues of the Journal. From the First of these we quote a brief extract:

"Now that the time for the annual encounter with the examiner is fast approaching, each student might well pause in his studies and place himself in the position of the examiner. What is he asking for? How would he like the information presented to him? How will he allocate the Marks? The most successful students are those who enter the examination room with a feeling of confidence that they are well prepared, that they are going to answer what is asked, that they will attempt all questions, and that the examiner is a reasonable man who will be marking their answers on a scrupulously fair basis.

However, he who looks upon examinations as a battle of wits between student and examiner, and who expects to find all sorts of traps and red-herrings buried in the questions, is surely courting disaster. He enters the examinations room at a psychological disadvantage and is virtually beaten before he sees the paper."

We can enlarge briefly on the main essentials of this paragraph, and these will be recognised as vital to every discussion on examination problems.

1. *Confidence from thorough preparation*: Unless the student has honestly covered his syllabus, he has no right to expect success. He may occasionally chance a pass in some of the law subjects which he has 'crammed' with luck and discrimination, but in accounting and auditing he does not deserve to get through unless he has really covered the ground thoroughly and with understanding. There is no time now to do this for 1956 if the preliminary work has not been put in; but on the other hand the student who has developed a good foundation can now complete the structure successfully if he plans his programme carefully.

If the basic work has really been covered and understood, the student can have every right to have real confidence. In other words, he is in a position to do himself justice through knowledge.

2. *Answer what is asked*: Failure to do this is one of the commonest faults. It is reasonable to assume that if the examiner has asked for a specific answer, that is what he wants; and nothing is to be gained by answering something different, or by giving an answer in different form from that called for. Sometimes the question is honestly mis-read in the flurry of the examination room; sometimes it is a straight bluff by the candidate, who doesn't know the point asked but knows a lot about something else which he considers 'just as good'. The former case is unfortunate, and the candidate will never fail to reproach himself afterwards. The second does not deserve success, and will not get it. Either way you are likely to find the examiner unsympathetic, because he must assume that either you are careless or you don't know, and in either case he will consider it not worthy of an accountant. Accordingly he will award few marks.

3. *Attempt all questions*: This point also is all too often ignored. It is easy to become so interested in a problem that the time slips

by unnoticed, and that is all the more reason why you must be on guard against it. Various schemes have been put forward to help in the planning of the available time. Probably the simplest is to allocate 1½ minutes to each mark allowed for a question and keep rigidly to that limit. This absorbs 150 minutes and leaves 30 minutes for preliminary reading and planning your paper and revising your answers. Any time still left, including that saved on questions that you got through in less than the scheduled time, can be spent on earning the extra few marks on the questions you know best.

It is almost always easiest to earn the first 25 per cent of the marks for any question, just as the last 25 per cent is obviously the hardest to get. You should be certain, therefore, of getting that first quarter or so on every question; and if you can make sure of getting every question worth a full half of the allocated marks, you obviously cannot fail. You will have to be very good indeed, though, to get a pass if you have deliberately reduced your 'possible' from 100 to 60 or 70. So make sure you get all the marks you can, even on the question you think you know least.

4. *The Examiner will be reasonable*: Don't imagine that the examiner is up against you all the time. Don't misjudge him and accuse him of trying to fail you. He is a reasonable man and is prepared to do his best for you if you will only give him the opportunity. Remember that he is going to be very busy; he has your paper and several hundred others to review, and that means concentrated work extending over many hours a day for several weeks. To hold him is considerate—and it is good business on your part as well. If you set out your paper neatly and well, so that he can see what you are getting at, you will put him in a good mood, and more than that it will help to impress him with your appreciation of the qualities of an accountant. Either way may well help you to earn those extra few marks. Attempts at humour are likely to fall very flat,

but on the other hand your minor involuntary slips or 'howlers' may help to cheer him up in the midnight hours, and will possibly put him in a better mood—if not for your paper, perhaps for the two or three that he marks after yours!

The main thing to remember about the examiner is that he will try to be reasonable and helpful if you give him a chance. He doesn't know you, he cannot visualise you sitting with puckered brow, and you have got to convince him through the coldly impersonal medium of your written answers that you deserve a pass. As we have already said, he wants answers to the questions he has asked, not to some flights of your own fancy or

intagination. He has tried to be fair in the way he set his paper (and he has to convince the moderator too of the fairness and reasonableness of his questions) and he expects a reasonable answer.

Do help the examiner with proper set-out of your answer. Numbering of paragraphs, proper lining up of related figures, stressing of key phrases or authorities—these will all help to convince him that you know your subject and that you know how to answer questions in it. Perhaps he, in turn, will be able to help you with a pass.

—By Courtesy: *The Accountants' Journal*,
New Zealand.

* * * *

Organisation of Lost Property Offices on Railways

Unbooked articles found in passengers' carriages, etc., are generally kept at the station for about 48 hours, and if still unclaimed, they are transferred to the Lost Property Office.

The Committee suggests that at terminal stations, all in-coming trains should be carefully checked by some responsible railway official such as the T.T.E., Guard or Conductor, and any unbooked articles found should be deposited with the Station Master. Such articles should be kept for a period of not less than seven days before transfer to the Lost Property Office. In the case of big stations where 'Left Luggage' Offices are provided, a separate counter should be earmarked for storing such articles to facilitate tracing of the same by the rightful owners.

Booked consignments are kept at destination stations for a period of not less than one month; after a week or so, notice is issued to the consignee if the name and address can be ascertained, asking them to remove the consignment. If these are not removed within a

month, they are transferred to the Lost Property Office after due service of a Registered Notice on the senders and consignees as prescribed in the Railway Rules.

Unconnected consignments are also transferred to the Lost Property Office after all attempts are made to connect them. For this purpose, the Lost Property Offices circulate to Railway Claims Offices periodical lists of consignments lying with them. Similarly, the Claims Offices also circulate to the Lost Property Offices lists of comparatively more valuable consignments in connection with which claims have been received.

All booked and unbooked consignments received in the Lost Property Office are disposed of by Public Auction after the goods have remained there in the possession of the Railway for some time. Before disposal of the articles by auction, every effort is made to contact owners if their addresses can be ascertained from the contents of the packages.

— *The Indian Railway Gazette*.

OBITUARY

SIR RALPH WEDGWOOD

The long life of Sir Ralph Wedgwood, who died on Sep. 6th at the age of 82, was an example of solid worth and achievement. He set high standards in work and in personal integrity and charm and these won him the sincere regard of all those with whom he came in contact. No higher tribute can be paid to a man than that he brought added honour to a fine family tradition, and such tribute may justly be awarded to the late Sir Ralph Wedgwood.

He was a man whose advice was often sought and acted on. Early in his career—in the 1920s—he gave important evidence for all the railway companies in this country before the Rates Advisory Committee. He took a prominent part in events connected with the passing of the Railways Act, 1921, and appeared before Parliamentary Committees and Royal Commissions. He was a member of the Weir Committee, a member of the Electricity Board and of the Chinese Government Purchasing Commission. In 1936 he was invited to visit India as Chairman of the Committee of Inquiry into the Indian Railways. He was a member of the Salter Conference of 1932 on the recommendations of which the Road & Rail Traffic Act of 1933 was based, and played a leading role in the proceedings of the Transport Advisory Council.

The famous "Square Deal" campaign was carried out under his direction, and it was Sir Ralph Wedgwood who gave that campaign its name. During the 1914-18 war, and after service in France, he was recalled to England to become Director of Docks with the temporary rank of Brigadier General. Together with a staff of experts he overcame the problem of traffic congestion at the Channel ports. His complete mastery of every detail of the work, his diplomacy in handling naval and military departments, as well as port and railway officials, with his command of the French language, were potent factors in ultimately securing the smooth and entirely successful working of a complex organisation.

Enthusiasm and thoroughness together with ability provide the ingredients for a successful career. Add to these and his other qualities Sir Ralph Wedgwood's often-demonstrated capacity for receiving new ideas—of which an example is the introduction during his tenure of office as Chief General Manager of the L.N.E.R. of the "Silver Jubilee," the first British high-speed stream-line train—and the background is clearly that of a great railwayman.

— Courtesy: Ry. Gazette, London.

Sir John Elliot Writes :

About Ralph Wedgwood much will be written by students of Transport history, and particularly in the complicated world of freight by rail and road, on which he was, in his day, a foremost expert. To-day, on hearing of his death, my thought of him runs in quite other ways. First, he had a distinguished mind, as might be expected from one of his family, everything he said threw light in obscure places, and his clarity of thought was matched by his fine, yet easy, choice of words. Secondly, his intelligent and lively look; it was always a fascinating experience to sit opposite him and watch his long, unusual face during discussion of some controversial or difficult problem and observe the light in his eyes when he saw a solution on the way.

A perfect example of this was in 1937 when he directed a small committee, of which I was one, to plan the railways' campaign for the abolition of out-of-date restrictions on their freedom to quote competitively for freight traffic. We were searching for a slogan, and many and varied were the suggestions we threw up to him. Suddenly, when we had all run out of breath and ideas, Wedgwood said in a quiet voice: "Well, what about 'A Square Deal for the Railways'?" And so the "Square Deal" campaign went into action and into industrial history.

Lastly, his modesty. Having a cultured and beautifully balanced brain himself, he must have felt impatient with the level of thought with which he sometimes had to contend in the rough world of transport. If so, he never showed it. And I shall always remember the first time I met him. It was on the railway stand at Tattenham Corner on Derby Day in the early twenties. I was a very Junior assistant on Sir Herbert Walker's staff at the time. I knew the L.N.E.R. chief by sight, of course, and was somewhat perturbed to see him making a bee-line for me. I need not have worried. With a broad smile and an outstretched hand he said "You are Elliot, are you not? My name is Wedgwood." That was typical of the man.

Only a few months ago I met him in the street outside 55, Broadway. Still tall, as distinguished as ever, and with the old gleam in his eye. "I have been up for a party with the younger members of my family," he said, "I hope all goes well with you." And then he was off briskly into the crowd at St. James's Park station en route for home. There was nothing infirm or faded about those 80 odd years of distinction which he bore so lightly and so well.

—"Railway Gazette, London."

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APPENDIX III - A EXAMINATIONS

Questions & Answers: Compulsory Subjects — 1955 — Rs. Two
 General Expenditure „ Rs. 1-4-0
 Books & Budget „ *Rs. 1-4-0
 Receipts Accounts „ *Rs. Three
 * Under preparation.

APPENDIX II - A EXAMINATION — 1956

Compulsory Subjects: Qns. & Ans. No. 500 A ... Rs. 1-8-0.

S. R. A. S. EXAMINATIONS—Questions only

Part I — 1955 & 56 — 84C Rs. 1-8-0

Part II „ 85C Rs. 1-8-0

GENERAL BOOKS

Hand Book of Railway Accounts—Revised & Enlarged — 1956. No. 73 RR ... Rs. Ten.
 [Later additions, alterations & corrections will be issued as a priced Supplement.]

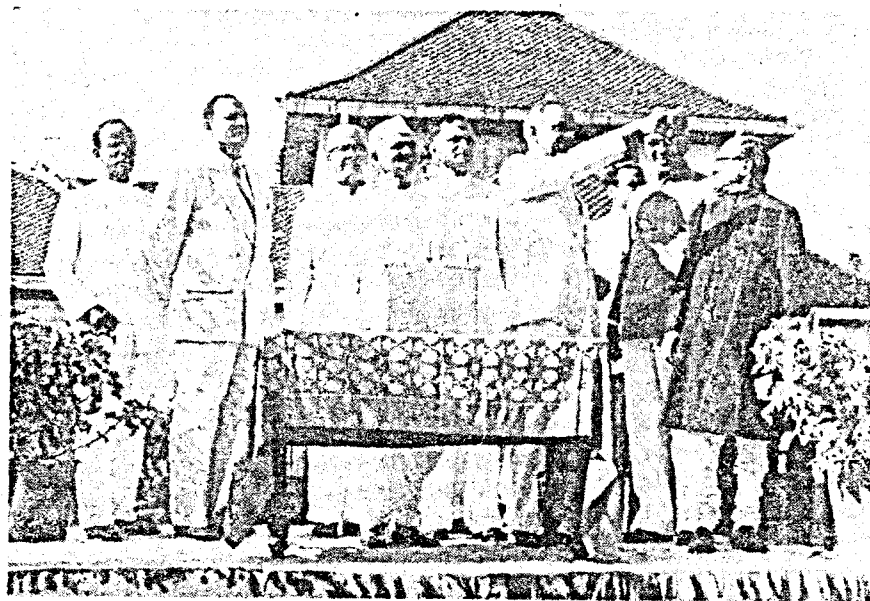
OTHER GENERAL BOOKS

69 R — 71 — 72 — 98 (Corrected) & 297.

APP. III-A EXAMINATIONS

Compulsory Subjects — Qns. & Ans. — 1950 to 1954. ... Rs. Ten.
 Books & Budget — Qns. & Ans. — 1947 to 1954. ... Rs. 7-4-0.

Some of the exhausted copies of other books will be reprinted in due course.



G. M. pointing out the movement of the train after inauguration of ERNAKULAM-KOTTAYAM RAILWAY.

THE RAILWAY ACCOUNTANT

NOVEMBER 1956

SUPPLEMENT

Form of Budget Estimates (1957-58)

(Continued from page 215 of October 1956 Issue)

Demand No. 5—Railways:—Working Expenses—Repairs and Maintenance.

1. The account heads in the abstracts shown under the detailed heads I to VII in the demand are those set out in the classification of railway expenditure.

The detailed head should record the minus debit to Revenue according to instructions issued in Railway Board's letter No. F (X) I-46-ADJ I (1), dated 22-8-46 and 27-9-46.

The detailed head XII should record the inflationary element of expenditure on works, locomotives, carriages and wagons, tele-communications, wireless sets and 50 per cent of the cost of materials involved in restoration of dismantled lines vide para 1 (iii) of Railway Board's letter No. F (X) I-46-ADJ I (1), dated 22-8-46 as subsequently amended by letter of even No. dated 27-9-46.

2. The expenditure on any other special account heads opened on individual Railways should be shown against the appropriate demand head.

3. The figures entered in the columns of actuals should agree with those reported to the Secretary, Railway Board (Accounts); the figures in column 6 representing the latest approximates and those in column 8 the best estimates.

4. A brief narrative explanation should be given of the causes (with amounts involved in each case) of any substantial differences between the figures adopted for the revised estimate of the current year and (1) the actuals of the previous year, (2) budget estimate of current year. Similar explanation should be given of differences between the figures of the budget estimate of the ensuing year and the revised estimate of the current year. Large variations

which compensate each other should also be indicated.

5. As the revised estimate for the year and the budget estimate for the next year are fixed after taking into account the expenditure of the previous year and comparing the expenditure during the first seven months of the year with the corresponding period of the previous year and with reference to the special features of the three years, a full explanation of special features and any exceptional and abnormal adjustments (with amounts involved) included in each period of the previous and current year as also in the next year should be given in the explanatory note accompanying the estimate.

6. If an increase in repairs and maintenance charges is anticipated in the current year over the budget, the approximate amount attributable to each of the following causes should be stated separately.

(a) making up of arrears (b) increase in cost of material and (c) additional repairs other than arrear repair.

Similar information should be given if an increase in the next year is anticipated over the revised estimates for the current year.

7. If, after the submission of the estimates, the General Manager has any reason to consider that a substantial alteration is necessary in the figures reported to the Railway Board, he should intimate the alterations with brief reasons, before the 5th January. Any other alterations considered necessary after that date should be reported demi-

officially not later than the 20th January, to the Financial Commissioner of Railways, who will decide whether the alteration should be carried out in the estimates or not.

8. As in note No. 7 under Demand No. 4.

9. Share of credits for freight charges on departmental traffic, both coal and stores, adjustable in reduction of expendi-

ture under demand No. 5—Ordinary Working Expenses—Repairs and Maintenance, determined in the Proportion of expenditure booked by each Railway under Demands 5, 6, 7 and 8 in the latest year for which accounts have been closed, should be provided for against the deduct head "Share of Freight Charges on Railway Stores including Coal" vide Board's letter No. 56-B-4257 dated 10-7-1956.

Account Heads (Referred to in Note 1 above)

I. Maintenance of Way and Works :

- (a) A-2000 to 2040—Pay etc. of subordinate supervising staff.
- (b) A-2600—Dearness allowance & dearness pay of subordinate supervising staff.
- (b) Track
 - (i) A-2111 and 2112. Wages of Gangs.
 - (ii) A-2113. Ballast. ...
 - (iii) A-2114. Permanent Way and other Stores.
 - (iv) A-2115. Earthwork. ...
 - (v) A-2116.
 - (vi) A-2117.
 - (vii) A-2118.
- (c) A-2120 to A-2140 Bridges and tunnels.
- (d) A-2150. Service Buildings.
- A-2160. Residential Buildings.
- A-2170. Shore connection at ferries.
- A-2181 and A-2182. Service Roads, fencing etc.
- A-2260. Overcharges and undercharges.
- Manufacture and repairs on cost in Engineering Workshops.
- A-2700. Replacement and renewal expenditure in respect of foreign and State worked lines.
- (e) A-2600. Dearness Allowance and Dearness Pay.

Total :—

II. Maintenance of Locomotives :

- (a) B-2000 to 2040—Pay etc. of subordinate supervising staff.
- B-2400—Dearness Allowance & Dearness Pay of subordinate supervising staff.
- (b) B-2110. Running repairs to Locomotives.
- B-2610. Running repairs to Diesel Electric Locomotives.
- B-2300. Replacement and renewal expenditure in respect of foreign and state worked lines.
- B-2400. Dearness Allowance and Dearness Pay of Shed staff.

(c) B-2120. Workshop repairs to Locomotives.

B-2620. Workshop repairs to Diesel Electric Locomotives.

B-2400. Dearness Allowance and Dearness Pay of Workshop staff.

Total :—

III. Maintenance of Carriage and Wagon stock :

- (a) C-2000 to 2040—Pay etc., of subordinate supervising staff.
- C-2700. Dearness Allowance and Dearness Pay of subordinate supervising staff.
- (b) C-2110. Running repairs to Coaching vehicles.
- C-2700. Dearness Allowance and Dearness Pay of Sick Line and Train Examining staff.
- (c) C-2120. Workshop repairs to Coaching Vehicles.
- C-2130. Other Coaching Vehicles.
- C-2700. Dearness Allowance and Dearness Pay of Workshop staff.
- (d) C-2200. Rail Cars.
 - (i) Running repairs.
 - C-2700. (ii) Dearness Allowance and Dearness Pay of running staff.
 - (iii) Workshop repairs
 - C-2700. (iv) Dearness Allowance and Dearness Pay of Workshop staff.
- (e) C-2310. Running repairs to Goods vehicles.
- C-2700. Dearness Allowance and Dearness Pay of Sick Line and Train Examining staff.
- (f) C-2320. Workshop repairs to Goods Vehicles.
- C-2700. Dearness Allowance and Dearness Pay of Workshop staff.
- C-2400. Damages to and deficiencies in interchanged stock.
- C-2540. Cost of motor vehicles, gas plants and other capital equipment provided for road services.
- C-2600. Replacement and renewal expenditure in respect of foreign and state worked lines.

Total :—

IV. *Maintenance of Ferry Steamers & Harbours :*

D-2000 to 2040—Pay etc. of subordinate supervising staff.

D-2500 Dearness Allowances and Dearness Pay of subordinate supervising staff.

D-2100 }
 D-2200 } Steam boats, barges and minor craft and harbours.
 & D-2300 }

D-2500 Dearness Allowance and Dearness Pay

Total : _____

V. *Maintenance of Electrical Services :*

H-2000 to 2040—Pay etc. of subordinate supervising staff.

H-2500 Dearness Allowance & Dearness Pay of subordinate supervising staff.

H-2110 Sub-station.

H-2120 Overhead equipment.

H-2130 }
 H-2140 } Rolling Stock Traction Equipment.

H-2150 }
 H-2160 } Miscellaneous equipment, track bonding Plant in Generating
 H-2170 } Stations etc.

H-2217 }
 H-2218 } Electrical installations in service and residential buildings.

H-2211 }
 H-2212 } Electric Plant and Equipment in Generating Stations,
 H-2213 } substations, Overhead lines and underground cables, Work-
 H-2219 } shops machinery, and other machinery, Overcharges and
 H-2219 (a) } undercharges on-cost, manufacture and repairs, motor cars
 H-2219 (b) } and trolleys.
 & H-2220 }

H-2214 }
 H-2215 } Train lighting equipment in Steam Trains, multiple unit
 H-2216 } stock, boats etc. and locomotive head lights on steam trains.
 & H-2219 (c) }

H-2500 Dearness Allowance and Dearness Pay.

Total :— _____

VI. *Maintenance of Signal and Telecommunication Services.*

J-2000 to 2040 Pay etc. of subordinate supervising staff.

J-2900 Dearness Allowance & Dearness Pay of subordinate supervising staff.

J-2100 }
 J-2200 } Signal and Telecommunication Services.

J-2300 Posts & Telegraph Deptt. Rent

J-2400 }
 J-2500 } Electric clocks, Equipment, Workshop
 J-2600 } repairs and overhaul of instruments
 J-2700 } and other miscellaneous expenses.

H-2900 Dearness Allowance and Dearness Pay.

H-2400 Replacement and renewal expenditure in respect of foreign and state worked lines.

Total : _____

VII. *Other Expenses.*

A-2210, A-2220, }
 A-2230, A-2240, } Machinery, Tools &
 B-2200, C-2510, } Plant, Equipment etc.
 C-2520, C-2530, } Office Furniture, Pumps
 D-2400, E-2100, } etc.
 E-2200 & F-2100, }

A-2600, B-2400, C-2700 } Dearness Allowance
 D-2500, E-2400, F-2300 } and Dearness Pay.

A-2300 } Conservancy of rivers, plantations,
 A-2400 } nurseries, gardens etc.

A-2501 Carriage of Revenue Stores.

A-2502 }
 A-2503 } Loss of Cash and Stores.
 A-2504 }

Total : _____

VIII.	Write off of the capital cost of dismantled lines.	...	...
IX.	Write off of the capital cost of assets abandoned.	...	...
X.	Deduct—Reversal of the write off of the Capital cost of dismantled lines on their restoration.	...	...
XI.	Write back of the cost of the military sidings initially charged to Capital.	...	...
XII.	Inflationary element in expenditure after 1942-43.	...	...

Grand Total

Credits or Recoveries

- (i) Released material
- (ii) Freight charges on Railway Stores including coal

Not

(a)	Track mileage open and expected to be opened (Running Track and Sidings) :—	Broad gauge	Metre gauge	Narrow gauge
	At end of 1954-55			
	At end of 1955-56			
	At end of 1956-57			
	At end of 1957-58			
(b)	Cost per equated track* mile (Running Track and Sidings) :—	Broad gauge	Metre gauge	Narrow gauge
	In 1954-55			
	In 1955-56			
	In 1956-57			
	In 1957-58			

* The cost per equated track mile should be calculated on the lines followed in the compilation of similar units adopted for table 'A' of statement 30 of Volume II of the Railway Board's Annual Report.

Annexure 1 to Demand No. 5 — Railways.

Number of Staff.

DESCRIPTION	ACTUALS				ESTIMATE			Remarks	
	On 31st Oct.		On 31st Mar.		Budget	Revised	Budget		
	1955	1956	1956	1957	1956-57	1956-57	1957-58		
	(1)	(2)	(3)	(4)	(5)	(6)	(7)		(8)
I. Maintenance of Way and Works.									
II. Maintenance of Locomotives.									
III. Maintenance of Carriage and Wagon Stock.									
IV. Maintenance of Ferry Steamers and Harbours.									
V. Maintenance of Electrical Services.									
VI. Maintenance of Signal and Telecommunication Services.									
VII. Other Expenses.									
Total :									

Note :—Explations for substantial increases or decreases in number in regard to (i) Revised Estimates for current year (Column 7) and Actuals for the previous year (Column 2 & 4); (ii) Budget and Revised Estimates for current year (Columns 6 and 7) and (iii) Budget Estimates for 1957-58 (Column 8) and Revised Estimates for 1956-57 (Column 7) should also be given.

Demand No. 6—Railways—Working Expenses—Operating Staff

1. The account heads in the abstracts shown under the detailed heads in the demand are those set out in the classifications of railway expenditure.
 2. The expenditure on any special account head opened on individual railway should be shown against the appropriate demand head.
 3. The figures entered in the columns of actuals should agree with those reported to the Secretary, Railway Board (Accounts); the figures in Col. 6 representing the latest approximates and those in col. 8 the best estimates.
 4. A brief narrative explanation should be given of the causes (with amounts involved in each case) of any substantial difference between the figures adopted for the revised estimate of the current year and (1) the actuals of the previous year and (2) budget estimate of current year. Similar explanation should be given of differences between the figures of the budget estimate of the ensuing year and the revised estimate of the current year. Large variations which compensate each other should also be indicated.
 5. As the revised estimate for the year and the budget estimate for the next year are fixed after taking into
- account the expenditure of the previous year and comparing the expenditure during the first seven months of the year with the corresponding period of the previous year and with reference to the special features of the three years, a full explanation of special features and any exceptional and abnormal adjustments (with amounts involved) included in each period of the previous and current year as also in the next should be given in the explanatory note accompanying the estimates.
6. If, after the submission of the estimates the General Manager has any reason to consider that a substantial alteration is necessary in the figures reported to the Railway Board, he should intimate the alterations with brief reasons, before the 5th Jany. Any other alterations considered necessary after that date should be reported demi-officially not later than the 20th Jany. to the Financial Commissioner of Railways, who will decide whether the alterations should be carried out in the estimates or not.
 7. Same as in Note No. 7 under Demand No. 4.
 8. Same as in Note No. 9 under Demand No. 5.

Account Heads referred to in Note 1 above

- I. *Power*: B-3000 to 3040—Pay etc. of Subordinate Supervising Staff.
- B-3700 Dearness Allowance & Dearness Pay of Subordinate Supervising Staff.
- B-3101, B-3811 }
B-3105, B-3820 } Pay etc. of Running Staff.
B-3106 and }
B-3830 }
- B-3102 & B-3812 Mileage and overtime.
- B-3700 Dearness Allowance and Dearness Pay of Running Staff.
- B-3103 & B-3813 Wages of Shed and Yard Cleaning Staff.
- B-3700 Dearness Allowance & Dearness Pay of Shed & Yard Cleaning Staff.

Total

II. *Carriage & Wagon*:

- C-3000 to 3040—Pay etc. of subordinate supervising staff.
- C-3700 Dearness allowance and dearness pay of subordinate supervising staff.
- C-3101, C-3211 } Pay etc. of staff on inspection
C-3221, C-3222 } of running vehicles and rail
C-3400 & C-3500 } cars.
- C-3700 Dearness Allowance and Dearness Pay of Staff on inspection of running vehicles and rail cars.
- C-3103 Share of neutral control expenditure.
- C-3104 Share of single and dual control expenditure.

Total

III. *Steamers & Harbours*:

- D-3000 to 3040—Pay of subordinate supervising staff.
- D-3900 A—Dearness Allowance and Dearness Pay of subordinate supervising staff.
- D-3110, D-3120 }
D-3130, D-3140 } Pay etc. of staff.
& D-3150 }
- D-3900 --A Dearness Allowance and Dearness Pay of staff.

Total

IV. *Traffic*:

- E-3101 E 3103 } Pay, Wages and allowances of
E-3105 E 3106 } General Operating, train and
E 3107 E-3108 } ticket checking staff.
- E-3800-A. Dearness Allowance and Dearness Pay of station staff.
- E-3102 Pay, Wages and allowances of station staff.
- E-3104 Mileage and overtime of train staff.
- E-3800-A. Dearness Allowance and Dearness Pay of Train staff.
- E-3906 to 3909 Road services.
- E-3800-A. Dearness Allowance and Dearness Pay of Road services staff.

Total

V. *Electric Traction :*

H-3000 to 3040—Pay etc. of subordinate supervising staff.

H-3400 Dearness Allowance & Dearness Pay of subordinate supervising staff.

H-3110, H-3120 } Pay, Wages etc.
H-3130 & H-3151 }

H-3110 & H-3151 Mileage & overtime.

H-3400 Dearness Allowance & Dearness Pay.

Total

VI. *Signal & Telecommunication :*

J-3000 to 3040—Pay etc. of subordinate supervising staff.

J-3200—Dearness Allowance & Dearness Pay of subordinate supervising staff.

J-3100—Pay and allowances.

J-3200—Dearness Allowance and Dearness Pay.

Total

Grand Total

Credit or recoveries

Net

..... Railway

Annexure to Demand No. 6—

Total Number of staff

DESCRIPTION	ACTUALS				ESTIMATES			Remarks
	On 31st Oct.		On 31st Mar.		Budget	Revised	Budget	
	1955	1956	1956	1957	1956-57	1956-57	1957-58	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
I Power								
II Carriage & Wagon ...								
III Steamers & Harbours								
IV Traffic								
V Electric Traction ...								
VI Signal and Telecommunication								
Total								

*Note :—*Explanations for substantial increases or decreases in number in regard to (i) Revised Estimates for current year (Col. 7) and Actuals of the previous year (Cols. 2 and 4) (ii) Budget and Revised Estimates for the current year (Cols. 6 and 7) and (iii) Budget Estimates for 1957-58 (Col. 8) and Revised Estimates for 1956-57 (Col. 7) should be given.

Demand No. 7—Railways : Ordinary Working Expenses—Operation (Fuel)

1. The account heads in the abstracts shown in the statements below as corresponding to the detailed heads in the demand are those set out in the classifications of railway expenditure.

Detailed heads of the Demand	Account heads in the abstracts.
I. Cost of coal (excluding excise duty and cess and sales tax) ...	B-3210 (excluding 3213 & 3214) and D-3610 (excluding 3612 & 3613)
II. Excise duty and cess on coal ...	B-3213 and D-3612
III. Sales tax on coal ...	B-3214 and D-3613
IV. Cost of other fuel ...	B-3220, 3230, 3240 and 3841. D-3620, 3630 and 3640, E-3902.
V. Freight on fuel ...	B-3250, D-3650
VI. Handling charges on fuel ...	B-3260
VII. Cost of electric current for traction purposes ...	H-3140
VIII. Losses of fuel ...	B-3270, D-3660.

2. Same as Note 2 under Demand No. 4.

3. Same as Note 3 under Demand No. 4.

4. Same as Note 4 under Demand No. 4.

5. Same as Note 5 under Demand No. 4.

6. Same as Note 6 under Demand No. 4.

7. Same as Note 7 under Demand No. 4.

8. Share of credits for freight charges on departmental traffic, both coal and stores adjustable in reduction of expenditure under demand No. 7—Ordinary Working Expenses—Operation (Fuel) determined in the proportion of expenditure booked by each Railway under Demands 5, 6, 7 and 8 in the latest year for which accounts have been closed, should be provided for against the *deduct* head 'Share of Freight charges on Railway Stores including coal' *vide* Board's letter No. 56. B-4257 dated 10-7-1956.

9. This is similar to Note No. 9 under Demand No. 5.

Account Heads referred to in Note 1

- I. Cost of Coal (excluding excise duty and cess).
- II. Excise duty and cess on coal
- III. Sales Tax on coal
- IV. Cost of other fuel
- V. Freight on fuel
- VI. Handling charges on fuel
- VII. Cost of electric current for traction purposes.
 - (a) Generation in Railway Power House
 - (b) Current purchased from other sources.
- VIII. Loss or gain on working of State Railway Collieries.
- IX. Losses on fuel.

Total : _____

Credits or recoveries.

(i) Rail-freight on coal.

(ii) Cinders and Coal ashes.

Net : _____

ANNEXURE TO DEMAND No. 7

Category of service	Total gross ton miles in thousands etc.*					
	1955--56			1956—57		1957—58
	First seven months	Last five months	Budget Estimates	Revised estimates		Budget Estimates
First seven months				Last five months		
Passenger B.G.						
	M.G.					
	N.G.					
Goods B.G.						
	M.G.					
	N.G.					
Mixed Trains B.G.						
	M.G.					
	N.G.					
Departmental B.G.						
	M.G.					
	N.G.					
Shunting B.G.						
	M.G.					
	N.G.					
Misc. B.G.						
	M.G.					
	N.G.					
Total all services B.G.						
	M.G.					
	N.G.					

*Information under these headings would have to be furnished for the following items also.

Rate of consumption in lbs. per thousand gross ton-miles.

Average rate of issue.

Quantity required.

Cost.

Number of Engine Miles.

Rate of consumption in lbs. per thousand Engine Miles.

Total quantity.

Cost.

(Continued on page 16)

(Continued from page 20)

ANNEXURE II TO DEMAND No. 7—RAILWAYS.

.....RAILWAY

Quantity and Freight of Coal Carried by Sea.				
Description.	Actuals 1955-56	Budget Estimate, 1956-57.	Revised Estimate, 1956-57.	Budget Estimate, 1957-58.
(1)	(2)	(3)	(4)	(5)
I. Coal carried by sea (quantity).	First 6 months.			
	Last 6 months.			
II. Average rail-cum-sea freight per ton....				
III. Average all rail route freight per ton. (corresponding to item II above).				

(To be Continued on page 21)

(Continued from page 14)

ANNEXURE I TO DEMAND No. 7—RAILWAYS

QUANTITY

Coal received.						Coal consumed.*		
1955-56		Budget Estimates 1956-57	Revised Estimates 1956-57	Budget 1957-58	1955-56			
Quantity		Quantity		Quantity	Quantity		Average Issue rate	
First 6 months	Last 6 months	First 6 months	Last 6 months		First six months	Last six months	per ton (excluding freight, sales tax, excise duty & cess)	
1	2	3	4	5	6	7	8	9

Rail
borne
coal }Sea
borne
coal }

Reasons for variations

Explanation regarding disproportionate consumption, if any, in the latter half of the year, should be

RAILWAY
OF COAL

Budget Estimates 1956-57		Revised Estimates 1956-57		Budget 1957-58			
Quantity		Average issue rate per ton (excluding freight, sales tax, excise duty & cess)		Quantity		Average issue rate per ton (excluding freight, sales tax, excise duty & cess)	
First 6 months	Last 6 months	First 6 months	Last 6 months	First 6 months	Last 6 months	First 6 months	Last 6 months
10	11	12	13	14	15	16	17

Reasons for variations

furnished. *Coal consumed by ferries chargeable to Demand No. 7 should be separately indicated.

Actuals 1955-56	First six months 1955-56	Last six months 1955-56	Budget 1956-57	Revised Estimates 1956-57	Budget Estimates 1957-58
1	2	3	4	5	6

Engine
Miles.Train
Miles.

ANNEXURE I TO DEMAND No. 7—RAILWAYS.

1955-56				Coal consumed —	
Quantity		Cost (excluding freight, sales tax, excise duty and cess)		Budget Estimates 1956-57	
First 6 months	Last 6 months	First 6 months	Last 6 months	Quantity	Cost (excluding freight, Sales tax, excise duty and cess).
17	18	19	20	21	22

Rail
borne
coal }

Sea
borne
coal }

Reasons for Variations

other than Loco Coal

Revised Estimates 1956-57				Budget 1957-58	
Quantity		Cost (excluding freight, Sales tax, excise duty and cess)		Quantity	Cost (excluding freight, Sales tax, excise duty and cess)
First 6 months	Last 6 months	First 6 months	Last 6 months		
23	24	25	26	27	28

Average daily consumption of Coal

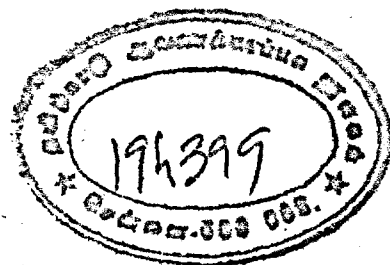
Actuals 1955-56	First six months 1955-56 1956-57		Last six months 1955-56 1956-57		Budget Estimate 1956-57	Revised Estimate 1956-57	Budget Estimate 1957-58
1	2	3	4	5	6	7	8

ANNEXURE I TO DEMAND No. 7-RAILWAYS.

Loss of Coal *					
1955-56		Budget Estimates 1956-57	Revised Estimates 1956-57		Budget 1957-58
Quantity		Quantity	Quantity		Quantity
1st 6 months.	Last 6 months.		1st 6 months.	Last 6 months.	
29	30	31	32	33	34

Rail
borne
coal }

Sea
borne
coal }



Reasons for variations.

* Similar columns also for "coal at the end of year (in tons)"

(Continued on page 15)

[To be continued in December '56]

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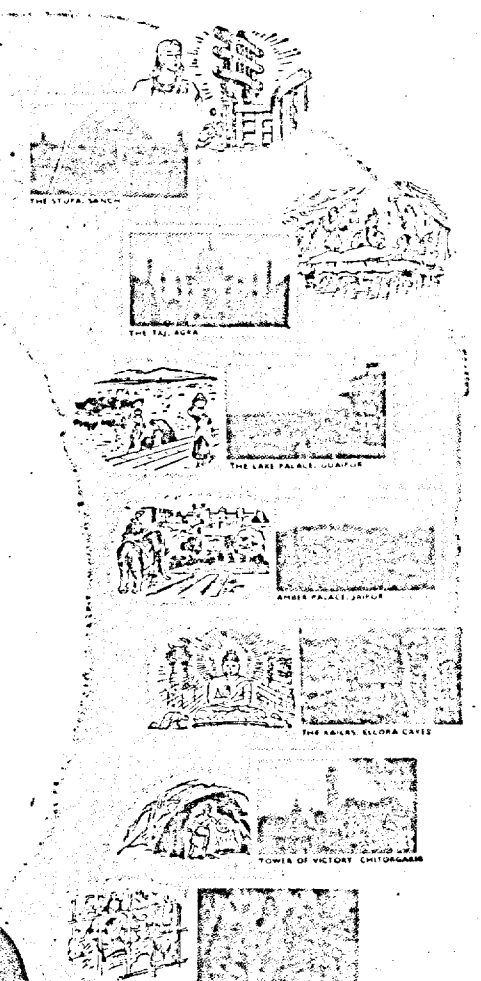
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