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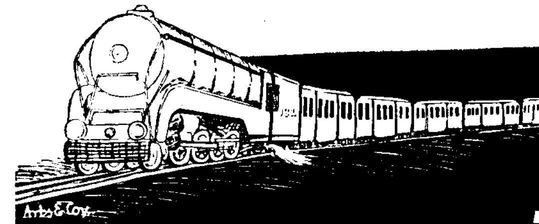

The RAILWAY ACCOUNTANT

A MONTHLY JOURNAL DEVOTED TO RAILWAY ACCOUNTS, AUDIT & FINANCE

Published on the 15th of every month

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(WITH A RAILWAY WEEK SUPPLEMENT)

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CONTENTS

EDITORIAL NOTICE

Contributions are invited to this Journal on matters pertaining to Accountancy, more particularly of Railways. Every such contribution must be signed as a guarantee of good faith, even if not intended for publication. They may be in the form of Notes or short paras or fuller articles.

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.

All contributions should be addressed to the undersigned so as to reach him not later than the 28th of a month for inclusion in the next month's Journal, which is published on the 15th of every month.

The Managing Editor does not hold himself responsible for the accuracy of the news supplied by correspondents or for opinions expressed by Contributors.

Remittances may be made by M.Os., Indian Postal Orders or Cheques. Remittance by cheque on a Mofussil Bank should include Bank's Clearance charges, usually Seventy naye Paise.

All communications, contributions, subscriptions, advertisements etc., should be addressed to

The Managing Editor,
"The Railway Accountant"
14, Balakrishna Road, Mylapore,
MADRAS - 4.

Messages

SRI A. K. CHANDA,
Comptroller & Auditor General of India.

I am glad that "The Railway Accountant" has completed another useful year as a technical journal dealing with financial and accounting problems of the Railways. It has maintained its high standard and objectivity and I compliment the Editor for his able management.

NEW DELHI,
31—3—1958

SRI P. C. MUKERJEE,
Chairman, Railway Board.

I am glad to learn that "The Railway Accountant" which is being published regularly as a monthly Journal since 1954, will be bringing out its Anniversary Number in April 1958, to synchronise with the Railway Week.

I wish the Journal all success in its efforts in disseminating useful knowledge and information to railwaymen who will be called upon to play, during the coming years a more vital role in the development of the national economy.

NEW DELHI,
3—3—1958

SRI K. P. MUSHRAN,
Member, (Staff), Railway Board.

I have seen some recent issues of the "Railway Accountant" which you have been good enough to forward to me. The contents are interesting and the journal is of a high standard. I trust that this will be maintained and that you will succeed in your venture.

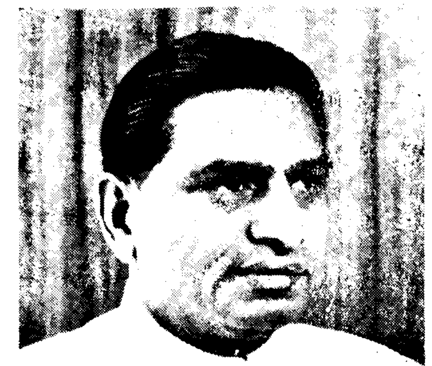
NEW DELHI,
3—4—1958

SRI N. C. DEB,
Additional Member, Finance, Railway Board.

I am happy to know that your Journal will shortly be entering its fifth year. Railway Accounts is an important and specialised subject and your Journal has been serving a useful purpose by covering regularly matters of interest in this field. I have every hope that your Journal will continue to render useful service in future also.

NEW DELHI,
1--3—1958

SRI K. SADAGOPAN,
Chief Administrative Officer, Integral Coach Factory.



As one connected with the Accounts Department of the Railways, I have been watching with interest the growing success of the monthly publication "Railway Accountant". The journal caters to a variety of interests in railway accounting matters and deals with subjects of topical importance to Railwaymen. The publication has completed four successful years and within the short period, it is very encouraging to note that it has gained wide popularity and circulation.

The journal is now entering upon its fifth year. I congratulate the Editor on this success and sincerely hope that the journal will continue to serve the cause of railway accounting, and be of increasing use to the Accounts personnel of the Indian Railways.

MADRAS,
18—3—1958

SRI D. P. MATHUR,
Member-Secretary, Expert Committee on Coal Consumption.

I am very glad to learn that your monthly Journal, "Railway Accountant", which you commenced publishing in April 1954, would be completing four years at the end of March 1958. I have no doubt that the journal has rendered very valuable service to its readers in propagating knowledge in Railway Accounting and Finance and to Railway Accountants in particular, in playing an effective role in the administration of Railways.

I hope that your journal will become increasingly popular in future years.

NEW DELHI,
14—3---1958

SRI M. V. SESHADRI,
F.A. & C.A.O., Southern Railway.

I am happy to learn that the "Railway Accountant" is entering upon its fifth year of publication. The journal has been doing valuable work in the cause of Railway Accounts and Finance and I hope that its high standard will be maintained in the years to come. The articles are thought-provoking and it is gratifying to note that the journal is widely read by Railway Accountants (not to speak of other Railway Executives) and is proving of great benefit to them.

MADRAS,
7—4—1958

SRI S. S. GORE,
F.A. & C.A.O., Central Railway.

I congratulate you on the very useful role played by the "Railway Accountant".

BOMBAY,
24—3—58

SRI K. VENKATARAMA IYER,
C.A.A. (Retd.) M.S.M. Ry.

Best wishes for another year of success with your Journal.

MADRAS,
9—4—1958

The RAILWAY Accountant
14, BALAKRISHNA ROAD, MADRAS-4
A MONTHLY JOURNAL DEVOTED TO RAILWAY ACCOUNTS, AUDIT & FINANCE.
EDITED & PUBLISHED BY L. V. GOPALAN, B.A., B.L.

Vol. V APRIL 1958 No. 1

Railway Second Five-Year Plan

We are entering the fifth year since the inauguration of this Journal and this brings to our memory the importance of this period. The fifth year is the one selected by Hindus for starting the education of their children. This, probably, is due to the fact that the minds of young children at this age are very pliable and can easily be moulded for running Life's Race in later stages.

On the same analogy, it is hoped that this Journal will also in its fifth year be able to achieve some notable progress in the development of the objectives which have been set before it and to which end the Journal has been slowly, yet steadily, directing itself all these four years.

The Messages of Goodwill received from the various Officers of rank and authority, published elsewhere have given a great impetus and encourage us to move upwards to still greater heights of service and also enlarge the fields therefor.

Recently, a new Section was opened in the Journal under the Caption "Developments of Science" so as to include some general matters of importance not only to the Railway Administration but to the public in general. It is true that a technical journal has always certain limitations; but nevertheless it is possible by a little 'give and take' to make such a journal an interesting one even to those not directly connected with the Railway administration. Matters like those dealt with by the Estimates Committee and Public Accounts Committee on the working of even the other Departments of Government are being included in the Journal, as these are of general interest. Apart from Accounts, the Executive has also something of use in this publication. Matters of administration always impinge upon finance and every Executive Officer, whether high or low has necessarily to keep an eye on the financial aspect of his branch of the administration. This leads us to the modes of realisation of such objectives viz., simplification of procedure, elimination of unnecessary work, introduction of effective safeguards against possible loopholes, encouraging outstanding merit, discouraging anything that tends to inefficiency etc. etc.

It is hardly necessary to reiterate that in the present set up when everything vanishes before the Second Five Year Plan, the greatest effort should be forthcoming from everyone and at all times in order to ensure success for the Plan. Unless every worker is loyal to his employer and brings forth a sense of utmost devotion to his duty, it will not be possible to achieve the ends in view. In this connection, the saying in the Geetha " Do your duty without reference to any reward " should be borne in mind.

कर्मण्येवाधिकारस्ते मा फलेषु कदाचन ।
मा कर्म फलहेतुर्भूर्मा ते सङ्गोऽस्त्वकर्मणि ॥

" Karmanyevadhikaraste Ma Phaleshu Kadachana
Ma Karmaphalaheturhurmate Sangosthvakarmani "

' Work alone are thou entitled to, and not to its fruit. So never work for fruit, nor yet desist from work.' ' Those who conscientiously give of their best to the task allotted to them are sure, now or later, to be recognised for their part in the big planning scheme, quite apart from the satisfaction and joy flowing from the feeling of having done good work and contributed in however small a measure to the success of the Plan.

The Railway Plan is working under several handicaps and it is very essential that every rupee spent must yield the maximum benefit. Thus, it would be necessary for everyone of the lakhs of Railway employees to realise that not only should they put in their best, but also avoid any possibility of unnecessary or infructuous expenditure. There should be no room for repentance at a later stage for waste, which could have been avoided in time by a little forethought.

Similarly, every investment should be well thought out so as to bring about the maximum result either in the shape of increased revenues or curtailing expenditure. This is the basic principle underlying all commercial expenditure and the implication of this principle should be realized at every stage.

The Integral Coach Factory and the Chittaranjan Loco Works—the two Institutions directly under the Railway Board's control—are setting up high standards of efficiency and progress and it is claimed that these are mostly due to having a very contented staff who are provided with such amenities of life as are needed to keep them free from want or care from day to day. It is no doubt true that a person, when he sets upon his work, should not have any anxiety about his home and the articles in the Railway Week Supplement published elsewhere in this issue indicate that every one of the employees should feel that he belongs to a big family which should work in a team spirit and towards a common goal of self-sufficiency and be proud of his part in making the Railway Plan a success and thus ensure its valuable contribution to bringing out a Welfare State.

Speaking about ourselves, we have to express our grateful thanks to the various Railway authorities who have been kind enough to give us assistance and encouragement

during the past years. But we feel that there is still a very wide field untapped; and, given the will to co-operate with us in our attempts to render service to the Railway Administration, not to speak of the Railway Staff in particular, the various Railway Officers, high or low, may take a greater interest in the context of this Journal and render such assistance to it as is permissible under the limitations of rules and regulations. There is also another element—that of expedition—in rendering any such assistance.

Among the many things that are necessary in order to successfully carry out the objectives of this Journal are, in the main, free and regular flow of Departmental advertisements as is given to other journals dealing with Railway Subjects or otherwise. Another way is to encourage the enrolment of subscribers in large numbers by each Railway in each Department and the copies subscribed for by the office being also suitably enlarged. If, as has been testified to by the top officers in authority, the Journal has been conducting itself well for the benefit of its various readers, it should be possible for a large number of additional subscribers also joining and obtaining the benefits of the knowledge disseminated through the Journal. We have heard now and again that it is only some sections of the Journal that interest some particular type of readers; but to the extent of their interest there is material to justify their being regular subscribers. Initiative should start from official circles and spread to individuals. This is in consonance with the modern apathetic tendency of everyone, whether an individual or otherwise, always requiring somebody else to lead, himself being content to follow.

Yet another line upon which we should lay stress is the need for Railwaymen taking a great interest in the dissemination of knowledge and utilising for this purpose the medium of the Journal by contributing articles and dealing with topics which are of great interest and importance. What seems to be of minor importance to an expert in a particular field of Railway Accountancy may be of great value to others, and so articles on all topics are invited. We have always welcomed discussions of the various problems besetting the Railway Administrations financially and otherwise, and we are hopeful that with the help of our readers, we shall be able to render useful assistance to the Administration and to the cause of the technique of Railway Accounting and Finance.

Wife : I always believe in weighing my words before speaking.

Husband : And you don't give short weight, either!

* * *

Husband to Friend : My wife is the most wonderful woman in the world. And that's not my opinion only, it's her's too!"

Accounting Machines for British Railways

The British Railways have recently installed two electronic computers as part of their modernisation plan. The first of these has been installed in the Regional Accountant's office of the Western Region at Swindon for commercial, industrial and public service accounting and industrial research computing. This machine, a Powers-Samas Programme Controller computer, will feed process and punch upto 7,200 cards an hour. As it works directly with decimal and sterling numbers, conversion and reconversion to some other scale of notation is eliminated. An unusually flexible method of programming is employed and each specific programme for a particular application is set up on special programme units which are inserted in the machine each time the particular type of work is undertaken. This machine has a main store with a total capacity of 2,560 sterling or decimal digits besides the six immediate-access stores and storage for input, output and programme instructions where required. Various automatic checking safeguards are also incorporated in the machine. One of the principal uses of this computer is the calculation of wages of the 10,000 employees of the Swinden Works. Each employee may receive many varying hourly rates of pay during a week, and be entitled to 'flat time,' 'time and a quarter,' 'time and third,' 'time and a half,' and 'double time' in the same week. The cycle of operations starts with the marking of the pay cards which are already partly punched with the employees' numbers, pay rates, etc., by automatic process at the end of the previous week's operations. The marking consists of pencil marks made on the cards in appropriate positions to represent the different kinds of hours worked. The cards are then fed through an electronic 'Mark Sensing Punch' which automatically reads the marks and punches corresponding holes in the cards at over 5,000 cards an hour. The cards are then ready for the computer which firstly calculates the uplift to be applied to the hours worked according to the nature of the overtime, multiplies the results by the hourly rates, adds in bonus and allowance and thus arrives at the gross pay. Then the computer works out and deducts the income-tax due, subtracts various other deductions and punches net pay into the card which is then fed into a tabulator to print the payslip and payroll. The whole computation from 'hours worked' to 'net pay' takes only two seconds per employee. Another essential weekly task of the computer is to calculate each employee's piecework bonus. In case of gangs the bonus earned has to be divided among the members of the gang in exact proportion to the hours worked by each employee and his basic hourly rate. This calculation is performed by the computer at the rate of one employee per second.

The second computer has been installed at the accountant's office of the London Midland Region at Derby to provide information on inventory control of stores. Inventory control, which is a major job at the works, covers the control of all stores holdings (by both quantity and value), ensuring that stores items are immediately available without the necessity of carrying large stocks. Derby Stores deals with 60,000 different items needed for the building and repair of locomotives and carriages. There are about 3,000 stores movements daily at Derby and this machine, a Hollerith '550,' will supply accurate and timely statistical information and perform as a matter of daily routine the calculations necessary for the adjustment of inventory records, resulting from stock issues and receipts.

— By Kind Courtesy : Electronic Engineering.

Systems of Costing and Controlling Production of Locomotives Spares in Railway Workshops

BY YASH PAL PURI

The Indian Railways own a fleet of about 9,500 locomotives comprising more than 250 types or 'classes.' Nearly 16% of this stock on any day, is 'ineffective,' being either under extensive repairs in the locomotive Workshops or undergoing routine servicing in the Running Sheds.

The percentage of the ineffective stock, it will be seen, has an important bearing on the depreciation and 'dividend' charges of the Railways. Supposing the figure deteriorates from 16% to 20% as it actually did during the years 1948-50—then, about 380 fewer locomotives will be available for working the given volume of traffic. Purchase of these many additional locomotives will involve an extra capital investment of about Rs. 20 crores on which depreciation and dividend charges will accrue.

It will further be clear upon thought that the number of locomotives undergoing repairs at one time (i.e, the ineffective stock), is a variable of the number of days the locomotives on the average, have to be under repairs. If the output of the Workshops and Sheds remains constant, then the number of locomotives undergoing repairs in the Shops and Sheds will strictly vary in accordance with the time taken to repair. This is to say, the less the time taken to repair, the fewer the number of locomotives in the Shops and Sheds undergoing or awaiting repairs and, thus, remaining out of service. An effective method of reducing the repair time is to keep readily available an adequate stock of rough, semi-finished and completed parts for replacement of those no longer fit for service or, in the case of repairable parts, to bridge the gap where the repairs cannot be completed within the normal repair schedule.

A feature peculiar to the Railways is that they are themselves obliged to manufacture in their workshops the bulk of their spare parts requirements. This is largely due to the variety and highly specialised nature of the locomotive spare parts as also the comparative inability of the ancillary engineering industry in India to cope with the Railway demands.

The spare parts in the Railways are classified either as "stock" items or "non-stock." The latter are usually those parts which are not much in demand. They are manufactured in quantities just enough to meet the immediate requirements and their cost is directly debited to the locomotive repair account. The stock items, on the other hand, are those which are, more or less, in constant demand. They are manufactured on Stock Orders placed by the Stores Department, to whom is passed on the custody and cost on completion of the manufacture. The economic order quantity of the stock items is determined by the Stores and Workshop executives in mutual consultation and depends upon the correct relationship of such factors as normal requirement, indicated by rate of consumption and the time required by shops for manufacturing further supplies; "dividend" payable on the capital value of the stock; cost of frequent set-up of machines and the consequent uneconomical production etc.

Some of the major locomotive workshops are individually called upon to process nearly 15,000 orders for stock items and 10,000 orders for non-stock items per annum, and the annual outlay on this account exceeds Rs. 10 crores for the Railways as a whole. Each of these components has to undergo, on the average between 3 to 5 different operations making the planning, progressing and costing of these components a highly complex task. Further, the number of stock orders in progress has also got to be kept under constant supervision and within certain limits in order to assure that there is no upset to the planned output of repairs.

Practically every Railway Workshop has got its own system of planning, progressing and costing of the stores stock items. The Indian Railway Workshop Code indeed, lays down a detailed system for the purpose (which in turn is based on a booklet *Description of the Planning, Progress, Costing and Engine Repair Schedule System, introduced in G.I.P. Railways Loco Shops at Parel in 1926,* by Mr. F. G. S. Martin), but methods and systems of working are so different and deep rooted in Railways workshops that, fearing dislocation of the existing level of output on account of the change over, they have not been able to switch on to the recommended system. Perhaps, uniformity of system, forms and procedure is of vicarious advantage in Railway workshops having their own variegated history of rationalisation of works practices and plant layout.

These systems, developed and improved as they have been over a period of 100 years, by different managements and at different times, provide interesting material for a comparative study in systems design. A beginning has been made this month by abstracting the system in vogue in the Central Locomotive Workshops of the Western Railway at Ajmer: others will follow in turn.

I

COMPONENT COSTING PRACTICE REPORT CENTRAL LOCOMOTIVE WORKSHOPS, AJMER

These workshops handle about 8,500 Orders for stock items representing an annual outlay of Rs. 40 lakhs. These parts are consumed in the repair and maintenance of about 600 meter gauge locomotives falling in about 30 clasees!

The accompanying Flow Chart indicates the route and disposal of the various planning, progress and costing documents in use in this workshop. This should be studied in conjunction with the description of the documents, and the use to which they are put, as given below. No mechanical equipment, either for ringing in and out the time spent on each operation/job or for the compilation of cost data is in use in these workshops.

(i) *Standard Operation and Estimate Sheet* (Exhibit I). For each stock item, the Production Office has in record a card called the "Standard Operation & Estimate Sheet" which contains description and technical estimate of the material required for the manufacture of the particular items as also details of the operations required, shop and machine groups involved and the estimate of the machine setting and manufacturing time. At the back of this card record is kept of the repeat orders executed for the item in question.

(ii) *Workshop Supply Order*: When quantities on hand for an item touch the minimum balance the Stores Department place on the Workshops a manufacturing order, locally known as the "Workshops Supply Order." This document, besides giving the nomenclature of the item and reference of stores stock list No., contains reference of the Part Drawing No., quantity in stock, maximum stock allowed, consumption during the last 6 months, quantity required to be manufactured and the quantity of raw material reserved therefor. *On receipt of this order, the Production Office refers the relevant "Standard Operations and Estimate Sheet" and prepares Progress Sheet, Material Requisition Notes, Operation Time Sheets, Shop Delivery Notes and Cost Sheets.*

(iii) *Progress Sheet* (Exhibit II). This form is an authority for the shops to undertake the manufacture, and may be more aptly called Progress Sheet *cum* Production Order. It gives description of the raw material required, operations to be performed, and special manufacturing instructions, if any, etc.

This form is prepared in single foil and a record of the raw material received and the semi-manufactured material sent to the next shop for processing manufactured material sent to stores, is kept at its back.

(iv) *Material Requisition Note*: It is prepared in quintuplicate and is an authority for the shops to draw raw material from the Stores. It contains reference of the Stores Stock Order No., as well as description of material and the quantity required and provides the only means by which a shop foreman can draw materials from the Stores.

Four copies of this form are sent to Stores Department which returns one copy to the shop, retains one copy itself and sends the other 2 to the Stores Accounts Office where they are priced. The Stores Accounts Office in its turn retains one copy and forwards the other to the Workshop Accounts Office with the Daily Summary of Stores Issues to Workshop. The copy received in the shop is forwarded through the Progress Office to the Workshop Accounts Office where the same is paired with the copy received from the Stores Accounts Office to prevent frauds.

(v) *Operation Time Sheet* (Exhibit III). One "Operation Time Sheet" is prepared for each of the operations to be performed. At the back of this form the Chargeman records actual time spent from day to day by one or more workers on the operation concerned together with the Ticket Nos. and rates of such workers.

The actual time spent by the operators is also summarised by the Shop Chargeman in a register ticket number-wise. From this register Time Sheets are posted. These Time Sheets are sent to the Time Keeper's Office where they are compared with the Muster Rolls by a set of clerks of the Workshop Accounts Office. (The Muster Rolls are prepared in an indirect way with reference to the tokens pertaining to absentees left on the ticket-boards and are further checked with the Absentee Statements received from the Shop Foreman.)

On completion of the work, Operation Time Sheets are returned by the shops to the Production Office where the 'Time Taken' is checked with the 'Time Allowed.' Afterwards they are priced for costing purposes.

(vi) *Marker Slip*: To each Operation Time Sheet is attached a slip of paper called "Marker Slip" which is retained by the Shop Progress Office when an Operation Time Sheet is sent to the shop for necessary operations. The Marker Slip helps in locating the whereabouts of the job in the shop.

(vii) *Shop Delivery Note*: This form accompanies the article on completion to the next shop or final destination i.e. Stores Departmet.

One Shop Delivery Note is prepared for each of the inter-shop movements of materials while 4 Notes are prepared for the last shop and are stamped "Completed." A Material Identification Tag is attached to the material under process as it moves from one shop to the next.

The Shop Delivery Note of the intermediary shops are duly acknowledged by the receiving foreman. If the order is carried out piecemeal by a particular shop the manufactured quantity is immediately transferred to the next shop on a Shop Delivery Note and for this purpose a number of *Shop Delivery Notes are sometimes required for a particular shop.*

Four Shop Delivery Notes accompany the manufactured articles to Stores, all of which are acknowledged by the Stores Department. One copy is retained by Stores, two copies are forwarded to Stores Accounts Office which retains one copy and forwards the other to the Workshops Accounts Office along with the Advice of Credits. The shop copy is forwarded to the Production Office for record and posting the progress records.

(viii) *Cost Sheet* (Exhibit IV). One copy of this form showing only particulars of the work order is sent by the Main Progress Office to the Workshop Accounts Office as an intimation of the commencement of the job so as to enable the latter to collect charges.

For Shop and Progress Office use as many Cost Sheets are prepared as the Shops through which the job has to pass. On completion of the operations each shop returns the Cost Sheet to the Progress Office where all of them are summarised in Cost Sheet pertaining to the last shop.

The Main Progress Office copies out on its record copy of the Material Requisition Note the value of stores from the corresponding priced copies of Material Requisition Note available in the Workshop Accounts Office and the resultant values are transferred to the final Cost Sheet.

Operation Time Sheets are valued by the Progress Office itself and these amounts are also transferred to the Cost Sheet.

Overhead charges which are levied as percentages of direct labour, are also entered in the Cost Sheet and the cost of the job as a whole and 'cost per' unit is computed.

The totals of 'Labour,' Stores' and overheads, together with particulars of the work order are then entered in another document called Cost Card which records the history of manufacturing costs of a particular job at different times.

The Production Office reviews the present Cost with the costs on previous occasions and where necessary advises revisions of the Stores Stock List rates of articles to the Stores Accounts Office.

SHOP PROCEDURE

Progress Sheets (Exhibit I), Material Requisition Notes, Operation Time Sheet (Exhibit II) and Shop Delivery Notes are issued to the shop by the Main Progress Office stitched together in the form of a booklet.

On receipt of the booklet in the Shop Progress Office, particulars of the work order are entered in a register maintained for the purpose.

Material Requisition Note is sent to the Stores for drawal of material.

In the Shop Progress Office a cabinet of pigeon-holes divided into different sections has been provided for the filing of Operation Time Sheets. Each section has 33 pigeon-holes, corresponding to 33 machine groups into which the entire machine capacity of more than 200 machines has been divided.

The Operation Time Sheets and their Marker Slips are detached from the booklet and are put in the appropriate pigeon-holes of the section of the cabinet called "Waiting for Material." On receipt of the material in the department, the first Operation Time Sheet and its Marker Slips are removed from this section and are transferred to the corresponding pigeon-hole in the next section called "Material Received in the Shop (to be taken Gantt)." Other Operation Time Sheets and their Marker Slips pertaining to the same job are transferred to a cabinet called "Waiting for other than first operation."

A representative of the Production Office visits the Shop Progress Office once a day, or more often, and enters the load of work in his Load Register from the Operation Time Sheets lying in the pigeon holes of the section "Material

Received in the Shop (to be taken in Gantt.)" Thereafter the Operation Time Sheets and the Marker Slips are transferred to the next section called "Next in Line."

Gantt, Progress Charts are maintained in the Production Office for the control of Operations.

When facilities are available in the shops the chargeman of a shop-who knows the pigeon-hole for his group of machines, takes out the Operation Time Sheets and their Marker Slips from the section "Next in Line," sends the Operation Time Sheets to the shop and places the Marker Slips in the next section called "In hand." Particulars in the Marker Slip enable location of the job in the shops.

This procedure has been graphically presented below.

Section of the Pigeon-hole Cabinet.

1	2	3	4	5
Waiting for Material	Material Received waiting for other than first operation.	Material Received (to be taken on Gantt.).	Next in line.	In hand
33 pigeon holes.	33 pigeon holes.	33 pigeon holes.	33 pigeon holes.	33 pigeon holes.

There is another cabinet of pigeon-holes meant for the filing of Progress Sheets, Material Requisition Notes, Operation Time Sheets and Shop Delivery Notes. This cabinet is divided into two sections, each containing 36 pigeon holes corresponding to 36 assembly-groups into which all the stock items have been divided.

On their receipt, the Progress Sheets and Shop Delivery Notes are put in appropriate pigeon hole of the section called "Waiting for material." On receipt of the material these forms are transferred to the next section called "Material received." When a particular operation is completed the relevant entry in the Progress Sheet against 'Operation Code' is crossed out by the Progress Office.

Shop Delivery Note accompanies the material to the next shop or to stores (in quadruplicate) on the completion of the job. *[To be continued]*

Cost Engineering for Higher Productivity in Railway Workshops

BY M. L. PURI, *Deputy Chief Mechanical Engineer, Eastern Railway, Jamalpur.*

[After explaining the meaning and mechanics of "cost engineering" the article suggests a model approach to its application in Indian Railway workshops, which is expected to yield higher productivity with minimum expenditure and with the limited resources of staff available.]

INTRODUCTION

Railway Workshops in India are passing through a crucial phase. On the one hand there are the increasing needs of development and demands for higher wages. On the other hand there is acute financial stringency and the corresponding emphasis on economy.

Balancing of these mutually contradicting factors simultaneously can only be made possible by an all-out drive for higher productitivity, and organising this drive on a realistic basis is the crux of our problem.

In private enterprise the motive force for higher productivity comes from the urge for profit under keen competition in the open market. In railway workshops this primary motive is absent, and something has to be deliberately substituted for it, in order to give a real meaning to the productivity drive. 'Cost engineering' is calculated to devise and apply this substitute, in the form of an urge for saving under a kind of internal competition. The remarkable rehabilitation of workshops of German Federal Railways and the high productivity obtaining there today, are to no small extent due to the successful application of cost engineering.

Meaning of Cost Engineering

Higher productivity rests on specialized attention to detail to the point of perfection and integration of the perfected detail for specific purposes In the final analysis, this is achieved through successful human engineering: motivating the individuals from the highest level down to the lowest level to accept, learn and practice the modern techniques of higher productivity. Cost engineering is intended to serve as the harness of human engineering. It urges the individual towards constructive effort, guides him in getting the best value for the effort put in and controls him by equitably evaluating the result of his effort.

The other important function of cost engineering is to create a climate of straight forwardness, confidence and trust in industrial relations. It makes clear to all concerned, in concrete terms, what the enterprise stands for, what it expects from the staff and what the staff may expect from the enterprise. Through its emphasis on equitable presentation of facts and clear-out accountability, it obviates the possibility of 'shadow' passing for 'substance', and thereby it places an effective check on the growth of unhealthy tendencies and practices

By reason of the aforesaid attributes, cost engineering can provide the most rational structure for industrial incentives and open important possibilities for decentralization of authority under appropriate budgetary control.

Mechanics of Cost Engineering

Cost engineering is composite in character. It embodies techniques developed through skillful blending of the latest engineering and cost practices. It is quite different from financial accounting. Financial accounting checks for sanction to incur expenditure, sees to the observance of expenditure procedure and ensures arithmetical accuracy of accounts. It does not probe into details of expenditure incurred in making a product or rendering a service, nor does it indicate the ways and means to reduce such expenditure. Cost engineering steps in to take charge of these latter aspects. Its functions do not overlap those of financial accounting, but supplement the same.

Cost engineering comprises of three main divisions:

(i) design of cost structure,
(ii) cost accounting and
(iii) cost control.

Cost structure defines the elements of cost that enter a product/service unit or sub-unit thereof, and the manner in which cost figures have to be collected, processed and made available for control purposes. Cost accounting ensures the correct booking of charges in accordance with the prescribed cost structure, reconciles the cost sub-totals and totals with counterparts in financial accounts, where provided for, and processes the basic cost data into the final figures required by the cost control division. Cost control implies the active employment of cost figures and derivatives, as submitted by the cost accounting division, with the object of progressively reducing the elemental cost and thereby the overall costs.

The control over cost elements is exercised by comparing the actual costs with rationally developed standard costs and endeavouring to bring the actual averages to the standard levels. This process, accompanied by a progressive reduction of standard costs through improved methods, results in a continuous reduction of the cost budget, and the savings so effected become available for simultaneously feeding development, reducing the consumer's burden and rewarding the staff who brought about the savings.

Cost Engineering Applied to Railway Workshops

Railway workshops, both central and district, exist for maintaining the maximum possible number of locomotives and rolling stock in reliable working fettle for the Operating Department. In assessing the productivity of railway workshops the following factors have to be given appropriate weightage:

(i) Service reliability, as reflected by the incidence of failure or partial dislocation of scheduled traffic working.

(ii) Engine and rolling stock availability, as reflected by the number of days locomotives and rolling stock are undergoing repairs in shops, waiting for material from shops, or waiting to be accepted by the shops for repairs.

(iii) All-in cost of repairs and maintenance incurred both in central and district workshops per unit of transport.

These factors can be compositely expressed as all-in cost of service per unit of transport, separately for locomotives, coaching stock and goods stock.

The yard sticks given in the above paragraph cover the full circuit of service and would serve the purpose of overall control. However, for purposes of detailed cost control it would be necessary to sub-divide the overall task into separate workshop tasks. Similarly, in a workshop, the process of sub-division would be carried up to the limit of individual tasks. Then alone would it become possible to arrive at elemental costs and devote specialized attention to reduce the same.

It would be observed that there are three variables in the all-in cost of service, namely, reliability, availability and cost of repairs and maintenance. The losses incurred in dislocation of traffic through loss of stock reliability are large and difficult to determine. As such, it is advisable to organise maintenance for the highest practicable reliability of stock. In the development phase when power and rolling stock constitute the primary bottleneck, it is also desirable to organise maintenance for the highest possible availability of stock. Accordingly the standard cost of repair and maintenance, which would be employed for purpose of control, should be determined in relation to well defined grades of reliability and availability of stock.

In order to define the task of a particular workshop, its units, sections within each unit and individual workers within each section, it is essential to define the manner in which repair work has to be done and the standard of quality to which it must conform. These stipulations are made in the form of codes of standard practice and inspection standards; and they will have to be related to the grade of stock reliability/availability, for which the particular workshop is supposed to cater.

After the sub-division of repair tasks has been made, as explained in the above paragraph it would be necessary to apply "work study" to individual jobs in order to standardise the best method of doing each job, fix the material required thereafter and also the optimum time that the job should take. Finally, the standard cost of the standardised job will be computed for control purposes.

The cost control division, working in conjunction with the quality control division, would then embark upon a programme of systematically bringing the actual cost down to the level of standard cost. At the same time the "work study and methods development" division would be conducting experiment and research in bringing down standard costs and thereby setting up new targets for the cost control division. This procedure for progressive cost reduction would apply in the same measure to the production of new components and execution of repair jobs.

Cost Structure for Railway Workshops

As stated in the beginning, the primary function of cost engineering in railway workshops is to provide effective substitutes for open competition and profit motive that exist in private enterprise. The German Federal Railways have gone a long way in this direction and it would be advisable to profit from their experience. Accordingly, a gist of the cost structure as prevalent in the workshops of that system, and suggestions to make use of the same in our own workshops are outlined in the following paragraphs.

On German Federal Railways, the effort is to make the limits of a cost centre coincide with those of individual executive responsibility. This facilitates effective decentralization of authority and budgetary control. Thus a chargeman may consider his section to be an independent self-contained enterprise and be accountable for his section's performance on a commercial basis. The Germans appreciate that, without vigorous cost interest on the part of the supervisor and the men under his charge, any rapid reduction of working costs becomes very difficult, if not actually impossible.

At the same time the German Federal Railways are striving to make policy decisions on the basis of well co-ordinated cost figures. This is particularly significant in important matters such as : considering changes in the pattern of traction ; changes of design, material or treatment of rolling stock component ; assessing profitability or otherwise of setting up new workshops or altering or closing down the existing ones ; scrapping of particular types of rolling stock on grounds of uneconomical repairs and maintenance, etc. Accordingly, the design of cost structure is such that the basic cost documents readily lead to precise information bearing on the aforesaid decisions.

On German Federal Railways, components are manufactured on a limited scale to cater for emergency and to keep a check on prices paid for bought-out components. Where necessary, they have also off-loaded repair work to private industry. In the circumstances, they have taken particular care to ensure that their costing is done on strictly commercial lines. The other advantage of such commercial costing is that it permits equitable comparison of the cost of work done in different workshops, with different layouts and provided with different types of equipment. In the present day context these aspects are equally important for Indian Railway workshops.

Perhaps the most important step in commercializing the cost structure on German Federal Railways, has been the rationalization of the on-cost burdens. They have endeavoured to localize the on-cost factors for each cost centre. For example, a section bears the interest and depreciation on the work facilities and machines actually provided therein. Similarly, the supply of energy to the section, indirect stores, etc. would be separately accounted for. Thus under the same roof the burden rate for a section equipped with expensive automatic machines would be far higher than that of a purely fitting section.

The localization of on-cost burden rates provides a ready means of checking the productivity of individual capital assets. This may point to the need for adjustments in work or changes in the pattern of capital assets. On Indian Railways this facility is conspicuous by its absence and it is one of the reasons for the low productivity of our workshops.

Broadly speaking the basic cost documents on German Federal Railways indicate.

(i) *Cost carrier*—This is equivalent to our Work Order number but very much more detailed. It locates the particular engine, coach or wagon for which the work is being done or a particular detailed item of cost that would bear the debit.

(ii) *Cost station*—This signifies the cost centre in which the expense is incurred and thereby it brings out individual accountability of the supervisor concerned.

(iii) *Cost category*—This locates the detailed category of cost in respect of labour, stores, energy, calculated cost etc. and provides the basis for category-wise control, either in a cost station or in relation to a cost carrier.

Documents conforming to the aforesaid basic classification can be designed for our workshops also to permit a progressive change-over to the new system, without causing undue dislocation.

Psychological Drawbacks of our Environment

The Indian Rly. Workshops are chiefly familiar with financial accounting. Cost accounting has been attempted in certain workshops, but it is still in its infancy and even that lacks a proper commercial bias. There is no tradition of active cost control as such ; and the present administrative set-up does not permit the degree of decentralisation of authority, which is necessary for effective cost control.

As a result, existing working procedures and performance yardsticks are full of anomalies. They are not related to the central theme of all-in costs and consequently they tend to deal with isolated aspects, so that emphasis keeps on shifting from one item to another. Consequently staff at practically all levels have been, thereby, induced for years to 'process facts' to suit isolated statistics. In the circumstances, it is not unlikely that the actual facts presented by a well co-ordinated cost picture, may stand at variance with their current statistical counterparts. In this background, the fear of being called upon to explain variations would become a serious barrier in the way of accurate fact finding.

In view of the foregoing, it is essential to create an atmosphere of confidence and trust so that staff at work levels may be able to co-operate in the compilation of factual data without fear of recrimination or victimization. Similarly, at higher levels also, there has to be the mental preparedness to take facts to their logical conclusion, even when they mean going back on past statements. In effect, practical assurance to all concerned would need to be given (with the concurrence of our Accounts and Audit Departments) that fact finding and cost accounting would not precipitate 'postmortems' and the co-operation and effort on the part of staff to make the venture a success would receive positive appreciation.

Approach in Introducing Cost Engineering

As has been explained in the previous paragraphs, cost engineering implies a multi-pronged approach incorporating work study, research and development in workshop methods, condification of technical data in the form of practice standards and inspection standards, application of modern production and repair control techniques, and finally, the perfection of cost structure and apparatus for cost accounting and control. All these factors are inter-dependent and they have to be tackled together in successive stages to permit an organic growth of the machinery for higher productivity. For obvious reasons, therefore, this entire composite set-up should be placed under unified control of the authority made responsible for improving workshop productivity.

The project for higher productivity would be a pioneering enterprise calling for a lot of experiment and research. Accordingly, it is considered advisable to proceed on a compact scale in the first instance and extend the scope of techniques perfected at the experiment and research centre, only after the effectiveness of the said techniques has been practically demonstrated on a model basis at one or more selected locations.

In the light of experience gained on German Federal Railways, the aforesaid model approach is expected to yield the fastest results with minimum expenditure and within the limited resources of the staff of the requisite calibre and training that can be made available. The other advantage of this approach is that after actual demonstration, argument and controversy are terminated and all concerned are, thereby, induced to apply themselves to enlarge the success that has already been achieved.

Concluding Remarks—What I have said in the foregoing sections is by no means original or final. The concept of cost engineering is well known and widely practiced in the industrially advanced countries. The desire to make use of cost engineering is strong in our administration also. In this background, I have attempted to put together the impressions that I have been able to gather during my stay abroad and present them as basis for further examination and discussion. If this article helps to activate interest in cost engineering, it would have served its purpose.

(*Indian Railway Technical Bulletin—Feb. 1958.*)

Rush of Expenditure

A complaint frequently voiced nowadays is that the ways of officialdom have not changed to meet needs of our full—fledged democracy. I wonder if this is valid. Here is an example, though I am aware that one swallow does not make a summer.

The Public Accounts Committee of Madras State has reported that in the Local Development Department the expenditure in March '56 almost equalled the expenditure during the previous eleven months of the year, an achievement not heard of in the days of my service, though there used to be instances of expenditure in March which was two or three times the expenditure in any of the previous months of the financial year. The anxiety to use up the grant tempts spending departments to resort to devious ways, e.g., payment of bills for supplies which had not even left the godowns of the suppliers, fictitious measurements of works not executed, payment of muster-rolls more or less imaginary, drawing of money from the treasury and keeping the same in the office cash chest, none of which practices are likely to ensure that Government gets full value for the money spent or accounted for as spent.

Such haste in spending augurs ill for the country, more so when we note that every department at the Centre or State

is anxious to extend its activities and clamours for more funds. Is it not wise to let a part of a grant lapse than to spend it in doubtful ways? Does not the blame for this state of affairs lie on the higher authorities for their painful pillorying of persons for permitting lapse of any part of the year's grant.

K. V. IYER.

Pay Commission

The representatives of the Class II Officers' Associations of the Southern, Central, South Eastern and Eastern Railways gave oral evidence before the Pay Commission at Delhi on 27-3-1958. The main point stated to have been stressed by them was the desirability and necessity for unification of the gazetted cadre by eliminating the distinction which now exists between Class I and Class II services in the gazetted cadre.

The representatives who gave evidence were as follows :—

Shri V. Ramana Rao, P.O., Calcutta „ R. S. Chari, D.P.O., Sealdah „ Banerjee, A.P.O.	representing the South Eastern & Eastern Railway Associations.
Shri N Krishnamurthi, P.O. Bombay „ Ranade, ACS (Refunds) Bombay	Central Rly.
Shri B. G. Balakrishnan, SAO, (Finance) Madras „ K. V. Vilvanathan, APO, Madras	Southern Rly.

It is understood that the Officers' Associations of Central Railway etc., (whose membership consists mainly of Class I Officers) also pleaded for the abolition of Class II service in the gazetted cadre. The representatives of those Association included Shri M. R. Reddy, Dy. C.O.S., South Eastern Railway, and Shri V. R. Ganeshan, SAO, Central Railway.

Excerpts from the memorandum submitted by the Southern Railway Class II Officers' Association to the Rly. Commission are given below :—

x x x

"3. *Unification of Gazetted Service*: The gazetted service on the Railways is, at present, in two classes viz., Class I and Class II. Appointment to Class I is generally made by direct recruitment to the extent of $66\frac{2}{3}\%$ of the vacancies, and the rest by promotion from Class II service. Appointment to Class II service is however, entirely made by promotion from Class III. In other words, the Class II service is intended for providing an avenue of promotion from the subordinate cadre. Although it has categorically declared, vide Railway Board's orders in Appendix - Compendium of Rulings under Fundamental Rule No. 30 at page 169 of the Indian Railway Establishment Code, Volume II - (1951 Edition) that the duties and responsibilities of Assistant Officers in Class II service and those of Junior Scale Officers in Class I are indistinguishable and the posts are inter-changeable, the pattern of gazetted service in two classes is still continuing. A reference is invited, in this connection, to the recommendations of the Central Pay Commission--1947, in which, at page 19 of the report, they have stated that, in departments where difficulties exist in distinguishing between the importance and responsibilities of the duties respectively performed by Class I and Class II Officers, *"the two-fold classification may be dispensed with and the two groups treated as one* *gazetted service.*" In page 17 of the same report, the views of the Railway Board at the time were stated as follows:—

"The Chief Commissioner for Railway explained in the course of his evidence that the Railway Board and the Government were committed to the amalgamation proposal because it was not possible in the Railway administration to differentiate the duties to be allotted to the Officers of the Junior Scale of the superior service from those to be assigned to members of the lower gazetted service."

It has thus been established that, so far as Railways are concerned, the duties and responsibilities of Assistant Officers in Class II service are in all respects identical with, and indistinguishable from, those of the Junior Scale Officers in Class I. In fact, there is no post in the Assistant Officers' cadre, which is specially ear-marked as one to be exclusively filled only by a Junior Scale Class I officer and not by a Class II Officer, or vice versa. The continuance of Class II service, as such, results in unfair discrimination against Class II Officers, though they are also in the gazetted service, in that (i) their scale of pay is lower than the scale of pay of Junior Scale Class I Officers, and (ii) the criteria applied for their promotion to Senior Scale posts are also unduly restrictive. In fact, the existing discrimination against Class II service, is opposed to the provisions of Articles 16(1) and 39(d) of the Constitution of India, reproduced below:—

"16. (1) There shall be equality of opportunity for all citizens in matters relating to employment or appointment to any office under the State."

"39. (d) that there is equal pay for equal work for both men and women."

4. The Association submits that, for the reasons set forth above, there is no justification for a separate Class II service as such, and that, there should only be *one gazetted service*, to which appointment should be made both by direct recruitment and by promotion from the subordinate cadre, the proportion of direct recruitment being limited to the smallest percentage possible. Promotion to the unified Gazetted Service should also, in the opinion of the Association, be made on the basis of recommendations of duly constituted Selection Boards from the *individual Railways as hitherto*.

5. *Scale of pay.* The prescribed Scale of pay, at present, for Class II service is Rs. 275-25-500-EB-30-650-EB-30-800, while for directly recruited officers to Class I Junior Scale, the scale of pay is Rs. 350–350–380–380–30 590–EB–770 40-850. It will be seen that, even at present, the scale of Class II service is fixed at a lower level than that of Assistant Officers in Class I, although, as pointed out in para 3 above, the duties and responsibilities of both the services, in the Assistant's rank, are the same.

6. Apart from this, the minimum pay for Class II service, viz., Rs. 275, is much less than the scale of pay of Senior Subordinates such as Traffic & Commercial Inspectors etc., viz., Rs. 360-500, and it is anomalous that the minimum pay of a gazetted post, which carries greater responsibilities, should be fixed at a far less figure.

7. The scale of pay of Class II service, even now, in the Accounts and Audit Departments (including Statutory Audit of Railways) under the control of the Auditor-General, who do work similar to that of Assistant Accounts Officers in the Railway Accounts Department, is Rs. 500-30-800. In other words, the starting pay is fixed at Rs. 500 in their case, while it is fixed at only Rs. 275 in the case of Class II service on the Railways.

8. The selection of Officers to Class II service is made from among the cream of the subordinate cadre with long years of service and experience in different

branches, and the Association feels that it is but just and fair that due weightage should be given in regard to the starting pay of the promotees to the unified gazetted service. Accordingly, the Association suggests that, for promotees from the subordinate cadre to the gazetted service the starting pay should be Rs. 500 and further increments continued in the prescribed scale now applicable to Class I service in the Junior Scale. This, however, is subject to the starting pay being increased further, suitably, in the event of the maximum of the subordinate cadre being increased to above Rs. 500 and/or the scale of pay of gazetted service as such, (which is now termed as Class I) being increased to a higher level than at present.

9. Although, having regard to the increased cost of living and other conditions, the Association will be justified in putting forward a claim for a further increase in the scale of pay, the Association desists from presenting such a claim in the belief that the prices will be kept down".

ACKNOWLEDGMENTS

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

Central Railway Magazine	Mar. '58	Transport	Mar. '58
Eastern Railway Magazine	Feb. '58	Indian Railways	'58
Northern Railway Magazine	Mar. '58	Indian Railway Gazette	Apr. '58
Western Railway Magazine	Feb. '58	Indian Construction News	'58
Southrailnews	Mar. '58	Chartered Accountant	Mar. '58
Chittaranjan	Mar. '58	Careers & Courses	Apr. '58
Central Railway Newsletter	Feb. '58	Educational Review	Mar. '58
Eastern Railway (Lifeline)	1-4-'58	Australian Accountant	Feb. '58
,, Newsletter	7-3-'58	Accountants' Journal (New Zealand)	Feb. '58
Southern Railway Newsletter	—	Wednesday Review up to W. E.	'58
Western Railway ,,	Jan. '58	Railway Herald up to P. E.	'58
S. Rly. Accts. Soc. Madras, Bulletin	—	Railway Board's Monthly Statistics	'57

Subjects of Moment

Granting of Regular Leave Preceded by Casual Leave

Whenever an employee granted ½ day's casual leave on the afternoon of a certain day, reports sick or is sanctioned leave on average pay from the next day, the correct procedure is to cancel the half-a-day's casual leave and treat it as one day's regular leave debitable to the employee's leave account.

* * *

Instructions for Witnessing Payments

In order to avoid submission of bogus bills, etc., it has been decided that;

(a) in the case of regular pay bills, the same may be passed for payment as a special case, even if the required endorsement is not made, if it is considered that the holding up of the bill may result in the infringement of the provisions of the Payment of Wages Act or inconvenience to staff. The omission should be brought to the notice of the pay sheet preparing officer through a special letter.

(b) in the case of T.A. bills and supplementary bills, it should be ensured that the requirements of the rules are rigidly enforced and the bills should not be passed for payment if the name or designation of the witnessing official is not recorded in the bill. The bills should be returned to the pay sheet preparing officer for resubmission with the endorsement made therein. On no account should T.A. bills and supplementary bills received in the Accounts Office without an endorsement regarding the witnessing official be passed for payment.

* * *

Upgrading of Posts in Certain Categories in the Non-gazetted Cadre on Indian Railways

(i) The employee is eligible to draw Rs. 100/- (the pay which he drew in scale Rs. 80–160) with effect from 1-4-'56 in scale Rs. 80–220 and can also count for increment the period during which he drew that pay on the last occasion in scale Rs. 80–160.

(ii) In terms of Rly. Board's letter No. E 48-RC 1/18/3 of 21-11-'53, as amended in their letter No. E 56-PM 1/12/3 of 22-3-'56, non-selection posts have to be filled by promotion of the senior most suitable employees, the suitability whether of an individual or a group of employees being determined by the authority competent to fill the post on the basis of the record and/or departmental tests, if necessary. The instructions contained in Railway Board's Letters dated 21-11-'53 and 22-3-'56 should, therefore, be followed in all Branches.

(iii) An employee who failed in the efficiency bar/departmental examination as per instructions issued in Nov. '56 is not debarred from being fitted in the upgraded post with effect from 1-4-'56 since the instructions of Nov. '56 have no retrospective effect.

(iv) An employee who is drawing Rs. 120 in the scale Rs. 80–160 and has not passed the EB examination may still be allowed to draw Rs. 128, i.e., above the EB stage in scale Rs. 80–220 from 1-4-'56 or date of option as the case may be. But, the EB should be enforced before the employee is allowed his next increment in the grade.

A question has been raised whether an employee drawing less than the minimum of the new scale on 1-4-'56 and who was due an increment raising his pay to the minimum of the new scale immediately after 1-4-'56 should be given an option to come on to the new scale from the date following the date on which his increment fell due in the existing scale or whether his pay should be refixed at the minimum of the new scale with effect from 1-4-'56 as per instructions contained in Circular No. PB (CS) P 524 of 15-3-'57. It is clarified that such employees should also be given option to come on to the new scale, after obtaining their option under F. R. 23.

(R. B. No. E (S) I-57 CPC 40 dated 7-3-'57 and 13-3-'57 etc.).

* * *

Loss/Fraudulent Use of Passes

In regard to loss or fraudulent use of passes by non-railwaymen (other than non-railwaymen (other than complimentary or courtesy passes), the Railway Board have decided to impose the following penalties.

(i) Single or return journey cheque passes	Half the fare subject to a minimum of Rs. 3/- for Ist class, Rs. 2/- for II class and Re. 1/- for III class.
(ii) Cheque passes or card passes available for a period instead of for one journey.	Only Rs. 50/- for Ist class, Rs. 35/- for II class and Rs. 20/- for III class and Trolly passes.

* * *

Submission of T. A. Journals to Accounts Office of Staff Drawing Rs. 100/- and above

It has been decided that with immediate effect dearness pay should also to be taken into account for the purpose of para 1675-G. T. A. Journals of staff whose basic pay is Rs. 76/- and above should therefore be sent to the Accounts Office along with the T. A. Bill for necessary internal check.

* * *

Communal Reservation Rules — Supplementary Instructions

The Board have now decided that a certificate issued by an M.P. or an M.L.A. should also be accepted by the recruiting authority as adequate proof of a candidate's claim to be belonging to the Scheduled Caste/Scheduled Tribe and that the attested copies of the certificates may also be accepted. They also desire to emphasise again that the Scheduled Castes and Scheduled Tribes candidates should be appointed provisionally on the basis of whatever PRIMA FACIE evidence they are able to produce and their claims should then be verified through the District Magistrate concerned in the prescribed manner.

(R. B. No. E. 50 CMI/7/3 dated 18-6-'53).

* * *

Fixation of Salary of Re-employed Staff

Recently some cases have come to notice in which the salary of retired Railway servants who were re-employed was incorrectly fixed at a higher level in the first instance in contravention of the rules on the subject, and this led to heavy overpayments which had to be retrenched subsequently. In some cases, the staff could not even be paid any salary for some months, in order to adjust the overpayments. It will be appreciated that such a position is entirely unsatisfactory and unjustifiable. Apart from the hardship caused to the employees by the wrong fixation of pay in the first instance and subsequent retrenchment, the matter is also fraught with legal consequences. Personnel Officers must devote personal attention to this subject and make an immediate check-up of the position so far as the staff under their control are concerned. For the future, it must be ensured that no retired Railway servant is re-employed before his salary is correctly fixed in consultation with the Accounts and he is advised of the pay that will be admissible to him.

* * *

Concessions to the Officers and Staff of the North-East Frontier Railway

The Railway Board have decided to give the following concessions to all Railway servants (gazetted as well as non-gazetted) employed on the North-East Frontier Railway:

(1) Five days' extra casual leave per year.

(2) One extra set of privilege passes per year.

(3) Once in a calendar year, the staff of the North-East Frontier Railway, proceeding on leave on average pay to or via Calcutta, Lucknow or Patna will be granted additional leave, not debitable to their leave account, on the following scale:

(i) Staff headquartered at Siliguri station or at Stations west of Siliguri	2 days
(ii) Staff headquartered at stations east of Siliguri but on the North Bank of Brahmaputra, including Darjeeling-Himalayan Section and at Pandu (Gauhati)	4 days
(iii) Staff headquartered at stations to the east of Pandu	6 days

This extra leave can, however, be taken into account in making officiating arrangements in the place of staff on leave.

[RB No. E (G) 58AL1-1-dated 15-2-'58]

* * *

Transfer of Charge—Pay During the Period of Taking Over Charge

A question has been raised as to what pay should be allowed to an officiating officer for the period of taking over charge who on return from leave on average pay not exceeding 4 months/120 days is reposted in an officiating capacity in a post of similar status which he held before proceeding on leave and in whose case it had been certified that but for the leave he would have continued to officiate in the post held by him at the time of proceding on leave.

It has been decided that, as such an Officer is treated as on duty during the period of taking over charge of a new post under the Government of India's decision on Transfer of Charge—No. 1 under F.R. 107 (2138-R. II) (P197 RIII), the officer may be allowed for the period of taking over charge the officiating pay drawn by him prior to proceeding on leave, subject to the condition that this pay does not exceed the pay he would draw after the transfer is complete.

[RB No. F (E) 52-RC-3/(i) dated 29-1-'58]

* * *

Advance Correction Slip

[A very important correction slip has been issued by the Railway Board, which removes the anomalous position of an employee officiating in a higher post having to draw the same pay as that in the substantive post, under certain circumstances].

Substitute the following for the existing Rule 2027 (F. R. 31)-R. 11:—

"2027 (F.R. 31 (1) Subject to the provisions of Rules 2026 and 2029 (F.R. 30 and 35), a Railway servant who is appointed to officiate in a post will draw the presumptive pay of that post.

(2) On an enhancement in the substantive pay, as a result of increment or otherwise, the pay of such Railway servant shall be re-fixed under sub-rule (i) from the date of such enhancement as if he was appointed to officiate in that post on that date where such refixation is to his advantage".

Delete Item (1) of Railway Board's Orders appearing below Rule 2027 (F. R. 31)-R. II in App. XXX-R. II-Compendium of Rulings and renumber the existing items as (1), (2), (3), (4) and (5) respectively.

The above amendment will have effect from 22-1-'58 and in cases where re-fixation of officiating pay under the amended rule is of immediate advantage to a Railway servant, the pay may be refixed form the date of effect of the amended rule without waiting for a further enhancement in his substantive pay.

FIXATION OF SENIORIY OF NEW ENTRANTS ON AND AFTER 14—4—1951

Doubts and Clarifications

DOUBTS	CLARIFICATION
1. Whether an employee who was initially declared medically unfit but subsequently declared fit on appeal to the medical authorities should be ranked on the basis of the order of merit or not.	Such candidates have no right of appeal against the decision of the medical authority. It is, however, open to the competent authority to submit a requisition for reconsideration of the case by a higher medical authority. If the higher medical authority declares the candidate fit, his seniority may be fixed from the date he is actually taken on for duty and not in accordance with his original order of merit.
2. Whether an employee who was originally selected for a particular category but declared medically unfit and subsequently appointed in an alternative post on and after 14-4-1951 but prior to the receipt of Railway Board's confidential letter No. E(NG)55/RR1/25/Pt. C dated 29-12-56 may be fixed at the bottom of the existing panel or whether his seniority should be fixed in the new category based on his date of appointment.	In conformity with the principle laid down in RB letter quoted, such staff appointed during the period 14-4-51 to 28-12-56 should also be placed at the bottom of the existing panel of the new category.
3. How the seniority of an employee who was originally selected for a particular category but found below the stipulated height and consequently appointed in an alternative post on and after 14-4-51, should be fixed.	Such staff should be placed at the bottom of the existing panel of the new category.
4. How the seniority of a set of candidates who were declared medically unfit or found below the standard height required in the category for which they were originally selected and finally appointed in alternative posts should be fixed particularly when they take up duties on the same date.	Subject to the ruling given against item 2 above, the order of merit assigned to them for the original category should be adopted for purposess of fixation of inter seniority.

DOUBTS	CLARIFICATION
5. How the seniority of medically unfitted staff absorbed in alternative appointments prior to 22-10-1956 should be fixed vis-a-vis direct recruits	The rule in force prior to 22-10-1956, vide para 16 of Circular No. HRB/G/3.55 of 11-4-1953, reads as under : " For purpose of seniority in the new appointment, the employee will take the last place in the grade " Pre-22-10-56 cases will be governed by this rule, and the unfitted employees will take his seniority below the last Railway Service Commission candidate actually appointed prior to the unfitted employee's absorption.

Readers' Forum

A Tribute and a Suggestion

On the occasion of the "Railway Accountant" entering its fifth year of publication in April, 1958, I send my hearty greetings to it and best wishes for its continued usefulness to Railwaymen generally, and the Railway Accountantcy profession in particular.

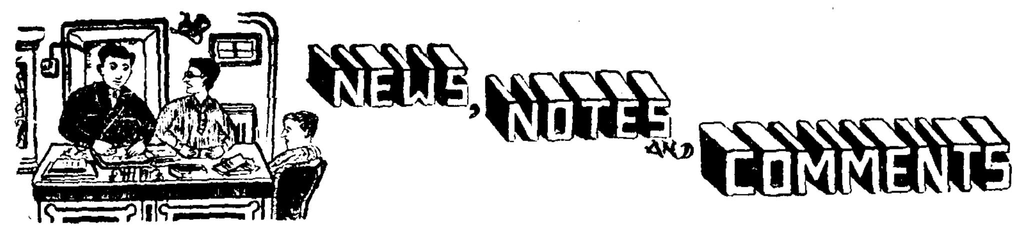
The journal has been meeting a real need for the Railway Accountancy profession under the able leadership of its veteran Editor Shri. L. V. Gopalan (Retired Accounts Officer ex-M & S. M. Railway), whose name is well known particularly to the galaxy of examinees for Railway Accountancy examinations on account of the various publications of his, which are of particular interest and benefit to them.

In this connection, it may be recalled that, an organisation of the Institute of Railway Accountants and Auditors' formed in about 1927, was doing useful work in the cause of the Railway Accountancy profession under the able guidance of outstanding Personalities in the field like Messrs. K. V. Iyer, E R. Seshu Iyer etc as also the late Mr. K. C. Srinivasan. The success of the Institute was due also in a large measure to the untiring zeal and strenuous efforts of Prof. L. A. Natesan, who had been functioning as the Secretary of the Institute. It is, however, unfortunate that the Institute seems to be almost defunct for the past some years. At a time like this when research in Railway Accounts and Finance is urgently necessary, in common with the other fields of national activity, it is high time that the activities of the Institute are revived. This is particularly emphasised at the present time when even the Accounts Committee of the I.R.C.A. has lapsed, and the I.R.C.A. itself might soon become a part of the Railway Board. The existence of a separate professional body like the Institute of Railway Accountants and Auditors would ensure independent thinking, objective analysis and fruitful research, in matters relating to Railway Accounts and Finance, apart from providing a suitable forum for discussion of the various aspects of the technique of the profession and this is bound to enhance not only the usefulness of the profession to the country, but also its status.

It is hoped that the leading members of the Railway Accountancy profession will give consideration to this suggestion and take suitable action for the revival of the activities of the Institute.

Madras
7-4-1958

B. G. BALAKRISHNAN,
Senior Accounts Officer (Finance)
Southern Railway, Madras.



Ticket Concession for Students : 25 years as age Limit from May

The Railway Board has (with effect from 1st May '58) imposed an age limit of 25 years on persons who would be regarded as eligible for suburban and non-suburban student concession tickets at concession rates.

* * *

World's 2nd Largest Undersea Tunnel for Vehicles and Pedestrians in Japan

The world's second largest undersea tunnel for vehicles and pedestrians was opened between Western Japan's Honshu and Kyushu islands in March, '58. The tunnel took 21 years to build and cost some 30 million dollars. A total of 4,500,000 mandays were spent on the giant project and 53 workers died in construction accidents. The tunnel built for split-level traffic with the upper level for vehicles and the lower level for pedestrians, runs parallel to the Kanmon Railway Tunnel, linking Honshu and Kyushu two and a half miles to the east of the new Tunnel. The rail tunnel was opened in 1941. The world's longest undersea highway tunnel is Britain's Mersey Tunnel under Mersey Estuary, linking Liverpool and Birkenhead, a total of 5,044 feet in length in comparison to the 11,245 feet of Kanmon Tunnel.

* * *

Russia Invents Glass Steel : Harder and Lighter Metal

A three-storey house weighing only 48 tons can be built with a newly invented plastic called glass steel, according to "Tass." The material is as durable as steel but weighs 83 per cent less. It can be used to make bodies for cars and light vessels, furniture, electric appliances and light piping for sinking oil wells, the Agency added.

* * *

Ice Container Service on Mail Trains

Ice containers are available (w.e.f. 1-4-'58), for hire to First Class passengers travelling between Howrah and Bombay (via Nagpur) by 2 Up and 1 Dn. Bombay Mail Trains, and between Howrah and Madras by 3 Up and 4 Dn. Madras Mail trains. Ice will be supplied at Howrah and containers may be refilled at Raipur and Nagpur by Bombay Mail passengers and at Vizianagaram or Waltair by Madras Mail Passengers.

* * *

Metric System on Railways

The Railways have drawn up a tentative programme of change-over. According to this programme the commercial branches would adopt the metric system completely on 1st April 1960. In the booking of freight, however, in cases where the sender's weight is accepted, the sender would have the option to show the weight in metric units from 1st October 1958. This would enable the industries and trades adopting the metric system to deal with the Railways in the same system. Engineering and other branches of the Railways would adopt the metric system according to a phased programme.

'Metric Measures'—March, 1958.

* * *

Sales Tax in Works Contracts

The Supreme Court have recently decided that the levy of sales tax by some States, on the stores portion of Works Contracts, treating the value of stores used as sales, is *ultra vires* the Constitution. Some States, like Madras State, are at present levying sales tax on such contracts, fixing a certain percentage of the contract value as representing the cost of stores, as in contracts for providing sanitary installations, etc,, and such levy cannot be made in future.

* * *

Sun-kissed Apples

In U.S A. when fruits are despatched by open wagons, owing presumably to non-availability of covered wagons, they go by the description "sun-kissed" fruits, and these get a good market. This reminds one of open wagons used on Indian Railways for consignments of grains and pulses, due to scarcity or non-availability of covered wagons, but very often such consignments get damaged due to rain, as these are very often booked in the monsoon season, and heavy claims are paid by the Railways, on the ground that open wagons were used at the instance of the Railway and not at the specific request of the party, although the party would have been only too willing to have the consignments despatched by open wagons, even taking the risk of damage to himself, in order to push the goods into the concerned market. Even when open wagons are used at the instance of the party himself sufficient protection by way of sheets or tarpaulins is not provided by the Railways, and damage to the goods results in compensation claims against the Railways. A view is in this connection held by some transportation and commercial authorities that, from a larger stand-point, the despatch of goods by open wagons by the Railways themselves is justified, as, in the first place, it helps the mercantile community and also the economy of the nation by distributing the goods quickly to the markets, which would not otherwise be possible if these had to wait for covered wagons. Secondly, it is said that the amount of compensation claims paid in such cases is only a very small proportion of the total freight earnings. This view, however, cannot be accepted with equanimity, as it is, (it will be admitted,) fundamentally not moral to load such goods which by their nature requires protection from sun and rain, in open wagons, knowing fully well the risks involved. If any merchant desires to take such risk, it is open to him to do so, as it forms part of his speculative activities, but this may not be justified from the point of view of a national concern such as the Railways, for them, on their own initiative, to load such goods in open wagons.

* * *

Amendment to the Payment of Wages Act

The amendment to the Payment of Wages Act, providing *inter alia* for the pay limit of the employees covered by the Act being fixed at Rs. 400 per mensem (against Rs. 200 as previously fixed), has come into force from 1st April 1958.

* * *

Elephants for Earthwork

A story was current some years ago that in a construction, elephants were decided to be purchased in connection with earthwork for the construction of the line, but as there was no provision for the purchase of elephants in the sanctioned estimate and as the Engineer considered that obtaining of sanction of the competent authority would mean delay, he ordered the elephants to be purchased, debiting the cost to earthwork. In this connection, it may be noted that, under the present rules of allocation, the plant required for earthwork can be allocated to earthwork itself, and not under the special head under General Charges—Plant, and so the purchase of elephants, even if required under present-day conditions, can perhaps be treated in the same way as tractors, etc., and allocated to the head of account "earthwork". The only difference is, instead of inanimate heavy plant, animate objects are utilised, or put in another way, instead of human labour, animal labour is used.

* * *

P & T Department Reorganisation

Shri Lal Bahadur Shastri, before laying down office as Communication Minister and taking over the other Ministry, announced that, in order to secure the maximum efficiency in the working of the expanding P & T Department, the organisation is to be altered more or less on the same pattern as the Railway Board. This would appear to imply that the organisation of the Railway Ministry in its present form with the Railway Board etc., is considered to be efficient for the working of commercial undertakings.

* * *

Accident Statistics

It may look rather strange that "Accident Statistics" are now assuming greater importance although they form only a very small part of the ramifications of statistics collected and interpreted in regard to the operation of Railways. It is, however, to be noted that the human aspect of the necessity for the prevention of accidents, which in some cases result in loss of life, is of considerable importance. Shri L. A. Natesan, Economic Adviser, Railway Board, under whose direction the Statistical Branch is working, has studied the question of 'Accident Statistics' in great detail, and as a result, various measures have been taken or are under way, both for improving the quality of 'Accident Statistics', which are compiled by Railways, and also for avoidance of accidents on Railways.

* * *

Ingredients of a Profession

The essential elements of a profession were described as under by Sir Frederick Alban, President of the Chartered Institute of Secretaries, at a meeting held on 3rd December, 1957, in London :-

"First of all, of course, there must be a body of expertise—of knowledge of an intellectual character. Secondly, there must, I think, be a scheme of study leading up to an examination under the control of a governing body of leading members of the profession and which has a theoretical as well as a practical content. Thirdly—as this follows from the second element—there must, I think, be an organisation of members of the profession controlled by a group of elected and eminent representatives. But I would, on this occasion, place special emphasis upon the fourth element as I see it, that of integrity and public spirit. I mean by this that today it is at least as important as at any earlier time in our history that the professions shall steadfastly maintain their traditions of integrity and public spirit—qualities which must be possessed by the professional man, over and above the mere legality of his actions. Indeed, it is not too much to say that the personal integrity of a professional man must be beyond all doubt."

What is stated above applies, we think, equally to the Ry. Accountancy profession.

Mg. Ed., R.A.

* * *

Auditor's Duty

The following exract from the judgment of Lord Denning, in a recent case decided by the House of Lords [FOMENTO (STERLING AREA) LTD. *vs.* SELSDON FOUNTAIN PEN CO. LTD. AND OTHERS (1958) 1 All E.R. 11] will be of interest to Railway Accountants, as the principle enunciated therein applies equally to Railway Accountants and Auditors :

'An auditor is not to be confined to the mechanics of checking vouchers and making arithmetical computations. He is not to be written off as a professional "adder-upper and subtractor." His vital task is to take care to see that errors are not made, be they errors of computation, or errors of omission or commission, or downright untruths. To perform this task properly, he must come to it with an inquiring mind—not suspicious of dishonesty, I agree but suspecting that someone may have made a mistake somewhere and that a check must be made to ensure that there has been none.'

By courtesy : The Accountants Journal.

* * *

Rail Concessions to Hill Stations

As in former years, the Railway Board has decided that concessional hill station return tickets at 1½ single journey fares should be issued this year also with effect from April 1, 1958 for first, second and third classes.

The concession return tickets will be issued to the following stations: Pathankot, Simla, Solan, Dharampore (Punjab), Dehradun, Kathgodam, Darjeeling, Kurseong, Shillong, Abu Road, Pipariya, Ootacumund, Coonoor, Kodaikanal Road and Kotagiri Out-Agency.

The concession tickets will be available for three months and will be issued from all stations from which chargeble distance is 150 miles or more. Tickets will be issued upto October 31, 1958.

The usual conditions regarding break of journey, reservation etc. attached to the issue of similar concession tickets last year would apply this year as well.

* * *

New Rail Survey on South Eastern Railway

The Railway Board has sanctioned the preliminary engineering, final location and traffic survey of the 110—mile broad gauge Sambalpur-Titilagarh railway link on the South Eastern Railway.

The survey will be undertaken by the South Eastern Railway administration.

* * *

Wedding

Shri L.V. Gopalan, Managing Editor, the "Railway Accountant", celebrated the marriage of his daughter Sow. G. Rathna, with Shri N. S. Santhanam, Accountant, Oldhams, Madras, on 4th April 1958. The muhurtham in the morning and the reception in the evening were attended by a large number of friends. Many congratulatory messages and presents were also received by the new couple.

* * *

Interest Rate on Provident Fund

The Government of India have ordered that the rate of interest of deposits and balances at the credit of subscribers to the general Provident Fund and other funds should continue at 3 75% during the financial year 1958-59.

Such of those subscribers as are entitled, under the Rules, of the Fund concerned, to a higher minimum rate of interest will be eligible for such higher rate during the year.

* * *

Purchases of Railway Coaches

It was disclosed in Parliament by the Deputy Minister for Railways that an initial order for 104 electrical multiunit railway coaches had been placed with Messrs Jessop & Company. It was also stated that though deliveries were due to start from November 1957 onwards, they have not been effected. It was, however, hoped that the contract would be fulfilled by ending the delivery on the scheduled date viz., Oct. 29, 1958.

Letters to the Editor . . .

This Section has been started at the request of readers to ventilate their grievances. The Management does not take any responsibilty for the opinions of correspondents ; but reserves to itself the right to tone down any objectionable language that may appear in the originals.

Books & Budget paper for Appendix III.A-1957

Dear Sir,

I was anxiously awaiting that somebody or other would write in your Journal about the question asked on Profit and Loss Account ; to my astonishment and surprise nobody wrote on this.

There was a question on the preparation of the Profit & Loss Account in one of the papers for Books & Budget. Opinion was not uniform as to how this particular question was to be answered, whether as prescribed in the Accounts Code for Profit & Loss Account or as prescribed in the Glossary of terms in the General Code. Nobody could give a definite answer. It seems that this was also pointed out in the Divisional Accounts Study Circle of Trichinopoly.

I would request through your valued journal, the authorities concerned to value the particular question, i.e., answer for the particular question, very sympathetically, taking into consideration that both the answers are correct, and render justice.

Yours faithfully,

V. RAMAMOORTHY

Personnel

Sri A. C. Mukerjee, Principal, Railway Staff College, Baroda appointed General Manager, Southern Railway, in place of Mr. T. A. Joseph who proceeded on L.P.R. from 18/3/58.

Sri M. K. Kaul, General Manager, Northern Railway, proceeded on leave and Mr. B. B. Mathur S.D.G.M., Northern Railway, appointed as G.M. in his place.

Sri B Arora, General Manager, N. E. Railway, proceeded on leave and S. S. Ramasubban, S.D.G.M, Western Railway, appointed as G.M., N E. Railway.

Sri Kripal Singh, C.O.P.S. Eastern Railway, appointed General Manager of the same Railway.

Sri A. K. Basu, G.M, S E. Railway, proceeded on LPR from April 9th and Mr. G. P. Shahani, Director, Planning, Railway Board, assumes charge as G.M., S.E. Railway.

Sri S. L Viswanathan, Additional Member, (Staff), Railway Board, proceeded on LPR and Sri Y. P. Kulkarni, Director (Estt.), Railway Board, appointed Member in his place.

Sri K. Sadagopan, retired C.A.O., Integral Coach Factory, Madras has been appointed General Manager of Messrs. Kandyawal Brothers, Nagpur.

Sri D. U. Rao, Director, Finance, Railway Board, posted as F.A. & C A.O., E. Railway Calcutta.

Sri C. T. Venugopal returned from leave, & assumed charge as Director, Finance, Railway Board.

Southern Railway

Sri K. Rangiah D. A. O. Vijayawada, on relief by Sri B. Madhavan, posted as D.A.O, Olavakkot, vice Sri L. Venkatramiah, who was posted (on relief) as AAO, W & S, Hubli at Mysore, to relieve Sri P. H. Sethu Rao AAO W & S, UBL proceeding on leave.

W. Railway

Sri Kapoor Chand, promoted to Senior scale and posted as Divisional Accounts Officer, Bombay Central, with effect from 15/3/58.

STUDENTS' CORNER

Railway Accidents and their Prevention

The following extracts from an article on the above subject by Sri. T. S. Parthasarathy, Dy. C. O. P. S., S. Ry., may be found useful by Accounts Department examinees.

x x x x

Why do they occur?

How then do accidents happen and happen with such disturbing frequency? Accidents occur as a result of failures, both human and mechanical and may be classified broadly under the following:

1. Small accidents in workshops and yards due to lack of attention and disregard for safety rules.
2. Derailments, and damage to wagons due to rough shunting.
3. Derailments and collisions of trains due to violation of rules.
4. Derailments due to mechanical defects of rolling-stock.
5. Derailments due to track defects.

x x x x

The "Standard Code" of the Association of American Railroads is no doubt, a marvel of brevity. It starts with a "General Notice" which, however, deserves to be written in letters of gold in every railway rule book. This notice reads:

"Safety is of the first importance in the discharge of duty.

Obedience to rules is essential to safety.

To enter or remain in the service is an assurance of willingness to obey the rules.

The service demands the faithful, intelligent and courteous discharge of duty.

To obtain promotion, ability must be shown for greater responsibility."

* * *

Automatic Train Control

The most serious of the dangers in railway operation is the possibility of drivers passing fixed signals as a result of

1. negligence,
2. inability to stop the train short of the signal, and
3. temporary incapacity.

More collisions and averted collisions have occurred as a result of this failure than through other causes. The discovery of Automatic Train Control, therefore proved to be a great blessing and railways lost no time in introducing it. The benefits of A. T. C. are briefly:

1. When a train approaches a signal with a "Caution" or "stop", aspect, the driver is pre-warned of it by means of a loud whistle in his cab, the burning of a red light, etc.
2. if he is sufficiently alert, he can push a button, silence the warning and carry on.
3. If he is not alert, the brakes of the train will be automatically applied and the train brought to a stand within the braking distance allowed for him.

The A.T.C. is, however, a costly apparatus and has been provided only on a few railway systems in the world.

* * * *

Enquiries and Disciplinary Measures

It is considered a healthy tradition by many railways that 'fact finding' should be the first duty of an enquiry committee and reproaches are to be made only after the facts have been established beyond doubt. Both the conducting of enquiries and action taken on the reports ahould be prompt as any time-lag will make the matter a cold issue. Brief summaries of accidents (with details of disciplinary action taken, omitting names) should be published widely to staff for their guidance.

Disciplinary action against the staff held responsible should be prompt and deterrent. On many railways, where the system is permitted, fines are imposed but these have little influence on the prevention of accidents. Demotion has probably the greatest effect as a demoted employee serves as a walking example of disregard for rules.

Sri N.S. Santanam of Oldhams & Mrs. Ratna Santanam whose marriage took place on 4th April 1958

Young children in School Drama The central figure is child "ASHA" (aged under 5) as Sri Krishna

We have for acknowledgment an Exchange copy of "Transport" for the month of March 1958.

This Journal, which is a monthly, is published at Bombay and covers several aspects of transport, viz., Automobile, Aviation, Railways and Shipping. What struck us to begin with was certain peculiarities in the printing with the lower case instead of the usual capitals.

The Section on the Railways contains a lengthy article on the "Rebirth of rail-roading through automatization." The article is to be concluded in another issue. It deals with several recent developments in the electronics field as used in Railway machinery.

We are told that a Special Issue of this Journal would be brought out on the occasion of the 7th Convention of Travel Agents' Association of India, in April 1958, at Simla.

The preview of this issue makes us very interested in its contents.

Mg. Editor, Railway Accountant.

THE RAILWAY ACCOUNTANT

APRIL 1958

RAILWAY WEEK SUPPLEMENT

In order to commemorate the 105th Anniversary of running of the First train in India, the Indian Railways are celebrating a Railway week from April 10 to 16, 1958. Special articles have been written by General Managers of railways and other Senior Railway Officers to mark the occasion. Some of these have been published in this Supplement.

The countrywide celebrations on every railway will be dealt with in the News section of the Journal to the extent the information is currently available.

Managing Editor,
RAILWAY ACCOUNTANT

CONTENTS

S. E. Railway will Carry Half the Second Plan Freight Burden

BY A. K. BASU, *General Manager, South Eastern Railway.*

The South Eastern Railway has only one-tenth of the total route mileage of the Indian railways and yet has been allocated about one-fifth of the total second Plan outlay on all the Railways as its share, because of the large-scale industrial development planned in the territories served by it. The S. E. Railway alone will have to carry about half of the entire additional tonnage of goods traffic likely to develop by the end of the second Plan period.

The role of the railways as the precursor of rapid industrial and econmic development of an area is well-known. The history of the South Eastern Railway bears ample testimony to the fact that a new line blazing its trail in a virgin territory by itself releases the inherent forces of expansion even in the absence of specific plans or projects.

This Railway had its beginnings in a metre gauge line, 145 miles in length, built out of the old Famine Fund in 1882. The line was built with the modest object of carrying food-grains from the granary of Chattisgarh to Nagpur and other areas in the neighbourhood. The line, then known as the Nagpur-Rajnandgaon State Railway and connecting Nagpur with Rajnandgaon in the heart of Chattisgarh, was intended as an insurance against the ravages of periodical famines in the then Central Provinces.

In 1887, several decades behind other railway companies such as the former East Indian Railway Company, the Great Indian Peninsular Railway Company and the Bombay, Baroda & Central Indian Railway Company, the Bengal Nagpur Co. (incorporated in England), entered the field of railway construction in India.

The new company started with taking over the 36-mile broad gauge line from Katni to Umaria. Also, by November 1888, it converted the Nagpur-Chattisgarh State Railway to broad gauge. The conversion was completed without any interruption to traffic and the line was rapidly pushed eastwards, while at the same time broad gauge construction was started from the opposite end from Asansol in the Bengal coalfields.

By 1891 the two lines were joined near Raigarh, thereby linking the main line from Nagpur to Asansol, via Gondia, Raipur, Bilaspur Chakradharpur, Sini & Purulia. The short branch line from Katni to Umaria was also extended to join the main line at Bilaspur. It was only in 1898 that the Bengal-Nagpur Railway opened new sections providing a direct main line connection with Calcutta. The line from Khargpur to Cuttack was opened in 1899 and thereafter the railway took over the Cuttack-Waltair section of the former East Coast Railway, which had been constructed between 1893 and 1897. A direct rail connection between the two major ports of Calcutta and Madras was thus secured.

BIRTH OF STEEL INDUSTRY

The exploitation of the rich coal deposits in the Bengal and Bihar coalfields and the rich minerals in the areas traversed by the railway came some years later, and it was in 1907 that the steel industry, that is, the Tata Iron & Steel Co., came to be sited on this railway. Thus, a line which started mainly as a famine relief measure and was later expanded for the movement of coal and mineral traffic, very soon found itsef called upon to share the transport burden of the first real industrial development in the country.

TOPOGRAPHY DESCRIBED

To describe even briefly the geography of this Railway, which caters to the needs of six States, that is, West Bengal, Bihar, Orissa, Andhra Pradesh, Madhya Pradesh and Bombay, is a difficult job. Starting from Howrah, it runs 72 miles west up to Khargpur, which is the pivotal junction station of the Railway. Onwards from Khargpur, the railway spreads out in three directions. Westwards the main line goes to Nagpur 703 miles from Howrah. To the South, the East Coast line runs to Waltair, a distance of 547 miles from Howrah. The third line runs from Khargpur in the north-westerly direction to serve the coalfields of West Bengal and Bihar. The Raipur-Vizianagram broad gauge section, which was opened in 1931, links the port of Visakhapatnam with Madhya Pradesh for carrying the heavy manganese ore traffic for export from this area.

The railway joins the Eastern Railway at Howrah, Asansol, Gomoh, Barkakana and Chandrapura. It joins the Southern Railway at Waltair and with the Central Railway at Nagpur and Katni. The broad gauge portion comprises 2,471 route miles and the narrow gauge lines, serving mainly the Satpura areas in Madhya Pradesh, add up to 925 miles.

RAILWAY HELPS INDUSTRIAL DEVELOPMENT

Though a late comer in the field, the South Eastern Railway, as the old Bengal Nagpur Railway, was fortunate in being closely associated with the first beginnings of modern industrial activity in the country. Starting in 1907, the Tata Iron & Steel Company succeeded in producing pig iron in 1911 and the first steel ingot in 1912. The original annual production of 80,000 tons of rolled steel has steadily and rapidly increased to 7·5 lakh tons of finished steel within half a century. This railway is proud of its close connection with all stages of the development and expansion of Jamshedpur from a quiet hamlet—called Sakchi into a buzzing thriving industrial township of two lakh people—that it is today.

The production of steel has given impetus to the setting up of a number of auxiliary industries at Jamshedpur, such as the Indian Steel & Wire Products Co., The Tin Plate Co. of India Ltd., The Indian Cable Co., The Tatanagar Foundry Co., The Jamshedpur Engineering & Machine Co. Ltd., and the Tata Engineering & Locomotive Co. Ltd.

The second large steel producing in the country at present is the Indian Iron & Steel Co. at Burnpur. This is served both by this railway and the Eastern Railway. Starting its career in 1918, the company is now producing 4·5 lakh tons of steel. As in the case of Jamshedpur, the steel production at Burnpur has also led to the establishment of a number of allied industries in the neighbourhood of Burnpur, such as the Indian Standard Wagon Co. Ltd.

Besides the two steel plants at Tatanagar and Burnpur, other important industries served by this Railway are the Indian Copper Corporation at Ghatsila—the only copper-producing centre in the country; the Indian Aluminium Co. Ltd., at Muri; the cement plants at Jhinkpani and Rajgangpur in the Singbhum District of Bihar; and the Orient Paper Mills at Brajrajnagar in Orissa.

Foodgrains, timber and forest produce are the other general goods traffic on this Railway.

The then Bengal Nagpur Railway was taken over by the Government of India for direct management on September 30, 1944, and on April 14, 1952, it was merged, under the name of Eastern Railway, with the portion of the former East Indian Railway, lying to the east of and including Moghalsarai. In preparation for the impending heavy growth of traffic in the second Plan period, however, the Eastern Railway was broken up into two zones on August 1, 1955 and the portion covering the old Bengal-Nagpur Railway was formed into

separate railway under the present name of South-Eastern Railway.

HEAVY TRAFFIC INCREASE

Almost all the existing industrial units on this Railway have planned substantial increases in production during the second Plan period. The TISCO will produce annually 15 lakh tons of steel by 1961. Similarly IISCO will step up its production to 8 lakh tons. Thus, the existing steel works will almost double their production.

The completion of the multi-purpose Hirakud dam project is acting as a powerful stimulus to rapid industrial development in the neighbourhood. It will now be possible for the Indian Aluminium Co. to set up at Hirakud an aluminium smelter plant which will draw energy from Hirakud electric works. At present the company purifies bauxite into alumina at Muri, from where the alumina is transported to Alwaye in Kerala, a distance of 1,482 miles. From Muri to Hirakud, it will be only 233 miles. This simple story illustrates the economics of development and cheap production unobstrusively taking place all within a few years.

The new oil refinery at the Visakhapatnam Port will also assist significantly in the industrial development of its hinterland.

As is wellknown, the Government are establishing three State-owned steel plants with the object of securing rapid growth of industries in the country. To start with, the capacity of each plant will be one million tons a year, with the promise of heavy expansion in the future years. Between the three new steel plants, all the required varieties of steel products will be covered. Bhilai will turn out heavy products, while Rourkela and Durgapur will concentrate on flat and medium products respectively. The increased steel production will naturally make for much more rapid industrial growth in other fields.

Steel is verily the steel-frame of the industrial structure of the country and the South Eastern Railway is the kingpin of this frame. The Railway already serves the two wellknown steel plants in the private sector at Jamshedpur and Burnpur. It will also serve the two new steel plants in the public sector, new being erected at Bhilai in the Madhya Pradesh and Rourkela in Orissa. Although the third steel plant being set up at Durgapur will be on the close-by Eastern Railway, its entire requirement of raw materials, like iron ore, lime-stone and dolomite will be carried by the South Eastern Railway.

3,890 WAGONS PER DAY FOR STEEL PLANTS

The immensity of the task facing this railway will at once be realised from the fact that for the steel industry alone, some 3,260 wagons of raw materials and 630 wagons of finished steel—each wagon carrying on an average 20 tons, will have to be carried daily by this railway.

Coal production too will be stepped up sharply to meet the growing needs of the country. This will mean substantially additional traffic in coal over and above what is required by the steel plants. The bulk of the additional coal production will be in the Bengal Coalfields, and in the Central India Coalfields.

To supplement the large quantities of coking coal needed by the steel plants, a number of coal washeries will be set up to wash and purify inferior coal for use in the steel plants. The existing washery of the TISCO at Jamadoba will be expanded and will wash about 1·5 million tons of coal per annum, yielding about 1·1 million tons of washed coal for the use of their own steel works. To meet the balance of the requirements, new washeries are being set up at Kargali, Dugda and Durgapur.

The Kargali washery will use coal from the State railway collieries at Bermo and Kargali. It will supply 1·2 million tons of washed coal to the Rourkela steel works and 0·5 million tons to the Bhilai steel works and is expected to go on steam by July 1958. The Dugda washry will be situated between Jamuniatand and Chandrapura and will draw raw coal from the collieries in Bhaga, Mohuda and Katras areas. It will supply 0·4 million tons of washed coal to Rourkela and 0·9 million tons to Bhilai. The Durgapur washery will be set up inside the steel works and will draw raw coal from the Kusunda depot on the Eastern Railway. In addition, proposals to set up washeries near Bhojudih and Patherdihi are under investigation.

The export of ores is also being stepped up rapidly to earn valuable foreign exchange. Other important industrial developments envisaged in the areas served by this railway are: the ferro-manganese plants at Jeda, Tumsar Road, and Garividi and the new cement factories at Rourkela and Bhilai. When all these developments programmed for the second Plan period are completed and the existing industries like paper, glass, sugar, aluminium, textiles, etc. expanded, the daily loadings on the South Eastern Railway will increase from 3,200 wagons at the commencement of the Plan to about 6,950 wagons, in terms of average four-wheeler wagons.

Rs. 230-CRORE DEVELOPMENT PLAN

The pioneers who built this railway could not in that distant past foresee the stupendous development awaiting it and the enormous quantities of coal, minerals and other traffic it has now been called upon to carry. The result was that although this railway, in common with all railways generally, had enough spare capacity to start with, the development of traffic gradually reached the ceiling limits of sections and yards. The heavy demand for movement at present and the expected increase in the immediate future, therefore, calls for provision of large-scale additional facilities, requiring heavy capital expenditure.

As is wellknown, investments on railways are generally very high. The intial construction requires a large sum of money, but once a railway is constructed there is sufficient capacity until the traffic develops substantially and a further spurt of heavy expenditure is needed to create additional capacity. The Indian railways generally and the South Eastern Railway, in particular, have now arrived at a stage where a further substantial expansion of capacity is urgently needed.

In the first Five Year Plan, the main effort of the railways was directed towards overtaking the deficiencies in rolling stock and arrears of rehabilitation of the track and bridges accumulated during the war years and also towards the replacement of old and out-dated plant and machinery in the workshops to the maximum extent feasible. The second Five Year Plan of the Indian railways envisages an investment of Rs. 1,125 crores that is nearly three times the outlay provided during the first Plan. Out of the total expenditure planned, Rs. 230 crores, that is about one-fith of the amount will be needed for development works on the South Eastern Railway, although its route mileage is only about 1/10th of the entire railway system in the country.

NEW CONSTRUCTIONS

In order to meet the increase in tarffic anticipated during the second Plan, the South Eastern Railway has taken in hand doubling of 450 miles of existing lines and construction of 229 miles of new lines. The major doubling works are on the sections: Manoharpur-Rourkela (25 miles), Rajkharsawan-Barajamda (61 miles), Vizianagram-Gopalapatnam (33 miles), Rourkela-Durg (282 miles), Durg-Kampttee (70 miles in patches) and Anuppur-Katni (65 miles in patches).

The principal new constructions are: Noamundi-Banspani (18 miles), Rourkela-Dumaro (42 miles), Gua-Manoharpur (30 miles), Bhilai-Dhalli Rajhara (53 miles), and Barabil-Panposh Gorge (6 miles). These are concentrated mainly around the existing and proposed steel plants, the colliery areas and the Visakhapatnam Port. Several new stations

are being opened, particularly on the single line sections, to enable more trains being run. For improving capacity on single line sections, tokenless block signalling is going to be adopted.

406 MILES TO BE ELECTRIFIED

Even with all these doublings and new lines for improving line capacity, it will not be possible to move the anticipated traffic with steam traction on some sections. It has, therefore, been decided to adopt electric traction on the Asansol-Sini, (101 miles), Tatanagar-Rourkela (102 miles), Rajkharsawan-Dangoaposi (47 miles) and Tatanagar Kargpur (84 miles) sections. Since, however, new steel plants are expected to go into operation before the electrified traction is made available, diesel locomotives will be introduced as an interim measure. Eighty diesel locomotives of 1800 H. P. each have been ordered. As soon as electric traction is brought into use, the diesel locomotives will be transferred to other sections which will meanwhile reach saturation.

Besides, to meet the growing needs of suburban passenger traffic, the 72 mile long Howrah Khargpnr will also be electrified.

HEAVIER TRAINS

To make the maximum use of available line capacity, it is proposed to carry the loads of two trains or more in one train and heavy trains of 3,200 tons each will be run for carrying coal and raw materials in special bogie trucks each with a carrying capacity of 60 tons. This will necessitate heavy breaking power and these trains will be run in special rakes, on which the existing vacuum brake will be replaced by pressure or air brakes.

Additional rolling stock that will have to be procured for carrying the increased traffic will necessitate expansion of the existing repair facilities in the workshops and sheds. For looking after the repairs of the total rolling stock, the loco and carriage shops at Kargpur are being expanded, and a new wagon shop is being set up at Chakradharpur. Again, in order to cope with the maintenance of additional rolling stock, it is proposed to undertake large-scale development of the existing sheds and installation of new sheds at Rourkela, Korba, Baikuntapur, Dumaro, Dhalli-Rajhara and Karonji.

TRACK RENEWALS

Simultaneously with the doublings and construction of new lines, intensive measures have been taken to ensure large scale rehabilitation of the existing track. The track renewal programme comprises 872 miles of B.G. track and 338 miles of N.G. track. With the execution of this programme, it will be possible to remove the several speed restrictions on different sections and to use heavier engines on them.

The South Eastern Railway is as much concerned with the present as with the future. The advance in the country's economy during the first Plan period has necessarily heavier traffic burden on this Railway, and even while currently engaged in the immediate main task of rapidly increasing the transport capacity, it has to carry more and more traffic. This is an extremely difficult task in view of the numerous restrictions on speed over extensive lengths of tracks and the continuous repair work. But, close and concerted activity by all sections of railwaymen has enabled additional traffic being moved. The tale is best told in the following figures which give the volume of traffic handled in terms of passenger miles and net ton miles in 1956-57 (the first year of the second Plan period) as compared with 1950-51:

	1950-51 (figures in thousands)	1956-57 (figures in thousands)	Percentage Increase
Passenger miles	2,885,925	2,887,382	0.5
Net on Miles	4,289,829	5,981,588	39

Because of the sizeable increase in the volume of traffic handled, the Railway's gross earnings stood at Rs. 41.90 crores in 1956-57 as come pared with Rs. 29.58 crores in 1950-51. The estimate of gross earnings for 1957-58 is Rs. 49.39 crores.

The importance of earning as much foreign exchange as possible by transporting the maximum amount of export ore to the ports is being constantly kept in view. It is gratifying to note that despite the operating difficulties experienced as a result of the rapid increase in traffic, while very extensive work affecting the track has had to be undertaken to build up line capacity, the South Eastern Railway has been able to carry substantially additional traffic in export ore. For instance, during the calendar year 1957 the Railway transported 48 per cent additional traffic in iron ore to the Calcutta port.

30,000 MORE STAFF REQUIRED

At the commencement of the second Plan, there were 339 gazetted and 112,114 non-gazetted staff on this Railway. With the anticipated increase in the traffic, the employment potential is likely to go up by about 25 per cent, that is, about 30,000 more staff will be required to man new assets and to move additional traffic. Also, apart from the railways themselves, thousands of men are being employed by the contractors and various other agencies who work for the railways. The number of such men working at the close of the year 1957 was 46,000; the highest recorded being 80,000 in April 1957.

TRAINING FACILITIES

In order to train and equip new recruits and re-educate serving employees, comprehensive training facilities have been programmed at an estimated cost of Rs. 80 lakhs. The programme includes a central training school for all departments at Rourkela, a training centre at Khargpur and basic training centres on the districts for the Mechanical Department. These training institutions will also be provided with adequate hostel accommodation for trainees. As the setting up of permanent schools of the nature envisaged will take a few years to complete, interim measures have been taken to meet immediate requirements and a large number of staff are receiving training at Sini, Khargpur, Garden Reach and a number of loco sheds.

8,000 NEW STAFF QUARTERS

An important place has been assigned to staff welfare schemes in this Railway's second Plan programme. These comprise enlarged medical facilities, provision of sports stadiums, playgrounds, children's parks, well-equipped canteens in the workshops and sheds, holiday homes, construction of some 8,000 new quarters, and electrification of the existing quarters, wherever possible.

The task facing the South Eastern Railway is immense. The Railway will have to lift nearly half the total increase in originating freight traffic anticipated during the second Plan period over the Indian Rallway system as a whole. But this Railway, inspired by the hope that its efforts will be directly and immediately fruitful in ushering in the long-awaited industrial revolution in the country, has taken up the gauntlet and is determined to fulfil the targets with the greatest possible speed.

"The human body contains sulphur", said a professor of physiology to his class.

"How much sulphur is there in a girl's body", asked a woman student.

"The amount varies", said he professor.

"That's why some of us make better matches than others, I suppose".

Shortage of Resources, A Challenge to Railwaymen

BY M. N. CHAKRAVARTY, *General Manager, Central Railway.*

The features of post-war railway operation in India have been a crippling shortage of physical resources and a simultaneous phenomenal rise in both passenger and goods traffic. A superlative effort has been made, and continues to be made, to counter-balance shortages by better operational efficiency to the extent this is possible with existing equipment. Even the second Plan provides funds which will cover more the rehabilitation of worn out assets than serve the needs of actual development and modernisation, which the author considers necessary before further significant operational improvements become possible.

India's railway system, the oldest and the largest in the East, is now in the throes of dynamic development. Vast progremmes of expansion and development have been planned to carry the increased traffic which the nation-wide economic advancement is bringing about.

The railways are faced, on the one hand, with an almost crippling shortage of vital assets, such as rolling stock, machinery, plant and equipment; on the other hand, with a sharply rising traffic to be moved.

Besides, heavy arrears of renewals and replacements of overaged assets are waiting to be cleared. Despite this pressure on the Indian railways, much has been achieved in recent years and much more is being done, to enable the railways to carry the burden without unduly bending under the strain.

PHENOMENAL GROWTH OF PASSENGER TRAFFIC

There has been a phenomenal growth of passenger traffic since the beginning of the last great war, one of the principal factors accounting for this being a change in travel habits. Indians have demonstrably become more travel-minded. For every million of population, the Indian railways carried daily an average of 4,400 in the early 1940's and within a decade and a half, the figure has risen to over 10,000. To put this in another way, whereas an average Indian performed $1\frac{3}{4}$ journeys per year then, he performs almost four journeys now, a change that also reflects the increased economic activity in the country.

This figure may, at first sight, appear small, and in fact it is so when compared with the figures of other countries. Rail travel per inhabitant in India amounts to four journeys equivalent to 103 miles a year against the higher figure of 408 miles in the U.K., 599 in Japan and 385 in France, per year.

Another important index of propensity for rail travel is the proportion of per capita income spent on rail travel. In India, this percentage of expenditure is 1·1 per cent against 0·8 per cent in U.K., 2 per cent in Japan and 1·2 per cent in France. There are, of course, other factors to consider in determining the travel propensity as such, (for travel propensity as such) for travel is not undertaken exclusively by rail. But, as these figures indicate, the desire to spend on rail travel of an average person in India is not appreciably different from that of his counterpart in other countries, except possibly in Japan.

The pressure of passenger traffic borne by the railways can be assessed by the number of passengers travelling. Against some 500 million passengers who travelled in 1938-39 in undivided India, double the number travelled in 1947-48 in India alone, and a further 40 per cent increase has taken place (to 1,360 million) since then. The present load of passenger traffic stands more than two and a half times that of the pre-war figure.

The increase in passenger coaches has not, however, been in step with this sharp increase in traffic. Against 15,500 passenger coaches on the broad and metre gauges in 1938-39 in undivided India, the railways had after partition only about 11,000 which have now been increased to the pre-partition figures. In other words, with the same number of passenger coaches to-day as the railways had in 1938-39, it has been possible to carry two and a half times more traffic.

MAXIMUM UTILISATION OF COACHES

This naturally has led to congestion and even overcrowding on certain sections and trains. But it does not follow that this figure represents the comparative increase in the occupation of each carriage during this period. The position has not been so bad fortunately, for the railways' utilisation of carriages has advanced by nearly 25 per cent from 137 miles per day on the broad gauge to 170 miles, and to this extent overcrowding has been reduced. Besides, in 1938-39 the carriages were running much below full carrying capacity. The overcrowding is not, therefore, so great as it might otherwise have been.

In fact, the railways are working the stock harder than some experts believe is good. Relief from overcrowding is not likely to materialise appreciably during the present Plan, for the addition to the present stock will no more than take care of the extra traffic. The railway planners could have chosen the apparently more glamorous course of abolishing overcrowding with a greater distribution of additional rolling stock on the passenger side than on the goods side. Had they yielded to that temptation goods movement would have been crippled and that would have spelt disaster to the Plan.

GOODS TRAFFIC SPURTS

A slightly different story unfolds itself on a study of the growth of goods traffic on Indian railways. In this very important field, the railways are well-set to meet the pressure of goods movement much better and as the plans go through, it will enable us more fully to meet the challenge.

If one looks for striking evidence that India's economy has really been on the march under the impetus of planned development during the past few years, one need only go through the figures of goods traffic carried by the Indian railways. In 1947-48, the first year of independence, the tonnage carried amounted to 69.8 million which increased to 91.4 million tons in 1950-51, just before the first Five Year Plan period. This figure moved up in the next three years by 7¼ per cent to 98.1 in 1953-54, slightly higher than the anticipated rate of increase. Thereafter, the advance has been striking each year, and in 1956-57, the first year of the second Plan, the volume of goods lifted touched 124.1 million tons.

This phenomenal increase can be looked at from another angle. Out of the estimated 78 per cent increase in goods traffic from 69.8 to 124.1 million tons during the first decade of independence, just about half (upto 98.1 million tons) came about during the first seven years while the other half was attained in the last three years.

The remaining period of the second Plan holds the prospect of further increasing pressure of goods traffic on a bigger scale than anything experienced in the past. In 1960-61, the tonnage may reach 180 million tons, an increase of over 50 million tons in four years.

MORE WORK OUT OF ROLLING STOCK

This substantial increase in goods traffic has been achieved without a commensurate increase in the resources of rolling stock. During the period from 1947-48 to 1956-57, when there was a 78 per cent increase in the tonnage of traffic carried, the goods wagons and locomotives on the line rose only by 20 per cent. That is, the rolling stock assets improved by just about a quarter of the increased tonnage handled by the railways. The conclusion is self-evident. Railways are getting substantially more work out of their rolling stock, turning over their wagons faster and putting a heavier load into every wagon.

The mobility of wagons, which is denoted by the composite figure of wagon miles per wagon day, was 34.3 in 1947-48 on the broad gauge and reached 47.7 in 1956-57, a 40 per cent advance. There is also the internationally recognised composite index of operational effieiency of wagon usage, expressed in terms of net ton miles per wagon day. This was 351 in 1947-48 and has gone upto 57.0 in 1956-57—a progress of 60 per cent in 10 years. The good work started a few years ago is continuing and the figures up to August 1957, disclose a further advance to 632. On the metre gauge, the corresponding figures were 162 in 1947-48 and 210 in 1956-57, an improvement of 30 per cent.

Unfortunately, there is a lurking feeling in some quarters that although some progress may have been made, a lot more can still be achieved. There will always remain room for improvement everywhere, particularly with the present day rapid technological advances. But, actually, what can be squeezed out of every asset depends to a great deal on the implements we possess. For example, with extensive electrification or doubling, the railways could move faster trains, getting more mileage out of the rolling stock.

But, with what we now have, we have advanced a great deal. There has been a 40 per cent improvement in the mobility of wagons during the last 10 years and a 60 per cent improvement in the net ton miles moved per wagon per day. These are no mean achievements. These have enabled the railways to carry 78 per cent more traffic with just 20 per cent increase in wagons and locomotive resources.

On the Central Railway, the improvement has been still more remarkable, the mobility figure being nearer to 60 wagon miles per wagon day and net ton miles moved per wagon day and net ton miles moved per wagon day being close on 900.

"SICK" WAGONS ARE NOW FEWER

Another important figure is the percentage of wagons lying immobilised under repairs. On the U.S. railroads and the Canadian National Railway only 4 to 5 per cent wagons remain sick—a good record indeed. On the Indian railways till 1953-54, the figures were 7.4 per cent. Since then a great deal of effort has been made and the figure now stands at about 4.3 per cent—roughly at the same level as in Canada and U.S.A.

With the present system and the present types of assets and equipment, the Indian railways have just reached the point where the law of diminishing returns if operating in cettain spheres. The railways are close to the best. With improvement year after year, the margin for further improvement has become less and less. Not much advance would be possible in improving operational efficiency hereafter, except with a radical change in the methods, like large scale electrification, dieselisation, doubling of track, adoption of modern methods of signalling, teleprinters, electronic brains, push button cabins, and so on. Almost all the advanced countries have already introduced these, in varying measures. The leader of the World Bank consultants who visited India in February 1957 admitted that considering the equipment possessed, the Indian railways were doing a really good job.

SECOND PLAN TRAFFIC ESTIMATES

Heavy has been the pressure on the railways and solid the achievement but as the second Plan progresses the pressure will grow and the achievement must match, if not outweigh it, if the country is to prosper. In goods movement, a tonnage of 124.1 miliions has been lifted in 1956-57 against 114.1 millions in the previous year—an increase of 10 million tons. In the light of production targets of the second Plan, the additional goods traffic prospects have been placed at 60.8 million tons in five years. The Indian railways seem to be well set, for even in the first year of the second

Plan an increase of 10 million tons has been made possible. As the country's development gathers momentum, the pace of advance may be still greater. The 1960-61 estimates of goods traffic to be carried may, therefore, be placed at not less than 180 million tons.

Both in the spheres of wagon and engine utilisation, India has done well. The engine performance on an average, was about 83 miles per day per engine on line on the broad gauge, as against 72 in 1947-48.

PERFORMANCE OF INDIAN AND FOREIGN RAILWAYS

As already seen, wagon usage as assessed through the index of mobility—wagon miles run per wagon day—and the composite index of operational efficiency—net ton miles carried per wagon day—have shown advances of 40 per cent and 60 per cent respectively in the decade since independence. If these Indices are compared with corresponding world figures, our performance, 47·7 wagon miles covered per wagon day on the broad gauge for 1956-57, compares with 54·6 for the U.S railroads in 1954-55, 51·4 for the Canadian National Railway and 51·6 for the Canadian Pacific Railway in 1955-56.

Against the Indian railways' performance of 570 net ton miles per wagon day on the broad gauge in 1956-57, the corresponding equated (on the basis of the carrying capacity of the wagons used) figures were 282 and 388 respectively on the German Federal Railways and the U.S. railways for 1954-55, and 490 and 550 on the Canadian National and Canadian Pacific Railways. The figure of 4·974 hours in a day that the wagons on Indian railways were on the run is by comparison, very favourable indeed when set against 2·201 hours per day on the Canadian Pacific Railway in 1954-55, 2·452 on the U.S. railways and 2·669 on the Canadian National Railway in 1955-56.

The World Bank Mission has paid handsome tributes to the efficiency of the Indian railways, particularly the usage of assets and yard operation. That we were able to get a substantial loan recently is testimony that the present working and the expansion plans of our railway system have measured fully upto the rigid standards of international finance as a sound investment proposition.

PLAN EXPENDITURE LARGELY ON REHABILITATION

The original second Plan outlay for the Railways was Rs. 1,480 crores and this took care of the entire estimated 180 million tons. But this has been pruned with due regard to the ways and means position of India, to Rs. 1,125 crores, involving an element of foreign exchange of nearly Rs. 425 crores. With the resources allocated for the railway Plan, there is but little hope of any material improvement in the system and method as such, nor is there much chance of modernisation on any noteworthy scale going through. Any further large-scale improvement in the standard of operation is, therefore, just not feasible.

Of the planned expenditure of Rs. 1,125 crores for the railways, a considerable portion is for replacing or rehabilitating overage capital assets, for inescapable safety works which have no bearing on development and the like. Actual development works, plant and machinery consume probably less than half of the total expenditure. The sizeable cost of rehabilitation and replacement can be gauged from the fact that, on the Indian railways, there are 31 per cent overage locos on the broad gauge and 33 per cent on the metre gauge. More than 30 per cent of the coaches and some 16 per cent of the wagons are also overaged. Track has a certain economic life and in the second Plan a good deal of attention has been paid to renewals.

Out of the Plan outlay, rolling stock consumes Rs. 380 crores, which is about one third. Of this, Rs. 197 crores will be spent only on rehabilitation account. The whole of the Rs. 100 crores to be spent on track renewals is, as the name indicates, purely on rehabilitation account. Similarly, funds have been earmarked for machinery and plant rehabilitation, signalling improvements and other safety works. Then staff welfare, staff quarters and their training arrangements are all investments which do not directly lead to development of capacity. Nevertheless they are all essential. When a detailed tally is made, it adds up to a sumptuous total for such works, which have inescapably to go through, Plan or no Plan. The balance can be deemed to be real development expenditure.

If the allocation of Rs. 1,480 crores allowed to stand, it would have been possible to utilise profitably the extra Rs. 355 crores for development works.

A CHALLENGE TO BE MET

The investment on the railways under the second Plan will not achieve any appreciable modernisation of the system. It simply aims at overtaking the arrears of replacement and adds something to the development and that, too, on a comparatively meagre scale. The addition to capacity will not be anywhere near 50 per cent, though the railways shall have to deal with extra traffic in goods to that extent. On top of this, there has been a change in the import schedule, while global prices have gone up. The Plan provision of physical work has had to be squeezed hard. No tangible progress would be possible in opening up any appreciable new territory, which is so vital to the countrys' needs.

There is, therefore, little that can be hoped for except to place the accent on further improved efficiency. This will give an opportunity to Railwaymen of all categories to show that undeterred by physical shortages. They will have to bridge the gap between the demand and the available resources to the largest extent possible, through better human efficiency and better management.

The Plan is a challenge to each one of us to prove that we are in no way behind railwaymen elsewhere in the world in the quality of work we put forth. I have every confidence that railwaymen in India will take up the challenge in right earnest and work devotedly with the motto : " Shall Deliver the Nation's Goods ".

Chittaranjan on to 200 Locos a year

BY K. RAMACHANDRAN, *General Manager, Chittaranjan Locomotive Works*

The first Five Year Plan saw Chittaranjan beating old targets and creating new records. A more ambitious programme has been drawn up under the second Plan when the Works expect to reach an annual out turn of 200 locomotives. With the setting up of the three new steel plants at Bhilai, Durgapur and Rourkela and the proposed steel foundry at Chittaranjan, dependence on imported parts would entirely cease, enabling Chittaranjan to turn out hundred per cent India-made loocomotives.

The steady progress maintained during the first Plan period has emboldened the Chittaranjan Locomotive Works to embark on a more ambitious programme during the second. The original annual target of 120 average sized locomotives was attained in May 1951, much ahead of the schedule. Year after year, Chittaranjan's production has shown an upward trend. Till the end of the first Plan period, 341 W.G. locomotives had rolled off Chittaranjan's assembly lines.

During the second Plan period, Chittaranjan will not only be stabilising production of one of the heaviest types of broad gauge freight locomotive at the rate of 14 per month, but will also increase the number, within the next two or three years, to an annual outturn of 200 locomotives. In order to achieve self-sufficiency, it is imperative to manufacture all locomotive components within the country by augmenting the resources available at Chittaranjan and with other Indian manufacturers to eliminate, as far as possible, import of components and raw materials from outside.

It is gratifying that the target outturn has already been achieved and 14 W.G. locomotives are being turned out every month from August 1956. Up to March 31, 1958, 663 locomotives manufactured by the Works had been put into service on the different Zonal Railways.

Thanks to the all-out effort of the Chittaranjan workers, certain components which were imported previously from abroad are now being manufactured in the shops. Due to the Suez Canal issue and the difficult foreign exchange position, Chittaranjan had to pass through a critical period in maintaining the target outturn. The steps taken for developing indigenous manufacturing capacity have begun to yield tangible results.

TOWARDS SELF-SUFFICIENCY

Necessity is the mother of invention. With the earnest and concerted drive put forward by all categories of workers, the outturn for the financial year 1957-58 was 164 locomotives. With the fabrication of bar frames from Tata slabs inside the Works, procurement of angle and dome rings from the Tatas, and certain steel castings from indigenous manufacturers and the production of certain loco fittings by the Works itself, it has been possible for Chittaranjan to eliminate certain imports much earlier than expected.

With the three new steel plants going into production at Durgapur, Rourkela and Bhilai, and with the proposed steel foundry at Chittaranjan, dependence in respect of certain raw materials will cease and it would then be possible for the Works to be entirely self-sufficient in regard to imported items.

Side by side with the stepping up of production, due consideration has been paid to workshop expansion. It is proposed to spend Rs. 2.3 crores under various expansion schemes comprising of additional machinery, extension of existing covered area of certain sections of the Works as well as more residential accommodation and other amenities for the staff. Works costing nearly Rs. 7 lakhs have been completed. Building materials, worth Rs. 15 lakhs, have already been collected and much has been done to stabilise production at an accelerated space.

MEN BEHIND THE MACHINES

Massive structures and giant machines cannot by themselves turn out locomotives if the men who work those machines are not happy and contented and do not contribute their very best. True to the ideals of a Welfare State, considerable thought has been given and is still being given at Chittaranjan to the comforts and well-being of the workers and their families.

Nice little self-contained houses with all modern amenities to live in, big institutes to meet their recreational needs, well-staffed educational institutions for imparting education to their children and wards, free dispensaries and a modern hospital to take care of the health of the workers and their families—these are some of the facilities which have been provided at Chittaranjan to make the life of the workers—the real partners in the industry— happy, peaceful and carefree.

HOUSING AND EDUCATION

Efforts have been made at Chittaranjan to provide residential accommodation to as many employees as possible. Five thousand and seventy eight quarters were built in the initial stage to which another 1,000 would be added during the second Plan period. It would be no exaggeration to say that living around scenic beauty, the workers of Chittaranjan enjoy all the modern amenities of a city life.

Though education is primarily a State Government responsibility, no less than two high schools (one for boys and one for girls) and seven basic schools are being run by the administration. To these have been added four private schools, two convents, and three West Bengal Government basic schools opened last year.

The second Five Year Plan has laid considerable stress on the need of extending the scope of educational facilities to the children of railway employees. Opening of new primary and secondary schools, award of scholarships to employees' children for prosecution of studies in scientific, medical and other technical subjects have opened up new vistas.

The construction of three new buildings to house the three State Government schools is being taken in hand at a sanctioned estimate of Rs. 69,000. Proposals have also been mooted for the construction of a few more buildings for the local Area Committee and Mahila Samity schools. The boys' high school will soon be equipped with a gymnasium.

Commensurate with the Railway Ministry's decision to grant scholarships to railway employees' children, 21 students would be given scholarships ranging from Rs. 25 to Rs. 50 per month. This decision has been widely acclaimed as a significant step towards encouraging railwaymen's children in obtaining advanced technical education.

MEDICAL AND OTHER FACILITIES

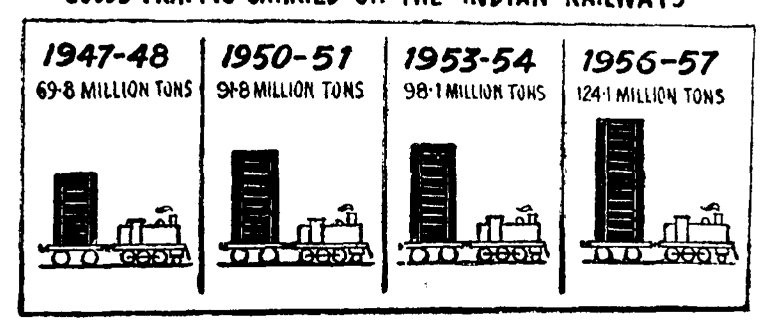
Chittaranjan has provided elaborate medical facilities for the staff, with dispensaries in the colonies and a well-equipped 70-bed central hospital with up-to-date radiological, pathological, dental and opthalmic departments. In 1957, a chest clinic and a full-fledged dental clinic were added to the hospital.

Six beds have been reserved for the treatment of tuberculosis patients, exclusively for Chittaranjan employees and their families, in a sanatorium. Construction of a separate isolation ward in the hospital is being taken up.

Among the other staff amenities proposed to be added mention may be made of the provision of a gymnasium at the Srilata Institute, doubling of the meal hall at a cost of Rs. 1 lakh, opening of holiday homes at sea-side resorts and hill stations for class III and class IV staff and an additional double storey apprentices hostel which has already been completed.

With the unflinching loyalty of workers and the bold leadership of officers and supervisors, Chittaranjan is determined to fulfil the task assigned to it. A glorious tradition has already been built, thanks to the sincere efforts of a team of selfless workers bound together in a common cause. Chittaranjan stands today as a symbol of new India's march towards better living standards for all and self-sufficiency in industrial production.

GOODS TRAFFIC CARRIED ON THE INDIAN RAILWAYS



Eastern Railway's Role in India's Industrial Development

BY KRIPAL SINGH, *General Manager, Eastern Railway*

The history of the Eastern Railway, it is said, is the history of coal in India. The Railway serves the coal producing areas of Bengal and Bihar and carries 75 to 80 per cent of the total coal produced there. It also serves a large range of industries based in the territory it covers. The Railway is going full steam ahead with its plans to create the additional capacity that will be needed during the Second Plan period. These plans include the electrification of main lines, remodelling of Moghalsarai and other yards, construction of new lines, maximum utilisation of rolling stock etc.

Coal plays a very important part in the industrial development of a country. As a matter of fact, industry is most likely to thrive in areas where coal, ore and limestone are found together or near each other. That explains the high degree of industrialisation of the areas in and around the Bengal and Bihar coalfields and the Orissa and Madhya Pradesh ore areas.

The biggest and the best coalfield area in India lies on the Bengal-Bihar border. About 80 per cent of the total coal raised in the country every year comes from this area. The production from this area amounted to 34.78 million tons in 1957, of which the zone served by the Eastern Railway alone accounted for 23.18 million tons.

The second Five Year Plan envisages an increase in the production of coal from 38 million tons to 60 million tons. Of this 22 million increase, the Bengal and Bihar coalfields alone would contribute 12.8 million tons the production here rising from 30.8 million tons to 43.6 million tons.

It is the Eastern Railway which has to undertake the heavy task of clearing 75 to 80 per cent of the coal raised in the Bihar and Bengal coalfields and to carry it to destinations spread over the entire country. This will enable the wheels of industry to move, creating more employment and producing more wealth for distribution amongst the people and raising their standard of living. But for this movement of coal most industries will completely close down in just a few days and many cities would be rendered dark.

COAL LOADING UP

In 1955-56, the last year of the first Five Year Plan, the Eastern Railway loaded an average of 2,426 coal wagons every day, which went up to an average of 2,772 wagons per day (up to February 1958) in 1957-58. At present the figure stands at 2,850 wagons a day.

It has so far been possible for the Eastern Railway to clear all the coal that has been produced by collieries belonging to both private and public sectors situated on the Railway. Work is going ahead on many sections and in many railway yards to create adequate capacity to enable this Railway to make sufficient transport available to meet the increased requirements of the coal industry during the second Five Year Plan.

The principal work is the electrification of the main lines from Howrah to Moghalsarai which would pass through the coalfields. Work on Asansol-Gaya and Asansol-Durgapur sections is to start soon. The main line A. C. electrification organization has already been set up, the French National Railways having been appointed as consultants. Contracts will soon be placed for erection of overhead equipment and other works on the above sections.

REMODELLING OF YARDS TAKEN IN HAND

In the meantime work on the remodelling of principal yards in the coalfields is going ahead. The remodelling of the Moghalsarai yard which is expected to deal with about 3,500 wagons daily in each direction has already been taken up. The yard is at present handling every day about 2,200 wagons in each direction as against only 1,450 in 1952. Some interim additional facilities have already been provided in some of the coalfield yards and at Moghalsarai to enable the Eastern Railway to increase to some extent the capacities of certain coal pilot sections and to handle the daily increasing volume of traffic through these yards.

Twenty diesel electric engines have been obtained and placed in service on the Gomoh-Gaya section, the most steep gradient section on the Eastern Railway, with a view to obtain a higher put-through of coal and goods traffic. The length of loop lines at a large number of stations on the trunk lines has been increased so that the length of goods trains may be increased from 60/65 to 70 wagons.

NEW LINES UNDER CONSTRUCTION

Some new crossing and line clear stations have also been opened to reduce the running time of trains on long sections and thus to increase the capacity of the section to take more trains

Construction of a new line from Chandrapura to Muri-Ranchi for the movement of coal from the Eastern Railway to the new steel plants at Bhilai and Rourkela and to serve the heavy machine industry proposed to be set up near Ranchi, is progressing satisfactorily. Another new line is being constructed from Damodar railway station on the Adra-Asansol section to Kalipahari on the Asansol-Durgapur section for the movement of iron ore and lime stone from the South Eastern Railway to the new steel plant at Durgapur. An additional line is being laid between Ondal and Ukhra to enable more coal to be raised and cleared on this section.

Similarly, new lines are being constructed to tap the Kathara coalfield and the Karanpura coalfield near Patratu and across the Damodar river in the same area. The terminal yards in the Calcutta region and the other yards up-country are also being expanded and remodelled for smooth and efficient handling of traffic.

The Eastern Railway also serves the Calcutta Port which deals with the major portion of Indian imports and exports. In 1955-56 this Port loaded on an average 261 wagons every day. In 1957-58 this figure went up to a daily average of 351. Heavy machinery and other goods for setting up new industries or expanding the old ones in eastern and northern India are unloaded in the Calcutta Port. On the Eastern Railway falls the responsibility of carrying most of this heavy machinery to the consignees.

CARRYING OF OVER-SIZE CONSIGNMENTS

A large proportion of the imported machinery exceeds the normal maximum moving dimensions and their transport over hundreds of miles of railway lines to their final destinations is a job requiring detailed and meticulous planning, and close watch throughout the journey. These movements take place in special types of wagons, more of which have been purchased recently and put into service to meet the demand.

The number of such over-dimensioned movements in 1956 was 1,078, increasing to 2,251 in 1957. One or two special trains run every day from Calcutta to up-country stations carrying these over-sized consignments, adversely affecting the movement of other goods traffic enroute on account of the great caution which these consignments require to be exercised.

The Eastern Railway has now two 130-ton bogie well-wagons as against one in 1955-56. The number of bogie well-wagons of 50-ton capacity is now 21 as against 20 in 1955-56. The South Eastern Railway has also at present four 130-ton and thirty-six 50-ton bogie well-wagons. Besides these, the Tata Iron and Steel Co. Ltd. has now acquired fifteen 50-ton, seven 90-ton and two 130-ton well-wagons, all being used to carry heavy loads for their construction programmes from the Calcutta Port.

The number of bogie rail trucks, demand for which has gone up considerably due to the heavy import of long consignments, has also been increased. Out of a total of 975 bogie rail trucks ordered by the Indian railways, 525 have already arrived at Calcutta Port. A majority of them have been put into service after assembly and erection in Lillooah and Kanchrapara workshops.

The volume of traffic to and from the Calcutta Port is on the increase and to deal with this traffic, the Calcutta Port Commissioners have decided to remodel their principal yard at East Dock junction where the traffic from and to the Eastern Railway is interchanged with the Port Commissioners' Railway. The work has not yet started but it is likely to be taken up soon.

The Eastern Railway is going ahead with its plan for electrification of all the important sections mentioned above. The work is expected to be completed by the end of the second Plan period. In the meantime the number of wagons in trains would be increased to 70 as soon as the lines in the terminal yards have been lengthened, thus enabling more tonnage to be hauled.

THREE WASHERIES BEING PUT UP

To meet the metallurgical coal requirements of the various steel plants, three washeries are being put up on the Eastern Railway—one at Dugda near Chandrapura railway station where the work is already in hand, another at Kargali where the washery is nearing completion, and the third near Fatherdih where plans are in the process of being finalised. Suitable quality of coal from collieries would be moved every day to these washeries and after washing, block loads of washed coal would be moved to the steel plants.

It is proposed to move most of this washed coal in wagons with a carrying capacity of 55 tons each and in train loads of 3,000 to 3,600 tons gross. This would reduce the number of trains required to be run on the heavily congested sections resulting in considerable economy in operation. These trains would be moved either by electric or by diesel electric locomotives. For this purpose the section from Asansol to Rourkela and Raj Kharsawan to Barajamda on the South Eastern Railway is also being electrified simultaneously with the electrification of Eastern Railway grand chord line.

INDUSTRIES SERVED BY EASTERN RAILWAY

Apart from serving the industries situated all over India by carrying coal and machinery to them, the Eastern Railway has many important industries on its own system. Petrol, oil and lubricants loaded in special tank trains and ordinary wagons are cleared from Budge Budge. Jute, paper, iron and steel fabrication, glass, carbide, enamel and porcelain, textiles machinery, wagon-building, road rollers, aluminium, iron foundries, railway equipment, leather, plastic and chemicals, light and heavy engineering, fertilizer, cigarettes and electric industries are concentrated near-about Calcutta and Howrah—mostly along the banks of the Hooghly. A large number of wagons have to be moved daily to and from them.

There are glass, cycle manufacture, iron and steel, pipes, refractories, lead, paper, cables, fertilizers, locomotives, coke and coal tar, and cement factories in the Asansol and Dhanabad areas and sugar, paper, cement and chemical works in the Dehri-on-Sone and other areas in the Dinapore division.

The volume of traffic to and from these industries is quite considerable and not only do most of them have expansion plans but new ones are also springing up, for example the coke oven plant and allied industries and refractories in the Durgapur area and some iron and steel products manufacturing units at a few places elsewhere. The area between Ondal and Durgapur is likely to develop into a big industrial centre, consequent upon the building up of the iron and steel works and the coke oven plant at Durgapur. Transport needs of all these expanding and new industries have to be looked after by the Eastern Railway.

The daily total loading of coal and goods on the Eastern Railway has already gone up from an average of 4,277 wagons in 1955-56 to an average of 4,492 in 1957-58 (upto February 1958), the present loading being about 5,100 wagons a day. At the end of the second Five Year Plan this figure is expected to go up to 7,000 (4,000 coal and 3,000 other goods traffic). The Eastern Railway is going ahead with its plans for creating the required capacity for this movement.

EFFORTS TO GET MAXIMUM OUT OF RESOURCES

In the meantime, a drive is on to get the maximum out of the present assets and resources. Efforts are being made to load every wagon to the maximum extent upto its carrying capacity, to cut down idle time of wagons and engines at terminals and marshalling yards, in loco sheds and sick lines and and workshops and in industrial and colliery sidings, and to accelerate all movements. The percentage of engines and wagons out of commission for repairs has been appreciably brought down and efforts are continuing to reduce the number of days spent in workshops for periodical overhaul. Free time for loading and unloading has been cut down to five hours, and wherever practicable and beneficial, wagons are placed for loading and unloading more than once a day (in some places round the clock), for better utilisation and turn-round of wagons.

The coal and other industries and trade are giving full co-operation to the Eastern Railway in this direction. Much more can, however, still be done, specially by putting better load in every wagon so that no wagon space is allowed to go waste and every train runs with the maximum load the engine is capable of hauling.

With public understanding and goodwill and the whole-hearted enthusiasm, co-operation and goodwill of its employees, the Eastern Railway hopes to deliver the goods the country expects of it.

Towards Realisation of Plan Objectives

By S. K. Mukerji, *Chief Commercial Superintendent, Southern Railway.*

The fact that the Southern Railway has over 4,200 miles of metre gauge line in its total route mileage of 6,159 largely sets the pattern of its operation problems. A high percentage of over-aged rolling stock and the one-way flow of goods traffic from north to south resulting in the return of a large percentage of empties are some of the other major problems. The author describes here the various steps taken by the Railway to combat these problems.

Standing on the threshold of the third year of the second Plan, the railways can face the future with greater optimism than they could afford some months earlier, when the scarcity of foreign exchange was threatening a deadlock in the programme of import of rolling stock, machinery, steel and other strategic materials for line capacity works.

Since then the International Bank for Reconstruction and Development have sanctioned a loan of Rs. 42.84 crores; consignments of steel out of an order for 5.22 lakh tons valued at Rs. 33.92 crores placed in world competitive markets, have started arriving and wooden sleepers for the track, which were in short supply, are also in the process of being imported from abroad.

These measures have created fresh hope for the realisation of the Plan objectives according to which the railways are: (i) to carry the increased production of heavy industries like coal, steel, cement and other commodities as far as possible ; (ii) to continue there habilitation of track, bridges and rolling stock to achieve a satisfactory standard of their maintenance and to be to carry without restrictions the traffic that would be offering ; and (iii) to take further steps to make the railways self-sufficient in respect of their requirements of stores and equipment by increased manufacture in the country.

The Southern Railway has been correlating its own efforts to these main objectives, keeping in view the geographical characteristics of the system, the backlogs of its rehabilitation programme and the special pattern of traffic which it is called upon to handle in the context of the economic regeneration of the country.

PREPONDERENTLY A METRE GAUGE SYSTEM

Formed in April 1951 by the merging of the former M.S.M., S.I. and Mysore State Railways, the Southern Railway serves practically the entire southern peninsula, embracing the States of Madras, Kerala, Mysore, Andhra and Bombay. Its total route mileage is 6,159.36, of which 1,858.34 are in broad gauge, 4,205.32 in metre gauge and 95.72 in narrow gauge.

The broad gauge system forms part of the trunk routes, Bombay-Madras, Delhi-Madras and Calcutta-Madras, with an overlap between Bezwada and Madras for the last two routes. The line from Madras to Mangalore on the west coast is an extension of these broad gauge routes, with branches serving Bangalore and Cochin. Though the broad gauge mileage is only about 30 per cent of the total route mileage, it is called upon to handle about 60 per cent of the total net ton miles carried over the entire Railway.

The metre gauge system extends up to Trivandrum in the south and from Masulipatam on the east coast to Poona in the west and it feeds the broad gauge sections through a number of transhipment points, important amongst them being Poona, Hotgi, Guntakal, Tadepalli Tranship (Bezwada), Arkonam, Bangalore, Trichinopoly and Palghat. The preponderent metre gauge route mileage is a significant factor in operation. In comparison to broad gauge, the net financial return on working an average metre gauge train mile is much poorer.

This Railway has also the highest proportion of steep gradients in India, especially on the metre gauge and it is significant to note that operation over such a terrain is not economical.

At the beginning of the first Plan, this Railway had nearly 1,600 miles of track under speed restrictions, mainly because the track was not strong enough to permit the running of the new standard locomotives at the maximum speed permissible for the sections concerned. At the commencement of the second Five Year Plan, there was still a balance of about 1,300 miles to be re-laid.

HIGH PERCENTAGE OF OVERHEAD STOCK

The incidence of a large percentage of overaged rolling stock has been another serious problem to reckon with. At the commencement of the second Five Year Plan, the percentage of overaged locomotives was 21.9 for the broad gauge and 31.4 for the metre gauge ; the percentage of overaged passenger carriages was 27.8 and 27 for the broad and the metre gauges respectively and the percentage of overaged public traffic wagons was 14.7 for the broad gauge and 18.6 for the metre gauge. During the first Plan period, very little improvement could be effected in the incidence of overaged units, as the new stock received during the period was just sufficient to replace the stock going out of circulation, while an almost equal number became overaged during the period. Thus, the commencement of the second Plan found this Railway with somewhat sombre legacy of arrears of rehabilitation of the track and rolling stock.

FLOW OF GOODS TRAFFIC FROM NORTH TO SOUTH

The Southern Railway is mainly a receiving Railway and considerable amount of consumer

goods move from north to south while very few commodities move from south to north. Before the last war, an appreciable portion of this north-south traffic, which consists mainly of coal, iron, steel, foodgrains, pulses, sugar, fertilizers and other miscellaneous goods, was moving by the sea route, but during and after the war this traffic, for various reasons including the heavy increase in shipping costs, began to seek transport exclusively by rail. The surplus commodities in the area served by this Railway, *viz*. iron, manganese and other ores, tobacco, groundnuts and groundnut oil are generally exported by sea and do not move by rail to the north. The only commodities worth mentioning which move from south to north are salt, jaggery and to a certain extent, rice from Bezwada area. In addition, potatoes and fruits like mangoes and plantains move to the north during seasons.

This heavy imbalance in the flow of traffic from north to south and south to north creates for this Railway an important operational problem of taking over larger and larger number of wagons at the point of inter-change. *viz*. Bezwada, Raichur and Waltair, and returning a large percentage of the wagons empty. Superimposed on the traffic moving to these great arterial routes is the purely local traffic of the system, which consists of export traffic to the ports, mainly Madras, and to some extent, Vizagapatam and Cochin ; distribution of goods imported *via* Madras and Cochin harbour and local movement of foodgrains, timber, forest produce, salt, cement, textiles and other miscellaneous goods.

This is broadly the pattern of movement on the broad gauge and the traffic on the metre gauge is only a complement to the pattern on the broad gauge, being mostly traffic interchanged with the latter. The originating traffic on the metre gauge consists mainly of rice produced near Trichinopoly, jaggery from Kolhapur, iron and manganese ores from Gunakal Hubli and Bangalore areas, salt from Tuticorin and cement near Trichinopoly and Bezwada.

PASSENGER TRAFFIC FORMS APPRECIABLE PERCENTAGE

The passenger traffic forms an appreciable percentage of the total traffic carried by the Railway and though mainly of short distance, with an average lead of about 30 miles, it accounts for 40 per cent of the Railway's revenues. In the circumstances, great attention has always been paid to this aspect of our business, notwithstanding the fact that this is not so remunerative as goods traffic. Though the passenger train-miles have increased from 223.3 lakhs in 1938-39 to 246.16 lakhs in 1956-57, trains run fairly crowded. This rules out the possibility of cutting any passenger services to find the extra capacity for goods movement.

The three main channels through which the bulk of the north-south goods movement takes place are the routes *via* Waltair (junction with South Eastern Railway) and *via* Bezwada and Raichur (junctions with the Central Railway). Traffic moving *via* Waltair and *via* Bezwada converge at Bezwada to form a combined stream between Bezwada and Madras. This section had not been originally designed to carry the heavy traffic that gradually has come on to it. As the main artery through which an enormous volume of north-south traffic, including railway and public coal, moves to Madras and places beyond in South India, it is one of the most heavily worked single line sections in India.

Though the conversion of the Gudur-Renigunta section from metre gauge to broad gauge has provided an alternative channel for traffic moving from Bezwada to stations west of Arkonam, the section between Bezwada and Gudur continues to be heavily overstrained. In the same manner, the mingling of the traffic coming from Raichur side and via Gudur-Renigunia throws a great strain on the Renigunta Arkonam single line section. The sections from Arkonam to Jalarpet and Jalarpet to Erode are important channels for dissipation of the traffic received at Arkonam for destinations north and west of Jalarpet and were working to saturation point on the eve of the second Five Year Plan.

SECOND PLAN TARGETS AND EXPENDITURE

The freight requirements of industries and other developmental activities in the country will necessitate increased intake of traffic at the three junctions and increased movements over these saturated sections. The targets expected to be reached at the end of the second Five Year Plan are as follows:

	No. of wagons per day Present Intake.	Target.
Waltair ...	270	400
Bezwada ...	325	400
Raichur ...	210	300

	Loads moved at present.	Target.
Bezwada to Madras	450	700
Arkonam to Jalarpet	350	550
Jalarpet to Erode	250	400
Reniguntal to Arkonam	210	700

Against this background, it will be possible to appreciate why so much emphasis has peen laid on line capacity works, track renewals, locomotives and rolling stock, in the framework of the second Five Year Plan for this Railway. Out of the total expenditure of Rs. 134.47 crores proposed to be incurred for the implementation of the Plan, the amounts earmarked under these heads are Rs. 52.76 crores, Rs. 18.52 crores and Rs. 28.03 crores respectively. The plan framework also contains a number of works calculated to improve operation by the provision of improved signalling (Rs. 3.38 crores) electrification (Rs. 3.68 crores), bridge rehabilitation (Rs. 3.07 crores), remodelling of woikshops (Rs. 7.61 crores) and expansion of goods and terminal facilities (Rs 2.54 crores).

LINE CAPACITY WORKS

The line capacity works include:

	Miles to be doubled
(*a*) Doubling of the following sections:	
Bezwada-Gudur (partial)	106·50
Samalkot-Rajahmundri	31·25
Arkonam-Jalarpet	90·00
Jalarpet-Erode (partial)	56·45
Renigunta-Arkonam	41·50
Total	325·70

(*b*) Conversion of metre gauge to broad gauge:	
Bezwada-Masulipatam	50·00
Gudivada-Bhimavaram	41·00
Total	91·00

(*c*) Remodelling of important yards; (*d*) extension of loop lines to enable longer trains being run on certain sections; (*e*) additional loops at stations to facilitate crossing of trains; and (*f*) opening of additional crossing stations and converting non-block stations into block-stations to reduce the length of long block sections.

As already mentioned, Rs. 52.76 crores have been provided in the frame-work of the Plan for line capacity works. During the first year of the Plan (1956-57), an amount of Rs. 3.56 crores was spent and a further expenditure of Rs. 1.89 crores has been incurred since the beginning of the second year.

WORK ALREADY EXECUTED

Amongst the important items of work that have been executed, mention may be made of the following:

(i) *Doubling*: Of the 39 miles to be doubled on the north-east section between Bezwada and Bitragunta, work on 12¾ miles has already been completed and that on the remaining 26¼ miles is on hand. Due mainly to non-receipt of permanent way materials, the work has not progressed as anticipated. Girders are still awaited for bridges that have to be built on the double line alignment. Earthwork is, however, being progressed as quickly as possible.

On the south-west line, doubling of 39½ miles of track on the Arkonam-Jalarpet-Tirupattur section has been taken on hand.

(ii) *Provision of additional block and crossing stations*: On the Madras-Bitragunta section, three new block-huts have been opened, *viz.* Akkampet, Nulebellee and Ayyavaripalem. Several stations were converted into crossing stations, *viz.* Godavari, Palakol, Viravasaram and Tanuku on the broad gauge and Sankaralingapuram and Cholapuram on the metre gauge.

(iii) *Additional loops*: Additional loops have been provided at Mangalagiri, Nambur, Adoni, Guroli and Adarki and provision of similar loops at Chinnapatti, McDonald Choultry and Kaveri is in various stages of completion. Loops have been extended to hold longer trains at Nancherla, Aspori, Matmari, Kupgal, Auvaneeswaram, Kundara, Muttanendal Tiruppuvanam and Donakonda.

(iv) *Remodelling of station yards*: The first stage of the remodelling of Raichur station was completed during the first year of the Plan and the holding capacity of the yard has thereby increased from 450 to 744. The remodelling of the Bezwada, Rajahmundry and Tenali yards is in progress. The metre gauge yard at Guntakal is also being remodelled and the work is progressing satisfactorily. The work at Tiruvarur is nearing completion.

Other important works completed include provision of additional marshalling and sorting lines at Shencottah and Jalarpet junctions, improved transhipment facilities at Guntakal and Trichinoply, augmentation of terminal facilities at Salt Cotaurs and Trivandrum Central for permitting quicker release of loads.

TRACK RENEWALS

Against an expenditure of Rs. 18.52 crores envisaged for track renewals in the second Five Year Plan, an amount of Rs. 3.52 crores was spent in the first Plan year and a further amount of Rs. 1.67 crores up to the end of December, 1957. On the broad gauge, 32.56 miles of track relaying was effected during the first year and 28.49 miles in the second year up to December 31, 1957. On the metre gauge, 80 miles were completed in the first year and 40.25 miles in the second year.

Renewals of sleepers for 55 miles on the broad gauge was taken on hand during the two years of the Plan and 28.35 miles were completed up to December 1957. On the metre gauge, 35 miles were taken on hand in two years and 21 miles completed till the end of December last.

The progress has been slow for want of materials, but in the coming years a change for the better is expected.

LOCOMOTIVES AND ROLLING STOCK

Out of a provision of Rs. 28.03 crores under this item in the second Five Year Plan, the expenditure incurred during the first year of the Plan was Rs. 12.12 crores and a further amount of about Rs. 90 lakhs has been incurred up the end of last year.

The framework of the Plan provides for the following additional requirements:—

Locomotives: broad gauge 119, metre gauge 93; *Coaching Stock*: (bogies) broad gauge 175, metre gauge 291; *Other Coaching Stock*: broad gauge 273, metre gauge 184; *Goods Stock*: broad gauge 4707 wagons, metre gauge 3463 wagons; Other Stock: broad gauge 60, metre gauge 118; *Bogie Hopper Wagons*: broad gauge 150.

During the first year of the second Plan, the following additional stock have been obtained:

Description of Stock	Gauge	At the end of the first Five Year Plan	At the end of the first Year of Second Plan
Locos	B.G.	534	630
	M.G.	830	865
Coaching Stock (in terms of 4 wheelers)	B.G.	2824	2891
	M.G.	5064	5440
Goods Stock	B.G.	12889	14013
	M.G.	19525	21139

Railway Development in North East India

By D. C. Baijal, *General Manager, North East Frontier Railway*

The youngest of the country's eight railway zones, only three months old as these lines appear in print, the North East Frontier Railway has its teething problems. The author, the first General Manager of this infant zone, refers here to the different schemes drawn up by the Railway to improve rail facilities in the area it serves. These include the strengthening of the Assam Rail Link, development of line capacity and the construction of a bridge across the Brahmaputra starting this October.

The youngest and the smallest of the Zonal Railways in India, the North East Frontier Railway, came into existence on January 15, 1958. Inaugurating the new Zone, Shri Jagjivan Ram, Minister for Railways, said that a succession of problems of considerable magnitude having vital bearing on strategic considerations, internal administration, economic expansion and industrial development of the north-eastern parts of the country had arisen.

In view of the emergence of these factors, a stage had been reached when it became necessary to provide permanently for this area suitable railway machinery competent to deal promptly and effectively with the immediate as well as long-term railway problems and it was in this context that it was decided to locate a full-fledged railway administration in the area by bifurcating the North Eastern Railway.

The new Railway, though small, has a number of difficult but important problems. It passes through an area which is subject to heavy rains and consequent floods and breaches. During the monsoons, the maintenance of through communication causes considerable anxiety to the railway engineers responsible for the maintenance of the track. The transport capacity, especially over the link from Kishanganj to Alipur Duar junction, is limited, because certain sections included in the route were unimportant branch lines prior to partition, ill-equipped to carry heavy traffic. Steep gradients limit the capacity in certain sections and banking engines have to be used, that is, each train has to be hauled by two engines.

The river Brahmaputra divides the railway into two separate portions and goods and passengers are carried across the river by means of ferries, which are subject to the vagaries of the mighty river. Strengthening of the link route, development of line capacity, and construction of a bridge across Brahmaputra are some of the immediate problems to be tackled.

RAPID INCREASE IN GOODS TRAFFIC

There has been a rapid increase in rail traffic in the area during recent years as will be evident from the following figures of some selected commodities carried by the railway lines comprising the new Zone :

(Figures in Tons)

Commodity	1951-52	1956-57	Percentage of increase
Petroleum	2,47,000	4,04,000	63
Tea	1,49,000	1,61,000	8
Coal	3,63,000	6,02,000	67
Timber	50,000	1,00,000	100
Jute	2,13,000	3,14,000	47

Figures for 1956 and 1957 for dispatches by all-rail route to Assam in terms of broad gauge wagons are given below :

	1956	1957
Via Sakrigali	3962	4925
„ Bhagalpur	2670	3397
„ Mokameh	1357	1012
All-Metre Gauge Route	2636	5344
Indo-Pak Route	2021	2479
Total	12646	17157

Percentage increase from 1956 to 1957 ... 35

DEVELOPMENT OF LINE CAPACITY

The rail transport capacity is being progressively developed to cope with the ever-increasing traffic. Large scale works of yard remodelling, provision of additional crossing stations, lengthening of loops, improvements in signalling, etc., have been planned for increasing the line capacity. To give a brief description of the measures that are being taken, it would be best to start from Katihar, the Railway's western-most point at present.

Katihar junction serves as the gateway of traffic to and from north Bengal and Assam having the second biggest metre gauge marshalling yard in the country. The station deals with 44 passenger trains and about 30 goods trains daily. The goods traffic passing through this yard has been steadily increasing as would be evident from the monthly average number of wagons dealt with :

Year	Average monthly number of wagons dealt with (Metre Gauge)
1955	18,504 wagons
1956	20,218 „
1957	23,719 „

Minor additions and alterations in this yard as found necessary have been carried out from time to time. A comprehensive Rs. 80 lakhs plan has now been prepared for extensive remodelling of the yard. The work is to be taken in hand shortly.

Starting from Katihar, the line runs to Amingaon on the north bank of the Brahmaputra. This section can be divided into three portions—Katihar to Siliguri. Siliguri to Alipur Duar and Alipur Duar to Amingaon. The first section between Katihar and Siliguri is 125 miles long. The portion between Adhikari and Naksalbari stations has a gradient of 1 in 150 and a banker engine is used for all up trains. The 24¼ mile line from Katihar to Barsoi is running to capacity. To cope with the increased traffic on this portion provision has been made for doubling of the line at a cost of Rs. 93 lakhs. As an alternative, however, survey is at present being undertaken for a new railway line between Kumedpur on the Katihar—Singabad section and Barsoi.

For increasing the capacity of the remaining portion between Barsoi and Siliguri—a length of 101½ miles—the following works have been programmed :—(i) conversion of Matigara, Hathigisa and Piprithan halts into crossing stations ; (ii) provision of a new crossing station between Kishanganj and Kanki ; (iii) lengthening of loops and provision of additional loops at stations on the route ; and (iv) improvements in signalling at stations. All these works are estimated to cost Rs. 65½ lakhs.

Of these, conversion of Matigara and Hathigisa into crossing stations and opening of a new crossing station, Hatwar, between Kishanganj and Kanki, have already been completed. The other works are to be taken in hand shortly. The Siliguri junction yard is also programmed to be remodelled at a cost of Rs. 16 lakhs.

The next section between Siliguri junction and Alipur Duar junction is 101½ miles. There are gradients of 1 in 100 between Mal junction and Banarhat. Measures similar to those of the Barsoi-Siliguri section are also being taken for increasing the line capacity of Siliguri-Alipur Duar section. The works are estimated to cost Rs. 43 lakhs. Additional crossing stations are being provided between Siliguri and Gulma and between Gulma and Sevok. Garoparo (flag station) has already been converted into a crossing station. The yard at Alipur Duar junction is to be remodelled at an estimated expenditure of Rs. 10 lakhs.

The 158 mile Alipur Duar—Amingaon section runs through the plains. The line capacity works on this section are estimated to cost Rs. 21 lakhs which include opening of new crossing stations between Alipur Duar junction and Samuktala, Kokrajhar and Basugaon and Bongaigaon and Barpeta and Sarupeta and conversion of Kaithalkuchi and

Kendukana halts into crossing stations. The conversion has already been completed.

Works for increasing line capacity, similar to these mentioned above, has also been planned for sections on the south bank of the Brahmaputra On the 117½ mile Pandu-Lumding section, seven new crossing stations are to be provided *viz* between Panikhaiti and Panbari, Panbari and Digaru, Kamrup Khetri and Jagi Road, Jagi Road and Dharamtul, Dharamtul and Chaprmukh, Hojai and Lanka, Lanka and Lamsakhang. The two flag stations at Laopani and Jugijan will be converted into crossing stations Additional loops will be provided at four stations—Kamrup Khetri, Jagi Road, Hojai and Lanka. These works are estimated to cost Rs. 38 lakhs. In addition, Lumding yard is to be remodelled at a cost of Rs. 11½ lakhs.

On the Lumding-Mariani section, which extends over 110 miles, three new crossing stations will be provided between Manipur and Bokajan, Bokajan and Naojan and Barpathar and Jamguri. Two flag stations, Kamarbanda Ali and Karikatiya will be converted into crossing stations and additional loops will be provided at three stations *viz* Diphu, Barlangfar and Furkating. These works, including improvement in signalling, are estimated to cost Rs. 24 lakhs. In addition, Mariani yard will be remodelled at a cost of Rs. 5 lakhs approximately.

On the 96 mile Mariani—Tinsukia section, two new crossing stations will be provided between Amguri and Namtiali and Simaluguri and Lakwa and the flag stations at Baruanagar, Mezenga, Balimara and Meleng, will be converted into crossing stations and additional loops provided at Nakachari. Facilities for simultaneous reception of trains from both directions will also be provided at stations on this section. These works are likely to entail an expenditure of Rs. 53 lakhs. The remodelling of the Tinsukia yard itself will cost Rs. 39 lakhs.

It will be observed from the above paragraphs that large scale works have been programmed for increasing the transport potential of the line at a total cost of Rs. 420 lakhs. The works have been planned on the basis that 500 wagons would move each way daily between Katihar and Siliguri and 400 wagons beyond.

ASSAM RAIL LINK POSES A PROBLEM

The Assam rail link runs along the foot of the Himalayas and during the monsoons the entire drainage from these hills passes across the railway line. The torrential rains dislodge massive boulders, uproot trees which block the channels, clog the bridge openings and tend to divert the streams from their established courses. Some of the bridges on the old alignment have yielded in the past to this yearly onslaught exposing the route to constant danger. As a result of the heavy damages caused by floods in 1950, 1952, 1954 and 1955 the railway line and several bridges have had to be strengthened and other improvements made. No less than Rs. 3.5 crores have been spent since the construction of the link on the bridge protection works on the link route which includes old sections of the Railway between Bagrakote and Amingaon.

In 1956 the Government of India decided that the problems of stabilising the link should be examined in detail by a committee of experts, with the following terms of reference: (i) to suggest practical remedial measures for stabilising the Assam Rail link; and (ii) if this is not possible, to suggest suitable alternatives. The main findings of the committee were (a) The present alignment must be retained and stabilised as far as practicable by taking certain precautionary measures, and (b) due to peculiar physical features of the terrain, it is not possible to ensure absolute stability of the present route. The majority of the committee members recommended construction of a second southern link from near about Belakoba to Alipur Duar junction.

STRENGHTENING LINK ROUTE

Extensive works for strengthening of the route have now been taken in hand and have made good progress. These works include regrading of the railway embankment where necessary, rebuilding of bridges with deeper foundations in replacement of shallow foundations, increase of water-way and provision of larger spans in place of shorter spans and provision and strengthening of guide bunds, aprons and other river protective works. A sum of Rs. 3·5 crores is proposed to be spent on this account.

The work on bridges under traffic necessitates imposition of speed restrictions, which naturally slow down train movements. There are at present nine engineering restrictions between Kishanganj and Siliguri, eight between Siliguri and Alipur Duar and 16 between Alipur Duar and Amingaon. In addition, trains carrying transport materials to the works site are also considerably restricting line capacity. At present 16 material trains are working between Katihar and Amingaon for works in connection with the strengthening of the link route.

A preliminary engineering survey for an alternative alignment between Domohari and Alipur Duar junction *via* Maynaguri is also in hand.

No efforts are being spared to make the link a dependable, continuous and all-weather line of communication between the eastern frontier and the rest of India.

A well-equipped workshop is a pre-requisite for the efficient working of a railway. With the bifurcation, this Railway has been left without a major workshop and plans are afoot to have at Bongaigaon a carriage, wagon and locomotive repair workshop. In the first phase a carriage and wagon repair shop is to be built at a cost of Rs. 589 lakhs. The engineering workshop situated at Bongaigaon is also being expanded to take on the additional workload.

WORK ON BRAHMAPUTRA BRDIGE TO COMMENCE THIS YEAR

Brahmaputra is the only major Indian river which has not so far been bridged. The large scale traffic increase anticipated in the area due to projected industrial development schemes have rendered necessary early provision of a bridge across the river at Amingaon. The Brahmaputra has, for centuries, maintained a stable reach between Pandu and Amingaon, just down-stream of the Kamakhya hills, and the proposed bridge will be located about half a mile downstream of the present ferry.

The bridge will be 4180 feet long, with 10 spans of 400 ft. each and will be built to metre gauge main line standard. It will also carry on a separate deck a 24 ft. wide roadway with 6 ft wide cantelever footpaths on either side. The foundation wells will be sunk approximately 160 feet below low-water level. The work of construction will commence in October 1958. The cost of the bridge including its approaches and including a new goods marshalling yard, loco shed etc. has roughly been estimated at Rs. 10 crores.

STANDARD OF PASSENGER AMENITIES BEING IMPROVED

The first and foremost problem is the tackling of overcrowding in passenger trains. Measures have already been taken to strengthen the train rakes with additional coaches, wherever possible, consistent with the hauling capacity of the locomotives, but overcrowding, to a considerable extent, is likely to persist even at the end of the second Five Year Plan. Owing to paucity of funds, it would not be possible to cater for all the increase in passenger traffic which is likely to occur by the end of the second Plan period.

The standard of passenger amenities is being steadily improved. Extensive schemes for better platforms, improved water supply, waiting halls and waiting rooms, electrification of stations, etc. have been planned. A special committee appointed in 1953 to review the passenger amenities required in the Pandu region of the North Eastern Railway suggested a recurring grant of Rs. 10 lakhs for the region for the next five years. In fact Rs. 50 lakhs were spent in four years from 1953-54 to 1956-57. The provision has now been augmented and during the remaining period of the second Plan it is proposed to spend Rs. 110 lakhs on this score.

Towards Better Rail Travel

S. R. KALYANARAMAN, *Additional Member, Commercial, Railway Board.*

True to welfare State ideals, the Indian railways, since independence, have steadily improved travel conditions, particularly for third class passengers. Certain prescribed basic amenities are progressively being provided at all railway stations, big and small. Beginning with seat reservations, long-distance third class passengers can now travel in special compartments earmarked for them or in Janata expresses run exclusively for them, enjoy sleeping accommodation by paying a nominal surcharge and even travel in air-conditioned trains—the fastest on their respective lines. Though much has been and is being done to still further improve travelling conditions, the author feels that no tangible relief would be possible for some time in respect of overcrowding, due to the phenomenal increase in passenger traffic and want of line capacity.

With the advent of independence it was naturally that the attitude of the Government in regard to the various services rendered by it will substantially change and this expectation covered also the services and the amenities provided by the railways. The anticipations were naturally high, particularly in respect of the facilities provided for third class passengers.

The purpose of this article is to set down briefly (a) to what extent these anticipations have been fulfilled during the ten years since independence; (b) where they have not been fulfilled, what have stood in the way, and (c) what the prospects are for the future.

The importance of effecting substantial improvements in travel conditions was recognised quite early. The late Shri N. Gopalaswami Ayyangar, in his Budget speech for 1950-51, referred to it in the following words:

" The provision of passenger amenities continues to engage the closest attention of the railway administrations, x x x A five-year Plan with a minimum provision of Rs. 3 crores a year wall commence working from the budget year. Despite a heavy reduction in other programmes of expenditure for reasons of economy, the allotment provided for passenger amenities in the current year has not been interfered with. On the other hand, clear directions have been issued periodically to railway administrations to give top priority to amenity works."

The sum of Rs. 3 crores per year towards passenger amenities allotted during the first Plan period is being continued during the second Plan period also. Some of the typical items covered by this expenditare are construction of passenger halls, raising of the platform levels: provision of platform shelters, fans in third class carriages and of water coolers, etc.

BASIC STATION AMENITIES PRESCRIBED

The amenities that had so far been provided at the various stations differed substantially. No basic standards had so far been laid down. As a first step, therefore, the following basic amenities were prescribed as the standard for all stations irrespective of their size: a waiting hall, benches, suitable arrangements for lighting the waiting hall and booking office, drinking

water supply, improved type latrines, pucca platform surface, proper booking arrangements and planting of shady trees.

In addition, the following amenities were set down as desirable and to be provided particularly at the larger stations high level or medium level platforms, improved lighting arrangements for dealing with luggage

It was observed, in the earlier stages, that the mere provision of funds and the setting down of minimum standards was not adequate, and that the progress of the works was not as satisfactory as it might have been.

A post of Deputy General Manager (Amenities) was, therefore, created on each Zonal Railway, primarily to coordinate all works relating to the provision of passenger amenities. These officers were also directed to take in hand the preparation of lists of amenities available at each station and the extent to which the provision of such amenities fell short of the prescribed standards, so that the task of providing at least the basic amenities at all stations may be implemented as quickly as possible.

Representatives of the public are also being closely associated with the provision of passenger amenities. Within the funds allotted to each Railway, priority as between the various amenity works to be provided at different stations is decided upon in consultation with the Passenger Amenities Committees specially constituted for the purpose.

The provision of greater passenger amenities, however, is not merely a matter of creation of additional basic physical assets, such as waiting halls, covers over platforms etc. In many other ways, also, the services rendered to the public could be and have been improved.

GREATER COMFORT DURING JOURNEY

It was in 1948 that Shri K. Santhanam, the then Minister of State for Railways, ordered introduction of the scheme of reservation of separate accommodation for third class passengers travelling over long distances. Since then, many further steps of a similar nature have been taken

Arrangements for advance booking of seats for third class passengers have been extended, and reservations are now being arranged on all mail, express and Janata trains, not only from the starting stations but also from selected intermediate stations.

An experiment is also being tried of providing separate accommodation on one pair of long distance Janata trains on each Railway, for passengers travelling up to 150 miles, 300 miles, 500 miles and over 500 miles, the passenger tickets and carriages for these zones being distinctly marked to facilitate identification.

For the convenience of third class passengers, Janata Express trains, serving only third class passengers, are now running on almost all the trunk routes

In 1954, for the first time in the history of the Indian railways, third class passengers were provided with sleeping accommodation on certain trains on payment of the nominal additional fee of Rs. 3 per night This facility was introduced on an experimental basis, the sleeping berths in the coaches used for the purpose being arranged in three tiers Subsequently, an alternative arrangement has also been introduced on a trial basis with twelve more coaches having two-tier arrangements for sleeping berths.

The intention is to evolve the most suitable type of sleeping coach and, thereafter, to extend such coaches to as many trains as possible, withdrawing at the same time second class accommodation from such trains.

THIRD CLASS AIR-CONDITIONED ACCOMMODATION

Another striking development is the provision of air-conditioned accommodation for third class passengers. Fully air-conditioned deluxe trains have been introduced with effect from October 2, 1956 and are now running between Delhi-Bombay, Delhi-Howrah and Delhi-Madras. These trains, besides being the fastest trains on their respective sections, also include air-conditioned accommodation for third class passengers.

The design of coaches has received sustained attention, and the new integral third class coaches are standing examples of what has been achieved in that direction. In the ten years since independence more than 8,500 fans have been fitted in third class carriages.

The supply of cool drinking water to passengers particularly during the summer season, has been held to be a matter of prime importance and the steps taken in this direction include the provision of electrical water coolers at many stations.

Substantial attention has also been bestowed on catering arrangements at stations. In 1953, a committee with Shri O. V. Alagesan, the then Deputy Minister for Railways as Chairman, was constituted to examine all aspects of catering on railways. Based on the recommendation of that committee, departmental catering has been introduced on a number of railways. There is do doubt that catering arrangements have appreciably improved consequent on this change.

PROPER USE OF AMENITIES

Mere provision of various amenities is not, however, in itself adequate. Passengers must be encouraged and educated to make extensive and appropriate use of the amenities provided.

With this end in view, railway administrations have been carrying on "social education" campaigns through the media of posters, loud speakers, films, the public address system at the stations etc.

A volunteer corps of railway staff to assist in this direction has also been constituted as an experimental measure at Mathura junction. Passenger guides, including lady guides, have been posted at important stations to guide the passengers, specially those travelling third.

NO RELIEF FROM OVERCROWDING

Substantial as all these steps may seem, the bane of overcrowding continues to be with us and will, it is feared, be with us for some more years. Why this should be so, one may ask.

The reasons for this position are: (i) there has been and continues to be a phenomenal increase in passenger traffic on our railways; and (ii) that over many sections of our railways, the line capacity which denotes the maximum nnmber of trains that can be run daily in each direction) is being utilised to the maximum extent, and in the interests of the national economy priority has to be given to the movement of goods traffic.

How phehomenal the increase in passenger traffic in India has been since the pre-war days is illustrated by the following comparative figures :

(Relative figures, taking the number for each country in 1938-39 as 100).

Year	All Indian Railways.	U.S. Class I line-haul Railways.	British Railways.
1938—39	100	100	100
1948—49	223	142	117
1949—50	236	122	117
1950—51	240	107	116
1951—52	232	107	118
1952—53	228	104	116
1953—54	230	101	116
1954—55	237	97	117
1955—56	244	95	117
1956—57	260	95	121

In his budget speech for 1958—59, Shri Jagjivan Ram, the Minister for Railways, speaking about overcrowding, observed:

"I am aware that the problem of overcrowding is still far from being solved. As I have explained on previous occasions, the difficulties confronting the railways in eliminating overcrowding are the limited financial and material resources available, the limited capacity for building coaching stock, the acute shortage of line capacity *vis a vis* the increased demands for goods and passenger transport and the necessity, in the larger interests of the country's economy, of meeting goods transport requirements adequately before diverting available capacity or resources to relieving overcrowding.

"I am afraid these difficulties still continue to be as formidable as ever. Whatever palliative measures are possible to reduce overcrowding in the areas in which it is most acute are, however, being taken, and considerable thought has been devoted to improvements possible within the existing limitations, such as, putting third class coaches on trains in place of air-conditioned coaches and dining cars on sections were circumstances justify such a course, and increasing the number of coaches on trains, where possible, even at some sacrifice of speed. New passenger trains have also been introduced, 119 on the broad guage and 43 on the metre gauge in 1956-57, and 118 on the broad gauge and 27 on the metre gauge during the current financial year upto 1st December 1957. The run of 55 Broad gauge trains and 42 metre gauge trains was extended in 1956-57 and of 32 more broad gauge trains and 36 more metre gauge trains in the current year. With all these new trains and extensions, the daily train mileage has increased by about 23,000 miles".

RAILWAYS' FUTURE PLANS

The provision of Rs. 3 crores per year for passenger amenity works will be continued, and the emphasis will continue to be on provision of the basic amenities at all stations, irrespective of their size, as quickly as possible.

While doubtless, as indicated by the Railway Minister, the prospects of removal of overcrowding in the immediate future are not bright, all possible steps will be taken to see that such overcrowding as is inescapable is fairly evenly distributed over the various sections, by earmarking carriages and engines, as they become available, for service in the worst affected areas, having due regard to the availability of section capacity. Also, as section capacity and engine and carriage stock become available, Janata express trains will be put on those trunk routes where they are not running at present.

When the final choice is made as between the two-tier and the three-tier third class sleeping coaches, they will be provided progressively on a substantial number of trains, withdrawing at the same time, progressively, the existing second class accommodation.

Sustained attention will be paid to improving the catering standards.

Above all else the attitude of railway employees towards the passengers particularly those who are less fortunate and are illiterate must and will be one of service and they should and will clearly demonstrate that their constant endeavour is to make rail travel as comfortable as the prevailing circumstances permit.

PROFITABLENESS AND ACCOUNTING

Profitableness of operation is one of the principles of business accounting. The latter, as implied in the term itself means that every step should be measured in a cautious and business-like manner, that the expenses and incomes should be balanced and the affairs so flexibly managed as to ensure the fulfilment and overfulfilment of the plan targets. Naturally enough, in the first years of existence of the Soviet State, when there were few experienced business executives, the principles of business accounting were not infrequently violated. Even today poor management may be encountered. However, the active participation of the broad masses of workers and employees in management, and criticism of the shortcomings help in rapidly eliminating them.

Railways Today a Vast Beehive of Engineering Activity

BY KARNAIL SINGH, *Member, Engineering, Railway Board.*

The Indian railways today are a beehive of engineering activity the like of which has never before been witnessed in this country. Now working on a multitude of projects over far flung areas is an army of 750,000 men—engineers, technicians, research, design and standardisation experts, and ordinary workers of all types—engaged on engineering jobs of breath-taking variety and magnitude. The author in this article sums up the tasks railway engineers are up against during the second Plan period, and the progress they have already made.

When reduced to its essentials, the hard core of the Rs. 1125-crore second Plan of the Indian railways is a vast network of engineering works which for sheer extensiveness and magnitude are unsurpassed in Indian railway history. Rarely, if ever, has this sub-continent witnessed the breathless, concentrated engineering activity which one witnesses on the Indian railway scene today, embracing all parts of the country.

Railway, engineering personnel—civil, mechanical, electrical, signal and tele-communication engineers, backed by the stores and the research, standardisation and design experts—are already in the thick of the second Plan, executing numerous development schemes spread all over the far flung railway system, to increase the railways' capacity to lift and move the targetted 180 million tons of freight traffic by 1960-61, in addition to the ever-increasing passenger traffic.

This is a big task. An all-out effort is required in undertaking surveys, in preparation of plans and estimates, in procurement of thousands of items of materials of all kinds, in recruitment of labour and, finally, in the execution of works, big and small, bearing all the time in mind the safety of train operation. Those who have travelled on main line routes must have noticed the numerous line capacity works, specially doublings, opening up of new stations, rehabilitation of track and bridges etc. in progress. These works explain why train speeds are often restricted—for the safety of both the workmen and the travelling public.

MAGNITUDE OF JOB

Work is in progress on the construction of more than 700 miles of new lines, 1,200 miles of doublings and on the remodelling of 50 major yards all over India—12 of these costing between Rs. 100 lakhs to Rs. 300 lakhs each. In addition, nearly 200 new stations are being opened all over India, and traffic facilities are being provided, at a cost of about Rs. 15 crores, at almost 500 existing stations. Also, 65,000 quarters mostly for class IV staff, are being built.

Apart from over 6,000 bridges, which are being built on new constructions and doublings, major bridges like the 6,000 feet Ganga Bridge at Mokameh and the 2,000-feet Gandak Bridge at Sonepore are going ahead fast. Work is also being started on a bridge across the Brahmaputra at Amingaon, while work on a second Yamuna Bridge near Delhi is being contemplated to be undertaken shortly.

The magnitude of these tasks can be gauged from the fact that 2,500 million cubic feet of earth will have to be moved. In all, including track renewals, 12,000 miles of permanent way will have to be laid.

A labour force of nearly 200,000 is now employed only on new line constructions, doublings and other projects under the construction organisation alone.

SIX NEW WORKSHOPS

To carry the increased traffic at the end of the Plan period, the railways will make a net addition of 919 locomotives, 33,395 goods wagons and 5,128 passenger coaches to their existing fleet. To meet the demand for additional repair and maintenance facilities, six new workshops are being set up, 20 existing workshops expanded and 34 new loco sheds built. Special facilities are also being provided for diesel and electric locomotives.

One way of coping with the rapidly increasing traffic is to run longer and heavier trains. This will necessitate a change over to the centre buffer couplings and improvements in the braking system of rolling stock as well as the introduction of more bogie wagons with much higher pay loads.

SIGNALLING AND TELECOMMUNICATION

An efficient signalling and telecommunication system is the key to safe and expeditious movement of traffic. Provision has, therefore, been made for interlocking about 300 non-interlocked stations and for improving signalling at nearly 800 existing stations. Route relay interlocking, the most modern system of handling trains at big junction stations, is about to be introduced at Kurla and is also proposed at Howrah, Delhi and in the Madras area To improve telecommunication facilities, the installation of several new telephone exchanges, teleprinter services, very high frequency radio telephones connecting imporant stations, and the replacement of manual by automatic exchanges has been planned.

ELECTRIFICATION LARGEST SINGLE PROJECT

Amongst the achievements of the railways' electrical departments are the electrification of 900 stations and the provision of accompanying amenities, provision of fans in third class compartments, improved lighting in passenger coaches and the augmentation of power generation by about 100,000 kilowatts. Their major task, however, is the electrification of about 1,450 route miles, most of which is on the Eastern and South Eastern Railways in the coal and steel belt. This constitutes by far the largest single project on the Indian railways at present and surpasses any other known similar attempt elsewhere in the world.

RS. 1,000 CRORES FOR STORES

Execution of all works, big and small, is dependent on the timely and adequate supply of stores the number and variety of which on the railways runs into several thousands of items. Their money value during the Plan period will be of the order of Rs. 1,000 crores, inclusive of repairs and maintenance requirements The major items of stores consist of about 5½ million tons of steel and 2½ million tons of cement. It is gratifying to note that, with the exception of steel, more than 75 per cent of the stores will be procured within the country

Indigenous production of wagons has increased from 3,700 in 1951-52 to about 16,000 in 1957-58. Similarly the output of coaches is now over 1,200 as against 700 in 1951-52. The country produced 27 steam locomotives in 1951-52 and 258 in 1957-58. The Indian railways are continuously endeavouring to increase indigenous production, particularly in the field of locomotives, wagons, signalling and interlocking materials and electrical equipment.

RESEARCH, DESIGN AND STANDARDISATION

Whether it is the building of bridges or the manufacture of locomotives or wagons or the purchase of stores or improvements in the existing means and methods—in all this is reflected the achievement of the Research, Design and Standardisation Organisation of the Indian Railways. Apart from the designing of new structures and equipment, there is probably no aspect of engineering, construction, maintenance, operation or stores procurement in which this Organisation is not called upon to advise the departments concerned on technical problems.

By keeping abreast of knowledge and experiments carried out in more advanced countries, this Organisation not only adapts this knowledge to Indian conditions in bringing out new designs but also makes day to day improvements in existing designs. The design of high capacity special type bogie wagons for bulk movement of materials, the introduction of welded type rolling stock, improvement in the design of pre-stressed concrete girders for railway bridges, concrete sleepers, special expansion joints for half miles long welded rails, these are some of the specific achievements of this Organisation.

BIG MANPOWER NEEDS

Planning and execution of the large works in addition to the normal repair and maintenance of existing assets on the railways requires tremendous manpower. Out of a total of over 10 lakh men employed on the Indian railways more than 6 lakhs are engaged on engineering works or supplies. With an additional 1½ lakh workers employed on contract labour, these men are toiling round the clock to make the Plan a success.

[Some more articles have also been received but held over for want of time. *Mg. Ed. R. A.*]

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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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Efficiency of Railway Accounts Staff 3814

We have repeatedly dwelt on this subject in several sections of this Journal in the past. The subject is one in which interest can never fade. With the advent of Democracy, the Citizens of India have been harping always upon their rights, upon what they should have, upon the standards of their lives, etc., etc. But more often than not, the corresponding responsibilities of the employees have either not been realised in full or occasions for such realisation have not been fully utilised by the employer and the employee alike. The principle of "Ask and it shall be given" has been freely utilised and no opportunity has been allowed to slip to obtain greater and greater vantages by the staff. It is really surprising that the authorities have not always linked up additional advantage with certain conditions of fulfilment of responsibilities by the recepients. It is not as if something has to be done irrespective of any other consideration. It is particularly to be noticed in a commercial organisation that every item of expenditure must be fully and financially justified. If, therefore, a certain increased financial commitment is undertaken simultaneously, it should also be seen that this increase in expenditure brings about a certain toning up of the efficiency and results either immediately, or in the near future, in adequate increase of revenues or reduction in other types of expenditure. So long as this idea is not predominantly kept in view, every attempt to keep on the good side of the employees could only be treated as a weakness on the part of the administration.

There is absolutely no gainsaying that the position, about fifteen years ago, i.e., long before the advent of Independence, was entirely different, and the employee had either willingly—or unwillingly—to be absolutely loyal to his employer and to give a very adequate return for the remuneration he was getting. This sense of loyalty has gradually declined and in inverse proportion to the increase in emoluments, every one believing that getting more depends on asking for most. This is of course not peculiar to the Railway Administration alone. It is certainly high time that the entire position should be reviewed and the causes that have brought about this lack of devotion to duty and the absence of an adequate return in work, both in quality and quantity, should be the subject matter of a thorough scrutiny and remedial measures taken to re-establish an automatically efficient type of work. One obvious cause seems to be a very free use of the word 'tact' by the top officers who may not like to face a delicate situation in the right spirit. When the subordinate supervisors are not free to exercise their discretion and to exact discipline, necessarily there should be a certain amount of decline in efficiency of the work.

One patent feature is that simultaneously with this coming down of authority, work has increased considerably in all spheres due to re-organisation, development, planning etc., etc. Not only has this enormous increase to be tackled well, but extra expeditious action has also been called for particularly in connection with implementing the needs of the Second Five Year Plan. The result has, therefore, been that no reorganisation has ever been stabilised after calmly considering the various draw-backs and the remedial measures therefor. Nor have there been adequately trained staff to grapple with the situation as it arises. This is evident from the fact that numerous new appointments have been created, just on the spur of the moment and men have been promoted to fill various responsible posts—both subordinate and gazetted—often without due consideration of their capacity or equipment for such jobs.

Briefly, therefore, we arrive at two very important aspects, viz., absence of efficient working and the absence of properly trained men. Added to the former is also lack of interest in many cases to keep the work current, with the consequence that heavy arrears have been brought to light in various spheres of work. When personal matters are involved in such arrears, there necessarily arise numerous complaints from the aggrieved parties and these had to be tackled somehow, thus necessitating creation of additional jobs and additional sections for the work. As an instance may be quoted the huge arrears in PF settlement cases, the reasons for such accumulation being manifold. It is very surprising that arrears could have gone on accumulating for years without adequate action being taken in time to stem this growth of inefficiency. It is perhaps also possible that some amount of "shelving" of the responsibilities for considering the difficult situation that cropped up might have been the cause of some arrears which should never have been allowed to occur. If the arrears had been watched by periodical progress reports of work in the various sections and timely action had been taken to prevent further increase by either tightening up the phases of work or increasing the staff corresponding to the increase in work and so on, there should not have been that amount of trouble and anxiety as occurred in the later stages. It is but natural to expect that in the case of disloyal men, any little valid cause could be exaggerated to include cases of laziness also and adding to arrears, inefficient work.

The absence of properly controlled and duly qualified staff in the lower cadre really accentuated the work of supervising gazetted staff who were and are still forced to work late hours, taking upon themselves the responsibilities which were 'shelved' by their subordinate staff. This action had the repercussion of their not being able to find adequate leisure to review the position of work under their control from time to time and improve the standard of efficiency thereof. Thus, there was practically a vicious circle working through for several years and the seriousness of the situation was not realised by the authorities, till years after, when it required a lot of exertion and extra cost to attempt setting things right. We deliberately use the word "attempt", as it is doubtful how far

these 'attempts' have been completely successful. In many cases, as in the case of suspense items in Stores Purchases or in Station Outstandings, there must have been instances of heavy writes-off consequent on declaration that records for verification were not available or had been destroyed.

It is not possible for us, for various reasons, to go into greater details on this 'domestic' subject of Efficiency and Loyalty ; but we should certainly emphasise the need, as we have done in the past, of making the best of the position by rewarding outstanding efficient work and equally well punishing intentional bad work. What strikes us as a very urgent measure is an immediate amendment of the Payment of Wages Act which restricts disciplinary control by supervisory authorities. There must be free scope for awarding exemplary punishment in the case of inefficient work or indiscipline and there must be ways of ensuring devotion to work and thus for the employee to try to *deserve* financial encouragement.

Another aspect which also strikes us is the too rapid promotions that have been given to the staff merely on the basis of examination results, viz., App. III. One who was working as a Clerk suddenly jumps over his colleague, who is by far senior to him in experience, because of the stamp of merit he obtains through a pass in the examination, even though his service in the Department indicating his practical experience was not commensurate. This disparity thus tells upon efficiency in supervision, as very often the person who got up through the Examination stamp finds it necessary to call upon the experience of his erstwhile colleague for carrying on his new duties and this is bound necessarily to have a bad repercussion very often.

We have, in the past, tried to bring this aspect to notice and also to suggest that such passed men should be put through the grill of practical tests in the knowledge of the *details* of the work which they will be called upon to shoulder, before they actually shoulder it. It is the look out (and it is in the interests) of the Department to see that such training is given either in groups or individually as the case may be and in a way which does not make such promoted subordinates learn from their erstwhile colleagues, whose work they have to supervise thereafter. In other words, we want this training to be on a different level and by superior hands.

In this context, we would once again emphasise the need for a full-fledged Library of standard works enabling the staff to have necessary material for equipping themselves with useful knowledge for carrying on their work ; and to see that in furtherance of such object, the Manuals of all the railways, authorised codes, Administration and other Reports, together with any other general books of interest published either in the country or outside, are kept in the library ; and that such library should be well organised and its practical utilisation emphasised. It does require the personal attention of the gazetted officers to see that such a study is enforced on all the supervisory staff at least, so as to ensure that the work put up to them by subordinate supervising cadre is of a much better order than what can be expected under the existing circumstances without any sort of help from the Department.

Leadership amongst Railwaymen Vital for Plan Success

BY P. C. MUKHERJEE, *Chairman, Railway Board.*

India's Number One Railwayman, Shri Mukherjee, calls upon his millon colleagues to make a united effort to complete the big tasks entrusted to the Indian railways during the second Plan period. Such united effort, he says, calls for leadership at all levels in the ranks of railwaymen. The author describes in detail the numerous measures taken by Government for the welfare of railway workers.

[This is one of the Features for Railway Week received too late for inclusion currently.—*Ed., R.A.*]

SRI P. C. MUKHERJEE.

We are now in the annual Railway week. This will mark the 105th year since the first railway in India started working. Year by year, the railways are growing in size and with the integration of all major railways under Government, we have now over a million employees serving in railway administrations in the country. The Railway week should perhaps be treated like a family reunion. In our case, of course, it is an enormous family.

The week should make us think whether we have been able to gain the confidence of the people we serve. After all, our main objective should be to provide the most efficient and safe form of transport. If we search our hearts, we must realise there will always be a lot to be done in this matter, and that each one of us has a part to play.

There are a number of different tasks that have to be performed on the railways. It is only as the result of the united effort of all of us that these tasks can be completed, and to do them well needs care and attention from each one of us. Such united effort also calls for leadership at all levels, and real success depends vitally on the extent of leadership that can be displayed.

As members of our staff in many cases live far away from their homes, many things have been done and many more are being done to make it reasonably possible for a person to work without unnecessary worry and anxiety. These facilities come principally under the heads of accommodation, medical attention and recreation.

HOUSES FOR WORKERS

Residential accommodation was in the past provided to a limited extent, but in recent years there has been a vast increase in this direction, as also in the direction of putting up schools, institutes, hospitals etc.

In the current Plan, Rs. 50 crores have been earmarked for these and other purposes and within these resources housing will be provided first to those whose need is greater as they are in areas where private enterprise is not forthcoming. Side by side, improvements are being

made to existing quarters with provision for water-borne sanitation and electrification.

BETTER EDUCATION FACILITIES

Although education is primarily a subject under the States, a survey of the availability of primary schools in railway colonies was recently undertaken and as a result several primary schools are likely to be added to the large numbers that are already maintained.

Expansion in other directions, by way of more classes or higher classes in existing schools, also continues to receive attention. The opening of residential schools in each linguistic area to meet the needs of employees serving outside their linguistic area is under contemplation. So are subsidized hostels for children of the employees who might otherwise be deprived of educational facilities.

Then there is educational assistance which, under certain conditions, provides for a subsidy on expenditure on tuition and boarding fees when a child is admitted into a boarding school. More recently, a large number of scholarships have been instituted annually to railwaymen's children for the pursuit of higher technical education.

MEDICAL ATTENTION

As regards medical facilities, quite a lot has been done in the last few years to augment the facilities available. Last year alone three new hospitals and 11 new dispensaries came up, increasing, by nearly 400, the number of beds.

Special attention has been paid to make available treatement for T. B. Apart from reserving beds for treatment of T.B. in railway hospitals and at selected sanatoria, a large number of chest clinics to facilitate early diagnosis has been established,

Steps have been taken to appoint whole-time specialists in diseases of the eye, ear, nose and throat etc. and in the larger hospitals, the services of consultants of repute in their special field have been provided. An extreiment is also being made with mobile medical vans for the benefit of railwaymen working at places some distance away from dispensaries.

Medical attendance rules have been reviewed and liberalised and certain disabilities attached to Class IV staff have been removed. Equal medical facilities are now available to all without distinction of class.

RECREATIONAL AMENITIES

The recreational needs of staff are also receiving attention. Institutes and clubs are being multiplied.

In sport and athletics, railways have achieved a name and place of which every railwayman has reason to be proud. Facilities have been made available for the promotion of every game and for participation in the more important tournaments.

Since last year, emphasis is being placed on cultural activities with the object of bringing out the latent artistic talent in railwaymen and their families, The cultural shows during the last Railway week were a great success and similar shows this year have been held not only at Delhi but also at other centres. Exhibition of handicraft, both artistic and industrial, will form an integral part of such shows.

The string of holiday homes opened in the last two years at idyllic and picturesque stations have become popular and now make it possible for railwaymen who could not otherwise afford it, to take rest from work. The needs of those convalescing after sickness wil not be forgotten either. Convalescent homes are being set up and children of railwaymen have had their share of fun in the outings and camps organised at places of interest or scenic beauty.

BETTER SERVICE CONDITIONS

In a more direct bid to improve the lot of railwaymen, early last year, most of the Class III staff had their prospects of promotion improved by a more liberal distribution of posts in higher grades. An appreciable number of the comparatively lesser paid railwaymen have thereby larger monetary benefits in prospect.

In order to assist in providing greater openings to Class IV staff, a high-power committee was set up for reviewing the channels of promotion for Class IV staff and their report has just come to hand. This, it is hoped, will open up prospects for such staff.

In the larger sphere, Government have appointed a Pay Commission to review the pay structure and terms and conditions of service.

And then there is the pension scheme recently introduced, which make available to railwaymen a steady income during their well-earned retirement. For the bulk of staff the pension scheme is likely to be a boon and it was for just that reason that it was introduced.

ASSOCIATION WITH MANAGEMENT

With the gradual evolution towards an industrial democracy, association of labour with management is being striven for in suitable stages. The annual contribution to the Staff Benefit Fund is again being substantially enhanced and the constitution of the committee administering the fund has been modified so as to leave effective control to the staff representatives.

The Labour Advisory Committees, which advise railways on the provision and planning of welfare works, have been revitalised. Then there are the staff councils, welfare committees, works committees and the like. The aim is to strengthen these various bodies so that there is effective communication and participation in the joint tasks.

While all these improvements are being effected, in order to help create better conditions of living and working, there will always be the need to ensure that everyone has a fair deal. In this respect, I again refer to leadership, at all levels, because it is only by looking after those working under our supervision that we can hope to get the best out of them.

The current Plan and other Plans to come have set before us tasks of great magnitude. The present generation of railwaymen are fortunate that they have been called upon to render this service to the country.

Payment of Sales Tax for Supplies obtained by Railways

Article 286 of the Constitution, as it originally existed, dealt with Inter-State Sales and the Clauses were amended as a result of judicial decisions. Much of the difficulties created in finding out whether a particular sale was assessable for sales tax or not was set at rest by the Judgment in Bengal Immunity case and the subsequent amendment to the Constitution, so far as Article 286 was concerned.

The passing of Central Sales Tax Act was also a step for making the position in this respect clear. Under this Act, certain articles like sugar etc., were subjected to Central Sales Tax, though the actual collection and administration were left to the State Governments.

Various questions have been raised as to whether a particular sale should be treated as Inter-State sale or not. In cases where both the Purchaser and the Seller are within the same State and the goods also are despatched from one point in the State to another point in the same State for consumption in that State, the position is simple and Sales Tax will be levied in accordance with the rules of that State.

However, where the goods are sold in terms of F.O.R. Despatching Station in one State and forwarded to a Station in another State, it will be dealt with as an Inter-State Sale and Sales Tax will, under the amended article 286 be levied by the State in which the forwarding Station is situated.

There are, however, cases where the Purchaser deputes his representative to examine and take delivery of the goods at the F.O.R. Station (of the Seller), though the intention is that the goods should be taken out of that State for consumption in another State and there are also cases where, in the Purchase Order on the Contract of Purchase, it is stipulated that the goods should be delivered to a particular person in a State, but that particular person will subsequently transfer the goods to a Station in another State for consumption in the latter State.

In these cases, the opinion is held that this should not be treated as an Inter-State Sale, because there is no obligation on the part of the person to whom the goods are to be delivered in the first instance, to transfer the goods to a Station in another State. Also so long as the Purchaser's Representative takes delivery of the goods at a particular station, there is no legal obligation for him to transfer the goods to another State, although the intention might be that the goods should be so transferred.

The Railways, who are purchasers in such circumstances, will, therefore, have to pay Sales Tax in these cases, as levied by the State in which the goods are actually delivered.

Physical Balance Sheets of Projects

A balance sheet of achievements and non-achievements of the Nagarjuna-Sagar Project as evaluated at the end of its first year's working is given in an article on the Project in the " Indian Construction news", March 1958, and is reproduced below, as this may be of interest to our readers :—

" Periodical self-criticism and internal evaluation of the work done, the difficulties overcome, the weakness yet to be rectified are as much instruments of control as progress reports, inspection, cost control, quality control etc. It is well to take a view from time to time and ask ourselves the questions. How far have we succeeded in our goals? In what manner have specific problems been dealt with? What remains to be done? As the control board was about to complete a year's working by September 1956, a review of its working was accordingly attempted; this review was of great help in clearing the air and renewing our urge to meet the challenge of the future with confidence.

At the end of the first year's working, the balance sheet may be summed up somewhat as follows :—

Planning has been comprehensive.

All ancillary services and pre-construction stages have been practically completed.

Construction work has been, by and large, according to schedule.

Control measures have been effectively devised.

Economy and efficiency have been the subject of continuous review.

Measures have been devised to watch that costs do not exceed the provisions made in the project estimates.

The budget allotment for 1956-57 has been fully spent and there have been no surrenders.

A benefit survey is to be launched shortly.

Development and rehabilitation problems have been gripped, schedules matching dam and canal construction with acquisition of land and the development of the ayacut have been prepared and specific problems relating to localisation and rehabilitation also taken up.

Amenities to labour have been provided.

On the other hand:

There have been delays in payments.

Stores accounts are not up-to-date and the organisation has not yet been fully built up.

There have been cases of works having been started without estimates on grounds of urgency.

Intensive costing has not been fully implemented.

It is the rectification of these deficiencies and the building up of a more effective control during the construction phase which will, among other things, demand attention during the second year."

A similar periodical appraisal of large schemes costing over, say, Rs. 50 lakhs on Railways will no doubt be helpful, not only to the Railway Board, but also to the Executive authorities themselves.

B.

System of Costing and Controlling Production of Locomotives Spares in Railway Workshops

BY YASH PAL PURI.

(*Continued from page 9 of April '58 issue*)

EXHIBITS

STANDARD OPERATION & ESTIMATE SHEET

Stores Stock List No. Stores Ward

Description	Deptt.	Operations
Drawing No. Purpose		

PRIME MATERIAL

Shop	Ward	Ref.	Description	Qty.	Weight C.	Q.	Lb.	Oz.

PRIME LABOUR

Shop	Operation No.	Code	Instructions	M/C. Group	Setting Time	Estimated Time	Out-turn per day

Rate Fixer

Production Engineer.

Exhibit No. I (Front)

LOCO PROGRESS SHEET (Front)

On Shop Work Order No. Date
Part Drg. No. Ref. No. No. Off.
Description. Operation Codes.

Ref. No.	Description	Qty.	Ops.				
			M/C				
			Comp.				
			Ops.				
			M/C				
			Comp.				

Sent to Store Kpr. on ....Mtl. recd. from on........... Delivery Note sent to...........on...........(For counter offers or remarks by Store Keeper see reverse).

Production Engineer.

Exhibit II (Front)

LOCO. OPERATION TIME SHEET

Part Drg. No.	On Shop No.	Reference No.	W. O. No. No. off Oper. Codes	Date Description

Description of operation and Tools etc.	
	Machine No..................
	Operator's No...........
	„ Name..........................
	„ Rate................................
	Completed on................................
	Total Time.............Hours..........Min.
	Estimated Time..........Hours..........Min.
	Inspected on................................
	„ by ....

To be completed on...............

Production Engineer.

Exhibit III (Front)

LOCO. COST SHEET

Part Drg. No.	On Shop No.	Reference No.	W/o. No. No. Off Oper. Codes	Date Description

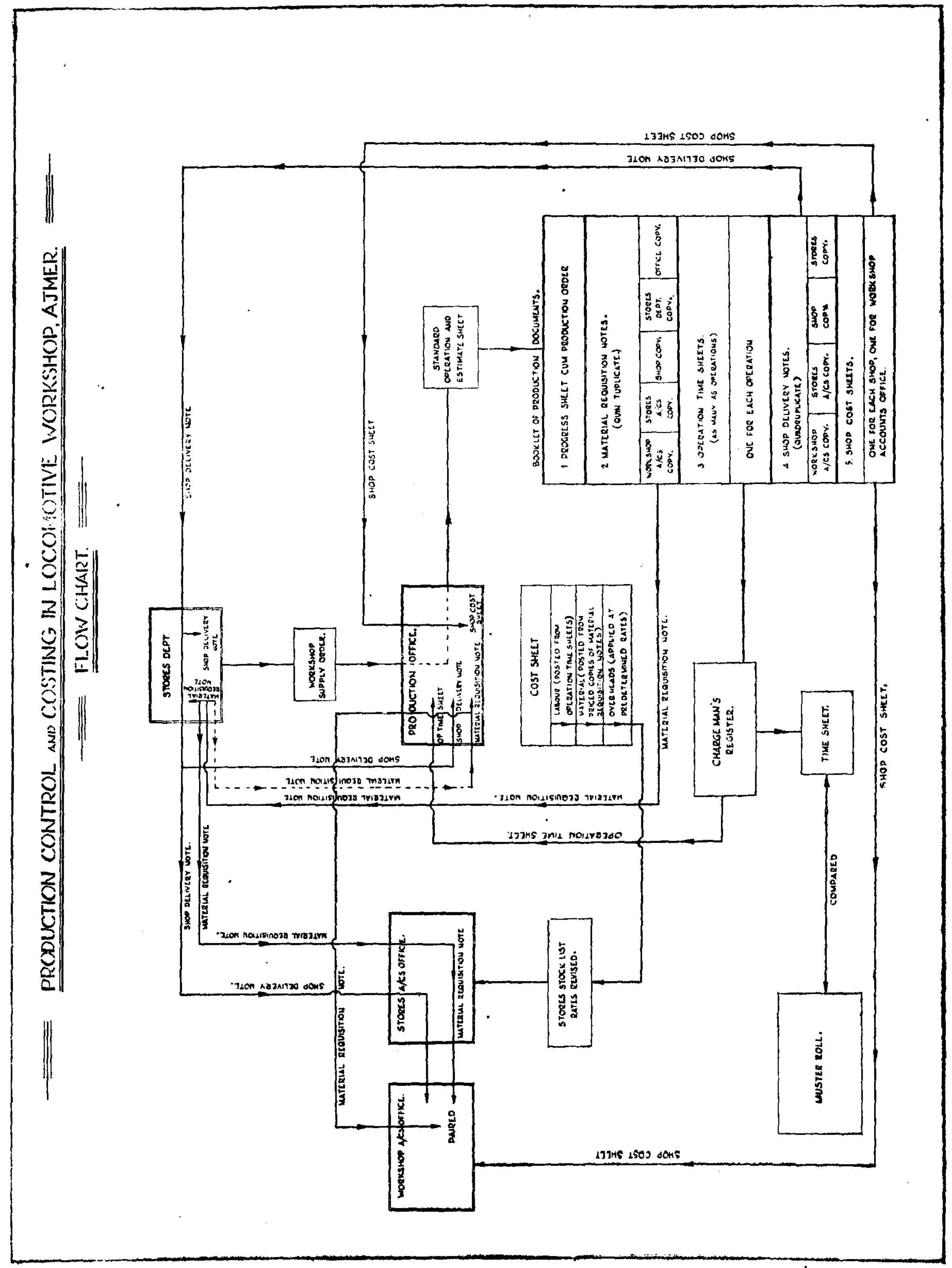
Operation Number	Operation Code	Hours Min.	Cost Rs.	Cost nP.
1				
2				
3				
4				
5				
6				
7				
8				
9				
Total				

Man's Operation Number

Total Material Cost	Rs.
„ Labour „	Rs.
„ Overhead „	Rs.
Grand Total (Includes defective cost)	Rs.

Production Engineer.

Exhibit IV



Cement Vs. Lime

At a time when large building projects in the Second Five Year Plan, involving use of Cement, are being slowed down due to want of supplies of Cement in adequate quantities, it is refreshing to note that, as an alternative to cement, the more extensive use of the age-old lime is now under active consideration not only by Engineers and Scientists, but also by manufacturers of lime in the different areas in the country. The symposium on manufacture and use of building lime in India held at Rewa in March '58 is not a day too soon. The Railways have large building projects for execution in the Second Five Year Plan and have also, in common with other Departments, been affected by the shortage of cement, and they have, it would appear, already begun to use lime, wherever cement was proposed to be used for particular works. It is quite in the fitness of things that Shri S. L. Kumar, Director, Research, Railway Board, took a leading part in the discussions in the symposium. An interesting paper on "Important Engineering properties of lime and simple tests to determine them" was also presented at the Symposium by Sri U. G. K. Rao, Jt. Director, Research (Civil), Railway Testing and Research Centre, Ministry of Railways, Alambagh, Lucknow.

The Symposium organised by the National Buildings Organization and supported by the Indian Standards Institute, New Delhi, was inaugurated by Dr. K.N. Katju, Chief Minister, Madhya Pradesh, the Chairman of the Symposium being Shri A.K. Chanda, Deputy Minister for Works, Housing and Supply, an extract from whose speech is given below:—

"Lime as a construction material was exploited to great advantage from very early times in this country. Till very recently, even up to the thirties, it has been the principal cementing material for all structures in this country. Lime mortar can be found to have been used in plasters, arches and domes in the ancient monuments. Even lately it has been used with great advantage in dams, bridges and other structures. With the advent of cement, however, the use of lime was reduced, slowly but surely. It was relegated to the background, first, by the construction agencies in the public sector, and the building industry in the private sector followed suit. Reasons advanced for reluctance to use lime were lack of quality in the material as then marketed, slowness in setting and gaining in strength etc. This accounts for the gradual decline of the once flourishing building lime industry in this country. In the absence of any large and stable demand from the public sector, the industry was left with only small lime manufacturers catering to the demands of small and mostly individual builders in the towns. The ill-coordinated and poorly organised small-scale manufacture of lime hastened the fall by the inability of the industry to produce quality materials in adequate quantities. However, in spite of all odds, the industry still exists and has a history of a long period of struggle for its survival.

Attempts to revive the industry, could not so far succeed due to the reluctance of engineers to accept lime in place of cement. I know of engineers who will contend that our cement production is going to be increased to such an extent that the use of lime as its substitute on a large enough scale may be unnecessary. They, therefore, do not recommend setting up of up-to-date, plant and machinery to turn out lime as a finished product which could be marketed in the same way as cement is done at present. If statistics are to be believed, even after all realisation of the planned production of cement, the per capital consumption of this material in the country will only be a small fraction of the quantity consumed in industrially advanced countries. It may perhaps be news to some of us that industrially advanced countries have produced and are producing lime and using it as a building material in plaster and mortar to a much greater extent than is done in our own country. It will thus appear that there can be no doubt about the need for reviving this industry, even after taking into account our proposed plans for the expansion of the cement industry ......"

Parliamentary Control of Expenditure

Mr. M. Ananthasayanam Ayyangar, Speaker, Lok Sabha, while inaugurating a Conference of Chairmen of Estimates Committees at New Delhi on the 16th April 1958 stated that the new services which were included in the budget deserved scrutiny by the Lok Sabha. But neither the House nor the Estimates Committee was in a position at present to examine all the new services in the Budget. The Standing Finance Committee that existed before 1952, he said, served a useful purpose by advising Government on the inclusion of new services in the estimates and examined other items exceeding a certain monetary limit before expenditure was incurred on them. The Speaker suggested that, if possible, the Estimates Committee could perform this function, if the new services could be placed before it, with a memorandum, before their inclusion in the estimates, but otherwise it should be done by a Standing Finance Committee.

Referring to consideration of the Budget by Parliament, the Speaker said that, under the present procedure, it was not possible for Parliament to examine Demands adequately or influence the activities of the Ministries. He, therefore, suggested that immediately after the Budget was presented and the general discussion took plaee, the House might form itself into a Committee and divide into a number of Sub-committees, each of which would take up a group of Demands and would have a frank discussion with the Ministers and officers concerned. Such a procedure was adopted when the Second Five Year Plan was considered by Parliament and Mr. Ayyangar said, members were satisfied that it gave them adequate opportunity, not only to express their views but also to get the views of the Ministers and the officials concerned.

Discussing the question whether the Reports of the Estimates Committee should be discussed in the Lok Sabha, Mr. Ayyangar expressed the view that it was not desirable to do so, since it consisted of Members of all shades of opinion and they were able to look at the question dispassionately and in an objective manner in the Commitee, while the discussion in the House might create difficulties, as expression of the opinions in the House would be affected by their party alignment and the value of the recommendations made by the Estimates Committee might be lost.

Mr. Ayyangar also suggested that adequate procedure must be devised for exercising Parliamentary Control over autonomous undertakings, which was gaining increased importance latterly.

Only those who have the patience to do simple things perfectly ever acquire the skill to do difficult things easily.

Estimates Committee Reports

(1) Suggestions for Technical Training

The tenth report of the Committee presented before the Lok Sabha suggested that the number of Engineers and other Scientific and technical personnel of different categories turned out by the various Universities and Institutions should be "linked up' with the Five Year Plan as in advanced countries, which had accepted State Planning as a policy of the Government. The Committee pointed out the need for a constant watch by the newly set-up Directorate of Man Power so that there would be no shortage of trained technicians during the third Plan Period.

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(2) Excess payment to Contractors

Year after year, we are having numerous cases of uneconomical and infructuous expenditure on big projects and also cases of excess payments due to lack of supervision or application of safety measures in time. It has been pointed out repeatedly that cases of this sort should be dealt with seriously so as to avoid heavy losses to Government.

The fact that these losses are continuous in one place or in another indicates a certain amount of lack of coordination and initiative on the part of the authorities concerned. It is very necessary that something must be done quickly and surely. The latest Audit Report dealing with the construction of the Government owned "Ashoka Hotel" in New Delhi covers a number of cases of the type referred to above involving heavy sums. While the tax-payer is burdened with heavier taxation from year to year and while Government is constantly at their wits' end to find ways and means for obtaining funds for the proper execution of the Second Five Year Plan, it is very necessary at the same time to stop all loopholes and wastage of public money and take such preventive measures as would help in securing Government money for proper utilisation in the best interests of the tax-payer.

A few facts regarding irregularities referred to above in regard to the Ashoka Hotel Construction are given below:

1. *Ad hoc* advances amounting to Rs. 70 lakhs were made to a Contractor during November 55 and September 1956 without any correlation to the actual work done. The measurement of the work was the responsibility of the Clerks in consultation with the Architect and it was for the Architect to check them before acceptance. Neither did the clerks record measurements nor did the Architect exercise any check at site before recommending payment to the Contractor. These failures resulted in a number of excessive claims from the Contractor. It is but reasonable, therefore, that the fee prescribed for payment to the Architect should be reduced substantially in view of this negligence, not only in these cases, but also in causing a lot of infructuous expenditure.

2. Due to failure to take measurements of the excavation work, the Contractor was paid an excess of Rs. 3,30,500.

3. Excess payment of Rs. 1,09,140 was involved on account of payment at too high a rate for filling plinth basement. The Contractor charged Rs. 12-6-0 per 100 cft. for this refilling work, against Rs. 9-4 per 1000 cft. as per the scheduled rates i.e., the claim was nearly 13 to 14 times higher than permissible under scheduled rates.

A loss of Rs. 50,840 due to the sale to the Contractor of excavated hard stone at a lower rate than what should have been charged for.

Uneconomical expenditure of Rs. 3, 14, 192 was incurred on account of payment of a uniform lead of half a mile for the excavated material.

The Architect's explanation on this account was unacceptable as proved by subsequent events.

The report further deals with the responsibility of the Government Directors: "Government have explained that prior to May 30, 1956, the date from which full control was taken over by the Government, the responsiblity of the Government directors was limited to important matters involving policy affecting the financial position of the company, on which alone they could cause a reference to be made to the President and that the day to day supervision of the work of the Architect and Contractor could not be construed as an important matter, involving policy."

It is hoped that the Statutory Audit Department of the Government would wake up to the seriousness of the situation and devise preventive measures expeditiously.

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(3) P. & T. Department

The Estimates Committee, in its eleventh Report, has covered the various aspects of the woking of the Indian Telephone Industries Private Ltd., Bangalore, and the Posts and Telegraphs Workshops. It observed that the progress made by the I.T.I., in regard to actual production of telephone equipment in the last ten years cannot be considered entirely satisfactory,even though during the last three years, the actual production has been 41% of the total capacity.

The Report points out that there have been considerable delays particularly in the manufacture of transmission equipments and that the installed capacity in the undertaking is not being put to the optimum use. The Committee has, therefore, suggested optimum utilisation of production capacity by increasing production both in the tele-communication and non-tele-communication fields with reference to their requirements at home and abroad, and measures to increase indigenous production of imported telephone equipments. The committee has recommended the constitution of a telephone Equipment Committee for this purpose.

The organisational set-up of the undertaking has not been quite conducive to efficient management and that its Directors have not been strictly following the well established principles of commerce and sound financial policy in various matters especially in regard to the realisation of dues from the P and T Department.

The Committee has, therefore, suggested the creation of a Board of Management for day to day working and the appointment of a non-official as Chairman of the Board of Directors.

The Committee has also suggested the setting up of an Expert Committee to go into the system of accounting—finance, Cost and Stores as in all State undertakings, with a view to making it fool-proof and achieving standardisation of accounting procedure to the extent possible at least in all manufacturing units.

The Committee has suggested that the scheme of rewarding suggestions as well as the awards so far made may be better publicised so as to enable workers to appreciate the types of suggestions that they should make, e.g., those which would make for savings in labour, time and material, accident prevention, increased sales etc.

It has suggested that the present time lag of about one and a half years between the installation and utilisation of capacity at all important exchanges should be minimised.

Currency of Sanction

In accordance with the provisions of para 956-E, the sanction to an Estimate will ordinarily remain current for five years from the date on which it has been accorded, unless it has been renewed for a further term by acceptance of a Revised Estimate. Acceptance by a competent Authority of a Budget Estimate, which includes specific provision for expenditure on a work which is in progress may be regarded as reviving for the year in which provision is made, the sanction to the Estimate, regardless of the five years' limit.

It is also laid down that if no work has been commenced on a sanctioned Estimate within *two years* of the date on which the sanction was accorded, such sanction should be held to have lapsed and fresh sanction should be obtained from the competent authority by submission of an up-to-date Estimate, if necessary.

A question has been raised as to what exactly constitutes 'commencement of work' for the purpose of counting the time limit for the currency of sanction. It would appear that the term 'commencement of work' should not be taken too literally, by investing it with the significance that PHYSICAL work should have been started. The entering into of commitments, e g., placing of Indents for Stores, letting out of Contracts etc. should be deemed to be the commencement of work for the purpose of computing the currency of sanction.

To allay doubtful interpretations and to ensure that the intention is uniformly carried out by Railways, a correction slip may, perhaps, be issued to Para 956-E.

'B'.

Station Accounts

[*A paper read by Shri T. Adisesh Iyer, Dy. CAO (TA) at the Officers' Forum, Ajmer*]

I propose to deal with Station Accounts as maintained in the various stations and their utility. The work at stations fall under two main categories (a) operation viz. getting the wheels moving and carrying the traffic and (b) commercial i.e. (i) obtaining traffic both coaching and goods(ii) booking, forwarding and delivery of the same (iii) collecting the money due, accounting for the money collected, and remitting the money to the Cashier of the Rly. In this paper, I propose to deal with (b) only relating to Station Accounts viz. booking, delivery, collecting money remitting the same, maintenance of accounts and submission of returns to the Accounts Office.

2. The Railways are the biggest commercial undertaking of the Govt. The earnings of all Indian Railways for the year 1956-57 were approximately 350 crores of which the Western Railway's contribution has been 56 crores of rupees. Almost all this money is collected at the stations from Goods and Coaching traffic and other miscellaneous items. The importance of correct maintenance of Station Accounts will be menifest from the huge volume of traffic carried, variety of transactions involved and the amount collected. Unless the initial accounts at stations are maintained properly and correctly, money remitted promptly and accounts maintained upto date without mistakes and

irregularities, the commercial aspect of working of a railway cannot be considered to be satisfactory. It is in this perspective that we have to face the problems and see that station accounts are upto date.

3. Before going into the detailed accounts maintained at stations, it will be necessary to mention the method of obtaining passenger tickets, stocking them and their issue. There are various series of tickets for each class such as Air Condition, First Class, Second Class, Third Class etc. in addition to blank paper tickets, season tickets etc. These Tickets are printed by a Printing Press attached to the railway on requisitions from stations and supplied according to their requirements. An estimate of the requirement of each class and series of tickets should be prepared by the station according to the volume of traffic, and kept for guidance. From these estimates, as also the trend of traffic, indents should be sent in the prescribed form to the press well in advance, when 3 months stock is on hand. The indents should be routed through the Traffic Accounts Office, where a preliminary check is made. When the tickets are printed and supplied to stations, they should be counted and entered in the ticket stock registers. The tickets should then be kept in safe custody and sufficient tickets required for daily use kept in the ticket tubes at the Booking Office. Much of the difficulty, such as station running short of tickets can be avoided if timely indents are placed on the Printing Press, instead of resorting to last minute and emergent indents.

4. I shall now deal with certain important aspects of station accounts relating to Coaching traffic. The main documents on which traffic is booked and money collected are passenger tickets, paper or blank tickets, season tickets, concession orders, Military Warrants,Credit Notes, Luggage Tickets Excess Fare Tickets, Parcel Way Bills etc. In the case of passenger tickets, it should be borne in mind that the money is always collected when the ticket is sold, whereas parcels may either be booked freight paid to pay. Pre-payment of freight is compulsory only for certain specified commodities. In other cases, it can be booked to pay i.e. on short credit.

In a variety of other Government transactions which are carried on warrants and credit notes, money is not collected at stations but the amount due is billed for by the Traffic Accounts Office against the departments on the basis of the booking documents and the transactions are adjusted in the books.

5. (a) The important documents and accounts relating to Coaching traffic fall under two main heads (i) initial books and (ii) initial returns to be submitted to the Traffic Accounts Office.

(b) The initial books to be maintained at the stations are (i) daily trains cash book, (ii) parcels, luggage etc. cash book which should be maintained separately at large stations where the receipt of parcels and luggage is considerable. The initial coaching returns are local passenger classification, foreign passenger classification, return of Government passenger and luggage, return of emergent duty passes, return of platform tickets, return of season tickets, return of excess fare tickets (local and foreign), return of luggage, horse, carriage and dog tickets, return of left luggage tickets, abstract of parcels forwarded (local and foreign), abstracts of foreign parcels received (local and foreign), parcels summaries, local and foreign, the Coaching Balance Sheet etc.

(c) Of the various books and returns maintained at stations, the daily trains cash book is the most important record relating to passenger traffic. Herein we will find the accountal of the daily issue of all tickets sold by a station to other destinations, fares collected which will be the fare printed on each ticket. The posting and closing of daily trains cash book is therefore very important as it is from this book that the remittance of passenger earnings is tallied and monthly passenger classifications prepared.

(d) The passenger classifications are prepared monthly for local and foreign tickets sold and forms an important link in checking and tallying the daily trains cash book and check in the Accounts Office in regard to the passenger tickets sold. The amount of the passenger classifications is taken to the debit of the Coaching Balance Sheet representing the liability of the station, which is cleared on the credit side by actual remittance of cash.

(e) The same is the case with returns relating to warrants and credit notes issued by the Government Departments for booking their traffic.

(f) The same also is the case of return of excess fare tickets, platform tickets. In regard to season tickets, a more elaborate return is required just as in the case of passenger classification, so as to exhibit fresh issues of season tickets, deposits received, deposits forfeited and deposits refunded.

6. Another aspect of passenger traffic at stations is the collection of used tickets and sending the collected tickets to the Accounts Office for check. The tickets when issued have to be nipped with a V shape Nipper when the passenger enters the platform to board a train. At the destination, these tickets are collected and nipped with a U shape nipper to indicate that the ticket has been used once and it cannot be used again. The highest number of each series of tickets collected each day should be picked up by the station, separately bundled and sent to the Accounts Office in canvas bags for check. The other tickets which will be tied up separately are also sent to the Accounts Office where a percentage check of collected tickets is made in all its relevants aspects with reference to the accountal in the passenger classifications.

7. The main initial documents for parcels booked and received are parcel way bills and delivery book. The latter is a very important document in which should be shown in serial order the inward way bills received, date of receipt of the parcel, date of delivery, amount of freight booked, amount collected, under charges if any, wharfage and demurrage if any collected. It is from the delivery book that the abstracts and summaries of parcels inwards are prepared. The abstracts of parcels forwarded are prepared from the way bills whether paid or to pay. These abstracts are posted so that way bills of each station are grouped together, the stations being arranged in alphabetical or other prescribed order. Foreign abstracts of parcels forwarded are prepared for each railway and each junction separately, the booking of each station being grouped together and totalled as in the case of local abstracts. The amounts of the abstracts in the case of traffic for which freight has been collected both local and foreign are taken to the debit side of the Coaching Balance Sheet which is cleared on the credit side by corresponding remittance of money to the Cashier.

8. After the monthly transactions are over, a Coaching Balance Sheet is prepared by the station. This summarises the entire coaching transactions of the station for the month under passenger, parcel, excess fare etc. and the corresponding remittance of money and the outstandings. The first entry in the Coaching Balance Sheet which is very important is the outstanding from the previous month representing the parcels on hand for which the freight has not yet been collected, because the parcels have not been received or delivered. The closing entry will be the outstanding for the month representing the parcels on hand to be received or to be delivered and debits raised by the Accounts Office which remain uncleared. The transactions for which various books, records and accounts are kept at the stations

and for which periodical or monthly returns are submitted to the Accounts Office should be traced into the debit and credit sides of the balance sheet which has thus to be proved. The Coaching Balance Sheet therefore represents the true picture of all the coaching transactions at stations during a month.

9. We now come to Goods traffic. This contributes the bulk of the earnings of the railway and therefore the booking of outward consignments and delivery of inward consignments, their weighment, classification and rating are of great importance. Just as in the case of parcels, goods can also be booked paid or to pay. Pre-payment of freight is compulsory only in the case of certain specified commodities. Similarly Govt. traffic is booked on credit notes billed for and realised by the Accounts Office. For the booking of goods, forwarding notes, and risk notes, etc. to be obtained from the consignee form the basis of acceptance of goods for transport. Primary initial documents are the invoices prepared by the station on the basis on which the amounts due to the railway are collected both in the case of goods "to pay" and "paid" consignments. A major part of goods traffic is carried in wagon loads rather than smalls. Therefore registration and allotment of wagons, collection of wagon registration fees, calculation and collection of terminal charges, surcharges placement charges and siding charges are also important points to be taken into consideration. Invoices are handed over to the consignor when goods are booked and this copy is called the Railway Receipt, the production of which entitles the consignee or his authorised agent to take delivery. Where loading and unloading has to be done by the railway, separate charges are not levied as these are included in the freight. But if specific conditions are prescribed that the loading and unloading should be done by the consignor or consignee, the railway should not undertake this work except where prescribed charges are recovered. Thus, the operations connected with booking of goods consist of their acceptance, examination, marking, weighing, invoicing and loading. Similarly the operations involved in unloading and delivery of goods consist of examination of seals and labels of loaded wagons, unloading and tallying the contents of the wagons, reweighments of goods received wherever necessary, the receipt, check and accountal of inward invoices and delivery of the goods received to the proper consignee or his agent.

10. The important initial books and registers connected with goods required to be kept at stations are (a) Goods cash book, (b) Goods outward book local and foreign, (c) Goods inward delivery book local and foreign, (d) test balance register of inward to pay goods, (e) junction register of through invoices, (f) register of railway materials booked, (g) loading and unloading tally books, (h) weighment register, (i) register of wagons handled by sender or consignee, Wagon Transfer Register etc. The most important register is the inward delivery book in which particulars of inward invoices for consignments received are entered together with the date of delivery, consignee's or his agent's signature, weight of the consignment, freight and under charges, if any, collected. It is from this initial book, the goods cash book is posted showing the total amount collected each day and remitted to the cash office.*

11. From these initial registers, the following returns are prepared and rendered by stations to the Accounts office in connection with goods traffic.

1. Abstract of goods outward local
2. Abstract of goods outward foreign.
3. Abstract of goods inward local
4. Abstract of goods inward foreign.

*** The Cash Book has to be posted from the collected Railway Receipts and not from the Delivery Book.—*Ed R.A.***

5. Summaries of outward and inward local.

6. Summaries of outward and inward foreign.

7. Demurrage and wharfage return.

8. Statement of siding charges.

9. Goods Balance Sheet etc.

12. As the transactions relating to goods traffic are considerable, the accounts are compiled for every 10 day period, 1st to 10th, 11th to 20th, 21st to the end of the month and returns are prepared for each of these periods, so that the accounting may be simple. A test balance sheet is also prepared for each period for inward goods to pay to enable the accounting being balanced and proved. Cash collected on outward paid goods should also be tallied with the Cash Book and Abstracts and Summaries. At the end of the month, the outstandings are prepared which show the liability of the station in respect of goods transactions of the month i.e., freight outstanding on account of goods received but not delivered and goods not received for which invoices are on hand, debits raised by the Accounts office on account of under charges, error sheets and deficiency in remittances.

13. One important feature of goods booking is the credit note and freight deposit system. Firms which have a large volume of traffic naturally find it inconvenient to pay freight in cash for each consignment booked or taken delivery of. They are therefore allowed to deposit with the railway a sum to cover their estimated freight transactions for a month or convenient period against which the consignments are booked or delivered on credit notes. The total transactions for the month are billed for and realised by the Accounts office from the firms concerned. These transactions are shown on the debit side of the Balance Sheet and the amount of credit notes on the credit side to represent realisation. There are various methods under which this credit system is operated and the Railways have adopted one or the other method to suit their convenience.

14. From the above initial documents, the monthly Goods Balance Sheet is prepared which shows on the debit side the liability of the station for the month such as opening balance (outstanding of the previous month), local and foreign goods traffic outward paid and inward to pay, under charges, demurrage, wharfage, surcharge, siding charges etc. and other Accounts office debits. On the credit side, the total cash and vouchers remitted and outstanding, *viz.*. closing balance are shown. A separate statement analysing the outstandings has also to be sent by the station along with the Balance Sheet showing admitted error sheets, disputed error sheets, invoices requiring clearance by overcharge sheets and goods on hand.

15. I have given above a broad outline of the initial documents, registers and accounts to be maintained at stations, both for Coaching and Goods. I shall now deal with certain features of station accounts which are not satisfactory and which should receive special attention.

(i) *Ticket stock*—It is of paramount importance for the stations to indent for tickets in time and keep proper account of the stock and verify periodically the tickets on hand and in stock by actual count. Non-observance of this salutary provision leads to the stations running out of stock and malpractices and frauds in the issue of tickets. It should therefore be the duty of the station staff and the inspecting officials to ensure that the proper system of custody, issue and accounting is followed.

(ii) *Station returns*—The returns relating to Goods and Coaching traffic and Balance Sheets (both Goods and Coaching) should be prepared in time and sent to the Accounts office. These documents form the basis of initial accounting in the Accounts office, check and posting of

which enables the monthly accounts of the railway to be compiled and submitted to the Railway Board. Late receipt and non-receipt of station returns and balance sheets has been very chronic, not only on our railway but on all railways, with the result that the closing of accounts has been considerably delayed and vitiated. The number of missing returns and balance sheets on our railway is to the tune of about 5,000 per month out of the total of about 30,000 i.e. 16% missing. Various measures have been prescribed for the timely submission of returns which are not strictly observed by stations. Inspite of the appointment of couriers, the position has not improved to the extent expected. The stations should keep a proper chart of the various returns due and the dates of submission. The S. Ms. and inspecting officials should ensure that returns are prepared correctly and submitted in time.

(iii) Station outstanding (freight outstanding, debit outstanding, both admitted and disputed).

The station outstandings of the Western Rly. are over one crore of rupees. Of this, a major part is freight outstanding on ledger account system and may be taken as a normal feature, as the amounts due in a month are realised in the subsequent month. Nevertheless, the freight outstanding on other consignments and the position of objected and disputed debits is causing concern. Error sheets sent by the Accounts office are not attended to properly and promptly, leading to the accumulation of outstandings and delay in the settlement of station staff against whom debits may be outstanding. Vigorous drive for the analysis and clearance of outstandings should be instituted at all levels and this aspect should receive the special attention of the Commercial Officers and Inspecting officials.

(iv) *Leakage of Revenue.* There is scope for leakage of revenue if proper attention is not paid to the weighments and reweighments of consignments, recording of correct weight, classification, description, rating and routing of traffic. All these should receive proper and correct attention of the Booking Clerks and S.Ms.

(v) *Remittance of money collected.* At times, slackness in the remittance of money, none-observance of the prescribed procedure etc. have been noticed resulting in loss of cash either at the time of sending or in transit. These should be avoided by the proper observance of rules and procedure.

(vi) *Prevention of claims for goods lost or damaged.*

The Railways are paying huge amounts by way of compensation for goods lost, damaged or found deficient at the time of delivery. In an undertaking where a large volume of transactions is dealt with, there is bound to be loss and damages to some extent. But at present, the position is very unsatisfactory and the annual claims bill on all the Railways runs into several crores of rupees. Proper attention to marking of consignments, weighment, loading and unloading, tally, avoidance of misdespatch and tracing and connecting of unconnected consignments should to a large extent lead to prevention of claims.

16. I have tried to give a brief resume of Station Accounts in a simple manner and if it be of some use, I shall be more than repaid.

Thanks to science, you can now fly almost anywhere in half the time it will take you to wait for your luggage after you get there.

Avoidable Expenditure

A very interesting case has been included in the latest Audit Report placed before the Lok Sabha. An extract from the report is given below as explaining the case completely and effectively :—

The report says : " A vessel carrying wheat cargo purchased by an overseas supply mission for 854,784 dollars on which a freight of 235,200 dollars had been paid sank on November 18, 1951, while out at sea as a result of a fire in the engine room. The cargo, which had not been insured in conformity with the usual practice followed by the mission, as well as the freight paid became a total loss. The owner of the ship, a foreign Government, and the underwriters filed a petition in court under the terms of a local law, which exonerates the ship owner either totally from all liability for the loss or limits it to the value of the ship at the end of the voyage, unless the fire was due to negligence on the part of the owner.

" With a view to safeguarding its interests the (local Indian) mission entrusted the case on November 16, 1951, to a firm of attorneys with the approval of the Ministry of Food and Agriculture. No action was, however, taken by the mission to arrive at any agreement with the firm regarding the rate of fees payable for handling the case. A sum of 5,000 dollars was paid to the firm in January 1952 as interim retainer with the approval of the Ministry. At the instance of the Ministry, an estimate of legal expenses was called in March 1952, and the firm replied in June 1952, quoting fees as ranging from 75,000 dollars to 363,328 dollars. At this stage also no firm steps were taken to settle the fees precisely with the lawyers. On May 28, 1952, the firm sent a bill for 25 000 dollars and the mission moved Government on June 12, 1953, to sanction the amount.

On September 12, 1953, Government asked the mission to consult a second firm as to the merits of the case before incurring any further liability in the matter. Accordingly, in October, 1953, another firm of expert admiralty lawyers was consulted and on the basis of its report, Government decided on November 28, 1953, to abandon legal proceedings. The fee paid to the second firm amounted to 552.25 dollars only.

" The failure of the mission to obtain firm estimate of fees from the lawpers and settle terms with them beforehand involved Government in an avoidable expenditure of 25,000 dollars which was subsequently reduced to the net figure of 23,293.65 dollars after taking into account refunds made by the firm."

Note It is very obvious from the above that such precautionary measures as would be dictated by common sense had not been taken with the result that heavy losses have been incurred. Mere mention of facts is not of much value unless reference is made to the violation of rules and regulations or the non-existence of rules and orders, and the measures taken to prevent recurrence of such cases in future. It is thus obvious that the report of any case of loss of public money should be followed by an indication of remedial or preventive measures taken to ensure that there would be improvement in future.

Ed.—R. A.

Sri S.— I see your son recently finished his Schooling. Is he looking for work yet ?

Sri L.— No, no, indeed. He's still trying for some sort of Government job.

Ticketless Travel — A Short Story

Do you believe in " hunches " ? Sherlock Holmes did and so did C.S. Ghose, a young Ticket Collector of Howrah Station. It happened on March 6. Ghose was on duty when a middle aged gentleman—a burly Sikh—approached him and said " I hold a ticket for Ludhiana via Saharanpur. Could I now change the route and travel via Delhi ? "

" Certainly, Sir", replied the obliging Ticket Collector. He took out his receipt book, and, as usual, before issuing the excess fare ticket, asked to see the journey ticket.

One glance at the ticket and he became suspicious. Perhaps, in the true Sherlock Holmes way he intuitively smelt a rat. But suspicion alone was not enough and being a public servant, he must be extra cautious in his dealing with a member of the public. Ghose politely invited the sturdy Sikh to the office of the Station Superintendent.

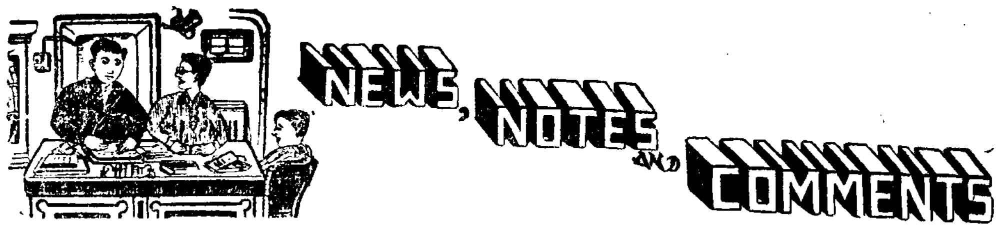
" You have no business to drag me to your boss's room. I am a busy man ", replied the passenger.

" I am awfully sorry, Sir", apologised Ghose. " Unfortunately I have left behind the table of fares ".

Saraju Mukherji, Station Master (Commercial) welcomed the gentleman in the Superintendent's room and offered him a chair. He examined the ticket. But even his trained eyes could see nothing wrong. But he was not a person to give up a chase half way through. A magnifying glass was brought in and as he looked through it, his face brightened. There was obviously something wrong with the date stamp on the ticket. Before looking through the glass again he scribbled a note on a sheet of paper and sent it off through another Collector. On a closer examination, he could see the faint mark of an old date stamp carefully erased. In the meantime, the reply had come from the Chief Booking Clerk. The note confirmed his suspicions ; no ticket bearing the No 3990 had been issued that day for Ludhiana. The records showed that this ticket had been issued on November 16, last year.

The Station Master now turned towards the innocent looking passenger to tell him that the ticket was forged and that he had been cheated perhaps. But, to his utter surprise, he found the gentleman trying to hide something under his shoes—two more tickets for different destinations, old and used. The rest of the story is brief. The Police came and arrested the burly Sikh.

—*By Courtesy E. R. News letter* 21-3-'58



Electric Traction on South Eastern Railway

In order to meet the heavy pressure of traffic already experienced and anticipated, the South Eastern Railway authorities have planned eletric traction on 334 miles of the Railway around Rourkela and Jamshedpur. This mileage has been divided into four zones viz., Tatanagar-Rourkela, Tatanagar-Khargpur, Asansol-Sini and Rajknarswan-Dangoaposhi. Owing to the abnormally heavy suburban passenger traffic, the line between Khargpur and Howrah is also being electrified.

It is expected that production in the new steel plant at Rourkela and at Jamshedpur are expected to commence early, even before the electric trains can be run. It is, therefore, proposed to introduce Diesel locos as an interim measure, as soon as the double line is ready.

Doubling work has been very briskly proceeding between Rourkela, and Bhilai and also Mahoharpur and Raj Gangpur.

* * *

Railway Week Celebration on Southern Rly.

Sri A. C. Mukerji, General Manager, Southern Railway, while presiding over the Railway week celebration at the Railway Headquarters on the 15th Apr. 1958 stated that the Railway week gave them an occasion to emphasize the spirit of cooperation and team work, on which the progress and economy of the country as a whole and the fulfilment of our plans for the rapid industrialisation of this country depended.

Earlier, Mr. S. K. Mukerji, Chief Comml. Supdt., of the Railway, welcoming the General Manager, stated that the purpose of observing Railway week was to focus public attention on the role played by the Railways and to serve as an occasion for Railwaymen to get together so that the spirit of team work could be fostered in their endeavour to serve the nation whose biggest national undertaking was the 'railways'. He called upon them to realise that the Second Plan with all the difficulties it had posed before them was not only a challenge but a splendid opportunity to prove their work and mettle.

Handicraft Centres for women of Railway employees were opened on the 14th, 15th and 16th April at Tambaram, Arkonam and Jalarpet respectively in the Railway Colonies.

* * *

Convention of Commercial staff

It is understood that a special convention of Commercial and Station and Running Staff of Indian Railways would be held at Madras under the auspices of the National Federation of Indian Railwaymen on the 27th and 28th of May 1958.

* * *

Hindustan Steel Private Limited

Mr. G. Pande who retired as Chairman of the Railway Board in Dec., 1956, and who has been Dy. Chairman for some months, has now been appointed as Chairman of the Board of Directors of the Hindustan Steel Private Ltd.

This group consists of Rourkela, Bhilai and Durgapur projects. Share capital of Rs. 300 crores of the Company are

owned wholly by the Government of India.

* * *

Salem-Bangalore Rail Link

Speaking at the Second Annual Exhibition at Dharamapuri, on 15th Apr. '58, the Governor of Madras stated: "As for the request for the construction of the Salem-Bangalore Railway line, the State Government had represented to the Government of India that this should be taken up on a high priority, in order to open up the Northern part of Salem District, since the Branch Lines to Krishnagiri and to Hosur had been dismantled during the last war, but not restored so far.

The Governor explained: "the position of the Government at present is in regard to the supply of iron and steel and foreign exchange in taking up the Railway scheme immediately, but he said there was every chance of its being carried out at least in the third plan.

* * *

Governing Board of C. S. I. R.

The President of the Union Government has appointed the following to be Members of the Governing Body of the Council of Scientific and Industrial Research and the Board of the Scientific and Industrial Research for the year 1958-59:

Governing Body,

Name	Designation.
Prof. Humayun Kabir	Minister for Scientific Research and Cultural Affairs.
Mr. Morarji Desai	Minister for Finance
Mr. Lal Bahadur Shastri	Minister for Commerce and Industry
Mr. Manubhai Shah	Minister for Industry.

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Board of Scientific & Industrial Research.

Prof. Humayun Kabir	Minister for Scientific Research and Cultural Affairs.
Mr. Manubhai Shah	Minister for Industry.
Mr. P. C. Mukherjee	**Chairman, Rly. Board.**
Dr. A. Nagaraja Rao	Chief Industrial Adviser, Ministry of Commerce and Industry.

* * *

Breach of Trust

The Chief Cashier of the Southern Railway made a surprise check of the Cash of a Divisional Pay Clerk in one of the Divisional Offices in July 1957 and found that the cash was short. A further scrutiny of the paid vouchers for the months of June and July 1957 revealed that the P. F., Salaries and overtime allowance sanctioned to many of the employees had not been paid and their signatures and thumb impressions had been forged.

The Pay Clerk was prosecuted and he was awarded rigorous imprisonment for two years on a charge of misappropriating the funds of the Railway Administration to the tune of Rs. 6,964/-.

Cases under Section 467 and 471 I.P.C. were sent up for trial before the Sessions Court.

The Sessions Judge delivered judgment in the case of alleged misappropriation, forgery and using of forged documents by convicting the accused and sentencing him to 18 months RI on each count, the sentences to run concurrently with the sentence of two years' RI awarded by the Presidency Magistrate in the previous case.

Note: It would be of great interest to know what measures have been taken by the Department for the *prevention* of such misappropriations in future under any circumstances. *Ed. R.A.*

* * *

Rail Link for Alleppey

In regard to a Representation made to the Prime Minister by the Chairman of the Alleppey Municipality regarding a railway link for Alleppy, the Prime Minister pointed out that on account of the difficulties in getting the necessary steel, the idea had to wait for some years until the four new Steel Plants in India started functioning.

* * *

Furnishing Department of the Integral Coach Factory

It has been stated that an area of 240 acres of land has been acquired adjacent to the Housing Colony of the I.C.F. and that this area would be utilised both for establishing the Furnishing Department and also for extending the Housing Colony.

A Railway Link from Villivakkam Railway Station is being laid covering a length of about two miles and a half. The cost of the project is estimated at Rs. 3·7 crores, including *imported* machinery for Rs. 40 lakhs and *indigenous* machinery for about Rs. 20 lakhs. The factory is likely to begin operations by the end of 1959.

Temporary sheds have now been constructed and minor scale furnishing is going on and it is expected that by 1958–59, the number of furnished coaches might be 120 as against 50 in 1957–58.

* * *

Railwaymen's recreation centres

The Railway Board have authorised the various Railway Administrations to incur an expenditure to an extent of Rs. 61,00,000/- during the Second Plan period for opening of New Institutes as well as providing improvements to existing Institutes throughout the country for the "after work" recreation of Railway employees and their families.

The Indian Railways have at present 414 Institutes and 58 clubs out of which the Northern Railway itself accounts for 78 Institutes.

* * *

Estimates Committee Report : Long term plan for Development

The Estimates Committee suggested that the Railway Ministry should, in coordination with the Planning Commission frame a tentative perspective plan for the development of the Railways beyond the Second Five Year Plan.

Referring to the question of examination of the gauge question recommended by the Indian Railway Enquiry Committee, the Estimates Committee Report asked the Government to indicate the results of the investigations undertaken by an Officer appointed for the purpose and also as to which of the narrow and metre gauges was eventually proposed to be converted into Broad gauge.

The Report also suggested that the Ministry of Railways should undertake a systematic review of the Journey-time of each mail train and take steps to improve the overall speeds of Mail trains with a view to ensuring that these did not remain below 35 M.P.H. in cases of BG trains and 30·8 M.P.H. in the case of MG trains. These targets can easily be achieved within the existing maximum permissible speed limits of 60 and 45 M.P H. on the BG and MG respectively.

* * *

Recruitment to Public Services

It was stated in the Lok Sabha on the 18th Apr. 1958 that the recommendations made by the Officer on Special Duty and the Report of the Public Services (qualification for recruitment) Committee have already been considered by a Committee of Secretaries and the Government was likely to take a decision on the recommendations in the near future. The Public Services Committee had recommended that the Degree qualification should not be insisted upon for

recruitment to certain Services of the Government.

The Committee of Secretaries had recommended that the Services should be divided into three grades:

(i) Class I and Grade I Service

(ii) Grade II Service &

(iii) Clerical Service

They also stated that recruitment to Class I and Grade II Service should be confined to Graduates. Candidates belonging to the age group of 21/23 may be allowed to compete for Class I Service and those belonging to the age group of 19/21 should compete for Class II Services. For clerical Service, non-Graduates alone should be allowed to compete and the age for this service should be between 17 and 19.

It was further stated that a concession was allowed in the case of Scheduled Castes and Scheduled Tribes candidates by relaxing the age limit.

The Public Services Committee had confined only Class I Service to the graduates while the Committee of Secretaries had extended it to Class II Services also.

For the Clerical Service, the Public Services Committee stated that while they could not disqualify graduates from entering the services, they would discourage them from doing so. In order to give effect thereto, the Committee suggested the age limit to be fixed as between 17 and 19. The Committee of Secretaries on the other hand has clearly stated that non-graduates alone should be allowed to compete for this service.

The Government of India will take a decision after the examination of the recommendations of both the Committees is over.

* * *

Standing Finance Committee

The Estimates Committee of the Lok Sabha has stated in one of its recent reports that it may be distinctly advantageous both to the Government and the Parliament if the Standing Finance Committee is revived. The Finance Minister, Mr. Morarji Desai, has, however, recently rejected the idea of revival of such Committees.

In this connection, the remarks of the Speaker of the Lok Sabha, Mr. Ananthasayanam Ayyangar, reproduced elsewhere in this Issue, on this subject deserve attention. He opines that if the Standing Finance Committee is not to be revived, the Estimates Committee will have to take over some of the functions which had been previously allotted to be carried out by the Standing Finance Committee viz., scrutiny of estimates for big projects etc.

* * *

Financial Year

The Estimates Committee of the Lok Sabha in one of its current reports has recommended that the financial year be commenced from Oct. 1st, instead of from April 1st.

It is, however, a matter for very serious consideration to what extent such proposed change would be beneficial in the larger interests of administration. If possibility of a better Budget forecast, particularly in regard to agriculture, is envisaged by such a change, it would be more appropriate that the financial year commences somewhere in July as most of the harvesting of crops takes place between the months of January and April every year and a practically accurate provision due to agricultural crops can be made in the Budget which can be taken up for discussion somewhere in the middle of May each year. There have been precedents both in this country and elsewhere for the financial year commencing from July but we are not sure whether October has been taken as the commencement of the financial year anywhere else.

Another aspect for consideration is the possibility of having a Budget Session at Delhi in May and June, which are about the hottest months of the year in that place.

The recommendations of the Estimates Committee, therefore, require very careful consideration.

* * *

Pig Iron Plant by Private Sector

Sardar Swaran Singh, Minister for Steel, Mines and Fuel, stated in the Rajya Sabha on the 29th Apr. 1958 that licences had been given to three applicants in South India to put up some low shaft furnaces for the production of pig iron upto a maximum of 15,000 tons. Licences had been given to a firm in Coimbatore for starting a small plant for using low grade ore. Two other licences had been given to two small firms in Salem. Three more applications are also under consideration.

The Minister also stated that big integrated units were being put up in the coal and iron ore belts in the Eastern Parts of India but they would not be economical in this area.

* * *

Loco Component Works Near Banaras

The Indian Railway Locomotive Components Works at Manduadih, near Banaras, is being constructed at a cost of nearly 4.8 crores.

Located on 350 acres of land including a staff colony near Manduadih, an important railway transhipment yard on the North Eastern Railway, the workshop will be constructed entirely by Indian engineers. It will employ about 2,500 persons when in full production.

The workshop will manufacture parts for both broad and metre gauge locomotives.

A training centre with the first batch of 80 trainees is expected to begin functioning within the next few months, and teaching staff for it is now being recruited. A major portion of the land required for the project has already been acquired.

* * *

A Court Decree

A very interesting case of a Court Decree directing the Railway authorities to enquire into the age of a Ticket Examiner before retirement not having been implemented, has come to light.

Briefly the case is as under :—

The Ticket Examiner (Mr. S. M. Md. Yakub) employed by the Southern Railway was ordered to be retired by the authorities in November 1957 on the ground that his recorded date of birth was November 15, 1902. The party, thereupon, filed a writ petition under Article 226 of the Constitution of India, in the High Court for directing the Railway authorities to retire him in accordance with the rules of Superannuation taking his date of birth as November 15, 1908.

The High Court decided in favour of the party and a writ appeal was filed by the Railway which was dismissed by the High Court. The Railway contended that there were varying entries of both the dates 1902 and 1908 in several records but the Railway made no enquiries nor did they issue any Notice to the respondent before the entry was altered in 1947 into 1902.

Their Lordships on appeal stated that a writ of mandamus was the most proper relief, and as the writ now only directed the Railway authorities to make an enquiry, they saw no objection to the form of the petition. Their Lordships did not accept the Railway's contention of delay on the part of the respondent as he had been apprised of the fact of retirement in 1957 only in 1955, and that he is reported to have immediately protested by a letter to the Personnel Officer of the Railway and followed it up by several appeals, all of which remained unreplied, except for the Advices that "action was being taken" and "old records were being traced". Their Lordships stated "we must confess that we are unable to understand why the Railway authorities should fight shy of compliance with the Order made by the learned Judge of this Court directing an enquiry into the matter after Notice to the respondent when admittedly such an enquiry was never made before ".

Note: The above details indicate the trend of disposals in official circles and call for drastic remedy to get over red-tapism, favouritism and perhaps, even high-handedness. Justice must be granted in personal cases and must be beyond contention.—*Ed. R.A.*

* * *

Monthly Statistics of Indian Railways

The approximate gross earnings of Indian Railways during the month of February 1958 amounted to Rs. 32.34 crores, showing an increase of Rs 0.71 crore over the figures of January 1958, i.e., 2.2% increase. The total approximate actual gross earnings from 1-4-'57 to 28-2 '58 amounted to Rs. 340.53 crores representing an increase of 27.36 crores over the actuals for the corresponding period of the previous year i.e., 8.74% increase.

Tonnage lifted: The number of tons lifted from 1-4-1957 to the 28th February 1958 amounted to 78,068,000 and 18,976,000 over BG and MG respectively, showing an increase of 4.40 and 7.90% respectively on BG and MG, over the corresponding actuals of the previous year.

Wagons loaded: The number of wagons loaded increased by 2.65% on BG and 0.51% on MG, as compared with February 1957 figures. The total number of wagons loaded from 1-4-1957 to 28th February 1958 increased by 5.17% on B.G. and 8.52% on MG, as compared with the corresponding period of the previous year.

General increase has been observed in the movement of the following during the year : Grains and pulses, sugar, coal and coke for non-Government Railways, cement, pig iron, iron and steel others, on the BG, and coal and coke for public, grains and pulses, jute raw, jute manufactured, sugar, cement, pig iron, iron and steel others, iron ore and other metallic ores over MG.

These increases were set off to some extent, by decreased movement in sugarcane, tea, cotton raw, cotton manufactured, jute manufactured, on BG and cotton raw, cotton manufactured and miscellaneous smalls on the MG.

* * *

New Postage Stamp

The Posts and Telegraphs Department has issued a new Postage Stamp in the denomination of 8 nP. from the 7th May 1958. This has been a longfelt want and we are glad the Department has realised the necessity for such a denomination, especially when 8 nP. happens to be the minimum postage on book packets.

ACKNOWLEDGMENTS

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

Central Railway Magazine	Apr. '58	Indian Railways	Apr. '58
Eastern Railway Magazine	Mar. '58	Indian Railway Gazette	May '58
Northern Railway Magazine	Apr. '58	Indian Construction News	Mar '58
Western Railway Magazine	Mar. & Apr. '58	Chartered Accountant	Apr. '58
Southrailnews	Apr. '58	Careers & Courses	May '58
Chittaranjan	Apr. '58	Educational Review	Apr. '58
Central Railway Newsletter	Mar. '58	Australian Accountant	Mar. '58
Eastern Railway (Lifeline)	1-4-'58	Accountants' Journal (New Zealand)	Mar. '58
" Newsletter	16-4-'58	Wednesday Review up to W. E.	30-4-'58
Southern Railway Newsletter upto F.E.	25-4-'58	Railway Herald up to P. E.	'58
Western Railway "	Feb. '58	Railway Board's Monthly Statistics	Dec. '57
Metric Measures	Jan. to May '58	I. R. T. D. A. Newsletter F. E.	'58
Transport	'58		

Subjects of Moment

Railway Services (Conduct) Rules 1956

1. Acquisition or Disposal of Immoveable Property

A point has been raised whether in terms of Rule 15 (1) of the Railway Services (Conduct) Rules, 1955, permission is required to be obtained by a Railway servant only where the immovable property is proposed to be acquired or disposed of *by him* either in his own name or in the name of any member of his family or that the provisions of this rule also apply in a case where the wife of the Railway servant or any member of his family desires to acquire or dispose of the property. It is clarified that the intention of the above rule is that a Railway servant should also report to the prescribed authority or obtain its prior permission as the case may be, in all transactions involving acquisition or disposal of immovable property *by the Railway Servant himself or by any member of his family* and the term " member of the family " has been defined in Rule 2 (iii) of the Railway Services (Conduct) Rules 1956.

[R. B. No. E (D & A) 58-GS 1-1 dated 7-3-1958].

x x x

2. Insurance Agency

Attention is invited to Rule 12 (1) of the Railway Services (Conduct) Rules and the " explanation " thereunder in terms of which canvassing by a Railway Servant in support of the business of Insurance agency etc., owned or managed by his wife or any other member of his family is deemed to be a breach of the provision of this rule. In this connection, a question has been raised whether it would be permissible nnder the above rule for a Railway servant to take an Insurance Agency in his own name and canvass for the same. It is clarified that this will not be permissible under the Rules. Any instructions that might have been issued by permitting the Railway servants to undertake an Insurance Agency should be cancelled.

[R. B. No. E (D & A) 58-GS 1-40 dated 7-3-1958].

x x x

3. Bidding in Auctions of Railway Property

A question has been raised whether a specific provision should be added to the Railway Services (Conduct) Rules 1956 regarding participation by Railway Servants in auctions of property owned or confiscated by Government. The Board consider that even if the transaction is in fact free of any element of undue influence or dishonesty, the suspicion that all is not above board is bound to arise in cases where property sold at Government auctions is purchased by Government servants, particularly by buyers belonging to the same office as the one by which or under whose orders the auction is conducted. While, therefore, it may not be necessary to frame a specific Conduct Rule for the purpose, it is obviously undesirable for Railway Servants to bid at auctions arranged by their own office. Any Railway Servant, who does so would be regarded as indulging in conduct unbecoming a Railway Servant within the meaning of the Conduct Rules.

[R. B. No. E (D & A) 58-GS 1-6 dated 15-3-1958].

x x x

4. Form or Report to be Submitted to the Prescribed Authority Reg. Purchase of Land, Materials, etc., for Building House

Reference Railway Board's letter No. E (D & A) 57-GS 1-21 dated the 10th July 1957 on the above subject. In this connection the Board have further decided as under :

(i) the details in the pro forma prescribed should be furnished, whenever it is possible to do so, Where, however, it is not possible to furnish these details, the Railway servant concerned should mention the covered area on which the building is proposed to be erected and the estimated cost of the building.

(ii) in cases where the expenditure to be incurred on repairs or minor construction work in respect of any immovable property belonging to a Railway Servant is estimated to exceed Rs. 1000, sanction of the prescribed authority is necessary and the provisions of Board's letter dated 10-7-1957 mentioned above will also apply to such cases.

(iii) the existing caption in Form I may be amended as follows :—

" [Form of report/application (for permission) to the prescribed authority for the buildidg of or addition to a house]"

and the existing caption in Form II as—

" [Form of report to the prescribed authority after completion of the building/extension of a house] ".

[R. B. No. E (D & A) 57 GS-1-21 Pt. dated 4-3-1958].

* * *

Admissibility of Passes to Temporary Officers etc.

(i) *Passes to Temporary Officers of Different Departments on their appointment*: The issue of passes to Temporary Assistant Officers and Probationery Officers is regulated by Board's E (GR) 57 RC 2-4 dated 20-4-1957. The question whether these Officers should be issued passes for family and kit on first appointment is, however, under the Board's consideration.

(ii) *Grant of passes to Retired Railway Officers and Retired Police Officers on re-employment with the Railway*: The Board do not intend to grant free passes for transport of family and kit to these Retired Officers re-employed with the Railways.

(iii) *Grant of passes to Police Officers on deputation to the Railway Protection Force:* The Board desire that Railway Police Officers obtained ' on loan ' from the State Governments to man the Railway Protection Force should be granted transfer passes in accordance with the Railway rules on joining these posts and on reversion therefrom, as is being done in the case of non-Gazetted Police Staff on deputation to the Railway Protection Force.

[R. B. No. 1000-TG IV/57/11/E (G) dated 13-3-1958].

* * *

Passes and P. T. Os. to Earning Unmarried Daughter of a Railway Employee

The Railway Board have previously decided –vide page 389 of the RAILWAY ACCOUNTANT for March 1958 – that unmarried daughters, even if earning, are eligible for inclusion in the passes or PTOs issued to the Railway employee. They have now further clarified that such inclusion may be made even in the Complimentary Post-Retirement Passes of Retired Employees.

[R. B. No. E (G) 57-PS 5-2 dated the 3rd April 1958].

* * *

Alternative Employment and Grant of Extra-ordinary Leave to Permanent Staff Declared Medically Unfit for a Particular Category of Work

The Board have, since 1953, considered the question of finding alternative employment for permanent Railway employees who have been found medically unfit for performing duties of a particular post, but not incapable of performing other duties. They have now decided that if such alternative employment cannot be found for them within the period of leave granted under ordinary rules, their services should not be terminated but leave should be extended by grant of extraordinary leave upto a further period of six months.

It should be possible within this period of extension to find either a permanent post or a temporary post for his absorption. If the Railway servant is absorbed against a temporary post in a permanent cadre, a supernumerary post may be created in lieu of the temporary post and his lien counted against that post.

It should however be noted that the actual grant of a supernumerary post will follow the acceptance of offer of alternative post, and it is desirable that if the supernumerary post is in lieu of a long term temporary post, the latter should preferably be one that is expected to be converted into a permanent post very soon.

[R. B. No. E (NG) 56-RE 1/11 dated 6th February 1958].

PENALTY OF COMPULSORY RETIREMENT

In clarification of Railway Board's orders contained in No. E (D & A) 56 RG 6-1 dated the 15th June 1957, the Railway Board have issued the following decisions:

POINT	BOARD'S DECISION
1. For what specific offences can the penalty of 'Compulsory Retirement' be imposed.	The penalty of 'compulsory retirement' may be imposed for offences for which he is liable to be removed/dismissed from service. It is to be imposed when it is not desirable to retain an employee further in service but, at the same time, the gravity of his offence is not such as to justify his removal or dismissal from service.
2. Does 'compulsory retirement' carry with it any disadvantages as in the case of removal.	'Compulsory Retirement' does not carry with it any of the disadvantages of dismissal or removal.
3. Can a Railway Servant be placed under suspension where the charges are such that the maximum penalty will be 'compulsory retirement from service'.	Suspension is not related to the punishment imposed in the end but to the gravity of the charges under investigation.
4. Can a Railway Servant on whom the penalty of 'compulsory retirement' has been imposed, be given a personal hearing in terms of para 1721 A—R. I.	Since under Rule 1721 A—R. I., the concession of a personal hearing is allowed even in cases where a comparatively minor penalty of reduction in rank or withholding of increment is imposed, it should also be extended to cases where the penalty of 'Compulsory Retirement' is to be imposed.
5. Can a Railway Servant punished with 'Compulsory Retirement' submit a revision petition in terms of para 1725 A R. I.	YES.

[R. B. No. E (D & A) 56 RG 6-1 dated 31-3-1958].

Payment of Increased Dearness Allowance to Staff

The Board have clarified that *Additional* Dearness Allowance of Rs. 5 per month sanctioned in their letter of even number dated the 27th Dec. 1957 is also admissible to the superannuated staff who have been re-employed.

The *ad hoc* increase of Rs. 5 is also admissible to staff who went on F.P.R. after 1-7-'57, but not to those who went on L.P.R. on or before the 1st July 1957.

[R. B. No. E (S) 57 DA 1/19 dated 9-4-'58].

* * *

Seniority of Ex. Grainshop Staff on Absorption in other Departments

The Board insist on the implementation of their orders communicated in their letter of even number dated the 2nd Nov. 1957 and desire the observance of the following principles in connection therewith:

(i) the seniority of ex. Grainshop Staff *vis-a-vis* staff in the absorbing Departments should be readjusted with retrospective effect from the date/dates of the absorption of ex-grainshop staff.

(ii) Promotions of staff in the absorbing Departments already made to higher grades (Selection or non-Selection) prior to 2-11-1957, if any, on the basis of seniority previously determined should not be disturbed. The staff who may now be due promotion to higher grades on the basis of revised seniority should be promoted against future vacancies only.

(iii) Such of the staff who have been confirmed against posts on the basis of the seniority previously determined should not be de-confirmed but those who become senior according to the readjusted seniority should be confirmed against the next available vacancies.

[R. B. No. E (NG) 57-RE 1-17 dated 12-4-1958].

* * *

Alteration of Date of Birth

Whenever representations for alteration of dates of births are forwarded by the Divisional Officers to the General Manager for sanction, the personal file, service Register, D. R. C. Forms (Descriptive roll of the candidates for appointment) Service Agreement and other relevant papers pertaining to the alteration of date of birth should be forwarded by the Controlling Officer to the General Manager in order to avoid any delay in the disposal of such cases by the General Manager.

* * *

Advance Correction Slips to Railway Establishment Code, Vol. II

I. Substitute the following for the existing Rule 2027 (F. R. 31) R. II:

"2027 (F. R. 31)—(1) Subject to the provisions of Rules 2026 and 2029 (F. R. 30 and 35, a Railway Servant who is appointed to officiate in a post, will draw the presumptive pay of that post.

(2) On an enhancement in the substantive pay, as a result of increment or otherwise, the pay of such Railway Servant shall be re-fixed under sub-rule (i) from the date of such enhancement as if he was appointed to officiate in that post on that date where such re-fixation is to his advantage."

[R B. No. F (E) 58/PA-1/1 dated 1-4-'58].

x x x

II. Delete item (1) of Railway Board's Orders appearing below Rule 2027 (F. R. 31)-R. II in App. XXX-R. II—Compendium of Rulings, and renumber the existing items as (1), (2), (3), (4) and (5) respectively.

[R. B. No. F (E) 58/PA-1/1 dated 1-4-'58].

x x x

III. Substitute the following for the existing "Note" occurring below table 1 in Appendix XXXVI-R. II.

"Note": "Length of Service" should be taken to mean the entire Continuous Service of the Railway Servant concerned including his service in a pensionable post.

[R. B. No. F (D) 11/PA-6/1 dated 11-4-'58].

(PERSONNEL— *Continued from page 70*)

Mr. A. N. Mukherjee, Dy. C.M.E., E. Ry., has been appointed C.M.E., Chittaranjan Loco Works, Chittaranjan.

Sri S K. Guha, Dy G.M., N. E. Rly., has been appointed as Director of Statistics, Railway Board.

Mr. M.A. Qadeer has been appointed Director of Establishment, Railway Board.

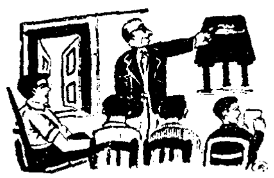
Mr. O. S. Moorthy, Engineer-in-Chief, Loco Component Works, M. G. Coach Factory, Varanasi, is appointed as Director of Planning, Railway Board's Office, Delhi.

Mr. D. B. Singh, Divl. Supdt., Moradabad, is promoted as Engineer-in-Chief, in place of Mr. O. S. Moorthy.

Mr. K. Swaroop has been promoted as C.M.E., Integral Coach Factory. (It may be noted that Mr. Swaroop is in charge of the duties of the Chief Administrative Officer, I.C.F., since Mr. Sadagopan's retirement).

Mr. K. C. Sood, Jt. Director (T), Research, Design and Standardization Organisation has been promoted as Director, Standardization (Civil).

Mr. H. H. Banerjee, Dy. C.E., S. E. Rly., is appointed as Jt. Director Research, Design and Standardization Organisation, in place of Mr. Sood.



Readers' Forum

Interpretation of Questions set for App. III Examination 1957

The following two questions, appearing in the General Expenditure paper of the App. III 1957 Examination, have been interpreted by several candidates in ways which do not seem to be correct.

What exactly was meant is known only to the Examiner. But nevertheless, a straight reading of the questions would be capable of interpretations such as those contained in our reply below. It is however hoped that others—candidates or otherwise—who are inerested in this subject will offer their remarks for clarification through the Journal.

Ed. R. A.

Question I (With Books) : There has been a general complaint about inflation in rates. What do you think are the reasons therefor and what steps would you suggest to counteract the same ?

Question II (Without Books) : How is financial justification for a Line Capacity Work determined ?

x x x

One of our correspondents has written a lengthly letter on this subject and the following is a short summary thereof : –

Question I. The question paper on General Expenditure is not exclusively limited to the topics on Tender and Contract rates and Contractors' Bills in the Railway undertaking ; it has a wider scope as considerations on Budgetary matters of the Railways and their effects and contra effects on the general trend of prices and rate structure. The subject also extends to the earnings side as well for both earnings and expenditure are inter-related or interdependent. The review of expenditure is incomplete without the review on the trend of earnings of the Railways.

x x x

The word 'General' can only mean the general public and never the Contractors.

Inflation is a technical term in Economics and it connotes the idea of raising of prices of commodities in general. The Railway is concerned with the sale of only one commodity, which is 'Transport'. The term complaint of of general public about inflation in rates would conclusively mean dissatisfaction of the general public for increase in the transport rate.

Note : We do not agree with the premises and we hold that the question has no relation to the receipts side of Railway transactions. In view of the fact that the Railway Rating Policy rests with the Railway Board, there can be no comment in regard to inflation in rates as the Railway Board is the final authority in such matters and there is no room for complaint from anyone. On the other hand, rates on the expenditure side would refer to quotations given by suppliers of materials and services, about which they are free to quote. Hence when there is room for variations between one quotation and another generally, there is obviously the possibility of higher rates being demanded.

There does not seem to be any possibility of linking up inflation in rates with the system of budgeting and hence no question of linking up earnings side.

The introduction of the term "general public" with reference to the complaint also seems to be restricted in view, as the Railway administration can also complain about the demand for higher rates by tenderers.

Question II (Without Books). The term 'line capacity' has been taken by the Correspondent to mean 'New Work' of a general nature ; and the argument has been made on this basis and refers to para No. 333-E.

This idea is, however, not correct. *Line Capacity Work* is one that has come into very great prominence recently owing to the execution of the Second Five Year Plan. This subject has been dealt with in some detail on pages 274 and 370 of the RAILWAY ACCOUNTANT for December 1956 and March1957 respectively ; and also in a general way regarding financial justification on page 146 of the August 1956 issue. The Student would do well to read these articles and summarise the information, which will furnish a more or less complete answer to the question.

It would be no wonder if the Examiner had in view these articles when the question was set. *Ed. R. A.*

Railways in Parliament

LOK SABHA :

Enquiry into Rly. Accidents

On the 17th April 1958, the Dy. Minister stated, in reply to a query, that the Railway Ministry was still examining, in consultation with the Ministry of Transport and Communications, the recommendation of the Reviewing Committee of the Railway Accidents Enquiry Committee that judiciary enquiries instead of enquiries by the Railway Inspectorate should be held into major Railway Accidents.

* * *

Ticketless Travel

On the 17th Apr. 1958, the Deputy Minister for Railways stated that very effective legislative measures are proposed to be introduced very soon to deal with persons who indulge in ticketless travelling and pulling of chains. One of the means was to allow arrest to be effected without warrant.

It was further stated that checks carried out by four squads of 20 each in almost all sections of the Railways had shown that nearly 48% of the passengers were travelling without tickets. This fact had been brought to the notice of the General Mangers of the Railways and they had been asked to take steps to rectify the position.

* * *

Freight Concession on Railway for Coir

The Deputy Minister stated in reply to a question that Government had withdrawn the concession on Coir yarn, because firstly, there was need to increase the income from Railways; secondly, there was a shortage of wagons; and thirdly, the Government wanted to divert the coir yarn traffic to water transport.

However, as a result of further correspondence between the Southern Railway and the Coir Board, the question of restoring the concessional railway freight rate would soon be decided.

* * *

RAJYA SABHA :

Railway Accidents

The Dy. Minister for Railways stated in the Rajya Sabha on the 22nd Apr. 1958 that the Enquiry Committee appointed to look into the causes of the averted Railway collision between the De Luxe Express and the Madras-Howrah Mail in March 1958 at Machavaram held that the Asst. Station Master and the Yard Porter were responsible for wrong setting of the lines.

He stated further that the Driver of the De Luxe Express averted the collision by applying brakes at a distance of 850′ from the stationary train on the platform and that the Driver had been given a reward of Rs. 300.

Developments of Science

[This section has been latterly introduced to improve the utility of the Journal. Various up-to-date advances will be c'assified here under sciences like Medicine, Engineering, etc. It is hoped that readers will benefit substantially by this section.

Ed. R. A.]

Atomic Locomotive

An atomic locomotive can be in operation by 1960 if work on a prototype is undertaken straightaway. It would carry its reactor embedded deeply in a heavy protecting container that would ride in the centre of the locomotive. A suitable coolant process has been developed for controlling the reaction, whilst the machine for tapping the heat energy released and for utilising it for motive power has been designed. In weight, the atomic locomotive would be far heavier than the conventional locos in use.

The first atomic locomotive would be a prototype and would not therefore be able to compete with Diesel, steam or electric locomotives in cost. Howevel, within a decade. atomic locomotives would be competitive with the most efficient electric and diesel locomotives.

If the time comes when atomic locomotives completely replace diesel and steam engines, present watering facitities and fuelling equipment would become unnecessary.

* * *

Greater Safety in New Cranes

The latest Coles rail-mounted diesel operated cranes provide for automatic controls and electro-mechanical devices to increase the safety factor. Toppling of cranes and damage due to overload should now no longer be the menace they were.

In one of the latest type of such cranes the "Samson', a radius indicator, shows at a glance the safe working load for the jib radius and tendency to overload is immediately corrected by the safe load indicator, a fully automatic safety device with both visual and audible warning signals. Totally enclosed self-resetting limlt switches provide an automatic safeguard against overwinding, overlowering and derricking beyond the prescribed limits.

* * *

Atomic Clock

Two U.S. Scientists have told the Institute of Radio Engineers of their development of a compact atomic clock no bigger than a typewriter which would be accurate to within one second in every hundred years. They said that with more work the clock could be made accurate to within one second every 3000 years. The clock operates on the principle of a radio frequency beat from gaseous sodium or cesium. The regularity of this resonance keeps the time like the swing of a mechanical clock's pendulum. The scientists are Maurice Arditi of the International Telepone and Telephone and Telegraph Company and T. R. Carver of Princeton University.

* * *

Blind person sees light through radar set

Through the use of a crude "radar" set connected to wires in her brain, a woman, blind for eighteen years, has been able to detect flashes of light. This discovery has led U.S. medical authorities to believe that within five years almost all blind people may be able to see to some degree by means of electrical stimulus of the vision centres.

The instrument will operate somewhat like a radarscope or television set, according to Dr. John C. Button, a neurologist, who worked on the test. Button said the brain cells did not atrophy like inactive muscle cells but could be animated. He said wires about half the diameter of human hair were placed through drilled holes in the patient's brain and extended about two Inches into the back of the brain to the centres of vision. The wires were

conneeted to a transistor amplifier which was linked to a small photo-electric cell. The concept is that the photo-electric cell picks up light and transmutes it into electric current which animates the brain cells.

* * *

Machine examines possible cancer tissues

Dr. John R. Heller; Director of the U.S. National Cancer Institute, recently announced a new machine that could examine possible cancerous tissue in about one-fivethousandth of a second or tens of thousands of times faster than a technician using conventional methods.

Known as the Cytoanalyser, its examining "eye" is a special microscope. When a cell sample appears under the lens, an electronic scanning device goes into action. The device operates something like the scanner of a television camera and translates images of the cells into electric currents. The currents representing "cell pictures" pass into an electronic computer which automatically compares them with information already stored in its memory circuits. A recorder indicates the computer's decision "normal" or "suspicious" and doctors can then concentrate on examination of the "suspicious" samples.

Further development work on the machine is still necessary, but preliminary trials were most encouraging during a recent mass cancer detection survey conducted in Memphis in the southern State of Tennessee.

* * *

Sound waves improve

Chromium plating, which is extensively used on metal parts for automobiles and in many other fields is improved by sending sound waves through the plating solution, it has been reported by the National Carbon Company of Parma, Ohio, in the United States. The sound waves make the chromium plating harder and brighter, and make it adhere better to the base metal. In addition, it makes the plated surface less porous. Both sonic and ultra sonic sound waves have been used and both produced essentially the same effect.

The company believes that the sound wave vibrations have the effect of agitating, or stirring, the plating station at the surface to be plated.

* * *

U.S. Scientist Develops Artificial Muscle

An American scientist's effort to aid his handicapped daughter has resulted in development of an artificial muscle that enables paralysed hands to grasp again.

The "muscle" made of nylon and rubber tubing is on exhibit in New York at a meeting of the New Academy of Sciences.

The spiral tubing is fitted about paralysed fingers. When a lever is touched gas from a little cylinder attached to the person's arm flows into the tubing and causes a contracting motion. This draws the paralysed fingers together. The fingers release when the lever is touched again, deflating the tubing.

Nuclear scientist James McKibben of the Los Alamos, New Mexico, National Laboratory, invented the artificial muscle to help his fourteen year old daughter paralysed since 1952.

Personnel at the Rancho Las Amigos (The Friends) rehabilitation centre at Hondo, California, helped to perfect the rehabilitation device.

Dr. Kenneth Landauer, rehabilitation chief for the National Infantile Paralysis Foundation described the artificial muscle as a major break through in rehabilitation work. He said its principle may be applicable also for paralysed shoulders and legs.

* * *

New process to make hard boards

A new process for making hard boards from wood waste like saw dust which are available in abundance, has been developed by the Forest Research Institute, Dehra Dun, says an official Press release dated April 11, 1958.

According to this process, saw dust or other similar material is thoroughly mixed with activators like tamarind fruit pulp, a phenolic substance and water in suitable proportions in a mixer and then dried to the desired moisture content. It is then pressed into boards at a high temperature and suitable pressure.

The Boards obtained by this process compare favourably with the commercial hard boards and possess many advantages. They are hard, strong and of uniform colour. They are, to some extent, thermoplastic in character and can be painted, varnished or polished.

* * *

Paper made from Fungi

Research conducted by the Institute of Paper Chemistry at Appleton Wisconsin, in the United States has shown that it is feasible to make paper and paper products from the filaments of fungi.

The paper is made by using that part of the fungus known as the mycellium, which is thread-like in character. Relatively pure filaments of fungi are prepared and disintegrated in much the same way as in usual paper manufacture, when wood pulp is used. The disintegrated fungi can then be suspended in water and made into a sheet.

Sheets of mycelia alone, the Institute says, tend to become brittle. But the addition of as little as 10 per cent by weight of cellulose fibres produces a sheet of paper "with much the same characteristics" as normal paper, although with somewhat less strength.

* * *

Camera Maps Ocean Floor

A new underwater camera capable of photographing the ocean floor at depths down to 20,000 feet has been developed by the United States Navy. The new camera has taken pictures of sea mountains in the Northern Marshall Islands and has been used for underwater topography and underwater research in the Pacific Ocean.

The device along with other photographic equipment, echo-sounding devices, and diving gear for shallow water exploration, is being employed to add to man's knowledge of the lands beneath the sea, a still largely uncharted region of titanic mountains, vast priaries and low valleys.

The camera weighs 125 pounds in the water and can be lowered to the ocean floor by wire commonly carried on research ships. Fitted with a component electronic flash tube it is housed in aluminium cases attached to a light steel frame. Hanging from the camera assembly is a free-swinging lead weight which activates an electrical switch once the ocean bottom is touched. A special electronic system thus lets the Camera operator know instantly the bottom has been touched.

* * *

Baby's crying makes cot rock

An ingenious father in Texas, has invented and placed on the market a hanging cot that starts to rock when the baby in the cot begins to cry.

The secret of the rocking cot, which may be of inestimable value to many parents of small children, is an electronic control device. The noise made by the baby's crying actuates this control, and the control then starts an electric motor. The motor in turn operates a device that rocks that cot.

The unique feature of the device is a two valve electronic unit that filters out all other noises except the high pitched cry of a baby.

HIGHWAYS OF STEEL

The total route mileage of the Indian railways has now crossed the 35,000 mark. Still Asia's largest and the world's fourth largest railway system, the Indian railways have since independence added 1,016·7 miles of new lines.

Letters to the Editor . . .

This Section has been started at the request of readers to ventilate their grievances. The Management does not take any responsibility for the opinions of correspondents; but reserves to itself the right to tone down any objectionable language that may appear in the originals.

The Secretary of the South Eastern Railwaymen's Congress, Calcutta, has sent a resolution dated the 24th April 1958 on the Railway Accounts Staff, extracts from which are reproduced below :—

"The last Pay Commission did not consider the case of Accounts Staff while recommending the pay structure for the above category. Accounts staff is the spring head of the Rly. Administration and if the case of this category is not given due consideration, the efficiency of the Administration will surely deteriorate. The Congress therefore takes all aspects into consideration and offer the following suggestion in respect of the pay structure of the Accounts Staff.."

x x x

"It is also not appreciated by the Congress as to the existing grades prescribed for the passed candidates of App. II-A Examination. In Accounts Department qualified candidates should be made accountants straightaway in lieu of making them Class I clerks and subsequently sub-heads. The passing of App. II-A Examination is not an easy job. They are to pass a most difficult competitive examination, and the nature of questions in App. II-A and III-A examinations is almost identical. So the gap of pay scale between qualified staff of Appendix II-A Examination and Appendix III-A examination should not be so wide. Therefore, the Congress demands that qualified candidates of Appendix II-A Examination should be made Accountants and that of Appendix III-A Examination should be put in the grade of Supdt.

"It may be pointed out in this context that the NFIR has already given evidence to the Pay Commission and suggested that the difference of pay between the top and the low, i.e., a Gangman and a General Manager should not and must not exceed twelve times. In other words, in a socialist country, minimum living wage must be assured and the gap of pay scale should be proportionately fixed. Having this angle into consideration, Congress suggests the following pay scale of Accounts staff to be recommended by the Pay Commission taking into view the present price index and the responsibility of the Accounts staff, after giving due weightage to the old employees.

(1) Initial grade Rs. 200—10—300 : 60%.

(2) Promotion grade Rs. 260—15—350 : 30% (50% by seniority and 50% by examination like. App. II-A).

(3) Accountants Rs. 350—25—500 : 7½% (by passing qualifying Appendix II-A Examination.

(4) Superintendent, Inspector of Stores and Station Accounts (by passing examination like Appendix III-A) 2½% Rs. 500—25—750.

Accounts Inspectors, Stock Verifiers and Pay Clerks should be fitted in the promotion grade viz., Rs. 260—350.

In consideration of higher educational qualifications, graduates and post graduates be given three and four advance increments respectively in the inital scale".

Note : The requests are not such as would be capable of favourable consideration as they soar too high and have not, obviously, taken into consideration the repercussions on other staff of the Railways or on Railway Revenues as a whole. We should certainly have desired a more reasonable attitude which would be capable of being looked into in some detail and with some interest. *Ed., R. A.*

Students' Corner

Summary of the Report of the Railway Freight Structure Enquiry Committee

(*Continued from page* 406 *of the RAILWAY ACCOUNTANT for March* 1958)

x x x

PARCEL RATES

The Committee recommends that the present relativity between goods and parcels rates will have to be maintained if diversion to parcels service is to be avoided. The structure of parcels rates should be reviewed in the light of the freight structure that the Committee has suggested.

The Committee is opposed to making any change in the statutory obligations of Railways, according to which at present they have to carry all the traffic offered to them and it is, therefore unable to accept the suggestion that Railways should decline to carry traffic for short-distances.

It also recommends telescopic rates structure to be generally adopted on Indian Railways for live-stock and other animals. The rates should apply at Railway risk and no separate terminal charges are to be levied. In through booking between different gauges, the rate applicable at the forwarding station would apply through to destination.

The Committee considers it feasible to introduce the procedure, at least at large goods sheds, of obtaining advance information of the probable date of arrival of the consignment and communicating it to the consignee where his address is known, so that he may make preliminary arrangements for unloading wagons.

It recommends that salt in bulk may be moved when booked to private and assisted sidings under suitable precautions to prevent corrosive action on the steel plates of the wagons.

It also recommends to Government the examination of a proposal that suitable trucks may be constructed for the movement of motor cars, so that more than one car may be loaded either horizontally or vertically, and the incidence of cost both to the users and to the Railways under the existing rates may be minimised.

The Committee recommends examination of special type of steel or other covers for open wagons and flats for protection against theft and rain as are used in some countries and as are also used in modern shipbuilding in what are called Mcgregor type of covers used over holds. It urges that steps may be taken in the matter of providing special types of vans like tank wagons, refrigerator vans, etc. It also considers that standard rules should be provided and standard charges be levied for supply of cranes for all Railways.

The Committee considers that Railways should take timely action to develop the existing capacity of inward and outward goods sheds with a view to meeting the complaint that at several stations there is no outward wharf and goods brought for booking are exposed to the wind and weather in open space. It suggests that an educative campaign may be undertaken amongst the workers themselves in certain big stations at least in the matter of handling goods, and a suitable inspectorate may be provided to inspect the loading and unloading of these goods and thereby to educate the workers on the methods to be adopted in such matters.

The ferry charge for coal traffic should not be levied separately as a lump sum charge and it is recommended that coal traffic be charged on the through distance, inclusive of the ferry mileage, as in the case of other traffic.

The Committee refers to the sample survey conducted for obtaining figures of Zonal movement in certain important commodities and recommends that these figures may be given as a permanent annual feature in the statistics published by Railways and that the results may be derived from a full compilation and not barely from a sample analysis. It considers that during the high tempo of development economy when heavier and heavier loads will fall on Railways, these figures will be of great practical assistance not only to the Commercial and Rates Officers, but also to Operating Officers.

The Committee also recommends to Government that the method of compiling statistics on the basis of sample surveys may usefully be encouraged on Indian Railways for the purpose of investigating particular problems from time to time.

It considers that there is scope for more detailed statistics to enable costs of large-scale and regular movement of important commodities being ascertained.

HIGHER FREIGHT RATES SUGGESTED

The Committee finds that the Railways are making a sustained effort for impovement. It, however, considers that nevertheless they must face the fact that Railways should have additional revenue by an increase in freight rates to meet their expanding needs.

In connection with the question of operating efficiency it considers that smaller zones of 3,000 miles or so will conduce to better control and operating efficiency and a bold attempt must be made to review the position and rectify it at an early date.

Referring to the Railways' risk in carriage of goods the Committee recommends that the general policy of the Railways should be to quote rates at Railway risk and with the exception of a few commodities, the classified rates in the revised rates structure should be applicable at Railway risk only. With reference to livestock also, it recommends that Railway risk rates only should apply.

It considers that the question of the prevention of the causes leading to claims boils down largely to one of prevention of crime in the shape of thefts and pilferages whether inside the Railway premises or outside, in which both Railways and State Governments must play their part if this crime is to be successfully scotched.

It also recommends that Railways should assume common carrier liability and the change-over should be effected within one year from the coming into force of the revised freight rate structure. Some members are doubtful whether the administrative and organisational reforms can be brought about within a period of one year.

It considers that packing conditions may be reviewed generally and the list of commodities for which compulsory packing conditions are imposed may also be enlarged, and the revised packing conditions may be brought into effect simultaneously with the assumption by the Railways of the liability of the common carriers.

It also recommends that in regard to 'non-delivery' the position may be clarified and suitable amendments may be made in the Act to provide for specific inclusion of the term 'non-delivery'. It recommends for sympathetic examination the question whether Railways cease to be bailees once the free time for wharfage is over. Suitable amendments may be made in the Railways Act to provide for certified copies of forwarding notes and other documents being admitted as evidence without the originals being produced. This will help in the speedier disposal of claims and avoid hold-up of Railway records in most cases. The list of excepted articles should be reviewed and certain commodities like electric bulbs, silk apparel, musical and scientific instruments should no longer find a place in this list. Notice of claims served on the Chief Commercial Superintendent of a Railway should be valid in law and necessary amendments to the Act should be carried out to provide for this.

RATES TRIBUNAL

The Committee suggests that the constitution of the Rates Tribunal should be amended and the Tribunal should consist of an experienced High Court Judge as President with two other members chosen for their knowledge or experience of commercial, industrial and economic conditions in the country, or of the commercial working of Railways. It also recommends that the President and members of the Tribunal may be appointed for a period of 5 years and may, in suitable cases, be eligible for re-appointment.

The Committee also recommends that the jurisdiction of the Tribunal be divided into mandatory and advisory functions—*mandatory* functions where the judgment of the Railway Rates Tribunal is binding on Government in matters relating to undue preference, unreasonableness of rates and unreasonableness of other charges; *advisory* functions relating to classification and to references by Central Government in matters falling within Sec. 45 of the Act and in cases where the Railway Board decide to grant station-to-station rates involving reductions beyond the limits prescribed by the Board for individual administrations.

In the matter of station-to-station rates, where such reduction is granted by the Railway Board on the recommendation of the high-level committee of representatives of various ministries of the Union Government, including railways to assist the export drive, it recommends that such decisions may be given effect to by the Railways without obtaining the advisory opinion of the Rly. Rates Tribunal.

The Committee recommends that necessary provision be made in the Indian Railways Act, so that the Railway Rates Tribunal may adopt an "informal procedure" in dealing with cases where a formal hearing is unnecessary and may be dispensed with. The question of permitting the Railway Rates Tribunal to award refund of overcharges for a particular period may be considered in greater detail by Government, it is suggested.

Personnel

Shri T. R. Sankaran, on return from leave posted as Officiating P.A. to F.A. & C.A.O., C. Rly., from the 10-2-'58.

Shri C. S. Vaidyanathan, Officiating P.A. to F.A. & C.A.O., C Rly., posted as A.A.O., (Claims) from 10-2-1958.

Mr. E. G. Kotiswaran, Divl. Supdt., Central Rly., has been promoted as C.M.E., N. E. Railway.

Sri Tirath Ram, offg. Asst. Accounts Officer (Coaching) Ajmer, has been confirmed as Asst. Accounts Officer (Class II), with effect from 30-11-1957—Vice Shri A. G. Koppar expired.

Shri Brijlal Grover, retired Offg. Senior Accounts Officer, W. Rly., has been confirmed as Senior Accounts Officer (in the Senior scale) with effect from 1-4-1953 Vice Shri C. D. Dharkar, confirmed as Dy. C.A.O., from 1st April 1953.

Mr. M. M. Khan, C.M.E., W.Rly., has been appointed as S.D.G.M., Western Rly.

Sri V. S. Gopalan, Offg. A.A.O. Admn., S. Rly., retired from service with effect from the 26th April 1958.

Sri K. P. Ananthanarayanan, P.A. to C.A.O., S. Rly., is posted as A.A.O., Administration, in place of Mr. V. S. Gopalan.

Sri A. M. Rajaratnam, Offg. Senior Accountant, Finance Branch, S. Rly., is promoted as Officiating A.A.O., with effect from the 26th April, 1958 and posted as P.A. to C.A.O., in addition to his being in charge of the Finance Branch (E).

Mr. S. N. Barua, D.G.M. N. E. Ry., has been promoted as S.D.G.M., and posted to the Southern Rly., in place of Mr. D. B. Patel, who has been posted as C.O.P.S., N. E. Rly., *vice* Mr. Harbans Singh, posted as S.D.G.M., N. Rly., Delhi.

Mr. G. D. Khandelwal, Divl. Supdt. Dinapore, has been posted as C.C.S., E. Rly., in place of Mr. Kripal Singh, promoted as G.M., as already announced.

Mr. B. B. Dutta, Dy. Chief Engineer, S. E. Rly., is posted as Divl. Supdt., Dinapore, E. Rly.

Mr. K. K. Mukerjee, Dy. C.O.P.S., E. Rly. is posted as Regional Superintendent.

(*Continued on page 61*)

Who is that Happy-Go-Lucky person entering into and leaving a train from the off-side; jumping into the moving train just beyond the platform; stopping trains at outer signals by pulling the Alarm Chain and escaping before detection? He is the **ticketless passenger** and his joy-ride at the expense of the State costs large sums to the State Exchequer and directly increases the tax burden on every citizen.

Last year about **9½ lakhs** of ticketless passengers were detected on the Southern Railway from whom a sum of Rs. 16½ lakhs was collected as excess fare and penalty charges. The number who escaped detection is assessed at two or three times this figure, involving a colossal loss of revenue.

You can help to stop this and thereby help to safeguard the national revenues.

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CONTENTS

EDITORIAL NOTICE

Contributions are invited to this Journal on matters pertaining to Accountancy, more particularly of Railways. Every such contribution must be signed as a guarantee of good faith, even if not intended for publication. They may be in the form of Notes or short paras or fuller articles.

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.

All contributions should be addressed to the undersigned so as to reach him not later than the 28th of a month for inclusion in the next month's Journal, which is published on the 15th of every month.

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Vol. V JUNE 1958 No. 3

Plan Expenditure

The original allotment for the Railways for the Second Five Year Plan was Rs. 1,480 crores, but, this was cut down to Rs. 1,125 crores, due to paucity of funds. Subsequently, it was stated that the Planning Commission had agreed to provide upto Rs. 1,400 crores i.e., practically, the amount required by the Railways for carrying the increased traffic anticipated at the end of the Second Five Year Plan. From the trends of further events, however, it would appear that the increased allotment of Rs. 1,400 crores may not materialise, and the Railways will have to be satisfied with the previous allotment of Rs. 1,125 crores. In view, however, of the rise in cost of labour and materials, the physical quantum of work and facilities that would be covered by the expenditure of Rs. 1,125 crores, would be about 20% less than what was originally planned for.

The Prime Minister announced in the Lok Sabha on 7th May, 1958, the savings effected by Government in the proposed expenditure on the Second Five Year Plan, as a result of the economy drive instituted by them. The total savings were put down as Rs. 24·07 crores, and, this was achieved by postponement or abandonment of projects, either wholly or partly. Certain projects were also reduced in scope. Out of a total saving of Rs. 24·07 crores, the maximum saving was contributed by the Railways, who abandoned some projects, wholly or partly, (also postponing or reducing some in scope)—all these amounting to the sizeable figure of Rs. 13·86 crores. Though the saving of about Rs. 14 crores has been offered by the Railways, it is not clear whether the abandonment or postponement of the projects, covered by this expenditure, is of a permanent character, or, if they are only to be thrown over to the Third Five Year Plan. If the latter be the case, this can, in no sense, be considered to be a saving in reality. On the other hand, it seems to be evident that there is a short-fall in the physical targets of facilities originally provided in the Second Five Year Plan for Railways, and most of the cuts that have now been imposed on the Railway side are, it would appear, due to cutting down of the facilities themselves, and not due to any economy achieved by improved methods, or otherwise.

To compensate for the short-fall in the physical quantum, steps are, no doubt, being taken to review the original details of the Plan, in order to see to what extent, by the adoption of improved methods, greater efficiency can be achieved at the same or less cost.

In this connection, it is gratifying to note that recommendations, which would result in considerable savings in expenditure and structural materials, like cement and steel, have been made by the Selected Buildings Project Team of the Committee on Plan Projects, Planning Commission, in its advance report on the heavy Electrical Project at Bhopal, and the Fertiliser Project at Nangal. In regard to the former, a saving of about Rs. 42 lakhs in cost has been envisaged, while sizeable savings are anticipated in the latter also. This Team is a high-level one, consisting of Mr. S. K. Patil, Union Minister for Transport and Communications, as Leader of the Team, Mr. Swarup Singh, former Director, National Buildings Organisation. Dr. Eng. A. Carbone, Consulting Engineer, Calcutta and Mr. C. P. Malik, Director, National Buildings Organisation, as Members, while Mr. T. S. Vedagiri is its Secretary. It will certainly pay a good dividend if such teams, though not of the same high-level, are instituted on the Railways also, to scrutinise Projects of Rs. 50 lakhs and over. It is needless to say that the Team should be manned by experts, technical and financial, in order to reap the full benefits of such Teams. It is always easy to trot out the plea of want of expert man-power, to undertake such high-level scrutinies, but, if a careful analysis of the expert man-power available is made, it may be possible to divert those, who are engaged in more or less normal and routine duties, to these Teams, which require much original thinking, backed by appropriate experience. It is to be hoped that the Railway Board would take suitable steps in the matter and prove to the other Ministries that, by such scrutiny of Railway Projects, it has been possible to cut down the costs by a sizeable amount, without, at the same time, reducing the quantum of facilities and benefits vouched in the original schemes.

Even on the normal revenue expenditure side, scope exists for the curtailment of expenditure by the adoption of improved methods of working, etc., avoiding wastes, wherever they occur. The Railways spend large amounts on the purchase of coal for working the Railways, and a Committee had already been appointed for the purpose of examining the question of fuel economy. Now, the Government of India have decided to constitute another Committee called " Fuel Efficiency Committee ", to evolve suitable and adequate measures for achieving optimum economy and efficiency in the use of fuel resources in the country, particularly, coal, and the Joint Director, Mech. Engineering (Coal), Railway Board, is also a Member of that Committee. It is to be hoped that this Committee would be able to put forward recommendations, which will be calculated to produce a sizeable saving in the coal bill of the Railways.

A budget is a plan which enables you to pay as you go — if you don't go anywhere.

Savings and Economies

BY SRI K. V. IYER.

The words "savings" and "economies" are now being used promiscuously in Government communiques and notices with the result that there is a certain amount of confusion in the minds of the public, not to speak of the possibly like confusion in the minds of some of the higher authorities. The recent mention by our Prime Minister of a saving of Rs. 24 crores is a case in point.

If, for instance, a certain number of Government employees are sent away or their rates of scales of pay and allowances be reduced, there is economy; reducing the number in one department and simultaneously adding the same number to another office or department results in no saving. If it is decided to paint railway carriages and wagons once in three years instead of two years or at a less cost per unit, securing the same efficiency, it is economy. If certain repairs are not carried out but merely put off so as to count against expenditure of a later year, with possible deterioration of the property, it is not saving but false economy.

Likewise in the case of a project undertaken with a view to complete it in five years with the hope of enjoying the benefit therefrom at the end of that period, to postpone a large portion of the outlay to the next Five-Year Plan is merely deferring of outlay and not saving and its effect may be harmful. It has been announced that the construction of several buildings estimated to cost several crores has been stayed. What is the extent to which construction has been given up for good and to what extent advanced into the next Plan is what the tax-payer would like to know. Air-conditioning of offices is getting into greater vogue. Cannot some economy be effected by restricting such equipment to certain categories only?

The several authorities have argued round and round about the Second Five-Year Plan and come back to the same conclusion. The figure Rs. 4,800 crores is sacrosanct and should not be desecrated. The Centre has decided that it should raise Rs. 40 crores by fresh taxation and the States to the extent of Rs. 60 crores. The Centre will no doubt tackle this job in earnest and pass fresh measures of taxation. How far will the States co-operate? Their conduct in the past does not encourage great hopes in regard to the future.

The Centre would do well to abandon certain items of outlay for good, decide what should be carried over into the next Plan (not call the same savings), effect economies and savings wherever possible, take the tax-paying public who pay for the tune into their confidence and leave them with an assurance that all is well.

Apart from the expenditure on these Plans which may be reckoned as capital or non-recurring outlay, there are items of expenditure on revenue account where there is considerable scope for economy. For instance, less travel by Ministers and others of that ilk and high officers. Their movements appear to be so frequent that one is left in wonder if they have any time to sit down, to think and to pass orders on files placed before them, assuming that they allow any to be submitted to them at all. Retention of officers and staff at the same station for a minimum period of three years except for important reasons, e.g., punishment, will save expenditure on allowances. Further, this will instil a higher sense of responsibility in all concerned and conduce to greater efficiency.

By kind courtesy of the Hindu.

Revision of Railway Freight Rates

The Railway Board will announce shortly its decisions, which have been reached in consultation with other Central Ministries and the Planning Commission, on the recommendations of the Railway Freight Structure Enquiry Committee.

The Union Government is understood to have rejected the Committee's more ambitious integrated scheme and decided to modify the railway freight structure on the basis of five per cent increase in railway earnings with due regard to the maintenance of developmental economy and free flow of trade and commerce.

It is estimated that there will be a net additional earning of Rs. 8 crores to the railway by giving effect to these modest increases in freight rates as against the yield of Rs. 28·87 crores which would have accrued had the Committee's recommendations been fully implemented.

It is understood that the Railway Board has sought to eliminate very high increases and marked decreases recommended by the Committee in order to ensure a more rational freight structure than exists at present. The proposed rates have been fixed on the merits of commodities concerned.

During these discussions, considerable attention was paid to export promotion, lest the upward revision of freight rates should adversely affect the quantity and movement of exporting goods more especially iron and manganese ores. It is proposed that a list of such export promotion items should be prepared for which the railway administration would give special concessions.

The Railway Freight Structure Enquiry Committee was appointed in August 1955, with Dr. A. Ramaswami Mudaliar as Chairman. Its terms of reference were to review the present railway freight structure in all its aspects and to suggest modifications bearing in mind the needs of a developmental economy and the necessity for maintaining the financial stability of the railways. The report was submitted a few months ago and came for scrutiny by the Planning Commission in the last few weeks.

Public Accounts Committee Reports

(1) Manufacture of Locos & Boilers by "Telco.".

In the fourth Report of the Public Accounts Committee on the Appropriation Accounts of Railways (1954–55) and the Audit Report 1956 the Committee have taken exception to the high prices paid to TELCO for the manufacture of Locomotives for Railways and have suggested the taking over of the TELCO by the Railways.

The full history of the prices fixed for TELCO Locomotives is contained in the following paras extracted from the Public Accounts Committee report :—

The Committee recalled its earlier criticism of the working of TELCO and said: The Committee was much concerned over the high cost of production (of boilers and locomotives by TELCO) which was very much higher than the imported cost and had suggested in its 13th report in 1955 that the question of taking over TELCO as a State undertaking should be actively considered.

The Committee, in its latest report, said: "The pricing and progress of manufacture of locomotives at TELCO have roused much controversy both in Parliament and outside. The Public Accounts Committee has examined in detail the representatives of the Railway Ministry and has carefully studied the report of the Tariff Commission and other relevant papers. In the Committee's opinion, the prices paid to TELCO even according to the recommendations of the Tariff Commission are on the high side."

The Committee drew attention to the repeated failure of TELCO to keep to the agreements and said: "Considering that the railways are the sole purchasers of the locomotives manufactured at this factory (TELCO) and also that a large proportion of the finances have to be found by the State, it will be unfortunate if the interest of the railways is *subordinated to the interest* of a factory which has repeatedly failed to keep to the agreements entered into between itself and the Government."

The Committee recalled observations of its earlier reports about the defective nature of the agreement entered into with TELCO by the Railway and said: "This agreement had been the subject of criticism and comment by successive Public Accounts Committees in the past. The first criticism was as early as 1953 when the Committee in its fifth report had pointed out the complicated nature and unsatisfactory drafting of the agreement. The Committee was not happy over the '*provisional*' *payments* made to TELCO when a number of points regarding items of costs were under dispute. As the industry catered entirely for Government purposes, the Committee also felt there was obviously a strong case for State ownership and management of such industry."

MANUFACTURE OF BOILERS

On the role of the Railway Board in its dealing with TELCO the Committee said: "*It may be pertinent to point out* that till the commencement of the fixed price periods (1-2-1954 for boilers and 1-7-1954 for locomotives), the Railway Board has subsidised the manufacture of boilers and locomotives by the amount standing in the development account, namely, Rs. 229·65 lakhs, representing the excess of the actual cost of production of boilers and locos by TELCO over the landed (that is, the ceiling) cost. In addition to this subsidy, the Railway Board had made an *ex-gratia* payment of Rs. 7 lakhs, the profit which was declared by the company to their shareholders in the year 1950-51 before the commencement of price period for boiler although the company was not entitled to profit during this period. Further, a penalty of Rs. 12·51 lakhs leviable under Clause 22 of the agreement for short deliveries of boilers and locomotives was not levied. Shares worth Rs. 2 crores to TELCO were purchased. TELCO was allowed the reimbursement of advance payment made by it to a technical adviser (Messrs Krauss Maffei) for materials, etc. ordered on them which advance payment was in effect an interest-free loan, the interest on which, when calculated on the daily balances at 4·5 per cent, worked out to Rs 4·47 lakhs."

The Committee said that the Railway Board had reiterated its earlier stand that the payments made to TELCO were and within the framework of the contract the effect of allowing larger amounts for depreciation in the development period would be that the element of depreciation in the production cost in the post-development period would be correspondingly less.

"The Committee was rather perturbed at the complacency of the Railway Board in this matter. It was surprised how the Railway Board could be oblivious of the important fact that the extra payments made so far could not be completely recouped from the price of boilers and locomotives within 1961, by which date the contract (with TELCO) would come to an end."

This subject has aroused very great interest owing to many complications and *very urgent* measures have to be taken to close this agreement on the due date in 1961; and greater care taken in the preparation of a renewal agreement, if any, with TELCO. It is also understood that taking over of the factory by the Railways is full of difficulties, like its location, etc. *Ed. R.A.*

(2) Tightening of Control over purchasing Missions

The Committee has referred to a case where the India Stores Department, London, had placed an order with an Italian Firm for axle boxes for locos. Since it was declared that most of these Boxes were unserviceable in India and the defects were obvious even during an ordinary visual examination, it was apparent that the Inspection carried out at the time of the purchase was perfunctory. This resulted in a loss of over Rs. 1,00,000/- to the Government.

The Indian Stores Mission, Washington, had purchased some defective and unserviceable material for the Railways. This transaction had been made by a Subordinate Officer of the Mission recruited locally.

In another case where payment should have been made in sterling it was made in Dollars.

These various types of irregularities indicate the absence of elementary precautions in safeguarding the interests of the Government and it is essential that adequate disciplinary action should be enforced in order to prevent recurrence of similar cases in future.

The Committee also pointed out very great delays on the part of the Ministries in submitting their replies, notes etc., to the Committee, thus dislocating its programme of business and also loss of much of the force of the criticisms and suggestions in respect of some of the vitally important procedural and financial issues.

(3) Non-utilisation of voted Grants

Large savings in the Budget Grants voted by the Parliament for the year 1955-56, the last year of the first Five Year Plan revealed that the expected plans and programmes have remained largely unfulfilled.

These savings indicate a lapse more fundamental and vital to the State embarking on a policy of development of her industrial strength and meeting her socio-economic conditions. That the position was not sufficiently reviewed at the time of the preparation of the Revised Estimates is very well established by these figures.

Stating that the defect seems to be inherent in the present basis of preparation of estimates, the Public Accounts Committee Report invited the Government's attention to the recommendations of the Comptroller and Auditor General for altering the structure of the Estimates and for Administrative and Financial Organization (in 1955) and added that instead of piece-meal decisions taken on some of these recommendations, they should be considered as a whole.

Smith : "Lend me five pounds, old man."
Jones : "Lending often spoils friendship and ours is worth more than five pounds."
Smith : "All right. Make it ten."

x x x x x

School Visitor to Class : "What is the capital of Olland ?"
Voice from the back : "H!".

Central Govt.'s Budget

Changes in the Methods of Estimates and financial control

The Public Accounts Committee of Parliament, after examining the civil accounts for 1953-54 and 1954-55, have come to the conclusion that the "estimates" of the Union Government are just "guesstimates."

The Committee's report suggests a number of changes. It says:

"The Committee have felt for some time that the existing system of budgeting and administrative and financial control is not appropriate in the present context of a planned national economy. Experience of the provisioning and execution of the First and Second Five-Year Plans has disclosed certain weaknesses of our system of budgeting and financial control.

x x x

"Parliament and the Public Accounts Committee alike have expressed from time to time their concern both about the delay in the execution of projects and about the large sums of money allotted to various projects remaining unspent every year. During their examination of the accounts for 1953-54 and 1954-55, large savings were again noticed in the grants relating to a number of Ministries. The Comptroller and Auditor-General informed the Committee that there had been no improvement in the position in 1955-56 also.

"While examining the civil accounts for 1953-54 and 1954-55, the Committee were given to understand by the Secretary of the Ministry of Food and Agriculture (Department of Agriculture) that this position was inescapable in the present system of budgeting.

"Explaining the practice, he stated that the overall expenditure, both revenue and capital, for the budget year was fixed by the Finance Ministry in consultation with the Planning Commission about six months in advance and the different Ministries were informed of their respective ceilings shortly thereafter. Each Ministry then framed their budget with reference to that ceiling. As it was not possible to get the necessary details of all the schemes the Ministry had in view for execution in the budget year, *ad hoc* lump provisions had to be made to aggregate to the allotted ceiling."

DEMANDS FOR GRANTS

NOT BASED ON REALISTIC APPRAISAL OF SCHEMES

"It should be obvious from the above that most of the provisions made in the various demands for grants are not based on a realistic appraisal of the schemes and their execution possibilities and of the amounts likely to be spent during the year. They are just 'guesstimates' and lapse of funds is thus inherent in the existing practice."

The representative of the Finance Ministry, says the report, had stated in his evidence that there was no scheme or project which was absolutely new, as all of them had been included in the Second Plan and had undergone a measure of scrutiny and details thereof were available with Government. There was, therefore, no question of Government being vague in regard to the provisions to be made for such schemes in the budget"

x x x

"The Committee are unable to appreciate the stand taken by the Finance Ministry. It will not be correct to hold that simply because a scheme or project had been discussed and incorporated in the Second Plan, the scheme or project had ceased to be new so far as the making of the budget provision and getting

Parliament's approval are concerned. There is already a case-law governing the principles as to what should constitute a 'NEW SERVICE' and how the approval of Parliament should be obtained in such cases. Many a scheme or project might change beyond recognition when it is ready for execution after detailed scrutiny from what it was in its proposal stage. Again, in the process of execution also, changes might be considered necessary involving substantial excesses over the original estimate approved by Parliament or there may be modifications in the scope of the approved programmes In all such cases, the approval of Parliament for the changes and the increase in outlay should not be taken for granted.

PARLIAMENTARY CONTROL

"If Parliament is asked to sanction without scrutiny large sums for schemes whose cost is either indefinite or can only be very roughly estimated, Parliamentary control over appropriations becomes unreal. The Committee consider that the present practice of asking for large appropriations on the basis of mere expectations of the Ministries should be discontinued. Approval in such cases should be sought only when the schemes have been prepared in detail and accepted after scrutiny by the Finance Ministry. This is a *sine qua non* of both Parliamentary and executive control."

The Committee accordingly recommend that in the case of a new project, no provision should be included in the budget estimates placed before Parliament till detailed estimates of the project are ready and certain phases thereof (if the project is a big one) have reached a stage ripe enough to justify its inclusion in the budget estimates. In other words the Finance Ministry should be satisfied on the basis of details available that there was reasonable expectation of the expenditure materialising to the extent proposed, before sums are provided in the budget estimates. These considerations apply to *ad hoc* lump provisions also which should not be made in the budget estimates. In short, the budget estimates of a year should comprise only the outlay on standing charges, estimated expenditure on projects in progress, and a small provision for each new scheme or project which is likely to be taken up during the course of that year but whose details have not been worked out sufficiently and accepted by the Finance Ministry.

"Simultaneously, when seeking Parliament's approval for a small provision in respect of a new scheme, an idea of the approximate total outlay on the scheme should also be placed before Parliament. As and when details of the new scheme or a phase thereof are worked out, Parliament, if in session, should be approached for a supplementary grant. If Parliament is not in session, funds sufficient to cover the immediate expenditure on the scheme may be advanced out of the Contingency Fund and a supplementary grant for the full amount obtained from Parliament at the earliest possible opportunity."

Such a system, in the Committee's opinion, has several advantages. It would enable Parliament to have a "preview" of the current and prospective expenditure on projects well before commitments are made or liabilities incurred. It would serve to pin-point the performance of the Ministry concerned. The fact that full details have been worked out and the Finance Ministry has scrutinised the details would obviate a detailed post-check and scrutiny by Finance Ministry and thus save time-consuming and lengthy consultations.'

EXCHANGE OF OFFICERS BETWEEN MINISTRIES

Other recommendations of the Committee include the following:

Interchange of officers between the finance and administrative Ministries should be adopted as an integral part of the programme of training so that a corps of officers who are competent both in administrative and financial matters will be created.

Every officer with delegated financial powers should prepare a monthly schedule of sanctions for submission to the authority immediately superior to him. This would provide for a regular scrutiny of sanctions. Deterrent punishment should be meted out quickly to officers guilty of wilful negligence or gross dereliction of duty.

Irregularities in Working Damodar Valley Corporation

The Audit Report on the accounts of the Damodar Valley Corporation for the year 1956 57 has pointed out certain irregularities in the working of the Corporation.

The Report pointed out that in November 1953 the Corporation sanctioned a sum of Rs. 15.56 lakhs for the departmental manufacture of harza gates for the Maithon Dam and several other fabrication works in the Central Mechanical and Fabricating Workshop at Maithon. A sum of Rs. 3.86 lakhs spent against the sanction included cost of tools and plant, extension of workshop, construction of residential buildings, pay of establishment and cost of design both at Maithon and in Chicago.

Eventually in February 1954, it was decided to provide Maithon Dam with another type of under-sluice gates to be obtained from outside suppliers.

It would, therefore, appear, the Report said, that a good deal of the preliminary expenditure of Rs. 3.86 lakhs incurred in connection with the manufacture of harza gates for Maithon Dam was unnecessary or infructuous.

The Corporation had stated that the machines bought for the manufacture of harza gates had been utilised for the manufacture of other articles. Even so, the Report remarked, the expenditure of Rs. 65,678 incurred on designs would be largely, if not entirely, infructuous.

The Report referred to the Corporation's move to Ranchi and said in May 1954 it was decided that the Corporation would spend about three months at Ranchi, from about the middle of September each year largely to meet the wishes of the Government of Bihar. The intention was that the Chairman, one member, the Financial Adviser, an Administrative Officer, a few clerks and peons should move so as to maintain a liaison with the various departments of the Bihar Government.

The move was not effected in 1954 as the residential and office accommodation could not be secured. The move took place in the summer of 1955 and 1956. The period spent by the Chairman, member and the Financial Adviser at Ranchi during the summer months of 1955 and 1956 were as below:

	1955	1956
Chairman	42 days	17 days
One member	21 days	(He was Chairman in 1956)
Another member	16 days	9 days
Financial Adviser	5 days	One day

Houses taken on Lease

The report said that three houses were leased on a full year basis at a rental of Rs. 987-8 per month from April, May and June, 1955. One of the houses was intended for the use of the Chairman. The second house was taken for camp office purpose, where non-gazetted staff were also accommodated, and the third house was hired for use as a circuit house of members, Financial Adviser and other officers. Watch and ward and conservancy staff were entertained throughout the year.

The expenditure on rent and other charges was Rs. 12,762 in 1955 and Rs. 17,905 in 1956. Furniture including linen, crockery, cutlery, utensils and carpets costing Rs. 14,079 was acquired during these two years. In addition, a sum of Rs. 595 had been spent on hiring of furniture during the said period. The direct expenditure for the move was Rs. 44,495 in 1955 and Rs. 28,198 in 1956. In addition, there has been indirect expenses which had been booked against other heads, e.g., frequent telephone calls between Ranchi and Calcutta, sending of couriers, T.A. of officers called for consultation, postal and freight charges on transmission of papers and files.

Three other houses, the report said, had been rented at Ranchi and they were surrendered later as unsuitable after incurring an expenditure of Rs. 2,893 on rent.

The Corporation had stated that they asked the Government of Bihar to place necessary accommodation at their disposal but the State Government expressed their inability to do so. The Corporation had, therefore, no other alternative but to lease suitable buildings for the move.

[*Note*: It is obvious that canon one of Financial Propriety, viz., exercise of prudential care, was absent. It is also not clear what sort of statutory audit was conducted on the proposed expenditure in the initial stages.

Ed. R.A.]

Efficiency Bar Examination for Officers Promoted to the Indian Railway Accounts Service

The Railway Board have recognised that Officers, who have passed the Efficiency Bar tests in Class II, should be given relief in regard to passing of Efficiency Bar test in Class I service, when they are promoted to Class I, vide page 357 of the "Railway Accountant" for February, 1958. This, apparently, relates only to those who were in the prescribed scale of pay in Class II, which provides for two Efficiency Bars, one at Rs. 500/- and the other at Rs. 650/-. Nothing is mentioned in regard to Class II Officers on the old scale of pay, with no Efficiency Bar (Rs. 350-30-800), who are promoted to Class I, and who are governed by ex-Co. scales of pay, where an efficiency bar exists in class I junior scale. So far as the Indian Government scale of pay (Pre-31) for I.R.A.S. is concerned, it would appear that there is no Efficiency Bar in it, and hence, the question does not arise, in regard to Class II Officers on the Indian Government Railways in the old scale of pay, promoted to Class I.

The Railway Board have recognissd that some concession should be given for those who are promoted at the age of above 50, by laying down that such Officers, on promotion to Class I, will have the option of taking the written test in the Efficiency Bar, only in one of the two subjects prescribed (i.e., Railway working in Accounts or Cost Accounts), besides the Viva Voce test, which is compulsory.

In regard to the passing of Appendix III-A examination, the age limit was laid down as 45 for ex. Co. employees, and, it seems but reasonable that the same age limit should apply in regard to Officers promoted from Class II to Class I in the Accounts Department, in respect of Efficiency Bar in Class I service. Efficiency Bar test in the prescribed scale of pay in Class I occurs at the 11th year of service, when direct recruits are about 35 years of age. To apply this test to Officers, who have put in more than 25 years service, and who are over the age of 45, would, psychologically, not be correct, and it is suggested that the Railway Board may issue orders, laying down that promotees to Class I, after the age of 45, would only be subjected to a Viva Voce test, and not to a Written Test, at the Baroda College, etc. This does not detract from the efficiency of the Officers, who have proved their mettle, earned their promotion to Class I after years of service.

It will be of interest to know, in this connection, that out of 8 Officers promoted to Class I, in the Railway Accounts Department as per Board's notification of January, 1958, 6 were over the age of 50, and even the remaining 2 were over 47.

Road vs. Rail Transport

Mr. M. R. Masani, M.P., in his speech in the Indian Parliament in March last, made out a case for priority to expenditure on road transport. He stated that such investment would bring in quicker returns than expenditure on Railways. He pointed out that a greater volume of goods could be transported if the Railway plan was reduced by 20% and the same diverted to Road transport. There were certain decided advantages of road transport viz., higher employment potential, saving of foreign exchange, quicker delivery of goods and absence of pilferage. The main bottleneck, however, was the absence of vital bridges and inadequate production of vehicles. He suggested an interim solution in the form of diversion over riverbeds during the dry season and increased ferry facilities. Regarding trans-border operation of services, he urged that larger powers than now contemplated should be vested in the Inter-State Transport Commission.

He pointed out that there would be a net deficit of 900 crores and that for the second plan itself it would be nearly 425 crores. He also pointed out that out of the total production of 1.32 million tons of steel in India, the Railway-requirements alone would come to about a million tons, leaving very little for other Industries.

He said "provision for bridges is made in the 2nd Plan, but it is so inadequate that only a small proportion for surveying and materials is being provided for and the larger part of it will be completed in the 3rd Plan; i.e., to carry an additional fifty million tons of goods on our roads, we must wait for another seven years. We must wait for that period for the 122 bottlenecks (major Bridges missing) to be removed". He, therefore, suggested that the highest priority be given to the few million dollars required for buying steel from abroad to make the building of these bridges possible earlier than at present. Even if the work is taken on hand immediately, it would take some years before these Bridges are completed.

He pointed out that only 0.5 truck per mile of road was plying in India, whereas the figure was 5 to 10 trucks per mile in other parts of the World. He also pointed out that by investing Rs. 75 crores, about seventy-five thousand trucks could be imported from abroad. These would be capable of carrying the entire 40 to 50 million tons of extra traffic a year. If, therefore, the Railway allotments were to be reduced by 20% of the 425 crores during the second plan, a saving of 80 crores could be effected and these savings could be utilised for the import of 75 thousand trucks.

"Finally, there is the consumers' point of view. The roads provide a quicker turnover since the trucks can cover 150 to 200 miles a day. The average for a Railway wagon is only fortyeight miles per day for goods train. Thus, the goods produced in a factory could be delivered by Road transport in less than a third of the time taken by the Railway".

x x x

"The cost in India of sending a maund over three hundred miles in five or six days is three times higher by Rail than by road, since shorter delivery time can only be achieved alternatively by passenger train (and not by goods train). One can well realise the tremendous savings this means to the consumer public".

Note: It is not clear, however, from the above, how far road traffic can compete with long distance rail traffic. But it is possible that, to some extent the road traffic can catch up with the rail traffic owing to delays at Transhipping or at marshalling junctions. The heavy initial outlay on railway works and also the comparatively greater cost of maintenance of rail roads and railway vehicles are points to be seriously considered, while reviewing development of rail transport.

Ed. R.A.

Cost Plus Contracts

Though the procedure of Cost plus Contracts flourished during the War period, when ALL supplies were to be taken over by the Government, it has now almost faded out of existence in India and rightly too, in view of its inherent susceptibilities to extravagance. In England, however, it seems that a more or less similar system still continues for certain types of contracts. The following extract from an Article on "Government Contract Price-fixing Control", appearing in the "Accountants Journal" London, March 1958 issue, is of interest:

x x x

"The fixing of profit rates for contractors has long been a subject of discussion between the various supply departments and the representatives of industry, and it was not until the middle of the Second World War that the Select Committee on National Expenditure was able to report that agreement had been reached between all parties that profit rates should be related to the capital employed in the business.

A basic rate of 7½ per cent was established with the possibility of an 'additional margin' to take account of special risks and efforts. In practice, this means that there must be determined for each contractor a ratio between his total annual turnover at cost price and the value of all the capital employed. If the Contractor turns the capital over once during the course of a year he would need to make a profit of 7½ per cent on the cost incurred on any particular contract, so as to earn the basic rate on capital employed. If, however, his capital employed. If, however, his capital turnover ratio is 1 : 3, then the profit rate on cost of production would be 2½ per cent, i.e., 1 : 3 : : 2½ : 7½ and the earnings of 2½ per cent on each 'revolution' of capital will yield 7½ per cent during the course of a full year".

B. G. B.

Financial Reviews for Schemes

Para 1045 E lays down that, from the commencement of a new construction, or a big Open Line project, costing Rs. 20 lakhs and over, a review, showing the financial position at the end of each quarter, should be submitted to the Railway Board. The question arises what exactly the term "commencement" connotes. Views in regard to this differ. While some hold that the review should be submitted from the quarter in which the scheme was sanctioned, there are others who think that the review need commence only from the quarter in which the work is *physically* started, as physical progress is also required to be furnished, along with the financial review. There is a third view according to which the quarter in which indents are placed or commitments entered into, should form the basis for this purpose, as it is from this point that the progress could be usefully watched.

It may be relevant, in this connection, to note that in Para 1042 E, dealing with the monthly progress reports by the Divisions to the C.E., it is laid down that, for this purpose, a work should be considered to be in progress from the date on which the detailed estimate therefor is sanctioned. This appears to convey the impression that the quarterly financial reviews should, based on this, be submitted even from the quarter in which the estimate is sanctioned although neither commitments have been entered into, nor is the work commenced. It is possible that Para 1042-E is intended to give an idea of the progress of Works even from the date on which the work was sanctioned, so that the C.E. could take up cases, where there is delay in the commencement of the work itself.

The practice on Railways appears to differ in this respect, and the Railway Board may, perhaps, issue orders bringing out the intention of the Code para. (1045-E).

Q.

Subjects of Momemt

Allocation of the cost of Engineering tools and plant Supplied on Additional or Replacement Account

The cost of provision of tools and plant for the Engineering Department as additional equipment for the repairs and maintenance works such as beaters, crowbars etc., is at present charged to OLW (R) under paragraph 931 (i) GI. It has been decided by the Railway Board that the provision of such Engineering tools and plant for ordinary repairs and maintenance works should not be treated as New Minor Works, but as repairs and maintenance and charged to the Revenue Head A. 2210 on the analogy of the allocation of the cost of additional furniture supplied to existing stations, as decided by the Railway Board in June, 1957. This decision will not, however, apply to the supply of Engineering tools and plant provided for specific works, the allocation of which is governed by paragraph 970 GI.

* * *

Tuition fee paid for the Training of Gazetted Officers : Head of Account to which to be Charged

A question has been raised as to which head of account the tuition fee paid to an Institute in respect of the training of a Gazetted Officer should be booked. The Railway Board have decided that the tuition fee so paid should be treated as 'Contingent office expenses' and booked under the relevant departmental abstract to which the expenditure on pay and allowances of such staff, while under training, is charged.

* * *

Provision of Water Heaters in Officer's Flats

Railway Board agree to water heaters (Geysers) being provided in Officer's flats, in big Cities, having very limited space and designed in such a way that it would not be possible to utilise the usual 'boilers' burning coal for heating water without causing considerable inconvenience due to smoke.

The cost of the Geysers is to be included in the Capital cost of the quarters, for the purpose of arriving at the assessed rent and no additional rent over and above the assessed rent need be charged on this account.

(Rly. Board's letter No. 57/QR/EWH/Elec. dated 22-4-58).

* * *

Classification of Selection and Non-Selection Posts

The Board have received references from some Railway Administrations for clarification of paras 4 (i) and (ii)of R.B. letter No. E (NG) 54 PM1-13 dated 29-7-57 and the position is clarified as follows :—

Although on the face of it, the Note under paragraph 4 (ii) contradicts the contents of para 4 (i) of Board's letter dated 29-7-57, referred to above, this was done so as to avoid Railway Administrations having to do unnecessary work in cancellation of existing panels and drawing up of new ones.

The date for the implementation of the orders contained in Board's letter dated 29-7-57 is 1-4-1957. Anything done between 1-4-1957 and 29-7-57 is open to review and should be reconsidered. Only the position as on 1-4-1957 is not to be disturbed. If action has been taken by any Railway contrary to this interpretation, they should take action hereafter to put it right.

* * *

Promotion to Selection Posts - Procedure for

One important aspect of the procedure for selection of candidates is that the candidates MUST possess adequate standard of professional ability and capacity to do the job which is a *sine qua non* for promotion to non-selection posts. The Board have in this context issued a directive that if a candidate whose professional ability and capacity to do the job is adjudged as inadequate should not be placed on the panel even if he obtains enough total marks by virtue of the other factors'. A candidate who obtains 50% under this head cannot be adjudged to have reached an adequate standard of professional ability etc., particularly when the candidate has been working in the profession for several years. Such employees are just average persons. In view of the present need for toning up efficiency in all Branches, it is considered that normally only candidates who secure not less than 60% under "professional ability and capacity to do the job" should be treated as having reached an adequate standard of professional ability. Employees whose professional ability and capacity to do the job falls below 60% (sixty per cent) should not be placed on the panel regardless of marks obtained by them under other heads.

* * *

Correction Slips to Ry. Establishment Code

(1) Rule 2214 (S.R. 10)-R11

Substitute the figure "60 per cent" for "40 per cent" after the words railway "laboratories" and "(40 per cent)" for "(60 per cent)" after the word "remainder" occurring in the second and 3rd lines respectively of sub-clause (8) of this rule.

(R.B. No. F (E) 58FE/1 dt. 19-3-1958)

(2) Advance Correction Slips

(a) The following declaration should be provided on the back of the counterfoil of this annexure No. 6 in Appendix III-R. I. (page 233).

Candidate's Statement and Declaration

The candidate must make the statement required below, prior to his medical examination and must sign the declaration appended thereto. His attention is specially directed to this warning contained in the note below :

1. (a) Have you ever had small-pox intermittent or any other fever, enlargement or suppuration of glands, spitting of blood, asthma, heart disease, lung disease, fainting attacks, rheumatism, appendicitis ? ....

   or

   (b) any other disease or accident requiring confinement to bed and prolonged medical or surgical treatment ....
2. When were you last vaccinated ? ....
3. Have you or any of your near relations been afflicted with consumption, scrofula, gout, asthma, fits, epilepsy or insanity?.........
4. Have you suffered from any form of nervousness due to over work or any other cause ....
5. Have you been examined and declared unfit for Government service by a Medical Officer Medical Board, within the last three years.........................

I declare that all the above answers are to the best of my belief, true and correct.

I also solemnly affirm that I have not received disability certificate/pension on account of any disease or other conditions.

Candidate's signature..............
Signed in my presence
Signature of Medical Officer......

Note:—The candidate will be held responsible for the accuracy of the above statement. By wilfully suppressing any information he will incur the risk of losing the appointment and, if appointed of forfeiting all claim to superannuation allowance or gratuity.

(R. B. No. E57ME1/59/Medical dt. 6-2-58) (*b*) *Rule 909-R1*: Add the following to the list of officers under this rule.

15 "Deputy Director,
Railway Stores (Steel), Calcutta.
- Eastern Railway."

(R. B. No. E57ME1/55/Medical dt. 6-2-58)

* * *

Progress Report on Second Five Year Plan Quarterly Financial Review

Reference: Board's letter No. 56/PL/2/R/3 dated 4th May 1957.

The Quarterly Financial Review for the quarter ending 31st March, 1958, which is ordinarily due in the 3rd week of May, 1958, may please be forwarded after the close of the March accounts, as was done last year and the same procedure may be followed in respect of reviews for this quarter in future.

[R.B. No. 58/PL/2/R/3 dated 19-5-58]

* * *

Half Monthly Payments under the Workmen's Compensation Act

In view of the difficulty felt by Railways in exercising cent percent pre-check on the statement of monthly average wages, accompanying bills relating to half monthly payments under the Workmen's Compensation Act, mainly due to the non-availability of all the relevant paid vouchers at the time the half monthly payment bill is received in the Accounts Office for arranging payment, the Railway Board have decided that the correctness of the wages shown by the Departments may be checked by the Accounts Office in respect of any two months only with reference to the paid bills of those months. In doubtful cases, however, further checks should be made with reference to the pay bills, especially when, in a certain month, there is a large variation in the preceding or succeeding month. In cases, however, where the paid bills for any particular month or months required to check the correctness of the average pay calculations are not available at the time of check of the half monthly bill, the latter should be passed to admit of payment being made within the statutory date, leaving over the verification of the correctness of the wages to be done as a post-check.

[R.B. No. 56 AC II/21/12 of 8-5-1958]

* * *

Introduction of Pension Scheme on Indian Railways

It was laid down in para 4 of Board's letter No. F(E)50 RT1/6 dated the 16th November, 1957, as amended by Board's letter of even number dated the 7th March 1958 that every non-pensionable railway servant who was in service on 1-4-1957 or joined service thereafter upto 15-11-1957 must exercise an option for pension or Provident Fund and that those who do not exercise such an option by 30-6-1958 or whose option is incomplete, conditional or ambiguous in any way shall be deemed to have elected the pension system. In partial modification of this order, the President has now decided that only such of the abovementioned railway servants who wish to be governed by the pension system need exercise an option therefor and all others who do not specifically elect by the 30th June 1958 to be governed by the pension system, or whose option is incomplete, conditional or ambiguous in any way, shall be deemed to have retained the existing retirement benefits under the State Railway Provident Fund Rules. All options exercised in terms of the above mentioned orders will be final and irrevocable.

(R. B. No. F(P)58 PN-1/6 dated 9-5-58).

* * *

Officiating Appointment of Temporary Assistant Officers to the Senior Scale

Since the seniority of Ty. Assistant Officers will count from the date of their confirmation in the Junior scale, they should be considered for officiating appointment to the senior scale only on the

basis of their performance on the railways and their being certified as fit to hold such posts Board's approval in such cases, is not necessary and it is left to the Railway Administration to decide which Ty. Assistant Officer should be appointed to officiate in the senior scale. Cases of Ty. Assistant Officers who are drawing less than Rs. 470/- per month should continue to be referred to the Board as heretofore in accordance with their letter No. E55RC16 dated the 11th May 1956.

(R B. No. E(P)58 RC-26 dated the 22nd March 1958).

* * *

Recovery of Government and Non-Government Dues (i.e., those Relating to Railway Cooperative Credit Societies etc.) from Settlement Payments

It has been decided on the Railway in consultation with the FA&CAO that the following procedure should be adopted forthwith in connexion with adjustments of non-Government dues at the time of settlement payments to the subscribers or to their beneficiaries. It would be worthwhile finding out what, if any, is the procedure under similar circumstances on other Railways.

(i) In all Settlement cases involving recovery of dues of Cooperative Credit Societies, the following documents should invariably be sent along with the Top sheet:

(a) Advance receipt from the Society for the amount to be recovered.

(b) A letter of consent from the employee or the beneficiary as the case may be, authorising recovery of the dues from the Settlement payment. The exact form of the letter of consent should be as follows:—

"A sum of Rs ... ... is payable by the subscriber to the Railway Employees' Cooperative Bank Ltd., towards re-payment of loans taken by him from the Cooperative Bank, under Loan Application No. dated .....I agree and hereby signify my consent for the aforesaid loans being cleared and paid out from out of the P.F. assets of the subscriber and I acknowledge the payment to the Railway Employees' Coopt. Bank Ltd., towards discharge of loans above mentioned as payment made to me".

(ii) On the authority of the letter of consent, the recovery of the dues of the Credit Society will be made by the Accounts Office concerned and remitted to the Bank. In the case of cash payments, the employee or the beneficiary will be required to give acquittance for the full amount (i.e., inclusive of the recovery made and the advance receipt from the society handed over to him. In cases where payment is arranged by cheque or Draft, in view of the advance receipt given by the Payee for the gross amount, recovery of the dues of the Credit Society will be effected by the issue of two cheques, i.e., one in favour of the Credit Society for the amount payable to them and another in favour of the party concerned for the amount payable after recovery of the dues of the Credit Society. Along with the Cheque/Draft to the Payee, the advance hand receipt given by the Society will also be sent.

It should, however, be noted that in all cases where payments of only the "Deposits" portion of the P.F. assets is arranged, it is not permissible to recover from the payment any amount towards Government or non-Government dues.

* * *

Clearance of Freight Outstandings

The Railway Board have taken up the question of heavy outstandings and have issued specific orders to all Indian Railways to take adequate steps to ensure that freight due is realised promptly so that the outstandings under "Traffic Account" is reduced to the barest minimum, especially towards the close of the year. Some of the causes of accumulations are found to be due to certain firms not having paid their dues either on account of delay in billing the charges or on account of consignments being physically delivered without proper book-delivery, collection of freight etc. The Board insist on special attention being given to amounts outstanding against Firms in enjoyment of the facility of Freight Deposit Account or Ledger A/c etc. In regard to amounts adjustable by Book Transfers, Railways have been asked to Bill for all amounts outstanding at the end of March and for their adjustment in Accounts for March.

Heavy outstandings have also been noticed under Foreign Railways and Railways have been instructed to take prompt action for clearing them completely in the Accounts for March, if necessary, reconciling differences at a meeting held later on in June for the reconciliation of Transfer Transactions.

Transactions creditable to final heads of earnings still awaiting adjustment have also to be reviewed and adjusted in the Accounts for March.

In the case of outstanding transactions relating to freight etc., recoverable from other Government Departments, which could not be effected through the Reserve Bank, the Railway Board have ordered that the amount involved should be placed under the Head, " Accounts with States " and items of large magnitude reported to the Board's Office for adjustment on *pro forma* basis with non-Railway Accounts Officers through A.G.C.R. in the Accounts for March, in terms of R.B. letter No 56 AC I/2/15 dated the 17th May 1957, regarding Closing and Submission of Annual Accounts and Returns.

(R.B. No. 58 AC III/31/9 dated 1-5-1958.)

Personnel

Sri D. P. Mathur on return from the Coal Committee was posted as Sr. Dy. G. M., Central Ry., *vice* Sri M. A. Rao, posted as Sr. Dy., G. M., Eastern Rly., in the vacant post.

Sri S. C. Banerjee, offg. Dy. C. E., N. E. Ry., has been transferred to S. E. Ry., to officiate as E. N. C.

Sri A. V. D'Costa, offg. Director, Standardisation (Civil), has been transferred to officiate as Principal, Ry. Staff College, Baroda.

Sri L. A. Natesan, Economic Adviser to the Ry. Board, retired after ten years of service, and was replaced by Sri S. K. Guha.

Sri G. Bhattacharjya, Dy. Director, Statistics, Rly. Board, was posted as Statistical Officer, N.F. Rly., Pandu.

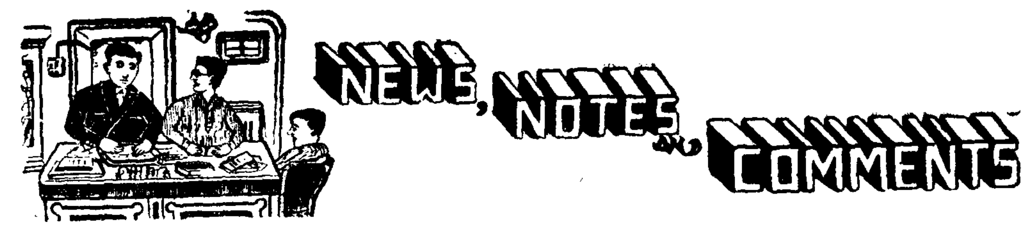
Sri Tirath Ram, A.A.O., Ajmer, was transferred and promoted to officiate as S.A.O., (FTA) Delhi, with effect from 12th Mar. '58.

Sri M. P. Bhargava, offg. A.A.O. (S & C) Churchgate, Bombay, was transferred and posted as officating A.A.O., W & S., Bhavnagar.

Sri D.P. Malhotra, offg. A.A.O., W & S Bhavnagar, on relief, was transferred and posted as offg. A.A.O., S & C., Ajmer.

Sri Jiwan Singh, offg. A.P.O.-cum-A.A.O., was transferred back to the Accounts Department on 12-3-1958 and transferred and posted as D.A.O., Ajmer, (Class II) with effect from 14-3-1958, *vice* Sri U.L. Kothari, granted two months' leave from 14-3-1958.

Sri U.B. Mathur, D.A.O., Rajkot (Class II) was transferred and posted as D.A.O., Jaipur, to relieve Mr. Kapoorchand.



Govt. Servant's Legal Rights

In dismissing a writ appeal filed by a probationary assistant station master belonging to the Southern Railway, the Madras High Court stated: The appellant, Mr. A. Sambandam, was directly recruited, along with 316 others, as probationary station master as an emergent measure after the nationalisation of the railways. He was posted as relieving station master, Erode, on August 25, 1949, and was confirmed in the post on November 2, 1949. On April 25, 1952, the Regional Traffic Superintendent, Tiruchi, issued an order directing that all station masters recruited directly should be placed junior to the clerical staff who had passed their station masters examination prior to March 31, 1951. An appeal was made by the appellant and he was, subsequently, reverted from the post of relieving station master to that of a clerk-in-charge on May 9, 1952. Appeals were made to the Government by the appellant and others. Subsequently the Chief Operating Superintendent passed an order on February 2, 1953, directing that the designation of the reverted persons, including the appellant, should be retained as assistant station masters, but it was made clear that the seniority granted to the promoted clerks over-riding the ranks of the directly recruited assistant masters would continue.

The appellant filed a writ petition in the High Court praying that the orders relating to seniority and reversion should be quashed. It was submitted that reduction in rank should be meted out only by way of punishment. It was also contended that the order was in contravention of the rules governing fixation of seniority and was, therefore, invalid. The seniority, it was submitted, should be based on the date of his confirmation as assistant station master—November 2, 1949.

RULE-MAKING POWERS

It was submitted, on behalf of the Clerk Promoted Station Masters' Association that the "instructions" contained in the order dated April 4, 1952, should be regarded as rules issued by the General Manager in exercise of the rule-making powers conferred on him. The Judge did not agree with that view on the ground that the General Manager never purported to issue that order containing a fresh set of rules applicable only to the class of assistant station masters among the nongazetted staff of the railway. The Judge, however, held that no relief could be given to the appellant because the appellant had no justiciable right which could be enforced by this Court under Rule 226.

The writ petition was, therefore, dismissed by the Judge. An appeal was preferred by the appellant against that judgment.

Counsel for the appellant contended before Their Lordships who heard the appeal that, under the Constitution, the appellant had a legal right to a particular seniority under the rules, which it was the duty of the court to protect. And the court would have ample jurisdiction to issue an appropriate writ against a public authority which had actually violated the rule. Counsel relied on Article 311 (2) because that provision related to "reduction in rank," Their Lordships, dismissing the appeal, observed that they did not think that a substantial distinction could be made between rules and instructions. The seniority was only settled when instructions contained in the order on April 25, 1952, were issued. Article 311 (2), Their Lordships added, provided that before punishments were inflicted on a Government servant, certain procedure should be followed. One such punishment was, no doubt, a reduction in rank. Their Lordships added that they failed to see how a mere mention of a particular punishment in Article 311 (2) could vest a legal right in a Government servant to a particular rank.

In conclusion, Their Lordships observed that even assuming that the seniority of the appellant had been adversely affected by an order of the General Manager passed in contravention of a rule made by him, the appellant had no justiciable right which could be enforced by the Court by the issue of a writ of *certiorari* or other appropriate writ.

[*Note :* There should surely be some limitation to the modification of seniority (on other than personal grounds), and an employee's status should be protected by reasonable means. *Ed. R.A.*]

* * *

Metric System of Weights

INTENSE PUBLICITY PLANNED

Plans to undertake effective publicity with a view to having the way for the introduction of the metric system of weights and measures in accordance with a phased programme were discussed at a conference held in New Delhi on May 2. Officials of the Ministry of Information and Broadcasting and the Ministry of Commerce and Industry and the Directors of Information and Publicity of a few States participated in the confernce.

The conference planned to organise an all-out drive, employing various media of publicity with special emphasis on audio-visual methods. It also discussed proposals for, intensifying the publicity campaign in rural areas with the assistance of the field staff of the Community Projects organisation.

Documentaries on the new metric weights and measures, spot-lighting the need for the change, are expected to be released in most of the major languages of India in about three months' time.

It may be mentioned that the Madras Government have decided to introduce the metric system in regard to weights alone in four districts in the first instance—Madras City, Chingleput, North Arcot and South Arcot districts—with effect from October 1 next.

[The Govt. advertisement in this connection appears elsewhere in this Issue. *Ed. R. A.*]

* * *

New Deputy Railway Minister Takes over

The new Deputy Minister for Railways, Sri S. V. Ramaswamy, took charge of his office on 2-4-1958 after being sworn in.

He visited the Railway Board's Office where, in the Railway Minister's room, the Chairman, Members, Additional Members and Directors of the Railway Board were introduced to him.

* * *

Railways to Carry Books at half Rates

With effect from April 1, 1958, books carried by Passenger or Parcel trains on the Indian Railways will be charged for at half the normal parcel rates as against the full parcel rates being charged at present.

* * *

Student Concession Season Tickets

The Railway Board has decided that the age limit of 25 years imposed for the grant of concessional season tickets to students on the Indian railways will not apply in the case of female students.

* * *

Indigenous Manufacture of Railway Wagons

Againt the 1958-59 rolling stock programme of the Ministry of Railways. Orders have been placed on four Calcutta railway wagon manufacturers for the supply of more than 10,000 B.G. wagons of different types to the Indian railways.

A variety of wagons has been ordered, including some types which were in the past imported from foreign countries

The value of these orders is likely to run into several crores of rupees.

* * *

Deputation of Railway Officers to Japan

An Additional Member of the Railway Board and two senior officers left for Japan on the 11th May '58 at the invitation of the President of the Japanese National Railways.

They are Shri E. A. Isaacs, Additional Member of the Railway Board in charge of mechanical engineering, Shri S. S. Mukherjee, Deputy Chief Engineer, South Eastern Railway and Shri G. P. Warrier, Deputy Chief Engineer, Southern Railway.

These officers have been invited with a view to promoting and developing closer relations between the Indian railways and the Japanese National Ráilways and also for discussions regarding the modernisation of railways, particularly in regard to A. C. current railway electrification. The visit would also provide the officers with an opportunity for acquainting themselves with railway facilities and related industries in Japan. They will also visit a special exhibition of railway equipment and machinery being held in Japan.

Railway administrations in other South East Asian and Middle East countries, who have accepted invitations, are Burma, Thailand, Pakistan, Ceylon, the Philippines, Turkey and China.

* * *

Advanced Permanent way Training School at Poona

The Railway Board has decided to set up an Advanced Permanent Way Training School at Poona and the Central Railway has been authorised to make the necessary arrangements.

The school is being set up to provide advanced training in the maintenance and construction of railway track to engineers and senior inspectors of the Indian railways and also engineering officers and inspectors of other countries in the E.C.A.F.E. region.

The training is expected to lead to greater safety, efficiency and economy and result in high level track maintenance, which is becoming very essential with the fast speed and increasing density of traffic on the Indian railways in the future.

An instructional film on the proper maintenance of railway track is also under production, and when completed it will be used widely for training purposes.

* * *

New Rail Line *via* Second Yamuna Bridge

The Railway Board has sanctioned the construction of a new railway line, 16 miles long, between Ghaziabad and Tuglakhabad along with a second bridge over the Yamuna river at Delhi. The line is estimated to cost Rs. 2·97 crores.

The primay object of constructing the new line is to provide an "avoiding" line for diverting goods traffic from Tuglakabad and Ghaziabad without its having to pass through the extremely busy yards at Delhi and New Delhi.

The second object is to start passenger trains bound in the direction of Allahabad, Lucknow and Calcutta from New Delhi instead of Delhi Main, as at the latter station the platform capacity is extremely limited. The construction of the line will also help to add to the number of trains that can be handled in the Delhi area.

The construction work is being entrusted to the Northern Railway.

* * *

Monthly Statistics of Indian Railways

The approximate gross earnings of Indian Railways during the month of April 1958 amounted to Rs. 32·10 crores or an excess of 4·06 crores over the actuals of April 1957.

Wagon Loading: During April 1958, the number of wagons loaded with goods traffic decreased by 6·12% on the B.G. and by 7·64% on the M.G. as compared with the loadings for March 1958. The total number of wagons loaded during April 1958 was 471924 and 293765 respectively over B.G. and M.G. which was 0·22% increase and 3·22% decrease over the figures for April 1957.

There has been a general increase in wagon loading in coal and coke for non-Government Railways, iron and steel others, coal for home line and other stores for home line on the B.G., set off by heavy decrease in cotton manufactured, sugar, sugarcane, pig iron and tea; on the M. G., wagon loading has increased in grains and pulses, cement, iron ore and other metallic ores and coal for other Government Railways and manufacturing units, set off to a great extent by decrease in cotton manufactured, sugar, sugarcane, pig iron and tea.

* * *

Execution of Projects

SUGGESTIONS FOR ECONOMY

Recommendations which would result in considerable savings in expenditure and structural materials like steel and cement have been made by the selected buildings projects team of the Committee on Plan Projects, Planning Commission, in its advance report on the Heavy Electrical Project at Bhopal and the Fertilizer Project at Nangal.

In regard to the Bhopal Project alone, a saving of about Rs. 42 lakhs in cost, 2,240 tons in structural steel and 2,720 tons in cement is envisaged in the first phase of construction, while the saving in the second phase would be much larger.

The team consists of Mr. S. K. Patil, Union Minister for Transport and Communications, leader Mr. Sarup Singh, former Director, National Buildings Organisation. Dr. Eng. A. Carbone, Consulting Engineer, Calcutta, and Mr. C. P. Malik, Director, National Buildings Organisation, members, and Mr. T. S. Vedagiri, Secretary.

The Heavy Electrical Project at Bhopal, which is intended for the production of transformers. A.C. and D.C. etc., will be executed in two phases. The construction phase is scheduled to start shortly.

* * *

Air-Conditioned Express Trains

The air-conditioned vestibuled trains, providing chair-car accommodation in third class between New Delhi and Madras Central, New Delhi and Bombay Central and New Delhi and Howrah will in future be known as "air-conditioned express trains," according to a decision taken by the Railway Board.

In Hindi, the trains will be designated as "Vatanukul Express Gadi."

* * *

New Accountant-General, Madras

Mr. S. Natarajan took charge as Accountant-General, Madras, on 12-5-58, from Mr. A. Kalyanaraman, who has been transferred as Deputy Comptroller and Auditor-General of India, New Delhi.

* * *

Pigilam Station Renamed

With effect from June 1, 1958, the station named Pigilam on the Renigunta-Gudur section on the Southern Railway, will be renamed as Nidigallu.

[Is this change in accord with the R.B's recent decision *re* unification of names between Railway & P. & T. Departments?—*Ed. R.A.*]

* * *

Rourkela Steel Plant

Sri M. Ganapati, G.M., W. Ry., (retired), has been appointed as Resident Director of the Rourkela Steel Plant.

* * *

Conference of F.A. & C.A.O's of Indian Railways

A conference of all the F.A. & C.A.O's including those of I.C.F., G.B. Project Chittaranjan L Works, was held by the Ry. Board on the 11th June and onwards. Many important topics were included in the Agenda.

* * *

III Class Sleeping Accommodation

A Railwayman complains that rail employees holding passes (duty or privilege) and tickets exchanged for P.T.Os. are not permitted to avail themselves of the facilities of sleeping accommodation in the Express from Madras to Trivandrum and vice versa even if they are prepared to pay the special surcharge of three rupees a night.

[It is strange that such a distinction should be made when accommodation is available and payment is offered. Is the Railwayman's Rupee different from that of the public?—*Ed. R.A.*]

* * *

Distortion of Slogans

One of the numerous banners carrying special slogans displayed during the Railway Week at various places ran as under

"RAILWAYS ARE YOUR PROPERTY
HELP RAILWAYS TO SERVE YOU BETTER"

How far the public have understood the implication of the above words is not clear. But one thing is certain that to the malicious-minded people it has given a very good incentive for theft. The loss of electric bulbs, rexine, mirrors etc. in Railway compartments has become almost a regular feature and the loss to the Railway runs to substantial figures of lakhs of rupees. It is hoped that the Railways would do well through proper propaganda in cinemas and elsewhere to inculcate in the minds of such people the value of honesty and the code of Moral Conduct that has to be followed by them in regard to Railway Property which belongs to the *Community* and not to the individual.

Ed. R.A.

* * *

Railway Electrification in the South

The Union Dy. Minister for Railways while addressing the Chambers of Commerce at Madras during the middle of May 1958, pointed out that the electrification of the Southern Railway upto Chingleput on the M.G. and upto Arkonam on the B.G. was more important than the extension of electrification upto Villupuram.

The absence of funds on account of the increase in prices and the reduction on Foreign Exchange necessitated a very critical scrutiny of the Foreign purchases. If the difficulties could be tided over during the next two or three years, some of the steel projects in India would be able to produce sufficient quantity of steel for internal use and possibly also for exports, thus easing the Exchange position. The movement of goods traffic also depended upon the wagon capacity of the Railways and the question was being very carefully pursued by the Ministry and the businessmen alike. In particular, the Memorandum submitted by the Southern India Chamber of Commerce, Madras, referred to the following questions:

Augmenting Line capacity;

Priority for Export cargo;

Cutting delay in settlement of claims;

Relieving congestion in Passenger Traffic; and

Replacement of worn stock.

* * *

Flood Control Measures

The high-level Committee on Floods appointed by the Ministry of Irrigation and Powers submitted an interim report on general assessment principles and policies in regard to immunity from floods. They have opined that absolute or permanent immunity from floods is not physically attainable by measures of control known so far. They emphasise the urgency and importance of completing investigations and of preparing comprehensive basin-wise flood control plant. These should fit in with the other phases for water resources development, such as irrigation and power to the extent possible. The flood control aspect of a multi-purpose project should be considered simultaneously with others and financial allocation made for all of them at one time.

* * *

New Rail Link with Kandla

With the inauguration of passenger traffic on the Bhildi-Raniwara section of the Northern Railway on the 13th May 1958, a new link between Kandla Port and the States of Rajasthan and the Punjab was opened. This is a 44-mile long stretch and completed by the Western Railway at a cost of 1.2 crores of rupees.

* * *

Railway Accountancy as a profession

The Mg. Editor, Sri L. V. Gopalan, during his visit to Chittarajan Loco Works, took the opportunity of addressing the Accounts Staff of the Works on the 26th May, the FA & CAO, Sri J. Rama Rao, presiding. In the course of the Lecture, the general aspects of work by supervisory staff was stressed; in particular, the need for their being thoroughly conversant with the rules and regulations in force on each of the subjects dealt with by them from day to day. The function of the Accounts Department was emphasised and it was brought home that their chief duty was to impress upon the executive the prevalent authorities and to what extent they were or were not following them. *Personal* opinion of the noting staff was not what was needed, but the accepted authorities contained in the Codes or Orders of competent authority. References to precedents should also be quoted wherever practicable. Now that many of the Codes published by the Railway Board were available more or less readily, the need for their proper study is all the more felt and the Staff were required to pay special attention to such study. In fact, the staff should take a pride in being members of the Accountancy Profession (in which Railway Accountancy was a specialised portion) and in holding aloft the prestige of the profession by steady and pertinent work. By a proper appreciation of the functions of the Accounts Department, the administration would realise its help in the maintenance of speedy and accurate accounts. In fact, it would be more appropriate to state that it is the administration that should prepare the accounts and the Accounts Department should see that such accounts were prepared in accordance with existing authorities and represented a correct position of the transactions. The Lecturer pointed out the availability of other types of help for the conscientious Accountant in the shape of Journals, Guide Books etc. In fact, some of the Senior Officers like Sri Gore were taking special pains in charting out types of work for easy appreciation of the various stages and how they dovetailed into the Accounts structure.

The Chairman also spoke of the Railway Accountancy profession and how its Members should work as a team and prove to the Executiye that the professional Accountant could be a source of great assistance to the executive if they desired it. The Staff should also use every opportunity of discussing important topics with the concerned supervisory staff and have an integrated view of the various topics. Thus matters concerning works expenditure, Booking of Accounts, Staff Matters, P.F. Accounts etc. should become the subjects of frequent consultations with each other for exchange of views.

By these means, the efficiency of the staff would improve considerably.

* * *

Chairman P.A.C.

Sri T. N. Singh, M.P. has been appointed Chairman of the Public Accounts Committee for the year 1958-59.

* * *

Well-Kept Accounts

Following the practice in England, the Institute of Chartered Accountants in India, it is understood, has launched a scheme for giving a Prize or Shield for excellence in presentation of the accounts of Companies, both in content and in intelligible analysis. Readers may remember that we ourselves suggested that a similar scheme might, with advantage, be introduced on the Railways by awarding a money prize to the stations, coming under a particular category, which submit their Balance Sheets and Returns to the Accounts Office in the proper form, neatly and without any discrepancy. For this purpose, the stations on the line might be divided into three or four categories, such as the 'most important', 'important', 'less important' and 'wayside' stations.

Readers' Forum

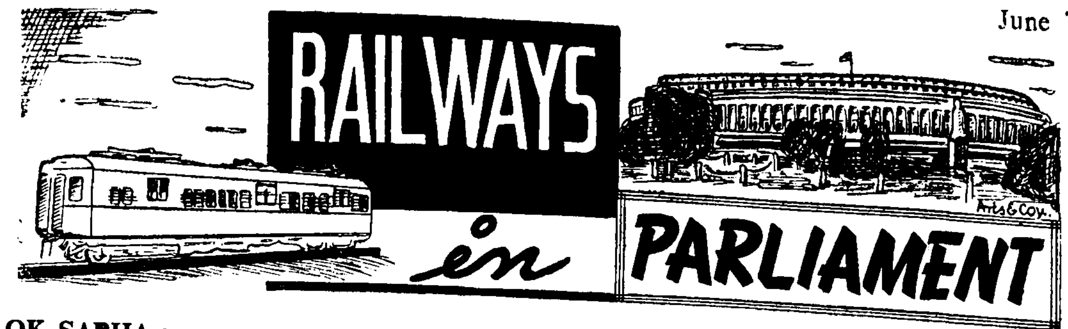
Payment of Wages Act

With the increase in the limit of wages to Rs. 400/- under the amendment to the Payment of Wages Act, effective from 1-4-1958, the question arises whether the Act would now be applicable to Gazetted Officers also, whose salary does not exceed Rs. 400/-. In the absence of any restriction in the Act, it would appear that the answer to this question is in the affirmative, but it does raise a question of policy as to whether it is the Parliament's (or the Government of India's) intention that the Payment of Wages Act should cover Gazetted Officers also.

ACKNOWLEDGMENTS

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

Central Railway Magazine	May '58	Transport	Apr. '58
Eastern Railway Magazine	Apr. '58	Indian Railways	May '58
Northern Railway Magazine	May '58	Indian Railway Gazette	June '58
Western Railway Magazine	May '58	Indian Construction News	May '58
South Eastern Rly. Magazine	Feb. to May '58	Chartered Accountant	May '58
Southrailnews	May '58	Careers & Courses	June '58
Chittaranjan	May '58	Educational Review	May '58
Central Railway Newsletter	May '58	Australian Accountant	Apr. '58
Eastern Railway (Lifeline)	16-4-'58	Accountants' Journal (New Zealand)	Apr. '58
,, Newsletter	7-5-'58	Wednesday Review up to W. E.	28-5-'58
Southern Railway Newsletter	'58	Railway Herald up to P. E.	—
Western Railway ,,	Mar. '58	Railway Board's Monthly Statistics	Jan. '58
Metric Measures	—	I. R. T. D. A. Newsletter F. E.	16-5-'58



LOK SABHA :

Electrification of Indian Railways

The Dy. Minister of Railways told the Lok Sabha on the 5th of May 1958 that there would be no difficulty in electrifying the Asansol-Sini-Tatanagar-Rourkela and Rajkharswan-Barajmada sections covering the South Eastern Railway's coal and iron region.

He stated further that it was hoped to electrify a total of 1062 route-miles during the second plan period and the total requirements of electricity for this had been worked out at 177 million watts.

It was also proposed to set up a 125 k.w. thermal plant at Dugda to supplement the supply from the D.V.C.

* * *

Lok Sabha Convention on 'Vote-on-Account' Bills

The Convention, at present, in regard to Government Budget has been for the Government to request a "Vote-on-account" which is treated by the Parliament as a formal affair and passed without discussion. Such a request is usually sought by the Government before the House takes up the consideration of the Budget demands for grants Ministry-wise.

In the discussion asking for setting aside this convention, it was pointed out that it was necessary, particularly where new services were included in the Vote-on-Account bill, that the matter should be discussed before a vote could be given and the denial of reasonable opportunity to consider the Bill was a complete negation of the right to speak and was, therefore, unconstitutional.

The Law Minister pointed out that the present Convention was the outcome of a voluntary agreement by the House not to have detailed discussion on Vote-on-account Bills, so that more time could be taken by the House for detailed consideration of the Demands for grants of the Ministries.

The Finance Minister also assured the House that no new services would be introduced on the Vote-on-Account Bill.

The Speaker stated that the Convention had been adopted in terms of Article 116 of the Constitution of India and that the principle behind the practice was that the House ought to grant sufficient funds to the Government in advance to enable them to carry on till the Demands were scrutinised and voted upon. If, therefore, the period covered by the Vote on Account bill exceeded a month, it would be open to him to allow discussion. He, however, assured the House that the Vote On Account was asked for only after general discussion on the Budget.

The Speaker also stated that he would consider whether in future the House could not take up general discussion of the Budget a week after presenting the Budget.

The Speaker ruled that the present convention was not contrary to the principles set out under Article 116 of the Constitution that gave power to the Lok Sabha to authorise by Law the advance withdrawal of moneys from the Consolidated Fund India.

* * *

Changing Names of Stations : Coordination Between Rys. and P & T Dept.

Information was given by Shri S. V. Ramaswamy, Deputy Minister of Railways, in the Lok Sabha on 9th May '58.

" Prior to 1953, there were no specific or uniform instructions regarding the procedure to be adopted for changing the names of stations by the railways and of post offices by the Posts and Telegraphs Department.

Requests received by the railways were considered on their merits and changes were effected after consulting the revenue authorities of the State Government concerned, the Surveyor General of India and the Indian Railways Conference Association. The Surveyor General was consulted for the correct spelling and the Indian Railways Conference Association to give appropriate code intials and to ensure that there is no duplication of the name, either in spelling or in sound, with names of other stations already in existence. In this respect the railways and the Posts and Telegraphs Department functioned as separate limbs of the same Government, without co-ordination. Therefore, some of the post office names were changed while the names of the concerned railway stations remained unchanged.

Home Ministry Instructions

To the public, confusion in regard to names can arise, not only on account of different names being adopted by the railways and the Posts and Telegraphs Department, but also by the State Governments. In September, 1953, therefore, the Ministry of Home Affairs issued uniform instructions to all the Ministries and to all the State Governments in the matter of changes in the names of villages, towns etc.

According to these instructions, unless there were some very special reasons, changes in the names which people had got used to should not normally be made ; the State Governments should furnish detailed reasons for proposing changes, and the approval of the Ministry of Home Affairs should be obtained before changes were made.

The procedure now adopted on the railways is in accordance with these instructions received from the Ministry of Home Affairs, which are also followed by the Posts and Telegraphs Department.

In future, therefore, except to the extent given below the names of places as adopted both by the post offices and the railways should be the same.

No Identical Names on Railways

A railway station is sometimes named after some important town which might be a few miles away from the station—for example, Nasik Road, Madanapalle Road etc. The post offices located in these towns are named after the towns ; but those nearer the concerned railway station might be named differently.

Further, on the railways, no duplication of names is permitted even if they are in different States or on different railways, while this is not rigidly adhered to in the case of post offices and names such as Sultanpur (Burdwan), West Bengal ; Sultanpur (Midnapur), West Bengal ; Sultanpur (Azamgarh), U.P. ; and Sultanpur (Surat), Bombay are permitted.

On postal articles, the public have been advised to write the full name and address, the name of the post town, district and State. In the case of railways, identical names of two stations even on different railways will lead to considerable confusion in the booking and carriage of traffic, as all goods do not lend themselves to marking of the full address thereon.

However, efforts will be made to coordinate with the Posts and Telegraphs Department in accordance with the procedure laid down by the Ministry of Home Affairs to ensure that, to the maximum extent possible, the names of railway stations and of the post offices located nearby are identical.

Also, in respect of the names of post offices changed prior to 1953, without a corresponding change of the railway station names, the acceptance by the Home Ministry of the changes made will be expedited, so that a similar change may be effected, without delay, in the names of the concerned railway stations.

Books Review

PENSION RULES (1957) FOR RAILWAY SERVANTS: By a Board of Experts headed by Sunder Lal. (Published by Messrs Bahri Brothers, P.B. No. 2032, Delhi 6. Price Re. 1.00).

The Preface states that for the facility of Railway employees, to enable them to understand and grasp the Liberalised Pension Rules, this booklet has been designed and published.

In the opening Chapter, paras 1, 4, 5 and 6 of Railway Board's letter No. F(E)50/RT1/6 of 16th Nov. 1957 have been reproduced. While so doing, the orders regarding grant of additional Death-cum-retirement Gratuity to Class IV Railway servants with more than thirty years of qualifying service have been included as the concluding para under Liberalised Pension rules, even though they are not part thereof.

The entire provisions of Liberalised Pension Rules as amended from time to time have been reproduced. The Railway Servants already in service should have been given a comparative statement showing the advantageous or disadvantageous provisions in PF and Pension Schemes. The more important variations are as follows:—

(1) Under the P. F. benefit, the employee gets immediately after retirement (1) his subscription to P.F. plus interest thereon: (2) the Government contribution equal to the amount of his own contribution plus interest thereon, and (3) S. C. to P. F. with a maximum of fifteen months' pay. Whereas under the Pension scheme, the employee is granted immediately after retirement (1) his own subscription to P.F. plus interest thereon and (2) Death-cum retirement gratuity with a maximum of fifteen months' "emoluments". Instead of P.F. bonus plus interest thereon, a recurring monthly payment is made by way of pension.

(2) Under the pension scheme, the entire temporary service does not count as qualifying service, except under certain circumstances. Unlike in S.C. to P.F. Rules, the entire period of extraordinary leave is excluded and periods of leave other than LAP not exceeding four months counts only to a certain extent under the Pension Rules.

(3) In the case of employees who have officiated continuously for three years and over immediately before the date of retirement or death, in a higher post, the pay last drawn is treated as substantive for the grant of S C. to P.F. This concession is denied under Pension Rules.

(4) Under Pension Rules, the sanctioning authority can condone the deficiency in qualifying service upto a maximum of three months This is not permissible under P.F. Rules.

In Section VII of the Liberalised Pension Rules, necessary provision has been made giving option to pre-1938 entrants either to remain under the Pension Rules of Civil Service Regulations or to come under the Liberalised Pension Rules introduced as a result of C.P.C. Recommendations. It is not necessary to reproduce this provision in this booklet as it has no bearing in respect of staff now electing to Pension Rules (w.e.f. 1-4-1957).

The Liberalised Pension Rules contain certain modifications of the existing C S.R. governing the grant of ordinary pension rules. These rules have been summarised and given in the later Chapters and Appendix.

The Special advantages derived under the Liberalised Pension Scheme may have been brought out clearly; i.e., (1) grant of D.C.R. gratuity with a minimum in the case of death; (2) family pension with a minimum of Rs. 30

In Chapter III, the general conditions governing qualifying service and average emoluments have been dealt with. While the points enumerated therein may be intelligible to a person who has already had sufficient knowledge of pension rules, it may not help a person fresh in this field.

JOSEPH.

THE INDIAN FINANCIAL SYSTEM: By Sri O.K. Ghosh, (Accountant-General, U.P.) Price Rs. 5. Published by Kitab Mahal, Allahabad. PP. 140.

This is a very interesting book, dealing with the financial system of India, in comparison with what obtains in other countries, like Great Britain, U.S.S.A., and Canada, and giving suggestions for improvement. The practice of financial control in the U.S.S.R., and Australia has also been touched. The author has drawn largely from his experience as Accountant-General and also in the Finance Ministry, Planning Commission, and the States Re-organisation Commission. The author has also quoted largely from his own work entitled "Role of the Canadian and U.S. Government in the promotion and execution of the economic development schemes", and from the Report of the Finance Commission etc. The book is divided into four main sections, dealing with relations between the Centre and the States, the Budget, Expenditure control and Audit, while the conclusions are dealt with in a separate section at the end of the book. The author advocates a drastic change in the classification of expenditure by adopting the analytical pattern adopted for the Plan expenditure, (as adumbrated by Prof. Mahalanobis), which provides a rational and readily intelligible classification, and the Railways will do well to make an examination of the present classification of Railway expenditure, both Capital and Revenue, with a view to rationalise it on the pattern advocated by Prof. Mahalanobis. This should no doubt, keep in view the necessity and desirability for the Accounts heads and Budget heads being the same, instead of being different as at present on the Railways.

In dealing with Re-appropriations, the procedure of "Virements" obtaining in England could have been mentioned by the author. The author's suggestion to have a flexible pool of Officers from different services, including Audit, would appear to be in line with the views of the present Auditor-General (Sri A.K. Chanda), but, it cannot be gainsaid that there is a solid block of opinion which holds that Audit should religiously be kept separate from the Executive in order to secure and maintain the independence of the former, which is likely to be lost by the admixture of the personnel in the pool.

On page 87, the way in which the lapses and irregularities relating to Finance are dealt with in the U.S.S.R., is described, as under—

"When offences are minor, the Ministry of States Control reprimands the officers. These reprimands are sometimes printed in the press. Sometimes a fine is imposed on the offender, up to the equivalent of three months of his salary. In more serious cases, the offender may be removed from office. In still more serious cases, he may be made over to the Procurator General's department for prosecution."

The reviewer is reminded in this connection of Sri E.R Seshu Iyer's suggestion in his address to the Institute of Railway Accountants and Auditors in Calcutta some years ago, to the effect that the system of surcharging the Officers, who were found to have committed lapses or irregularities in regard to Public finance, should be introduced by the Government of India, as is being done to some extent in the case af local bodies. This however, would appear to be a far-cry under the existing circumstances of this country.

In dealing with the question of separation of Accounts from Audit, it is surprising that the recent experiment in the Supplies Department, etc., by having separate Pay Offices, has not been mentioned by the author. The author's statement in page 68 that "even in the Railways, the Financial Adviser-cum-Chief Accounts Officer is responsible for finance and accounts and not the General Manager" would not appear to be strictly correct, as the Financial Adviser and Chief Accounts Officer, on the Ry. like the head of any other Executive Department is under the General Manager, though with certain rights to refer to the Financial Commissioner (Rys.) under certain extreme circumstances. In fact, the Appropriation Accounts are signed by the General Manager and not by the Financial Adviser and Chief Accounts Officer.

An excellent index enhances the value of the Book.

There are some mis-prints e.g., "devaluation" for "devolution" on page 14, "Tool" for "Total" in item IV of page 38, etc., which may be corrected in the next edition.

B.G.B.

LIBERALISED PENSION RULES: By Sri T.G.P. Haran, M.A., Training Accountant (Pensions) Southern Railway, Madras and Ex. Trg. Acctt., S.A.S. Training School, Office of the Accountant General, Madras. Published by Messrs Giri Press, Triplicane, Madras-5. Price Re. 1. pp. 1 to 57.

This book has been written by a very experienced Official and has a special arrangement. The rules on the subject have been brought out in full at the beginning and explanatory notes which follow define important terms used in the rules. An analysis has been made of the various types of cases that may arise in dealing with these notes. Special features to be noticed in connection with the calculation of pension or Gratuity of various kinds have also been clearly analysed. The Book closes with nine worked examples dealing with all types of staff—Gazetted and non-Gazetted.

The Book is, therefore, bound to be of very great assistance to those interested in having a clear idea of the new Pension Rules as applied to Railway Staff. It would, however, have been still more useful had an attempt been made to analyse and compare the pension rules with the P.F. benefits which are being replaced. Generally, however, it is admitted that the pension rules would be substantially beneficial to staff who have a long lease of life, i.e., who live beyond 62 years of age.

The price of the book has been kept low so ae to be within the easy reach of the low income group of staff.

"G"

Letters to the Editor . . . .

This Section has been started at the request of readers to ventilate their grievances. The Management does not take any responsibility for the opinions of correspondents; but reserves to itself the right to tone down any objectionable language that may appear in the originals.

I

Railway Accountant: May 1958

One of our esteemed Correspondents has pointed out that not only are subordinate Supervisors not exacting discipline, but there is a miasma of lack of courage to express clear views on the part of the higher authorities and also a certain amount of impotency; and he expresses the hope that conditions will improve when Ministers and others get familiar with the exercise of authority.

Regarding the Article "*Cement Vs Lime*", this Correspondent points out that lime is now less in use because (a) it is dearer (b) the labour to beat it with sand is more costly and (c) cement is so ready to hand that work can commence without any organised preparation.

Regarding *Date of Birth*, which has been the subject of a Court decree, published at page 56 of the May 1958 issue of the *Railway Accountant*, it is emphasised that a very easy procedure should have been laid down by the Railway Board and its observance insisted upon so as to avoid unnecessary troubles and appeals at a late stage. The procedure could possibly take the form of preparation of a Gradation List for every new Office, and staff insisted upon perusing it and pointing out errors, discrepancies etc., within a specified period, say not later than three months

stating at the same time that any complaints lodged after the specified period would not be normally considered.

Note: Individual Railway Administrations and the Railway Board may find it very helpful to take up this question of alteration in date of birth and lay down a specific procedure for immediate and uniform observance by all concerned.

Ed. R.A.

II

House Building Advance to Central Government Employees

So much is said about the grant of advance to Government employees, by the Ministry of Works, apart from the withdrawal for house building or for the purchase of a new house. Can anyone say that the loan has been obtained? So far as my knowledge goes, nobody seems to have been benefited as there are so many formalities and loans are sanctioned piecemeal, one at a stage of purchase of plot, then at every stage of the building increased.

Both in the interest of the Government and in the interest of the Central Government employees, my suggestion would be that the work of acquisition of land and purchase thereof, building the house on the site etc., should be left to the Co-operative Societies. Taking for instance the Thillainagar Society of Tiruchirapalli, it requires initial investment and the Government grants loans for building house and in the course of two or three years the building is built. Similarly, for Central Government employees the Government instead of granting the loans to the employees which involve so much of formalities, should entrust the work to such local societies and the Government Servant should be able to acquire a house instead of a loan; and by paying a rent for that house, in the long run he should be made to own a house.

This sort of leasing out built houses to Government employees will go a long way to relieve the conjestion and also help the middle class.

It is also ascertained that in certain countries, there are ways and means for the middle class to acquire a house for themselves by paying a monthly premium as for Life Insurance.

Such examples should be followed, instead of granting a loan.

Will the Government look into this and see that the *Own Your House* by easy instalment basis for Government servants be initiated in the Second Plan?

V. RAMAMOORTHY, *Tiruchi.*
6-5-1958.

III

Indian Railway Code for the Accounts Department Part I

It is learnt that the above Code Book has been released for sale by the Government and that the price is Rs. 3/- and it is strange that the Government should have raised the price so much, when the times are for cheap editions. The Government should do well to reduce the price to the lowest possible so that every employee will desire to have the copy and thus increase the efficiency of the working. Of course in para 141-A it is stated that the Staff of Accounts Department can have copies at 50% of the cost. But it would appear that in the interest of efficiency and to cope with modern tendency to publish cheap editions and when embassies supply free books, the price of the above code should be reduced, on no profit and no loss basis on which basis even canteens of Railways are supposed to be run as per General Manager's Circulars.

Interested

Note: We understand that the present issue is only an emergent one and that another corrected issue will be released at a cheap price very shortly.

Ed. R.A.

STUDENTS' CORNER

Appendix III Exam. 1957

STATION A|Cs (WITH BOOKS.)

Q. 1. Goods Balance Sheet of ABC Station for September 1957 :

Dr.	Rs.	Rs.	Cr.	Rs.	Rs.
To Opening Balance :					
Short Remittance	20		By Cash acknowledged		21,358
S. I. Notes	15		By Cash on hand on 30/9		820
Cash on hand on 31/8	780		By Vouchers		
Error Sheets	90		Credit Notes	940	
I/W to Pay Goods	1895		Cash Order	250	
		2800			1,190
To Goods O/W Paid		2465	By Special Credits		
To I/W to Pay		20200	Credit Advice	20	
Undercharge		85	Refunds	65	
Arrear undercharge		23	Auctioned		
			IW to pay Freight 38		
Wharfage		249	Wharfage 4		
				42	
Demurrage		190	O/C sheet for withdrawn goods	90	
Error Sheets		175	Twice Accountal	50	
			Freight deposit	690	
					957
Special Debits :			By Outstandings (C.B.)		
			S.I. Notes	15	
Auction sales	18		Error sheets	85	
Crane charges	25		I/W to Pay	1895	
Earnest money	100		Base coins	10	
		143			2,005
		26330			26,330

CASH ON HAND on 31/8. Rs. 780/-. Usually Cash on the last date of the month is not shown as on hand, since the Remittance Note prepared therefor on the 1st of the following month is included on the Credit side of the Balance Sheet as earnings of the last month.

Similar remarks apply to Cash on hand on 30/9 : Rs. 820.

Crane charges on Outwards To Pay Goods for Sept : *Rs. 25/-* It is assumed that this amount has been collected and shown in the To Pay Invoice as paid item.

Registration fee forfeited in Sep. Rs. 15/- Wagon Registration fees on collection are brought on to the Debit side of the Balance Sheet concurrently. Hence the forfeiture is not noted individually in the current Balance sheet.

Inwards to Pay goods withdrawn after despatch of Invoice to ABC Station : Rs. 90/– It is presumed that the overcharge sheet was set in motion and received duly completed at the receiving Station for purpose of taking credit for the debit outstanding in September against the item already included in the lump sum of Rs. 20,200/-.

Base Coins returned by Cashier in Sep : Rs. 10. It is presumed that the amount was not remitted within September and is, therefore, outstanding at the close of the month.

Credit Notes collected in September : 940. It is assumed in the absence of further details that all these Credits Notes were for Outwards Paid Traffic

Cash acknowledged by Cashier has been given and is proved as shown hereafter. Obviously, the only item that is not included in this acknowledged sum was that pertaining to the last date of September shown as on hand : but it includes the cash on hand on 31/8/57.

Working Notes

Short Remittance

Opening Balance		20
Debits		—
Credits		20
Closing Balance		—

Indemnity Bonds

Opening Balance		15
Debit		—
Credit		—
Cl. balance		15

Error Sheets

Opening balance		90
Debit		175
Credit Paid	160	
Withdrawn	20	180
Closing balance		85

Inwards To Pay

Opening Balance			1895
Debit		20,200	
		85	
		23	
		——	20308
Credit :			
Remittances :	20115		
Refunds	65		
Auction sale	38		
Withdrawn	90		
	——		20308
Closing balance			1895

Cash Remittance

Cash on 31st Aug.			780
Short Remittance made good			25
Error Sheets paid			160
Inwards To Pay goods			20,115
Outwards paid Goods		2,465	
Less	940		
,,	690		
	——	1,630	
		——	835
Wharfage			245
Demurrage			190
Crane charges			25
Auction Sales			18
Earnest money			100
			——
			22,488
Less :			
Cash on 1/9 :	820		
Cash Order	250		
Base coins	10		
Twice a/cl.	50		
	——		1,130
			——
Cash acknowledged			21,358

* * *

Station Outstandings

The outstandings at Stations consist mainly of the following :

Accounts office Debits, both admitted and disputed ;

Freight outstandings ; both regular and irregular ;

Miscellaneous items like short remittances, cashier's disallowances, etc.

Debits are raised by the Accounts Office as a result of the scrutiny of the Accounts submitted by Stations periodically to the Accounts Office. They may be due to various reasons, the usual being inaccurate preparation of Returns, application of wrong data or rates, omission to account in part or in whole the amounts collected by stations, etc. These debits are communicated to the Stations through what are called Error-Sheets, and on receipt, these are expected to be checked by the Station Staff and if found correct to be shown as admitted, and if not found correct, to be shown as disputed with full reasons recorded on the Error-Sheets. Admitted debits should be made good very early as per Local orders in force; and correspondence initiated without delay to settle disputed items. It is thus obvious that the primary action for clearance of outstandings of this nature (A. O. Debits) rests with the Station staff and their ultimate clearance depends upon how quickly and correctly they act. It is the duty of the Travelling Inspector of Accounts during his periodical inspections of Stations to verify to what extent the staff have been vigilant and to see that their shortcomings are remedied forthwith. In the case of disputed debits, prompt disposal of references in the Accounts Offices and in Traffic Offices is a very essential link in the speedy settlement of disputes and thus in the acceleration of clearance of such outstanding items. It is obvious from the above that if the regulations are clearly and scrupulously followed at every one of the stages, the accumulation of outstandings on account of Debits need not take place; per contra, an accumulation of items even a few months old not to speak of those that are years old, clearly point to the want of adequate action by the Station and the inspectors in time. The existence of items for a long period should also have attracted the attention of the Office Staff both in the Acounts Department and in the Commercial Offices. The Officers of the Commercial Department and the Traffic Inspectors should, during their frequent visits to the Stations, have scrutinised these outstandings with a view to pull up their staff and reduce outstandings. The existence therefore of very heavy outstandings at many stations for long periods thus point obviously to the fact that the officers have not carried out their duties satisfactorily.

In the review of the old outstandings by competent authorities, the responsibilities of the staff and Officers at the various stages should come up for close scrutiny; if for nothing else, at least as an eye-opener for the future and to take remedial measures to prevent such lapses.

The colossal waste of time, labour and finance in trying to clear the vastly accumulated uncleared debits at such a late stage, should not be lightly passed over.

(To be continued)

* * *

OBITUARY

SIR HUGH COCKE, (76), died at his home in Liss (S. England) on 27-5-58.

An associate of the Institute of Chartered Accountants, he was twice President of the Bombay Chamber of Commerce and Sheriff of Bombay in 1933.

He also served on the Bombay Municipality, Port Trust and Improvement Trust and in 1924, joined the Legislative Assembly sitting in Delhi and Simla. He was Knighted in 1929.

Appendix III-A Examination 1957

Full List of Passes

The following candidates, who appeared at the Appendix III-A Examination held in December 1957, are declared to have passed the Examination :

A – Accountants ; B – Inspector of Station Accounts ; C – Inspector of Stores Accounts.

OUR HEARTY CONGRATULATIONS TO ALL OF THEM.

Mg. Ed., R.A.

CENTRAL RAILWAY

A. Qualified as Accountants

Roll No.	Name
2	Shri Lal B. Shivdasani
3	,, B. J. Kedari
7	,, M. G. Mahant
8	,, S. V. Krishnaswami
9	,, C. Krishnamurthy
10	,, N. M. Venkataraman
13	,, K. N. Vaidyanathan
14	,, K. M. Chugh
23	,, S. J. Neglur
25	,, C. A. Mathew
31	,, M. A. Mathew
43	,, L. H. Chellaney
49	,, Y. S. Shende
51	,, M. D. Kulkarni
52	,, V. G. Araokar
58	,, D. Sadasiva Shetty
59	,, M. P. Dabak
65	,, N. G. Subramanian
67	,, Murlidhar Vishwambar
68	,, K. Srinivasan [Bhalerao
75	,, A. K. Radhakrishnan
81	,, G. T. Lalwani
82	,, T. R. Subramanian
83	,, N. Jagannathan
85	,, D. L. Subramanian
88	,, G. Lakshmanan
91	,, R. Subramanian
93	,, N. Krithivasan
94	Shri R. Venkateswaran
111	,, C. M. Senkaran Kutty Menon
120	,, G. V. Joag
125	,, J. T. Shahani
131	,, A. K. Shaikh
132	,, G. N. Bhide
135	,, G. J. Neglur
143	,, A. Ramakrishna Pillai
146	,, Madhukar Govind Nimde
150	,, R. Balasubramanian
152	,, K. Vaidhiswaran
153	,, V. D. Ghatnekar
154	,, M. Dattatreyulu
159	,, K. Subbarao
163	,, T. S. Raghavan
166	,, B. M. Ramanathan
171	,, G. N. Patil
174	,, Y. V. Hanumantha Rao
178	,, Brij Beharilal Srivastave
179	,, Shivanand Srivastava
182	,, S. W. Sule
190	,, K. Venkata Reddy
192	,, R. Neelakanteswara Rao
199	,, A. Narasimha Rao
200	,, C. Maniraj
201	,, M. Jayakrishnan
203	,, C. Maruthi Rao
206	,, Ram Sahai Takyar
207	,, Prabhakar Govind Dateer
208	,, Mangal Dass Sharma

B. Qualified as Inspectors of Station A/cs.

Roll No.	Name
2008	Shri V. C. Cherian
2011	,, S. K. Sadhwani
2012	,, S. R. Kuber
2014	,, K. R. Lakshmikanthan
2023	,, Bhaskar Moreshwar Chouk
2034	,, Y. G. Krishnayaji
2036	,, Banarsi Dass Sukheeja
2038	,, Bajrang Bahadur
2051	,, Dev Raj Lau
2052	,, S. P. Kanakiah
2054	,, A. Venkateshwara Sarma
2062	,, Ramprakash Nehru

C. Qualified as Inspectors of Stores A/cs.

Roll No.	Name
3004	Shri M. Sundaram
3011	,, Bhimsen Misra

NORTHERN RAILWAY

A. Qualified as Accountants

Roll No.	Name
211	Shri Surinder Nath
214	,, Satya Pal Arya
216	,, Sat Pal Treon
217	,, Triloki Nath Gupta
220	,, Tek Chand Chawla
221	,, Dharam Pal Sharma
222	,, Balram Datta
223	,, Darshan Lal
226	,, Babu Ram Katiyar
228	,, Nauharia Ram
229	,, Jagdish Sharan Sharma
230	,, Krishna Chandar Bhatia
231	,, D. N. Bhandari
241	,, Krishan Chand Bhalla
242	,, Kanwal Singh
244	,, Lakshmi Narain
246	,, Harbans Lal Goswami
247	,, Narinder Singh
248	,, Walaiti Ram
249	,, Om Parkash Gupta
250	,, Harbans Singh
251	,, Rameshwar Dayal Sotie
253	,, Rulia Ram Gupta
255	Shri C. S. Mehta
256	,, Prem Prakash Puri
262	,, Kundan Lal
263	,, Ram Narayan Jain
265	,, Om Parkash Shangari
267	,, Harbansh Dubey
269	,, Ram Saran Das Chadha
271	,, Hira Lal Gupta
272	,, Suraj Lal Tandon
273	,, Ganga Singh
275	,, Attar Singh Verma
276	,, Om Parkash Malhotra
279	,, Ishwar Datt
280	,, Dharam Pal
282	,, Ganesh Lal Malhotra
286	,, Beni Pershad
287	,, Dev Kumar Khanna
290	,, S. P. Sethi
291	,, Bhupindar Singh Ahluwalia
292	,, T. S. Bawa
297	,, B. S. Sharma
299	,, Hari Chand
300	,, Om Parkash Wadhera
306	,, Raghu Nath Lal
307	,, Surinder Prakash
308	,, O. P. Rajprohit
309	,, D. P. Kaushal
310	,, K. K. Chopra
313	,, Brahma Nand Gaur
316	,, J. N. Monga
320	,, Phool Chand Bhatia
322	,, Raj Kumar Trikha
323	,, K. L. Gupta
337	,, Praja Ram Sharma
338	,, Madan Mohan Lal Khullar
339	,, Mulkh Raj Bhalla
340	,, Anand Kumar Atal
341	,, Ram Sarup Sharma
343	,, Ram Singh
345	,, Sadhu Ram Kapila
348	,, Lajpat Rai
349	,, R. P. Rajwanshi
353	,, Madan Mohan Lal Bhardwaj
356	,, Mulk Raj Kalra
366	,, Manohar Chand

Roll No.	Name
369	Shri Abdul Hamid
371	„ Krishnan Gopal Joshi
380	„ Dau Lal Agarwal
383	„ Tirath Ram Pathak
385	„ Amar Nath Bhasin
390	„ Balram Dass
394	„ Baldev Singh Sharma
397	„ Charan Dass
400	„ Lajpat Rai
403	„ A. N. Sinha
404	„ K. M. Roy
406	„ Masroor Alam
407	„ Bal Krishan Malik
408	„ Kanti Sahai
409	„ Chaman Lal Sharma
411	„ Brij Kumar Srivastava
414	„ Lajpat Rai Arora
420	„ S. S. Srivastava
421	„ D. N. Tagore
422	„ L. N. Asthana
423	„ Jagan Nath Pd. Tewari
426	„ Maheshwar Nath
427	„ Ram Gopal Dixit
428	„ Ashok Kumar
429	„ Murli Dhar Thakur

B. Qualified as Inspectors of Station A/cs.

2075	Shri Hans Raj
2087	„ Budh Ram Gupta
2089	„ Bhagat Singh Dau
2101	„ Ranjit Singh Bhatia
2104	„ Guru Datt Sharma
2106	„ Surinder Nath Nair
2113	„ Hari Chand Duggal
2115	„ Parkasha Nand Vaid
2116	„ Harbans Singh
2118	„ Krishan Dev Agarwal
2123	„ Har Krishan Singh
2124	„ Brahm Datt Sharma
2129	„ Baldev Raj Kohli
2142	„ Dule Ram Gupta
2144	„ Raghbir Singh
2145	„ Shiv Charan Kalra
2146	„ Badri Dass Agarwal
2154	„ Wasakhi Ram Bajaj

Roll No.	Name
2157	Shri Kuldip Singh
2159	„ Joginder Singh
2160	„ Janki Nath Vasishta
2167	„ Rattan Lal
2181	„ Amar Nath Vir
2182	„ Rup Narain Sharma
2190	„ Charan Dass
2192	„ Joginder Singh
2193	„ Kishnan Chand Jain
2194	„ Ram Parakash Saluja
2196	„ Atma Ram Dixit
2200	„ Bachan Singh
2203	„ Amar Singh Ahluwalia
2205	„ Bishamber Das Sharma
2206	„ Ram Gopal Kapur
2207	„ Keshav Datta Kapur
2208	„ Madan Mohan Gaur
2211	„ Mohan Ral Mathur
2223	„ B. K. Dixit
2229	„ Sajjan Raj Bhandari
2234	„ U. N. Sharma
2237	„ Mohinder Parshad Jairath
2242	„ Om Parkash Kalia
2250	„ Hans Raj Sikka
2252	„ R. C. Srivastava

C. Qualified as Inspectors of Stores A/cs.

3013	Shri Magh Raj
3016	„ Kirpa Ram Manocha
3018	„ R. R. Gupta
3019	„ H. L. Jetley
3023	„ M. L. Dhassa
3024	„ D. N. Dhawan
3026	„ J. C. Dhir
3029	„ Tarlochan Singh
3031	„ R. M. Kalia
3037	„ Ram Karan
3038	„ S. K. Chatterjee
3043	„ Joginder Singh
3051	„ Bhawani Das
3053	„ Uma Datta Tripathi
3054	„ R. P. Singh

NORTH EASTERN RAILWAY

A. Qualified as Accountants

Roll No.	Name
434	Shri Gautam Prasad Goel
456	„ Avadhesh Saran Khare
457	„ L. N. Roy
464	„ Saroj Verma
466	„ Ram Rajit Dubey
467	„ Ram Saran Gupta
472	„ Jeet Bahadur Pathak
478	„ Durga Pd. Tripathi
491	„ Durga Pd. Shukla
505	„ Shyam Narain Prasad
506	„ P. Radhakrishnan Nair
507	„ Sita Ram
508	„ Ram Adhar Singh
509	„ Sheo Shanker Lal
518	„ Brahma Deo Dwivedi
520	„ J. N. Mazumdar
521	„ Bachas Pati Mishra
522	„ Abdul Hai
523	„ H. P. Dikshit
524	„ Sadhu Saran Dubey
527	„ J. N. Sinha
528	„ Rabindra Nath Chakraborty
530	„ Promod Kumar
532	„ Raj Bali Tiwari
552	„ Harish Chandra Trivedi
556	„ Amar Nath Kapoor
560	„ Jogendra Nath Banerjee
561	„ Anirudh Singh
563	„ Bhupesh Ranjan Basu
565	„ Narayan Chandra Lahiri
570	„ Amulya Ranjan Bhattacharjee
571	„ Hemendra Nath Datta
572	„ Jatish Chandra Singha
573	„ Jnanbrata Ghosh
576	„ Sudhir Ranjan Chakravarty
578	„ Bimalendu Guha
580	„ Ranjan Kumar Manna
583	„ Ranadhir Choudhuri
584	„ Nani Gopal Nag
588	„ Anil Baran Datta Chowdhury
593	„ Murari Chand Majumder
594	„ Prafulla Kumar Chakraborty
596	Shri Samarendra Nath Sengupta
597	„ Amarendra Kumar Chatterjee
602	„ Prabhas Chandra Chakraborty

B. Qualified as Inspectors of Station A/cs

2261	Shri Mohammad Asim
2271	„ Prakash Chandra Gaur
2272	„ Brij Raj Singh
2273	„ Suraj Kumar Johri
2275	„ Krishnan Kumar Lal
2279	„ Pratap Behari Srivastava
2280	„ Jagdish Bahadur Beckaya
2290	„ Arjun Singh

C. Qualified as Inspectors of Stores A/cs

3057	Shri Ram Nivas Pande
3063	„ Jagannath Singh
3067	„ Ayodhya Nath Kunwar
3068	„ Avinashi Prasad Srivastava
3072	„ Kailash Pati Varma
3073	„ Sant Kumar Sinha
3075	„ Gopal Saran Gupta
3076	„ Dinesh Chandra Kanchan

EASTERN RAILWAY

A. Qualified as Accountants

604	Shri Santosh Kumar Bhattacharjee
612	„ Provakar Chakravartty
618	„ Pranobendu Mukherjee
633	„ Bholanath Mukherjee
634	„ Bhola Nath Mazumdar
642	„ A.N. Ghosh
644	„ G.P. Barat
645	„ B.C. Barat
646	„ Lakshmi Narayan Basack
656	„ Sudhir Kumar Banerjee
657	„ Sailendra Nath Mukherjee
661	„ Anukul Chandra Nath
670	„ Ajit Kumar Kundu
671	„ Haridas Ganguly
674	„ Sailesh Chandra Chatterjee

Roll No.		Name
697	Shri	Narayan Chandra
698	,,	Prokash Kumar Roy Choudhury
700	,,	Prafulla R Guha
704	,,	Amarendra N. Chatterjee
712	,,	P.K. Sarma
727	,,	S.P. Shukul
728	,,	Surendra Nath Banerjee
732	,,	Manoranjan Das
737	,,	Probodh Chandra Banerjee
747	,,	P.N. Ghatak
748	,,	Bibhuti Bhusan Chakrabarty
749	,,	A.N. Bose
760	,,	Manindra Kumar Chakrabarty
761	,,	Brojopati Bose
762	,,	Madhu Sudan Banerji
766	,,	Suresh Chandra Roy
769	,,	Inder Sain Jain
770	,,	H.C. Lahiri
772	,,	Khagendra Nath Das
775	,,	Amal Kumar Ganguly

B. Qualified as Inspectors of Station A/cs

2299	Shri	Prohlad Pandey
2302	,,	Gouri Kanto Chatterjee
2304	,,	Monoranjan Das
2307	,,	Pranab Kumar Sinha Barma
2309	,,	Deb Kumar Bose Sarbadhikary
2310	,,	Salil Kr. Mazumdar
2311	,,	Somnath Chattopadhyay
2312	,,	Rabindra Nath Sanyal
2315	,,	Bibekananda Hazra
2316	,,	Rabindra Nath Sarkar
2318	,,	Dharmadas Chakrabarty

C. Qualified as Inspectors of Stores A/cs

3089	Shri	R.B. Sharma
3090	,,	S.N. Pramanick
3092	,,	Sachindra Nath Biswas

Roll No.		Name

SOUTH EASTERN RAILWAY

A. Qualified as Accountants

801	Shri	S.C. Das
805	,,	J. Raichoudhury
806	,,	M. Jagannadharao
807	,,	G.C. Dey
808	,,	K. Nageswara Rao
813	,,	K. Ramanjàm Patnaik
821	,,	Madan Mohan Pal (ii)
843	,,	Amarendra Nath Mukherjee
845	,,	Naresh Chandra Nath
852	,,	Taragati Ganguly
854	,,	Durgapada Mukherjee
857	,,	Kamal Ranjan Sarkar
859	,,	B.P. Bhattacharjee
867	,,	Sunil Kumar Bhattacharjee
870	,,	S.B. Sen Gupta
872	,,	Dayal Kumar Bose
873	,,	Madhusudan Das
875	,,	A.K. Sengupta
877	,,	Sushil K. Sarkar
880	,,	Radha Shyam Banerjee
883	,,	Amalesh Kanti Banerjee
884	,,	Samarendra Kishore Dutta Roy
886	,,	S.S. Banerjee
891	,,	S.B. Bagchi
893	,,	Tarak Nath Das
894	,,	Gopinath Pal
895	,,	Narendralal Ganguli
897	,,	S.B. Goswami
899	,,	Y. Raja Rao
903	,,	S.R. Das
904	,,	B.B. Bhattacharjee
905	,,	J.K. Mukherjee
911	,,	Krishna Gopal Chakrabortty
921	,,	Nirmalendu Chakravarty
922	,,	S.S. Rao
931	,,	S.K. Bose
933	,,	K. Guruchandran
934	,,	Parimal Kumar Sen Gupta
935	,,	N. G. Banerjee
943	,,	Santimoy Paul
950	,,	N. G. Krishnamurty
952	,,	P. Prabhakara Rao

Roll No.		Name
953	Shri	M. Krishna Rao
966	,,	M. Srinivasa Rao
968	,,	S. C. Sarkar
969	,,	K. V. S. Prakash Rao
970	,,	M. Suryanarayana

B. Qualified as Inspectors of Station A/cs.

Nil

C. Qualified as Inspectors of Stores A/cs.

3097	Shri	D. Sanyasi Rao
3099	,,	S. K. Mukherjee
3101	,,	N. V. R. S. Manian
3104	,,	B. K. Bose

WESTERN RAILWAY

A. Qualified as Accountants

982	Shri	D. D. Raut
983	,,	Abdul Rahim
986	,,	G. F. Dorsey
988	,,	D. N. Basa
994	,,	K. S. Raman
999	,,	M. A. Jathar
1005	,,	D. D. Jape
1008	,,	H. J. Mankad
1016	,,	R. L. Vartak
1020	,,	M. H. Bhatt
1035	,,	D. E. Gardner
1039	,,	P. Bhaskaran
1045	,,	S. S. Gupta
1049	,,	G. N. Desai
1051	,,	R. H. Bhatte
1052	,,	N. Narayanan
1057	,,	D. N. Chendke
1059	,,	J. M. Lopes
1063	,,	A. P. Bhatt
1064	,,	V. Mahadevan
1065	,,	D. G. Kataria
1067	,,	R. R. Pandit
1071	,,	A. S. Sarman
1073	,,	R. Vasudevan
1085	,,	P. M. Kotwani

Roll No.		Name
1086	Shri	E. V. Subramanian
1087	,,	K. T. Abraham
1089	,,	S. P. Ahluwala
1101	,,	N. M Bansal
1102	,,	Anand Prakash Gaur
1103	,,	A. P. Srivastava
1104	,,	P. N. Mehra
1107	,,	Rameshwar Das Sharma
1108	,,	Mohan Lal Bhandari
1114	,,	Babu Lal Sharma
1122	,,	Shanker Lal Gwal
1124	,,	Balwant Singh Sud
1127	,,	Har Kishore Bhargava
1130	,,	Tulsi Ram Reejonia
1131	,,	Naraindas Madnani
1133	,,	Jayantilal Chagganlal Desai
1137	,,	Bhagwandas Israni
1139	,,	Harbans Singh
1141	,,	Shyam Sunder Goyal
1147	,,	Om Prakash S/o Bishan Lal Goyal
1152	,,	Shyam Kishore Kapil
1153	,,	Probodhkumar Shrikrishna
1158	,,	Shyam Murari Lal [Deshpande
1162	,,	Teoo Mal C. Nihalani
1164	,,	K. T. Malhotra
1167	,,	Chhotmal Sharma
1170	,,	Gulab Rai B. Kewalani
1172	,,	E. Srinivasan
1176	,,	Bansi Lal Yadav
1177	,,	Kishore Chand Bhalla
1183	,,	Gopi Nathan Nair
1184	,,	Kishen Chand Ohri
1185	,,	Bodu Ram Bijawat
1186	,,	Bhairun Singh Yadav
1187	,,	Lalit Narai Mathur
1189	,,	Prahlad Dutt Goyal
1191	,,	Bhanwar Lal Joshi
1196	,,	N. R. Raje
1200	,,	Nahar Singh
1208	,,	Mangal Ram Gupta
1209	,,	Inder Singh
1210	,,	Babu Ram Sharma
1211	,,	Shreesh Datt Pandey
1212	,,	Gulzari Lal
1213	,,	Gurbux Singh Gill

Roll No. NAME

B. Qualified as Inspectors of Station A/cs.

2339 Shri Bhanwar Lal Somani
2341 ,, Rameshwar Parshad
2346 ,, Sohan Lal Battu
2348 ,, Krishna Chandra Vaishnwa
2349 ,, Prem Singh
2352 ,, Ram Swaroop Guptha
2353 ,, Kailash Narain Mathur
2354 ,, Rattan Singh
2356 ,, Om Prakash Gupta S/o Basanti Lal
2358 ,, Triloki Nath Gupta
2359 ,, Bijlani Tikam
2361 ,, Prem Lal Khandelwal
2362 ,, Ram Partap Sharma
2363 ,, Indorilal
2372 ,, Poonam Chand Jain
2374 ,, Mata Din Sharma
2388 ,, Narshi A. Patel
2390 ,, Kanhaiya Lall Sharma
2404 ,, Suresh Chandra Pant
2405 ,, K. Ram Govind Suggand
2406 ,, Mauji Ram Sharma
2408 ,, Darshan Singh
2409 ,, Kanwar Sen
2410 ,, Sham Sunder Lal
2411 ,, Ram Kishore Mehrotra

C. Qualified as Inspectors of Stores A/cs.

3109 Shri T. M. Thomas
3113 ,, N. Jayaraman
3124 ,, K. K. Das

SOUTHERN RAILWAY

A. Qualified as Accountants

1215 Shri Y. M. Sheriff
1222 ,, E. V. Rajamani
1224 ,, A. Unnikrishnan Nair
1225 ,, V. Kanniappan
1227 ,, M. I. John
1236 ,, K. Balaganesan
1237 ,, K. Nagaswamy

Roll No. NAME

1241 Shri K. S. Swaminathan
1249 ,, R. Venkatavaradarajan
1253 ,, T. M. Raghavendra Rao
1263 ,, A. Kuppuswamy
1269 ,, M. Viswanathan
1271 ,, K. C. Muniratnam
1272 ,, S. Srinivasan
1274 ,, A. S. Thiagarajan
1275 ,, S. Sampath
1276 ,, P. V. Thiruvengadam
1277 ,, T. V. Sambandan
1279 ,, M. V. Dhananjayan
1282 ,, K. S. Subramaniam
1283 ,, C. Ramakrishna Rao
1284 ,, K. Raghupathy
1286 ,, M S. Srinivasan
1287 ,, R. Ikkanda Poduval
1288 ,, A. D. Sundaramurthy
1289 ,, K. Malakondiah
1290 ,, G. Jayaraman
1291 ,, K. Bhoovaragavan
1292 ,, M. Sankaran Nair
1293 ,, N. Mahadevan
1294 ,, T. Srinivasa Raghavan
1296 ,, P. Muthuswamy
1297 ,, V. K. Chakko
1299 ,, G. Swaminathan
1300 ,, P. K. Vinayagam
1307 ,, P. K. Subramanian
1308 ,, K. P. Valmurthy
1312 ,, K. Kumaradev
1317 ,, M. Srinivasan
1318 ,, R. G. Ananthavaidyanathan
1320 ,, J. Sundara Raman
1323 ,, S. Rajagopalan
1324 ,, A. D. Sudarsanam
1325 ,, C. V. Parthasaradhi
1326 ,, T. R. Sundarabashyam
1328 ,, V. N. Subramanian
1332 ,, C. Mohanarangam
1333 ,, M. Loganathan
1334 ,, M. Ganesan
1340 ,, K. Nagasamy
1342 ,, V. Varadaramanathan
1344 ,, M. Govindarajulu

Roll No. NAME

1345 Shri R. Nagarajan
1353 ,, N. Navaneethakrishnan
1359 ,, A. Hasan Baig
1362 ,, T. N. Thiagarajan
1363 ,, S. Muthukumarasamy
1371 ,, V. Natarajan
1372 ,, T. S. Krishnamurthy
1374 ,, J. Edwin
1375 ,, V. Balasubramanian
1392 ,, B. R. Nagarajan
1402 ,, N. K. Patil Kulkarni
1404 ,, M. Krishnamurthy
1409 ,, M. S. Srikantaiah
1412 ,, S. Rama Rao
1416 ,, K. Govindan
1418 ,, G. Ramaiah

B. Qualified as Inspectors of Station A/cs.

2414 Shri G. Narayanaiah
2415 ,, R. Narayanaswamy
2416 ,, C. Lokaiyan
2422 ,, S. Arjunlal
2423 ,, K. Sivanesan
2431 ,, N. Sreenivasa Rao
2435 ,, P. A. Prabhakara Panicker
2442 ,, P. R. Doraiswami
2443 ,, K. S. Anantha Padmanaban
2444 ,, T. R. Dorai Rajan
2446 ,, K. Rajagopalan (2038)
2450 ,, T. M. Ganesan
2452 ,, V. Ramaratnam
2466 ,, P. I. Punnoose
2468 ,, A. V. Subramanian
2475 ,, S. Mariappan
2476 ,, A. Joseph Amalorpavam
2480 ,, T. R. Venkataraman
2486 ,, P. S. Subramanian
2489 ,, R. Sundaresan
2491 ,, V. C. Chacko
2494 ,, K. Selsey Rodrigues
2495 ,, K. Singaram
2498 ,, V. Kannuswamy
2499 ,, R. Swaminatha Sarma
2502 ,, S. Krishna Murthy

Roll No. NAME

C. Qualified as Inspectors of Stores A/cs.

3126 Shri T. Sankaran
3127 ,, P. S. Raghavan
3130 ,, S. K. Ramasamy

CHITTARANJAN LOCOMOTIVE WORKS

A. Qualified as Accountants

1422 Shri Barendra Kumar Roy
1425 ,, M. K. Rajagopalan
1429 ,, S. N. Patra
1434 ,, S. C. Bhattacharjee
1436 ,, D. C Lahiri
1438 ,, Arun Chandra Biswas

INTEGRAL COACH FACTORY

A. Qualified as Accountants

1441 Shri P. R. Satyanarayana
1443 ,, K. Raghavachari
1447 ,, K. S. Venkataramani
1449 ,, K. A. Jaleel Khan
1450 ,, T. Ramanujachri

C. Qualified as Inspectors of Stores A/cs.

Nil

GANGA BRIDGE PROJECT

A. Qualified as Accountants

Nil

CALCUTTA ELECTRIFICATION PROJECT

A. Qualified as Accountants

Nil

The summarised position of passes is as detailed below :

Railway/Office	Accountants A	Inspectors of Station Accounts B	Inspectors of Stores Accounts C	Total
Central	58	12	2	72
Eastern	35	11	3	49
Northern	93	43	15	151
North Eastern	45	8	8	61
North Eastern Frontier	—	—	—	—
Southern	(8	26	3	97
South Eastern	47	—	4	51
Western	70	25	3	98
Ganga Bridge Project	—	—	—	—
Chittaranjan Loco Works	6	—	—	6
Integral Coach Factory	5	—	—	5
Calcutta Electrification Project	—	—	—	—
Grand Total	427	125	38	590

Note :—In the absence of the actual No. who took the Examination, it is not possible to assess the percentage of passes. It is, however, clear that the passes this year are more than double the usual number.

On a rough estimate, about 1450 candidates appeared as Accountants, 500 for Inspectors of Station Accounts and 130 for Inspectors of Stores Accounts. This gives a total of about 28% of passes. But taking into account withdrawals, abstentions, etc., to the extent of about 20%, the passes will be about 35% of those that should have taken the examination.

Ed., R.A.

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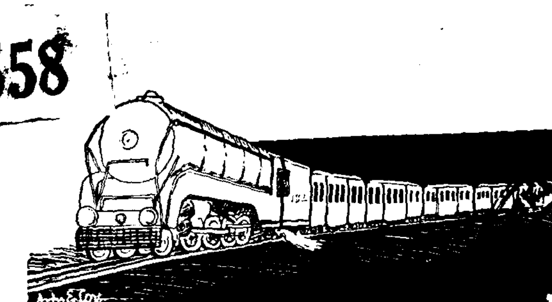
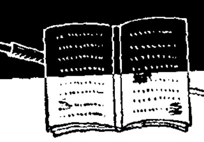


The RAILWAY ACCOUNTANT



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CONTENTS

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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.

All contributions should be addressed to the undersigned so as to reach him not later than the 28th of a month for inclusion in the next month's Journal, which is published on the 15th of every month.

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The RAILWAY Accountant

14, BALAKRISHNA ROAD, MADRAS-4

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A MONTHLY JOURNAL DEVOTED TO RAILWAY ACCOUNTS, AUDIT & FINANCE.

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28th

Government Vs. Private Management of Railways

The Indian Railway Organisation is a Commercial Undertaking from its very inception and during the time Private Companies were Managing them, particular attention used to be paid to economy and efficiency. Not only were receipts being safeguarded, but expenditure was also kept down as far as possible in order to leave a good surplus, which could be distributed to the share-holders as Bonus or surplus profit or otherwise.

After the Government of India took over the Railways, one after the other, the idea of a Commercial Undertaking began to gradually decline and with the completion of the integrated set-up of all the Indian Railways, the undertaking seemed to be considered more as a Government Department rather than as an independent Commercial Organisation which should be self-supporting and also be a source of profit to those who provided the Capital. Government principles were being introduced into the Railway structure, without due consideration of the repercussions therefrom. In spite of the fact that Railway finances were declared independent more than thirty years ago and the fact was later confirmed by Parliament after the present Constitution was set up, still Railway transport is used as a means of providing the Government with some funds according to the needs of the Government without reference to the capacity of the transport user or the needs of the Railway Administration itself. When the Government has retained to itself the monopoly of providing capital for Railway developments, it should not also butt in in regard to the surplus revenues which could be utilised by the Railway Ministry on Developmental and other works according to the needs of the situation without having to draw upon fresh capital and thus increase recurring expenditure in the shape of interest.

It becomes very difficult, at times, how this dual idea of Government Ownership and Government Departmental (Railway Ministry) working, supposedly independently, could be reconciled. To be effective, a sort of independent organisation should be devised which should control the entire working of the Railway, when once constructed Railways have been handed over to the open line. Some supervisory control might be reserved by the Government in order to exercise adequate supervision and prevent wasteful expenditure; but as regards laying down of policies for the actual working consistent with the general outline given by the Government (Capitalist), it should be possible to have a better type of administration. In fact, we should be able to take lessons from the difference in administrative results of the years when the Companies used to manage and of the recent years after Government took over the management.

There have been several other defects by the State's taking over Management, some of which are prominently mentioned hereunder:

The Distribution amongst Railways of the pooled purchases of locos and other rolliug stock: This often results in uneconomical use of some of the stock as the traffic and road-conditions differ on the various Railways. A private Company, with an individual organisation, would certainly have selected what was useful for itself and thus tried to get the maximum benefit out of its stock. This aspect may not, however, be workable in the scheme of pool purchases that have necessarily to be undertaken so long as it is a Governmental organisation and the Railways are worked by the Government.

Introduction of uniform higher rates of pay scales for staff because the Railway, like any other, happens to be one of the Departments of the Government: The cost of such establishment increases considerably without consideration whether the Railway revenues could afford to bear such charges. The private Administration would certainly have thought very deeply before increasing the pay scales, thus adding to the expenditure.

The general policy of providing amenities on an equal basis to all Government Staff: The idea is also acting unfavourably as the return from the provision of increased amenities has not been collated and there is always a vicious circle of asking for more and more because some other Department has been favoured recently with something or the other.

Instances like this can be quoted in plenty, but it is obvious that private management has certain decided advantages over Government management; and the Government cannot both be an Executive and a Judge at the same time.

The fact that numerous irregularities involving huge sums of money have been pointed out not only in the Railway Administration, but also in other Government Departments during the last few years, should be reviewed with a view to ascertain the basic defects and remedy them quickly, so that it would be possible to show improvements in the administration, financially and otherwise, as quickly as possible. As a Government, there are certain commitments, but a private body would certainly not be confined to the limits of Government considerations, but would also at the same time and to a greater extent consider the situation from the angle of economical working.

We would suggest a serious consideration of the possibilities of having a Corporation for the administrative working of the Railways under the over-all supervisory control of the Government of India with certain definite directives or limitations as in Company-management days regarding opening of new lines, parliamentary control, raising of funds etc. A move in this direction need not be understood as incapacity of State management, but utilising lessons learnt by such State management for the benefit of the Indian Tax Payer, and the Transport user.

Fixation of Responsibility of the Staff for Overpayments

The Report of the Public Accounts Committee, 1957–'58—Fourth Report on the Appropriation Accounts (Railways) 1954–'55 and Audit Report 1956—mentions a case of overpayment of special pay to staff as a result of issue of incorrect sanction, and disciplinary action was taken against a Senior Accountant concerned by reducing him to a lower grade (i.e., as a Junior Accountant) for a period of one year. The particulars of the case and the action taken thereon as mentioned in the Report, are given below:—

Particulars.	*Remarks of the Railway Ministry.*
In the case relating to overpayment of special pay on the Central (ex. G.I.P.) Railway amounting to Rs. 8,829 referred to in paras 195-196 of the 13th Report, a further report about the disciplinary action taken against the persons responsible should be submitted to the Committee.	It has been decided that the Board's displeasure should be conveyed to the Dy. General Manager (Personnel) concerned for his carelessness in having issued an incorrect sanction and that the Senior Accountant concerned of the Accounts Department should be reduced from his post to that of a Junior Accountant for a period of one year for his negligence in having allowed payment of special pay to the staff without ascertaining whether the sanction of the competent authority had been obtained.

The responsibility of the Accounts staff in dealing with sanctions and internal check of payment vouchers cannot be over-emphasised and the above case is a pointer to the utmost necessary for eternal vigilance on the part of the Accounting staff. The confidence of the tax-payer in the proper check of payments is maintained only on account of the fact that they know that qualified Accountants (SAS and App. III-A passed) are employed on the Railways and in the interests of the Railway Accountancy profession, each qualified Accountant should individually ensure that no overpayments or other irregularities occur on account of negligence or indifference; the honour and the traditions of the qualified Railway Accountant should be upheld, and we have no doubt that the younger members of the profession will bear this in mind in their day-to-day work.

"Living is costing increasingly more as time goes on", says a newspaper. Unfortunately, nobody has been able to discover a substitute for it!

Excess over Estimates — Powers

In Appendix VII-G, the powers of the General Manger in regard to excess over estimates sanctioned by higher authority have been laid down, and the monetary limits are laid down for works itemised in the approved programme, costing up to Rs. 20 lakhs, and those above this limit (old limit Rs. 10 lakhs), but the powers regarding excess over estimate in respect of works of a special character (such as Officers' Quarters, improvements thereto, etc.,) are not dealt with. The practice in such cases appears to be that the limit of 10% over the cost sanctioned by the Railway Board is considered as the extent of the powers of the General Manager, following the 10% stipulated in 40 (v) 2 (a) of App. VII-G in regard to estimates for other works costing over Rs. 20 lakhs.

For example, the Railway Board approve of a proposal to carry out improvements to a certain officer's quarters at a cost of Rs. 3,000. The question arises whether any excess can be incurred by the General Manager himself without referring to the Railway Board, on this work. One view is that, as this is a work costing not more than Rs. 1 lakh, G. M. has full powers in regard to excess, provided the budget allotment for the works under this category as a whole (i.e., works costing not more than a lakh each) is not exceeded; but this view appears to be hardly tenable, as it could not be sustained that any excess over an amount sanctioned by a higher authority could be sanctioned by a lower authority without any limit, as this will negate the very purpose of restriction of powers for the particular category of works. The more sensible and reasonable view would be to limit the powers of excess in regard to such works to 10% of the amount sanctioned by the Railway Board.

As the rules do not provide for this class of cases, the Railway Board may perhaps issue an addendum slip to the Schedule of Powers (App. VII-G), clarifying their exact intention in regard to this matter.

Flood Control Measures

In its interim report on general assessment, principles and politics, the High Level Committee on Floods appointed by the Ministry of Irrigation and Power has stated that absolute or permanent immunity from floods is not physically attainable by methods of control known sofar.

The Committee emphasises the urgency and importance of completing investigations and of preparing comprehensive basin-wise flood-control plans. These should fit in with other phases for water resources development, such as irrigation and power, to the extent possible. The flood-control aspect of a multi-purpose project should be considered simultaneously with others and financial allocations made for all of them at one time.

The Committee adds that flood plan zoning, forecasting and warning and other measures should be given due importance as these do not require much capital investment.

The flood problem in India can be categorised into three types, inundation, erosion of banks and change in river course. While the general characteristics of the problem are fairly known, effective action requires detailed study in specific areas.

India, according to the committee, has been divided into four zones for purposes of flood control—the North West rivers system, the Ganga river system the Brahmaputra river system and the Peninsular rivers system. In the Kashmir valley, insufficient channel capacity of the Jhelum and congestion at its outfall are responsible for floods. In the Punjab, drainage is inadequate. The problem in the Ganga basin is mainly of inundation, though at places erosion and bad drainage also lead to flood damage. The Kosi causes enormous losses due to oscillating bed. In the Sunderbans areas, tides synchronising with high floods breach embankments. On the Brahmaputra and its tributaries, erosion is a major problem though serious inundation also occurs. The main feature in the Peniusula is inundation of delta areas. The difference in the Himalayan and non-Himalayan rivers is mainly in respect of sediment load and frequency of occurrency of floods.

Tracing the history of past efforts at flood control, the Committee says that the work entrusted to it constitutes the first attempt at a national review of the problem.

The Committee has analysed the data available and has come to the conclusion that, after taking into account indirect losses, the annual national income of India would go up by about Rs. 100 crores if there were no floods. The highest annual per capita damage and per acre loss of net area shown is in Assam. Since 1950, the maximum damage by floods has been caused in the Ganga basin and next in the Brahmaputra valley.

The Committee observes that the meagre available data do not warrant an inference that loss by floods has been on the increase in recent years. Agricultural crops have suffered most, next urban and rural property and public utilities rank third. Precise data are lacking and there is scope for improvement in the techniques of assessment and reporting. Estimates of damage should be more realistic. The Committee has prescribed a method for the collection and maintenance of data.

EMBANKMENTS

Referring to embankments as a method of flood control, the Committee says that their suitability and usefulness have been a matter of controversy in various countries. In India also opinion has differed from State to State and from time to time. After discussing the various points involved, the Committee has come to the conclusion that in general embankments are a satisfactory means of flood protection if properly designed, satisfactorily executed and adequately maintained in locations where they are technically indicated, but a suitable combination of embankments with other methods, such as storage dams, detention basins, etc., is often more efficient and desirable. Arrangements for their maintenance and repairs are of the utmost importance. The expenditure on this is likely to be heavy and modifications may often be necessary to suit river conditions. The financial implications on this count need careful examination.

The Committee discusses other methods of flood protection and categorises them as (i) those aiming at physical control and (ii) those at reducing or redistributing the damage. The physical control methods are storage reservoirs, detention basins, channel improvements, diversions, raising habitations above flood levels and watershed improvements. Methods of reducing or redistributing losses are evacuation, zoning, changes in buildings and in their use, flood warning and flood insurance. The merits and demerits of these methods have been considered by the Committee with reference to experience gained in some of the States.

The Committee emphasises that control over excessive sediment is important in flood control. Soil conservation helps in reducing the sediment load in rivers making them less liable to change their courses or erode their banks. The effect of these measures on high flood discharges is not marked, but medium floods are moderated and their frequency reduced.

Soil conservation measures comprise the maintaining of a mantle of vegetation terracing, contour-bunding, contour-cultivation, gully plugging, check dams, etc. The Committee recommends the following priorities for this work: (i) catchment areas of multi-purpose dams, (ii) Himalayas with their foothills; (iii) the Indo-Gangetic plain; and (iv) the Deccan Plateau. To increase the tempo of works, watersheds should be arranged in this order of priorities and detailed schemes should be prepared for works requiring immediate treatment.

The soil conservation organisations in the States should be strengthened. There should be a unified authority and responsibility for this work. The State Governments should have boards for evolution and execution of soil conservation schemes. Projects requiring Central loan assistance should be submitted to the Central Soil Conservation Board for vetting and approval. That Board should obtain the concurrence of other Central departments if the cost of the schemes is to be shared with them.

PRIORITIES

Observing that priorities of flood-control schemes must be decided on the basis of an integrated view of various considerations with proper emphasis on human and social aspects, the Committee lays down the following order: (i) emergent schemes; (ii) continuing schemes; (iii) schemes for the protection of important urban and industrial communities; (iv) schemes for augmenting food production and (iv) schemes combining other beneficial utilisation of waters. In the matter of investigations for the preparation of master plans also, this pattern of priority should be adopted. The priorities for schemes in the Second Five Year Plan as well of those included in the master plans already prepared should accordingly be reviewed. Frequent reviews of priorities should be undertaken as factors which go to determine them keep on changing.

Modifications in the functions of the States Technical Advisory Committees, State Flood Control Boards, River Commissions and the Central Flood Control Board, which, according to the committee, are overlapping, have been suggested. A State having serious flood problems requiring extensive measures should have a separate planning unit to formulate schemes and prepare an integrated outline plan.

Economic Adviser to the Railway Board

It will be remembered that the post of Economic Adviser to the Railway Board was created in 1948 and Prof. L. A. Natesan, who was, apart from being Professor of Economics in the Scottish Church College, Calcutta, also Secretary of the Institute of Railway Accountants and Auditors, sometime after its inauguration in 1927, was appointed to the post by Shri N. Gopalaswamy Iyengar, the then Minister for Railways. During his tenure of office for nearly 10 years, Prof. Natesan initiated new and uptodate methods of study of Railway economics and operation, and he was also responsible for the production of the 'orange book' Monthly Statistics by the Railway Board. In rating matters, Prof. Natesan specially brought to bear on the problems his powers of sharp and bold analysis with reference to all the relevant data and also experience of other Railways in dealing with the rating problems. He joined the Board at a critical time when the pattern of decisions had to be thoroughly re-oriented to suit the changed conditions of the country in the wake of Independence. That Prof. Natesan rose to the occasion and did more than justice to the peculiar problems that arose from time to time, with the changing organisations of the constituent units (Integration of the erstwhile State Railways, Regrouping, Divisionalisation etc.) will be admitted by everybody, and it is gratifying to note that his connection with the Railway Accountancy Profession through his having been the Secretary of the Institute of Railway Accountants and Auditors which had enabled him to study Railway Accounting and Finance problems in a scholarly and analytical way, had been of great benefit to him in his work in the Railway Board. Even a comparatively small subject such as Accidents from the point of view of statistics, attracted his official attention. In 1953, Prof. Natesan visited U.S.A. under the Point Four Programme, and also toured Canada on deputation by the Government of India and he prepared a valuable report on Economic and Statistical Studies on current transport problems in the U.S.A. and Canada.

With Prof. Natesan's retirement from the Railway Board from 15th April '58, on which date he went on leave preparatory to retirement, the post of Economic Adviser as such has lost its individual entity, as this post has been upgraded to that of a Director and designated as 'Director of Statistics and Economic Adviser', with effect from 15—4—'58.

Prof. Natesan's retirement from the Railway Board means that we will be missing a sociable, genial and a scholarly figure from the Board's Office, but we have no doubt that the Railway Board will find appropriate use for his knowledge and experience in this specialised field and commission him with some assignment or other.

Supply of Manuals of Statistical Instructions

The Accounts Branch of the Railway Board's Office is fully aware of the fact that the examinees of App. III taking Traffic Accounts and Traffic Statistics and Traffic Book as their group have to be thoroughly conversant with the Manual of Statistical Instructions issued by the Railway Board. This Manual, which is in several parts, is intended for 'official use' and is not made available for public sale. When the question was raised sometime ago with the Economic Adviser, it was understood that it would be looked into and that copies would be made available for use by examinees through their Offices.

The position, now, seems to be that no such action has been taken so far and candidates are put to a very great inconvenience by being unable to secure copies of these manuals. The Railway Board are requested to look into this matter very urgently and make arrangements for the examinees for the Accountants, Group on the Traffic side of the App. III Exam. to secure copies of these Manuals of Statistical Instructions, either for themselves or temporarily till the examination is over. This would require possibly about 200 or 300 copies being supplied to the various Railways in India and it would definitely be in the interests of the Railway Administration to see that incentive is given for a study of these books by the examinees.

Ed., R. A.

Subjects of Moment

Opening of Out Agencies

The Railway Board's objective is to increase the number of Out Agencies and to minimise the delays that occur in opening them, even after the Railways have decided that there was justification for opening them.

In order to minimise such delays, the Board have prescribed the following procedure for observance by all the Railways :—

As soon as the traffic justification is decided upon, and this should be done without undue delay, tenders should be called for making it quite clear that it is not obligatory that the contract should be awarded to one of the tenderers.

If the proposed out-agency is in an area where the State have in operation the particular type of Road Service, it is necessary that the State Government should simultaneously be addressed, whether they are interested in working the out-agency and if so what their terms should be, making it clear that if no final reply is received by the time the public tenders are opened, the contract may have to be awarded to one of the tenderers. If they do respond, preference can be given to them subject to negotiations regarding terms of payment.

It is not necessary to consult the State Governments as to the reasonableness of rates quoted by the successful tenderer, as the traders are not compelled to make use of the out-agency. This and the fact that tenders are called for, will ensure that the rates are not unreasonable.

The Railway Board desire also that any cases which may be pending for want of State Government's replies should be finalised immediately in accordance with the procedure detailed above and steps taken to open the out-agencies concerned as quickly as possible.

(R.B. No. TC. IV/58/5/11/Policy dated 2–6–'58).

Note :—In connection with the system of tenders for running of Out Agencies, which have already been opened, kind reference is invited to the Article on page 87 of the RAILWAY ACCOUNTANT for June 1956. The Functions of the Tender Committee have also been analysed on pages 11, 179, 272 and 373 of the Railway Accountant, Vol. III, 1956–57. These Tender Committees are intended primarily for Stores Contracts and vis-a-vis may be applied to Out Agencies, to the extent possible. *Ed., R. A.*

* * *

Allocation of the cost of providing tools to Carpenters in Workshops

Previously, the expenditure on cost of providing tools to Carpenters in Workshops was being charged to Workshop Oncost (Stores); but later this was charged to Capital on the strength of para 902(7)-G. Since this para, however, permits of a debit to Capital only if the expenditure incurred is in respect of any additional *plant and machinery* which do not normally include hand tools, a more appropriate accounting arrangement was considered to be to charge it to Stores Suspense Account on the analogy of para 946-G and finally charge it to revenue when the tools are handed over to be retained in the custody of the using Department.

The Railway Board have since considered this question and decided that the cost of tools provided to Carpenters should initially be brought on to the Stores Suspense Account on the analogy of para 946-G and finally charged off to Revenue as suggested above. This arrangement will, however, not apply in the case of tools and plant specially purchased for new constructions or other works in which cases the charge will be to the head to which the cost of the new

constructions or work is charged, in terms of paras 902(8) and 970-G.

[R. B. No. F(X)I-57ALC/6 dated the 7th June 1958.]

* * *

Payment of Commission charges by the Provincial Governments, Ministries of Government of India, etc., for the continuance of Railway Warrants and Credit Notes system

With effect from 1—4—1958, Commission charges, for the use of Railway Warrants, credit notes and weight only consignments notes by all the Government Departments except the Ministry of Defence will be recovered at the rate of Rs. 65/- per 100 vouchers instead of Rs. 32/- per 100 vouchers on a proportionate basis on the actual number of warrants, credit notes and consignment notes billed for in a month. The enhancement should also be applied to private firms and local bodies with whom similar arrangements exist until further orders.

This higher rate of commission should be charged for the vouchers billed for from 1—4—1958 irrespective of the date of issue of the vouchers.

[Railway Board's letter No. F(X)-53-CM/1 of 24—3—1958 and 12—5—1958].

* * *

Rate of interest on advance for purchase of conveyances

The rate of interest to be charged on advances for the purchase of motor cars and other conveyances or on passage advances to Government Servants, from Central Revenues, during the period 1-4-1957 to 31-3-1958 has been finally fixed at 4% per annum.

(R. B. No. F(E)57IP 2/1 dated 23rd March 1958).

* * *

Procedure for promotion to selection posts

A question has been raised whether the 60% marks prescribed for professional ability is applicable to speed tests in short hand and typewriting for promotion to the post of Stenographer. It is clarified that this limit does not apply in such cases and the fifty percent previously prescribed continues.

* * *

Advance Correction Slips to Establishment Code

Rule 1725 (a) - RI - Insert the words " A Deputy Head of Department or" between the words "below the rank of" and " a Divisional Superintendent " appearing in the second line of the rule as inserted by C.S. No. 55-RI.

(R. B. No. E(D&A)-58RG6-10 dated the 19th May 1958.

* * *

Railway Services (Conduct) Rules 1956

In terms of Rule 15 of the Railway Services (Conduct) Rules 1956, a Railway servant is required to obtain prior permission of the Government before acquiring or disposing of movable, immovable and valuable property, under certain circumstances. The Board desire that when a reference is made to them for SANCTION, as distinct from merely REPORTING the cases, under the Rules, enough information should be supplied to enable the sanctioning authority to appreciate the details and *bonafides* of the transaction proposed. This information would naturally vary from case to case but in forwarding requests for sanction, Railway Administrations should scrutinise the application and satisfy themselves that the information supplied by the applicant is correct and is enough for the sanctioning authority to decide the matter.

(R. B. No. E (E & A) 58 GS 1-1 dated 29-4-1958).

* * *

Pension System for Railway Servants of ex-State Railways

A question has been raised whether the ex-States Railway Staff, who have retained their ex-States Railway scales of pay and conditions of service, are eligible to opt for Pension Scheme introduced on the railways — vide Board's letter No. F (E) 50 RT 1/6 dated the 16-11-1957. After careful consideration, it has been decided that such ex-State Staff may also be permitted to opt for the Pension Scheme, in terms of the orders contained in Board's letter of 16-11-1957. Option for pension will not affect any of their other existing conditions of service.

The provisions of para 5 of Board's letter of 16-11-1957 referred to above, will also be applicable to such staff, for this purpose, 'State Railway Provident Fund' wherever occuring in that para should be taken to mean the ex-States Railway Provident Fund to which the Railway Servant concerned subscribes.

(R.B. No. F(P)57PN-1/5 dated the 27th May 1958).

* * *

Grant of *ad hoc* increase in the Dearness Allowance to Staff — Interim Report — Pay Commission 1957

Doubts have been expressed by certain Railway Administrations whether the ad hoc increase in the dearness allowance of Rs. 5/- per month sanctioned in Board's letter of even number dated 27-12-1957 is admissible to —

(i) Apprentices;

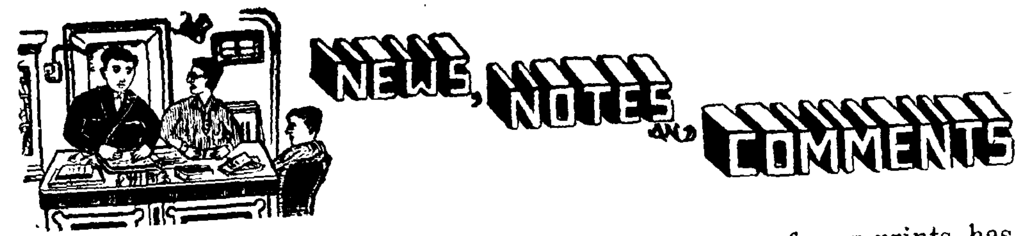
(ii) Staff who were in service on 1-7-1957, the date of issue of Board's letter sanctioning the ad hoc increase in Dearness Allowance.

(iii) Super-annuated persons re-employed in service; and

(iv) Gazetted staff drawing basic pay between Rs. 275/- to Rs. 300/-.

It may be clarified that the *ad hoc* increase of Rs. 5/- per month is admissible to all the categories of staff mentioned above.

(R. B. No. E (S) 1-57 DA 1/19 of 23-5-1958).



Promotion of Efficiency

While addressing the Madras Junior Chamber of Commerce in May last, Sri K. Santhanam, Ex. Dy. Minister for Railways stated that National Character and National Efficiency were two factors which should not be lost sight of in our efforts at national reconstruction. There ought to be deliberate and persistent drive towards the increase of this national efficiency on the part of individuals, offices, firms and public institutions. Their watch-word should be "precision, punctuality, simplicity and concentration".

Note: Why prominence was not given to anti-corruption which is so prevalent in every sphere of life—public and private—is not clear. But we feel that it should be very prominently brought out that integrity of character and honesty of purpose and sincerity, loyalty and devotion to work are very, very essential for building up national character and eventually leading to national efficiency.

Ed., R. A.

* * *

Supply of 'Nepa' Newsprint to publishers of Books

In view of the prevailing shortage of paper and because of the importance of maintenance of supplies to the Book industry, the Government of India have decided that the 'Nepa' newsprint should be made available to printers and publishers of Text Books and books of general interest, free of excise duty. This newsprint can be had directly from the Nepa Mills or their Agents.

Note: The cost of this paper, whose quality does not compare favourably with other types of newsprints, has been prohibitive for a long time and it is hoped that by the issue of this Government order, the prices would become more reasonable and the supplies would also be fairly easy.

Ed., R.A.

* * *

Manufacture of Railway Wagons

A shutter - manufacturing factory, (P.W.D. Workshops) exists near Hospet. It has uptodate machinery and can undertake the work of manufacture of metre gauge railway wagons. The factory has offered to undertake this work, if required by the Railways. This was announced by the Union Dy. Minister, Railways, early in June, when he visited the factory and he has promised to look into this matter.

* * *

Production of furnished Railway Coaches in I. C. F.

On the 19th June 1958, the 100th vehicle was launched from the temporary furnishing factory at Perambur at a ceremonial function.

Sri R. Rajagopalan, Dy. C. M. E. (Furnishing) stated that furnishing of integral shells commenced with temporary facilities and had developed sufficiently to enable the completion of 100 coaches in the factory in a very short time. It was from one of these temporary sheds that this 100th coach of the factory had been furnished. The production, since the beginning of April, has been more than 12 coaches per month and it is hoped that the out-turn would very shortly be raised by 50%.

Sri K. Swarup, CAO., I.C.F., in a brief speech, before launching the coach, stated that on the shell side of the factory, they were ahead of their production target by two years and that they had established full production of thirty shells per month; the cost of these shells also being competitive in that most of the components were now manufactured in the country. He was glad to say that I.C.F. had come to be recognised as one of the well organized and well run factories in the public sector. He appealed to the officers and workers to keep up this reputation.

* * *

Recurring Payments

The British Treasury has been paying for the upkeep of a non-existent castle for 172 years.

Every year, the Treasury solemnly sends off a cheque for £ 75·10·0 to the Managers of the estate at Grantham, Lincolnshire, to help them pay for the upkeep of Fillingharne castle.

The Managers, just as solemnly send back a receipt for money.

Now Treasury Lawyers are trying to sort out the tangle.

For, the plain fact of the matter is that there is no such place as Fillingharne castle either in Lincolnshire or anywhere else.

The money has been paid every year since 1786 when the Government took over the financial affairs of the Crown.

[*By Courtesy, "Free India"*.]

Note: This only brings out in bold emphasis the necessity for reviewing the Recurring Payments register in the Railway Accounts Offices with reference to physical facts in consultation with the Executive.

Ed., R.A.

* * *

Railway Stores Racket

The following is a news item from "Blitz", Bombay :—

"Large scale irregularities involving several millions of rupees alleged to have been committed by some officials during the past few years on the N. E Railway have been detected............ Rounding up of the officials and non-officials in connection with these cases will take place in a few weeks' time...".

Note: If true, a very serious and detailed investigation into the circumstances seems called for urgently.

Ed., R. A.

* * *

Financial Adviser for Controlling Body for Electrification Project

The vital importance of association of "Finance" in Controlling Committees of large projects has been recognised by the Railway Board, by the nomination of Shri N. C. Deb, Additional Member (Finance), Railway Board, as a Member of the seven-member Controlling Committee for Electrification projects on the Eastern and South-Eastern Railways.

The Committee is headed by Shri Karnail Singh, Member, Engineering, Railway Board. Its other members are Shri N. C. Deb, Additional Member (Finance); Shri N. K. Roy, Additional Member (Works); Shri L. Mathur, Director, Electrical Engineering; Shri Kripal Singh, General Manager, Eastern Railway; Shri G. P. Shahani, General Manager, South Eastern Railway and Shri P. N. Murti, Engineer-in-Chief, Electrification.

* * *

Paper which cannot be Burned

A group of Leningrad engineers have perfected a machine for producing paper which cannot be burned, and which is resistant to water and acids.

The paper, which will be used principally in the electrical industry, can be made from cotton, asbestos or glass fibre.

* * *

Correction Required for App. VII-G

Line (1) of item 35 of App. VII-G reads "To allowances or fees to private persons *for* donation to private bodies etc." The word "for" before the word "donation" should evidently read "*or*" to convey the intention correctly. This appears to be a printing mistake, but as per the wording as it is, it is misleading. It is necessary that a correction slip should be issued by the Railway Board.

* * *

Compensation Claims for Goods Lost, Etc.

The number and amount of compensation claims for loss of goods, due to loss through crevices of wagons, etc., appear to be on the increase, and though the rules regarding provision of suitable dunnage are enforced in some cases, the fact remains that claims for loss through crevices of wagons are paid. It would appear that, in the case of carriage by sea, a certain percentage of the value of goods is brought under a special clause which provides that losses up to that limit will not be paid by the carrier or Insurance Co. Similarly, for railway transport also, shortages through crevices of wagons etc., may not be paid, if the loss is within, say 1% of the cost of the goods. Perhaps this may be resisted by the public, particularly when the Freight Structure Enquiry Committee has recommended that the Railways should be more or less insurers and not merely bailees as at present. But it has also to be remembered that trivial shortages of this kind are incidental to the carriage of particular classes of goods (such as grains and pulses) in wagons on the Railways. Otherwise freight should be increased suitably, or steps taken to avoid the losses through crevices of wagons by building the wagons in such a way that such losses cannot occur.

* * *

Eighth International Congress of Accountants

It has been announced that the Eighth International Congress of Accountants will be held in the United States of America in October, 1962. The host body will be the American Institute of Certified Public Accountants.

Arrangements are in the hands of Mr. John L. Carey, Executive Director, American Institute of Certified Public Accountants, 270, Madison Avenue, New York, 16, N.Y., U.S.A.

* * *

Deterioration in the Standard of Examinees

That the present-day deterioration in the standard of examinees is not peculiar to this country, but is rampant in other countries also, is evident from the following article by an "Examiner" in the Accountants' Journal (May 1958) published by the New Zealand Society of Accountants:

"Were the students of my date also rather weak on arithmetic? Is "3¾ @ £ 4" such a difficult calculation for those who would say to the world "I am a qualified accountant?" And yet just look at the many wrong answers. By what modern mental process did one student arrive at the answer of £ 12/3/0? Other examples of incomprehensible errors in simple arithmetic were:

5 @ 5/	1	2	0
165 @ 5/	4	5	0
105 @ 10/	22	10	0
8 x 51/5/0	400	0	0
100 x 12	65	0	0
£ 30 8	3	5	0
£ 32 8	3	15	0

Did they do those things in my day? Perhaps next year's examination in costing might include :—

1. "What is the cost to AB Ltd, of employing an Accountant C, who makes regular errors in simple arithmetic?"

2. "What is the saving in cost when the Accountant runs to a calculating machine to extend 3¾ @ £ 4?'

I wonder whether in my generation—sans calculators, sans punched cards, sans electronics—any students' working papers would include this prize example of erudition:

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    140
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     187
     180
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       75
       60
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      150
      140
      ---
       100
       100
       ---
```

Yes, it really happened with a B. Com Student—presumably after three or four years at secondary school and three years at University. I meditate and wonder if he is one of the students who always cry, "Not enough time."

I know that when I was younger I was below average at spelling, but did I offend my examiner with atrocities like "agrivated", "probibly", "Caucious", "enitial", "boasted", "queiring", "indeavour", "relys", "definately", "likelyhood", "tremeandously" and so on *ad nauseam*. Are these just slips of the pen? What poor, hard-worked down trodden secretary is a "quailified" one? And what exactly is an "Illiquid position?"

* * *

Efficiency Shields for Good Performance Railways Considering Proposal

The Railway Board have proposed to Railways to institute separate "Efficiency Shields" on each Zonal Railway on an inter-divisional or inter-district basis, so that the division or district reporting the best performance in a specified period in the sphere of passenger and goods transportation would be awarded the shield, which will rotate from period to period.

The Railway Board have stated in this connection that criteria for the award of the shield could include items like efficiency of wagon and locomotive usage, economy in coal consumption, punctuality of mail and express trains, the record relating to accidents etc. The railways have been given the option to decide their own criteria.

The results, before making each award, would be judged by a committee of some of the seniormost officers on each Railway.

* * *

Calcutta Electrification Project

The main line electrification project on the Eastern and South Eastern Railways consists of electrification of 1350 route miles of track at an estimated cost of Rs 84 crores. The entire portion has been planned to be completed by the end of 1960, while some are expected to be completed before the end of 1959.

With the increasing tempo of work, the Electrification Project Organisation will have to shoulder the responsibility of a large Administration, maintain liaison with the Railway, State Government, other outside Governments and General Ministries, as well as design, plan the work, procurement of materials and execution of the work in the field. The Railway Board have accordingly deemed it necessary to place the project in charge of a General Manager and Chief Engineer. They have accordingly promoted Sri H. D. Awasty, Director, Civil Engineering, Railway Board, to take charge of the Project as General Manager and Chief Engineer, Railway Electrification, with Headquarters at Calcutta.

* * *

Co-operative Societies on Indian Railways

The Railway Board have issued a half-yearly Report for a period ending December 1957 on the working of the Railway Consumer Cooperative Societies

and the following are some of the important statistics:

- Members: 56,500, showing an increase of 11·5% over first half of the year. On the Southern Railway, the Membership has exceeded 10,000, while on the Western and the Central Railways, it is nearing this figure.
- Total number of Societies: 118, the largest number being on the Western Railway — 25.
- Total sales during the 4th Quarter 21·48 lakhs, i.e., an increase of about 20% over the sales of the second quarter.

Share Capital: Total 8·64 lakhs.
Highest Share Capital
Western Rly. 2.58 lakhs
Central Rly. 1·46 lakhs

The Railway Board have asked the various Railway Administrations to take vigorous acton to popularise the Cooperative Societies amongst their employees.

* * *

Madras Electricity Board

Sri A. Balakrishnan, I. A. & A. S., retired Accountant General, has been reappointed as Accounts Member of the Madras State Electricity Board for the year 1958-59.

* * *

Railwaymen's Recreation Centres

The Railway Board have authorised the various Railway Administrations to incur an expenditure to an extent of Rs. 61,00,000/- during the Second Plan period for opening of new institutes as well as providing improvements to existing Institutes throughout the country for the "after work" recreation of Railway employees and their families.

The Indian Railways have at present 414 Institutes and 58 clubs.

* * *

Sweden's New Lightweight Train

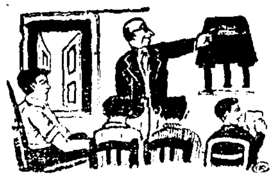
The Swedish National Railways which recently successfully tested out a low centre of gravity, light-weight train — the KLL — has now ordered a seven-coach train which will be in daily service next year between Stockholm and Malmo.

The name of the train K.L.L. comes from Kurt, Lagg and Latt, Swedish words for short, low and light. The coaches are just 37½ ft. long which is half the length of the standard coaches. Built of steel and making extensive use of welding, the design of the coach dispenses with the conventional heavy frame and is of an integral tubular design. The coaches on the train are closely coupled with aerodynamically contoured sides and top, to cut down wind resistance.

The seven coach train has a dry weight of just under 70 tons. The light weight locomotive to haul this train weighs 37 tons. The train has two first class coaches, four second class coaches and one buffet car and can carry 208 passengers with their luggage. The diesel locomotive has a rated HP of 1000 and there is a larger version of the locomotive for ten coach trains with a rated HP of 1400.

Despite its extremely light-weight, the train is capable of a maximum speed of 100 m.p.h. and has amazing stability on curves due to its exceptionally low centre of gravity. It can negotiate a curve at speeds 30% higher than standard trains and even at these speeds there is no passenger discomfiture. The noise level is also low and passengers can carry on a conversation in normal tones at any speed. This train, when it goes into service next year, will be the lightest of all light-weight trains anywhere in the world.

Please renew your subscription in time and ensure continuity without extra expense.



Readers' Forum

APP. III EXAMINATION 1957

Station Accounts — Goods Balance Sheet

A solution to this question was published on page 103 of the June 1958 issue of the RAILWAY ACCOUNTANT and Working Notes were also appended thereto, to show how the figures were arrived at. Some points were also clarified. I have since had the opportunity of perusing another solution to this question, wherein some of the details have been dealt with in a different way. To take an instance, the question mentioned "Debits to Freight Deposit Account in September—Rs. 690". This item has obviously been, in the alternative solution, included under "Cash", reducing the outstanding balance under 'Inwards To Pay'. But this does not seem to be the idea conveyed by the wording of the question. Debit to the Freight Deposit Account is only an ADJUSTMENT and cannot come under Cash. I should like a discussion on this subject of operating on Freight Deposit Account and on the alternative solution, in particular.

GOPALAN.

* * *

Allocation of Coal Ashes

It is seen from the foot-note under Table I, Part I of the Approximate Earnings in Traffic, published in the monthly Railway Statistics by the Railway Board, that sale-proceeds of Coal ashes continue to be included in Sundry Earnings. In this connection, readers would kindly refer to a para at page 151 of the August 1956 Issue of the RAILWAY ACCOUNTANT, wherein a gist of Railway Board's letter No. 55AC II 3/12 of the 27th November 1955, on the subject, has been given. According to this letter, with effect from 1-4-1956, credits for sales or departmental use of cinders and ashes are not to be made to Abstract Z—Sundry Earnings, but should be credited to a new detailed sub head "B-3215: Credits on Account of sale of cinders and coal ashes". In the case of cinders and coal ashes resulting from the use of coal in workshops, the existing classification as per the explanatory note No. 218-A under Abstract B of the General Code, Vol. II continues.

Will readers please state what procedure is followed on their railways and whether the contents of the above Railway Board's Order have been implemented?

Ed., R.A.

* * *

Simplification of Rules of Allocation

A correspondent writes:—

The rules of allocation embodied in Chapter IX-G are very confusing, especially after the various amendments to it in the wake of the Parliamentary Committee's recommendations, and anybody who has anything to do with the check of allocation of estimates, will have no hesitation in affirming that the rules lack clarity and precision, particularly with regard to works of replacement and renewal. It would be of paramount benefit to all concerned if a special committee is set up to simplify the rules of allocation in a clear manner, classifying the works first under the two broad categories of original works and replacements, and then giving the allocation for the various types of works under "Original Works" and "Replacements and Renewals". Under the former, for example, passenger amenity works, financially justified works, new minor

works (whether financially justified or not), works of operational necessity not financially justified, plant and machinery, land, Staff quarters, improvements to staff quarters, etc., etc. may be shown, and the corresponding allocation indicated against each item (i.e., Capital, Development Fund (1), (2) or (3). Open Line Works Revenue, etc.) The same pattern may be followed for "Replacement and Renewal Works", indicating which items should be charged to DRF, OLWR and Ordinary Revenue. Credits for released materials and the write-back from Capital to DRF or Capital to DF should be clearly indicated. As it is, one rule says that the cost of the work should be charged to OLWR, if it is not chargeable to DRF or Ordinary Revenue; another rule similarly says that the cost of the work should be charged to DRF, if it is not chargeable to OLWR or Revenue, and so on, so that it is a spiral leading round and round.

Para 952-G, for instance, lays down that renewals costing more than Rs. 5000 of all other kinds of assets (other than permanent-way, girders, rolling stock, etc.) should be charged to DRF, except those listed (Training works and protective works, train lighting equipment, floors and roofs of buildings, all apparatus and appliances including instruments and accessories for railway hospitals and dispensaries, etc.) In other words, the replacement works of items listed should, irrespective of cost, be charged to a head of account other than Depreciation Fund, but it is not stated whether they should be charged to Ordinary Revenue or Open Line Works Revenue. Under the old rules, such items were charged to Ordinary Revenue, but the interpolation of this (what to many of us seems to be an unwanted head of Account) new head Open Line Works Revenue, raises this doubt. Para 905-G provides that Ordinary Revenue is credited with the value realised from the disposal of an asset, the original cost of which is Rs. 5000 or less. Under the general orthodox principle of former times, this limitation of amount did not apply to permanent-way; but whether it still continues or not, is not made clear in the rules.

Note:—If readers give their own experiences in this connection, it may be of great benefit for a decision. This Section of the Journal will be available to them for the purpose.

Ed., R. A.

I shall ever remain debtor of your Journal RAILWAY ACCOUNTANT. It has helped me in my success.

R. G. DIXIT, *Lucknow.*

***** The Journal caters to a variety of interests in Railway Accounting matters and deals with subjects of topical importance to Railwaymen. Apart from specialised articles whose appeal will be only for those who are in the profession, there are special contributions by eminent authorities that will interest the lay reader also......... Altogether the journal contains inviting food for the mind and there is no doubt this will serve as an apex journal reflecting the national role of the Railways in the life and economy of the country.

SOUTHRAILNEWS, May 1958.

Developments of Science

[This section has been latterly introduced to improve the utility of the Journal. Various up-to-date advances will be classified here under sciences like Medicine, Engineering, etc. It is hoped that readers will benefit substantially by this section.

Ed., R. A.]

Atom Powered Electronic Brain

An electronic brain that is capable of making 200,000 separate additions of numbers and of doing a whole host of complex mathematical calculations, solving formulae etc., and which runs on electricity produced by atomic power is in operation at Argonne Laboratory, Chicago. The new computor is an extremely high speed digital machine and gets power from the laboratory's experimental boiling water reactor. It is reported to be the first electronic computor to run on atomic power.

* * *

Aerial Motor Car

A "flying motorcar", a future means of personal transport, is being developed in California. The machine will closely resemble a motorcar in appearance but it will have no wheels. Instead of resting on wheels, it will rest on short struts. The body of the flying machine will be made in several models, some resembling a two-door and some a four-door motorcar. There will also be sports models and small machines that will resemble jeeps.

These flying machines will not have propellers like those of airplanes or rotor blades like those of a helicopter. Instead, they will be lifted into the air and fly through the air by means of ducted fans. A ducted fan is a large fan, or propeller, installed inside of a hollow metal cylinder or duct. Around the upper edge of the duct there is a wide flange or lip. When the fan rotates at high speed, it forces air downward through the duct. This reduces the air pressure above the duct and lifts the machine into the air. These ducted fans provide an extraordinary amount of lift as compared with the rotor of a helicopter which is not placed inside of a duct.

Once the machine is in the air, it is made to fly forward or backward by varying the speed of rotation of the front or rear fans. To make it go forward, the front fans are slowed down. This is done by simply pushing forward a lever. If the pilot wants to stop in midair, he simply pulls the lever back to a neutral position. Both front and rear fans then rotate at the same speed.

With four fans, control of a ducted fan-machine is very greatly increased. In addition, the use of two engines should remove the possibility of a complete power failure. If one engine should fail, the other one would keep the machine sufficiently stable to permit an easy emergency landing.

* * *

"The Bell X-14"

The Bell Aircraft Corporation announced that a United States Air Force Plane with two British-built engines has become the first jet Aircraft of conventional appearance to rise and descend vertically. The twin-jet, named the Bell X-14, could eliminate long and costly runways. Two Armstrong Siddley Jet-engines provided more than 3500 lbs. of thurst to make the aircraft rise like a lift from the runway and then propel it in conventional flight.

* * *

Automatic Coach Washing Machine

An Automatic Coach Washing machine, the first of its kind on Indian Railways, designed by the Western Railway Engineers and constructed by the staff of the Car Shed, utilising all indigenous materials was formally inaugurated on 14th April 1958 by Shri M. Ganapati, General Manager, Western Railway, at the Carshed, Bombay Central.

This washing machine has been installed so that more number of rakes can be washed within the limited period during which coaches are available in the Car shed in the afternoons between peak periods of suburban traffic in the morning and evening. Compared to the two rakes which are being washed externally every day using manual labour so far, with the help of the machine the output is expected to be increased to four rakes being washed every working day. This will result in the suburban trains being cleaner and more attractive to the general public.

After a welcome speech by Shri R. N. Chaudharie, Divisional Superintendent, Bombay Central, Shri S. C. B. Mazumdar, Chief Electrical Engineer addressed the guests and the staff and explained the technical aspects of the washing machine and the advantages of machine washing of coaches as against the present practice of manual washing. He also pointed out that the cost of the machine, as constructed and installed locally, was very much cheaper than the cost of a similar machine of foreign manufacture and also as a result of the saving in recurring expenditure, the cost of the machine would be made good in less than two years of operation.

Shri Ganapati, the General Manager, addressing the gathering expressed his appreciation of the machine having been designed and built by railway staff at a very economical cost and also urged them to give their best always, keeping in view the aim of more amenities and better services for the travelling public.

The General Manager then pressed a button and formally inaugurated the newly installed washing machine. One coach was then washed by the machine and was inspected by the General Manager and other guests present.

Books Review

"HANDBOOK FOR RAILWAYMEN (PERSONNEL ADMINISTRATION AND LABOUR LAWS)" by N. G Iyer. 2nd Edition. Published by C. Balan, 22B, Sardar Sankar Road, Calcutta 29. pp. 214. Price Rs. 5/-.

The first edition of this Book was reviewed in these columns (page 402 of the RAILWAY ACCOUNTANT, March 1958). That a second edition has been brought out so soon, reflects the popularity of the book. This second edition is honoured by a Foreword by Sri V. V. Giri, Governor of Uttar Pradesh. As observed in the previous review, this Handbook would be useful to give a broad idea of the different aspects of work done in the Establishment Branch of the Railway Organisation. A new Chapter containing extracts from articles of the author published in the Railway Magazines bearing on hints on Efficiency etc., will prove useful to the younger members of the staff on the Railways.

Printing mistakes such as "Sports" for "Spots" (p. 193) may be corrected in the next edition.

In page 21, it is stated that the normal wastage caused by retirement, resignation or death can be assessed at 30% annually. This is obviously a gross over-statement, for, if this were true, the entire Railway Staff will be replaced entirely every three years! In page 64, it is stated that the General Manager can authorise provisional payment of salaries to staff where sanction is delayed etc. This has to be qualified by saying that the Railway Board's sanction would be necessary even for provisional payment for one month, if the proposal required Railway Board's sanction (for instance, extension of a Class I Post in the Open Line Cadre). In pp. 44-45, the main features of Class II Service are dealt with, but these contain many inaccuracies. Gazetted Service is not a 'wartime creation' as stated, nor are Class II Officers appointed by the Railway Board. Para 10, page 45 is confusing and could well have been omitted. The Second Efficiency Bar for Gazetted Officers, referred to in page 78, applies only to Class II (there is only one Efficiency Bar in Class I scale of pay.) In page 66, the recent improvements regarding the fixation of pay as per Advance Correction slip to Rule 2027 (F. R. 31) – R. II could well have been mentioned. The term "wide gap" in para 4, page 66, does not fit in with the conclusion drawn in that sentence.

In page 101, the reference to the Negotiable Instruments Act for Railway holidays does not appear correct. The General Manager's powers in page 138 do not appear to be wholly correct.

The Establishment Rules and Orders are very complicated and in these days, undergo rapid changes. It is, therefore, next to impossible to bring out any publication on this subject, without some mistake or other. It is hoped that the author of the present book will have the book suitably revised in the next edition.

There is no doubt, however, that Sri N. G. Iyer has done a distinct service to the new recruits to the Railway Service by providing them with a broad outline of establishment matters pertaining to Railways.

B. G. B.

ACKNOWLEDGMENTS

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

Central Railway Magazine	— '58	Indian Railways	June '58
Eastern Railway Magazine	May '58	Indian Railway Gazette	July '58
Northern Railway Magazine	June '58	Indian Construction News	— '58
Western Railway Magazine	— '58	Chartered Accountant	June '58
South Eastern Rly. Magazine	— '58	Careers & Courses	July '58
Southrailnews	June '58	Educational Review	June '58
Chittaranjan	June '58	Australian Accountant	— '58
Central Railway Newsletter	— '58	Accountants' Journal (New Zealand)	May '58
Eastern Railway (Lifeline)	—'58	Accountants' Magazine (Edinburgh)	Jan. to May '58
„ Newsletter	7-6-'58	Technical Bulletin (Australia)	Apr. '58
Southern Railway Newsletter F.E.	10-6-'58	Wednesday Review up to W. E.	2-7-'58
Western Railway „	— '58	Railway Board's Monthly Statistics	Feb. '58
Metric Measures	— '58	I. R. T. D. A. Newsletter F. E.	30-6-'58
Transport	May '58		

STUDENTS' CORNER

Traffic Accounts (With Books)

Q. 1. Balance Sheet.

Goods Balance Sheet of...........Station for the Month of March, 1957.

PARTICULARS		Amount Rs.	PARTICULARS		Amount Rs.
To Opening Balance			By Cash & Vouchers remitted		1,51,350
Freight o/s	9,978		By Special Credits :		
Wharfage & demurrage	2,900		O/C Refunded	670	
Debits :			O/C Sheets	704	
Admitted	600		Paid on	3,300	
Not admitted	900		R. B. to LPO	700	
Miscellaneous	150	14,528	Refund Orders		
„ O/W Paid Local		6,188	Old	2,500	
„ O/W Paid Foreign		5,487	Current	700	
„ Wharfage & Demurrage (1,597 + 700 + 400)		2,697	WRF Refunds	9,800	
„ I/W To Pay Local		58,794	Debits Recovered (S.B.)	205	18,579
„ I/W To Pay Foreign		85,948	By Closing Balance		
„ U/C Inw. paid		498	Freight o/s	12,270	
„ Wagon Regn. Fee Deposits		10,220	Wh. & Demurrage		
„ Error Sheets :			Old	400	
Admitted	84		Current	400	
Not admitted	480	564	Errors Sheets :		
			Admitted	320	
			Not Admitted	1,380	
			Miscellaneous	150	
			Imprest	75	14,995
Grand Total		1,84,924	Grand Total		1,84,924

NOTES

Cash Remittance

	Rs.
To Pay Freight	1,37,076*
U. C.	498
Wharfage & Demurrage	1,597
Error Sheets	159
O/W Paid L	6,188
O/W Paid F	5,487
W. R. Fee	420*
Total	1,51,425
Less Amount withheld for imprest	75
Net Remitted	1,51,350

* Figures Worked out.

Inwards To Pay

		Rs.
O. B.		9,978
Cur. L		58,794
F		89,948
	Total	1,54,720
Less Refunds	670	
O.C. Sheets	704	
Paid on	3,300	
L.P.O.	700	
Remittance	1,37,076*	
		1,42,450
	C/B.	12,270

Wharfage & Demurrage

O. B.		2,900
Debits		
Cash	1,597	
Write off	700	
R. O.	400	
		2,697
		5,597
Less Credits		
Remittance	1,597	
Write off	3,200	
		4,797
	C. B.	800

Error Sheets

O. B.		1,500
Debits		564
	Total	2,064
Less Remittance	159	
S. B. Recovery	205	
		364
	Net C. B.	1,700

It is presumed that Wharfage and Demurrage outstandings consist of items for which remission Orders are awaited.

In regard to admitted debits cleared through salary bills, it is presumed that Credit has been automatically taken by the station in terms of Para 2411-T. It is, however, not understood how credit could be taken in the same month, as the copy of the recovery list would be returned to the station only after the amounts had been included in the salary bill of the station for the month. Hence if the Credit is not included in the month's account in a Station Balance Sheet, it should appear as outstanding in the month's account as awaiting credit.

* * * *

Station Outstandings

(Continued from page 105, June '58 issue)

Freight outstandings arise chiefly from Inwards To Pay consignments of parcels or goods not delivered to parties. These may be due either to the consignments not having been received or the parties not having claimed them even after receipt of the consignments. Such items would, therefore, be cleared automatically when the consignees take delivery of the articles after payment of freight in due course. Such items are, therefore, treated as regular outstandings. There is, however, another type of freight outstandings, which are due to P. W. Bs or Invoices being taken to account, but the consignments for which are not received or are not likely to be received at the destination due to their being withdrawn or diverted or otherwise; also such cases where the Invoices or Parcel Way Bills are accounted for twice, the consignment having been delivered against one of the items. Generally, in the case of items which arise out of diversion or withdrawal of goods, overcharge sheets have to be set in motion for clearance of the outstandings at the destination stations, and the Receiving Stations are responsible to take prompt action for the receipt of the duly certified overcharge sheets from the forwarding stations. There might also be instances of inwards paid consignments being accounted for as To Pay wrongly, the mistake being detected at a later stage. Here also, an Overcharge sheet would be necessary and this should be duly certified by the Booking Station before the receiving station can clear the outstanding.

In regard to duplicate accountals of invoices or Parcel Way Bills the Station itself can clear the wrong entries by quoting full reference to the two accountals in the Balance Sheet.

It will thus be evident that so far as Freight Outstandings are concerned the entire action for keeping them current rests with the Stations and so long as this is done systematically, there should be no reason for any heavy outstandings. In fact, even in regard to regular outstandings, if delivery is not effected within a month after receipt of the consignment the D. T. Ss should be addressed for arranging clearance or further disposal of the consignments. That the Staff have been doing their duties correctly has to be supervised by the Travelling Inspectors of Accounts on the Accounts side and by the Traffic Inspectors on the commercial side. If this supervision has been properly carried out, even a little avoidable delay on the part of the station staff could be remedied very soon. But the continuance of these outstandings for a long time would indicate the lack of proper supervision. There is further the Inspection of the Accounts by the Accounts Officer — of course, occasionally and on a percentage basis — but even this to the extent of the particular stations concerned would go to prove how far the subordinate supervision has been carried out properly and in time. The Inspection of Stations by the Commercial Officers would also have to take particular note of the outstandings at stations and if this was done regularly there is every reason to anticipate the outstandings being more or less normal. The fact, however, that heavy outstandings have accumulated at thousands of stations on the Indian Railways aggregating to lakhs and lakhs of rupees points to the fact that not only initial action has been absent, but also supervision has been defective. It is, therefore not the rules to blame, but the observance thereof.

To keep down the outstandings at least henceforward, it is very essential that adequate disciplinary action should be taken against all the staff, who are responsible for accumulation of an avoidable nature and beyond a reasonable period.

Another type of outstandings consists of miscellaneous items like short remittances of cash, disallowances by cashier etc. In these cases, it is obvious that the station staff have failed in their elementary duty of remitting the correct amount of cash to the Cashier in time and also to the inclusion in the remittance of wrong coins or notes. These are defects which cannot brook delay in rectification and it is, therefore, very essential that strict insistence upon such amounts being made good promptly should be made by the Supervisory staff. The Accounts Office also should, while reviewing the outstandings list in the Accounts Office, take particular note of such items and report to the Commercial Officers, where there has been undue delay in clearance.

In the case of freight outstandings, there is a certain amount of responsibility attached to the Accounts Office also. In the course of internal check, the Accounts Office finds a number of items which have been outstanding for over a month and also a number of heavy items thus outstanding. The Accounts Office should verify whether the particulars given in the outstanding list of such outstanding items are correct as per their original accountals and if so take necessary action in pulling up the station for remarks as to why they have been outstanding for such a long time. Of course, the Station Staff is expected to have given such information even in the first instance in the outstanding list, the normality is that such information is absent and in the case of the specially big items and specially long outstanding items, such remarks should be insisted upon; and if the Accounts Office finds that the delay could be rectified it is for them to address the commercial authorities in the matter. The Commercial Officers also have their inherent duty of scrutinizing the outstandings at stations as they are responsible, entirely, for the earnings at stations and they should take every possible action in time for ensuring that the station staff are not sleeping over avoidable outstandings.

By these various means, it is quite possible that we shall keep the outstanding at the station at the normal level and consequently the work all round at the stations, in the Accounts Office and in the commercial offices reduced considerably. This ideal stage can be achieved only by loyalty to work and a desire to do the best possible by everyone concerned. Let us hope that this stage will be brought about by rewarding the best kept station and punishing the ill-kept station.

'GOPALAN'.

Personnel

Southern Railway:

Sri B. Linge Gowda, A.A.O., returned from leave on 9-6-58 and was posted as A.A.O. (Constn), Madras, *vice* Sri A. S. Viswanathan, Offg. A. A. O., posted as A.A.O. (Stores) Perambur, *vice* Sri S. K. Mitra, A.A.O. (Stores) Perambur, posted as A. A. O. (Coaching) Tiruchi, *vice* Sri M. R. Thyagarajan, Offg. A. A. O., posted as A. A. O. (Inspection) Madras, *vice* Sri K. Sankaran, Offg. A. A. O., posted as A.A.O. (Stores) Perambur, *vice* Sri T. Ramamurthy, Offg. A.A.O. (Stores) Perambur, transferred to Headquarters Office, Madras, as A. A. O. (P.F.) Madras, in place of Sri S. V. Venkataraman, Offg. A. A. O., proceeded on L.A.P. from 9th June 1958.

Railway Board:

Sri M. N. Chakravarthy, until recently GM, Central Rly., has been appointed as Member (Staff), Railway Board, *vice* Sri K. P. Mushran, proceeding on L.P.R.

For Special Attention of Subscribers

BOUND VOLUMES OF THE RAILWAY ACCOUNTANT: The following bound volumes of the *Railway Accountant* are now available for sale in limited quantities:

Vol. I	Rs. 12·00	Vol. III	Rs. 12·50
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The above rates are *inclusive* of *ordinary* postal charges but are *exclusive* of postal *registration* charges. Those desirous of obtaining copies might send the requisite amount in advance.

STRAY COPIES: Several stray copies of the previous issues of the Journal are available for sale at Rs. 1·15 per copy except for 2 or 3 special issues which are priced 25 (or 50) nP extra. Those who require copies will specify the particular months and also remit the necessary amount together with the registration charges of 50 naye Paise.

NEW SUBSCRIBERS: Subscribers are enlisted at present from any month onwards. Those who wish to enrol themselves from a month earlier than the current one (before the 15th) are expected to pay a surcharge of 15 naye Paise per month in addition to the usual half-yearly or annual subscription of Rs. 5/- or Rs. 10/-. NO VPS WILL BE SENT.

Existing subscribers are requested to enrol as many new subscribers as possible at a very early date, in order to widen the influence of the Journal.

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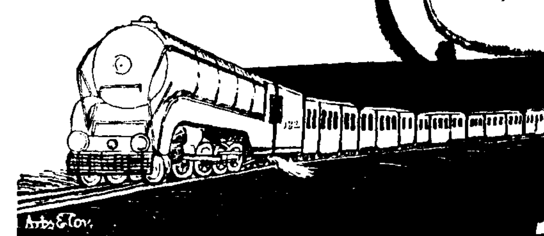

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CONTENTS

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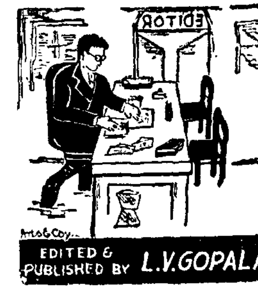

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Training for Efficiency

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The results of the Appendix III Examination held in December 1957, published some time ago, indicate the very great interest taken by the Accounts Staff on all Railways to acquire knowledge sufficient to satisfy the Examiners that they have made a serious study of their subjects. More than a third of the candidates that took the examination have been declared duly qualified for promotion to higher grades. Compared with the results in past years, this year's performance should enable us to understand the growing tendency on the part of the Accounts Staff to be more useful in their day-to-day work in the spheres of work allotted to them. This willingness on their part should be fully utilised by the Administration as early as possible. But it is not merely book-learning that will enable a man overnight to become very efficient. As in every technical profession, there is great need to supplement the book-knowledge with practical work, so that a proper combination of both would result in better work. How and what form this practical training should take depends on many circumstances, some of which at least are influenced by local circumstances.

Every examinee is now assured of a prospective career after his success in the qualifying examination, though no doubt, the interval may vary considerably at times according to exigencies of service. But the hope of a brighter future always keeps him trim, and the interval should be used by the Administration for training him up in such a way that he can give of his best always. The fact that several of the passed candidates are in the lower heirarchy and are to be pushed up several paces higher, almost suddenly is one that should be borne in mind. It is incumbent, therefore, that not only should they be able to realise the differences in the scope of their responsibilities, but they should also shed their inferiority complex and learn the technique of staff-management. The one advantage that such qualified men possess is their familiarity with the rules and regulations which those who have risen from the ranks by mere seniority may not always possess, unless they have specially taken interest in acquiring such knowledge. Broadly speaking, therefore, the course of training that should inevitably be given to the passed candidates should cover various aspects; and while not discouraging them, their weaknesses should be studied and remedied.

All training should automatically follow after the theoretical qualification has been obtained and accepted. At present, a preliminary interview of all the passed candidates takes place soon after the publication of the results for purposes of fixing the relative seniority of the candidates. This obviously could be based only upon their examination knowledge; but not such knowledge combined with the results of practical training to be given. Hence, any seniority then fixed immediately should be only tentative subject to finalisation after the prescribed training is over. This, would instil into the candidate a sense of responsibility for taking the training seriously and thus enable the administration to seek out the good part of every candidate and utilise him as fully as possible in due course. The training should cover not only practical work but also supervisory capacity.

As at present constituted, the examination is more or less specialised in certain branches of work, and consequently a person who has passed out with Traffic Accounts as his Optionals may be expected to be more useful in that branch than in General Accounts, where his knowledge would have been comparatively lesser in detail. Similarly, a person who has passed out with the optional subjects of the General side could be expected to be better fitted to handle sections dealing with those aspects of work than with the Traffic side. But at the same time, there should be no attempt at making water-tight compartments, as the object of these examinations is to broad-base knowledge and not to divert them into blind alleys. Thus, while the immediate object of the training should be to utilise, to the best, the theoretical knowledge obtained by the selection of the optional subjects, attention should also be paid to putting him through a course of training in the complementary aspects of work, so that after the completion of the training, he might be utilised in any Branch of work. Not only should such staff be given the opportunity of studying every detail of the work in every section to supplement their theoretical knowledge, but they should also have opportunities of clarifying their doubts and studying uptodate orders on the subject. It is this practical insight into the work without a responsibility for its execution that will enable the staff under training to learn well. A programme of training should be drawn up on these lines and it should be possible that the staff should complete their round of all sections within a period of three months. After they have gone through each section's work, they should be examined orally by the Section Officer and his remarks recorded on the Training Sheet to be maintained for each candidate. The course should not be made a formal one, but should be taken in all seriousness and the staff infused with the idea of better prospects if their detailed knowledge is superior. During the course of this training, the staff should also watch how the staff is being controlled by the various supervisory staff and take lessons for themselves as to how they should, in their turn, conduct themselves when they are saddled with such responsibilities. At the end of the training, the candidates should all be interviewed again by a Board and their *final* relative positions of seniority fixed.

Owing to the great number of candidates that have passed recently, the training should be so adjusted that not more than two people are allotted to a sub-section at any one time. It would thus help in not jeopardising the regular work of the section also.

These candidates under training may also spend sometime in discussing with the supervisors important matters handled by the section and the difficulties or complications arising in the course of every-day work.

We have often pointed out in the past that the absence of a regular training to the passed candidates has been a great handicap to the Officers controlling the Offices whereto they are posted, and that actually during the early stages of the passed candidates' work in their new spheres, they will not be able to assist the Officer to that extent that a fully qualified Accountant would be able to do. Such postings, therefore, have been a source of discontent to the Officers, especially when those with optional subjects of a different branch have been posted to work in an Office. We trust that no time will be lost in giving serious consideration to this aspect of post-Training of passed candidates for a short period before they are actually fitted in into responsible posts.

In this connection, the possibility of passing such candidates through the intermediate grade of sub-heads of sections either jointly or individually may also be considered before they are drafted as Accountants straightaway from the cadre of Clerks.

Institute of Indian Railway Accountants and Auditors

Readers may be aware of our plea in the past for reviving the Institute of Indian Railway Accountants and Auditors which ceased to function several years ago after having been active for only a few years before the War. We have been passing through very busy days and full of necessity for research work in every field of Railway Administration including Railway Accounting. Particularly after the integration of Railways and with the formation of zones of a sizeable number, it has become imperative that not only should the procedure on the various zonal Railways be simplified but every attempt has to be made for detecting possible redundant work and remedying the position as quickly as possible.

The fact that the Railway Board is dictating a common policy for all Indian Railways which at present are owned and managed by the Government of India, is a very important factor and researches in the field of Accounting are as essential as they have been in the other technical fields of Operation, Transport, Mechanical Engineering, Civil Engineering, etc.

There is also very great need to analyse the various statistical data now recorded and the methods and the forms in which these data are recorded, so that they may be presented in a suitable form for obtaining data to indicate the efficiency of administration, and to point out weak spots for taking necessary action for early improvement. These and similar points could be effectively tackled by the Institute of Railway Accountants and Auditors, who would consist of eminent Officers, and their considered decisions would be of great assistance to the Railway Board in every respect.

We, therefore, once again urge the imminent need of taking suitable action to restart the activities of the Institute and make it a very live body.

Foreign Exchange and Railways

(Contributed)

If any undertaking suffers for its efficient operation, due to the present acute position of foreign exchange, it may easily be said that the Railways are the worst sufferers. Though a major part of the requirements of the Railway are being purchased from indigenous sources, there is still a large volume of vital stores which could not be procured within the country and which, therefore, require foreign exchange. It is no doubt appreciated that Railway transport in the Second Five Year Plan is treated as coming within the *core* of the Plan, and therefore requiring special treatment, because, unless transportation bottlenecks are removed and new essential facilities are provided. the vast volume of steel and other traffic generated by the schemes to be executed under the Second Five Year Plan, could not be properly hauled to the consuming centres, nor could facilities be provided for the haulage of raw materials to the manufacturing units. But even here, efforts are made to minimise the extent of foreign exchange element required for the Railways for the execution of the Second Five Year Plan works.

While the present situation in regard to foreign exchange requires stringent control over purchase of imported stores, a line of distinction has to be drawn between vital stores and others. Most of the Railways' requirements even for regular operation and Workshop purposes, come under the category of vital stores and it need hardly be said that special treatment should be accorded to the imports of such stores for Railways on a priority basis. Where, however, stores could be obtained from indigenous sources though not of the same quality as the imported ones, preference can certainly be given to the purchase of indigenous stores, because, it helps the country in two ways; firstly by way of saving foreign exchange and secondly by conserving the expenditure within the country. It is in this connection that some attention has to be given in regard to the price factor. So long as the price of such stores obtained from indigenous stores is within reasonable limits, say within 10% of the prices for imported stores, it would be to the advantage of the country to get the stores within the country. This will also, at the same time, enable indigenous sources to be developed, and with the passage of time, the foreign import in respect of such articles, may be entirely eliminated. But it is essential that the indigenous suppliers should not take advantage of the critical situation of the Government in regard to foreign exchange and put up their prices to an unconscionable extent, for plant, machinery and stores, required by Railways. Instances are not wanting where the price quoted by indigenous suppliers has been even more than double the price of the imported stores. It looks as if profiteering is raising its head as in Wartime, and the firms who quote such unconscionable rates are doing a distinct disservice not only to the country but the trading community as such. It will be very difficult to accept the proposition that such high rates are a result of actual cost to the supplier or manufacturer, plus a reasonable margin of profit; indeed, in a number of cases, it could be easily proved that the rates are exorbitant, and profiteering is obvious. The Railways should not, therefore, accept such exorbitant rates for the particular plant, machinery or stores. If the increase over the imported rate is unreasonable, the Railways should refuse to purchase their requirements from the indigenous sources concerned, and in fact may even go further and black-list them altogether.

The question then arises, if supplies are not taken from the indigenous sources and foreign exchange is not also available, what is the remedy? It can be seriously suggested that the Government of India should declare such vital items of machinery, plant or stores which are available in the country, but, for which profiteering rates are quoted, and statutorily lay down that the prices to be paid will only be on the basis of the actual cost to the indigenous manufacturer, plus a reasonable margin of profit. For this purpose, the actual cost should be determined by a qualified 'Cost Accountant' of the Government of India. This is more or less akin to cost plus contracts, which were in vogue during the War, but with this difference that the list of such vital items of stores would be notified by the Government of India beforehand.

It seems that, due to the foreign exchange difficulty, all quotations of suppliers of imported goods are discarded, as they generally require assistance for obtaining import licence, and higher quotations from indigenous suppliers or manufacturers are accepted even though the rates are much higher. As already stated, so long as the rates of the indigenous suppliers are not very much higher than the prices of imported goods, there is no question and these could be accepted in the interests of the country. But it appears that rates considerably in excess of imported prices are paid for indigenous manufactures, because for one thing, the import could not be arranged and secondly the materials are required very urgently for the operation of the Railways. It would be very interesting indeed to know the extent to which such extra amounts were paid for supplies from indigenous sources as compared with what would have been payable for the lowest satisfactory quotation for the imported article. It would, it is feared, run to several lakhs, even for a period of six months, and the tax-payer is certainly entitled to know whether such extra expenditure was justified, and whether the payment of exorbitant rates was, apart from helping the inflationary tendencies, responsible also for creating a sort of bad morale amongst the suppliers and the ordering agencies.

Deficit Financing

Sri K. Santhanam, who was formerly the Dy. Minister for Railways, has offered his own views and suggestions regarding deficit financing by the Government of India. The following is extracted from his Article published in "The Hindu" sometime ago.

(By kind Courtesy)

Deficit financing has become a regular and prominent source for financing the economic development of India under the Five Year Plans. In the first Five Year Plan, Rs. 532 crores out of a total expenditure of Rs. 2,012 crores came from this source. For the Second Five Year Plan, a gap of Rs. 1,200 crores was left but it was then hoped that part of it at least would be met by taxation or loans.

Last year, the then Finance Minister Mr. T. T. Krishnamachari expressed the view that deficit financing would not be resorted to for over Rs. 900 crores. Recently, however Mr. Morarji Desai has stated that the total will not be less than Rs. 1,200 crores. During the first two years of the Second Five-Year Plan Rs. 702 crores out of a total outlay of Rs. 1,496 crores has been found from deficit financing. Mr. Desai has estimated that he would draw upon this source to the extent of Rs. 215 crores for 1958-59. It is doubtful if he will be able to manage with this amount. Even if he does so, it is not practicable to manage with the balance of Rs. 283 crores for the last two years of the Second Plan. The probabilities are that the total of deficit financing during the Second Plan will be not less than Rs. 1,400 crores.

The danger of the present position in which deficit financing is considered to be on the same level as taxation and borrowing for the purpose of implementing the Plan was brought home by the proceedings in the recent meeting of the National Development Council. The Planning Commission and the Finance Ministry of the Government of India have calculated that the available resources are Rs. 4,260 crores. They, however, felt that the total for the Plan could not be reduced to such a low figure and so proposed a limit of Rs. 4,500 crores with the rider that an additional Rs. 240 crores should be found by additional taxation, small savings and economy. But the States' Ministers were dissatisfied and strongly pressed that there should be no reduction from Rs. 4,800 crores. A compromise has been patched up by maintaining the limit of Rs. 4,500 crores and adding a Part B to the Plan of Rs. 300 crores to be implemented when resources are found. Apparently, the Planning Commission have included in the Rs. 4,500 crores, deficit financing to the extent of Rs. 1,200 crores. They have also added the warning that "it would be difficult to adhere even to this figure unless measures are taken to raise further resources and to limit Plan outlays along the lines suggested."

Obviously, it is the view of the Finance Ministers of the States that there is no sanctity in any particular figure as the limit of deficit financing. Rather than face the unpopularity of cutting down social services, they were prepared vicariously to face the risk of some additional deficit financing. After all, no clear reason was given to them why the additional Rs. 300 crores should not also be met from this convenient source.

Planning Commission's Change of Attitude

It is interesting to trace the change of attitude of the Planning Commission towards deficit financing, during the last seven years. In the First Five-Year Plan, a carefully conservative view was taken. The expression *deficit financing* was explained lucidly as follows: "Deficit financing is used to denote the direct addition to gross national expenditure through Budget deficits whether the deficits are on revenue or capital expenditure ". The essence of such a policy lies therefore in Government spending in excess of the revenue it receives in the shape of taxes, earnings of State enterprises, loans from the public, deposits on funds and other miscellaneous sources. The Government may cover the deficit either by running down its accumulated balances or by borrowing from the banking system (mainly from the central bank of the country) and thus creating money".

The Planning Commission then argued that the country as a whole had a surplus in its external account and disinflationary forces were developing towards the latter part of 1951-52. They estimated the external sources that could be firmly counted upon at that time at Rs. 290 crores over the five-year period. 'This", they said, "so far as it is possible to visualise now, may be regarded as the safe upper limit to deficit financing". It was further emphasised that in order to further minimise the dangers of deficit financing, physical controls over the supply and distribution of foodgrains and other essential commodities such as cloth, gur and sugar should be maintained.

Elastic Financial Conscience

By the time of the framing of the Second Five-Year Plan this conservatism had given place to more elastic financial conscience. After a rather sophisticated exposition regarding the complex factors which go to determine the money supply

at any particular time, the following conclusion is reached : "In India, where the normal practice is not to rely on the central bank for subscription to new issues of long-term securities and where short-term debt of the Government is largely held by the central bank, a deficit measured in terms of withdrawals of cash balances and nett increases in floating debt, gives on the whole a reasonably reliable indication of the impact of the budget on money supply." This is no doubt a reasonable conclusion but this has nothing to do with the estimate that the deficit financing of the order of Rs. 1,200 crores was justified. There is only the cryptic statement: "National income over this period is expected to increase by 25 per cent and we may assume that an increase of the same order in money supply would, in any case, be safe". So also is there no justification for the opposite statement : "The expansion of money supply of the order mentioned cannot but be regarded as the outside limit".

The main economic objection to deficit financing is that it is a powerful factor tending to inflation. In this connection I would like to refer the reader to the interesting chapter on "The Control of Inflation" in 'Economist in the Twentieth Century' by Lionel Robbins. The author deals in detail with the effectiveness of fiscal controls and monetary policies in checking inflation and comes to the conclusion that "the important thing is the control of the credit base; in other words, direct operation in the quantity of money."

Deficit financing in India amounts to an expansion of this credit base. In the context of Indian Planning, it is not possible to imagine any period in the immediate future when there will be a budget surplus (revenue and capital combined) which may be used to reduce this base. Therefore, the policy of deficit financing amounts to that of a steady expansion of the credit base and with it the inflationary potential which may at any time start the spiral of runaway inflation.

It may be asked whether in spite of deficit financing of over Rs. 1,200 crores in the last seven years, inflation has not been prevented. This is true but rumblings underground have not been wanting. In connection with the first Five-Year Plan, deficit financing was resorted to mainly during the last two years. The index of wholesale prices rose steadily from 100 in April 1956 to about 109 in November of that year.

The discontent among the Government servants became so vocal that the Government of India had to appoint a Pay Commission and the State Governments had to give *ad hoc* increases. The foreign exchange crisis, due to heavy excess of imports over exports, was internally an anti-inflationary factor and has largely neutralised the deficit financing of the last two years. As the Planning Commission have been rightly observing, food production has a vital bearing on inflation but as the seasons and harvests cannot be controlled, it is doubly necessary to be careful about measures which may precipitate a crisis in the unfortunate event of one or two bad years.

Not less serious than the economic objection to deficit financing is the political objection that it is too tempting an instrument to be placed in the hands of a harassed executive which may be inclined to act on the principle "After me the deluge". If as much money can be forthcoming from deficit financing as from taxation, the pressure to increase the former and reduce the latter will become stronger all the time.

The heroic way of Planning is of course, as in Soviet Russia to find all the finance needed from taxation and saving. But this is not practicable in the present context of things in India. To abandon deficit financing altogether without the possibility of substantial increases in taxation and saving may amount to abandoning the attempt for planned economic development.

TENTATIVE MEASURES SUGGESTED

It is not easy to suggest constructive alternatives. I feel, however, that the present scheme of discretionary deficit financing is so fraught with dangers that some scheme of regulating it is imperative. I would tentatively suggest the following measures:

First of all, the practice of treating deficit financing as a source on a par with taxation and borrowing should be given up. The salutary principle should be adopted that both at the Centre and the States, recurring expenditure and to some extent unproductive, non recurring expenditure should be met from revenue and capital expenditure, including such non-recurring expenditure as could not be met from revenue, should be financed from market loans, small savings, deposits, etc.

Deficit financing should be utlised in a selective manner and under conditions similar to bank credit. When bank credit is used for development, it is self-liquidating and is available only to specific productive enterprises. In the same manner, the Government of India may meet the rupee expenditure of specific and productive projects in the Public sector like the steel factories, ports, shipping and electricity boards by special authorisation of credits by the Reserve Bank. In this manner the normal working of the financial system will not be disturbed by uncertain quantities of created money based on political exigencies.

It may further be desirable that the actual issue of credit to public enterprises should be made by the Reserve Bank directly under the necessary authorisation by the Government of India or Parliament as the case may be.

In other words, deficit financing will become similar to the deferred credits which have been arranged for meeting the deficiency of foreign exchange. The need for deficit financing arises because of a similar shortage in National Savings and the country should never lose grip of the ideal of some time or other overcoming this shortage and finding the entire development expenditure from existing resources.

Allocation of Charges for Dearness Allowance under Abstracts 'B' and 'E'

(Contributed)

In regard to the booking of Dearness Allowance and Dearness Pay under Abstracts 'B' and 'E', the following heads of account have been provided:—

Abstract 'B':

3701—Dearness Allowance for other than Departmental Staff.

3702—Dearness Pay for other than Departmental Staff.

3703—Dearness Allowance for Departmental Staff.

3704—Dearness Pay for Departmental Staff.

Similarly, under Abstract 'E', the following are the sub-detailed heads provided:—

Abstract 'E':

3081-A—Dearness Allowance for other than Departmental Staff.

3802-A—Dearness Pay for other than Departmental Staff.

3803-A—Dearness Allowance for Departmental Staff.

3804-A—Dearness Pay for Departmental Staff.

The significance of the term "Departmental Staff" and "other than Departmental Staff" is not clear, and these terms also would appear to be misleading, in so far as there cannot, strictly speaking, be any kind of staff under the category "Non-Departmental Staff".

The first two sub-detailed heads of account (dearness allowance and pay for other than Departmental Staff) were being dealt with under Demand No. 6 and the dearness allowance and pay for Departmental staff were booked under Demand No. 8 in accordance with the procedure laid down in 1950. Subsequently, however, it seems the position has been reversed and the dearness allowance and pay for other than Departmental staff are now shown under Demand No. 8, instead of under Demand No. 6, as previously. In the same way, dearness allowance and pay for Departmental staff which were previously shown under Demand No. 8 are now shown under Demand No. 6.

There does not appear to be any rhyme or reason for this kind of classification.

The Explanatory Note No. 528 to Appendix II-G vide Correction Slip No. 15 G-II, which is reproduced below for ready reference, does not make the position any the clearer:—

"528, Dearness allowance—Dearness allowance/pay in respect of the staff whose pay is charged to Demand No. 6, should be booked under that Demand and the Dearness allowance/pay in respect of staff whose pay is charged to Demand No. 8 should be booked under Demand No. 8. (This takes effect from 1st April 1956)".

The best solution for the confusion now existing in regard to these sub-detailed heads of account would appear to be to lay down the booking of expenditure as under:—

Abstract 'E':

3801-A—Dearness allowance in respect of staff under this Abstract, whose pay is charged to Demand No. 8.

3802-A— -do- Dearness pay.

3803-A—Dearness allowance for staff under this Abstract, whose pay is charged to Demand No. 6.

3804-A—Dearness pay -do-.

The description of the heads B-3701 to 3704 may also be altered likewise. In the interest of clarity, this reformation is urgently called for.

Tourist Agencies

[The following is the view of a very experienced, senior Railway Officer, and contained in a letter addressed by him to the Railway authorities sometime ago. Whether the subject has received due consideration from the authorities or not, we are not aware of. However, it looks to us as if the aspect brought out may be reviewed in all its bearings and an early decision arrived at. *Ed. R. A.*]

Tourist Agencies render service in return for remuneration paid to them by the Railways. In this connection, it has to be considered whether the work of such Agencies should be encouraged to the full extent that is now being done so far as Indian Railways are concerned. The question has cropped up because of the fact that normal passengers have been finding that they cannot obtain tickets for their transport from Booking Offices, while at the same time, they are referred to the Tourist Agency for such service. Whether the allotment made to the Tourist Agencies is more than what is necessary or whether there is anything like a collusion between the Station Booking Office and the Tourist Agent has to be considered since usually the passenger is able to get accommodation very easily through a Tourist Agent than directly at the Booking Office.

So far as the Railway is concerned, booking through a Tourist Agency involves payment of a commission for such service and therefore reduction in the collection of passenger fares, which need not have been the case if the passenger had been able to get his ticket at the Booking Office. Since there are many Booking Offices opened by the Railways, particularly in large cities, whether the intervention of the Tourist Agent is at all necessary for booking of inland passengers is a subject which deserves very serious consideration, so far as individual bookings are concerned. But in regard to group parties proceeding for pilgrimages or marriages etc., and also for overseas Tourists, the Tourist Agent might come in handy.

In view of the very heavy overcrowding in trains and the Railway Minister's announcement many a time that this situation is not likely to be fully remedied for years to come, it seems better that the Tourist Agent's work may be confined to the cases of passengers coming from overseas or going overseas and even in these cases only to such of those firms as have an Office or a Branch in India or an affiliation outside. If the local Agencies are encouraged to do canvassing inland transport, it would mean waste of railway revenue, especially when the Railways are unable to provide passengers with necessary amenities.

Working of Mysore Secretariat – Gorwala's Criticism

A pungent commentary on the working of the Mysore Secretariat is contained in the report of Mr. A. D. Gorwala, Special Officer appointed to suggest ways and means to tone up the administration.

Mr. Gorwala has remarked that files in the Mysore Secretariat, even pending and current files, have a strange facility for losing themselves. "Again and again, on enquiry for papers about particular matters the reply is received that the file is being searched for and quite often nothing further happens for days, the hope being that the enquirer will forget. If, however, he is persistent, an atmosphere of grief envelops the denizens of the particular department, from the Secretary downwards. Ultimately, on great pressure being exerted and the aid of the highest Secretariat authority invoked, a file may put in an appearance. If then any questions are asked about its condition, its incompleteness, what happened before or after, an air of justifiable offendedness becomes very apparent. 'How ungrateful', seems the implication, 'after all the file was found and yet there is no satisfaction.' A Secretary considered good does not seem to think there is anything unusual in an explanation of this nature. He is not overcome at thus having openly to acknowledge his own lack of capacity to manage his own department and the confusion in which its papers are."

Responsibility

Mr. Gorwala further states that work in any secretariat can never be efficient

if responsibility is not taken at every stage. Experience has shown that in most departments, at least 10 per cent of the work that comes to any Under-Secretary can be dealt with by him finally. Of the 60 per cent that goes to the Deputy Secretary, another 40 per cent need not go beyond him, which leaves only 20 per cent out of the original 100 for the Secretary. Of this, a good Secretary will not find it necessary to trouble his Minister with more than 5 to 7 per cent. Mr. Gorwala stresses that responsibility should be properly taken by the person who ought to take it, and yet knowledge is spread as it should be to the higher authorities up to Ministers, without imposing any burden on the more senior authority. He also remarks that the habit of wanting to see all or almost all files into which some Ministers and Secretaries fall, obsessed by their belief in their own capacity, cannot but be deplored. They destroy in their subordinate both initiative and the desire to work. He also points out that very little attention is paid to the Secretariat instructions regarding weekly, monthly and quarterly arrears lists in some departments of the Secretariat. Weekly lists should be prepared every Saturday and seen and attended to by the Secretary himself before Monday afternoon. It is necessary for the Secretary to know the work in arrears with the Under and Deputy Secretaries. Accordingly, they too should be asked to submit weekly lists, the day of submission being Tuesday, so as to differentiate these lists clearly from the office lists and thus ensure special attention being paid on them.

Stagnation

The tendency to use a leave reserve not for the purpose for which it is intended but as part of the normal office staff should be avoided. There is a general feeling that assistants and clerks in charge of establishment work in the Secretariat or other offices ought not to be permitted to remain at their posts for a period of more than two years. A longer tenure, with the confidence that it engenders, tends to lead to misuse of the influence that quite often seems to gather round such appointments. Those engaged on establishment work can, after the two-year period, be transferred to other work in the same office, or better still, in allied offices. For instance, assistants and clerks so engaged in the Public Service Commission office could be transferred to the Secretariat, a fresh batch from the Secretariat taking their place.

Note: What is stated by Mr. Gorwala regarding the Mysore Secretariat would appear to be true of many Departments of the Central Government as also of the Railway Board, not to speak of the Railway Accounts Offices. Firm measures to place record-keeping on a sound and satisfactory footing are immediately called for, particularly in Railway Accounts Offices. Money spent on staff for proper upkeep of records with proper indices would certainly be repaid many times over in efficiency of disposal.

Ed. R. A.

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Ed. R. A.

Users' Amenity Works

It is understood that the Plan allotment for Passenger and other Rail Users' Amenity Works in the Second Five Year Plan has been cut and revised ceilings fixed for each Railway. This is apparently due to the present tight conditions of money and the need for taking up line capacity works and track renewals in preference to rail-users' amenity works because the physical quantum of the former has been reduced on account of the increase in prices, both of materials and labour. The Railway Board may also have been influenced by the particular aspect of allocation of Passenger Amenity Works to Development Fund, by which in the case of replacement works relating to Passenger amenities, the cost of new work with all improvements over the old work, is allocated to Depreciation Reserve Fund and only the original cost of the superseded work, which would be in most cases far less than that of the new work, is adjusted from Capital to Development Fund. In other words, as already pointed out in these columns*, sometime ago, in the case of such replacement works as for example, a waiting hall, the Development Fund gets the debit for its original cost which may be about Rs. 10 000/- while the cost of the new waiting hall with extensions, improvements and other facilities costing, say, over Rs. 1,00,000/- is borne by Depreciation Reserve Fund. This means that the Rail users get the benefit of the asset costing over Rs. one lakh, while Development Fund (I) Rail Users' Amenities bears only Rs. 10,000/-. In this context, therefore, the reduction of the Plan provision for Rail Users' Amenity Works in the 2nd Five Year Plan cannot be said to be really a curtailment of the facilities or benefits for the Rail users.

In this connection, it may be as well to mention how the amount earmarked for Passenger Amenities is actually utilised by the Railways and what machinery exists to ensure that the provision of facilities and works for the benefit of rail-users is actually made in consultation with the representatives of the rail-users, so that the money spent will be on works actually required by the rail-users. A sum of nearly Rs. 3 crores per year is allotted for Passenger Amenity Works and out of this a sizable amount would be required for certain categories of works which are taken up by the Railway Board themselves, without consultation with the Consultative Committee. The main category of works falling under this exception is those relating to rolling stock, e.g., provision of night-lights, fans, etc., to III Class carriages. Another exception is in regard to the working of the Catering Department by the Railways themselves, as distinguished from Contractor-operated Refreshment Rooms. If a new room is opened for the benefit of passengers, or, the extensions to existing Refreshment Rooms and improvements thereto are provided by rebuilding them in connection with Station remodellings, as also where equipment is purchased for the working of the Refreshment Rooms, the previous approval of the Consultative Committee (Z.R.U.C.C. or Passenger Amenities Committee) is not generally obtained, nor would it appear to be really necessary.

In the large majority of proposals for improvements and facilities for rail-users, other than those mentioned above, the approval of the Z.R.U.C.C. is obtained by the Railways before any such work is taken up. For this purpose, proposals made by the Members of the Z.R.U.C.C. as also those initiated by the Administration are considered at the meetings of the Committee and, after discussion, taking into account all the relevant

* Vide pages 159-160 of August 1957 issue of the RAILWAY ACCOUNTANT.

considerations, such as the availability of funds, necessity of individual works, priority in regard to taking up of the facilities, decisions are arrived at. But these decisions of the Committee can, in the nature of things, be only recommendatory and it is left to the Railway administration to decide which work should be taken up and which is considered unnecessary, although recommended by the Z.R.U.C.C. Also, the Railway Administration has the right to initiate works, without prior consultation with the Z.R.U.C.C. but the expenditure on such non-consultation works is also reported to the Z.R U.C.C. at its next meeting, so that the Rail-users' Representatives may be kept acquainted with the new works taken up at the initiative of the Railway Administration. If, however a large part of the Development Fund under Passenger Amenities is spent away by Works taken up at the instance of the Administration without reference to the Z.R.U.C.C., then the whole scheme of provision of facilities for Rail-users in consultation with them as such would become a farce. This has, therefore, been rightly provided against, by the Railway Board, by laying down that, apart from Passenger Amenity Works relating to rolling-stock and other essential works which have to be started urgently by the Railway itself, the Railway Administration shall have no power normally to take up any passenger amenity work unless the Z.R.U.C.C. had been previously consulted. To provide for urgent works to be taken up by the Administrations, a small percentage of the total allotment, say, about 2 to 5%, is reserved in consultation with the Z.R.U.C.C. in advance, at the beginning of the year itself. The expenditure on such urgent works is also intimated to the ZRUCC at the next meeting so that the principle of consultation with the Z.R.U.C.C. is adequately provided, in compliance with the wishes of the Parliament, and in fact the rail-user and the tax-payer.

The question then arises whether, for such urgent works taken up at the instance of the administration, the sanction of a lower authority would be sufficient or if the General Manager's sanction should be obtained in each case. In the first place, it may be difficult to say that a particular passenger amenity work is urgent because, in the nature of the work itself, it cannot be deemed to be urgent, as it is only an amenity or facility and not an indispensable necessity. At the same time, however occasions may arise when, although it is only a facility, a particular work may be assigned the rank of even a necessity, such as, for example, provision of a light point at a particular place in the waiting-hall, where it is comparatively dark. So also, the provision of a water-tap at a particular point at a station in summer at a low cost may be ranked as a necessity. In such cases, where the amounts involved are not large, say, not more than Rs. 250/- in each case, it may not be against the principle of prior consultation with the Z.R.U.C.C. to delegate powers to Divisional Superintendents to incur expenditure on this category of works, subject to a ceiling-limit for the year for each Division, which may be about Rs. 5000/-. A list of such works would also be sent to the General Manager so that the Head of the Administration may be kept informed of the various amenity-works undertaken for the rail-users; this will, at the same time, ensure that the General Manager is given an opportunity to see that the authorization given to the Divl. Supdts. is in practice exercised with prudence and in accordance with general policy. Where it is noticed that the Divl. Supdt. has exercised the authorization in a manner not quite consistent with the general policy, it would be open to the General Manager to issue suitable instructions.

(*Contributed*).

Compensation Claims

There is a steep rise in the loss to the Railways on account of payment of Compensation claims for goods lost or damaged, when compared to the expenditure on this account in pre-War years, even after making a liberal allowance not only for the increase in prices generally, of commodities, but also in the volume of traffic carried by the Railways. The following figures tell their own tale :—

Year	Compensation Paid (Rs. in lakhs)	
1938—39	3.39	
1941—42	7.35	
1942—43	15.63	
1943—44	46.35	
1944—45	114.43	
1945—46	158.92	
1948—49	93.37	(This is presumably due to the after-effects of Partition, when payment of claims was delayed)
1949—50	367.22	
1950—51	311 73	
1954—55	255.45	
1955—56	256.48	
1956—57	332.79	

It will be seen that, while there was a small reduction in the years 1954-55 and 1955-56, the claims Bill has again shot up to over Rs. 3 crores. What the payment on this account was in 1957-58 is yet to be known but all indications are that the figure will still be of the order of Rs. 3 crores.

It is not as if there will be a stop to this mounting increase of payments for compensation claims. The amounts paid are in respect of claims admitted by the Railway after disallowing or repudiating a number of claims not payable under R/R conditions or under any other provisions of law. If these were also taken into account, the value of goods lost or damaged would be considerable indeed. In this context, it will be relevant to take note of the fact that the Freight Structure Enquiry Committee has recommended the liability of the Railways to be changed to that of a common carrier instead of that of a bailee as at present. If this is implemented, the Claims Bill would go up still higher.

In view of the large amounts involved, the Railway Board recognized the need for reducing the Claims Bill to the utmost extent by eliminating losses and damages in transit to a large extent, and for this purpose sanctioned a costly organization called "Claims Prevention Organisation" on all the Railways. It is surprising, however, that in spite of the activities of the Claims Prevention Organization, the claims bill is not coming down. This may indicate either that, in the absence of the prevention organisation, the claims bill would have been much higher or the activities of the prevention organization did not bear fruit to any appreciable extent. In either case, the situation calls for a very critical review to see what measures should be adopted to remedy the position

Apart from the question of loss to the Railway on account of payment of compensation, the very fact that the Railway was responsible for loss or damage in transit, at once brings to the mind of the public a sinister sentiment that the Railway has done something which cannot be accepted morally. It is therefore, necessary that the entire energies of the Claims Prevention Organization should be devoted to initiate steps for prevention altogether of such losses in transit as also damages. The connecting of unconnected consignments with claims is no doubt being done by strenuous efforts on the part of this organization. But this is only a very minor part of the aim to be achieved. The root cause of such consignments remaining unconnected should be divined and removed. Such cases can only arise due to want of sufficient care and attention on the part of the Station staff at the booking-end, transhipment staff and Station staff at the destination-end. There is no point in saying that the goods were not properly labelled, marked or packed. All these should have been attended to and rectified by the Railway staff at the Booking Station itself and if this had been done there would have been no question of unconnected consignments. The staff at fault at every stage should be made to realise that they would be seriously dealt with for their lapses, resulting in heavy losses to the Railway. If sufficient staff have not been posted, it should be done immediately and the excuse that there was want of staff and so the rules could not be observed, is hardly acceptable.

Losses also arise due to thefts at the stations or even in running trains and in spite of the heavy expenditure on Railway Protection Force, who even depute staff to guard the goods wagons in the Goods trains, the losses are going up. Sometime ago. a case was reported of lifting of cotton piece goods bales from a goods shed with the active support of goods shed staff and Railway Protection staff, and this was possible because of slack supervision and the non-observance of rules with regard to taking inventory of goods on hand every week. Cases like this should not occur with an efficient organization and it is on this aspect that the attention of the administration should be rivetted.

For a proper appreciation of the loss, therefore, in addition to the amounts paid for compensation, the cost of establishment engaged in connection therewith that is, not only those engaged in the settlement of compensation claims, but those employed on the prevention side such as Railway Protection Force Staff, Claims Prevention Organization etc., should also be taken into account.

Loading of goods in open wagons, particularly grains and pulses etc., which are open to damage due to rain, also accounts for a certain proportion of the total amount paid for compensation. Probably this could not be wholly avoided, due to the paucity of covered wagons at particular points, but as the consignor himself is generally a party to the loading in open wagons, in his own interest, to cover a market, it would not be fair to pay compensation for damage in such cases, as the party was himself amenable to the loading in open wagons. This aspect was also dealt with in these columns sometime ago.

"*B.*"

Importance of Audit Check on Expenditure

While addressing the members of the Andhra State Public Accounts Committee on the 28th July 58, Mr. A. K. Chanda, Comptroller and Auditor-General of India, pointed out that there might no doubt be certain excess expenditure over the appropriated amount but the main complaint is more about lapses in the Centre. Large sums were surrendered and he instanced the case of the Defence Department. "I feel this indicates that our Defence Department have not done what was considered essential and necessary for internal security of the country." This, he added, was a more important matter than control over expenditure.

He suggested that a change in the attitude of the administration towards audit was essential if parliamentary democracy was to succeed in India. Auditors, he said, were not "extraneous" and should not be considered to exist to criticise.

Mr. Chanda said that his relations with the Public Accounts Committee of the States were the same as with the Centre. But there was heavy work in the Centre and hence the State Accountant-General tendered advice to the respective Governments and legislatures. In a parliamentary democracy, the executive was fully accountable to the legislature. It was the prerogative of the legislature to approve the taxation measures and control the appropriation. The appropriated amount should be spent for the purposes for which the sanction had been accorded. The pattern of the parliamentary system in India was modelled on the U. K. type. In U. K.. in earlier days, there was a continuous struggle between the Sovereign and Parliament in the matter of control of finances. Parliamentary control came into existence in the 19th century.

Mr. Chanda stated that the Public Accounts Committee was always considered as a non-party committee. There was no disagreement nor any note of dissent and the Committee submitted a unanimous report to the House. Till 1947, in India, the Finance Member was the *ex-officio* chairman assisted by 12 members. It was subsequently felt that it was incorrect to have a member of the executive as chairman. The Finance Minister finally ceased to have anything to do with the committee but kept in touch with the trends. The present Central Public Accounts Committee consisted of 22 members, 15 from the Lok Sabha and the rest from Rajya Sabha.

Referring to the changes introduced recently, Mr. Chanda said that the Public Accounts Committee had been broken into study groups. Questionnaires were prepared and confidentially circulated to the members. The Committee was not concerned with policies as such. Remedial measures were left to be taken by the Government. By convention, the Government invariably accepted the recommendations of the Committee. Its report was not discussed in the House. The complementary role of Audit and Accounts had come to stay and there should be no difference between the attitude of the Public Accounts Committee and the Audit.

Referring to the change of rules mentioned by the chairman earlier to the effect that rules should be so amended that it might not either be necessary for the Government to go before the Committee or conditions should be laid down that they should utilise the money according to the sanction obtained Mr. Chanda said that no executive could be given powers to spend more than what Parliament had sanctioned. They had, however, given thought to the question by which system appropriation could be better controlled. But there were many difficulties. The controlling officer had no mechanism to check how appropriation was kept up. Payments were made by cheques and an idea of the expenditure could be had only after two or three months had elapsed. Although there might be certain excess expenditure, the main complaint was more about lapses in the Centre.

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Ed. R. A.

Subjects of Moment

Classification of pensionary charges consequential to the extension of pensionary benefits to the staff of the Indian Railways

It has been decided by the Board that with effect from 1-4-58, the Pensionary charges of the Railway Employees who are already in receipt of pension or may hereafter be granted pension should be booked by the respective Railways which issued the Pension Payment Orders, under Abstract 'G' by introducing the following heads:

Sub-head :—

1300-A : Pensionary charges.

Sub-detailed heads :—

1301-A : Superannuation and Retired allowances (706-A)

1302-A : Commuted value of pensions

1303-A : Service Gratuities (706-B)

1304-A : Death-cum-retirement Gratuities (706 C)

1305-A : Compassionate Allowances (706 D)

1306-A : Family Pensions

1307-A : Contribution for pensions or Gratuities (706 E)

1308-A : Railways' share of Sterling Pensions (706 F)

Explanatory Notes :

(706 A) — Will include superannuation, retiring and invalid pensions.

(706 B) — Will include service gratuities payable to railway employees who may happen to retire before putting in the requisite number of years of service entitling them to service pensions.

(706 C) — Will include residuary payment of death-cum-retirement gratuities payable to family members.

(706 D) — This head is intended to accommodate payments of compassionate allowances granted to railway employees who have been retired from service on account of misconduct, inefficiency etc.

(706 E) — The contribution payable by the Railways to the Central Government or a State Government on account of pensions and gratuities of officers who are lent to the Railways are debitable to this head. Payments made at combined rates for both leave salary and pension contributions are also debitable to this head. Leave salary contributions when paid separately are, however, debited to the service heads concerned under pay of officers/pay of establishment, as the case may be.

(706 F) — This head will record the provisional instalments of Railway's share of Capitalised value of sterling pensions paid to the Ministry of Finance hitherto booked to the minor and main head "Pensionary charges" under the major head "15-D Miscellaneous Railway Expenditure" and will be operated upon in the Books of EASTERN RLY. Only.

(R. B. Letter No. 57-Ac. II/21/20 (A/cs. Pension) dated the 23rd June '58).

* * *

Advance Correction Slip to Accounts Code

Part-I

Introduce the following as new paragraphs 341 to 345 *renumbering* the existing paras 341 to 381 as paras 346 to 386.

Para 341. Internal check of Grants-in-aid. The internal check of sanctions to grants-in-aid should be conducted with reference to the provisions in the General Code-2068-G et seq.

Para 342. Utilisation of the grants for the purpose for which sanctioned.

The Accounts Officer should satisfy himself either at the time of scrutinising the proposal for the sanction to the grants-in aid or at the time of internal check of the sanctions as the case may be, that the sanctioning authority has satisfied itself that the funds will be utilised for the purpose for which these were sanctioned and that the sanctioning authority has also laid down specifically the conditions attached to the grants.

Para 343. Refund of unspent balances. At the time of inspection of the offices of the sanctioning authority, it may also be examined that certificates regarding upspent balances of grants are obtained from the institution and that the unspent balances remitted by the latter are promptly remitted to stations or cash office.

Para 344. Extent of check at local inspections: The quantum and extent of check during local inspection may be decided by the FA & CAO. The accounts of the institutions receiving grants Rs. 1 lakh (recurring) per annum and Rs. 5 lakhs (non-recurring) should be subjected to test check by the Accounts Department.

Para 345. Audit of accounts of private institutions receiving grants-in-aid.

Whereas it is not necessary for the FA & CAO to conduct the audit of the transactions of the private bodies receiving the grants, he should ensure that the sanctions for the grants are made by the competent authority after referring to statements of accounts of the institutions duly audited by Registered Auditors wherever the amount of the grant is more than Rs. 1000/- at a time.

(Railway Board's letter No. F (X) II-55/GRII/1 dated 11-7-1958)

* * *

Exemption to certain staff from the 21 days' rule regarding officiating arrangements

The Ry. Board in their letter No. E(T) 53TRB/5 dated 6-8-1955 communicated the following decisions.

(1) Officiating pay will be admissible without any restriction of a minimum time limit in the following cases :

(a) Officiating in posts in continuous shift duties in grades Rs. 100-185 and below.

(b) Officiating promotion from unskilled to semi-skilled and from semi-skilled to skilled grades in the case of artisan staff.

(2) Officiating pay will be admissible in vacancies of over 14 days, if a change of category is involved (but not for a change of grade within the same category) in the following cases :—

(a) *Transportation Department* :

Yard Masters, Head Signallers, Head Train Clerks } in grades below Rs. 200–300

(b) *Mechanical Department*:

Chargemen and Asst. Chargemen working in sheds } in grades below Rs. 200–300

Train Examiners Grade Rs. 100-185

(c) *Electrical Department* :

Asst. Foremen, Chargemen } in grades below Rs. 200-300

(d) *Engineering Department*:

Sub Permanent Way Inspectors.

Asst. Permanent Way Inspectors.

(f) *Signal & Tele-communication Dept.*

Sub Inspectors, Asst. Sub Inspectors, Asst. Block Inspectors.

(3) Officiating pay will be admissible to Commercial Clerks Grade Rs. 60-150 when officiating in grade Rs. 100-185 in vacancies of over fourteen days.

II. The Board further stated that the above orders did not in any way change the existing instructions that officiating arrangements in vacancies not exceeding six weeks should be made only when absolutely essential. The Board also stated that GMs might issue, should they consider it necessary, standing orders exempting certain categories of staff covered by items 1, 2 and 3 of para 1 above, from the operation of the six weeks' limit. The six weeks' limit has since been reduced to one month, vide Board's letter E 55. PA4/3/2 dated 20-7-1957.

III. On receipt of representations from recognised labour regarding the non-implementation of these orders by some of the Divisions on the Southern Rly. certain instructions were issued in Feb. 1957, where, the question of exempting certain categories from the six weeks (now one month) limit was not dealt with, but "essentiality" for filling short vacancies was to be assumed in cases where doubling up of duties could not be resorted to or where the posts could not be left unmanned. It has since been decided in consultation with the Accounts Branch that the following categories may be exempted from the application of the time limits prescribed for officiating allowance and the issue of essentiality certificate.

Item 1 of para I: (No minimum time limit).

(a) Posts in grade Rs. 100–185 and below, in all the Departments, the incumbents of which are in continuous shift duties.

(b) All unskilled and semi-skilled staff promoted to semi-skilled and skilled grades, in all the workshops and Running sheds.

Item 2 of para I: (over 14 days).

(a) *Transporation Department* :

Guards 'B' Grade Rs. 100–185 when promoted to officiate as Asst. Yard Masters, grades Rs. 150–225.

(b) *Mechanical Department*:

(i) Mistry Grade I, (Rs. 100–185) when promoted to officiate as chargeman in scale Rs. 150–225.

(ii) Artizans when promoted to officiate as Train Examiners, Grade Rs. 100–185.

(c) *Electrical Department*:

Artizans when promoted to officiate as Asst. Foreman and Chargemen in grade below Rs. 200–300.

(d) * * *

(e) *Engineering Department*:

Section Mate/Plate Laying Supervisors, on Grade Rs. 80–160, when promoted to officiate as APWI in Grade Rs. 150–225.

(f) *Signal and Tele-communication Department*;

(i) Head Signal Maintainers, in grade Rs. 100–185 when promoted to officiate as Asst. Signal Inspectors in grade Rs. 150–225.

(ii) Electric Fitters, Telegraphs, in grade Rs. 60–130 when promoted to officiate as Asst. Maintenance Inspectors, Telegraphs in grade Rs. 150–225.

Item 3 of para I (over 14 days).

Commercial Clerks in scale Rs. 60–150 when promoted to officiate as Commercial Clerks in Charge in grade Rs. 100–185.

IV. If the DSs consider that any other categories should be included in the above lists, they may do so provisionally with the concurrence of DAO/SAO(W) and advise this Office for ratification with the FA & CAO's concurrence.

V. In order to facilitate current drawal of officiating pay under these orders, the following procedure should be strictly followed :

1. Full details of officiating arrangements made should be indicated in the Muster Roll/Absentee Statement/Skeleton Pay Sheets, furnishing details of casualities, against the name of the individual who has been put on to officiate.

2. In the case of officiating arrangements which are spread over the two wage periods concurrently full details should be indicated in both the Musters etc.

3. A consolidated statement of officiating arrangements made as per a pro forma should be submitted along with the pay bills.

* * *

Grant of compensatory (Construction/Survey) allowance to staff employed on Construction/Survey Projects

Railway Board's letter No. E53AL12/3 dated 9th Apr. 1956, notifying principles for the grant of construction and survey allowance to staff posted on construction and surveys.

It has come to the notice of the Board that the principles laid down in the above quoted letter have resulted in hardship in certain cases. They have, therefore, reviewed the position and have decided to lay down the undermentioned principles for the guidance of the General Managers. The question whether a particular project/survey/new line construction will qualify for grant of construction/survey allowance or not will, however, continue to be decided by the Board.

2. The following are the principles:—

(a) The allowance shall ordinarily be sanctioned only for new lines or restoration or surveys.

(b) The allowance will not be admissible for doubling, except under very special circumstances to be decided by the Board.

(c) The cases of projects other than new lines or restoration or surveys will be decided by the Railway Board on merits.

(d) The allowance will be admissible to all gazetted officers below Senior Administrative rank and to all Class III and Class IV staff.

(e) The allowance will be admissible also to temporary staff recruited through the Railway Service Commissions, or otherwise by a competent authority if they *are not locally recruited staff*, as well as to staff engaged on re-employment terms. Class III Staff are, as a rule, not recruited locally and, with the issue of the Railway Board's letter No. E56RC1/19/3 dt. 11-4-'56, recruitment of Class IV Staff also is not confined to only the local Employment Exchange. Only such Class IV staff as are recruited locally, whether through the Employment Exchange or otherwise will, therefore, be excluded. Construction allowance will not be admissible to casual labour.

(f) The organisation of Indian Government Railways is composite in the sense that the speedy or satisfactory execution of a survey/construction or project may sometimes require the posting or extended touring of the staff employed thereon to places outside the project area or site. Staff of surveys, new lines construction, restoration of dismantled lines and such other projects as are specifically approved by the Rly. Board will, therefore be eligible for the allowance wherever employed in connection with these works, ie., whether residing within the project site or area or not.

(g) This allowance will not be admissible in localities where compensatory and/or house rent allowances have been sanctioned to all railway servants by general orders. As an exception to this general principle, however, staff residing in 'C' Class towns, most of whom draw relatively very small amounts as house rent allowance, will be permitted to draw either the construction/survey allowance, or the other compensatory (house rent) allowance, whichever is higher.

(h) The staff employed partially on a survey/construction or other project approved by the Board, for the purpose of drawing this allowance, and partially on other projects for which this allowance is not admissible, will be entitled to draw this allowance so long as they are closely associated with the construction/survey or other project works

(i) Staff transferred to the project, even where such transfers involve promotion will be eligible for the allowance.

(j) The allowance will be admissible during leave also subject to the provision of Rule 2211-R II, i.e., the Railway Servant should certify that while on leave he continued to incur a considerable portion of the expenditure for which the allowance had been sanctioned.

(k) Survey, construction and project staff and officers will draw this allowance for the duration of sanction to the staff in connection with the survey etc.

(l) The staff governed by the ex. Company Railway rules and ex-Indian States Railway Rules when employed on construction/survey/projects will be eligible for construction and consolidated travelling allowance admissible to them under the respective rules. In case there is no provision for compensatory (construction/survey) allowance in their rules, the principles and the scales laid down herein will apply to them also as in the case of staff governed by railway rules.

3. These orders are in substitution of those laid down in the Board's letter No. E53AL12-3 dated 9-4-1956 and have effect from the same date.

[R.B. No. E(B) 57 AL 12-14 dated 8th May 1958.]

* * *

Advance correction slips to Establishment Code

I

"Rule 1101-RI: Delete the words 'except inferior services' appearing in the 3rd line under the rule.

R. B. E (W) 56 ED 3-19 dated 27th June 58.

II

Substitute the following for the existing second proviso to Rule 203 of the Indian Railway Establishment Code, Volume I:

"Provided further that for trolleymen, Khalasis, Gangmen, Chairmen, and artisan staff of the Engineering Department and other persons of that Department holding posts of the Inspectors' Class. e. g., Inspector of Works, Permanent Way Inspectors, Overseers, Supervisors, Sub Engineers etc., are for the Block Maintenance Staff of the Signal and Telecommunication Department, the period of absence from Headquarters for which daily allowance may be drawn for journeys within their sphere of duty shall be either—

(i) a period of more than 8 consecutive hours between 6 P.M. and 6 A.M., or

(ii) a period of more than ten consecutive hours on any day, or

(iii) a period of more than eight consective hours on any day of which at least six consecutive hours must be between the hours 8 p.m. and 6 a.m.

Provided that in cases falling under items (i) and (iii), the daily allowance will be counted against the day in which the greater part of the absence falls, no further daily allowance being admissible for that day.

This proviso shall not apply in respect of journeys performed by staff beyond their jurisdiction unconnected with ordinary maintenance duties."

The Orders take effect from 1-8-'55.

(R.B. No. E 53 TRB/7 dated 6-7-'58)

III

Rule 1103—R. I :—

Substitute the following for the subject heading and the existing sub-clause (i) of this Rule:

" Assistance limited upto the Higher Secondary School Standard. (i) Subject to the provisions of Rule 1102, assistance shall be limited to education for the period covered by and up to Higher Secondary School and Senior Cambridge classes, subject to the condition that assistance in respect of a child shall cease when he attains the age of 18 years."

[R.B. No. E(W) 58ED1-5 dated 15-5-'58].

* * *

Schedule of Powers—Issue of Passes and P.T.Os to employees under suspension

The Railway Board have decided that the discretion to issue P.T.Os to staff under suspension might also be exercised by Heads of Departments, Divisional Superintendents or Dy. Heads of Departments.

[R.B. No. E(G) 57 PS5-1/20 dated 24-5-1958.]

* * *

Grant of House Rent Allowance to Railway Servants living in their own Houses

The Railway Board have decided that for the purpose of payment of House Rent Allowance on percentage basis, to the Railway Servants living in their own Houses, the gross annual rental value as assessed by the Municipality without reduction of 10% rebate on account of repairs has to be taken into account for payment of House Rent Allowance to such Railway Servants: effective from the 12th May 1958.

[R.B. No. E(S) 1-58 CPC/AL/13 of 19-6-1958.]

* * *

Final withdrawal of P.F. money for house-building purposes

The Railway Board have ordered that the final withdrawal for repaying a loan taken for the purpose of acquiring a house or redeeming a House should be allowed only if the loan was taken not more than 12 months before the date of receipt of the applications for final withdrawal.

[R.B. F(E) 54/Adv-3 (1) of 12th May 1958.]

* * *

Witnessing of Payments

The following instructions are issued for the guidance of officers witnessing payments:

(i) The witnessing officials should ensure that staff sign the pay sheets only in their presence and IMMEDIATELY before payment, and not BEFORE HAND.

(ii) In cases where normally witnessing officials are unable to attend to payments personally, a written authority should be issued by them mentioning therein the name and designation of the employee so deputed who is authorised to witness payments which must invariably be attached to the Bill by the Pay Clerk concerned.

(iii) The UNPAID list of staff on the last page of the Pay Bill should be prepared by the witnessing officials themselves in their own hand-writing and NOT by anyone else.

It will be the joint responsibility of the witnessing officials and the Pay Clerks to ENSURE that these instructions are strictly adhered to.

* * *

NEWS, NOTES AND COMMENTS

Railway Pension Scheme

In response to many representations sent to the Railway Board, it has been decided that the Railway Staff may exercise their option in regard to the pension scheme up to the 31st Dec., 1958 as against the 30th June previously announced. Railway Board have decided that no further extension of this date should be allowed.

This extension is not to apply in case of those who entered service on or after the 30th June 1958.

In the case of those who had already made their final option, a re-option would be allowed by the Railway Board in case where employees can advance strong grounds explaining that their original option had been exercised through misapprehension. The Board have further stated that those who fail to exercuse their option before the 31st Dec., 1958, or those whose option is incomplete, conditional or ambiguous in any way will be deemed to have retained their existing retirement terms under the State Railway Provident Fund Rules.

* * *

Railway Speed Record

French Trains have the fastest average speed in the World. According to a Paris report main line passenger trains average 93·4 kilometers (56 miles an hour) in France, while the speeds in other countries are : 85·6 kilometers (about 51 miles) in the US, 83·7 kilometers (about fifty miles) in Britain, and between 70 and 80 kilometers (between 42 and 48 miles) in Denmark, West Germany, Switzerland, Italy and Sweden. These speeds are obtained by long distance trains of between 360 and 446 miles in France and other countries.

* * *

Price of Telco Locos

Readers may be aware that there has been longdrawn controversy about the prices of locos manufactured by the Tata Elec. Loco Co., and there have also been long drawn discussions on this subject in the Parliament. As a result of all these the Government offered to the company a price of Rs. 3·75 lakhs per engine, while the Company wants Rs. .,93,000/-. As it is felt that the two parties may not come to an easy settlement, it is learnt that a one-man Arbitrator may be appointed very soon to go into the question of this price fixation for each unit manufactured since April 1958. This Arbitrator may be a High Court Judge whose terms of reference will be the only issue of fixation of price per unit. It appears that the 'TELCO' has also agreed to abide by the verdict of such arbitrator.

* * *

Rail Concessions from July 15 to Sep. 15, '58

As in previous years, concessional return tickets at $1\frac{1}{3}$ single journey fares will be issued on all the railways, from July 15 to September 15, 1958, for classes I, II and III.

These return tickets will be issued only between stations which are situated over a *distance of 300 miles* from each other.

Break of journey on the return journey will not be permissible, but it will be allowed on the outward journey, according to the normal rules applicable in case of single journey tickets.

Passengers are required to present the return halves of their tickets at the booking office of the station from which the return journey is to start and have them dated, indicating the date of commencement of the return journey. This is compulsory, as passengers holding return halves which are not so dated will be treated as ticketless travellers.

The *period of availability* of the return tickets will be 20 days for journeys between 301 and 500 miles; 25 days for journeys between 501 and 750 miles; and 30 days for journeys of 751 miles and over The return tickets, however will not, be valid for completion of the return journey after the midnight of September 30, 1958. For example, a return ticket issued for a distance of over 750 miles on September 15 will be available for completion of the return journey only up to September 30, 1958.

Separate series of 'Mail' and 'Ordinary' return tickets will be issued in case of II and III classes at the appropriate fares available by 'Mail' and 'Express' and 'Ordinary' trains respectively. Similarly, combined Mail/Express and Ordinary tickets will be issued where necessary.

* * *

The Human Element

The following extract from the Editorial of the Central Rly., Magazine for June 1958 on this subject deserves serious thought; especially in view of the rather frequent incidence of railway accidents, mostly at stations in the recent past. In spite of the fact that the Railway Board have issued elaborate instructions on the working of safety organizations on every Railway, the occurrence of frequent accidents—some serious and some ordinary—deserves a considerable amount of reviewing the position with a view to taking further steps to minimise, if not eradicate, such avoidable accidents in the future and thus restore a certain amount of confidence in the minds of the travelling public. *Ed, R. A.*

x x x

If we pause and ponder for a while on this question of the human element and its failure in the larger context of events around us, a grim realisation slowly dawns on us that there is an imminent need today for the toning up of the moral fibre in man and a proper assessment of human values. Many a trader is glued to the idea of profiteering and more profiteering unmindful of the sufferings of his clientele. Many a student would rather tear up his examination papers, walk out, damage and destroy things if he considers the test to be a little stiff. Many a passenger travelling in a train would rather fold his arms and remain unconcerned even if he may be in a position to help authority in apprehending anti-social elements interfering with train punctualities and services. These are just a few instances where the lack of the proper functioning of the human element is amply in evidence. Such examples can be multiplied to cover national and international spheres where the results of the failure of the human element may even prove catastrophic! The malady is as wide-spread as it is subtle.

To return to our main theme, the railway Administration on its part, doubtless, is doing everything possible to ensure safety in travel by the strict enforcement of rules and by inculcating safety consciousness among the railwaymen concerned with the movement of traffic. Of no less importance, it would appear to us, is the urgent need for revitalising of the human element into a consciousness of its duties and responsibilities and of being disciplined and diligent at all times. This is where invaluable assistance can be rendered by the various Staff Welfare Organizations, Social Units, Staff Unions etc., functioning on the Railways by making sustained, persuasive propaganda among the staff in this direction, the main plank of their activities.

* * *

Railway Rates Tribunal

Sri S. K. Mukerji, C.C.S., Southern Railway, was appointed Member of the

Railway Rates Tribunal and took over charge there on the 26th July 1958.

He had previously held several posts in the Transportation and Commercial Departments of the old G. I. P. Railway and was promoted as Dy. C.C.S., G.I.P., in 1947. In 1948 he was on deputation with the Ministry of Transport, where he worked till October 1949 as the Regional Controller of Railway priority, during a period of acute transport crisis. After his return to the parent Railway at the end of 1949 he worked there for sometime, till he was promoted as CCS., Southern Railway, in 1954.

* * *

Para 920 of the Indian Railway General Code—Volume I

The word "reserved" has been printed at the end of this para in the revised 1954 Edition. But obviously this word should be "reversed". How this mistake went unnoticed all along is not clear. But a Correspondent from Pandu wants the authority of the Railway Board for the correction of this word as obviously the position indicated by the word 'reserved' is misleading.

* * *

Monthly Statistics of Indian Railways

I

Approximate Gross Earnings for May 1958:	Rs. 32.75 Crores.
Actuals Gross Earnings for May 1957:	Rs. 32.54 Crores.
Actuals for April 1958 and approximates for May 1958:	Rs 63.45 Crores.
Actuals for April and May 1957:	Rs. 60.58 Crores.

WAGON LOADING

	May 1957	May 1958	Decrease percentage
B. G.	464789	461687	0.67
M. G.	294260	277342	5.75

Total loaded in April and May 1958 was less than that of April and May 1957 by
B. G. 0.22%
M. G. 4.16%

II

The approximate gross earnings of Indian Railways during the month of June 1958 amounted to Rs. 30.19 crores as compared with the actuals for June 1957 of 31.31 crores i.e., a decrease of 3.57%. The approximate actuals from April to June 1958 amounted to Rs. 93.76 crores as against corresponding actuals for 1957 of 91.88 crores, i.e., an increase of nearly two crores.

Wagon Loading: The number of wagons loaded with Goods Traffic increased during June 1958 by 3.43% on the BG and decreased by 3.30% on the MG as compared with June 1957. In regard to the cumulative figures for the three months from 1-4-1958 to 30-6-1958, the number of wagons loaded increased by 0.89% on the BG and decreased by 4.10% on the MG as compared with the corresponding period of the previous year.

Increase in loadings appeared in the following items under BG: Coal and Coke for public, cement, iron and steel others, coal for homeline and other stores; set off to some extent by short loadings in cotton raw, cotton manufactured, jute raw, sugar, sugarcane, manganese ore and miscellaneous smalls.

On the metre gauge, the increase generally appeared in Coal and Coke for public, grains and pulses, cement and iron ore, set off to some extent by short loadings in cotton raw, jute raw and sugar cane.

[*Note* : Owing to the conversion of the Gudur—Renigunta metre gauge into Broad gauge last year, figures of traffic which used to appear previously under metre gauge are now covered by broad gauge. A foot-note as to how this conversion has affected the figures should appear in the Earnings etc., Statistics until one year after the conversion took place. *Ed., R. A.*]

* * *

Definition of Efficiency

Mr. Morarji Desai, Union Finance Minister, defined EFFICIENCY thus: „ A task done in the quickest time possible, with the smallest amount of energy necessary, with the least amount of external help." His criterion for 'task done well' was 'not to be charged with any discourtesy to anybody'.

The above conclusions, he said, were the result of his personal experiences.

Note : Words full of meaning, worthy of serious thought and requiring practical application by one and all. *Ed, R. A.*

* * *

Chittaranjan New Record

The Chittaranjan Locomotive Works have in recent months touched a new record by turning out a complete locomotive every alternate day.

* * *

Cutting Paperwork

The OFFICE MAGAZINE (March 1958) cites the example of "a Government Department which insists that all invoices shall be rendered in quadruplicate. One man decided to explore the possibilities of this system, and refrained from indicating that three of the invoices were copies. Finally he received payment of one Invoice four times, and in his letter returning the excess money expressed his opinion in no uncertain terms".

—*(Courtesy: Accountants' Journal, N.Z.)*

Note: The importance of marking a Bill or an Invoice as 'Original', 'duplicate' etc., and also marking Invoices other than the original as 'Not for payment' is thus obvious. Had this simple requirement been followed, there would have been no occasion for excess payment as noticed above. *Ed., R. A.*

* * *

Rail Priority for Exports

As a measure of export-promotion in accordance with the recommendation of the Railway Freight Structure Enquiry Committee for the grant of such priority, it has been decided that all goods meant for export (except iron and manganese ore and other articles for which there are special arrangements) will hereafter be granted priority on the Railway for movement to the Ports.

This will be done under item 'D' of the Preferential Traffic Schedule and the consignors have to supply to the Station Master information regarding the foreign consignee and the Letters of Credit opened by them, the name of the ship in which space has been secured, and the Shipping Agent's Certificate of reservation of such space.

* * *

Rail Accident near Ariyalur on 9th Aug. '58

The news of another accident on the Maruthayar Bridge near Ariyalur, nearly two years after the major train disaster at the same place, is rather disconcerting, particularly after very detailed investigations on the past accident and the detailed measures that were reported to have been taken to prevent a recurrence of such cases in future. Beyond the fact that twentyfour wagons of a goods train got derailed and plunged into the river, nothing has been stated as to the fate of the engine and extent of damage caused by this accident. The bridge is however reported to be safe; and through running restored within 48 hours.

* * *

Scientific Developments

Automatic Postal Clerk

A new electronic machine has been developed in the United States that reads typewritten addresses on envelopes and then automatically sorts them according to the city and State to which they are to be sent. The machine, still in the experimental stage but already tested in a post office, was developed by the Intelligent Machines Research Corporation of Alexandria, Virginia.

In a fraction of a second the machine reads the bottom, or city and State line of an address by sensing the length and location of letter strokes. This enables it to analyse the writing and identify the letters of which it is composed. The machine can read various sizes of types by means of a so called "comparator circuit", which adjusts itself for each envelope, according to the height of the first letter of the first word in the address.

* * *

Device Does Works of 3000 Clerks

A new electronic typewriting device has been perfected in the United States which can record enough data in 30 seconds to fill a 300-page book. It is made by the General Dynamics Corporation.

Called the Computer Readout, the device is designed to record information provided by giant computers or "electronic brains". It can record in permanent, readable form the data output of computers at speeds 10 times as great as those of any other recording method.

The General Dynamics Corporation says that the device is able to do as much work as 3000 human stenographers. It can record more than 259,000,000 words a day or their equivalent in figures or diagrams.

* * *

Machine Does Translation

Miss Ariadne Luckjanow, a Russian-born philology expert has devised an electronic machine which translates Russian into English. The machine, which operates on the basis of substituting mathematical symbols for grammar, can translate 30,000 words within five hours. The machine operates through a code which establishes an equal sign between the two languages and thus provides bilingual grammar, the inventor claims.

* * *

X-Ray Analyses Alloy Steel in Few Seconds

A revolutionary new X-ray that can analyse a given element in alloy steel in ten seconds or magnify the atomic structure of materials 150 million times has been installed in an automobile metallurgical laboratory at Flint, Michigan.

Verne Hense, Buick's chief metallurgist, said the new instrument has reduced by more than four hours the time needed to analyse some metallic elements compared with the conventional wet chemical method.

"In addition," Hense said "it reveals facts about the structural makeup of materials that are nearly impossible to obtain in any other manner, giving us a new and better approach to quality control problems"

The instrument is an X-ray Spectrometer-Diffractometer and Micro-Radiography apparatus that fires a 50,000 volt X-ray beam to probe inside hardened steels, or even carbide cutting tools which defy analysis by any other means.

Used as a Spectrometer, it can determine the exact percentage of manganese, molybdenum or any other metallic element in a steel bar or roll to insure that the composition of the steel meets quality standards,

As a Diffractometer, the instrument magnifies atomic structure to the extent that the arrangement of atoms in a piece of steel can be visualised. This makes it possible to predict whether or not the part has the required wear and strength specifications.

* * *

New Alloys for Missile Age

Two remarkable titanium alloys recently developed will increase the usefulness of this metal in applications which involve the use of intense heat. It is expected that the alloys will be of particular value in high speed jet air craft, rockets and missiles. Titanium is the strongest metal per pound of weight in its temperature range.

One of the new alloys is a weldable material but provides strengths equivalent to similar titanium alloys, at temperatures 200 degrees higher. This exceptional advantage is maintained in the range of 400 to 1000 degrees Fahrenheit.

The second alloy offers remarkable ease of fabrication for a high strengh material. Sheet metal parts can be readily formed while the alloy is relatively soft, then can be heat-treated to give them high strength. The heat treatment more than triples the strength of this alloy. The alloys were developed by the Mallory-Sharon Titanium Corporation, Ohio, and their use has already begun in the jet propulsion and rocket field.

* * *

Range of Radio Telescopes Increased

A new sound-amplifying device, which may extend the range of radio telescopes 10 times further out into space, has been developed and tested by scientists of Harvard University in the United States.

The new amplifier is known as a "three-level, solid-state Maser" a word that means microwave amplification by stimulated emission of radiation. It may enable man to hear the radiation from hydrogen clouds in galaxies far beyond the range of any present radio telescopes. Scientists believe that it will enable them to pick up radio signals from space that are one-thousandth as strong as those that can be detected at present.

According to Professor Thomas Gold, a Harvard astronomer and authority on radio astronomy, the Maser-equipped radio telescope should be able to test important theory of the expanding universe, cosmological theories, "better than any other present means".

* * *

Atomic Measuring Device

A new atomic measuring instrument is enabling a United States tile manufacturing company to achieve nearly exact uniformity in the thickness of its resilient tiles for use in floors.

The instrument makes it possible to maintain within one per cent the desired thicknesses of asphalt and vinyl-asbestos titles, the company says. The device made by the Industrial Nucleonics Corporation, measures the density of tiles by sending beta rays through them. Electrical signals from a thickness-recording gauge are then translated into lines on a chart for analysis of the manufacturing process. The company that is using the instrument is the Mastic Tile Corporation of America, whose main office is in Newburgh, New York.

* * *

Radio Weather Device

The General Instrument Corporation of the United States is developing advanced types of high altitude electronic weather detectors. Known as radiosondes, the devices are portable weather recorders which can transmit data automatically. One unit, known as a "balloon sonde" is sent up by balloon and radios back weather information from as high as twenty miles. The other, called a "dropsonde" is dropped by parachute from weather planes in areas too isolated for launching weather balloons. These instruments make continuous readings from 62,500 feet and transmit them back to the weather plane through built-in 250 mile range transmitters.

* * *

Jet Flies Straight up

On its recent initial flight a test pilot guided an experimental craft, the Bell X-14, to an altitude of 1,000 feet and attained a speed of 160 miles an hour before landing. The X-14 takes off and lands in a normal horizontal

position and requires no special ground-handling equipment. Two jet engines throw out more than 3,500 pounds of thrust to lift the plane vertically and propel it forward. Application of the direct-thrust principle will eliminate the need for long and costly runways now required for the operation of heavy, powerful jet aircraft.

Personnel

Central Railway:

Sri G. S. Swaminathan, Offg. A.A.O., on return from leave, was posted as A.A O , Stores, from 20-4-58, in place of Sri N. L. Bhat, proceeded on seventytwo days' leave.

Sri M. Krishna Rao, Offg. S.A.O., on return from leave, posted as Offg. S A O., Construction, from 27-4-1958 in place of Sri K. K. Kamat, proceeding on four months' leave.

Sri N. Viswanathan, Offg. A.A O, Dy. C.A O's Office, Secunderabad, posted as Officiating Asst. Divisional Accounts Officer, Secunderabad, from 1-5-58, in place of Sri N D Gersappa, posted as Offg. D.A.O. Jabalpore, from 5-5-58.

Sri L. P. Chopra, Senior T.I.A., appointed to officiate as A.A.O., Dy. C.A.O's Office, Secunderabad, from 1-5-58.

Sri Balram Kohli, Sr. Acctt. appointed to officiate as Asst. Divl. Accounts Officer, Jhansi, from 5-5-58 in place of Mr. J. A. D'souza proceeded on 31 days' leave.

South Eastern Railway:

Sri V. S. Gopalan, Retired A.A.O., S. Ry. has been appointed as Asst. Financial Adviser (Budget), S. E. Ry. Calcutta.

Integral Coach Factory:

Mr. D. V. Ketkar, Divisional Mechanical Engineer, Western Railway, has been appointed as Dy. Chief Mechanical Engineer, I.C.F.

Railway Board:

Mr. R. Rajagopalan, Dy. C.M.E., I.C.F., has been appointed as Joint Director (Wagon); Mr. H. N. Banerji, Dy. Chief Engineer, S. E. Railway, has been appointed Director (Track).

Mr. M. N. Bery has been appointed Director, Civil Engineering.

Southern Railway:

Mr. S. K. Mukerjee, Chief Commercial Supdt., S. Ry., was appointed as Member, Railway Rates Tribunal, and he took charge on the 26th July '58.

Mr J. B. Rao, Joint Director (Traffic) R, has been posted as C.C.S, Southern Railway, and assumed charge on 11th August.

Mr. T. S. Gopalan, S.A.O., Central Railway, has been posted to S. Railway.

Sri K. P. Ananthanarayanan, A.A.O., Administration, was granted 32 days' L.A.P., from 2-7-58 to 2-8-1958.

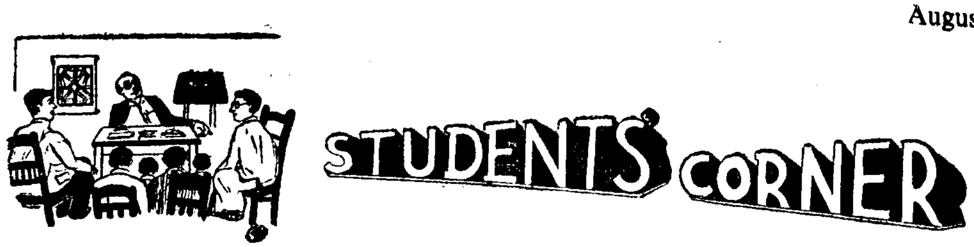
Sri G. Dasappa, Offg. Sr. Acctt. was promoted to officiate as A.A.O. (Admn.) with effect from 2-7-58.

Sri P. H. Sethu Rao, Offg. A.A O on leave was permitted to join duty before expiry of his leave and posted as Offg. A.A.O., Stores, Perambur, *vice* Sri A. S. Viswanathan transferred to Headquarters Office as Offg. A.A O. (P & S)

Sri S. Madhuswamy, A.A O (E) (who had been granted L.P.R. for six months from 3-8-58) is re-appointed as temporary A.A.O. upto 31-3-1959 and posted as A.A.O. (Pensions) from the afternoon of 2-8-58.

Sri S. V. Venkataraman, Offg. A.A.O., on resumption of duty from leave on 6-8-58 was posted as A.A.O. (E) Madras in place of Sri S. Madhuswamy.

Sri K. P. Ananthanarayanan, Offg. A.A.O., on resumption of duty from leave on 4-8-58 was posted as A.A.O. (Budget) *vice* Sri N. Natarajan, transferred to G.M.'s Office as Asst. Efficiency Officer.



Returns from Stations

The initial accounts of Traffic are maintained at the Stations, where the transactions occur. But to enable a check on the accuracy of the Accounts maintained at the stations, they are expected to send Returns or Extracts from the initial accounts to the Accounts Office on prescribed forms These Returns are classified according to the topics and contain particulars relating to the particular kind of traffic transactions. The accuracy of the Returns depends upon the care with which they are prepared at the stations. The Accounts Office has means of counterchecking such accuracy only to a limited extent, dependant upon the nature of the Traffic dealt with: e.g, in the case of passenger tickets, where *printed* tickets are issued, full details of the fare are contained therein and hence merely checking the continuity of the numbers and multiplying the total number with the rate would be sufficient to accept the accuracy of the accountal by the station. But there is the possibility of commencing and closing numbers being incorrectly posted for some reason or the other; or there might be certain intervening tickets which have not been used, as for instance, in the case of refunds made on unused tickets and so on. So far as the commencing number is concerned, it can be checked against the closing number of the previous month. But in regard to the closing number, it is necessary that the actually collected ticket is used for check with such accountal. Such collection, if made correctly and if on the Home Railway would help to complete the establishment of the accuracy of the closing number. But if the highest number issued has not been collected or if such ticket has been issued to a Foreign Railway, the closing number cannot be fully verified on the home line. In the case of tickets that have not been used up, a subsidiary return called the "Non-issued Statement" is also to be sent with the non-issued tickets pasted thereon to the Accounts Office. If, therefore, such a ticket is actually received, the proof of correct deduction for the non-issue would be complete. But if the non-issued ticket is not received, even though there is an entry in the Return, proof is incomplete and the extent of the credit, to be allowed cannot be fixed. In the case, however, of passenger tickets with To Stations blank, full particulars are not verifiable in the Accounts Office of the forwarding line, but the continuity of issue can be checked as printed numbers are used consecutively. Hence the check on the returns of Blank Passenger Tickets is not so complete as that on the printed passenger ticket return. Similarly, in the case of luggage tickets or excess fare tickets, or any other paper ticket, the printed numbers which run consecutively are the only bases for ensuring that every ticket has been accounted for. But whether such accountal has been accurately done or not depends upon the material contained in such returns which can be verified only when such tickets are collected and scrutinized.

It is not in all cases that checks on such tickets are complete. In some returns, only some portions are scrutinized, and in some others, only a percentage of entries would be scrutinized. But it is obvious that a complete scrutiny would be possible only when the ticket itself is collected and compared with the entries in the returns.

It becomes thus obvious that the acceptance of the accuracy of a return received from the Station for any type of transactions is dependant upon the possibility of its complete verification. But at least one thing can be verified viz., the continuous accountal of the tickets (which are virtually receipts for amounts collected) based upon the printed numbering on such tickets.

The importance, therefore, of watching the correct receipt of the Returns from the Stations cannot be over-emphasised. When, therefore, any return is not received or is received incomplete, the check in the Accounts Office becomes defective to that extent, every action should then be taken to ensure that the defect is remedied.

In the past, there have been many cases of missing returns, and Returns not received for long periods. The causes attributed to such omissions have been varied but the resultant effect of such omissions may be very serious at times. The absence of adequate staff or of qualified staff, or non-scrutiny at the station of the returns prepared for submission to the Accounts Office are all items which contribute to the difficulties in the Accounts Office checks and the consequential extra work in due course. It is essential, therefore, that the Traffic authorities, who are primarily responsible for the efficient discharge of duties by their Station staff, should take up the matter in all seriousness and see that the staff submit their Returns on the due dates, completely and correctly.

* * *

Introduction of Pension Scheme on the Railways

Several doubts have been raised in connection with the operation of this scheme and these doubts have been clarified as under:—

(1) Whether apprentices who are under training before 16-11-'57 but are appointed in duty posts on or after the 16th Nov. '57, will automatically come under the Pension Scheme, or will they have a right to exercise an option by virtue of their appointments as apprentices prior to 16-11-1957.

Answer: Apprentices are not Railway Servants: vide Rule 101-A (12) R-I. Their service begins from the date they are appointed to Working posts which, in this case, happens to be after 16-11-1957. They are, therefore, not entitled to exercise an option, but will come compulsorily under the Pension Scheme.

(2) Whether Special Class Apprentices who are under training before 16-11-1957 but are appointed to duty posts on or after the 16th November '57, will automatically come under the Pension Scheme or will they have the right to exercise an option by virtue of their appointment as Apprentices prior to 16-11-1957.

As it is proposed to count the last two years of their training as Service for the purpose of pension, it has been decided to allow them to opt if they so desire, for the pensionary benefit provided they have completed four years of their training on or before 15-11-1957.

(3) Are temporary Asst. Officers who are neither Class I nor Class II entitled to exercise option?

Only those Officers who are appointed to Railway Service before 16-11-1957 are entitled to exercise the option but at their own risk in the sense that they will not be eligible for pension at all, if they are eventually not absorbed in permanent service and also only half their temporary service will qualify as service for pension even if they are confirmed.

(4) Whether probationers to Railway Services Class I, who are first appointed against posts of probationers created for them and who, on passing the required test, on completion of their probation only, are appointed against permanent posts, count their service as Probationers for pension?

As such Probationers have all the attributes of permanent Officers, their service as Probationers will count in full even though technically they count against temporary posts of probationers – vide Rule 2411 and Audit Instruction No. 1(c) below F. R. 9 (6), Page 155-56 R II. *(To be Continued).*

READY FOR SALE

APPENDIX III EXAMINATIONS

Questions and Answers :

General Rules and Procedure only	1950 to '56	Rs. 5
General Rules and Procedure only	1953	Re. 1
Station Accounts only	1950 to '57	Rs. 6
-do-	1954	Re. 1
Traffic Statistics and Traffic Book	1954	Re. 1
		Re. 1

Other Books to be Published Shortly

Questions and Answers :

General Rules and Procedure	1957	Re. 1
Traffic Accounts	1957	Re. 1
-do-	1954	Re. 1
Traffic Statistics and Traffic Book	1957	Re. 1
Books and Budget	1957	Re. 1
General Expenditure	1957	Re. 1

APPENDIX II EXAMINATIONS

To be Released Shortly

Questions and Answers :

General Rules and Procedure	1955 to 1957	Rs. 2
Precis and Drafting	1955 to 1957	Rs 1.50
Book-Keeping	1955 to 1957	Rs. 1.50
Coaching and Coaching Statistics	1955 to 1957	Rs. 2
Goods and Goods Statistics	1955 to 1957	Rs. 2
General Expenditure	1955 to 1957	Rs 1.50
Books and Budget	1955 to 1957	Rs. 1.50

PACKING AND POSTAGE EXTRA.

Please apply to :—L. V. GOPALAN, 14, Balakrishna Road, Madras-4.

ACKNOWLEDGMENTS

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

Central Railway Magazine	June & July '58
Eastern Railway Magazine	June '58
Northern Railway Magazine	July '58
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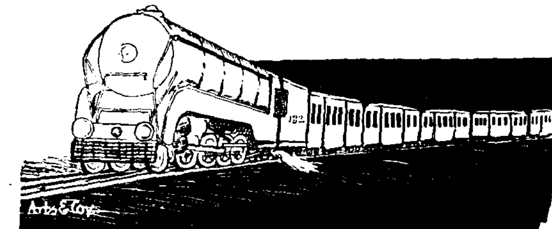

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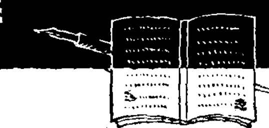

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New Railway Freight Structure

At long last, the Railway Board have come to a decision on the recommendations of the Railway Freight Structure Enquiry Committee who, under the Chairmanship of Dr. A. Ramaswami Mudaliar, M.P., concluded their deliberations and submitted their report in April 1957. The reasons for the delay in the Railway Board coming to a decision on the report is evident from the fact that the recommendations of the Committee have not been accepted by the Railway Board and an almost entirely new approach has been devised by them in giving effect to the revised Railway Freight Structure.

In the first place, it is difficult to comprehend why the Railway Board should have thought fit to, more or less, ignore the considered recommendations of the Railway Freight Structure Committee which included in its membership Railway experts of the standing of Sri I. S. Puri, Ex-Financial Commissioner for Railways, Sri V. P. Bhandari a former Member (Transportation) of the Railway Board and Sri A. K. Basu, General Manager of a Railway, not to speak of its expert Secretary, Shri G. S. A. Saldanha whose experience in rating matters has been brought to bear in the deliberations of the Committee. No less a personage than Shri T. N. Singh, M.P., Chairman of the Public Accounts Committee was also associated with the Committee and in the face of the weighty pronouncements of this high powered Committee, the public are entitled to know why their recommendations were not accepted in toto by the Government, although they may have reasons to be happy that the increase in freight rates as decided upon by the Government is much less than that recommended by the Freight Structure Enquiry Committee. This has been explained to some extent in the statement laid on the table of the Lok Sabha by Shri Jagjivan Ram, Railway Minister on 18th August 1958. The statement gives the following two reasons for departing from the recommendations of the Committee :—

(1) A re-assessment has been made, by the Railway Board, of the financial needs of Railways in the light of information available upto date.

(2) Having regard to the imperative need, at the present time, to refrain from any measure which may tend to raise prices of commodities unduly, it has been considered best to confine the additional revenue yield from the goods freight rates to a substantially lower figure of about 4% as against 12·9% under the Committee's proposals.

It may at once be pointed out that the first reason mentioned above would not hold water, when it is realised that the Plan requirements as assessed now are more or less the same as what the Committee knew during their deliberations, viz., Rs. 1125 crores. In fact, if the present indications of the financial position of the railways, as seen from the actuals for 1956–57 and 1957–58, and Budget for 1958–59, the Railways will not be able to find Rs. 375 crores as originally anticipated, from out of their own resources as the net revenue is not upto expectations and for this reason, one would be tempted to think that the Railway Board should have welcomed the Committee's proposals for an increase of 12·9% over the present rate which would give from goods traffic, an additional revenue of Rs. 32·3 crores.

The second reason for the departure from the Committee's recommendations is, however, one that cannot be lightly brushed aside. The price structure of commodities even at present is in the inflated region and hence all attempts to peg the prices at a reasonable level should be welcomed by the general public, no less than the Government themselves. This, however, is not to say that the Freight Structure Committee overlooked this important factor, for the Committee was bound down by the terms of reference which specifically required the Committee. "To review the present railway freight rate structure in all its aspects and to suggest what modifications should be made bearing in mind the needs of a development economy and the necessity for maintaining the financial stability of the Railways."

In other words, the Committee could not come to any conclusion other than that reached by them in regard to providing an overall increase of 12·9 per cent over the existing freight rates, yielding, on the present quantum of traffic, an additional revenue of Rs. 32·3 crores per annum, if the needs of a development economy meaning thereby the requirement of the Second Five Year Plan etc. and the necessity for maintaining the financial stability of the Railways, are taken into account.

While no indication has been given by the Railway Board as to the effect of the proposed increase of about 4% on the overall basis in the goods freight rates, on the expenditure of the Railways, both under working expenses as well as under other heads such as Capital, Depreciation Fund and Development Fund, the fact that the working expenses of the Railways will be increased by the new Freight Structure recommended by the Committee, has been recognised by the Railway Board, as it is seen that, in regard to coal which is the main item of expenditure for operation, the substantial increases in the rates for coal recommended by the Committee have not been accepted by the Government and the present level of rates for short distance traffic is practically to be maintained while the increase is limited to long distance movements and even there only upto Rs. 2/- per ton. But here also, the railways such as the Southern Railway (which is already working at a loss) which are far away from coalfields will be hard hit.

There are two other features in the decisions of the Railway Board, on which there may not be unanimity of opinion; one is in regard to short distance traffic and the other is in regard to the non-acceptance of higher classification for cement, etc. Regarding the former, it is difficult to understand why the Committee's recommendation to put up the

Railway Freight Rate Structure

The Government of India's decisions on the recommendations of the Railway Freight Structure Inquiry Committee were announced by the Railway Minister, Shri Jagivan Ram, in a statement laid on the table of the Lok Sabha on the 18th Aug '58.

[A similar statement was laid simultaneously on the table of the Rajya Sabha.]

The Railway Minister said:

x x x

"The examination in regard to the freight scales has since been completed, and after due consideration, decisions have been taken by the Government."

"I have laid on the table of the House a statement giving broadly the features of the freight rate structure as it now prevails, the main recommendations in regard to the structure as made by the Freight Structure Enquiry Committee, and the modifications which the Government have deemed necessary in the proposals of the Committee.

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rates for short distance traffic has not been accepted as this will discharge such traffic on the Railways which can, possibly more conveniently and comfortably, move on the road, particularly when the need for integration of all forms of transport in the larger interests of the country is imperative, and even some sort of a road traffic code was also evolved some years ago, to ensure road-rail co-ordination. As regards cement, etc., a higher classification is warranted as this will enable alternative forms of building material being devised in the different areas of the country for building in preference to cement.

In regard to commodities requiring railway transport for exports, there has been a persistent demand that some concessional rates should be provided, in the larger interests of the country. This, however, cannot, normally speaking, be allowed at the expense of the railway, but, if there is a large volume of such traffic offering to the railways, special rates may be quoted on a commercial principle, and it is understood that station-to-station rates would be quoted by the railways in suitable cases.

In regard to the recommendation of the Committee to the effect that railways should be made to bear the liability of a common carrier instead of that of a bailee as at present, the Railway Board are still considering this question, but have indicated that this would entail a loss of Rs. 2 crores annually to the Railways. It is difficult to believe that the liability would be of such a high order, if the railways take suitable care of the goods entrusted to them, as the motto of the railways should be to ensure that there is no loss or damage enroute, except that occasioned by unavoidable causes such as floods, storm, fire accidents, etc.

To what extent the traffic will not fall, but respond fully to the anticipations of the Railway Board, remains to be seen, particularly in view of the difficult financial conditions now prevailing both in industry generally and also amongst the general public.

"The new rates will take effect from the 1st October 1958. From the same date, there will be revision of the scales of rates for parcels traffic, and both the new goods rates and parcels rates will be expressed in the decimal coinage.

"An estimate of additional revenue on goods traffic from the new scales of rates, at the present level of traffic, of Rs. 9·6 crores per year, has been given in para 17 of the statement. The additional revenue yield from the revised parcels rates is expected to be about Rs. 2 crores per year.

"These additional revenue yields are without making any allowance for the additional responsibility for loss and damage to goods, which the Committee have recommended that the Railways should undertake as common carriers instead of as bailees as at present. The Committee have stated that this change-over should take effect within one year of the introduction of the revised rates structure.

"This matter is receiving attention, and should the responsibility of the Railways as carriers be enhanced as has been recommended, there will undoubtedly be substantial additional expense to the Railways by way of increased payments for compensation. In the absence of factual data, it is difficult to assess what the quantum of these extra payments will be but Railway officers of experience in compensation claims work guess that it might well be of the order of Rs. 2 to 3 crores. After the examination of this matter has been completed, necessary legislation to implement this recommendation will be put through."

Text of Statement laid on the table of the Parliament

Railway Freight Rate Structure

A Railway Freight Structure Enquiry Committee under the Chairmanship of Dr. A. Ramaswamy Mudaliar, M.P. was appointed in the year 1955, with terms of reference which included :

"To review the present railway freight rate structure in all its aspects and to suggest what modifications should be made, bearing in mind the needs of a development economy and the necessity for maintaining the financial stability of the Railways."

2. The Committee submitted its report in April 1957.

3. In this statement are briefly set down the circumstances leading up to the appointment of the Committee, the Committee's recommendations regarding the freight rate structure and the Government's decision thereon.

The Basic Objectives of any Freight Rate Structure

4. The basic objectives of any railway freight rate structure should be to ensure—

(i) that the sum total of railway revenues are reasonable and adequate ;

and

(ii) that within the limit thus set, the distribution of the freight burden as between the different commodities and different lengths of haul is such as to take cognizance of the ability of the different commodities to bear freight rates and to serve the broad national economic objectives.

Last Revision of the Railway Rate Structure

5. The rate structure of Indian Railways was last revised in 1948.

The Rate Structure as Revised in 1948

6. The 1948 revision simplified and rationalised to some extent, the rate structure previously in force by replacing the then existing varying basic rates over the different railways by standard telescopic class rates and wagon-load scales, to apply uniformly over all the Indian Railways and on a continuous mileage basis. The terminal, transhipment and other charges were also standardised over all railways, with the result that circuitous routing was eliminated and carriage of traffic by the shortest route was achieved.

7. Although the 1948 revision was a major step towards simplification and rationalisation of the rate structure in that a uniform basis of charge over all railways was introduced, it was not possible then to completely rationalise the structure.

The progression of the rates with distance did not appropriately reflect the relative costs of the shorter and the longer hauls.

Lower rates for wagon-load movements were not provided for most of the commodities.

What was then attempted was, substantially, the achievement of uniformity, rather than absolute rationalisation, and certain short-comings were allowed to exist because too sudden a departure from the rates previously prevailing was considered undesirable.

Circumstances which Called for a Further Revision

8. Since the 1948 revision of the rate structure, far-reaching changes have taken place in the economic activity in the country, and further changes in the economic field are expected to follow with implementation of the Second and the subsequent Five-Year Plans. Also, raising of additional revenue has become inescapable for meeting the increased working expenses of railways, and the higher incidence of depreciation charges and the increased dividend payable to the General Revenues as a result of the expansion of railway facilities now in hand and contemplated at the present-day level of costs.

Organised trade interests had pointed out that they were not consulted when the revision of the rate structure in 1948 was made.

Also, the Taxation Enquiry Commission (1953-'54) had referred to the importance of industries in the second phase of the Five-Year Plan and to the need, from that point of view, for a proper articulation of the policy considerations governing railway rates.

9. It is in these circumstances that the Railway Freight Structure Enquiry Committee was appointed.

The Broad Features of the Freight Rate Structure as now in Force

10. For an appropriate appreciation of the several recommendations made by the Committee in regard to the rate structure and the Government's decision thereon, it is best that the broad features of the freight rate structure as now in force are first stated briefly.

11. Each commodity is now "classified" into one of 15 "classes," depending upon its "transportation characteristics," namely, value, bulk per unit, weight, liability for claims, etc.

Each of the 15 class rates has three "legs" of 1-300, 301-600 and over 600 miles.

The bases of the three legs of the 1st class rate are 0·54 pie per maund per mile, 0·45 pie per maund per mile and 0·34 pie per maund per mile respectively. The corresponding figures for the 15th class are 2·32 pies, 1·41 pies and 1·0 pie per maund per mile, the other classes having bases lying between those of the 1st and 15th classes.

Apart from the 15 "class rates," there are 13 "Wagon-load scales."

The "Wagon-load scales" are all lower than the 1st class. They also all have three legs, but the legs vary. In some cases, the legs are 1 to 150 miles, 151 to 300 miles and over 300 miles; in some 1 to 100, 101 to 400 and over 400 miles; and in some others, 1 to 300 miles, 301 to 600 miles, and over 600 miles.

The rate bases for the wagon-load scales vary from 0·25 pie per maund per mile to 0·48 pie per maund per mile in the 1st leg, from 0·20 pie to 0·38 pie per maund per mile in the 2nd leg and from 0·15 pie to 0·24 pie per maund per mile in the 3rd leg.

Generally, it is only commodities with substantial social utility and of comparatively low value that have wagon-load scales. Some examples are Grains, Salt, Manures and Ores.

Out of about 3,000 commodities in the classification, only 99 have wagon-load scales.

The important features of the wagon-load scales, apart from their being below the 1st class rate, are :—

(i) that they have a sharper "taper" than the class rates ;

and

(ii) that some of them criss-cross each other or, in other words, while one scale is higher than the other at a certain mileage, the other becomes higher at another.

To the class and wagon-load scales as now in force are added separate terminal, short-distance and transhipment charges which have been standardised.

For certain commodities, there are separate Railway Risk and Owner's Risk rates, the former being one or two classes higher.

The earnings at the wagon-load scales and at the class rates are approximately 50% and 40% of the total goods earnings respectively, the balance representing the earnings at the "special" or "station-to-station" rates.

THE BROAD ASPECTS OF THE COMMITTEE'S RECOMMENDATIONS

12. The recommendations of the Committee in respect of the rates structure may, for convenience, be divided into two broad parts, namely, those dealing with—

(i) the basic structure of rates, which broadly determines the relative distribution of the cost burden as between different commodities ;

and

(ii) the level of the rates which determines the total revenue.

MAIN FEATURES OF THE STRUCTURE OF RATES RECOMMENDED BY THE COMMITTEE

13. In regard to the structure of rates, the main recommendations of the Committee were :—

(i) That there should be an integrated scale of rates, covering both "class rates" and "wagon-load scales," with a regular and progressive increase from the lowest class to the highest class, through a percentage system with a standard rate base to be called the Class 100 rate, the standard rate base being—

		pies per md. per mile
1 to 25 miles	—	3·60
+26 to 75 miles	—	1·40
+76 to 150 miles	—	1·20
+151 to 300 miles	—	1·05
+301 to 500 miles	—	0·85
+501 to 800 miles	—	0·70
+801 to 1200 miles	—	0·60
+1201 miles & above	—	0·50

(ii) That instead of 3 "legs" as at present, the rate scale should have 8 "legs", namely, 1–25 miles, 26–75 miles, 76–150 miles, etc., so that a more even progression of rates than at present may be achieved ;

(iii) That as against only 99 out of about 3000 commodities now having separate 'wagon-load' rates, separate "wagon-load" classification should be provided for almost all commodities, the rates for 'smalls" being higher than the corresponding wagon-load rates by percentages varying from 7·5 to 30 of Scale 100 ;

(iv) That the separate levy of terminal, transhipment, short-distance and ghat charges be abolished, this fact, however, being taken into account in evolving the new scales of rates ;

(v) That the minimum distance for charge be raised from 20 to 25 miles, but that it be applied only once irrespective of whether the movement is over one or more railways ;

(vi) That for most commodities the rates be quoted only at Railway Risk, the quotation of alternative Owner's Risk rates being confined to certain commodities moving in a loose condition and to perishables ;

(vii) That the existing classes and wagon-load scales be generally equated to the percentage classes in the new structures as shown in Annexure I to this statement ;

(viii) That in fixing the class in the new classification for any commodity, the "corresponding" class to the existing classification, be fixed for wagon-loads or smalls according as the commodity now moves mainly in wagon-loads or "smalls",

and

(ix) That the classification of certain specified commodities be fixed, some above and some below the "corresponding" classes, to allow for various factors such as greater social utility, altered ability to bear freight etc.

14. The Committee have stated that the percentage system, as proposed by them, has the merits that it gives one an idea of the level of any rate in relation to the standard Class 100 rate, that it makes for greater simplification and flexibility, and that it lends itself easily to the adoption of additional intermediate classes, as and when found necessary. They have also pointed out that the percentage system is not an innovation, as a similar practice already obtains both in the United States of America and in Canada.

In justification of the scale of rates proposed by them, the Committee have further stated—

(i) that it must be the deliberate policy of the Railways to discourage, as far as possible, short-distance traffic by rail and to encourage alternative modes of transportation over such distances ;

and

(ii) that the rates for the different "legs" have been so adjusted by them as to discourage traffic over very short distances, not to put too much burden on traffic which moves over distances of 300 miles to 500 miles, and to provide for a comparative and progressive lightening of the burden on traffic moving over distances beyond.

ADDITIONAL REVENUE YIELD UNDER THE COMMITTEE'S PROPOSALS

15. The additional revenue yield under the Committee's proposals are approximately 12·9% of the goods revenues at the existing rates, which, on the quantum of traffic expected to be carried during the current year, will mean an additional annual revenue from goods traffic of Rs. 32·3 crores.

The Committee have stated that they have been guided by the fact, that if the financial stability of the railways is to be ensured, and the railways are to be enabled to play the part they should by carrying the additional traffic that will be forthcoming during the Second Plan period, revision of the existing level of rates in an upward direction is inescapable. Also, that the revision proposed by them is the maximum that should be attempted, and that for any further additional revenues needed, recourse should be had to enhancements in parcels rates and in passenger fares.

RE-ASSESSMENT OF THE ADDITIONAL REVENUE NEEDS OF THE RAILWAYS

16. A re-assessment has been made, by the Railway Board of the financial needs

of railways in the light of information available up-to-date. Also, having regard to the imperative need, at the present time, to refrain from any measure which may tend to raise prices of commodities unduly, it has been considered best to confine the additional revenue yield from the goods freight rates to a substantially lower figure of about 4% as against 12·9% under the Committee's proposals.

New Scales of Rates Evolved and Accepted by Govt. to Accord with the Revised Assessment of Revenue Needs

17. Accordingly, new scales of rates have been evolved by the Railway Board, and accepted by the Government, as set down in Annexure II to this statement, the results of which will be to give an additional yield of Rs. 9·6 crores per year on the volume of traffic expected to be carried during the current year.

In altering the scale, it has been found that it would be an advantage to replace the single scale proposed by the Committee, by *two* scales—

(i) one to replace the existing wagon-load scales and

(ii) the other to replace the existing "class" rates so as to preserve, to some extent, the different degrees of taper, as at present, in the existing "wagon-load scales" and "class rates" respectively.

18. The revised scales which have been evolved and have been accepted by the Government apart from confining to a lower level the additional money yield, avoid substantially both the very steep increases in the freight rates for short hauls and the sacrifice of current revenue for long hauls, that would result from acceptance of the Committee's proposals.

19. In the scales of rates proposed by the Committee, quite apart from causing steep increases in the rates for short distances, the shift in the relativity as between the rates for short and long-distance traffic was such as to hamper regional development of industries. This resulted from the fact that whereas the "taper" in the case of wagon-load scales, catering generally to raw materials, was proposed by the Committee to be left more or less as it is that in respect of class rates, applying generally to the finished products, was proposed to be made much sharper than at present.

20. The amended scales which have been accepted are such as to rectify this feature as well.

Certain Other Departures from the Recommendations of the Committee

21. Apart from the evolution of two base scales instead of one as proposed by the Committee, the relativity between the "smalls" and the "wagon-load" scales is proposed to be fixed slightly differently, in respect of commodities which do not at present have wagon-load scales, as detailed in Annexure III to this statement.

Also, the "corresponding" class for some of the wagon-load scales and classes are proposed to be altered as stated in Annexure IV.

Cases the Commodities for which the Committee have Recommended Rates Lower than the "Corresponding" Rates

22. For 109 commodities, the Committee have recommended rates lower than the "corresponding" class rates, for one or more of the following reasons:

(i) that the existing classification of the particular commodity is anomalous in the light of the prevailing classifications of other similar commodities;

(ii) that the existing classification of the commodity imposes too great a burden having regard to the value of the commodity and its other transportation characteristics;

(iii) that classification lower than the "corresponding" percentage class will be in public interests, as in the case of the products of cottage industries etc; and

(iv) that the commodities enter substantially in the cost of living of the masses.

The recommendations of the Committee for the lowering of classification for these commodities have generally been accepted.

Cases of Commodities for which the Committee have Recommended Rates Higher than the "Corresponding" Rates

23. For 28 commodities, the Committee have recommended classifications higher than the "corresponding" percentage rates, on the ground that these commodities have so changed in importance and value since the classification was last revised, that in the altered circumstances they can justifiably be assigned a higher classification.

24. The case of each of these commodities has been individually examined. And as a result of the examination, in respect of 13 of these commodities as listed in Annexure V it has been decided not to fix rates higher than the "corresponding" rates.

Scale of Rates for Coal

25. The question of revision of the present Coal Scale was separately dealt with by the Committee and they had made two alternative suggestions for Government's consideration and decision.

After a careful examination, instead of either of the two alternative scales recommended by the Committee, both of which involve very substantial increases in the rates for coal for long distances, a new basis, shown in Annexure VI, has been adopted, which maintains the present level of rates for short distance traffic and limits the increases for the long-distance movements to Rs. 2 per ton.

Certain Features of the New Classification

26. In evolving the new freight structure, special care has been taken to ensure—

(i) that the overall freight burden on foodgrains is reduced;

(ii) that there will be no overall increase in the freight on fruits, vegetables, kerosene oil and salt;

(iii) that special treatment continues to be accorded to Handloom products, Khadi, Books and Milk which are now exempt from the 12½% supplementary charges; and

(iv) that the overall increases generally will be moderate and the minimum necessary to give the extra revenue required.

Rates for Parcels

27. The rates for parcels traffic as distinct from those for goods traffic were not remitted to the Railway Freight Structure Enquiry Committee for examination; but introduction of a revised freight rate structure for transport by goods trains necessitated a review of the parcels rates.

Such a review has been made by the Railway Board and it is proposed to adopt, for the various categories of parcels traffic, the scales of charges detailed in Annexure VII.

28. In this statement and its annexures, the basic rates have been indicated in terms of the existing coinage for sake of convenience of comparison with the existing rates. The new rates will, however, be actually notified in the decimal coinage.

29. The new rate structure will take effect from 1—10—1958 and from that date, the supplementary charge of 12½% now levied will be abolished.

At present, a further surcharge of 6¼% of the total freight is levied on all consignments weighing less than 20 maunds.

In keeping with the quotation of the revised freight rates in the metric system of coinage, this surcharge will be 10% instead of 6¼%, but will be levied only when the weight is less than 10 maunds instead of 20 maunds as at present.

ANNEXURE I

Statement showing the existing class rates and wagon load scales and their equivalent percentage classes in the new structure as proposed by the Railway Freight Structure Enquiry Committee.

Present wagon load scales	Proposed corresponding percentage class	Present class rate	Proposed corresponding percentage class.
WL/A	25%	1 Class	55%
WL/AR	30%	2 "	60%
WL/B	40%	3 "	65%
WL/BR	40%	4 "	70%
WL/C	32·5%	5 "	75%
WL/CQ	35%	6 "	80%
WL/CR	42·5%	7 "	85%
WL/D	40%	8 "	95%
WL/F	40%	9 "	100%
WL/F	45%	10 "	110%
WL/G	45%	11 "	115%
WL/H	47·5%	12 "	120%
WL/I	37·5%	13 "	130%
		14 "	150%
		15 "	180%

ANNEXURE II

Proposed Basic Scales

Distance Miles	CLASS 100-A Applicable to commodities such as foodgrains, manures etc. for which wagon load scales are at present prescribed.	CLASS 100-B Applicable to other commodities.
	Pies per Md. per mile	Pies per Md. per mile
1—25	3·60	2·60
+ 26—75	1·40	1·25
+ 76—150	1·10	1·17
+ 151—300	1·00	1·10
+ 301—500	0·85	1·00
+ 501—800	0·70	0·80
+ 801—1200	0·60	0·73
+ 1201—1500	0·50	0·55
+ 1501 and over	0·15	0·15

ANNEXURE III

Statement showing the relativity between the "Smalls" and the "Wagon load" scales proposed to be fixed in respect of commodities which do not at present have wagon load scales.

Wagon load	Smalls
52·5B	60B
55B	62·5B
57·5B	65B
60B	67 5B
62·5B	70B
65B	72·5B
67·5B	75B
70B	77·5B
72·5B	80B
75B	82·5B
77·5B	85B
80B	87 5B
85B	92·5B
92·5B	100B
97·5B	105B
100B	110B
105B	115B
110B	120B
115B	125B
120B	130B
130B	140B
135B	145B
145B	155B
170B	180B

ANNEXURE V

List of commodities for which the Committee's recommendation to adopt higher classifications than the "Corresponding" percentage classes has not been accepted.

Cement.

Cold Starters.

Electrical appliances and fittings, Division A.

Electrode paste.

Iron or steel, Division 'B'

Iron or steel, Division 'C'

Manganese chloride.

Molasses.

Petroleum and other hydrocarbon oils dangerous i.e, having a flash point below 76 Fahr., N. O. C.

Sodium flouride.

Sodium fluosilicate.

Stoves, N. O. C.

Water.

ANNEXURE IV

Statement showing the altered "Corresponding" percentage class rates proposed to be adopted for some of the existing wagon-load scales and class rates.

Present wagon load scales.	Corresponding proposed rate by the Board.	Present Class rate.	Corresponding proposed rate.
WL/BR	32·5A	8	92·5B
WL/CR	40A	10	105B
WL/D	30A	14	145B
WL/E	37·5A		
WL/F	42·5A		
WL/G	42·5A		
WL/H	45A		
WL/I	35A		

Note : For an explanation of the letters "A" and "B" shown above, please see para 17 and Annexure II.

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ANNEXURE VI

Statement Comparing the Current Rates for Coal, Inclusive of Supplementary Charge with the Scales of Rates Proposed by the Committee and the Scales Proposed to be Adopted

Miles	Existing rate per ton inclusive of the Supplementary charges.	Proposed by the Committee		Scale proposed to be adopted.	Quantum of increase in proposed scales over the existing rates.			Percentage increase in the proposed scales over the existing rates.		
		25% Scale	Alternative Scale.		25% Scale	Alternative Scale of the Committee.	Scale proposed to be adopted.	25% Scale	Alternative Scale of the Committee.	Scale proposed to be adopted.
1	2	3	4	5	6	7	8	9	10	11
	Rs. A. P.	Rs. A. P.	Rs. A. P.	Rs. A. P.	Rs. A. P.	Rs. A. P.	Rs. A. P.			
25	4 4 7	3 5 0	4 0 0	4 5 0	−0 15 7	−0 4 7	0 0 5	−22·7	−6·7	0·6
50	5 6 7	4 9 0	5 4 0	5 7 0	−0 13 7	−0 2 7	0 0 5	−15·7	−3·0	0·5
75	5 11 1	5 11 0	6 9 0	5 12 0	−0 0 1	0 13 11	0 0 11	− 0·09	15·3	1·0
100	6 13 1	6 13 0	7 11 0	6 14 0	−0 0 1	0 13 11	0 0 11	− 0·07	12·8	0·8
150	9 3 5	8 15 0	9 15 0	9 5 0	−0 4 5	0 11 0	0 1 7	− 3·0	7·9	1·1
200	11 9 8	10 13 0	11 11 0	12 0 0	−0 12 8	0 1 4	0 6 4	− 6·8	0·7	3·4
300	13 2 5	14 8 0	15 1 0	13 11 0	1 5 7	1 14 7	0 8 7	10·3	14·5	4·1
400	14 12 3	17 10 0	17 3 0	15 8 0	2 13 9	2 6 9	0 11 9	19·3	16·4	4·9
500	16 0 0	20 9 0	19 5 0	16 14 0	4 8 6	3 4 6	0 13 6	28·3	20·4	5·3
600	17 4 9	23 0 0	20 12 0	18 5 0	5 11 3	3 7 3	1 0 3	33·0	20·0	5·9
800	19 14 5	27 15 0	23 9 0	21 3 0	8 0 7	3 10 0	1 4 7	40·4	18·4	6·5
1200	24 10 11	27 15 0	27 9 0	26 8 0	3 4 1	2 14 1	1 13 1	13·2	11·7	7·4
1500	27 15 9	27 15 0	29 11 0	*30 0 0	−0 10 9	1 11 3	2 0 3	− 0·2	6·0	7·2

*Maximum rate.

Existing Scale

1— 200 miles	·30 pie per md. per mile.
+201— 400 miles	·10 pie per md. per mile.
+401—1000 miles	·08 pie per md. per mile.
+for distances beyond	·07 pie per md. per mile.

Note:—(i) A terminal charge of Rs. 1-12-0 per ton for both ends plus a short distance charge of Re. 0-14-0 per ton is to be added to the rates calculated on the above basis.

(ii) A supplementary charge of 12½% on the total freight is levied with effect from 1-7-57.

Basis of Scales Proposed by the Committee

	25% Scale	Alternative Scale.
	Pier per maund per mile.	
1— 25 miles	·9000	1·10
+ 26— 75 ,,	·3500	0·36
+ 76— 150 ,,	·3000	0·32
+ 151— 300 ,,	·2625	0·24
+ 301— 500 ,,	·2125	0·15
+ 501— 800 ,,	·1750	0·10
+ 801—1200 ,,	Nil	0·07
+1201 & over	Nil	0·05

Scale Proposed to be Adopted

1-133 miles :—

Existing rate inclusive of Supplementary charge rounded off to the next higher anna.

134 & beyond :—

25% excess in rates in force prior to 1-4-56 rounded off to the next higher anna. (which works out to 1·1 to 7·9% higher than the existing rates)

Note:—A maximum rate of Rs. 30/- will apply.

ANNEXURE VII

Proposed scales of Rates for the Various categories of Parcels Traffic.

Category of Parcels Traffic.	Proposed percentage of Class 100B Scale proposed for goods traffic.	
	Upto 300 miles	Beyond 400 miles
* Full Parcels Rates	300%	280%
Half Parcels Rates } Quarter Parcels Rates }	Existing rates inclusive of terminal and supplementary charges.	
* Betel leaf Rates	220%	205%
* Newspapers Rates	100%	95%
Books, Khadi and Milk Rates	Existing half parcles rates inclusive of terminal charges only.	
	*With adjustments between 300 and 400 miles to provide a gradual increase.	
Small Parcels Traffic.		
1. For articles chargeable at Full Parcles rates.	*25%B	
2. For articles chargeable at Half Parcels rates.	*12·5%B	
3. For articles chargeable at Quarter Parcels rates.	*7·5%B	
	*Subject to a minimum charge of 12 annas for articles chargeable at Full Parcels rates, and 6 annas for articles chargeable at Half & Quarter Parcels rates.	

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Balanced Budgeting

The Public Accounts Committee of Parliament, in its report on appropriation accounts (civil) for 1953-54 and 1954-55, presented to Lok Sabha on 16-8-'58 said that "the standards of budgeting during the years under report have, instead of improving, deteriorated."

The deterioration was evident from "the huge excesses, savings, injudicious surrenders and even non-utilisation of funds obtained from Parliament by means of supplementary grants", it said.

The Committee had in the past repeatedly deprecated the over-optimism of administrative Ministries which resulted in inflating the estimates. "It is essential that detailed estimates should be carefully scrutinised and the possibility of their utilisation assessed by the administrative and Finance Ministries before their inclusion in the Budget."

On the Finance Ministry rested the main responsibility of co-ordinating Government policy in its financial aspects. The estimates, after careful scrutiny, had to be compared and apportioned according to relative importance.

During 1953-54 and 1954-55, savings aggregating to Rs. 172.35 crores and Rs. 238.5 crores had occurred in 124 out of 134 grants and 126 out of 135 grants respectively, the percentage of savings ranging in either case from 20 to 100 per cent. In the two years, supplementary grants, aggregating to Rs.57.61 lakhs and Rs. 2.56 crores respectively, proved to be "eventually unnecessary" There were also ten cases of excess over voted grants, involving a total excess of Rs. 206.7 lakhs in 1953-54 and eight cases in the next year, involving a total excess of Rs. 288.7 lakhs.

The Committee said it was "perturbed" over a large number of cases of savings from the final budgeted grants occurring in the Finance Ministry itself and added that it was imperative that this Ministry should set an example in accurate budgeting for other Ministries to emulate.

The Committee said it viewed with disfavour the practice of making large provision of funds in the Budget under "lump provision for schemes under consideration" without chalking out details of the schemes. It said administrative Ministries should not present unrealistic estimates to the Finance Ministry by pitching up demands with a sufficient margin to accommodate the cuts likely to be imposed by the latter.

The Report includes specific cases of over-budgeting and laxity of control over expenditure as disclosed in the audit reports for the two years as well as its observations in individual Ministries.

Welfare Funds

Among its recommendations in respect of the Ministry of Labour and Employment, the Committee has suggested that, in view of large accumulations under the coal mines and mica mines welfare funds, welfare activities covered by these funds should be carried out with greater speed and for that purpose detailed planning of various schemes should be undertaken well in advance.

On the working of the three steel projects, the Committee has made a number of suggestions, including a comparative study of construction cost of various parts of the plants, as this would provide useful information and guidance about the economics of construction of the plants by the various agencies.

The Committee noted that Government could have avoided the liability for payment of demurrage charges to the tune of several lakhs of rupees for detention of ships at Visakhapatnam port had a co-ordinated plan for expansion of the port to cope with the increased traffic been prepared.

Note :—The Railway Ministry may find the above criticisms helpful in designing its Budget, as similar cases of excesses and savings are not unfrequent there.

Mg. Ed., R.A.

Income - Tax Assessments

The activities of the revenue side of the Government of India in the Income-Tax Department have come in for critical comment in the report of the Public Accounts Committee for the first time.

The Committee in its seventh report has commented on executive interpretations of the Income-Tax Act in regard to recovery of tax on Ministers and other dignitaries for free housing and electricity and water provided to them, result-

ing in reduced tax recovery. The Committee has also called for information on the recovery of demands made by the Income-Tax Investigation Commission and the settlement of outstanding cases.

Till now, it has been the practice of the Auditor-General and the Public Accounts Committee to confine the scope of the work to the expenditure side of the Government of India and on the revenue side to the Customs and Excise duties. For the first time, incometax has also come under its purview.

It is understood that hereafter the Auditor-General and the Public Accounts Committee propose to follow the British practice in this regard. In the U.K., the Auditor-General, it is understood, subjects to a test check, income-tax assessments which have been settled by executive action of the department. Cases of such settlement and compromises would be subject to a test check to see whether this was reasonable and proper and whether all taxes due to the Government have been recovered.

'Not in Conformity with Present Law'

In regard to assessment of income-tax on restricted value of perquisites, the committee said it could not accept the interpretation sought to be given by the Finance Ministry to Sec. 4 of the Salaries and Allowances of Ministers Act 1952 and the Salaries and Allowances of Officers of Parliament Act, 1953, by virtue of which a Minister or officer of Parliament receives (A) rent-free accommodation consisting of a furnished residence, the maintenance charges of which are borne by Government; and (B) free supply of electricity and water to the residence.

After referring to the identical view expressed by the Auditor-General as well as the Attorney-General (to whom the matter was referred for opinion) in regard to the extent to which the value of the two concessions might be excluded for income-tax purposes, the Committee said: "The amendment to Section 7 of the Income-Tax Act made in 1955 is intended to cover not merely the actual rental value of the rent-free accommodation but also any concessional recovery of rent. As such, the valuation of rent-free residence at 10 per cent (if unfurnished and 12·5 per cent (if furnished) on salaries under executive instructions is no longer permissible and application of executive instructions in the case of Ministers and certain other dignitaries of the Union Government, whose salaries and privileges were regulated by Acts of Parliament, is not correct. Further exclusion from the total income of the Ministers and other dignitaries of the value of water and electricity supplied free to them in terms of the relevant Acts of Parliament, following the old executive instructions, is not in accordance with the present law.

Loss of Revenue

"The conclusion, therefore, is inescapable, that the continued application of executive instructions not in accordance with the present law, is not only resulting in loss of revenue to the State but also is giving extra legal benefit to a class of people, which is not permissible in view of the provisions of Sec. 60 (3) of the Income-Tax Act."

The Committee said Government should consider the matter in all its aspects, taking into consideration the opinion expressed by the Attorney-General, and regularise this matter.

Note*: The test-check of Revenue Receipts by Statutory Audit already exists on Railways. The extension of such checks to all Revenue-yielding Departments of Government is very desirable. — *Mg. Ed., R. A.

Increased Powers Conferred on Administrative Ministries

The Government of India's decision to give increased powers to administrative Ministries came into effect on August 20, 1958. The scheme of devolution is intended to effect speedier implementation of development plans and involves provision of adequate financial advisers on the staffs of Ministries to assist them in discharging their financial responsibilities which have increased with the delegation of additional powers. While the final disposition of officers and staff under the scheme is being worked out, the existing officers of the Finance Ministry hitherto engaged on work of advising Ministries financially, will function as internal financial advisers of the respective Administrative Ministries. It is expected tha a considerable portion of the existing staff of the Finance Ministry, department of expenditure, with a few changes, will be transferred to the Administrative Ministries.

The essence of the reorganisation is that the major scrutiny of the Finance Ministry will be made before the budget is framed. Sums entered in the budget may be spent by the Admininistrative Ministries (upto a limit of Rs. 50 lakhs in each case) without prior reference to the Finance Ministry, but after consulting their internal financial advisers. Large schemes costing over Rs. 50 lakhs and contracts involving substantial sums or any unusual feature will, among others, continue to be referred to the Finance Ministry. Powers of the Ministries for creation of posts have also been enlarged.

The Finance Minister, Mr. Morarji Desai, told the officers of the Finance Ministry who were taking over as internal financial advisers, that he was convinced of the soundness of the scheme of devolution of powers which, apart from avoiding needless delays would help to promote better relations between the Finance Ministry and other Ministries. He also advised the officers in regard to their functions in their new role and stressed that they must inspire confidence amongst their new colleagues in the Administrative Ministries.

Note:—It looks as though the Railway Ministry model now in force is being extended to others.

Mg. Ed., R.A.

The Metric System: Advantages of Change-Over

The story is told of a man from Bombay, who, on his first visit to North India, ordered a *pao* (quarter seer) of *rabadi* (a sweet) and ate it with relish. His pleasure was, however, short-lived because he was taken ill. He discovered that he had eaten twice as much as he normally did, the *pao* in North India being about double the weight represented by the pao then prevalent in Bombay.

True or apocryphal, the story illustrates the dangers inherent in the multiplicity of weights and measures within a country.

Although the seer and the maund are in common use in different parts of India, the weight of the seer varies from 24 tolas to as much as 112 tolas. There are over 150 different varieties of weights as well as linear measures and capacity measures in our country. In several cases the seer or a common weight or measure denotes different things even within the same district, not to speak of

different districts of a State. Thus, there may be one seer for food-grains, another for milk and so on.

ORDER OUT OF CHAOS

It was to end this chaotic state of affairs that a study of the problem was undertaken by the Planning Commission in 1955. The need for a uniform system was recognised. What could this system be? Detailed and prolonged consideration and discussion followed. The choice ultimately fell on the metric system which is followed by more than two-thirds of the world's population.

The main virtue of this system lies in its simplicity. Recalling our early school-days when the school master laid great store by the memorising of multiplication tables, the table of 10 was the easiest to memorise and reproduce. The metric system is essentially a decimal system, units of weight or measure going up in the ratio of 10. Thus 10 grams make one deka gram, 10 deka grams one hecto gram and 10 hecto grams one kilo gram. Similarly one centi-metre consists of 10 millimetres, one decimetre 10 centimetres and one metre 10 decimetres.

With the decimal system of coinage already in force, it is not difficult to realise how simple and effortless our day-to-day calculations and therefore the conduct of business will become when metric weights and measures are enforced.

INDIA'S GIFT TO THE WORLD

The decimal system, on which the metric system of weights and measures is based, was India's gift to the world when about 2,000 years ago an Indian mathematician discovered the value of '0' and introduced what has now become the universal system of counting. In adopting the metric system, India therefore goes back to her own heritage.

The metric system in its present form was fashioned soon after the French Revolution. It is not without significance that while in our Constitution we have enshrined the principles of Liberty, Equality and Fraternity, we should likewise adopt another reform of great significance which owed its birth to the French Revolution.

In 1956 the Parliament of India passed legislation to adopt the metric system. Called the Standards of Weights and measures Act, 1950, it lays down standards of length, area, volume and mass, to replace the standards now in vogue.

It was, however, recognised that a reform of this magnitude had to be a slow process, phased over a number of years. It was, therefore, provided that the changeover to the new system should be effected over a period of ten years.

After a series of consultations with the State Governments, representatives of industries and other interests, it has been decided that a beginning should be made with the introduction of metric weights in trade generally in selected areas in different States from October 1, 1958. On the same day the system will also be introduced in major industries like cotton textiles, iron and steel, engineering, heavy chemicals, cement, salt, paper and coffee.

To provide for a smooth change-over, even in these selected areas and industries the use of existing units will be permitted for a period of two years, i.e. till September 30, 1960. This means during this period of two years the metric system as well as the locally prevalent units will co-exist, giving an opportunity to the people to familiarise themselves with the new units. At the end of the two-year period the new weights will completely replace the existing units in the selected areas.

The new system will be gradually extended to larger areas where again a transitional period of two or three years will be allowed. At the same time the enforcement of the new system will cover other industries and economic activities, both in the public and private sectors. By the end of 1966, the country will have completely changed over to the metric system.

Thus from October 1, in the selected areas, shopkeepers will have the option to sell foodgrains, provisions, vegetables, coal, etc., by kilograms instead of seer or any prevalent unit of weight. Transactions by measure like retail sale of cloth will continue to be in the present units like the yard. In States like Madras and Kerala where food grains are sold by measure the use of the present measures would not be affected.

DECIMAL COINAGE

Decimal coinage was introduced on April 1, 1957 and by now a large majority of people have acquired a degree of familiarity with it. Indeed some people have become so proficient that whenever they part with small change, the balance of advantage, in the form of a Naya Paisa or two, is always in their favour.

There is no doubt that, notwithstanding some initial hardship that the introduction of the metric system of weights and measures will cause, before long the people will get used to the new units and once the transition is over the new system is bound to be universally liked.

In the field of major industries the reform from October 1, will take the form of use of the metric units in the purchase of raw materials and sale of products. Prices and quantities would also be expressed in metric units in all sale and purchase transactions. The change will, however, be limited to the transactions between the factories and their suppliers and customers. Retail sale in the products of these industries will not be affected.

For the convenience of one of the industries, viz., jute where the trading began on July 1, the date of the change-over was advanced by three months. In other words, the system is already in force in wholesale transactions by mills in the jute industry.

Government departments and undertakings have also to changeover to the new system in a phased manner. *From October 1*, Government departments and undertakings may use the metric system in the purchase and supply of stores. Quantities and prices will be expressed in metric units in indents and tenders. The Indian Airlines Corporation and its international counterpart, Air India International, will book cargo and luggage in metric weights and measures.

New surveys of land and mines will be on metric scale, but existing maps will continue to be used with conversion tables drawn on them. Technical statistical, scientific and marketing data collected and published by Government departments will also be expressed in metric units.

Preparatory work, to herald the new system, has been undertaken by the Central and State Governments. A survey of manufacturing capacity of weights and measures has been made. This indicates that manufacture of new weights and measures will not present any difficulty. Approved manufacturers will be licensed by the State Governments. Weighing machines will be recalibrated to metric units.

Legislation for enforcing weights and measures, a State subject, have been or are being enacted by the State Governments. The organisational set up is also being attended to. The weights and measures departments in States, where they already exist, are being strengthened and are being organised anew where they do not exist. Training of personnel is in progress.

A publicity campaign to familiarise people with the new weights and measures has been started.

India's decision to change over to the metric system has aroused world-wide interest and in the two big countries where so far this system has not been introduced, United Kingdom and the United States of America, questions have been asked why they also should not adopt the metric system when India is doing it. In the past 100 years 58 countries have gone over to the metric system. They have not regretted their decision. Many of these discarded their uniform indigenous systems in favour of the metric one. Many neighbouring countries in Asia also follow this system.

There is no doubt that in the long-run the system will endear itself to the people of India and the saving in time and effort to all classes of people, particularly to the younger generation at schools and colleges, will be immense.

What is more important, a uniform system of weights and measures will be immense.

What is more important, a uniform system of weights and measures will be another valuable contribution towards national unity. At present the great diversity of weights and measures is a dividing factor. The day when an Indian citizen can travel across the country without having to adjust his mind constantly to a multiplicity of weights and measures, a great step towards national unity will have been taken.

Financing and Conserving Railway Properties and Assets

Financial methods used in the renewal of installations and rolling stock

Note: In the following article, procedures adopted for assessing the depreciation of railway assets have been discussed with special reference to half a dozen European Railways. Which are the Railways to which the questionnaire was issued and from which replies were received have, however, not been made clear in this article. It looks as if the Indian Railways have not come into this picture at all, though the depreciation methods adopted by these railways have varied from time to time since the days of Company Management down to the present date. An article describing the methods of depreciation adopted by the Indian Railways and the reasons for the changes effected after the State took over some of the railways for management would be of great assistance to the Railway Accountancy profession and to the executives also. In particular, it would be necessary to know to what extent theoretical calculations approximate to actual expenditure.

Mg. Editor, R.A.

The subject of Question 8 to be considered by the International Railway Congress in Madrid in September is a Comparative study of the financial means used for the normal renewal of permanent installations, and rolling stock. Mr. W. Keller, Chief of the Finance & Accounts Section, Swiss Federal Railways, has compiled the report on practice in European countries and in certain overseas territories which in general follow European methods.

The replies show that as between one country and another, the law and economic conditions differ widely, as also do the methods of accounting. The reporter, therefore, has mentioned only those administrations with which he had discussions, and offers his apologies to other railways which replied to the questionnaire; but he has been able to verify that these administrations have resolved the problem in a similar way.

The statements of the following administrations were taken into consideration: German Federal, French National, Italian State, Belgian National, Netherlands, and Swiss Federal.

Conservation of Assets

Any undertaking which produces goods or provides services needs equipment or tools such as machinery, buildings, vehicles, and so on. To survive, the undertaking must constantly conserve the substance of its productive equipment. The investor supplying the funds expects that the money invested will produce revenue and that it can one day be recovered at least at par. If only for this reason, the undertaking must conserve the substance of the investment, which is the counterpart of the capital investment.

The financial arrangements, accounts and cost calculations cover the depreciation by amortisation funds. The calculation of the first cost allows the fixing of the selling price which covers the costs. At the end of the year, comparing the charges and incomes from production, it can be seen whether the costs have been covered. The allocation to reserve for this prevents the amount of depreciation being shown as a dividend for distribution.

When the purchasing power of money falls, redemption at the purchase value allows the undertaking to repay the nominal capital when the equipment becomes unserviceable; but it does not allow for its replacement. The nominal capital, but not its substance, has been conserved. What is important, however, is not the repayment of the capital but the replacement of the assets.

The amount of redemption calculated at the prevailing values does not correspond to the true replacement value. When the purchasing power of money falls, it becomes theoretically impossible to recover the investment. In practice, however, redemption calculated on current values will generally suffice.

Renewal and maintenance of railway property represent 24 to 43 per cent of the total charges of the undertakings. Excessive or inadequate amortisation has wide financial repercussions.

Permanent Way

Fixed installations have, in general, a very long useful life. In permanent way, for example, renewals are often carried out piecemeal, as needed, whilst other equipment, the body of the track and tunnels particularly, are practically never renewed. Depreciation is, therefore, less obvious and is difficult to compute. Monetary depreciation, too, makes itself felt particularly with very long lived assets.

Accounting Methods

Only two administrations, the Netherlands Railways, and the Swiss Federal Railways, use the standard method of amortisation. The other four of the six considered by Mr. Keller use the fixed value method of accounting.

According to this method, instead of the calculated amortisation costs, the actual renewal costs are charged currently to the financial returns. In the balance sheet, the cost of initial provision remains fixed so long as there is no essential change in the assets.

The effective renewal costs charged to the finacial returns correspond to amortisation charges on present values provided the equipment is renewed each year to the same extent as it depreciates. If, for example, an administration has 25 locomotives, the average useful life of which is 25 years and the actual age of them scaled from one to 25 years, it should replace one locomotive each year. The financial returns would be charged with a like amount whether it is charged each year with one twenty-fifth of the current value of all locomotives under the amortisation or if they carry each year the effective cost of purchasing one new locomotive as a renewal charge.

The problem of deciding if depreciation of equipment should be assessed on the prime cost or on the current cost does not arise with the fixed value method; evaluation is necessarily on current values.

It seems that the general method with most railways is for the annual renewal requirements to correspond to the annual reduction in value. Between the old and the new equipment is established a kind of balance in which the average age corresponds roughly to half the useful life of all the equipment. As in the case of the 25 locomotives, the depreciation corresponds to the annual need for renewal.

Often, however, because of their poor financial position, the railways cannot undertake the necessary renewals. Consequently, if the financial returns were charged only with the actual cost of renewals made, they would in fact carry an incomplete charge. Therefore, certain administrations replace the actual expense by a theoretical charge. These theoretical charges for renewal are calculated in principle in the same way as amortisation on current value.

Replacement Costs

Although most railways prefer the fixed value method rather than amortisation, Mr. Keller does not believe that this is because the method is more simple. The difficulties, he states, are the same with both methods when it is a case of determining the theoretical replacement costs.

This theoretical replacement value is the basis of calculation for amortisation on current value. With the fixed value method, however, it serves to distinguish between the costs of renewal to be charged to the financial accounts or to the sinking funds, and the costs of an increase in assets. The fixed value method seems more complex in that this delimitation must be done in each case, whilst with the amortisation system, it is enough to make one annual calculation for each group of assets.

The fixed value method has the advantage of automatically introducing the principle of current value, whilst the same principle is partly avoided in the amortisation method. The application of the fixed method varies from one administration to another.

West Germany

The German Federal Railway charges the operating costs account not with the actual renewal charges, but with renewals which should have been carried out under the programme. These charges are calculated on the average useful life of different groups of assets and on the replacement cost. They therefore correspond to amortisation at current value.

Current values are calculated, by means of a price index. The balance sheet values were re-assessed in 1949, at the time of the currency reform, and only price changes since then are taken into account.

The theoretical renewal charge is written with the operating costs and credited to a corrective account on the debtor side of the balance sheet. The same account is charged with actual renewal costs. When a renewal increases the productive capacity, the portion relating to increased equipment or capacity is charged to capital. When steam locomotives, for example, are replaced by diesel or electric powered vehicles, the capital investment is increased only if and to the extent the new vehicles increase the capacity of the system. Strengthening of the track in renewal, for example, by laying heavier rails or using more sleepers, is not considered to be an increase in assets.

S. N. C. F. Practice

The French National Railways take the annual maintenance and renewal costs of fixed equipment as equivalent to depreciation. Theoretical renewal charges are not formulated. The operating costs are, therefore, made to carry the actual costs of maintenance or renewal. All work is considered as renewal or maintenance, except new work which increases physical assets or productivity. However, 20 per cent is deducted from the cost of new work representing the portion of maintenance and renewal work which is generally included. This deduction is charged to operating costs as are the costs of all new works below 5,000,000 francs and all welfare work,

The statutes of the Italian State Railways prescribe annual allocations for renewal of vehicles and track steel-work; these allocations are charged to the operating costs. For the other parts of the permanent way and all other classes of fixed equipment as well as furniture and machinery, the operating results are charged with the actual cost of renewal.

The annual allocation for renewal of vehicles is fixed at a minimum of 2.5 per cent of the traffic receipts. Very often, when the need for renewal demands and the budget allows, the allocation has been increased.

The cost of like-for-like replacement of equipment is considered as renewal expenses. However, for certain important fixed equipment and complete vehicles, the costs of replacement are taken as an increased capital investment whilst the value of rolling stock withdrawn is taken out of capital. The principle of fixed book value is, however, not followed completely.

S. N. C. B. Renewal Fund

The Belgian National Railways have a renewal fund. Annual allocations are calculated on the useful life and replacement cost. Deficits in recent years, however, have caused these to be at a lower figure than the allocation needed theoretically. The actual payments for 1956, for example, were only 1,020 million belgian francs, instead of 1,850 million francs. The actual cost of renewal is covered by the renewal fund. Renewal is considered as like-for-like replacement.

Two administrations, the Netherlands Railways and the Swiss Federal Railways, have adopted the amortisation method; they use different methods of calculation.

The Netherlands Railways redeem on the basis of current value. However, for the body of the permanent way, it applies the amortisation on the prime cost of purchase. The current value is obtained by price index. In practice, the amortisation is first calculated on the purchase price shown in the balance sheet; then, according to the price index, an extra one is added to the amount obtained. The extra amount is allocated to the credit of an internal renewal fund. In the published accounts, the basic sinking fund charge and the supplementary price index addition are shown as a single sum, under the heading of amortisation.

The Swiss Federal Railways, in principle, redeem capital assets on the purchase price. For track equipment and vehicles, there is a supplementary redemption, which for track equipment is calculated on the difference between the purchase price and the current value; for vehicles, only a part of the difference is used. For vehicles, however, the supplementary redemption is only made if it does not entail a deficit.

Both administrations book renewal charges according to the rules covering the amortisation method, that is, these costs are added to capital investment and consequently included in the normal redemption funds. There is, therefore, no distinction between renewal and new investment as in the case of the fixed value method. They do not add to the capital either the costs of continuing operation during the work, or the costs of adaptation and maintenance of existing equipment carried out concurrently with construction, or any other expenses considered as non-capital cost. The Netherlands Railways add these costs to amortisation whilst the Swiss Federal Railways include them in maintenance.

Accountancy Charges

In showing the amounts expended by the railways in conserving their assets, it is necessary to distinguish between the accountancy charges and the actual costs. The accountancy charges include the amounts charged to the working results, under capital redemption, for actual or theoretical renewal.

As percentages of total charges and traffic receipts, the accounting charges for maintenance of assets are as follows:

	Total charges per cent	Traffic receipts per cent
German Federal ...	39·2	44·0
French National ...	39·7	55·5
Italian State ...	32·8	45·3
Belgian National ...	23·5	26·5
Netherlands ...	43·0	42·9
Swiss Federal ...	35·4	36·7

The comparative value of these figures is reduced by the fact that political charges included in the total charges vary from one administration to another. These charges include abnormally high pensions, employment of supernumerary staff and so on.

To judge the charges to be made for maintenance of assets, Mr. Keller maintains that the value of the invested capital is the most appropriate standard for comparison. The balance sheet value must be disregarded, because it differs according to the accounting method used. Only the current replacement value can be taken into consideration, even though itmay only be a summary estimation.

Capital Increases

Most railways consider that in future the need for capital will increase because they will have to develop their equipment to meet the requirements of modern traffic and technical progress. They have compiled five and 10 year programmes which forecast, for renewal and extension, an annual expenditure of upto 5 per cent of the replacement value. They do not yet know, however, how they will be financed. In any case, they will have to finance the development of installations beyond simple renewal by outside capital unless the State intervenes. Generally, one must expect to see the proportion of outside capital increase and on the same basis, the capital costs also.

Because of the constant depreciation of money which has been experienced to a varying degree by all countries, the reporter believes that the problem of conserving assets is more vital than the simple conservation of nominal capital. For undertakings with a heavy capital investment, such as railways, the problem is of particular importance.

The classical form of redemption, by which the original cost is spread over the useful life of the equipment, becomes inadequate when money loses its value.

To retain the substance, which is essential for the existence of an undertaking, it is necessary to adjust sinking funds to the current value of the fixed assets.

The two methods, fixed value and amortisation can be considered as identical in their effects. Both permit the real depreciation of equipment to be taken into account.

Mr. Keller, however, sees an advantage in the amortisation method. It is simpler and above all can be understood by non-specialists because it conforms to general commercial practice.

[By kind Courtesy of 'The Railway Gazette', London.]

Write off of Tools and Plant

Item 45 of Appendix VII-G provides that the General Manager has powers to the write-off of losses of cash, stores and tools and plant :—

(i) Upto Rs. 25,000 in value when a Railway employee is in any way responsible for the loss;

(ii) Upto Rs. 50,000 in value when a Railway employee is *not* in any way responsible for the loss.

Powers are redelegated to subordinate authorities by G.M. within the limits mentioned above. In the case of articles borne under Stores Suspense, the book value is available and the powers in regard to the write-off are applied with reference to such book value.

In the case of tools and plant received for works, however, a question arises as to whether the depreciated cost at the time of loss of the article or its book value should be taken for determining the powers of the authority to sanction the write-off. It would appear that in such cases, as the article has rendered service for the work, the depreciated cost alone which normally would represent the present worth, should be taken into account for the purpose of determining the authority to sanction the write-off. Of course, the work will bear the entire loss except to the extent of any amount that may be recoverable from the staff at fault, and this will really be a case of numerical write-off.

Where, however, the stores had been received for large schemes charged to Capital, and a separate Stores Suspense Account is maintained, the loss will have to be debited to Capital 6800—Loss of cash and stores (6821—physical loss of stores or 6822—loss due to depreciation and deterioration). But this would apply to stores or tools and plant already issued from Stores Suspense to specific works, and where the loss takes place after the issue of the stores to such sub-works.

State Management vs. Company Management of Railways

In our Editorial for July '58 Issue of the Journal, we pointed out the practical difficulties of the present Government of Railways and indicated certain broad lines of action. Since then, we have had occasion to go through a recent publication of Mr. Frank Moræs' "Sir Purushotamdas Thakurdas". Some of the incidents that occurred during the deliberations of the Acworth Committee have been reported in this book and these throw a lot of light on the ideals behind the recommendations of the Committee advocating State Management. But if, nevertheless, the Government Management of Railways has been now found wanting, it must only indicate that the principles followed are not satisfactory and unless, absolute selflessness is introduced and in addition, the desire to do things for the common weal as much as possible there does not seem to be much hope for a better management. A small incident reported in this book is reproduced (with due apologies to the author of the book) to indicate the high integrity and sincerity exhibited by Sir Purushotamdas for the country's good.

x x x

"Earlier one of the Indian Members had attempted to persuade Purushotamdas to vote for company management and had in fact called at Purushotamdas's house for this purpose. The ostensible reason for his visit was the birth of a

son to Padmabehn, the boy being Purushotamdas's first grandson.

The visitor made no effort to conceal the real purpose of his visit and in fact blandly informed Purushotamdas that if he would vote for company management he was authorised to offer him the managing agency of the G.I.P. Railway whose term expired early in 1924.

"This will yield you a minimum of Rs. 7 lakhs a year", he said, "and it will give you, apart from prestige, a considerable power of patronage".

The visitor went on to remark that the lease of the East Indian Railway was also due for a change shortly and the managing agency of this railway had been offered to him.

"If you agree," he told Purushotamdas, "the management of both these railways will be in Indian hands".

Purushotamdas was not flattered by the offer.

"I am averse to company management, even by Indian Companies under the present circumstances", he informed his guest. "In any case, I have no intention of making any money out of my vote on the committee".

The visitor was not deterred by this rebuff and smoothly insisted, "will you consult your wife before you turn my offer down? After all I am offering you a definite income of Rs. 7 lakhs a year for the next twenty or thirty years".

Such persistence annoyed Purushotamdas who curtly suggested that the interview might be ended,

Even then, the Indian member appeared unimpressed.

Purushotamdas retorted that he was not accustomed to such proposals in his business and in any case he would like the subject to be dropped.

After the report was signed and before Purushotamdas left London for India, he called on Acworth at his flat in Picadilly and told him about the incident.

"I knew a little about this," remarked Acworth, "and I feel happy that you did not yield to the temptation".

ACKNOWLEDGMENTS

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

Central Railway Magazine	— '58	Transport	July '58
Eastern Railway Magazine	July & Aug. '58	Indian Railway Gazette	Sep. '58
Northern Railway Magazine	— '58	Indian Construction News	July '58
Western Railway Magazine	July '58	Chartered Accountant	Aug. '58
South Eastern Rly. Magazine	— '58	Careers & Courses	— '58
Southrailnews	Aug. '58	Educational Review	Aug. '58
Chittaranjan	Aug. '58	Australian Accountant	July & Aug. '58
Central Railway Newsletter	July '58	Accountants' Journal (N Z)	July '58
Eastern Railway (Lifeline)	— '58	Accountants' Magazine (Edinburgh)	July '58
„ Newsletter upto F.E.	21-8-'58	Technical Bulletin (Australia)	— '58
Southern Railway Newsletter	F.E. 25-7-'58	Wednesday Review up to W. E.	3-9-'58
Western Railway „	July & Aug. '58	Railway Board's Monthly Statistics	—
Metric Measures	— '58	I. R. T. D. A. Newsletter F. E.	31-8-'58
Indian Railways	Aug. '58		

Subjects of Moment

Allocation of out-Ageucy Charges

The Railway Board have decided as under :—

(i) As the Out-Agents function as 'carriers,' they should be treated as private companies for the purpose of accounts adjustments: vide Para 2832-A II. As such, the Out-Agency charges, that is cartage charges for the road portion, should be credited to the head 'Deposit' Private Companies' and *not* included in the earnings of the Railway. The credit under the head 'D.P. Companies' should be cleared on the payment of the charges to the Out-Agents.

(ii) The expenses at Out-Agencies should *continue* to be booked to Abstract E. 3401.

(iii) The expenditure on account of rent paid towards hire of accommodation in respect of Out-Agencies should be booked to the head E. 3401 and not debited to head G-1202.

(Railway Board's No. 57 AC II/45/1 dated 11-8-'58).

* * *

Royalty on minerals extracted from areas acquired for Central Government

The legal position in regard to the above is that on all lands acquired for the Central Government, the Central Government possesses full and unqualified ownership not only over the surface but also over the minerals beneath it. The State Governments, therefore, can have no claim for levying any royalty on minerals quarried from lands owned by the Central Government. This equally applies to areas acquired for the Railways.

[R.B. No. M. II-152 (36)/57 dated 26-6-1958].

* * *

Introduction of decimal system of coinage Accounting procedure—preparation of pay bills, contractors bills etc., and calculation of leave salary, pension etc.

In continuation of Board's letter No. F (X) II-57/CN/4 dated 18-3-'57, on the above mentioned subject, the correct procedure as to exact drill to be followed in regard to the calculation, rounding off and exhibition of amounts, in terms of naye Paise in preparation of contractors' bills, Establishment Pay Bills, calculation of pension, leave salary calculations for broken periods and other similar cases, involving calculation on rates expressed in the old coinage is set out in following paragraphs and may be followed :

(1) The amount/value of each transaction/item in a contractor's bill should be calculated on the basis of the rates etc., prescribed for them in Rs. As. and Ps. and the resultant amount in As. and Ps. so arrived at converted into decimal coinage according to the equivalents given in the conversion table. The question of converting the rate etc., provided in the contract *ab initio* does not arise.

(2) In regard to the exhibition of amounts under the respective money columns in a pay bill, each individual item should be shown in terms of decimal coinage and rounded off to the nearest naye Paise half or less being ignored. Similarly, the pay/leave salary for a part of the month should first be calculated in Rs. As. and Ps. and the resultant amount in As. and Ps. so arrived at should be converted into the decim-' coinage according to the conve- table before it is exhibited in t- priate column of the bill.

(3) In the case of pay s' payment orders issued each individual iter and rounded off

case of pay bills. It is not necessary to issue fresh pension payment orders and pay slips as those issued prior to 1-4-'57 will automatically be construed as expressed in terms of equivalent value in the decimal currency. All that is necessary is to insert in red ink the corresponding amount in the new currency below the original amount in the letter of authority. As regards pension payment orders issued on or after 1-4-1957, pension fixed in Rs. should be lated to the nearest multiple of

Percenta

regard to the calculation of
WOR ge emoluments for purposes of pen-
n and average pay for the rate of
Save salary etc., where emoluments are drawn in the old coinage for a portion of the period and in the new coinage for the remaining period as the rates of pay drawn during the period to 1-4-'57 are not to be converted into the decimal coinage *abinitio*, the total amounts for the various spans upto 31st March 1957 are to be calculated in Rs. As. and Ps. the resultant amount in As. and Ps. ing coverted to decimal coinage
(i) ding to conversion table. The
s so calculated in terms of
oinage may then be taken into
DEDUCT : long with other amounts
(j) Interna rms of naye Paise for the
ffect from 1-4-1957 and
gross emoluments so
s of naye Paise may
NET RECEIPTS : 36 for calculation of
rage emoluments

Operating ratio : Percentag
receipts. d be deemed

Year 1956. 1-4-1957
GROSS RECEIPTS. rocedure
WORKING EXPENSES. these
NET RECEIPTS. nita-

Operating ratio : Percentage of working ex
receipts.

(*By*

Liberalised Leave Rules

As a result of further liberalisation of the Liberalised Leave Rules in regard to raising the limit of accumulation of leave on average pay, commuted leave, leave not due, etc., vide Railway Board's letter No. E (S) 58CPC/LE/4 dated 30-8-56, representations have been received from staff and recognised labour that another opportunity should be given to staff not governed by the Liberalised Leave Rules to come over to these rules. The President is pleased to decide that Class I, II, and III railway servants, who are governed by the Railway Fundamental Leave Rules or leave rules contained in Chapter VII of Indian Railway Establishment Code Vol. I or ex-Company Leave Rules, should be given an option to come over, with effect from 1-8-1958, to the Liberalised Leave Rules. The leave both average pay and half average pay at their credit on 31-7-1958 may also be carried forward subject to the maximum limits and conditions laid down in Board's letter No. E47CPC/118 dated 9-8-1949 as amended from time to time. The option for this purpose should be exercised within a period of six months from the date of issue of these orders. The option once exercised shall be final.

2. It may, however, be made clear that the ex-Company staff who now elect to be governed by the Liberalised Leave Rules and who have previously elected the prescribed scales shall be governed by all the Indian Government Railway conditions of service with effect from 1-8-1958.

3. These orders do not apply to staff who are governed by the ex-States Railway Leave Rules.

[R. B. No. E(S)56 CPC/LE/11 dated 2-8-58.]

* * *

Recovery from the Provident Fund Dues under Rule 1334 (i) (ii)—R. I.

The point as to what type of liability can be considered as legally recoverable from the Provident Fund dues has been recently examined and the Board have been advised as under :—

"The amount due under a liability should either be indisputable or admitted. This would mean that the claim should be of such a nature as a Court of Law would have no difficulty in entertaining and passing a decree thereon, should it go before it in the form of an action for recovery. If, on the other hand, the claim were to be of a nature that can be successfully challenged by the defendant sought to be made liable, meaning thereby that the action may be thrown out by a Court of Law, the Governmen not be advised in treating the claim a liability incurred by the subscriber within the meaning of section 6 of the Provident Funds Act 1925. Whatever is sought to be recovered should also be an ascertained sum and not a liability that may or may not arise out of a disputed set of circumstances ".

Subject to the condition that a liabili as explained above has been establi g there is no objection to making r erms from the Government Contribut Provident Fund of an empl with this stipulation, the points in the letter from the Eastern Rly., clarified below :

Point Raised	*Clarification*
1. In a case where the Railway Administration holds an employee liable for certain loss, is it necessary to issue a show-cause notice and obtain explanation of the employee concerned if it is desired to make recovery towards any such Government dues/loss from the Provident Fund dues.	1. It would be only fair if the railway servant concerned is given an opportunity to say what he has to urge against the loss that is reported to have been caused as a result of his negligence etc., and for which he is held liable. ... of ... the
2. If reply to item (1) is in the affirmative, what should be done in cases where an employee has died before such show-cause notice could be issued.	2. There is no question of ... show-cause notice in ca position of employee had alrea ive money such a notice could h individual would be in order erms of decimal authority to tak to the nearest merits of the cess being ignored. amount du /leave salary for a Fund dues should first be calcula- ... d Ps. and the resultant
3. Whether the Railway Administration loses its right to make recovery from the Provident Fund dues of an employee after the lapse of two months from the date of termination of his services.	3. The pos. and Ps. so arrived at and converted into the deci ... ccording to the ... ore it is exhibited olumn of the bill In the case ... yment orders ach indiv and ro

(R.B. No. E (D & A) 57

British Railways
(Passenger and Freight Services)
Working Results for 1957

		Passenger and freight services of British Railways.	
GROSS RECEIPTS:		£	
Passenger	..	138,898,851	
Freight (including parcels and mails)	..	353,293,757	
Miscellaneous, including letting of sites and premises on properties in operational use (net) and commercial advertising (net).	..	9,236,905	
Total	..	501,429,513	
Percentage of grant total — Year 1957	..	70	
Year 1956	..	70	
WORKING EXPENSES (including depreciation or renewals and after equalisation of maintenance).		£	Percent.
(*a*) Train, vehicle and ship operating expenses.	..	186,471,304	36
(*b*) Maintenance of rolling stock and ships.	..	110,814,484	21
(*c*) Other traffic expenses.	..	82,185,065	16
(*d*) Signalling expenses.	..	35,925,649	7
(*e*) Maintenance of way and structures.	..	84,775,787	16
(*f*) Vehicle licence duties and inland waterway tolls.	..	—	—
(*g*) General.	..	18,181,763	4
		518,354,052	100
(*h*) Charges to British Railways for road conveyance of freight.	..	20,562,990	
(*i*) Other charges to British Railways and other activities.	..	—	
	..	538,917,042	
DEDUCT :			
(*j*) Internal charges raised for transport services	..	10,347,343	
Total	..	528,569,699	
NET RECEIPTS :	..	27,140,186 (deficit)	
Operating ratio : Percentage of working expenses to gross receipts.	..	105	
Year 1956.			
GROSS RECEIPTS.	..	481,036,648	
WORKING EXPENSES.	..	497,533,272	
NET RECEIPTS.	..	16,496,624 (deficit)	
Operating ratio : Percentage of working expenses to gross receipts.	..	103	

(*By Courtesy : Railway Gazette, London.*)

Diesel Cars from Australia

Twelve diesel rail cars and components for 660 rail wagons from Australia arrived at the Madras Harbour by S. S. Christen Smith on August 6.

This consignment completes a major Colombo Plan project under which Australia agreed to supply India with 24 complete diesel rail cars and 2,000 unassembled metre-gauge rail wagons. The first batch of 12 diesel rail cars were delivered in January 1958 and are now in service in the Southern Railway. Components for a total of 1,340 rail wagons had also been delivered then and assembled.

These rail cars have double end drivers' controls with a seating capacity of 82 passengers and a maximum speed of 80 m.p.h. Each car is valued approximately at Rs. six lakhs. The Colombo plan project is designed to assist the development of the Indian railway system during the Second Five-Year Plan period. The total value of the project is approximately four crores of rupees.

* * *

Monthly Statistics of Indian Railways

Gross Earnings :

The approximate gross earnings of Indian Railways for July 1958 amounted to Rs. 29.35 crores which is an increase of 2.09% over the approximates for July 1957; and a decrease of 0.78% over the actuals of July '57. The earnings from April to July '58 (actuals upto June, plus approximates for July) amount to Rs. 126.10 crores; while the actuals from April to July '57 were Rs. 121.46 crores.

Wagon Loadings :

(a) Number loaded during July :

Gauge	July '57	July '58	Percentage: Inc. (+) or dec. (−) in the current month compared with the previous year's corresponding month.
B. G.	417,908	441,606	+5.69
M. G.	260,091	252,006	*−3.11*

(b) Total number of wagons loaded from April to July :

Gauge	1957-58	1958-59	Percentage: Inc. (+) or Dec. (−) in 1958-59 over 1957-58.
B. G.	1,762,194	1,797,942	+2.03
M.G.	1,124,234	1,080,688	*−3.87*

During the year on the Broad Gauge a general decrease in the movement of traffic has been observed mainly in respect of cotton manufactured, jute raw, sugar, sugar-cane, manganese ore, and partially set off by increased movements under coal and coke for public, iron and steel others and coal for home line, and other stores.

On the Metre Gauge, heavier movements have been observed mainly under coal and coke for public, grains and pulses, cement, iron ore, other metallic ore and coal for other Government Railways and manufacturing units; partially set off by lesser movements mainly under cotton raw, cotton manufactured, sugar-cane, and manganese ore.

* * *

Promotion of Rly. Accounts Officers

The following permanent and officiating Class II Officers are permanently promoted to the Indian Railway Accounts Service in the Junior Scale with effect from 3-9-1957 on the Railway noted against each :—

S. No.	Name	Railway
1.	Shri R. Mahadevan	Western
2.	„ H. H. Nilsen	„
3.	„ Jagadish Rai	North Eastern
4.	„ R. Ramaratnam	Eastern
5.	„ K. S. V. Iyer	South Eastern
6.	„ S. Gopalakrishnan	Central
7.	„ B. G. Balakrishnan	Southern
8.	„ A. D. Sawhney	Eastern
9.	„ R. S. Nayar	Northern
10.	„ A. L. Sancheti	Northern
11.	„ K. S. Haravu	Central

R. B. No. E (GS) 56 PM 1-25, dated 31st July, 1958.

Pilferage of Railway Stores

The High Court of Madras recently disposed of a Criminal Revision Petition in respect of theft of Railway property, like gunmetal powder, brass clippings, bronze bearings, etc. costing several thousands of rupees.

The High Court Judge observed in his judgment as under :

" These were cases in which large quantities of Railway Stores had been pilfered by Railway servants. It was extra-ordinary that the authorities had not been able to show actual shortage with the help of accounts. This only showed that each time goods were sent from one Stores to another and received at the other end, there had been no check and no proper entry in the accounts. The accounting system in the Railway was more or less a fool-proof system and if only there had been a proper check of the quantities sent by one store and received at the other store, the shortage could have been easily found out and put before the court. The slackness on the part of the staff in that Railway department or the absolute indifference to entering all the goods received at the other end and the carelessness on the part of the staff had resulted in the encouragement to pilfer goods." It seemed to His Lordship that efficient supervision, if exercised properly, would have revealed the correct shortage that had occurred. To prevent such a theft on a large scale, it was highly necessary that the Railway Authorities should in future check these despatches from one end and the receipts at the other end and see that they were properly accounted for.

Note : While appreciating the fact that the Railway Accounting System in this respect is more or less fool-proof, it is regrettable to note that the efficient application of rules in practical working has been overlooked and thus losses were caused to the Railway. A closer co-ordination between the Executive and the Accounts seems called for and a more practical outlook on the adoption of steps for stopping loop-holes is very desirable.

Mg. Editor—R. A.

Conference of Railway G. Ms. with the Railway Board

A two-days' session of Railway G. Ms. with the Members of the Railway Board was held at Delhi on the 27th and 28th of August '58. The Railway Second Five Year Plan was mainly discussed and it was disclosed that practically every work for creating additional line capacity and workshop facilities had already been included in the works programme. It was also anticipated that the position in regard to the supply of material was gradually easing. It was further disclosed that for the purpose of introducing scientific incentive schemes to raise productivity in most of the Indian Railway Workshops by the end of the Second Plan Period, production control organizations were being set up on various Railways with a production directorate in the Railway Board's Office at New Delhi to direct and co-ordinate.

The Railway Minister emphasised the need for giving adequate training to young Railway Officers on a variety of field jobs, and referred to the desirability of transfer from time to time to different types of work. He said that the experience that an officer has on the actual work in districts and sub-divisions would be given due credit at the time of deciding his promotion.

Among other points that were discussed were the need for greater personal contacts between officers and their staff, prompt disposal of individual grievances, judicious use of the power of punishment and appeal and the enforcement of strict discipline at all levels. It was suggested that the existing Staff Councils should be revitalised and more of them set up.

Note : We are glad that discipline has been one of the subjects discussed. It is never too late to mend ; but the sooner the better.

Mg. Editor R A.

* * *

Special Rail Concessions

As in previous years, the Railway Board have decided that concessional Return tickets at one and three quarters single journey fares should be issued this year also during the forthcoming Dassera, Diwali and Christmas holidays for all classes. Return tickets will be issued as under:

Dassera : From Oct. 9th to 25th Oct.
Diwali : From Oct. 29th to Nov. 11.
Christmas : From Dec. 15, 58 to 5th Jan. 59

The period of currency is fifteen days inclusive of dates of issue and completion of the return journey.

Tickets are issued only between Stations with a minimum distance of 150 miles apart. Break of Journey permissible only on the outward trip. Return halfs to be dated at the Booking Office *before commencement* of the Return journey.

* * *

Liberalisation of Pass Privileges

The Railway Board have decided that Class III and Class IV staff can be given passes and P.T.Os from the date of joining railway service instead of after one year from date of appointment.

Passes —	1st to 5th year	1 set
	6th year & onwards	3 sets
P.T.Os.		6 sets

Complimentary passes to retired Class IV staff may be granted after 25 years' qualifying service, instead of 30 years as previously.

* * *

Southern Railway Accounts Association

The Secretary writes that the following office bearers have been elected for 1958-59.

Ex-officio President:
F.A. & C.A.O., Madras

Vice President:
Sri K. R. Rabindranath, D.A.O./TPJ

Secretary: Sri K. M. Chidambaram.

Asst. Secretary & Treasurer:
Sri M. Angamuthu

* * *

Electrification of Railway Lines

In a Press Conference held at Madras in August, the Railway Minister stated that the electrification of the Railway line between Tambaram and Villupuram had been included in the Second Five Year Plan for implementation, but that obviously, the delay in execution was due to the foreign exchange difficulties. He stated further, that the Railway Authorities had already started Civil Engineering works in this connection, and the completion of the scheme would have to synchronise with the availability of power.

PERSONNEL — (*Continued from page* 199)

Shri M. G. S. Iyengar, officiating senior officer of the Civil Engineering Department, Western Railway, has been transferred to the North-east Frontier Railway.

Shri Kanwar Man Singh, officiating senior scale officer of the T (T) & C Department, North-Eastern Railway, has been transferred to the North-east Frontier Railway.

Shri V. S. Rangachari, A. A. O., Central Railway has been transferred to Bombay and promoted as S. A. O.

Consequent upon the surrender of two temporary posts on Southern Railway with effect from 1-9-58, the following changes have been effected:

Shri G. Dasappa, officiating A.A.O. reverted as officiating Senior Accountant and allowed to proceed on 60 days L A.P.

Shri K. Sivanna, A.A.O, posted as J.A.O./Admn. *Vice* Shri G. Dasappa.

Shri L. Sankaran, J.A.O. granted 42 days L.A.P.

Readers' Forum

Pension Scheme for Indian Railways

The pension scheme announced by the Railways has been found unsuitable by many members of the Railway staff and there has been a lot of controversy over the option thereto. One of our readers has given the following suggestions in a memorial to the Railway Minister and hopes that by adoption of the suggestions more members of the staff might join the pension scheme.

x x x

" 10/20 instead of 9/20 of the gratuity, i.e. special contribution to P.F. should be given to the pensioner. (2) Even temporary service should be taken into consideration, wherever, employees were acting in permanent posts and as the delay in confirming the employees in the permanent posts rested with the administration. If any difficulty, is apprehended in following this procedure, the pensioner should be retained in the service to make up the required number of 30 years of qualifying service. By adopting this procedure, it is hoped that more staff will join in the pension scheme as they will be benefited to a greater extent.

It is a known and admitted fact that the retired employees will turn out more work not only quantitatively but also qualitatively. In this connection, I have to mention that the Government of India Railway Ministry have been pleased to take into account the total services of the re-employment also to make up the qualified 30 years of service to get the two sets of complimentary passes. Will it be too much for the Railway Board to apply the same principles here and take into account the period of re-employment also to make up the qualifying 30 years of service? With this view in mind, will the Railway Board and Govt. of India extend the service of these staff who opted for pension and who are wanting in qualified service, or re-employ those staff who had already retired, for such time as is barely necessary to get the 30 years of qualified service ? "

* * *

Suspense Head: Foreign Railways

Para 1614-A states; "This account should be proved by the Traffic Book and the outstandings register. The Registers of unaccounted for traffic should be carefully scrutinised in advance of the month of March so that special steps may be taken towards obtaining the accounting for of invoices and way bills in the division sheets for the month of March."

Obviously, this para refers to the first scheme provided for in the provisional issue of the Railway Audit and Account Code where Traffic Book Part B recorded foreign railway traffic (both accounted for and unaccounted for) as per station abstracts and summaries. But, in view of the fact that this procedure was obviously scrapped very soon after its introduction and that Traffic Book Part-B that has now been in existence for over two decades includes only items accounted for in the Division Sheets; that is, without incorporating the figures of unaccounted for invoices and parcel way bills; and that details for these latter are maintained in separate registers in the Audit Sections, it has to be scrutinised to what extent they have been checked and verified on the individual railways. It is only thus that adequate control over timely accountals can be enforced.

The procedure in force in this connection on the various railways may be looked into and small notes sent to us for publication. The Railway Board may also see that this para is revised to accord with the current authorised procedure.

Editor, R.A.

Scientific Developments

Anorganic Bone Revolutionises Surgery

A wonder substance known as "anorganic bone" which is really bone from which all organic substances such as protein and fat have been removed, can now be grafted into the place once occupied by a damaged bone. It has the property of enabling the body to grow new healthy bone in just the size, shape and place it was needed. As soon as the new bone grows, the anorganic bone gradually dissolves and is absorbed by the blood. The process of converting ordinary into anorganic bone has been perfected, a solvent having been found for the protein and fat which leaves the calcium constituents unaffected.

Normally, when a non-human bone is implanted in the human body, the body objects to the alien protein. This is because bones are complicated living organs intimately related to body chemistry. However, when anorganic bone of an animal is implanted in a human being, the body sends a host of new blood vessels which flood the tiny passage ways with a rich supply of blood. This accomplished, the blood brings in a swarm bone cells, manufactured by other healthy bone cells in the body, which attach themselves to the sides of the passageways. New bone grows from them. Anorganic animal bones are accommodated by the human body with no bad effects.

It is being used in dental surgery after extracting large teeth to fill the gap in the patient's jaw bone. The powdered form is capable of stopping bleeding. It has one drawback however, namely that part of the strength of the bone is also lost and it cannot be used in parts of the body which must bear much weight or which are subject to strain.

* * *

Television to Fight Tumours

A television set to direct the strong rays of a two-million volt X-ray machine through the body and into malignant tumours is being used by medical personnel at the National Institutes of Health in Bethesda. These powerful X-rays do great damage to tumours but they also have a deletrious effect on the ordinary tissues of the body and the aim is to concentrate the rays as much as possible on to the tumour or cancerous growth.

The patient sits in a chair-like device. The X-ray is directed towards the area of the tumour. The chair is built so that it moves in a semi-circle allowing the X-ray to reach the cancer from various directions. A square fluorescent screen receives the X-rays after they go through the patient's body. When these rays hit certain fluorescent substances, physical interactions take place which produce light of low intensity. Recently, a way was found to strengthen this light.

The picture is thus transmitted to an 8 inch television receiver in an adjoining room where doctors regulate the X-ray machine while shielded from the radiation. By examining the picture and the tumour, continuous and exact focussing of the X-rays is possible so that the tumour can receive a concentrated beam of the powerful X-rays with little or no diffusion to damage adjoining healthy body tissue.

* * *

Bread Mould Destroys Blood Clots

A Boston scientist is credited with discovering a bread mould extract that seeks and destroys fresh blood clots in minutes.

The mould extract, discovered by Dr. Mario Stefinini at Elizabeth's Hospital, was described recently as innocuous and a treatment which can be used safely on the sickliest patient. The announcement was made by the Massachusetts Heart Association, an affiliate of the American Heart Association, a private group that has sponsored Stefinini's intensive blood research for ten years.

Stefinini emphasised that his discovery was still in the preliminary stages of development and that the exact nature of the extract is still under study. The Massachusetts Association pointed out, however, that it has been used

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copter is proving popular at the Grand Ganyon, over Niagara Falls and in Washington. The movie industry has found the helicopter an ideal vehicle for aerial action pictures. Geologists use helicopters to photograph volcanoes.

Ranch owners now use a single helicopter to do the work of 15 to 18 cowboys in herding cattle, patrolling fences and riding the range. The U. S. Forest Service uses helicopters to fight forest fires and farmers use them for crop dusting and spraying, for seeding and fertilizing, and for insect control. In some areas, helicopters are used to dry the frost from citrus fruits and cherry orchards. When dried, the crops are saved from damage.

* * *

World's Most Accurate Timepiece

The first practical atomic clock, the most accurate time measure in existence, which has been brought into use in America represents another important peaceful use of the atom. The atomic clock, called the Atomichron will not vary more than five seconds in about 300 years.

The "pendulum" of the new clock is the cesium atom, which oscillates at a never changing frequency of 9,192 million megacycles a second. The cesium atom, placed in a vacum tube to serve in the manner of a radio transmitter is made to broadcast its signal to a device serving as a radio receiver, which vibrates at the same frequency. The cesium atom thus serves the same purpose as the balance wheel of a watch or the pendulum of a clock.

The clock weighs about 500 pounds, costs 2 lakhs of rupees and will run virtually for ever. More than a dozen of them are today in use. In virtue of their great accuracy they are proving of invaluable use in astronomical observations, long-range navigation radio communications, surveying and map making and in the army, navy and air force.

* * *

Sawdust Furnishes Nitrogen Fertiliser

Sawdust is expected to furnish a valuable source of nitrogen fertiliser in the immediate future. Experiments in agricultural laboratories tested fir and pine sawdust as nitrogen carriers in a successful search for long-lasting fertilisation materials for agriculturists.

The product, not yet commercially available, is made by treating woodpulp cellulose with acid and adding ammonia gas. Somewhat like coarse sawdust, it not only supplies nitrogen to plants over a long period, but has a favourable soil conditioning effect. It will thus be an improvement over ordinary chemical fertilisers which do not have this soil conditioning effect.

* * *

New Milk Product

A new triple-processed milk-concentrated, sterilised and canned will soon be coming into the world markets. The new process, developed by dairy scientists provides a product that will keep as long as eight months without refrigeration. Users of the new milk concentrate state that after being stored on a pantry shelf for three months, it tastes like fresh milk, except for the extra richness of concentration.

The new milk can be used like fresh milk by adding twice as much water, can be used as cream without water addition and as stock milk by adding an equal amount of water. House-wives can buy enough milk for a month or more without worrying about storage. It takes only a third of storage space of fresh milk and does not require refrigeration.

* * *

Mechanical Cow

British scientists are reported to have created a "mechanical cow" that may point the way to better feeding for millions of people. The scientists are quoted by REYNOLDS NEWS, a Sunday news paper, as saying that their cow is "more efficient than nature's version. It is operating at Rothamsted experimental station, Hertfordshire near London, under the supervision of Mr. N. W. Pirie, head of the bio-chemistry department. The idea is to produce the proteins humans need for a healthy diet direct from grass, leaves and other green-stuffs.

Railways in Parliament

LOK SABHA:

Hindi-English Forms for use in Railway Departments

It has been decided to introduce Hindi-English composite forms in certain departments of Railways. There are 18 forms in the first lot of composite forms. These relate to the commercial department and include certain categories of forwarding notes, goods invoices, railway receipts, parcel way bills, risk note forms and indemnity notes.

* * *

Electrification of Eastern and South-Eastern Railways

The following sections on the Eastern and South-Eastern Railways have been given the highest priority, according to which the work of electrification is going to be taken up.

Durgapur-Moghalsarai including Pradhankanta-Pathardih; Asansol - Sini - Tatanagar-Rourkela; Rajkharswan-Barajamda; Kharagpur-Tatanagar and Sealdah-Ranaghat and Dum Dum-Bongaon in Sealdah Division.

The Deputy Minister also stated that no decision had been arrived at regarding contracts to be given to foreign firms of electrical engineers from whom tenders were invited earlier this year.

* * *

Supply of Electric Trains to India

The Deputy Minister said that a contract was placed with the Swiss Industrial Co. Newhausen, Rhine Falls, Switzerland, for 16-three coach units and 1 spare motor coach. In all 17 motor and 32 trailer electric multiple unit coaches (broad gauge) were ordered at a cost of £ 1,190,117. The contract amount included spares and drawings. The delivery was completed by November 1957.

* * *

Facility of Sending Telegrams in Hindi

There are 47 stations on the Indian Railways where facility for sending telegrams in Hindi is available. This facility exists on eight stations of the Central Railway and 39 stations of the Northern Railway.

More stations are proposed to be provided with this facility durins the year. Information in respect of such stations is being collected and will be placed on the table of the House in due course.

* * *

Brahmaputra Bridge Between Pandu and Amingaon

Preliminary works such as survey for location of the Brahmaputra bridge, its approaches, yards and other ancillary works for clearing the site are progressing satisfactorily. Work on the foundations is scheduled to start in the coming working season.

* * *

Railway Engines

The total number of engines now used by the railways on the broad and metre gauge lines is 9,619; 6,117 are used on the broad gauge and 3,502 on the metre gauge lines.

Amongst the engines on the lines, 2,727 on the broad gauge line and 1,170 on the metre-gauge line are more than 30 years old.

61,659 wagons and 3,302 passenger coaches on the broad-gauge line and 22,772 wagons and 2,260 passenger coaches on the metre-gauge line are equally old.

* * *

Excess Grants

The Railway Minister Mr. Jagjivan Ram obtained excess grants totalling Rs. 8.991 crores for Railways for 1954-55 after explaining that the delay in presenting these Demands to the House was due to the procedures involved in the present system of financial control.

A debate ensued after the presentation of the Demand and the Minister in the course of his reply said that the excess grants had to be scrutinised by the Public Accounts Committee before their presentation to the House. He added that it was not possible to eliminate delays altogether unless a better method of financial control was evolved by the Public Accounts Committee and the Comptroller and Auditor General and the Legislature. We also referred to his intention to present a Review of Accidents on Indian Railways very shortly. The Minister stated further that the Report of the Committee of Economies in Coal Consumption by Railways would be received by the end of August and appropriate action would be taken on the recommendations.

* * *

Public Accounts Committee and Railway Officers

In the course of the debate in the Lok Sabha on 12-8-'58 on the Railway Ministry's excess demands for grants for 1954-'55, Mr. T. N. Singh (Chairman of the Public Accounts Committee) urged speedy disposal of queries and points raised by the Public Accounts Committee. The Railway Minister, Mr. Jagjivan Ram assured Parliament that the points raised by the Public Accounts Committee were attended to by the Railway Board with the utmost expedition possible.

Mr. Jagjivan Ram further said that the Officers *trembled* while appearing before Committees of the House. He added, amidst interruptions, that the officers also deserved some courtesy, consideration and sympathy.

Mrs. Renu Chakravarti, who was in the Chair, said that the Minister should not raise the question of courtesy as the Chairman of the Public Accounts Committee had not meant any discourtesy in raising his point (about delays.)

Mr. Jagjivan Ram: I am sorry if I have given that impression.

Mr. Singh said that. he would "strongly repudiate" any charge that he or his Committee was in any way discourteous "I would like that this charge is not repeated. I am there as a responsible person."

Mrs. Renu Charakavarti: I have made the position clear. I do not think the Hon. Minister meant that way.

Mr. Jagjivan Ram: No. I only said that officers were very apprehensive and afraid of the Public Accounts Committee. (Opposition members): "Why?"

The Railway Minister added that he had always impressed on his officers to try to give the fullest details whenever queries were received from the Committees of the House.

* * *

Railway Freight Structure

While replying to a debate on the Railway Freight Structure Committee's report on the 3rd September 58, the Railway Minister Mr. Jagjivan Ram, said that Government had taken various factors into consideration such as an overall economy of the country, capacity of industries and consumers to pay additional freights and arrived at a decision on the recommendations of the Committee.

While taking the decisions, the Government had also taken good care to see that Commodities used in the daily life of the people were not affected by the revision of freight rates. In fact, in respect of some essential commodities, Government would incur loss by way of freight x x x Apart from balancing the budget, the Railways had also to make their contribution of Rs. 375 crores and probably something more towards their own developments in the Second Plan period. The Railway, therefore, required additional money and hence the increase in the freight rate of some commodities. x x x The Government felt that at the present stage, it would not be desirable to increase the rates to the extent suggested by the Committee. The Government, therefore, modified the recommendations of the Committee. He added that if it was felt by the Commerce & Industry Ministry that certain commodities required concessional rates of freight, the Railway would be glad to give those concessions.

* * *

RAJYA SABHA:

Men detected travelling in Ladies Compartments

During the last two years 1,815 men were detected travelling in ladies' compartments on Indian Railways. Out of this 1,801 men were prosecuted under Section 119 of the Indian Railways Act. Five of these were awarded jail sentence while the rest were fined.

* * *

Construction of Bhilai-Dhalli Rajhara Branch Line Acquisition of Land by Railways

For the construction of the above line the Indian Railways acquired 1,368·83 acres of land; and paid to owners a compensation of Rs. 7,71,942.

A further 110 acres of land had also been acquired for the Noamundi-Barajamda portion of the Barajamda Rajharsawan Doubling project; but no compensation had yet been paid to the owners of these lands.

Books Review

Review of Railway Accidents in India

(Issued by the Ministry of Railways)

The Railway Minister circulated to the Members of Parliament a printed pamphlet containing a factual review of accidents on Indian Government Railways during the past 20 years. This review analyses the number and nature of accidents, the number of casualities and also a break-down of accidents according to causes, comparing them with corresponding statistics on the British and American Railways.

The review contains facts about the magnitude of daily Railway operation in India, explains the procedure for enquiries after the occurrence of accidents, and details the various steps taken by the Railway Administration to minimise accidents.

Six statistical appendices have also been attached to the review containing detailed figures under various heads.

The review is obviously intended to allay the fears in the minds of the public about the very frequent accidents that are taking place, some of them serious and affecting life and property, in spite of repeated assurances given by the Railway Minister from time to time about the prevention of future accidents.

One noteworthy feature, regarding the causes of accidents is the failure of the human element due to mental aberration, laxity, indifference and indiscipline amongst Railway Staff, rather than lack of knowledge of rules and instructions laid down for ensuring safe working. The basic approach towards this problem therefore, is both "punitive and psychological" and a number of practical steps have been taken in furtherence of this approach.

Safety organizations have also started functioning, not only at Railway Headquarters but at each Railway District, Division, and Workshops. They are responsible for out-door inspection and for action necessary to remedy any shortcomings that may be noticed.

A very prominently noticeable feature is that in this entire review, nowhere has the financial aspect of these accidents been furnished, except to the extent of cost of damage to rolling stock and engines and cost of damage to permanent way. But, there are various other aspects involving financial loss, like compensation paid to the public for loss of life and properties; loss of revenue due to interruptions or diversions of traffic, etc. The review would have been more comprehensive with such informations also.

Another aspect that would require a further investigation would be the reasons for a comparatively larger number of accidents in the

Students' Corner

Introduction of Pension Scheme on the Railways

(Continued from page 169, Aug. '58 Issue)

(5) Whether Service as Special Class Apprentice qualifies for pension ?

As an exception to the rules regarding Apprentices, the two years of the period of Apprenticeship of the Special Class Apprentices should be counted as 'qualifying service' in view of the fact that this period virtually corresponds to the Training Period of directly recruited probationary Officers.

(6) What is the qualifying completed year of service ?

Qualifying service means the Service which qualifies for pension, but the pension is calculated on the completed years of qualifying service, months and days being ignored unless otherwise specially sanctioned.

(7) How will the date of commencement of permanent service be determined specially in the cases of ex. Company and ex. State Railways where it was not the practice either to formally make the confirmations or to generally record the date of confirmation in the Service record ?

The Railways will investigate the past practice on the original constituent Railways and send a note to the Board within a week in detail of the evidence on record in regard to the procedure followed in the past by the original constituent Railways.

(8) What is the implication of the term "really approved" and "thoroughly satisfactory" service ?

South on account of wash-off or serious damages to bridges ; while in the North, the greater number of accidents occurred at or between stations due to derailment on plain country.

In this connection, the paragraph at page 23 on Safety of bridges could have given some more information, as to how far the work of the committees appointed at various levels have succeeded in immediate prevention of accidents. This aspect is particularly of interest since an accident occurred near Ariyalur very recently almost under circumstances similar to those which caused the accident at the identical place nearly two years ago.

While the Railways are trying their level best to raise finances for the execution of the Second Five Year Plan, the heavy losses caused by serious accidents are acting as a big drain on the available resources and thus result in possibly avoidable recurring expenditure in the shape of interest on loans to be raised for development purposes.

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Chittaranjan Independence Day Number 1958

The August 1958 Issue of this monthly magazine has been issued as an Independence Day Number with very attractive designs, the top cover depicting various stages of work in the workshops. Messages received from the President and the General Manager for the occasion have been incorporated. Several Senior Officers from other Railways have also contributed articles relating to cost engineering, etc. With the general features and the numerous photographs illustrating the surroundings in Chittaranjan, the Magazine is bound to attract not only the stray traveller but also those who are anxious to have some details about the administration of railways and their workshops.

Ed : R. A.

The terms "approved service" and "thoroughly satisfactory" service are not capable of precise definition.

In the application of the Rules in question, it will have to be taken into account whether Service has been good, faithful and efficient ; the impact of the rule on an individual case will depend on the merits of the case.

(9) Whether the Railway Administrations are competent to sanction re-employment of superannuated or retired Railway servants, who may be in receipt of pension ?

It was decided to give powers to the General Managers to reemploy pensionable employees in the same way as they are now empowered to re-employ non-pensionable employees.

Define the term 'dismiss' or 'removed for misconduct'.

It was noted that a person who is 'removed' from service can get at the most 2/3 of the pension which would otherwise have been admissible to him and that too under certain conditions in terms of para 2310—R. II. These retirement benefits would be less than what he would have got under the Provident Fund Rules. It was suggested that it should be examined whether, in the circumstances, it would not be administratively more convenient to impose the penalty of compulsory retirement from Service instead of removal from service, wherever considered appropriate, the rule regarding compulsory retirement being that a person so retired must get at least 2/3 of the pension which he would otherwise have been entitled to.

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(10) Whether a Railway servant whose service has been partly inferior and partly superior will be entitled to pension or gratuity in accordance with the Rule 2419—R II or the disparity would be done away with in view of the recent orders contained in Board's letter No. E (S) I/57/CPC/54/1, dated 24-10-'57.

With the issue of Railway Board's letter No. E (S) I/57/CPC/54/1 of 24-10-'57, the disparity between inferior service and superior service has been done away with. The inferior servant will, however, count service from the date, he attained 18 years of age (instead of 20 years as in the case of other Railway servants), but pension calculated will be with reference to status at the time of quitting service.

(11) The extent to which war service will qualify for pension in the case of Ex-Service men who are appointed to railway service against the war reserved vacancies.

Instructions have been issued by the Ministry of Finance that war service to the extent of a maximum of FIVE years will be taken into account in the case of war service candidates appointed against war reserved vacancies. These orders are under issue for Railway servants also.

(12) To what extent the service rendered by a Workshop employee before and after completion of three years of continuous service will be treated as qualifying service for pensions ?

As Workshop employees are treated as permenant after completion of three years' continuous service, irrespective of whether or not they are holding permanent posts, the entire service after this period will qualify for the purpose of pension. As regards the first three years of service it is true that Rules 2408 and 2409-R II provide, amongst other things, that such of the temporary service as was rendered against a permanent post can count in full for pension, but as it is not easy to determine the cadre position particularly in the Workshop cadres, only half of the first 3 years will count for pension in all cases to simplify working.

(To be continued)

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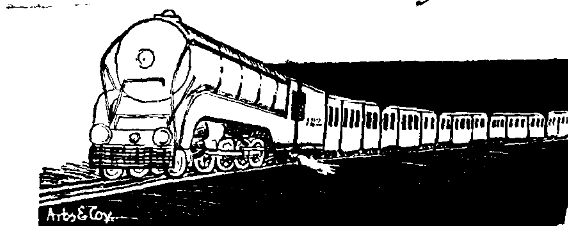

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Manuscripts and photographs, if any sent therewith, if not accepted for publication, will be returned only if the sender so desires and encloses the usual stamped and self-addressed envelope.

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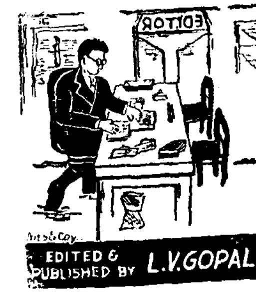
ACKNOWLEDGMENTS

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

Central Railway Magazine	Aug. '58	Transport	Aug. '58
Eastern Railway Magazine	— '58	Indian Railway Gazette	Oct. '58
Northern Railway Magazine	— '58	Indian Construction News	Aug '58
Western Railway Magazine	Aug. '58	Chartered Accountant	Sep. '58
South Eastern Rly. Magazine	— '58	Careers & Courses	Oct. '58
Southrailnews	Sep. & Oct. '58	Educational Review	Sep. '58
Chittaranjan	Sep '58	Australian Accountant	Sep. '58
Central Railway Newsletter	— '58	Accountants' Journal (N Z)	— '58
Eastern Railway (Lifeline)	16-9-'58	Accountants' Magazine (Edinburgh)	Aug. & Sep. '58
,, Newsletter upto F.E.	15-9-'58	Technical Bulletin (Australia)	— '58
Southern Railway Newsletter F.E.	'58	Wednesday Review up to W. E.	1-10-'58
Western Railway ,,	— '58	Railway Board's Monthly Statistics	Mar. & Apr. '58
Metric Measures	— '58		
Indian Railways	Sep. '58	I. R. T. D. A. Newsletter F. E.	30-9-'58



The RAILWAY Accountant

14, BALAKRISHNA ROAD, MADRAS-4

A MONTHLY JOURNAL DEVOTED TO RAILWAY ACCOUNTS, AUDIT & FINANCE.

EDITED & PUBLISHED BY L. V. GOPALAN, B.A., B.L.

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The Metric System for India

The Introduction of the Metric System in coins, weights and measures in India is one of the major reforms. The decimal coinage was introduced with effect from 1st April 1957 as a first measure. The changeover in weights and measures has been phased out for gradual introduction, commencing from the 1st October 1958 and proposed to be completed by 1966.

The Metric System of weights and measures is introduced immediately, only in certain specified areas of all the States, in some Government Departments and in some industries both public and private. When this system comes to be universally used and without a need for conversion between the existing system and the Metric System, the advantages of the changeover will be evident. But, so long as the conversion continues and there is recognition for both systems simultaneously, it is always bound to create some amount of confusion and trouble. In fact, whether intended or not, several firms, departments of Government, etc., have made the change an occasion for enhancing prices to the detriment of the consuming public. The Postal Department is a prominent sinner in this respect. During the transition period, it is possible to take the public into full confidence by insisting upon the exact equivalents of the old rates being continued under the new system; but it has not been so. In fact, now that the conversion has expanded from mere coinage into weights and measures also, the exact equivalents could be easily introduced whether in the Postal Departments or in firms or shops, etc.

The full advantage of this Metric System can be availed of only with correct and current conversion tables for each and every type of transactions. In fact, such tables will be numerous as several units are involved viz., those for weighment and those for measuring either linear or cubical. The tables have to be published authoritatively by the Government in the Publications Division and issued to everyone who has to use them in day to day business. These tables should show the existing units and the corresponding new units and also *vice-versa*. They should also start with the lowest unit and give separate tables for higher units also. This amount of difficulty was not experienced in the case of coinage as the whole system was compact beginning from one pie to one rupee in two stages. But, in the case of weights and measures, since the units are in the centre and we have to go downwards and upwards like Metre, Millimetre, Kilometre, Gram, Milligram, Kilogram, Metric tonnes, etc., the need for ready conversion tables of every type is very great. It is seen that such tables have been prepared in a large number of varieties and published in the Journal of Weights and Measures published by the Publications Division of the Government of India from time to time. But these publications are not handy for various purposes of business and, therefore, the tables themselves should be extracted, classified and published not only in English but in the various Regional Languages and supplied to each Government; and also made available to the public at large. No deviation from such authorised conversion tables should be permitted on any account. There has, of course, been a side-tracking with the decimal coinage by avoiding the conversion and quoting rates only in decimal coinage afresh in various cases. But, this has not been universal yet.

So long as the old and the new systems are working side by side, there is always bound to be a certain amount of inconvenience and trouble to all the parties in a transaction; but, when we switch over entirely to the new system by scrapping the old, we shall be able to realise the full advantages of that system. There is no gainsaying the fact that all work will be simplified and made more speedy. Children in the school will also be glad that they have not to exorcise their memory in regard to various tables of measures, weights, etc., and they will also profit by the change in their arithmetic exercises. There will be only columnar totals without conversion at any stage. The fabrication of machines will also become very simple as in the case of Comptometers or other time-saving devices where Rs., As., and Pies and £, Shillings and Pence are involved. Similarly also in the case of various Engineering Instruments of different types for measuring lengths or cubical contents, etc. There is really a great confusion in weights and measures at present in India where different units are adopted in different parts of the country. The new system would remove this difficulty and be of universal application. This standardisation is very essential and urgent.

The Metric System is designed on a scientific basis and started in France during one of the greatest crises in French history. It is a decimal system which is one of its chief merits and this decimalisation started with the use of the 'Zero' invented in India thousands of years ago.

The Metric System has been adopted legally by 77 countries in the World, optionally in 16 other countries and 'authorised' in four others. India is now following and legalising it. The Metric System has transcended all national boundaries and has practically fulfilled the dream of its founders that "though conceived and created in France, it will belong to all nations".

The change-over to decimal coinage for some time has given us some experience of the difficulties involved in shifting to a new system; and while keeping the basic objective in view, we have to make such adjustments as would be required to lessen the difficulties. Guidance, help and assistance will be frequently needed at all levels of technique and operation such as in regard to new machinery to be installed, calibration of the existing machinery to metric system, new terms of trade contracts, etc. It is only when all parties to a transaction adopt the same system, that the full advantage of the new system can be gauged. In the changeover of machines in manufacturing concerns where it would be a gradual process, many difficulties would be experienced in the various processes as integration between the old machine calculations and the new ones would have to be effected. The process of changing over machines would also necessarily have to be spread over owing to the life-span of the machines being different and requiring replacements in different years. The conduct of experiments on the old machines and the results of research works expressed in terms of the old units, would have to be converted into the units of the new system and the existing *Standard Units* revised to *new* standard units under the Metric System.

The Railways are the chief medium of internal transportation and very early attempts have to be made for their switching over to the Metric System of weights and measures. Unless this is accelerated, the relationship with the Commercial public would become difficult. It would be necessary for the Railways to revise their published Tariff Rates and other special rates in terms of Metric Tonnes expeditiously.

Not only has the relation between Metric weights and Decimal coins to be clearly stated, but the conversion table between the existing system and the new system in regard to these quotations of tariff rates should also be clearly brought out well in advance of their application. The tables should be worked out in clear language for everyone to understand them without much difficulty and seeing that there is no extra commitment by the change-over. Sufficient time should also be given to the manufacturers of machines indigenously, so that these might have preference over imported ones.

It will be difficult for us to forget the units with which we have been familiar for centuries; like Tola, Lb., Foot, Maund, Ton etc. But when we come to be familiar with new units, like Metre, Gram, Tonne etc. we shall not have occasion to regret our leaving the old and assuming the new system.

It is also matter for consideration whether Indian names cannot be used for denoting the new units either wholly or alternatively.

Dr. C. V. Raman in a recent article explained the advantages of adopting the Metric System particularly from the scientific aspect. What is now needed urgently is, the familiarisation of the new system and getting conversant with the equivalent tables for use till we completely give up the existing system. The transition period is always bound to give trouble and we have always a tendency of looking upto the past with which we have become entwined; the readings of temperature or rain can be better understood by the public even now under the old system and not under the new. But, the change *must* come and *will* come—for the better.

Time Recording Clocks: What for?

By YASH PAL PURI, M.A., J.D., A.C.W.A., Grad. B.I.M.,
Senior Cost Accountant, Railway Board.

In the context of the introduction of Incentive Schemes in Railway Workshops based on "time saved", the Time Recording Clocks are often mentioned as an essential pre-requisite. Since we have an Incentive Scheme working in the Chittaranjan Locomotive Works in which Time Clocks occupy an important place, it would only seem logical to extend the model to all Railway Workshops and emphasize the importance of Time Clocks. There are, however, certain fundamental differences between the systems of working of production units and repair workshops which cast doubt upon the usefulness of Time Clocks in the latter.

2. Where Clocks do come in :

In the production units, parts are manufactured in "economic lots" and the division of labour is such that one job card is issued in respect of one operation to be carried out on all the items constituting the "economic lot". Supposing, 50 parts of a particular nomenclature have to be manufactured, and each part involves 5 different operations, then the number of job cards to be issued will be 5—one for each operation—and the "time allowed" *per* operation (job) will be = preparatory time (a fixed quantity) + standard time allowed per piece for the operation × 50 (the number of articles to be manufactured).

3. The key factors in the situation are, therefore :

(i) "economic lot", (to give each individual operation a sufficiently long run so that frequent set-ups do not lead to uneconomical production), and

(ii) one operation, one job card.

4. The Nature of Repair Operations :

Let us, now, transplant this model in a repair workshop and see how it works. We may start with a simplifying—but, nevertheless, 'heroic'—assumption that time studies have been completed and allowed timings are available in respect of each repair operation. What does this, in effect, mean? It is necessary to explore a bit the nature of our assumption.

5. Each major workshop, on the average, repairs between 20 to 40 different "classes" of locomotives. Our assumption implies that repair operations have been listed out in respect of each part of each 'class' of locomotives, and time-studied separately. But that is not all. Even where the nature of repair to be carried out on two similar parts is the same, the *extent* of repair may differ. Since time studies have to form the basis of recurring monetary payments, it becomes necessary to be meticulous in measuring the exact quantum of work involved in each operation. Each operation, therefore, must further be split into smaller units to provide for the differing "quantum".

6. It is obvious that the complexity and magnitude of time-study work in a repair unit is of a higher order as compared to that in a production unit. Our assumption, however, is that this part of the work has already been accomplished.

7. This digression provides us a useful background against which we can now continue the examination of the two key factors, namely, "one operation and one job card" and "economic lots", which impart meaning to the installation of Time Clocks in production units. Can we not issue a separate job card for each operation in a repair workshop? Theoretically we, can, but there are certain weighty considerations dictating otherwise.

8. When Clocks Won't Oblige :

In the first place, bunching of work in 'economic lots' is highly problematical in repair workshops. The extensive practice of "cannibalisation" is ample indication of hand-to-mouth existence of the repair activity in our workshops. Further, the number of locomotives of a particular class repaired in a month in a major workshop is only 4 or 5. These locomotives are usually booked for repairs on different dates and have their separate schedules of work. Thus, one locomotive may require back a particular part on 7th, another on 17th and yet another on 27th day of a month. Bunching, therefore, becomes difficult.

9. In the second place, even where it is possible to bunch together, say, 10 parts for repair purposes, the 'extent' of repair on each may differ. Therefore, we cannot arrive at the figure of total time allowed by the simple expedient of multiplying the time allowed per piece with the number of parts to be repaired. Each differing quantum of work constitutes a separate operation and must have its own job card and "time allowed".

10. In these circumstances it can well be visualised that if we start issuing separate job cards for each operation (the duration of which in the very nature of things has got to be short), considerable productive time would be lost in 'clocking in' and 'clocking off' the job cards. Particularly in the Motion, Draw Gear, Compensating Gear, etc., sections of the Fitting Shop, the position would become unmanageable. Also, after the initial examination of a locomotive, the Adrema printing and release of job cards would need their own time and cause delays and holds-up.

Yet again, a necessary adjunct of operation-wise job cards is independent inspection of the work done at the end of each operation ; otherwise, the operation-wise job cards lose much of their meaning. Under our present organisation of repair activity the next operation on a repairable part is usually the responsibility of the same worker/gang of workers. Therefore, the next operation must wait until the previous one has been passed by the inspector. Obviously enough, the "one operation, one job card" arrangement has to be ruled out as wasteful.

11. In the British Railways

If operation-wise job cards are not practical what then is the alternative available? Taking our cue from the British Railway Workshops, where also Incentive Schemes based on "time saved" are in vogue, a job card should be issued not for each individual operation but to cover the entire gamut of operations on one part or sub-assembly. A job card actually in use in the British Railways is illustrated in Exhibit I.

12. It will be noted that the Work Cards in vogue in the British Railways differ from those issued in our Railway Workshops in following respects :—

(i) In the British Railways, there is a separate Work Card for each major part or sub-assembly with all the possible repair operations pre-printed in it. Those operations which are not required, are cancelled out by the Inspectors responsible for the initial examination of locomotives. In our case, in those of the workshops where independent Inspection Organisations exist, work instructions are written out in manuscript by the Inspectors.

(ii) The British Railway Workshops' Work Cards indicate the "time allowed" against each relevant operation, which our Work Cards at present do not.

13. These differences although significant in themselves, are nevertheless, minor in extent and we can adopt the comprehensive type of Work Cards as in use in the British Railways without much difficulty. Importance has also got to be attached to the fact that the introduction of these cards would hardly involve any disturbance in the present

organisation of repair activity in our workshops, where one worker/gang of workers is responsible in most cases for carrying out all the repair operations on a particular part or sub-assembly.

14. Further, the British Railway Work Card constitutes not only an authority for the work to be done and the wages to be paid out, but is also a basic costing voucher to be used by the Cost Accountant in the compilation of wage bills, unit costs and allocation of expenditure. A copy of each Work Card cum Inspection Sheet is sent by the Inspectors to the Cost Accountant who consolidates the same and thus gets a complete statement of repairs required in terms of labour and material. Such a statement forms the estimate of repairs for the particular locomotive against which are controlled the actuals of expenditure. This multi purpose aspect of the comprehensive type of Work Card also speaks in favour of its adoption.

15. If, then, it is agreed that the British Railways' type of Work Card is, perhaps, the only workable method of assigning jobs to piece-workers, in the existing circumstances, a question still remains to be answered. Can we not utilise Time Clocks for "clocking in" and "clocking off" the comprehensive type of Job or Work Cards? The answer again is that it is not practicable.

16. The standard size of a job card which fits into a Time Recording Clock is about 3" x 6". The comprehensive type of job card has got to be of a much bigger size. Also, as the amount of work involved in repairing different parts will be varying, the sizes of these cards will be varying too. Time Clocks versatile enough to accommodate big and varying sized job cards have not yet been produced.

One possible remedy, perhaps, is to fold the card and reduce it to the standard size for the purpose of clocking. But where more than one fold is involved, the card will not fit in a Time Clock.

17. A Way Out

Fortunately, the unsuitability of Time Clocks need not stand in the way of Incentive Schemes in our workshops. Where piece work profit is to be paid on the basis of "time saved", we need to know only two quantities viz., "time allowed" and "time taken". Thes two quantities relating to each worker for the whole month have to be summated and their difference is the total "time saved or lost", on which piece work profits/losses are computed.

This summation is necessary because piece work profits of a month have got to be adjusted against the losses of the same month.

18. Now, the "time allowed", is a predetermined quantity quite independent of the Time Clocks. If we add up the allowed timings of all the Work Cards issued to a worker/gang of workers in a month, we shall arrive at one of the two quantities necessary for calculating piece work profits/losses.

19. Our next problem is to find the "time taken". Here, if we cast aside the Time Clocks for a moment, is not the total attendance of a worker for the month equal to the "time taken"? It is this attendance time which he will "take" to give us a particular output. There will, of course, be cases of "idle time". In such cases the only thing required is to deduct the "idle time" from the attendance time in order to arrive at the "time taken",

20. The Allocation Business

It will be noted that our present checks (para 410-W) of reconciling daily the gate and shop attendance, already make the attendance time a fairly dependable figure. For the purpose of allocation of labour charges to engine-wise work orders, the commencing and completing time on each Work Card may be entered by Chargemen in their own hand. This work will be *in lieu* of the present Time Sheets. If better legibility is desired, ordinary dating stamps used in offices, with two more 'belts'—one for hours, the other for minutes—added in them, can be supplied to Chargemen. Suffice for accuracy of allocation, if minute figures are in multiples of 5's—5, 10, 15 etc. And although the Chargemen are expected to be careful in recording timings in the Work Cards, it will be clear on reflection, that any lapse on their part will not affect piece-work payments, which are to be based on aggregates of 'time allowed' and 'time taken'. Workers can also be required to accept a Work Card only, when the commencing time is given in it. In any case, abnormal savings and losses of time will automatically show up in the Work Cards and shall keep alert both the Chargemen and the workers. Properly worked, an incentive scheme is a stern guardian of direct labour costs.

21. However, in the case of jobs of smaller duration—say, of less than two hours each—it would be enough for all practical purposes, if a Chargeman bunches up 3 or 4 Work Cards and indicates the commencing and completing time for all of them together. In the Accounts Office the labour cost pertaining to such Work Cards shall be distributed over the individual locomotives in the ratio of the 'time allowed' on each Work Card. Proceeding time, i.e., time relating to unfinished jobs at the end of a month, shall be adjusted in the following month in the usual manner.

22. *THEY, TOO!*

It hardly needs pointing out that our requirements of foreign exchange will not stop short at the purchase of Time Clocks. Considerable amounts will also be required to purchase or hire Hollerith/Powers-Samas, etc., equipment to precess the job cards further. And working capacity of these equipments happens to be, far in excess of the requirements of most of our workshops.

THERE IS THUS A CASE FOR PUTTING IN PROPER PERSPECTIVE BOTH THE LIMITATIONS AND POTENTIALITIES OF THE TIME CLOCKS.

(See next page for Statement)

WORK STUDY

BY W. E. LOYD, B.A., *Lecturer in the Department of Extra—Mural Education, University of Glasgow.*

In the following extracts, the incentive schemes in use in Scotland, have been discussed. It is hoped that the material would be worth consideration in Indian Railway Workshops where incentive schemes are being extended of late.

Editor—R. A.

x x x x

It still remains true that advocates of Work Study emphasise its importance as a means of constructing realistic and equitable incentive schemes. Any such scheme must set out clearly the relationship between the output of the worker and the payment which will be made to him for that rate of output. Thus the worker may be employed on straight piece-rates in which case the problem is one of fixing the rate per piece, and the worker's rate of remuneration increases at the same rate as his output. Or, as is more usual, the worker may be employed on some form of piece-rate bonus system, where the problem

(Continued on page 223)

CHIEF MECHANICAL ENGINEER'S DEPARTMENT

Shop No. 9 (Group 5).

Ticket No............ Name .... Week Ending............

OLD REVERSING RODS — FITTING

Date Required.................... Engine No.............

MATERIAL			LABOUR		
P. L. No.	Qty.	Description	Operation	Basis Time Hrs.	Basis Time Mins.
	1	Brackets New W. I. Guide	Fitting complete.		
		Brackets Old W. I. Guide	Refitting with New Bolt and bush	1	30
		Bridle Old M. S.	Refitting with New M. S. Bolts after welding.		
		Bush New M. S. for Reversing Rod (Single end).	Fitting.		
		Joint New M. S. Reversing Rod Front end.	Fitting complete.		
		Joint New Reversing Rod back and for Reversing Screw nut.	Fitting complete.		
		Joint New M. S. middle any class with 5 bolts.	Fitting complete.		
	13	Joint Old M. S. Middle any class with 3 bolts.	Refitting with counter sunk head bolts.	2	46
		Joint New M. S. Single Front and back ends.	Fitting complete.		
	1	Pin, New M. S. for Reversing Rod Joint Front and back with 1 groove for split pin.	Fitting complete.	0	53
	1	Pin New M.S. for Reversing Rod joint front and back with 1 hole for split pin.	Fitting complete.	1	10
	P	Pin New M. S. for Reversing Rod Joint Front and back with 2 grooves for split pin.	Fitting complete.		
	M	Pin New M. S. Taper split up ditto.	M	M	
		Rod Old M. S. Reversing with New Middle for Roller	Dressing off and radiusing.		
		Rod Old M. S. Reversing.	Refitting with new split pins.	3	0
		Bolts New M. S. for ditto.	M	M	
		Nut New M. S. for ditto.	M	M	
		Bush New Brass for Roller for ditto.	M	M	
		Pins New M. S. Screwed for ditto.	M	M	
		NOTE : – M refers to material only.			
Examined by			Group Stamp Total ..	8	19

Specimen Inspection Sheet-cum Work Card (British Railways) — EXHIBIT I

(*Continued from page* 221)

becomes more complicated, involving the fixing of the standard rate, the determination of what is to be regarded as the normal rate of output, and fixing of the rate for each piece produced in excess of the normal rate of output. Thus a rate may be established for a particular job, either through negotiation or through some system of Job Evaluation which may itself have been negotiated. This job rate is usually linked in some definite way with the basic rate of the labourer and establishes a certain level of differential. Both basic rates and the differentials are for the plain time level of performance of 60 work units per hour. The purpose of the incentive scheme is to induce workers to work at a rate higher than the Normal Rate of Working. And it is claimed that by means of suitable incentives, workers on average and who are suited to their task can be expected in practice, when supplied with ample work, to maintain Standard Performance, that is 80 work units per hour. For this performance, an increase in payment is made of a particular percentage of the hourly job rate, which, almost invariably, is 33 $\frac{1}{3}$ per cent.

There are two main types of incentive schemes based on Work Study which are in general use and which have two common principles; first, they are all designed to pay a rate of $33\frac{1}{3}$ per cent of the plain time job rate for a standard performance of 80 work units per hour; second, all waiting time outside the operator's control is paid for at plain time rates. The first main type is usually referred to as the Straight Proportional Scheme. A performance of 60 work units per hour is paid for at the job rate. Payment for a performance in excess of 60 work units per hour is made at a rate which exceeds the job rate by the same percentage as that by which the excess output exceeds the basic output of 60 work units. Thus the rate paid to a worker who achieves Standard Performance of 80 work units is $33\frac{1}{3}$ percent higher than the basic rate, for his output is $33\frac{1}{3}$ percent higher than the 60 work units to which the job is related. As Standard Performance is that which the average worker can be expected to maintain, if work measurement has been carried out correctly, it is unlikely that any large number of workers will earn a rate much higher than $33\frac{1}{3}$ percent above the job rate, but it is the rule that under a Straight Proportional Scheme, no limit to bonus earnings is laid down. The Second main type of incentive scheme, of which there are variants, is the Geared Scheme. Under this scheme the precentage paid above the job rate is geared to the Percentage increase in output in such a way that it coincides only at Standard Performance. Under the most widely used variant of the Geared Schemes, known as the '$40+\frac{1}{2}$' scheme, payment of bonus starts at 40 work units per hour; the bonus of $33\frac{1}{3}$ percent is again paid at 80 work units per hour. If the worker's output equals P work units per hour, he is paid for $40+\frac{1}{2}$ P work units at the job rate. Thus a worker operating at a rate of 60 work units per hour would be paid for 70 at the job rate, or, to put it differently, the worker with that output would be paid for it at a rate which exceeds the job rate by the same percentage as that by which his 'formula output' ($40+\frac{1}{2}$P) exceeds the basic 60, that is $16\frac{2}{3}$ percent. Under this scheme again, there is no set upper limit to the bonus which can be earned, but the bonus rate which increases upto $33\frac{1}{3}$ per cent at Standard Performance begins to fall off after that output has been achieved. This scheme is used whenever, due to the nature of the work, there is some uncertainty in fixing beforehand the precise work content of a job.

Incentive schemes of this kind, based upon Work Study, affect the worker through his pay packet, and are therefore, likely to be carefully scrutinised. But almost every aspect of Work Study has an immediate effect on him. His work will be examined closely, timed, and even photographed; he may be asked to change a method of working to which he has been accustomed; or the conditions of his workplace may be completely altered. The Work Study expert may well expect to encounter opposition to change because it is change, particularly if no effort has been made to explain to the worker and enlist his co-operation in the task of increasing productivity. But there may still be opposition to change on grounds, which are seemingly more rational. In the case of incentive schemes, the workers may feel that to earn a bonus they will have to work a good deal harder and in some cases to the detriment of their health. The work study expert tries to overcome this feeling by explaining carefully that the concept of Standard Performance is based on the requirement that fatigue is avoided. He points out that the increase in productivity may be the result of better planning and involves no extra effort. He details the medical evidence which tells against the argument of fatigue, and concludes that a fatigued labour force which cannot easily be substituted from an already fully employed labour supply is of redundancy, for redundancy is an inevitable accompaniment to an effective Work Study scheme. Inevitability of redundancy has been accepted by Trade Union leaders, who recognise that if technical progress is to go hand in hand with full employment, mobility of labour is essential. But these same leaders also insist that any scheme which is likely to lead to more than a small measure of redundancy should be discussed by managerial and workers' representatives in its early stages, that an effort should be made to avoid redundancy by making no replacements to offset natural labour wastage during the planning period or by transferring redundant workers to other departments of the same firm, and that where, despite these measures, redundancy is still inevitable, gratuitities should be given to displaced workers. Where these demands have been met, Work Study schemes have generally been accepted. Where they have not been met, Work Study schemes have often foundered on the opposition of the workers. However, incentive schemes may be accepted, fears of fatigue and of redundancy may be dispelled, and yet a major potential source of dispute still remain. Work Study may produce large savings. A net figure of £ 1,596,000 has already been mentioned for I.C.I. Where these net savings are large in relation to the additional income earned by workers through incentive schemes, workers' representatives may consider that the division of income between property and work has become unfair. When this point has been argued, the usual reply has been that firms in making an allocation of savings have to bear in mind not only the possibility of increasing wage rates but also the need to provide additional capital for reorganisation and expansion and to reduce prices to consumer. And most Trade Unions have accepted this reply in the belief that they were quite capable of seeing to the workers' interest in this matter.

[*By Kind Courtesy : The Accountants, Magazine of Scotland*].

A CORRECTION

In the Editorial of September 1958 Issue, in line of para 2, mention has been made of Shri V. P. Bhandari. This should be Shri V. P. Bhandarkar. The oversight is regretted.

—*Ed. R. A.*

Introduction of New Rate Structure for Goods Traffic with effect from 1st October 1958

Consequent upon the introduction of the Revised Goods Freight Rate Structure with effect from 1st October 1958, it has become necessary to understand the implications of the revision thoroughly.

The broad features of the existing Rate Structure are briefly stated below for a better appreciation of the changes that have been introduced.

For the purpose of levying freight rates for transport by Goods trains, each, commodity is now classified into one of 15 classes.

Apart from the 15 Class rates, there are 13 wagonload scales.

The scales of the various class and wagon load rates have been evolved with different "bases" and different "legs," with the result that there is no uniform relationship as between these scales.

Out of about 3,000 commodities in the General Classification of Goods, only 99 have wagon-load scales.

For certain commodities, there are separate "Railway Risk" and "Owner's Risk" rates, the former being one or two classes higher.

To the class rate and the wagon load scales as now in force, separate terminal, short-distance and transhipment charges, irrespective of the commodity, are required to be added. Also, where movement over Riverine Ghats is involved, separate Ghat charges are leviable.

All traffic, with the exception of traffic in a few specified commodities, is subject to the levy of a supplementary charge of $12\frac{1}{2}$ per cent of the freight. Also, consignments of "Smalls" weighing less than 20 maunds are subject to the levy of a surcharge of $6\frac{1}{4}$ per cent on the total freight inclusive of the supplementary charge.

In the case of all class rates and also in the case of the WI/D and WI/BR wagon load scales, there is a ceiling on rates at present for distances beyond 1,500 miles.

BROAD FEATURES OF THE NEW GOODS RATE STRUCTURE.—(a) With effect from 1st October, 1958, instead of the existing class rate scales and wagon load scales, there will be 45 rate scales as listed below and the classified rate for a commodity when moving in a wagon load or as "smalls" will be the appropriate rate shown against it in the General Classification of Goods.

Name of Rate Scale.	Name of Rate Scale.	Name of Rate Scale.
22.5-A	52.5-B	92.5-B
25 -A	55 -B	97.5-B
27.5-A	57.5-B	100 -B
30 -A	60 -B	105 -B
32.5-A	62.5-B	110 -B
35 -A	65 -B	115 -B
37.5-A	67.5-B	120 -B
40 -A	70 -B	125 -B
42.5-A	72.5-B	130 -B
45 -A	75 -B	135 -B
50 -A	77.5-B	140 -B
52.5-A	80 -B	145 -B
55 -A	82.5-B	155 -B
57.5-A	85 -B	170 -B
	87.5-B	180 -B
	90 -B	

The Revised General Classification of Goods has been issued as a Special Supplement to the I R.C.A. Goods Tariff No. 29.

(b) *Block mileage.*—The new rates are notified in decimal coinage and on a "block mileage" basis, with blocks of 5 miles upto 500 miles, blocks of 10 miles from 501 miles to 2,000 miles and blocks of 50 miles beyond 2 000 miles. In other words, the rate will be the same for 26 to 30 miles, for 31 to 35 miles for 501 to 510 miles, for 2,001 to 2,050 miles and so on.

(c) *Wagon load rates.*–Most commodities will have separate "wagon load" rates and "smalls" rates and the minimum weight attached to the wagon load rate for each commodity is shown against the commodity in the revised General Classification of Goods. Loading and unloading of all goods booked at wagon load rates will be done by consignees respectively.

(d) *Any quantity rate.*—For a few commodities, however, there will be only one classified rate which will apply when the commodity is offered in any quantity and the letters "AQ" will appear against such commodities in the General Classification of Goods, e.g.

Auto-Rickshaws 120-B (AQ).

Includes—

Motor cycle rickshaws, subject to a minimum weight for charge of 12 maunds per vehicle.

Ammunition Quick-firing p.d. 180-B (AQ).

(e) *Increase in minimum weights.*—Besides providing minimum weights for many new commodities, the minimum weights have been increased for many commodities at present having wagon load scales.

(f) *Unclassified Goods.*—Commodities not specified in the revised General Classification of Goods are chargeable at class 180-B whether moving as "smalls" or in wagon-loads.

(g) *Risk Rates.*—In the revised structure, there will be Owner's Risk rates only for a few commodities, against which the letters "O.R." are indicated in the Revised General Classification of Goods. These commodities are :

1 Asbestos, crude
2 Bentonite
3 Betel Leaves
4 Bone dust
5 Bone meal
6 Bones
7 Bones sinews
8 Chalk
9 Charcoal fuel
10 Clay, china
11 Coal
12 Curds
13 Eggs
14 Fire-clay
15 Firewood
16 Fish, fresh
17 Fish, spawn
18 Fruits, fresh N.O.C.
19 Game
20 Ice
21 Lorries, steam
22 Meat, fresh
23 Milk
24 Motor vehicles N.O.C. in open
25 do. coverds
26 Onions
27 Plants
28 Potatoes
29 Potatoes, sweet
30 Tiles, common, roofing
31 Vegetables, N.O.C.

It is important to note that in the case of these commodities the rates indicated in the General Classification of Goods are all Owner's Risk rates. The freight at Railway Risk will be 20 per cent higher than the freight at Owner's Risk.

(h) *Rate Tables.*—Rate Tables giving the rates for charge at the different rate scales that will come into force and for different mileages are issued as I. R. C. A. Goods Tariff No. 29, Part II. The rates shown therein are all inclusive rates.

Consequently, the Indian Government Railway's Goods Ready Reckoners issued from 1st October 1948, and subsequently will cease to be in force from 1st October 1958.

The separate levy of terminal, short distance, Ghat and Transhipment charges will be abolished and these charges need not, therefore, be separately added.

(i) *Supplementary charge-withdrawal of.*—The levy of the supplementary charge of 12½ per cent of freight notified in 1957 as amended subsequently, is also withdrawn with the introduction of the New Goods Rate Structure.

(j) *Surcharge—levy of.*—The levy of the 6¼ per cent surcharge on consignments weighing less than 20 maunds notified in 1955 as amended subsequently is abolished ; but instead, a surcharge of 10 per cent of the freight will be imposed on consignments weighing less than 10 maunds.

(k) *Maximum Rate per maund.*–There will be no ceiling on rates for distances beyond 1,500 miles. Therefore, the actual rates for such distances, as shown in the Rate Tables, will apply.

(l) *Minimum distance for charge.*-The minimum distance for charge will be 25 miles instead of 20 miles and in through booking between two Railways, it will apply once only and not separately over each Railway as hitherto.

(m) *Minimum charge per wagon-Abolition of.*—There will be no minimum charge per wagon and the present minimum charge of Rs. 1–12–0 per ton for general merchandise and Rs. 1–14–0 per ton for coal, on the carrying capacity of the wagon used, is abolished.

(n) *Rounding off of charges.*—In calculating freight charges, amounts of 5 naye Paise and above are to be rounded off to 10 naye Paise and amounts below 5 naye Paise are to be dropped. This adjustment will, in the case of rates chargeable on the through distance, be made in the total freight and in the case of rates chargeable on local distance, be made in the total freight and in the case of rates chargeable on local distances, in each Railway's proportion.

(o) *Empty Return Haulage-Cancellation of.*—At present, an empty return haulage of Re. 0–4–0 per mile for Broad Gauge 4-wheelers and Re. 0–3–0 per mile for Metre Gauge 4-wheelers is levied (on the Southern Railway) on tank wagons. This haulage will be withdrawn with effect from 1st October 1958.

There will be NO CHANGE in respect of the following :—

Certain important rules which will continue as at present.—(a) *Routing.*—Traffic will continue to be charged by the cheapest route but booked and despatched by the shortest route, the term "shortest" referring to the shortest route between the forwarding and the destination stations, each transhipment due to break-of-gauge being reckoned as equivalent to 100 miles for the purpose of determining the shortest route in accordance with Rule 23 of I. R. C. A. Goods Tariff No. 29.

(b) *Weight conditions that will apply when there is a break-of-gauge.*—The rules regarding weight conditions for break-of-gauge movements, as at present laid down in Rule 74 of I. R. C. A. Goods Tariff No. 29, will continue to be in force.

(c) *Minimum charge per consignment.*—The minimum charge per consignment will be Re. 1 as at present.

(d) *Fractions of a Maund and fractions of a Mile.*—The rules regarding fractions of a maund, vide Rule 77 of the I. R. C. A. Goods Tariff No. 29 and regarding fractions of a mile, vide Rule 78, will continue to be in force.

(e) *Ferry charges.*—Ferry charges will continue to be levied. Where they are at present notified on mileage basis and a certain mileage is added to the distance for charge, the same procedure will continue in future.

The present practice of levying ferry charges separately in respect of Sakrigali—Manihari Ghat Ferry, in the shape of a lumpsum charge for 33 miles, calculated at the first leg of the telescopic rate, will be discontinued and instead, the ferry mileage of 33 miles will be added to the total mileage for charge.

The present lumpsum charge of Rs. 2–4–4 per ton at present levied on coal traffic passing over Sakrigali–Manihari Ghat, Bhagalpur Ghat and Mokameh Ghat Ferry will also be abolished and instead the Ferry mileage of 33 miles will be added to the total mileage for charge.

(f) *Differential rule.*—The differential rule in regard to weight and distance, provided under Rule 75 of the I. R. C. A.

Goods Tariff No. 29, will remain unchanged.

(g) *Over-dimensional consignments.*—The special charges for overdimensional consignments, contained in Rule 19 of the I. R. C. A. Goods Tariff No. 29, remain unaltered except to the extent that the quantum of these charges is revised and notified in decimal coinage.

(h) *Out-Agency charges.*—The rules regarding Out-Agency charges contained in Rules 117 and 118 of the I. R. C. A. Goods Tariff No. 29 remain unaltered; but the charges applicable over the Out-Agencies will be in terms of Decimal coinage.

(i) *Inflated mileage.*—There will be no change in the inflated mileage basis for reckoning rates wherever such inflated mileage basis is at present adopted.

METHOD OF ASCERTAINING A RATE.-To ascertain the rate chargeable, reference must first be made to the station-to-station rate lists of the railways concerned to see if a station-to-station rate is quoted. If so, that will be the rate chargeable provided the conditions attached thereto are complied with. When a through station-to-station rate is quoted, it can only be taken as a whole. The proportion of any Railway therein cannot be taken separately or in conjunction with other rates.

When no station-to-station rate is found, or the conditions attached to the station-to-station rate are not complied with, reference must be made to the revised Chapter VIII (i. e., the revised General Classification) to ascertain the class under which the commodity is classified.

Then reference should be made to the station-to-station distance table and/or junction mileage tables to ascertain the mileage for charge between the points.

The rate to be charged will be that shown in the Rate Tables for the particular mileage against the particular class.

RATES FOR COAL.—A separate Coal Scale at O. R. for coal, coal shale, coke, lignite and patent fuel, when in wagon-loads wll come into force simultaneously with the introduction of the new Goods Rate Structure.

The rates for movement of coal, coal shale, coke, lignite and patent fuel in "smalls" will be class 40-A at O. R.

The freight at R. R. will be 20 per cent higher than the freight at O. R.

There will be no separate levy of terminal, short distance, transhipment and Ghat charges.

Consequently, the corresponding rules and rates notified in the Railway's Coal Tariff will be cancelled and withdrawn.

RATES FOR LIVE-STOCK.—The scales of rates for live-stock will be telescopic and as shown in the Appendices H and J to Correction Slip No. 148 to I.R.C.A. Goods Tariff No. 29. There will be no separate levy of terminal charges.

RAILWAY MATERIALS AND STORES.—For Railway materials and stores, the existing procedure for booking will continue to be in force, but the rates are converted into decimal coinage.

MILITARY TRAFFIC.—There will be no change in the ruies and regulations regarding the booking of Military Traffic, but the rates will be converted into decimal coinage.

THROUGH BOOKING WITH NON-GOVERNMENT RAILWAYS.-Instructions regarding levy of charges over Non-Government Railways in through booking with those Railways have to be noted carefully.

Pension or Provident Fund?

BY N. G. RAMACHANDRAN, *Accounts Officer, Eastern Railway.*

The article goes into the pros and cons, in elaborate detail, of a major problem facing railwaymen " What are the advantages of the pension and provident fund schemes?"

The implications of the Pension Scheme have to be understood in the minutest details as all of us have to exercise our option before 30-12-'58, either for the S. R. P. F. benefits or for the Pension benefits. The latest orders are that if one does not give any option before 31-12-'58, he has to be automatically considered to come under the S. R. P. F. benefits. The earlier orders are just the reverse. Anyway, it is rather safe to keep quiet unless one decides for pension finally. In simple, it is a case to be in favour of pension or not to be.

The Government of India was approached with repeated representations that the Railway staff should also be given retirement benefits under the Pension Scheme as now applied to the majority of other Government Servants. The Central Pay Commission also recommended that all the Departments of the Government of India including Railways might adopt a Pension System in respect of future entrants. This has since been clarified in Paragraph 1 (a) of Railway Board's letter No. F (E) 50/RT1/6, of 16th November 1957, under which staff appointed on or after 16th November 1957, come under the Pension Rules automatically. It may also be stated that a few industrial staff in Non-Railway Departments are governed at present by a contributory P. F. as in the case of but on a somewhat less liberal scale than Railway employees.

"QUALIFYING SERVICE"

The Government have, therefore, considered the matter and have decided that the existing Railway employees should be given an option to elect the Pension Scheme as employees on the Civil side.

This is obviously necessary as there must be only one Pension Code conforming to the latest Pension Rules common to all Civil employees of the Central Government. If it is found that certain minor adjustments are to be made in the Pension Rules, it would necessarily have to be introduced for all the Government employees with the Government of India's approval. In the case of the existing Railway servants who care to opt for Pension Scheme, they would be deemed to have been in the pensionable establishment from the very commencement of their service with the proviso that half the period of temporary service will be considered only for "Qualifying Service" for the pension under the Pension Rules. So some of the periods over which the Railway servant did not subscribe to the S. R. P. F. may qualify for pension. It would not be out of place to mention that the existing Class IV Railway Servants are admitted to the Railway Provident Fund progressively only since 1940-'41. In their case, the counting of earlier service for pension will, therefore, be a positive concession.

A fraction of year will come while calculating the qualifying service in respect of temporary service. In such a case, the full number of years and months arrived in halving the number of years and months of temporary service will be added to the full years and odd months of permanent service. The net total will consist of a number of full years is to be taken as the qualifying service for pension to cover both the temporary and permanent services of an employee. The following periods of service will, however, count in full for purpose of pension—

(i) Service as a probationer till the date of his confirmation against a post.

(ii) Acting or officiating service against lien-free substantive post.

There are certain other categories of service which will count for pension. These are to be considered in the light of the extant orders on the subject.

The retirement benefits under the S. R. P. F. Rules, which are at present applicable to the Railway employees are known to all. The broad features of these rules including the recent liberalisation in respect of the minimum of 12 months' pay being given as Special Contribution to P. F. in case of death of a Railway Employee after completion of 5 years' continuous service are stated below.

SALIENT FEATURES OF PROVIDENT FUND

The subscribers to the S. R. P. F. contribute to the Fund at 1/12th of their emoluments each month (i.e. $8\frac{1}{3}$ per cent), and Government makes an equal contribution (referred to as 'Bonus') each year. The membership of the fund is compulsory in respect of even temporary Railway servants provided they have completed one year's service, but Government contribution (Bonus) is credited only on the employee's becoming permanent, although with retrospective effect from the date he started subscribing to the Provident Fund. (As an ad hoc relaxation, it was decided that such of the Railway servants as had completed 3 years service by 31st March 1956, 30th September 1956 and 31st March 1957, would be allowed Government contribution from the date they started subscribing to the Fund). On the employee's demitting service the bonus becomes payable to him, there being no stipulation regarding minimum qualifying service except that when the employee resigns with less than 5 years service, the bonus standing to his credit can be withheld under the sanction of the Controlling Officer.

Compound interest is allowed on both the employee's own subscription and the Government contribution. The rate of interest is prescribed from time to time, but those who subscribe to the P. F. from a date prior to 7th March 1938, are guaranteed a minimum rate of 4 per cent.

Subject to the services of a Railway servant being good, faithful, efficient and continuous, a further amount known as "Special Contribution" (ordinarily referred to as 'Gratuity') is also credited to the P. F. Account. This is payable at the rate of $\frac{1}{2}$ a month's pay for each completed year of service, subject to a maximum of 6 months' pay, if service falls short of 15 years, or a maximum of 15 months' pay or Rs. 35000/- whichever is less if the service exceeds 15 years. The special contribution is also payable in the case of voluntary retirement, subject to certain stipulations like completion of 30 years' service though not reaching the age of 55 or minimum of 15 years' service in cases of resignations of non-gazetted staff which are recognised as being on valid grounds.

The special contribution is normally calculated on the basis of *substantive pay at the time of quitting service*, but officiating pay is also taken into account in cases where an officer at the time of termination of service had officiated in a higher post for a substantial period. In the case of a Railway servant who dies in service after completion of 5 years' continuous service, the special contribution admissible is subject to a minimum of 12 months' pay.

Note.—In lieu of special contribution or gratuity as ordinarily admissible or when this retirement benefit is not admissible at all as in the case of staff who die within 5 years of service, the families or dependents of such non-gazetted railway servants dying in service, who are left in straitened circumstances, could be given "compassionate gratuity" up to 15 months' pay with a minimum of 12 months' pay).

The retirement benefits under the new Pension Rules as introduced from April 1950, on the recommendation of the Central Pay Commission, are clearly indicated in detail in Railway Board's letter No. F (E) 50/RTI/6, of 16th November 1957, which has been circulated in Eastern Railway under General Manager's Circular Number AE4217 of 19th November 1957. It would, therefore, be redundant to repeat the same here. Broadly speaking, these pension rules confer a retirement benefit after 30 years' qualifying service or on superannuation in the shape of monthly pension. Besides, a lumsum referred to as death-cum-retirement gratuity, subject to a maximum of 15 months' emoluments, is also given.

The method of calculating pension and death-cum-retirement gratuity is given below—

(a) If an employee has less than 10 years of qualifying service, he will not be eligible for pension. A gratuity may, however, be granted to him at the rate shown in Annexure "A" attached herewith.

(b) (i) If an employee has more than 10 years of qualifying service his pension will be—

$$\frac{a}{80} \times b$$

(ii) If he officiates in a higher post continuously for more than two years on the date preceding the date of his retirement, his pension will be—

$$\frac{a}{80} \times (b \text{ plus } \tfrac{1}{3}\, b)$$

or

$$\frac{a}{80} \times \{b \text{ plus } \tfrac{1}{2}\,(c-b)\}$$

whichever is less.

Note.— a = No of complete years of qualifying service subject to maxinum of 30 years.

b = Average emoluments based on last 3 years substantive pay.

c = Average emoluments based on last 3 years officiating pay.

(c) (i) D. C. R. gratuity of an employee with more than 5 years of qualifying service will be—

$$a \times 9/20 \times d$$

(c) (ii) When an employee officiates in a higher post continuously for more than two years on the date preceding the date of his retirement, his gratuity will be—

$$a \times 9/20 \times (d + \tfrac{1}{3}\, d)$$

or

$$a \times 9/20 \times \{d + \tfrac{1}{2}\,(e-d)\}$$

whichever is less.

Note.—a = No of completed years of qualifying service.

d = Substantive emoluments.

e = Officiating emoluments.

Emoluments as defined in paragraph 2544 RII will be taken into account for the purpose of calculating pension and gratuity.

In the case of a Class IV employee who retires after 34 years of qualifying service on a pay of Rs. 35 (in the lowest grade of Rs. 30-$\frac{1}{2}$-35) and with a Dearness Pay of Rs. 20, a monthly pension of about Rs. 21 plus a lumpsum gratuity of Rs. 825 will be admissible. There is a ceiling limit to the pension of higher-paid employees, in that pension is limited to Rs. 675 per month and the lumpsum gratuity of Rs. 24,000. The emoluments for the purpose of D. C. R. gratuity is subject to a maximum of Rs. 1800 p.m. "Family Pension" will be admissible to the family of an employee in the event of his death on completing 20 years of qualifying service (in special cases, this may be reduced to a minimum of 10 years' qualifying service), at half the normal rate of pension, subject to a maximum of Rs. 150 per month and a minimum of Rs. 30 per month but so as not to exceed the pension as normally admissible if the employee had superannuated on the date following the date of his death.

Family pension is payable for a period of 10 years—but not exceeding 5 years from the normal date of superannuation or retirement. In the case of an employee who dies after completion of 5 years of qualifying service, the family will be paid a lumpsum gratuity on the scale already referred to, but subject to a minimum of 12 months' emoluments. Commutation of pension will be permissible, the maximum amount of pension which may be commuted being restricted to one-third of any pension granted.

Family Pension

It is also provided that a family pension may be granted to the family of an officer who dies whether while in service or after retirement after completion of not less than 20 years' qualifying service, for a period of 10 years provided that the period of payment of family pension will in no case extend beyond a period of 5 years from the date on which the deceased officer retired or on which he would have been retired on a superannuation pension in the normal course according as the death takes place after retirement or while the officer is in service. In the event of death while in service, the grant of family pension will be ½ of the ordinary pension which would be admissible to the officer had he retired on the date following date of his death. In the event of death after retirement, it will be half the pension sanctioned at the time of retirement. The amount of family pension will also be subject to a maximum of Rs. 150 per mensem and a minimum of Rs. 30 per mensem. The minimum family pension will not in any case exceed the full amount of the pension that would have been admissible to the deceased officer if he had retired on a superannuation pension on the date following the date of his death. In exceptional circumstances, there is a provision for the award of family pension to families of officers who may die after completing less than 20 years' qualifying service, but not less than 10 years' qualifying service.

The expression "date on which he would have retired on superannuation pension in the normal course" referred to in the preceeding paragraph has to be interpreted in some cases. In the case of an officer who dies while on extension of service, this expression shall mean the date up to which the extension of service had been sanctioned to him before his death. As regards the case of a person governed by clause b(i) of Rule 2046RII in the matter of age of compulsory retirement, this expression means the date on which he would have attained the age of 55 years in case death takes place before the officer attains that age. If death takes place while in service at any time after attaining the age of 55 years, this expression means the date up to which his continuance in service had been sanctioned at the time of his death.

(To be continued)

[*By Courtesy: Eastern Rly. Magazine*]

"It may be more than twenty years before you can go to the moon" says an expert on rockets. Most of us can wait.

World Bank Loan to India for Railway Developments

Though the announcement from Washington to the effect that the World Bank was lending 85 million dollars to India to help meet foreign exchange costs of Indian Railways Development Plan, is welcome to a great extent as tiding over a great difficulty, still the high rate of interest charged for this loan for a particularly long term of 20 years seems to be a disconcerting factor. In view of the fact that capital for Railways could be raised in India at a rate of 4% or even less, it is a matter for consideration whether the difference of 1¾% would really result in any considerable advantage to the Railways in the long run. It is also to be noted in this connection that 5% is the limit fixed for return to justify the Capital investment on Indian Railways. Since the Union Government is providing all the necessary Capital for the Indian Railway at 4% (under existing arrangements), it is not known how the excess of 1¾% in the shape of interest payable to the World Bank will be adjusted in Government accounts. If the interest is to be borne by Railway Revenues, it would be a very heavy drain and possibly not justified from the point of view of extra Revenue that may be anticipated from such development works. It is presumed that alternative methods have been fully explored and it did not appear feasible to meet the situation otherwise than by raising this loan. The question is full of complications and requires further study from various aspects so that long term commitments may be reduced to the minimum.

Editor—R. A.

The World Bank announced that it was lending 85 million dollars to India to help meet foreign exchange costs of an Indian Railways development plan.

The loan "will help pay part of the costs of rolling stock, locomotives and other equipment required for the expansion programme and will meet a large part of the payments already made or to be made for such equipment during 1958 and the first quarter of 1959. The loan should be completely disbursed by the end of March 1959.".

The loan is for a 20-year term and is at 5¾ per cent interest. Amortisation will begin in January 1963.

The loan was approved by the Bank's Executive Directors and signed on Sept. 16th by Mr. H. Dayal, the Indian *Charge d'Affaires*, and Mr. Eugene Black, President of the World Bank.

The Bank's announcement said: "Improvement and expansion of the railways has progressed satisfactorily in the Second Five-Year Plan and the shortage of rail transport is now less acute than it was two years ago. Adjustments in the programme are continually made to meet the needs of traffic as they develop.

"Since July 1957, when the Bank lent India the equivalent of 90 million dollars for the railways, the programme has been revised to provide for an increase in freight-carrying capacity. During the Plan period, it is now intended to increase freight capacity of the railways from 114 million tons annually to 168 million tons, instead of the 162 million originally planned. This will require the purchase of 11,000 additional freight cars over the 107,000 originally intended. Plans to meet a 15 per cent increase in passenger traffic during the Plan period remain unchanged.

"The approved expenditures on the railway programme under the Second Five-Year Plan were to be 11,250 million rupees (2,363 million dollars equivalent) of which some 4,250 million rupees (893 million dollars equivalent) would be required in foreign currencies for the purchase of essential goods, materials and equipment which are either not produced in India or of which the domestic supply is insufficient.

"The additional increase now planned in freight capacity should be attained without adding substantially to the original estimates of total costs, and with an actual reduction in the foreign exchange costs. This will be achieved by improved operating efficiency and the postponement of certain less essential parts of the railway programme".

Since sending the above to the Press, we have seen two articles in the Press justifying the above loans: One from Shri K. B. Mathur, Member, Railway Board and the other from Shri P. C. Mukerjee, Chairman, Railway Board. It is stated, that this loan was found absolutely essential in order to meet expenditure in foreign currency; most of which had already been incurred since the 1st, Jaunuary '58 on items like steel, special types of Rolling Stock and spare parts, signalling equipment, etc. This loan covers the commitments for which payments have to be made before March 1959.

It has further been stated by the Chairman, that the Railways have been making a sustained drive for creating and developing indigenous capacity and value of stores and equipments purchased indigenously has risen from Rs. 68 crores in 51-52 to Rs. 126 crores in 56-57. The imports, therefore, pertain only to items which are either not being manufactured in the country or for which indigenous capacity is fully booked.

Editor—R. A.

Presentation of Reserves and Undistributed Profits in the Balance Sheet.

The following extracts have been taken from the Inaugural Address given by Prof. D. S. Anderson, C. A, under the Heading " Company Accounts " in Oct., 1957.

The Selection is of particular importance to those who deal with Balance sheets in India and also to the Examinee who is expected to be familiar with the principles of accounting. ***Mg. Ed., R.A.***

x x x

"One of the greatest difficulties of the layman is his inability to appreciate why reserves and undistributed profits should appear on the same side of a balance sheet as the liabilities. The vertical one-sided profit and loss account has now been adopted pretty generally by most public companies and by many private companies. Why do we not similarly present our balance sheets in a similar single-sided form? I submit that those balance sheets which are in this form are much more easily understood by the uninitiated than the standard double-sided account, and the vertical form has the added attraction of obviating the need of the reader to make calculations to ascertain the amount of net working capital. Admittedly, some companies have gone part of the way and show current liabilities as a deduction from the current assets, but I cannot understand why all do not go the whole hog and present a vertical balance sheet

Such a statement has the merit of bringing out a figure representing the balance sheet value of the shareholders' interest and the sub-division of that interest amongst the various classes of share-holders. If the interest of the various classes of share-holders are readily ascertainable from such a balance sheet, one result is to put the profits and proposed dividends into perspective. A source of major political misunderstanding to-day may be partly due to the want of this action. Political capital has been made and industrial unrest caused by attention being drawn to the high rates of dividends declared by some industrial concerns. If accounts were prepared in such a way that the amount of the proposed dividends could be readily related to the invested interest of the shareholders much of this trouble might be avoided. Shares of no par value might go some way towards removing this abuse of published accounts, but a vertical presentation of the figures would, I submit, be a much simpler solution. And if we are prepared to contemplate the adoption generally of this form, let us go further and tidy up the lay-out generally.

"Surely to most shareholders the most vital factor in a balance sheet is the liquid position of the company, and it seems to me that all balance sheets should start, whether in two-sided or in vertical form, with the current assets arranged in order of liquidity with a deduction therefrom of the total of the current liabilities suitably detailed and described.

"I do not deny that some companies do present a vertical balance sheet and that we do occasionally see the net liquid assets clearly shown; my suggestion is that this should be universal practice and not the note-worthy exception."

x x x

"Original thought is a commodity badly needed in this question of presentation of accounting statements.

x x x

"I now leave this suject for fuller discussion of my suggestions which may result in speedy progress being made to a realisation of better, though not necessarily bigger, balance sheets, or financial statements by some more appropriate name."

[By kind courtesy of the Accountant's Magazine, Scotland.]

Audit Report, Railways, 1958

The following cases illustrate the absence of effective remedial measures to prevent irregularity of even an ordinary nature but which involve substantial financial losses. It is possible to frame rules but who can enforce their observance, if the Supervisory Staff are not prepared to carry out their responsibilities? This is a serious point for consideration so that we might always aim at an ideal state of affairs, when irregularities will form an exception rather than the rule. *Editor—R.A.*

Interest charges in connection with acquisition of land in the Ganga Bridge Project: In the Estimate of the Ganga Bridge Project at Mokameh, an acquisition of 5,568 acres of land at a cost of Rs. 90·37 lakhs was provided for and a special Land Acquisition Officer was appointed for the purpose. Out of nearly 6,000 acres valued at about Rs one crore taken possession of upto December 1957, 5,548 acres valued at Rs. 72·48 lakhs were acquired under the emergency section of the Land Acquisition Act which lays down that interest at 6% per acre is payable on land taken possession of before compensation is paid or deposited for the interval between taking possession and payment of compensation; thus, the Project was involved in payment of very heavy interest charges, which when capitalised will constitute a permanent burden on the economies of the Project. The total interest paid on this account upto 31st March 1958 was over 4 crores of rupees. The delays in determining the compensation were due to delays in the preparation of preliminary estimates, shortage of land acquisition staff, and delays in the Office of the Director of Land Acquisition. The process of determining compensation by Land Acquisition staff has to be expedited if such interest costs would have to be avoided in the case of heavy Projects.

Delay in fixing Siding Charges: At the instance of the Miinstry of Industry & Supply, it was agreed between that Ministry, the ex-Bikaner Railway and Messrs. The Bikaner Gypsum Ltd. that a siding should be laid connecting Jamsar with the Gypsum quarries worked by that firm to facilitate the supply of Gypsum to Messrs. Sindri Fertilisers and Chemicals Ltd. The work was started on land provided by the firm in August 49 and completed in March 50. The siding was opened to traffic in the same year. It is strange that no agreement has yet been reached regarding the charges to be recovered by the Northern Railway and from whom the recoveries are to be made. It is estimated that siding charges to be recovered upto 31st March 57 would be about Rs. 3·69 lakhs excluding maintenance and interest charges recoverable in the case of sidings constructed at the expense of Government.

According to the rules of the ex-Bikaner Railway, construction of a siding should be carried out at the expense of the applicant and after the estimated cost has been deposited. As regards maintenance, the railway supplied all labour for a monthly payment of Rs. 32 a mile, while the cost of materials was charged at book rates plus 10% for supervision. As regards haulage, charges were one rupee a mile or part of a mile for each four wheeled wagon, Rs. 1/8 for each six wheeled wagon and Rs. 2 for each bogie wagon. The incidence of cost was considered at a meeting of the representatives of the Ministry of Industry and Supply, the ex-Bikaner Railway and Messrs The Bikaner Gypsum Ltd., in March 1949 before the work was started. No decision was reached, but Messrs. The Bikaner Gypsum Ltd. took the stand that they were not prepared to undertake any liability on this account. The ex-Bikaner Railway was then transferred from the Bikaner State to the Rajasthan Government and later from the 14th April, 1952, to the Northern Railway. The Government of Rajasthan sanctioned in March 1950 an estimate of Rs. one lakh for this work; but no claim whatsoever was preferred against any party. In December, 1951, the Chief Engineer of the ex-Bikaner State Railway informed the Company that the charges payable by them were under consideration. In April, 1953 the Northern Railway advised the Company that it was liable to pay siding and other charges which were still under consideration. The Company thereupon restated its earlier contention that it was not prepared to accept liability for any charges connected with the siding and that recoveries if any should be made from the Government of India or Messrs. The Sindri Fertiliser and Chemicals Ltd., Nevertheless, the Northern Railway decided in February, 1954 to recover shunting charges at the rate of Rs. 2 for each four wheeled wagon per round trip with retrospective effect plus interest and maintenance charges for the siding. The Company declined to pay and suggested that these charges be included in 'To Pay" invoices for payment by Messrs. The Sindri Fertiliser and Chemicals Ltd. The matter was reported to the Ministry of Railways and in November, 1954, the Ministry of Railways requested the Ministry of Production to whom the control of Messrs. The Sindri Fertiliser and Chemicals Ltd. had been transferred from the Ministry of Industry and Supply to use its good offices with either Messrs. The Bikaner Gypsum Ltd., or Messrs. The Sindri Fertiliser and Chemicals Ltd. for the payment of siding charges including arrears. Meantime, a charge at the rate of Rs. 2 per wagon was included in the "To Pay" invoices with effect from the 10th July 1955; but this was stopped with effect from the 2nd November 1955 at the instance of Messrs. The Sindri Fertiliser and Chemicals Ltd. In September 1955, the Ministry of Production expressed the view that only the freight charges for the additional distance served by the siding should be recovered from Messrs. The Sindri Fertiliser and Chemicals Ltd. and suggested a meeting, if necessary to settle the matter. It is stated by the Ministry of Railways that necessary steps are being taken to finalise the issue regarding recovery of charges in consultation with the Ministry of Production.

Subjects of Moment

Continued Retention of P.F. Money in S.R.P.F., After Retirement

According to State Railway Provident Fund Rules, the amount standing to the credit of a subscriber in the fund normally becomes payable on his quitting service, i.e., on retirement, or earlier death, etc., and interest thereon is allowed upto the date of tender of payment or upto the end of the sixth month after the month in which the amount becomes payable, whichever is earlier.

2. The President has now decided that if a subscriber so desires, the amount at his credit in the State Railway Provident Fund excluding the amount of special contribution which will be paid as at present may be retained in that fund for a period of three years from the date of his final retirement/date on which the amount of Provident Fund becomes payable to a re-employed person in terms of item (d) of para III of Board's leter No. F (E) 52/LE-1/1 dated 12-9-1952, subject to his sending an intimation in writing to the Accounts Officer concerned in this behalf either before the date of final retirement/assumed date of quitting service after re-employment or within two months thereof. On the basis of this intimation, the balance at the credit of the subscriber will continue to be retained in the State Railway Provident Fund beyond the date of final retirement/date on which the amount becomes payable in the case of a re-employed Railway servant and earn interest thereon at the rate prescribed by the Government of India each year. The 'protected' rate of interest to which some subscribers are at present eligible, will not be allowed in such cases beyond the dates referred to above.

3. During the period of three years referred to, withdrawals will be permitted once a year, subject to the condition that the amount of each such withdrawal (except the final withdrawal) shall not exceed 1/3rd of the amount standing to the credit of the subscriber in the Fund on the date of retirement. It will not be necessary to specify any reasons for the withdrawal in such cases. In the event of death of

the subscriber before the expiry of the three year period, the amount at his credit in the Fund shall become payable to the person or persons entitled to receive it in accordance with the rules of the State Railway Provident Fund. The interest on final withdrawals in such cases will be payable upto the end of the month preceding that in which payment is made or upto the end of the sixth month after the month in which the final withdrawal becomes payable, whichever is earlier. The Provident Fund money retained in the fund after the date of retirement date on which it was payable in the case of a re-employed Railway Servant will continue to enjoy freedom from attachment by creditors under Section 3 of the Provident Fund Act, 1925, and exemption from Income-Tax.

4. This scheme will be in force upto 17th December 1960, in the first instance. Government, however, reserve the right to discontinue the scheme after giving six months' notice to the subscribers, within this period if the circumstances justify this course.

5. These orders will apply to Railway Servants retiring on or after the date of issue of this letter including the re-employed Railway Servant referred to in item (d) of Para III of Board's letter F (E) 52/LE-1/1 dated 12-9-'52 and also to Railway Servants who, although they may have already retired, have not yet been paid the amouut to their credit in the Fund. In the later case, the Railway Servants should send the necessary intimation to the Accounts Officer within a period of three months from the date of issue of these orders.

6. The option once exercised shall be final. If the necessary intimation is not sent to the Accounts Officer within the stipulated period, the officer concerned shall be deemed to have exercised the option of withdrawing the accumulations under the usual rules.

7. This scheme has been introduced in response to the requests that retiring Government Servants should be given facilities to conserve their amounts in their Provident Fund and it is hoped that all the Railway Servants concerned would avail themselves of this concession to the maximum extent possible, and incidentally thereby make a contribution to the financing of the Five Year Plan.

8. It is requested that necessary steps should be taken to bring the contents of this letter to the notice of all concerned.

9. The President is also pleased to decide that these orders will apply to the Railway Servants who are governed by Provident Fund Rules of ex-Company Railways erstwhile or State Railways subject to the modification that in the event of death of the subscriber before expiry of the three years' period referred to, the amount at his credit in the Fund shall become payable to the person or persons entitled to receive it in accordance with the rules of the Provident Fund in question.

10. The necessary amendments to the State Railway Provident Fund Rules will issue in due course

[R. B. No. F (E) 56—PF—1/4 dated 19-6-'58].

* * *

Forwarding Applications from Serving Employees for Posts outside Railways

The Railway Board have recently issued detailed instructions on the subject and have specified categories of staff to be treated as "technical" for this purpose. As a matter of principle, applications from technical personnel should be withheld if they are permanent, but they may be forwarded, if they are temporary.

Finger-print experts are included in the list of Technical staff, so far as the Accounts Branch is concerned.

Applications from non-Gazetted Staff, who have received training at the Railway's expense, may be forwarded only if they have put in at least five years' service on the Railway, after the training. When non-Gazetted Staff apply for outside posts, their applications may be forwarded only if they have completed five years' service after the training and if they continue to be temporary. If they are permanent, their applications, irrespective of their service-limit, should not be forwarded.

When forwarding applications, the staff should be notified that they should sever their connections with the Railway, if they are selected for the outside post applied for.

The above orders are explanatory to Railway Board's No. E (NG) 57RCI/56 dated the 9th April 1958, reproduced below:—

"(i) Applications for outside posts from non-technical categories, particularly ministerial staff, whether temporary or permanent should be forwarded.

(ii) Applications from technical personnel should, however, be withheld if they are permanent, but may be forwarded if they are temporary.

(iii) Applications from staff who have received training at Railway's expense including those who have received training as apprentices for non-gazetted posts and Special Class Apprentices who receive training before being put into working posts and also from permanent officers, who have received training at Railways' expense, may be forwarded only after they have put in at least five years' service on the Railways after training.

Applications from 'temporary' Officers who also receive training at Railways' expense may, however, be forwarded.

(iv) For examinations which supply candidates *inter alia* to Railway Services or to the Railway Board's Office, e.g., the I.A.S. and Allied Services, Assistants' and Stenographers' Service etc., applications from all staff, whether temporary or permanent should be forwarded.

In all cases, the forwarding of applications will be subject to the condition that the staff should sever their connection with the Railways, if selected for an outside post.

2. Applications of Railway staff may be forwarded direct to the authorities concerned, in terms of the above, without reference to the Board."

* * *

Overpayment Due to Irregular Fixation of Cadre—Provisional Payment to be Avoided

A case has come to the notice of the Railway Board in which Audit had pointed out that there was no authority for the upgrading of posts of a certain category of staff and in this case, the scales of pay of the incumbents should have been limited to the lower of the scales allotted. The Audit's view was not accepted initially and payment in higher scales continued; the employees concerned were, however, warned that retrenchment would be effected from the payments made to them if the overpayments pointed out by Audit were established. Eventually, it was accepted that there was no authority for the upgrading; on the basis of this conclusion, over payments had occurred to the extent of Rs. 83,000. The amount of over-payments could not, however, be recovered as the staff were governed by the Payment of Wages Act, and it has been held that the Payment of Wages Act forbids recovery of wages and pay drawn in a scale of pay which has been allowed as a result of a deliberate decision.

The Public Accounts Committee have observed in this connection, that the Committee deprecate the system of overpayments in such cases as such payments involve a number of complications: e.g., difficulty in recovery of over-payments due to Payment of Wages Act. This observation of the Public Accounts Committee should be borne in mind for guidance in such cases in future.

The Board desire that, as far as possible, provisional payments should not be resorted to in cases in which recoveries may have to be effected and it is foreseen that there may be obvious difficulty in effecting recoveries later due to complications arising from the provisions of the Payment of Wages Act. The Board desire that as a rule, in cases of the kind mentioned in paragraph 1 above, which generally take time to settle, the pay of the staff concerned, who are being paid in the scale of pay objected to by Audit, should be frozen and no further increments in that scale should be allowed to them until the Audit objection has been finally disposed of. If any of the posts which have been allotted the higher grade objected to by Audit fall vacant subsequently, they should be down-graded in accordance with the Audit views, and future promotions ordered only in the lower grade until the matter is settled.

(R.B. No. 58-B (C)-2498/II/4th report/6 of 16/7/58)

* * *

Regulation of leave salary of railway servants in temporary employ or employed on contract basis, who may be permitted to accept employment under government or private employers during terminal leave.

The President is pleased to direct that Rule 2108 (F. R. 69)-R. II shall be further amended as in the enclosed advance correction slip.

The Board desire to make it clear that the restriction on the amount of leave salary imposed by Rule 2108 (F.R. 69) RII as amended, will be equally applicable in the case of a railway servant in temporary employ who may be permitted to take up employment under a State Government or under a private employer, or employment payble from a fund during terminal leave or such other leave on the expiry of which he is not expected to return to duty. The restriction at present in vogue is contained in Railway Board's letter No. F(E) 52/LE 1/1 dated 12-9-1952.

[R. B. No. F(E) 58 F. R. (G) of 10-7-58]

* * *

Advance Correction Slip

Rule 2108-R. II (F. R. 69)

Renumber the existing rule as 2108 (1) and insert the following as sub-rule (2) :—

"(2) The leave salary of a Railway servant who is permitted to take up employment under a Government or a private employer during leave shall be subject to such restrictions as the President may by order prescribe. "

[R. B. No. F(E)58/FR/(1) of 10-7-58.]

Conspiracy to Cheat the Railway

Mr. T. S. Krishnamurthi, a clerk in the Personnel Branch of the Engineering Section of the Southern Railway and Sri C. Kanniah Naidu, formerly a temporary peon in the Railway's employ, were appellants in a case before the Madras High Court, praying for the setting aside of their conviction and sentence by the City Sessions Judge on a charge of conspiracy to cheat the Railway of large sums of monies, the first named by preparing false supplementary bills and false travelling allowance bills in the names of payees who were not in the service of the Railway; and the second named by producing persons who falsely impersonated the names in the bills and received payments, subsequently shared by the two accused.

The High Court confirmed the sentence on the first accused and acquitted the second for want of proper evidence.

Allocation of cost of lorries, motor cars, etc.

There appears to be a difference of opinion in regard to the allocation of the cost of lorries, staff cars, etc.

Formerly, i.e., before the new rules of allocation introducing Open Line Works Revenue, etc., came into force, the cost of such vehicles used to be charged to Capital, being generally over the old New Minor Works limit of Rs. 2,000, Rs. 5,000 or Rs. 10,000; unless these were obtained as part of works, in which case they were charged to the works themselves. Under the new rules of allocation, therefore, as the New Minor Works Limit is Rs. 25,000 and the allocation for such New Minor Works, is Rs. 25,000, the cost of such vehicles will have to be allocated to OLWR up to the limit of Rs. 25,000. The question, however, arises as to what head the cost should be allocated if over Rs, 25,000, as sometimes the cost of a big lorry is above Rs. 25,000 This can be solved in two ways: (1) the cost may be allocated to Capital, on the ground that all additional plant and machinery is required to be charged to Capital, if over Rs. 25,000, and the lorry may be treated as a plant; and also because there is a head of account specifically provided under Capital, for Road vehicles used for departmental purposes; or alternatively, (2) the cost may be allocated to OLWR even if the cost is over Rs. 25,000 on the ground that it is an unremunerative asset, by and large. The second view appears to be more in consonance with the present trends of opinion for avoiding over-capitalisation, and the Railway Board may consider the issue of a general directive laying down their intention in the matter, for the guidance of the Railways.

* * *

Lump Sum contracts

In regard to works which are to be executed according to type plan without any serious changes, it has been an age-long practice to use lump sum contracts, particularly in the case of Type quarters. But the lump sum was required to be quoted only for superstructure and not for foundations, as in regard to the latter, the actual work will depend upon the nature of the soil, etc. In recent times, however, it appears that even for foundations, lump sum amounts are required to be quoted in the tender schedule, and this does not appear to be correct for the reason mentioned above, although it may be contended that so long as the precise depth of foundation is given in the tender schedule, there is no objection to lump sum being asked to be quoted for the work and this will also save work in taking measurements, etc. It is from a technical point of view that the wisdom of the latter procedure is to be judged.

* * *

Open wagons and compensation claims.

It was recently reported that wheat costing several thousands of rupees, was rendered unfit for consumption and had to be buried or otherwise disposed of, at a Government Depot, and the cause of damage was reported to be their having been carried in open wagons. This does not reflect much credit on the Railways. The loss by damage due to use of open wagons for food-stuffs, grains, etc, is by itself to be deprecated; but that this should be allowed to occur at a time when the country is facing food shortage is all the more distressing. The Railway Board should take special steps to avoid carriage of food-grains etc, in open wagons, and should *ban* this, even if required by the consignors.

* * *

Telco Locomotives

The Deputy Minister for Railways Mr. Shah Nawaz Khan said in Parliament that the *Telco* quoted a price of Rs. 3.93 lakhs per locomotive, while the Railway Board had offered Rs. 3.75 lakhs. As no agreement could be reached on the price, the matter had been referred to arbitration by a retired judge of a High Court.

Mr. Bimal Coomar Ghose asked why the matter had not been referred to the Tariff Commission.

The Minister for Railways, Mr. Jagjivan Ram, replied that the question of fixing the price of *Telco* locomotive had previously been referred to the Tariff Commission. Since the difference between the Company and the Railway Board was now limited, the Government referred it to arbitration so that the matter could be settled.

* * *

Concession Season Tickets for Students

The ban against the issue of concession season tickets on suburban railways to male students over twenty-five years of age, is to be lifted in the case of students of engineering and medical colleges.

An announcement to this effect was made by the Union Railway Minister, Mr. Jagjivan Ram, at a meeting of the National Railway Users' Consultative Council held in Delhi on 20th September.

Students seeking the concession will, however, be required to produce a certificate from the heads of their institutions.

The ban which was imposed some time ago to prevent misuse of the concession by ineligible persons, will continue in the case of other male students over 25 years of age.

[What about the Students of other professional Colleges like Law? *Ed., R. A.*]

* * *

Institute of Chartered Accountants in India

The Government of India have appointed a Committee to review the working of the Institute of Chartered Accountants from organizational and administrative aspects and suggest measures for improvement to meet the present and future needs. The Committee consists of

Mr. G. Basu (Ex-President of the Institute)— *Chairman*

Mr. N. R. Modi
Mr. C. S. Shastri
Mr. S. P. Chopra
Mr. S. Vaidyanath Iyer — *Members*

Mr. C. P. Gupta,
(*Deputy Secretary, Department of Company Law, Administration*)
Member Secretary.

The Committee is expected to complete its work and submit its recommendations at the end of November 1958.

* * *

"India 1958"

An Exhibition under the above title was openned at Mathura Road, New Delhi on 8-10-'58 by Prime Minister Nehru.

The Exhibition provides a comprehensive view of industrial developments in India since Independence. The major industries in the private and public sector are displaying their achievements; while Governmental Agencies provide a running account of their effort in planned progress. A co-ordinating picture of scientific and technological advancement in the science pavilion. The various National laboratories, University Research Departments and Technical Institutions are working together to present this picture. The Indian Railways have also got their own section.

* * *

Statistical Officers' Conference

The Statistical Officers of all the Indian Railways met in Conference at New Delhi on the 29th September when the Railway Minister, Shri Jagjivan Ram addressed them. He said, that in a large and complex organization like the Indian Railways, statistics had a vital and significant role to play in guiding Railway Administrations in the solution of various practical problems which faced them from time to time.

The Conference was presided over by Shri J. Dayal, F.C. for Railways and was attended by Members and Officers of the Railway Board.

The Railway Minister stated further that the Railway Statistician should make the abstract figures speak eloquently by a scientific analysis of trends and variations in relation to constantly changing conditions of work and equipment; so as to guide Railway Administrations in regard to future line of action in different branches of their work. He stressed on the need for speed in the collection and presentation of statistics, and suggested random sample service to check up accuracy of conclusions and interpretation.

The Deputy Minister, Shah Nawaz Khan stated: "The Indian Railways were now spending vast sums of money on a large variety of new schemes, and it was essential that they should have an efficient statistical organization to help Railway Administrations in assessing how these schemes were reacting on railway performance". He also referred to Compensation claims of over Rs. 3 crores paid during '57—'58 and said that Statistical Officers should study the relevant figures carefully and determine trends which could be of practical guidance to the watch and ward force.

* * *

Monthly Statistics of Indian Railways

Gross Earnings: The approximate gross earnings of Indian Railways for August '58, amounted to Rs. 29.07 crores which showed an decrease of 7.77% over the actuals of August

1957. The total earnings from 1st April upto end of August '58 amounted to Rs. 156.27 crores as against Rs. 152.98 crores for the corresponding period in 1957.

Wagon Loading: The number of wagons loaded during the month was 4,51,125 and 2,43,965 on B.G. and M.G. respectively which showed an increase of 4.97 per cent on the Broad Gauge and a decrease of 4.80 per cent on the Metre Gauge over the figures for August '57.

The total number of wagons loaded from 1st April to 31st August '58 was 2,249,067 and 1,324,653 on the B.G. and M.G. respectively showing an increase of 2.60% and a decrease of 4.24% over the figures for the corresponding period of 57-58.

There has been a marked decrease in wagon loadings on the Broad Gauge in respect of cotton manufactured, sugar, sugarcane, tea, Manganese ore, and miscellaneous smalls. These were partly set off by increased loading under coal and coke for public, grains and pulses, cement, iron and steel others, iron ore and coal for home line. On the Metre Gauge the decrease in loading is visible under cotton raw, cotton manufactured, sugar, sugarcane, pig iron, Manganese ore, and coal for home line; partially set off by increased loading under grains and pulses coal and coke for public, cement, iron ore, metallic ores others and coal for other Government Railways, etc.

* * *

Railway Personnel Organisations

In order to ensure greater attention to work relating to the welfare of the Railway Employees and also to meet growing volume and complexity of establishment work on the railways, the Railway Board have decided to redesignate the existing posts of Deputy General Manager (Personnel) on each Railway as Chief Personnel Officer and that this Personnel Organization should be strengthened by the appointment of Deputy Chief Personnel Officers. The Board has further directed that the Personnel Officers should undertake a considerable amount of effective local inspection, in order to ensure that due attention is paid to staff welfare and establishment work in the divisions and districts and at even lower levels.

* * *

New Water Mark on Postage Stamps

It has been announced that with effect from 27th October 1958, a new water mark will be introduced in India's postage stamps. The existing water marks of a five-pointed multiple star will be replaced by the outline of the Lion Capital of Asoka. These will initially be used in the stamps of the denominations of 2,5,10,20 and 25nP.

* * *

International Railway Congress Association Meeting at Madrid

The International Railway Congress Association, the Premier World Technical Body of the Railways, had its biennial Session this year at Madrid. Indian Railways are a Member of this Association. Sri P.C. Mukherjee, Chairman, Railway Board, representing the Indian Railways on a Permanent Commission, attended the Session; also Shri S. L. Kumar, Director, Railway Testing and Research Centre, Shri L.T. Madnani, Railway Adviser to the High Commission for India in U.K. and Shri S.K. Kanjilal, Senior Electrical Engineer, at present in Europe.

* * *

"Box" Type Wagon

A specially designed type for carrying iron ore to Steel plants and Coal from the washeries was recently turned out at Kharagpur workshops on S.E. Railway. Four proto-types were so manufactured and sent to the Indian Railways Testing and Research Centre, Lucknow, after which they will be handed over to private wagon builders in India for manufacture of bulk orders. These wagons are 8-wheelers with a capacity of 56 tons (ORE) each. They have 10 side doors each.

* * *

N.R.U.C.C. Meeting in September '58

The Council generally expressed appreciation of the progress made in the Railway Operational Performance. They urged the adoption of a liberal policy in regard to opening of railway out-agencies in order to facilitate integrated rail-cum-road booking of traffic in areas not directly served by the Railways. With reference to the complaints made about delays in settlement of compensation claims, particularly on some railways, the Railway Board stated that vigorous action was being taken to improve the position. In order to minimise accidents, members urged stricter enforcement of discipline, severe punishment of those found guilty even in minor accidents, stepping up of education propaganda, and greater personal contact between officers and their staff. The Railway Minister explained that these suggestions were already being implemented on all the railways and that the whole subject was reviewed at great length at a recent meeting of Railway General Managers with the Railway Board.

A very wide range of other subjects, concerning different aspects of Railway working was also discussed, at the meeting.

* * *

Australian Rail Cars for India

A gift of six diesel rail cars from Australia was ceremonially presented to the Railway Minister, Shri Jagjivan Ram, by the Rt. Hon'ble Sri Arthur Fadden, Treasurer of the Commonwealth of Australia, at a function at the ceremonial platform of the New Delhi Railway Station on Wednesday, October 8.

The gift is part of the 24 broad gauge diesel rail cars and 2,000 metre gauge covered wagons which Australia has agreed to present to the Indian railways as part of the Colombo Plan Aid Programme.

The rail cars were designed and manufactured in Australia. It is an all-steel construction, designed for safety, with a seating capacity for 82 Class III passengers.

Twelve of the 24 rail cars are already operating on the Southern Railway. The second lot of 12 cars has been allotted to the Northern Railway.

The goods wagons were received in India between August last year and August this year and they are being erected and released for service on the railways.

* * *

Lack of Proper Planning for Railway Budget

With reference to the Railway Budget 1956-'57, the Estimates Committee had pointed out that in a number of cases, actual expenditure fell far short of budget provision and that in the case of some works, this was the position year after year in successive budgets and mentioned some of the instances as illustrations. The Ministry of Railways furnished detailed explanations for all the seven items contained in the Committee's report. The Estimates Committee expressed its dissatisfaction with the Minister's replies and hoped that in future, the budget estimate for various Engineering works would be prepared after planning "so as to ensure that the actual expenditure does not fall short of the budget provision year after year to any appreciable extent."

* * *

Manufacture of Diesel Engines

It is learnt that plans were complete to start the manufacture of complete diesel engines (automobiles) at Jamshedpur. The plant would be set up soon and the first unit would come out by the end of October, 1959. It is estimated that they would be able to turn out six to seven thousand diesel engines every year; and that the production of diesel engines in the transport section would save valuable foreign exchange to the tune of eight to nine crores of rupees annually.

* * *

Proposal to Change Financial Year so as to Commence from 1st October

Mr. C. Subramaniam, Leader of the House, said in the Madras Legislative Assembly on 17th Sep. that the Government of India had recently re-examined the question and decided to continue the present arrangement.

* * *

Public Accounts Committee

Mr. N. G. Ranga, Member of the Lok Sabha, has been appointed Chairman of the Public Accounts Committee till April 30, 1959.

Mr. Ranga will fill the vacancy caused by the resignation of Mr. T. N. Singh who has been appointed member of the Planning Commission.

Readers' Forum

Brick Manufacture Account

A question was included in the paper on General Expenditure With Books 1957 for App. III Examination where a manufacturing estimate for Brick works for one year was required to be made out and the Budget Provision worked out. One of the data was 'estimated credit after close of operations expected to last 10 years Rs. 3,790.' The solution for this question has been shown in one of the recent Delhi Publications as under :

Depreciation to be allowed ...

Total operating charges
Rs. 32,345 less Rs. 379 or Rs. 31,966

This solution does not seem to be correct in view of the provision of para 1459-E which requires that prorata depreciation should be charged to the year's operation account and the total operating expenses worked out. Under this arrangement, the total operating expenses would be Rs. 32,345 plus Rs. 4,032 or Rs. 36,377. The budget provision should, however, be made for the cost of land acquisition and the full operating expenses on the debit side of the manufacturing account; as also for the credit of Rs. 39,975 being the total value of the anticipated outturn.

Prospective candidates for App. III Examination will please go through the above together with the solution referred to and offer their remarks or comments for the benefit of all students.

XYZ.

Developments of Science

Study of Milky Way System

The detection of radio signals with a wave length of 21 centimeters has opened a new era in the study of the structure of the Milky Way system with its hundred thousand million stars and the similar galaxies in space.

The signals are emitted by atoms of hydrogen and show that tenuous hydrogen clouds fill much of the space between the stars, according to a Smithsonian Institution Report by Dr. Bart J. Bok of the Harward College Observatory.

The twentyone-centimeter waves may be regarded as a kind of invisible light that obeys essentially the same rules as visible, ultraviolet and infra-red light and passes easily through obscuring material. The wave length is slightly lengthened when radiation comes from an object moving away from the observer, and slightly shortened when it comes from an object moving towards the observer; these changes are measured and used to determine the speeds of the atoms. The direction from which the waves come reveals the structure of the galaxy and the speeds of the atoms reveal its rotation.

* * *

Giant Human Cell Model

Doctors currently attending the 107th annual meeting of the American Medical Association (AMA) in San Francisco are viewing a giant model of a human cell, one million times larger than a living cell. The model was one year in the making and its makers used almost a mile of special plastic tubing, a mile of electric wiring, and hundreds of handfashioned parts.

* * *

Heart Beats Broadcast

Dr. Arthur Briskier, a heart specialist, recently arranged to have one of his piano tape recordings broadcast by shortwave radio from Paris to the United States. As he listened, he was reminded of heart beats and their telltale stories. Dr. Briskier then arranged a broadcast of such heart beats. Both Paris and Rome reported excellent reception. He said the technique will make instant consultation possible with a specialist anywhere in the world—even in a plane, ship or in the desert if transmitting equipment is available.

* * *

Hope for the Seasick

The traveller's scourge, seasickness, may soon be a thing of the past. Naval architects at the Massachusetts Institute of Technology are working on the development of new "anti-pitch" fins for ocean-going vessels. The fins —to be attached to the bow of a vessel much like an airplane's wings—are designed to serve a dual purpose. It is hoped they will reduce a major cause of seasickness, a ship's pitching motion, and increase a ship's speed in rough weather. Testing and theoretical calculations indicate the fins can reduce a ship's pitching motion as much as 50 per cent.

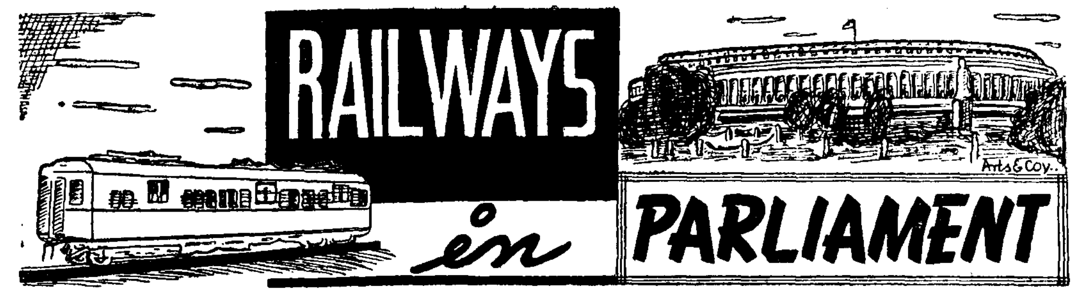
* * *

Two-Seater Trainer Glider

TS-2, the first two-seater glider to be designed and constructed in India, has been designed and built by the Technical Centre of the Directorate-General of Civil Aviation.

This Glider has been constructed from indigenous materials obtained from the various parts of India. Only a few parts such as flight instruments and control cables have to be imported.

The Glider is expected to give the best performance under the atmospheric conditions prevalent in India. It has a wing span of 58 feet and its stalling speed is about 35 m.p.h.



LOK SABHA

Special Staff to Ensure Safer Rail Journey

The Deputy Minister, Shri Shah Nawaz Khan, stated in a written reply that safety organizations consisting of safety officers and inspectors on the line and in major workshops have been set up on all the Railways; that the safety organization was principally concerned with an analytical study of problems concerning accidents and to carry out intensive inspections of the line, stations and workshops with a view to ensure strict observance by all concerned of safety rules and regulations in every sphere of Railway operations.

He stated further that the safety organisations also impart instructions and guidance to staff by personal contact and issue of written instructions, check up unsafe or irregular working in every field so as to eradicate negligence, carelessness and indiscipline among staff and generally to instil and develop safety-mindedness amongst staff of all grades and categories. The staff also check the provision of safety devices and condition of rolling stock including those turned out of shops to see that they are free from defects.

* * *

Decimal Coinage System on Railways

The Deputy Minister for Railways, Shri S. V. Ramaswamy, stated that though the Railway freight rates are still calculated in Rupees, Annas and Pies, they will be introducing the Decimal Coinage System with effect from 1st October 1958. He stated that this change was deferred to correspond with the introduction of the New Freight Rate Structure based on the recommendations of the Railway Freight Structure Enquiry Committee.

* * *

Iron and Steel Scraps on Railways

Shri Shah Nawaz Khan, Deputy Minister of Railways, said that approximately 1,76,000 tons of iron and steel scraps valued at Rs. 177 lakhs are available annually from the railways in India.

He added that the scraps were being supplied by the railways to foundries and steel plants.

* * *

RAJYA SABHA

Expenditure or Railway Development Programme

Shri Shah Nawaz Khan, Deputy Minister for Railways, stated that from April 1, 1956, the commencement of the Second Five Year Plan to the end of July, 1958, Rs. 484·22 crores have been spent on the railway development programme.

The Deputy Minister further said that approximately 3/5th of the above expenditure had been met from the internal resources and 2/5th from the foreign exchange resources. A loan of Rs. 42·84 crores had been arranged with the World Bank to be used by the end of this year and out of this, a sum of Rs. 38.22 crores had been withdrawn from the Bank and spent so far. The Deputy Minister added that a delegation sent recently to Washington obtained a further loan of 85 million dollars (equivalent to Rs. 40·5 crores).

The Deputy Minister said that out of Rs. 1,125 crores required for the Railway Plan, Rs. 391 crores would be by way of foreign exchange. The Government's plans for raising internal and foreign resources were for the Second Five Year Plan as a whole and were not specifically for Railway development programme or any nominated project. However, when general plans for foreign assistance were translated into specific agreements with the foreign Governments or other parties concerned, the aid or assistance was obtained in relation to specific projects.

* * *

Kandla Port

On the basis of the traffic handled at Kandla port during the first four months of the current financial year, it is estimated that traffic during the entire year will be of the order of 10 lakh tons against the port's optimum capacity of 12 lakh tons.

The chief reason for the non-utilisation of the full capacity of the port was that it takes time for the reorientation of trade channels already established elsewhere.

Books Review

GUIDE TO PENSION RULES (LIBERALISED PENSION RULES)

By Shri K. K. Rao B.A., A.G.'s Office, Hyderabad. Price Rs. 1·50.

The Author and Publisher states that this Guide has been the outcome of the requests of the Railway Staff for whom the Pension Scheme has been recently introduced. He claims that this Guide not only embodies all the latest orders and rulings (upto April 1958) but also that it brings out in a clear and easily understandable manner the implications of rules and orders. Several illustrations have also been incorporated in order to elucidate certain important topics. The book will be useful not only for consultation but also to the examinees of the various departmental examinations.

A Supplement has also been issued to this Guide priced at 0·30 nP. dealing with *Liberalised Pension Rules* as amended uptodate. A study of this book is bound to be of great help in following the Guide.

The Guide has classified the subject under a number of important topics like death-cum-retirement gratuity, family pension, qualifying service, amount of pensions, commutation, etc. Each topic has been analysed and relevant matters incorporated. The rules as such are not embodied in the Guide and hence the need for possessing the Supplement also. Since in the body of the Guide, references have been given to rules and forms of the Civil Service Regulations, the Railway Candidate would have to mark the corresponding rule of the Railway Establishment Code for easy reference.

It is hoped, that the two books will enable the candidates to have a thorough grasp of this ticklish subject, which has given a headache to the Railway Employees in deciding to what extent the Pension Rules are advantageous in individual cases.

L. V. G.

Students' Corner

Introduction of Decimal Coinage in all Traffic from 1st October 1958

Decimal Coinage had already been introduced so far as Passenger Traffic is concerned from 15th September 1957. The system is now extended to the rest of the Railway Traffic also. The method of accountal is described in the following three sub paras :

Method of Accountal: (i) All station records, returns, and balance sheets etc. in respect of transactions from 1-10-'58 submitted to the Accounts Office/Cash Office etc. should be in Rs. and nP.

(ii) The total value on invoices, P.W. bills, luggage tickets etc. issued by forwarding Stations prior to 1-10-1958 but which are accounted for by the receiving stations after 1-10-1958 should however be converted into Rupees and Naye Paise and accounted for in the returns and books accordingly.

(iii) The outstanding items forming the closing balance to the end of September 1958 should be converted individually into Rs. and nP. and their total brought forward as opening balance for October 1958. The loss or gain on account of this conversion (representing the difference between the sum total of the individual items as converted into Rs. and nP.) should be adjusted in the Balance sheet as special credit or special debit as the case may be.

The proforma account for arriving at loss or gain on account of the conversion already in force is extended to other traffic also. The percentage need be worked out only to first decimal place. Instructions regarding periodical consolidated Returns and offices to which copies should be given and accountal in the Balance Sheet as special credit or debit for loss or gain will continue to be observed.

The separation of the Cash Remittance Note into Coaching and Goods with effect from 15th September 1957 will cease from 1-10-'58, when, as before, cash both for Coaching and Goods Traffic will be remitted under one Cash Remittance Note; but under the new Decimal Coinage denomination.

* * *

Revised Railway Freight Rates with effect from 1st October 1958

The revised railway freight and parcel rates came into force on Indian Railways from 1-10-'58. Besides increase in the freight rates, the new freight rates will be quoted in decimal coinage.

According to Government's decisions on the Railway Freight Structure Enquiry Committee's report, the revised freight structure will result in additional revenue of Rs. 9·6 crores per year at the existing level of goods traffic. The additional revenue yield from the revised parcel rates from 1-10-'58 is expected to be about Rs. 2 crores.

Simultaneously with the revision of rates the existing supplementary charge of 12½ per cent will be abolished.

At present, a charge of one anna in the rupee is levied on all consignments weighing less than 20 mds. Under the revised freight structure, this surcharge has been fixed at 10 per cent of the total freight, instead of one anna in the rupee. However, this will be levied only on consignments weighing less than 10 mds. instead of 20 mds. as at present.

The four important features of the new freight structure are (i) that the overall freight burden on foodgrains is reduced : (ii) that there will be no overall increase in the freight on fruits, vegetables, kerosene oil and salt ; (iii) that special treatment continues to be accorded to handloom products, khadi, books and milk which are now exempt from the 12½ per cent supplementary charge and (iv) that the overall increases generally will be moderate and the minimum necessary to give the extra revenue required.

Personnel

Shri J. I. Dhupia Offg. A.A.O. (General) Ajmer is transferred and posted as Offg. A.A.O., (ADM.), relieving Shri Ved Prakash who is transferred and posted as D A.O. Jaipur vice, Shri U.B.L. Mathur, transferred.

Shri M.P. Bhargawa, posted as Offg. A.A.O. (Station Inspection) Ajmer with effect 4-7-'58.

Shri S. Jagannathan offg. J.A.O. is confirmed as J.A.O. with effect from 8-12-'57.

Shri A. K. Ganesan, Offg. Deputy C.A.O., Southern Railway has been confirmed as S.A.O., Western Railway with effect from 26-9-'54 in P. S. capacity and finally from 16-10-'54.

Shri T. N. Kuriakose, Permanent J.A.O., Western Railway and Acting Deputy F.A., Southern Railway is confirmed finally as S.A.O., Western Railway, with effect from 26-9-'55.

Shri M.D. Oza, transferred to G.M.'s Office as Offg. S.A.O. (Vigilance) Western Railway, Church Gate from June '58.

Shri Shyamlal Offg. S.A.O. (W & S) Ajmer is transferred and posted as D.A.O Baroda (Senior Scale) with effect from 14-6-'58 vice Shri K. Jayaram transferred and posted as Offg. S.A.O. (W & S) Ajmer.

Shri Rupchand Sehgal, Offg. A.A.O. (S), Churchgate, is promoted to officiate in the Senior Scale with effect from 14-6-'58 and posted as S.A.O. (W & S) Churchgate vice Shri S.N. Bhat, proceeding on 60 days L.A.P.

Shri V. T. Narayanan Offg. D.S., Northern Railway has been appointed to officiate as C.C.S., Eastern Railway.

Shri P.N. Kaul, an Officer of the Transportation and Mechanical Engineering Department, Central Railway, has been appointed to officiate as Deputy General Manager (General), Central Railway.

Shri Rajendranath Mehra, Offg. Assistant Signal and Tele-communication Engineer, Northern Railway, has been transferred to the Railway Electrification Project, Calcutta.

Shri I. Saran, Divisional Mechanical Engineer, Eastern Railway, has been appointed as Offg. Deputy C.M.E. on that Railway, vice Shri A. N. Mukherjee, transferred to Chittaranjan Loco Works.

Shri L. Sankaran, on L.A.P. on the Southern Railway, is re-transferred at the end of his leave to the N.E. Railway.

Shri A.K. Ganesan, Offg. Dy. C.A.O. (G), Southern Railway, has been granted 60 days L.A.P. from 22-9-'58.

Sri T.S. Gopalan, S.A.O. (P & S) Southern Railway, has been promoted as Dy. C.A.O. (G) in the above vacancy.

Sri M.S. Murthy, Divisional Superintendent, Southern Railway, Vijayawada has been promoted and transferred as Director, Standardization (Mechanical) Chittaranjan Loco Works.

Mr. N.C. Deb, Additional Member, Finance, Railway Board, has been appointed Additional Secretary in the Central Ministry of Finance and has been posted as Financial Director of the State-owned Hindusthan Steel (Private) Ltd., under the Ministry of Steel, Mines and Fuel. Mr. Apjit Singh of the Northern Railway will succeed Mr. Deb. as Additional Member Finance Railway Board.

Mr. S. L. Viswanathan, till recently Additional Member (Staff), of the Railway Board has been appointed as the Mana ging Director of Nepa Mills.

Shri V. Gopalaswami Naidu, Dy. C. E. Southern Railway, has been appointed Dy. Chief Personnel Officer, Souther n Railway.

Shri K. N. Krishnan, Jt. Director, Railway Board's Office, has been appointed as Dy. Chief Personnel Officer, Northern Railway.

The following officers are appointed as Dy. Chief Personnel Officers :

Shri K. Devanathan	......N.E. Railway
Shri S.P. Chatterjee	..... Eastern Railway
Shri P.K. Ganguli	......S.E. Railway
Shri A.R. Sundararajan	.....Central Railway
Shri C. St. A.R. Dady	.....Western Railway

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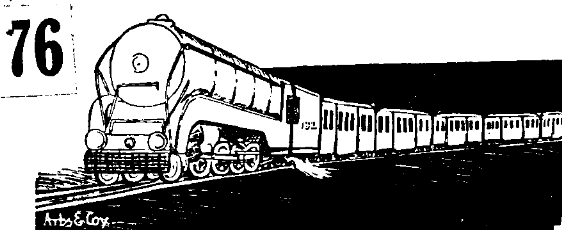

The RAILWAY ACCOUNTANT

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MADRAS

Published on the 15th of every month

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CONTENTS

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Contributions are invited to this Journal on matters pertaining to Accountancy, more particularly of Railways. Every such contribution must be signed as a guarantee of good faith, even if not intended for publication. They may be in the form of Notes or short paras or fuller articles.

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.

All contributions should be addressed to the undersigned so as to reach him not later than the 28th of a month for inclusion in the next month's Journal, which is published on the 15th of every month.

The Managing Editor does not hold himself responsible for the accuracy of the news supplied by correspondents or for opinions expressed by Contributors.

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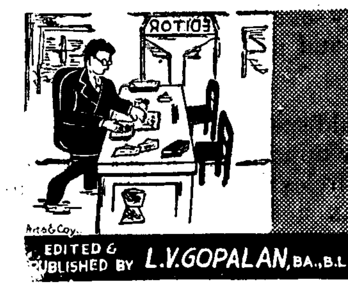
Central Railway Magazine	Sep & Oct. '58	Transport	— '58
Eastern Railway Magazine	Sep. '58	Indian Railway Gazette	Nov. '58
Northern Railway Magazine	— '58	Indian Construction News	Sep. '58
Western Railway Magazine	Sep. '58	Chartered Accountant	Oct. '58
South Eastern Rly. Magazine	— '58	Careers & Courses	Nov. '58
Southrailnews	— '58	Educational Review	Oct. '58
Chittaranjan	— '58	Australian Accountant	— '58
Central Railway Newsletter	Sep. '58	Accountants' Journal (N Z)	Sep. '58
Eastern Railway (Lifeline)	16-10-'58	Accountants' Magazine (Edinburgh)	Oct. '58
,, Newsletter upto F.E.	— '58	Technical Bulletin (Australia)	— '58
Southern Railway Newsletter F.E.	'58	Wednesday Review up to W. E.	5-11-'58
Western Railway ,,	— '58	Railway Board's Monthly Statistics	May & June '58
Metric Measures	— '58	I. R. T. D. A. Newsletter F. E.	31-10-'58
Indian Railways	— '58		



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14, BALAKRISHNA ROAD, MADRAS-4

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EDITED & PUBLISHED BY L.V.GOPALAN, BA.,B.L.

Vol. V NOVEMBER 1958 No. 8

The Institute of Railway Accountants & Auditors

The system of Cost Accounting has come into great prominence for some months past, and serious attention has been paid to training Railway staff in Cost Accounting with the object of introducing modern Cost Accounts in Railway Workshops. In fact, Railway Accounts Staff (both Gazetted and non-Gazetted) are being sent to the Institute of Cost and Works Accountants, Calcutta, for training for short periods.

Cost Accounting, by its very nature, is well suited for expenditure on Manufacture or Production; but the major portion of expenditure in Railway Workshops is one that pertains to maintenance and repairs. Only a very small portion of the work done there relates to Manufacture of spare parts, or Foundry or Sawmill, and even this is an advance preparation for the use of such Stores in maintenance and repair works at a later stage.

Cost Accounting presupposes a certain amount of standardisation of work in order to be really effective for the purpose for which it is intended. Maintenance and repair works, however, are not so standardised, and there are many varieties of such works, and the magnitudes of such works also differ from time to time and from shop to shop. Hence, Cost Accounts of the complicated type suited for production are not really applicable or necessary in the case of Railway Workshops engaged in the main on Repair works as distinguished from Production. The suitable procedure of costing for Repairs existing for a long time on the Railways may be quite sufficient; and indeed there have not been many occasions when this scheme was found wanting in practice.

Where Workshops are established with the sole purpose of Manufacture as the Loco Works at Chittaranjan and the Integral Coach Factory at Perambur, the position is quite different and rigid Cost Accounting could be applied there with advantage. Since, however, the idea of introducing Cost Accounts in Railway Workshops generally has taken deep root in the minds of higher Authorities, it would be worth their while to try it as an *experimental* measure in one or two big Shops where Manufacture Works are substantially of large magnitude as compared to Repair works. The introduction of Cost Accounts in all the Railway Workshops straightaway does not seem advisable; for, if any practical difficulties arise in the course of working the new scheme, it may become a great handicap to the continuous flow of maintenance works and thereby affect efficiency; or the Cost Accounts may be a superfluity.

Then again, there is the question of financing of big Plan Projects; simplifying procedures; reviewing Accounts Structure; etc. Research in all fields is going on and it is a pity that this aspect appears to have been completely overlooked in regard to Railway Accounts. This could be taken up with success—and profit to Government—only by an independent professional body.

The need for a powerful autonomous body which could speak with authority on subjects of this magnitude is thus very obvious, and it is now opportune for such a body coming into existence. It is well-known to the higher Circles in authority that an Institute was formed about three decades ago for serving as a Forum for expressing authoritative views on matters concerning Railway Accounts, Finance, etc. This Institute, which started under the able guidance of the then Auditor-General to the Government of India and followed by successive eminent persons for several years, suddenly ceased to function sometime after the advent of the II World-War, and gradually went out of the minds of all people. It was an Institute intended to run in the same way as the Institute of Chartered Accountants in India, but confined to Railway Accounts and Audit. No other Institution has yet taken up this almost specialised type of Railway Accountancy in its fold, and during a period when expert opinion had to be mobilised and focussed on important subjects concerning Railway Finance, Audit and Accounts, there was nobody to take up the work. Individual Officers are practically prevented from expressing themselves against the declared Policy of Government so long as they continue to be in Government employ; and further, even if any such should make bold to place such views before the authorities, they become only private views whieh may be consigned to the W. P. B. without anybody being the wiser for it. But if there is a recognised body of experts, even though it consists of the same Officers and perhaps some more, the opinion of such a body could not be so easily disregarded, as such opinions may become public property and have to be reasonably met by Government. It is with these ideas in view that we have now and again been sponsoring the revival of the old Institute of Railway Accountants and Auditors and placing it on a suitable footing, so that it can re-start its valuable work for the benefit of Government and all the Railway users. It is always a difficult matter to bring into existence an Institution of such a kind; but it is very easy to allow it to become defunct by mere neglect. Whatever difficulties may legally exist in the revival will have to be discussed and remedied—quickly too—so that the Institute can come up again even in a better way. Several of the members of Management of the Institute two decades ago are still alive, and possibly they may agree to lend their active support once again.

If such a body were actively functioning, we should certainly have insisted upon the qualifying examination scheme for the Accounts Department being taken over by the Institute from the Railway Board, which has already enough work on Policy matters, etc. particularly with the democratic set-up of the country after Independence. In fact, the Institute had drafted a Scheme of Examinations and was about to put the Scheme into execution when its activity suddenly ceased. The Institute should be chartered exclusively for Railway Accounts and Audit in the same way as the Institute of Chartered Accountants deals with general Accountancy in India and has become the sole examining body for conferring the professional status of qualified Chartered Accountants. Such a scheme is obviously also now in the offing for the specialised field of Cost Accounting. It is but time therefore that those in authority in the field of Railway Finance, Accounts and Audit, should wake up and should girdle themselves up for sincere effort in the promotion of efficiency in the Railway Accountancy field, where there has been a serious lack of it in the recent past.

A System of Operation & Material Control *for* Locomotive Industry

BY YASH PAL PURI, M.A., J.D., A.C.W.A., Grad. B.I.M.,
Senior Cost Accountant, Railway Board.

The manufacture of locomotives presents formidable problems of control of multitudinous operations and materials. More than five thousand components and assemblies have either to be manufactured from raw materials or purchased from outside sources to build the steel monster called *the locomotive.*

2. Perhaps, the battle between the costing and operative departments on the one side and the production and assembly of 5,000 odd steel pieces on the other, would not be of such event if it were that one locomotive had to be subdued at one time. But the locomotives attack in groups of tens or fifteens or twenties—*batch production* as it is termed—rendering the control problem simpler in some respects and highly complex in the others. It becomes necessary to make thoughtful decisions in regard to such matters as:

(i) which components and assemblies should be produced in lots equal to the requirements of just one batch. (The cost of manufacture of such items can be directly charged off to the particular batch account.)

(ii) which components and assemblies should be produced in bigger lots and stocked. (Here the components and details, after manufacture, will first be returned to Stores and the actual requirement when drawn, debited to the batch account *via* the Stores).

(iii) which components, fittings and assemblies should be ordered out, and in what quantities as also whether it would be economical to purchase them in a ready-or-fit condition or in a semi-finished one. (Such items can either be debited to the batch for which they were acquired, or alternatively, where the purchases are made in big lots and there is no apprehension of wide price fluctuations, the debits in respect of actual utilisation, may pass to the batch account, *via* the Stores).

3. It will be evident that, above all, the satisfactory control of the numerous articles and manufacturing and assembling operations connected with the building of new locomotives demands careful attention to detail and supervision: rigid time programmes for the output of locomotives must be maintained and the planning of operations and progressing materials should be so set that the whole system functions like a clockwork and no interruption takes place in the flow of work. Easier said, however, than done. For, unforeseen factors are there to dog the steps of all plans, howsoever well primed. The system must, therefore, anticipate and provide for such upsets to the production schedule as occur when the articles have to be scrapped, either on account of defective material or machining errors and replacements have to be provided without letting the original programme get out of gear. Side issues also crop up in such cases and, based on the cause for scrapping, decision must be given as to whether the cost of the scrapped material should be debited to the workman responsible or the overheads of the shop concerned by credit to the batch account/stock order account, or the same be allowed to remain in the batch account/stock order account.

4. In what follows has been outlined a system of control of material and operations suitable for locomotive industry which, indeed, can be emulated with advantage by any manufacturer of heavy equipment. It has been adapted from a system which has for many years been applied with marked success by some locomotive manufacutring organi-

sations in Great Britain. Among its essential features are the following:—

(i) It ensures that all material from outside firms is debited to the particular locomotive batch account, and concentrates the responsibility for the correct ordering of all material required for the batch i.e. material manufactured in the works and that obtained from outside makers.

(ii) Previous to any work being commenced, a time programme is drawn up, and by this system it is possible to maintain the output of finished locomotives to the time previously arranged, by eliminating delays due to material not being delivered to time, and items being overlooked until required, or to details being out of stock.

(iii) General information can be obtained and inquiries dealt with at the central office, obviating the necessity for the staff touring the shops.

(iv) The system enables one to note the progress of all work in connection with a locomotive batch at any time, and also where the delay, if any, is being caused.

(v) The material scrapped is credited to the batch account and further requisitions are made out to cover the same. This obviates the necessity for inquiries in shops re surplus charges.

The System in Detail

5. The control has been vested in a central organisation, called the Central Order Office.

On authority being obtained for the manufacture of a new batch of locomotives, all shops, offices and persons concerned are advised to that effect by means of a circular, called Work Order which states the serial numbers allotted to the locomotives comprising the batch as well as their "class" and "wheel arrangements". At the bottom of the Work Order is stated: "This Order will be dealt with by the Central Order Office".

6. As soon as the Chief Draughtsman receives an Order to be dealt with centrally, he arranges for the Material Lists (Exhibit I) to be supplied to the works in triplicate showing all special material, viz. plates, steel castings, special fittings, copper pipes and tubes, axles, tyres, wheel centres etc. required to the Order No. These lists show bulk quantity of material and special fittings required as well as description, dimensions and specification numbers and are forwarded to the Central Order Office. Two of them pass on to the Store-keeper. One is retained by him to enable him to place orders with the various contractors for such items as steel castings, boiler plates, wheel tyres etc. when of special size, or to supplement his stock of raw materials when the articles in question can be made from standard stocked sizes of material. The other is marked up "ordered outside" or "stock" and is returned to Central Order Office, which keeps a check on receipt from outside firms and advises the shops concerned of material coming in after having been certified as correct by the Central Inspection Bureau. The third list is also marked up in a similar manner and is forwarded to the shop or shops concerned.

The Chief Draughtsman also arranges for the drawings to be marked with the Order No. in the case of work of a new design, or to be re-marked with the order for work where drawings already exist.

7. As the drawings are completed or re-marked they are sent to the Works Manager's Office for signature together with a Drawing Slip (Exhibit II) giving full particulars of the drawings supplied, together with the shops concerned in the production of the article. Copies of the drawing slips are made, one for each shop concerned and one for the Central Order Office. These copies and the original then go to the shops, who each in turn take note and sign the original slip as a receipt for their copy, after

which the original is returned to the Works Manager's Office, where it is filed away for reference.

8. It may be noted here that each detail on a drawing is marked with a separate number, that is to say, in the case of a drawing bearing the number 8482, each detail on that drawing would be shown as a separate item thus, 1/8482, 2/8482, 3/8482 etc.

Particular attention may also be given to the abbreviations on the slips in left hand bottom corner showing at a glance whether the drawing is that of a standard, altered or new article, or whether the drawing has been re-marked.

Sub-Division of Locomotive Parts

9. For the purpose of central ordering, the parts of a locomotive are divided into sections as shown below :—

Section 1. Cylinders.
,, 2. Wheels & Axles.
,, 3. Motions.
,, 4. Frames.
,, 5. Boiler and Fire Box.
,, 6. Smoke Box and Ashpan.
,, 7. Assembling Boiler and Fire Box details in Erecting Shops.
,, 8. Cab Splashers, Boiler and Fire Box Clothing.
,, 9. Pipes and Rods.
,, 10. Tanks, Coal Bunkers and Tenders.
,, 11. Brake Work.
,, 12. Painting and Miscellaneous.
,, 13. Boiler Mountings.

Every detail of a locomotive falls under one of these sections and is given an identification number which is composed of a number representing one of the section numbers of which the article is a part ; thus 3/7, 3/8, 3/9 would indicate three different articles, each of which is a part of the motion gear of the particular order, the number 3 representing the motion section and the number 7, 8 & 9 representing the three individual items.

10. The receipt of a Drawing Slip (Exhibit II) is a signal to the Central Order Office, that the drawings in connection with the Order are completed. The Central Order Office thereupon proceeds to compile from the drawings the "Specification of Details" form (Exhibit III) on which are recorded the "specification" of the various details from the drawings, giving quantity required per engine, description of the article, drawing number, shops concerned in the manufacture, the identification number of the detail and the number of engines for which material has been ordered. On the left hand side of the "Specification of Details" form, opposite each article is written in red ink.

(a) shop concerned in the manufacture.

(b) whether the article is to be obtained from stock (if so, catalogue number is quoted.)

(c) whether the article is to be ordered from an outside firm.

11. The "Specification of Details" form constitutes the base on which the whole system of control ordering is built. From these forms the Stock Lists (Exhibit IV) are made out and submitted to the Stores Department containing the quantity of each stock item which will be required for the order. By this means the Stores Department is enabled to supplement stocks to meet the order requirements. The Stores Department is also supplied with a programme of work showing the dates on which the erection of locomotives is to be commenced and completed in order that stock details and material from outside firms may be ready when required.

12. From the "Specification of Details" form, the "Operation Sheets" (Exhibit V) are made out as follows :—

Each item, other than stock items, has its description, identification number, drawing number and the complete detailed list of operations to be performed upon it recorded on these sheets, with ample space left on the right hand side for the insertion of job ticket numbers issued later on.

13. The "Specification Lists" (Exhibit VI) are next typed out from the "Specification of Details" forms. These lists give a complete description of all details required for the order, including the the number of each article required per engine, description of article, identification number, drawing number, requisition number, number of articles requisitioned and date requisition received, date material received and date work put in hand and completed. These lists are issued to all shops and persons concerned and form a complete description of all details required for an individual order.

The description of article, number per engine, identification number and drawing number is entered on sheets by the Central Order Office while the remaining particulars are filled in by the shops concerned. A complete list for each order number centrally ordered is sent to each shop office concerned including the Stores Department. It is the duty of the Shop Office clerk to see that all requisitions issued to his shop for the order number are entered on these lists, and to forward all lists with this information posted up to the Central Order Office, at least twice a week. On completion, these "Specification Lists" are bound in book form and constitute a complete specification for the type of engine under construction.

14. The foregoing all constitute preliminary work between the Drawing Office, Central Order Office, and the Stores Department, and it now remains for the requisitions and job tickets to be issued for the work to commence in the shops.

The Work Commences in the Shops

15. From the "Specification of Details" form (Exhibit III) stores requisitions are made out. The requisitions are issued to the shops for every detail and constitute the necessary authority for the article to be drawn from stock, or for the manufacture of the detail to commence.

The requisitions are completed in quadruple form, the original and three counterfoils being sent to the shops concerned for the purpose of obtaining the necessary material from the shop stock, and the original afterwards sent to the Loco Stores and then sent to cost Accountant for debiting it to the Order Number. One counterfoil is retained by the shop issuing the material and filed away in Identification Number and Order Number for reference, another by the section clerk in the substock stores, and the third counterfoil, after being signed by the foreman or his representative of the shop as a guarantee of requisition having been received, is returned to the Central Order Office, where it is filed away in Identification and Order Number for easy reference. The serial number of all requisitions issued is recorded by the right-hand side of the 'Specification of Details' slips (Exhibit III) so that copies of any requisitions can be issued bearing the same serial number should the original be lost. This obviates any possibility of double charging being recorded by the Cost Accountant. In the case of material required from Loco Stores stock, two counterfoils only are sent with the requisitions, one for the shop concerned and the other to be signed by the foreman or his assistant and returned to the Order Office.

16. The "Conveyance Note" (Exhibit VII) is issued with requisition for work handled by more than one shop or section. It is made out with the counterfoils, and states the Order Number and Identification Number, quantity ordered on requisition, description of article, shops concerned, where article is to be delivered when completed, and columns opposite each shop for date article is completed so far as that shop is concerned; information

which is filled in as the article leaves the shops. This form and counterfoil is sent with the requisition down to the shop issuing the material. The counterfoil is signed as a guarantee of its having been issued and returned to the Order Office, where it is filed away. The "Conveyance Note" accompanies the article in all operations through the various shops, and on completion of article is returned to the Order Office, where it is filed away with counterfoil of requisition for that article.

17. Immediately following the issue of requisitions to the shops for obtaining material, the piece-work job tickets are typed out from the "Operation Sheets" (Exhibit V), together with counterfoils for every operation on each detail. The counterfoils are retained in the Central Order Office for checking the charge when the job is completed, and the job tickets are sent down to the chargeman in the shops concerned and filed until the jobs are put in hand. When these job tickets are sent to the shops, a line is drawn through the issues column on the "Operation Sheets" by the Central Ordering staff, showing the number of engines for which the articles on the job tickets are required. On this line is written the date of issue of the job tickets, with a serial number so that should the slips or tickets get mislaid in the shops, it is easy by referring to the sheets to see if they have actually been issued, and thus prevent over-charging to the order. As the jobs are completed, the tickets are returned through the Piece work section, where they are inspected and sorted out and sent into the Order Office. After having been ticked off on the "Operation Sheets", showing that the particular operation for the article has been carried out, the counterfoil for the job ticket is endorsed with the date charged, and the job tickets are returned to the Piece Work Section and forwarded to the Wages Office for payment.

Scrap Material

18. In all cases where material for an Order which is being centrally ordered is scrapped, due either to defective material or machining errors, the chargeman on whose section the article is scrapped sends a "Scrap Material Order" signed by the shop foreman, to the Central Order Office. This slip gives the Order Number, identification number, description, operation during which the article was scrapped and the cause. On the back of the slip is recorded the operations affected, for which additional job tickets are required. In all cases of castings scrapped in machining, the chargeman on the machining group sends a Scrap Note signed by the foreman or his assistant to the Order Office for the operations for which he requires additional job tickets for the replaced article, and states the cause of article having to be scrapped. The cause of scrapping is investigated, and a report is made to the manager and steps taken to avoid repetition.

19. Where castings are involved at scrap during machining, and additional requisition for material will be required for the replaced casting, togther with job tickets for the foundry operations and also machining operations upto the time the article was scrapped. A copy of Scrap Material Order is then taken by the Central Order Office and filed for reference, and the original sent to the Cost Accountant for allocation, i.e., if the cost of the scrap material and wages is to be charged otherwise than to the Order. As the value of the scrap material is to be credited to the Order, a Credit Note for the same is made out with two counterfoils in the Central Order Office, and the original sent to the Cost Accountant to enable him to credit the Order Number with the value of the material. One counterfoil is filed away in the Central Order Office and the other is retained by the shop concerned, or by the Stores Department in all cases of stock items.

Material Ordered from Outside

20. The Material Lists (Exhibit I) contain a description of all special material to be ordered from outside firms. Requisitions are made out in the Central Order Office from the "Specification of Details" sheets, and endorsed across the corner, "ordered out", by the Central Order Office. They are then sent down to the shop concerned and dealt with in exactly the same manner as material required from the Locomotive Store or Shop sub-stores. A list of all material ordered out to each Order Number is entered up in the Central Order Office on form (Exhibit VIII). This form gives quantity, description, pattern number, number of general stores requisition, date of order, identification number, date pattern sent, where ordered, date of delivery asked for or delivery promised by outside makers, columns for quantities received, total and column for rejects and replacements and remarks. In the column for quantities received, the number of articles required per engine is shown in each column. For instance, supposing five articles had been received and two articles are required per engine, then two would be entered opposite the description of article in first and second columns, and one in the third column (Exhibit VIII).

21. Such, then, are the "Planning and Progressing" cares which have got to be undertaken in the production of a complex piece of machinery like the locomotive. The enterprising readers would, indeed, find it a stimulating exercise to compare the system described here with those in vogue in C.L.W. & I.C.F. as also the ones in the workshops of their own Railways.

[*To be continued*]

Pension or Provident Fund?

BY N. G. RAMACHANDRAN, *Accounts Officer, Eastern Railway.*

[*Continued from page 232 of the RAILWAY ACCOUNTANT for Oct. 1958*]

Commutation of Pension

There are facilities for commuting pension in accordance with the Railways Pension (Commutation Rules) but the maximum amount of pension which may be commuted will be restricted to 1/3rd of any pension granted under the Pension Rules now made applicable to the Railway employees. There is a regular system of applying for commutation for pension and the employee is subject to a rigorous medical examination before he is allowed to commute the portion of his pension.

A typical example is stated below—

Suppose a Railway employee who has opted for pension and who is to retire on, say, 31st March 1958 A. N. applies to commute Rs. 200 out of his monthly pension of Rs. 600 p.m.

Paragraph 2 of Part II of the form in his case is then completed by the Accounts Officer certifying his pension in the manner indicated below—

Sum payable if the commutation becomes absolute before the applicant's next birthday which falls on 1st April 1958—

	viz. Rs.	Rs.
On the basis of normal age i.e., 56 years.	(200 x 12 x 11·09)	26,616
On the basis of normal age plus 1 year i.e., 57 years.	(200 x 12 x 10·73)	25,752
On the basis of normal age plus 2 years i.e., 58 years.	(200 x 12 x 10·36)	24,864
On the basis of normal age plus 3 years i.e., 59 years.	(200 x 12 x 9·99)	23,976
On the basis of normal age plus 4 years i.e., 60 years.	(200 x 12 x 9·62)	23,088
On the basis of normal age plus 5 years i.e., 61 years.	(200 x 12 x 9·26)	22,224

Sum payable if the commutation becomes absolute after the applicant's next birthday but before his next birthday but one (i.e., before 1st April 1959).

	Rs.
On the basis of normal age i.e., 57 years.	25,752
On the basis of normal age plus 1 year i.e., 58 years.	24,864
On the basis of normal age plus 2 years i.e., 59 years.	23,976
On the basis of normal age plus 3 years i.e., 60 years.	23,088
On the basis of normal age plus 4 years i.e., 61 years.	22,224
On the basis of normal age plus 5 years i.e., 62 years	21,360

(viz. 200 x 12 x 8·90).

The significance of calculating the figures for commutation for 5 more years is that in the event of the medical authority directing that some years shall be added to the normal age, the amount shown against that age will be admissible to the pensioner. For instance, if in this case the medical authority opines that the applicant's age should be taken to be 3 years more than his actual age on, say, *10th May 1958*—the applicant will then be entitled to Rs. 23,088/- i.e., on the basis of his normal age plus 3 years as shown in the above form. It is stated that if the Medical Board directs that some years are to be added to the normal age, the employee can withdraw the offer of commutation. If the Board recommends payment on the basis of normal age, he cannot do so.

If has to be considered that either system—Pension or P. F. has its own special concession in one or other aspects and the systems will necessarily have to be taken as a whole in making any comparison. The salient features are—

(i) Under the pension scheme, the substantive pay drawn during the peak period of the service, namely, during the last 3 years of an employee's official career, is taken into account in arriving at the quantum of pension admissible, whereas in P. F., the accumulation is built up of subscriptions throughout the service which necessarily includes smaller subscriptions in the earlier part of a man's career. In calculating the pension, officiating pay is also taken into account to a specified extent in respect of those who have continuously officiated in higher posts for not less than 2 years prior to retirement.

(ii) In the case of P. F., benefits, the entire Government contribution is payable to an employee's estate if he dies at any stage of his service. It can also be paid if he quits service under certain conditions. In the Pension scheme, an employee who retires voluntarily in advance of the age of superannuation without completing 30 years of qualifying service or submits resignation after any period of service, he is not entitled to any pension. The family of a pensionable employee dying in service does not get the full accrued benefit of his service. The family receives only the death cum-retirement gratuity if the employee has 5 years service at the time of his death. In addition, where the qualifying service exceeds 20 years (in special cases, 10 years), a family pension, which however is limited to Rs. 150/- per mensem is admissible for a certain period.

(iii) In the P. F., system, the employee gets the whole of the retirement benefit in the form of a lumpsum amount when he leaves service and this is liable to be frittered away by an employee with the result that he leaves himself and his family destitute thereafter. Under the Pension Scheme, a regular monthly payment is ensured for life, besides a certain limited payment as death-cum-retirement gratuity.

The relative benefit derived by a person under the P. F., and pension systems depends to a large extent on his longevity. The relative advantage in a particular case depends also on the rate of promotion and range of increase in pay during the entire period of service. A few of the typical examples relating to future entrants to Railway service showing the benefits that would be derived under the two schemes are given in Annexure B., for examination. It may be observed from these examples that for future entrants in Cl. III service, the quantum of benefit admissible under the Pension Scheme is invariably more than the corresponding benefit under the P. F. Scheme. This is of course under the assumption that the average expectancy of life on reaching the age of 55 (which is the normal age of retirement on superannuation) to be 11 years. In respect of Cl. IV employees who retire without receiving promotion above Cl. IV and who render more than 30 years of qualifying service, the quantum of benefits under the P.F., scheme would be somewhat higher than under the Pension Scheme.

It is also clear that their relative quantum of disadvantage under the Pension Scheme is less as a Class IV employee puts in more number of years of service in higher Class IV grades, such as 35-1-40 or 35-1-50, though the disadvantage becomes more clear as the total exceeds 30 years. Recently the Government of India in the Ministry of Railways have set up a Committee to examine the channel of promotions of Class IV employees to higher grades. With the prospect of enlargement in the scope of promotion of Class IV employees which might come out as a result of the report of the above Committee, I would feel that this quantum of disadvantage under the Pension Scheme would become less or may even disappear in some cases. The existing Class IV employees are however on a different atmosphere. The period during which they have been contributing to the SRPF is comparatively shorter than their total service. The dearness pay for the purpose of P.F. and Pension is being included only from 1st July 1952. For the above reasons, the disadvantage under the Pension Scheme will not operate and the quantum of benefit under the Pension Scheme would considerably exceed the benefit under the P. F. Rules. Besides the additional D.C.R. at the rate of 200/- per each year of qualifying service of over 30 years subject to a maximum of Rs. 1000/- is a further concession to Class IV employees.

Crux of Problem

Now come to the crux of the problem of options for the pension scheme. On a rough examination of various cases examined by me, officers of the Jr/Inter/Senior Administrative Rank (viz. Dy. Hds., D.Ss., Hds. of Depts. & G.M.) will do well to retain the S.R.P.F. benefits. The maximum pension of Rs. 675/- p.m. and of Rs. 24,000 as D. C. R. gratuity are to their disadvantage. Now that officers in general can also get S. C. to P. F. up to the maximum of 15 months' pay or Rs. 35,000/- whichever is less, it will be definitely advantageous to them. Annexure C gives two illustrative cases.

As for the other gazetted officers (Sr. Scale/Junior/LGS), I have to confess that no definite advice could be given. Each case has to be examined in the merits of the case. The family tradition

in respect of general life and health of the members and the progress of promotion in service play an important part in deciding the issue. I have taken a few cases detailed in Annexure D from which it will be seen that the employee has to live for about 5 to 7 years after the superannuation to wipe out the deficit amount representing the difference between the S. R. P. F. bonus plus S. C. P. F. and the death-cum-retirement gratuity. Interest has been calculated for 5 years only @ 4 per cent per annum on the deficit amount.

Now coming to the Class III and Class IV staff, I would say that the pension scheme will be more advantageous to them subject of course to the condition that they will live for about 7 to 8 years after date of superannuation as stated in the preceding paragraph. Most of the staff have to put in a long period of temporary service during which period they had not contributed to S.R.P.F. according to the rules prevailing when they joined service. By opting for pension they can count half the period of temporary service for purposes of pension. The Class III and Class IV staff do not get accelerated promotion to contribute more to the S.R.P.F. The rate of increment is only Rs. 3/- to Rs. 10/- in many cases and as such the rate of contribution does not vary much year after year.

If an employee has put in at least 34 years of qualifying service, the D.C.R. Gratuity under the Pension Scheme will come to 15 months' pay which he will also get under the S.R.P.F. Scheme. So in such a case, the employee will have to cover the P. F., bonus which he can easily do so by receiving pension for about 5 years.

In conclusion, I would say that the Government of India have come out with this pension scheme due to the following two main reasons. One is that the Railway Union pressed for the introduction of pension scheme and the other is to make the Railway staff also fall in line with other Government servants. The Government expect that many staff would join the scheme and with a view to encourage the same, they have made it an essential condition that those who opt for pension must contribute the usual compulsory subscription at 1/12th of their pay every month. Those of us who have put in Railway Service in the halo of the S.R.P.F. benefits may not like to change for anything else. This will be in keeping with the theme that it is better to trust the devil we know than the one we don't. But as there are definite advantages for certain categories of staff, they may have to opt for the scheme Anyway, to opt for pension or not to opt depends entirely on the merits of each case and the decision is to come from within one's own self.

ANNEXURE A

Completed years of qualifying service		Scale of gratuity or pension	Maximum pension (in rupees per annum)
		(a) Gratuity	
			month's emoluments
1	...	1	...
2	...	2	...
3	...	3	...
4	...	4	...
5	...	4¾	...
6	...	5½	...
7	...	6¼	...
8	...	7	...
9	...	7¾	...

(b) Pension

		average emoluments				average emoluments	
10	...	10/80ths ...	2,700	21	...	21/80ths ...	5,670
11	...	11/80ths ...	2,970	22	...	22/80ths ...	5,940
12	...	12/80ths ...	3,240	23	...	23/80ths ...	6,210
13	...	13/80ths ...	3,510	24	...	24/80ths ...	6,480
14	...	14/80ths ...	3,780	25	...	25/80ths ...	6,750
15	...	15/80ths ...	4,050	26	...	26/80ths ...	7,020
16	...	16/80ths ...	4,320	27	...	27/80ths ...	7,290
17	...	17/80ths ...	4,590	28	...	28/80ths ...	7,560
18	...	18/80ths ...	4,860	29	...	29/80ths ...	7,830
19	...	19/80ths ...	5,130	30	...	30/80ths ...	8,100
20	...	20/80ths ...	5,400				

ANNEXURE B

Statement showing in illustrative examples the comparison of Pension benefits with those under Railway P. F. Rules

Type	P. Fund Bonus or Government Contribution	Special Contribution or Gratuity	Total retirement benefit under Rly. P. Fund Scheme	Capitalised equivalent of gratuity and pension under the existing pension Scheme	Quantum of additional retirement benefit under pension (+) or deficiency (−)
Class IV	Rs.	Rs.	Rs.	Rs.	Rs.
I. Rs. 30-½-35 (for 30 years) ...	2,914	825	3,739	3,487	(−) 252
II. 25 years in 30-½-35 and 5 years in 30-1-40 ...	2,930	900	3,830	3,804	(−) 26
III. (a) 23 years in 30-½-35 and 7 years in 35-1-50 ...	2,945	930	3,875	3,931	(+) 56
(b) If 11 years in 35-1-50 making a total of 34 years. ...	3,687	990	4,677	4,284	(−) 393
Class III					
IV. 21 years in 60-130 and about 9 years in 80-160	6,949	2,850	9,799	12,047	(+) 2,248
V. 15 years in 60-130 and 8 years in 80-220, and 7 years in 160-250	7,368	3,938	11,306	16,644	(+) 5,338

ANNEXURE C

Example I

Administrative Rank —

Scale of pay—1,800-2,250.

Substantive pay for last 3 years—2,250/-p.m.

No. of qualifying service—30 years.

His pension should have been $2,250 \times \frac{30}{80} \times 12 = 10,125$.

But as the maximum limit is Rs. 8,100/-, he will lose 2,025/- per year.

D.C.R. gratuity will be calculated on Rs. 1,800 only which is the maximum limit for it.

So his gratuity will be $1,800 \times \frac{9}{20} \times 30 = 24,300$.

But the maximum limit being Rs. 24,000/-, he will not get more than that amount.

Whereas under S.R.P.F. Rules, he would get $2,250 \times 15 = 33,750$ i.e. Rs. 9,750 more.

Example II

An officer confirmed in the senior scale (600-1,150) was officiating in the Sr. Administrative rank for last 3 years of his service in scale 1,800-2,250. He joined as a temporary officer at the age of 25 and was confirmed after 4 years of service and retired at 55 on superannuation.

His average substantive pay for last 3 years was, say Rs. 1,150/- p.m. and average officiating pay for last 3 years, say Rs. 2,250/-. His pension will be calculated on Rs. 1,150+($\frac{1}{3}$ of 1150)

= 1150 + 383·33 nP.

= 1533·33 nP.

Though he served for complete 30 years, his qualifying service should be 28 years.

(Pension is $\frac{28}{80} \times 1533 = 536$).

ANNEXURE D

Example I

Case of a retired officer *officiating* in senior scale

Date of Appointment and Confirmation	..	1-4-26
Date of retirement	..	1-4-56
Date of confirmation in Jr. Scale	..	1-4-50
Bonus received	..	19,000
S. C. P. F.	..	15,000
Total	..	34,000
D. C. R. Benefit	..	11,280
Amount received less due to pesion scheme	..	22,720
Add. Int. @ 4 per cent for 5 years.		4,544
		27,264
Pension admissible (322 × 12) in a year	..	3,864
No. of years to wipe out the deficit		7 years (approx.)

Example II

Case of a retired officer who was *confirmed* in a Jr. Scale.

Date of appointment	.	1-11-1925
Date of retirement	..	1-4-1956
Date of confirmation in Jr. Scale	.	1-4-1950
Bonus received	..	16,150-0-0
Special Contribution	..	11,484-0-0
Total Amount		27,634-0-0
D. C. R. Benefit admissible	..	10,335-0-0
Deficit	..	17,299
Int. @ 4 per cent for 5 years	..	3,460
Total	..	20,759
Pension admissible in a year	..	277 × 12 = 3324

No. of years to wipe out the deficit $\frac{20,759}{3,324}$, i.e., 6¼ years (approx.)

Example III

Case of a confd. Sr. Accountant in scale Rs. 350-500.

Date of birth ..	1902
Date of Appointment ..	1922
Date of confirmation ..	1923
Date of retirement ..	1957
Bonus received ..	10,500
Add. Int. @ 4 per cent for 5 years.	2,300
	12,800
Pension admissible per annum ..	200 x 12 = 2400
No. of years to wipe out the deficit	5½ years.

N. B.—D. C. R. in this case equals S. C. P. F. as he has put in 35 years service.

Example IV

Case of a confirmed sub-head in Scale Rs. 160-250.

Date of appointment 1920 at the age 20

Date of confirmation ..	1921
Date of retirement ..	1955
Bonus received ..	5,000
Add Int. @ 4 per cent for 5 years.	800
	5,800
Pension Admissible per annum ..	1272 (approx.)
No. of years to wipe out the deficit.	5 years. (approx.)

In this case also D. C. R. gratuity equals the S. C. P. F. as he has also put in 35 years service.

Example V

Case of a Class IV employee in scale Rs. 30-35.

Date of appointment and confirmation ..	1920
Date of retirement ..	1955
Amount of Bonus under S.R.P.F.	600
Addl. Gratuity as he has put in 5 years over and above 30 years qualifying service. ..	1,000
Extra Benefit	400
Besides Pension Admissible ..	247·50 per annum

The D. C. R. Gratuity equals his S. C. P. F.

[*By kind courtesy : Eastern Railway Magazine.*]

A Problem of Allocation

In the Five Year Plans, schemes for conversion of Metre Gauge lines into Broad Gauge are being taken up to cope with the increased traffic. In some cases, the schemes yield a return of 5% or over and, therefore, are financially justified; while, in other cases, the schemes do not yield this percentage of return and, therefore, have to be classified as not financially justified but required to be taken up as operating improvements.

In this connection, the question of allocation of cost of such schemes presents some peculiar features. The conversion of Metre Gauge into Broad Gauge generally involves the removal of the existing M. G. Track and relaying the track with B. G. rails and other materials. In effect, therefore, this amounts to a work of replacement, and in accordance with the normal rules of allocation, the entire cost of the scheme will have to be allocated to Depreciation Reserve Fund, as all replacements, including improvements, are required to be charged to D. R. F. If this principle of allocation is to be followed, then it is immaterial whether the scheme is finan-

cially justified or not, so far as allocation is concerned. It is not, however, quite clear whether it can be the intention of the Railway Board or the Parliament that financially justified schemes of this kind should be charged to D. R. F. entirely.

If it is considered that the improvement effected by the conversion of track into B. G. is to be debited to Capital, then the question arises whether the cost of the new track may be debited to Capital and the cost of the old asset (M. G. track) written back from Capital to D. R. F. In regard to write-back, the question again arises whether it should be based on the original cost of the M. G. track or it should be the present-day price. While the existing rules of allocation do not provide for adjustment of the present-day cost of assets superseded by other replacement works, the fact remains that it is but fair that improvement in the provision of the new heavier rails etc., in the B.G. track should be assessed only after taking into account the present-day cost of the replacement of the existing assets.

In view of the peculiar nature of the problem of allocation involved in these cases, the Railway Board should issue clear instructions to the Railways in the matter and also place a note for the information of the Parliament, particularly in view of the magnitude of the amounts involved.

'*Kalab*'

Problems in Management Accounting

[The following are some extracts from a paper read on the above subject last year by Mr. Ian T. Morrow, C. A. Management Accounting has been assuming great importance during recent years and the Association of Financial Experts with the Administration has been considered as contributing to greater efficiency in the Management of business firms. Perhaps it is this principle that is also responsible for the development of the Finance Branch in the Railway Administration at all levels in India. The same idea of advice to the executives has also been followed to a great extent latterly in other departments of the Government of India. Though the extracts given below deal mainly with commercial firms, still the ideas contained there are equally applicable to any institution which adopts commercial lines for working, such as Railways.

***Editor—R. A.*]**

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"A problem which has been exercising management in the United States for some years, and, to a more limited extent, in this country, is whether the accountant is in fact the best person to interpret management accounting figures to management. In America many companies have decided that he is not and have set up special departments, usually known as the President's Department, or Special Assistants to the President, whose job it is to collect all the information, statistical and other, and to digest, examine and summarise it for management. These departments often contain technicains, time—study experts, production engineers and personnel people. There has recently been a certain dampening of enthusiasm, as is usual with any management development. Nevertheless this innovation is a warning to accountants. Management will get the service it wants and if it cannot get it from accountants it will get it somehow or other.,............"

x x x

"Today, when the battles of the different techniques of costing and accounting control are over and it is accepted that any scheme of accounting control should be such that it can present to the managing director or to the management marginal costs, or variable costs, standard costs, or actual costs and comparisons with budget, the difficulty is to decide what information to give to management and how to give it to them.

"One of the most useful techniques for top management is the analysis of the profit structure of the company, that is,

(a) The fixed overheads
(b) The variable cost of production
(c) The break-even point
(d) The margin of safety

"Provided the company is in the habit of producing monthly results, these can be established by simple calculations. If plotted on a chart, they can give a remarkable amount of information, and one year compared with another will show the deterioration or improvement in the company's position. It may be that the company's costs are rising faster than its sales prices, and although the total profits may be expanding due to an increased volume, profits are not increasing as fast as they should. The load of fixed expense is rising and the structure of many companies is becoming more rigid. To break out of this rigidity will be a painful process. At the present time, the margin between sales and the break-even point is narrowing, with the result that quite small recessions in volume have catastropic results on profits".

x x x

"......By using accounting control it is possible to give every level of management, down to the foreman, an agreed target of production and expense, and then to present at the end of each month a statement of what has actually been spent. If desired, a bonus can be awarded on the results of these statements."

x x x

"The important thing is that the accounts department should be so organised that certain members have the responsibility of dealing with the foremen so that they get to know each other personally and to understand each other's point of view."

Handling the Human Element

In an Article in the Indian Railways of September '58, Mr. A.K Srinivasan, Divisional Signal and Tele-communication Engineer, Central Railway has gone into great detail and discussed the practical aspects of this problem, the men's attitude to work, the importance of selecting the right type of personnel by aptitude tests, the intricacies of human behaviour and the inherent desire of the human being for recognition. He has stressed the role of supervisors and the importance of a human approach and fair-play in dealing with workers. A few extracts from this article are given below as of great interest to readers.

Ed.—R.A.

x x x

Man's Attitude to Work

The human being is a social and not a machine. His actions are directed to the fulfilment of the needs of the society of which he forms a part. In an industry he does not work as an individual but as a member of a team.

Man's attitude to work depends upon the moral principles taught to him from his early years. As propounded in the GITA and in other religious scripts, action should be considered as a dedication to the Almighty and one should not crave for material rewards. This philosophy of action is a live force that should impel an individual to activity. To impress such moral standards in the ordinary workers is rather difficult, but continued attempts to inculcate these principles at the proper time and place would be a step forward in human advancement. Fortunately, the Indian worker has not yet become too materialistic in outlook and appeal to his moral sense will not go in vain.

In the discharge of duties to his family and the society, emotional stresses occur, giving raise to anxieties and worries. In an economically advanced society, such stresses are prevalent, but in India to-day the problems have to be faced for some more decades. It is not normally possible for a man to keep the domestic issues separate from the official in his mental plane. The worries on the one will have repercussion on the other. Therefore, it is in the interest of the administration to alleviate the employees' difficulties in the domestic field to keep him contented and happy.

Working for his livelihood, man had developed a love for his work and desire for perfecting it which we call craftsmanship. These emotional qualities can only thrive if there is perfect harmony between the man and his environment. Domestic worries and the treatment in the workfield lacking human touch, are likely to upset the worker's mental poise.

x x x

Intricacies of Human Behaviour

It is not possible to deal with this aspect deeply due to its intricacy. Various factors, such as, genetic, ethical, moral, physiological and psychological, go into the formation of the behaviour of a human being.

Psychologists say that the human personality reveals tremendous energies when driven by emotion. Some emotions are instinctive and others acquired. Examples of instinctive emotions are love, fear, anger, while acquired emotions are sentiments like patriotism, sense of duty, religious feelings etc. Given proper training and scope, it will be possible to channelise the emotions for stimulating the best in the workers.

While handling a man at work, his feelings and sentiments should not be disregarded. Some people are sober, some temperamental, some burst into fits of passion at the least provocation. The supervisor should at the least provocation. The supervisor should know the nature of each one of his men and should be tactful to adopt right methods of approach while dealing with them.

The desire for recognition is the main incentive for men to excel themselves in their work. It was this desire that has impelled many men to achieve great things in life. This is a natural and legitimate ambition and best opportunities should be provided for promoting this urge for self-expression and individual personality. Incentive awards and publicity are the main avenues through which this desire could find satisfaction. On most occasions a word of appreciation will inspire the worker to feel proud of his achievements and to do still better.

Role of Supervisors

Some workmen are peevish and moody, others lively. Some get on with all, some only with a few. A successful supervisor should select matching associates for jobs considered not only for other technical ability but also their emotions. He should also correct any maladjustments he discovers in their work but also in their domestic affairs as a friend, philosopher, and guide; the supervisor can indeed instill proper ESPIRIT DE CORPS in them.

When the rules designed for smooth and efficient working are enforced without imagination, they are likely to create apathy amongst workmen. Discretion should be exercised to see that irregularity is taken up only when it has exceeded reasonable limits. One should believe in the goodness of human nature and realise that nobody likes to make mistakes. Whether a mistake is committed by wilful negligence or casual lapse or due to a slip or oversight or lack of training or any emotional cause should be investigated before taking a disciplinary action.

Human nature abhors unfair judgment and the consequent bitterness lingers long. A cheerful atmosphere created by pleasant talk and friendly feeling of helpfulness can promote efficiency on a much larger-scale than the routine implementation of procedural measures without human touch.

x x x

Proper Handling of Men

Freedom and scope for initiative are important for developing the faculty of the workers. Praise serves as a tonic. Patting a man on the back for a job well done will draw rich dividends. A good suggestion should be accepted irrespective of the rank of the individual submitting it and suitable award made for originality and usefulness of the idea.

Sharp notice should be taken of slackness, wilful negligence and inefficiency. A personal appeal to the man to improve should be made failing which deterrent punishment must be given. It is a wrong notion that sharp words and discipline are necessary to extract work out of the lower categories of staff. Even though a man is illiterate and rustic, his basic feelings are the same as those educated in the schools. Decent treatment will always be appreciated and will encourage the men to take their work in a more cheerful spirit. Harrassment will on the other hand, kill the enthusiasm and spirit and will induce resistance.

Haste and impetuosity are usually due to nervousness which is caused by lack of knowledge or experience. The supervisor should deal carefully with the men under him by instructing them clearly in detail every time a job is begun. This will help in dispelling their nervousness and in instilling confidence and self-reliance. On the other hand, a calm and collected man is no problem at all as he will listen carefully to instructions and is not afraid

to ask questions if he is not clear on any point. He will think twice before he sets about his job.

Points for Supervisors to Remember

Other points to be observed in handling men at work are:

(i) Orders should be as few as possible. In an organised team only one man gives orders.

(ii) Every order should be followed up and compliance ensured: otherwise it would go into disuse.

(iii) Instructions should be simple, complete and precise. Where safety considerations are involved, it should be ensured that the men have fully understood them.

(iv) While giving direction, never use personal authority.

(v) Do not ask a man to see 'reason'; it irritates him. Appeal to the nobler motives. Try to win people gently and tactfully to your way of thinking.

(vi) 'Don't argue', 'Do as you are told' are attitudes which destroy initiative and tend to produce resistance in the men. Discipline should not restrain the spirit of man to express his opinion or views seemingly opposed to the supervisor's ideas.

(vii) Action should be prompt in case of defaults of safety precautions for train working; otherwise, it will lead to a tendency to treat regulations casually.

(viii) Occasional impertinence or impudence in an otherwise good worker should be pardoned.

An effective way of dealing with him is to leave him alone and not to get into an argument with him.

(ix) Disciplinary action should be the last resort for correcting an individual for his ordinary faults. Exhaust corrective methods of advice, persuasion and warning and then only inflict punishment commensurate with the merits of the available evidences. Restraint in the use of authority will create and foster better employee-relationship.

(x) Be human to hear and redress grievances or requests. Help the man to gain confidence in your integrity and leadership. Show that you are impartial and reasonable in your treatment of the men working under you. Do not carry any revenge or bitterness. Remember: "To forgive is divine".

(xi) If the men feel that a particular method or procedure should be changed, the suggestion should be viewed dispassionately and suitable action taken.

(xii) Always endeavour to create the feeling among the men that they are as much a part of the organisation as the top administrators.

(xiii) Co-operation and loyalty can never be commanded. They should be earned by human treatment and sincerity of purpose.

(xiv) Be courteous to the men and respect age and experience. Never give in to your ego.

(xv) Be cheerful and enthusiastic. You should set up a cheerful tone to the working atmosphere.

(xvi) It is futile to criticise because it puts a man on the defensive. It wounds a man's previous pride, hurts his sense of importance and arouses his resentment. There is nothing else that kills the ambition of a man as criticisms from his superiors. You may point out the errors in a friendly way without being told to 'see' his mistake.

(xvii) Have the courage and conviction to admit mistakes and you will grow in the esteem of the men working under you.

ERRATA

Page 124: ***July 1958 issue.*—In the second line of sub-para ii, after "1-7-57" insert "but who ceased to be in service on 27-12-57,"**

Page 236: ***October '58 issue.*—In line 13 of the left hand column, read "lakhs" for "crores".**

Inclusion of Interest in Financial Justification

In calculating the annual cost of service, interest on the cost of the assets is generally included as provided in the rules contained in Chapter VII, of the General Code. However, as in actually preparing a statement of financial justification, the return on the initial outlay is worked out, particularly to see if it is not less than 5% for charging to Capital, it would not be correct to include interest as an item of expense in the recurring expenditure on the new asset, as this will be included in the actual return worked out. Thus, if a new work costing Rs, 10 lakhs is taken up and the extra earnings or savings in working expenses anticipated as a result of the provision of the new asset work out to Rs. 1.5 lakhs, the working expenses to be set off against this sum of Rs. 1.5 lakhs would only be repairs and maintenance, depreciation, operating expenses, etc., excluding interest. If these expenses come to Rs, 50,000, the net savings would be Rs. 1 lakh which works out to 10% on the initial outlay of Rs. 10 lakhs, making the scheme financially justified. This 10%, of course, includes interest. If, in the same case, the net savings excluding interest came to only Rs. 60,000, this would give a return of 6% but, if interest at 4% is added to the recurring expenses on repairs and maintenance, etc., the return excluding interest would be only 2%. As the criterion for financial justification is a return of 5% including interest (i.e., without taking interest as an item of expenditure), the scheme with a return of 2% after excluding interest in the recurring expenditure should be deemed to be financially justified, as the return should be taken as 6% inclusive of interest. This is made clear by the following illustration:

	A If interest is not included in the recurring expenditure	B If interest is included in the recurring expenditure
(i) Cost of work (Initial cost)	Rs. 10 lakhs	Rs. 10 lakhs
(ii) Additional earnings and savings in working expenses (financial savings on account of savings in train engine hours, etc.) per annum	Rs. 1,50,000	Rs. 1,50,000
(iii) Recurring expenses per annum on account of		
(a) depreciation, repairs and maintenance and operating expenses	Rs. 90,000	Rs. 90,000
(b) Interest at 4% on item (i) above	Not included in recurring expenses	Rs. 40,000
(iv) Net savings per annum Item (ii) - (iii)	Rs. 60,000	Rs. 20,000
(v) Return per annum on initial outlay - percentage on item (i)	6% This method is adopted as the return required is inclusive of interest (i.e. without adding interest to the recurring expenses)	2%

For purposes of comparison of alternative schemes, however, it would be necessary to include interest in the annual cost of service of the respective schemes in order to get a proper appreciation of the financial implications of the alternative proposals, as in the following illustration:

	Alternative Schemes of operating improvement (Scheme A)	(Scheme B)	(Scheme C)
(i) Initial Cost	Rs. 60 lakhs	Rs. 45 lakhs	Rs. 35 lakhs
(ii) Anticipated savings in working expenses per annum	4 lakhs	4 lakhs	4 lakhs
(iii) Recurring annual expenditure on account of repairs and maintenance, depreciation and operating expenses	3·0 ,,	3·1 ,,	3·8 ,,
(iv) Interest at 4%	2·4 lakhs	1·8 lakhs	1·4 lakhs
(v) Net additional expenditure per annum Item (ii) - (iii + iv)	1·4 lakhs	0·9 lakh	1·2 lakhs

It will be seen that scheme B is to be preferred as the recurring annual expenses including interest are less than that on Schemes A & C.

"B"

Readers' Forum

Railway Balance Sheet

A doubt has been raised by certain candidates of the S.R.A.S. Examination, as to the treatment of the item "Balance of amount in account with the Central Government". Whether this item should be placed on the Liabilities side of the Balance Sheet or on the Assets side is the question at issue. In the former case, the Railway working would show a loss while in the latter case, it would show a profit. In the absence of any specific indication in the question, the candidate is often in a fix as to where to place this item.

Those actually working on the Balance Sheet in a Railway Office, are not faced with these problems as they have all the facts before them. But, the position is different in an examination paper where it is not clearly known, whether the Railway working shows a gain or a loss.

A discussion as to how this question is solved is invited for publication in these columns.

Editor, R. A.

* * *

Works carried out for Manufacture Units

A question has been raised as to whether a Production Unit like the Integral Coach Factory, Perambur, can take up sundry works costing not more than Rs. one lakh each when no provision has been made in the Works Programme for such works, though provision is available under items of over a lakh.

One view is that the Administration can itself sanction such works as, though no provision exists in the Programme for works costing not more than Rs. one lakh each, such works are charged to Workshop Manufacture Suspense. The other view is that, as Administrations have no power to reappropriate funds from works costing over Rs. one lakh each, the Manufacturing Unit should first obtain funds from the Railway Board for such works and then sanction the works.

The latter view would appear to be more in consonance with the policy of the Railway Board *re* Control of Expenditure.

A discussion is invited.

Ed., R. A.

Subjects of Moment

The following advance correction slips have been issued to the Indian Railway Establishment Code:

Termination of Service due to inefficiency etc.

Rule 150 A—R I.

Insert the following note under this para:

"Note: The term 'former emoluments' in the case of running staff will also include 50% of their pay, as defined in Rule 2003 (21) (a) (i) R II, in lieu of running allowance.'

[R.B. No. E (S) 55 RS/22 dated 2-9-'58]

N.B: This takes effect from 17-8-'53 but no arrears prior to 2nd September '58 will be paid. Cases settled prior to 17-8-'53 will not be re-opened.

x x x

Travelling Allowance on Tour

Rule 231—R I—Appendix XXV-R I

Introduce the following as Railway Board's decision below this rule:

"*Railway Board's decision.*—In respect of journeys performed by road between stations where rail-cum-road services exist (e.g. between Shillong-Pandu, Pathankot-Srinagar etc.), the travelling allowance for the road portion of the journeys by the Transport service should be calculated as for journeys by rail i.e. the fare of the appropriate class by the Transport service plus the usual daily allowances.

In case a Railway servant performs a journey by taxi etc. between Pathankot and Srinagar, Pandu and Shillong etc, and does not utilise the transport service, he would be entitled to road mileage as admissible under the rules, vide Rule 231—R I, limited to what he would have been entitled to, had he travelled by the Transport Service, as indicated in para 1 above. This limit will, however, not apply where a competent authority certifies on the analogy of Government of India order below this rule that the journey by taxi etc. was performed in the public interest.

[R.B. No. F (E) 58/AL 19/(3) dated 3-9-'58]

x x x

Interest on Railway Staff Benefit Fund Balances

Rule 1206—R I.

Please substitute "2 per cent per annum" for "1½ per cent per annum" occurring in the first line of the note below this rule as introduced vide C.S. No. 48—R I.

[R.B. No. F (E) 57/FU-11/(2) dated 25-8-1958]

x x x

Staff Benefit Fund

Rule 1209—R I.

Insert the following as 'Note' under this rule:

"A scholarship for study granted to the child/ward of a non-gazetted Railway servant will not be withdrawn merely because the Railway servant is subsequently promoted to officiate in a gazetted post, provided the student remains otherwise eligible for the same."

[R.B. No. E (W) 57 FU 1—19 dated 1-9 '58]

x x x

Advances form State Railway Provident Fund

Rule 1321—R I.

Add the following words after the words "his/her children" occurring in clause (iv) of sub-rule (g) of rule (1) of the above Rule as recast *vide* correction slip No. *158*.

"and dependent relatives."

[R.B. No. F (E) 56/Adv-6/2 dated 17-8-1956]

* * *

Introduction of Pension Scheme

A question was raised whether a Railway servant who retired from Railway service on or after 1-4-'57 and who was paid Government contributions (with interest thereon) and special contributions to S.R.P.F. prior to 5-9-'57, should be required to pay interest also along with the amount of Government Contribution and excess of special contribution over death-cum-retirement gratuity due to him, on his opting for the pension scheme, for the period for which the amounts were retained by him. It has now been clarified that no interest is to be recovered on the amounts so refundable. However, in a case in which the special constribution had been paid, and the excess over the amount admissible as death-cum-retirement grautity is to be recovered from the Railway servant, he should be made to give a clear receipt for the full amount of the death-cum-retirement gratuity due to him in order to have a record proof of the Government having discharged its liability fully.

[R.B. No. F (E) 57PN/1/4 dated 3-9-'58]

* * *

Issue of free passes to staff on transfer and settlement account

Rule 248 (2) (a) R.I. lays down the scale of free passes for wagons for the transportation of personal effects of Railway servants in Class I, Class II and Class III. A scale has been laid down for passes on settlement account also. Recently, the Board have decided that if a Class IV Railway servant has more luggage than that for which a pass is normaly admissible under the rules of the Railway, he may be issued a pass for a higher quantity or even for a wagon, vide their letter No. E (G) 57 PS 75-1 dated 19-8-1958.

In the case of wagon passes issued to Railway servants in classes I, II and III, it has been decided that the present scale may remain unchanged. Railways must ensure that wagons are asked for only if necessary for the transportation of personal effects. If an employee does not possess a wagon load of personal effects, he should ask for a free pass for only such quantity of personal effects as are actually required to be transported. If, however, a wagon is asked for by an individual when he does not actually need one, it may be viewed as a misuse of the pass privilege and dealt with as such.

[R.B. No. E (G) 57 PS-5-1 of 5-9-'58]

* * *

Sanction to posts: Budget provision for—

Proposals for the creation of new posts or extension of the duration of the existing temporary posts are submitted to and sanctioned by the competent authorities. Before putting up such proposals, it should be examined and ensured whether funds to meet the expenditure exist. If funds exist, the proposals may be pursued. But if, on the other hand, there is no specific provision in the budget to meet the expenditure and the proposals have to be finalised early to save time, it should be made clear in the application that the posts, if sanctioned, will be operated only after funds have been allotted by re-appropriation of funds by the competent authority (G.M.) or after sanction to the Revised Estimate by the Railway Board wherein the additional funds required have been included.

Sanction to a proposal for the creation of posts or for the extension of the duration of temporary posts does not automatically mean that the posts can be operated straightaway, as the sanction is *always subject to the understanding* that funds to meet the expenditure are available in the budget either by re-appropriation or through the Revised Estimate sanctioned by the Railway Board.

Where, however, cases arise for the creation of additional posts or extension of the duration of the existing temporary posts, which cannot normally wait for the provision of funds, the necessity and urgency of operating upon the posts without allotment of funds should be clearly explained in the application to the Sanctioning Authority and the Railway Board must be immediately advised by the G.M. of such proposals and the financial implication and their confirmation obtained to the incurrence of expenditure pending provision of funds through the next revision of budget.

* * *

Calculation of Average Pay for Leave Salary

in respect of a Railway servant, who proceeds on leave shortly after re-instatement which is preceded by a period passed under suspension.

A question has been raised as to how the amount of average pay to be paid as leave salary under Rule 2003 (2)—F. R. 9 (2)-R II, or Liberalised Leave Rules, should be calculated in the case of a Railway servant who is reinstated after a period passed under suspension and who proceeds on leave shortly after, or immediately on, reinstatement. In the case which has given rise to this question, the Officer concerned was allowed on reinstatement, under Rule 2044 (3) [F.R. 54 (3)] R II, a proportion of his pay and allowances, equal to the subsistence allowance admissible under Rule 2043 [F.R. 53] R II, in respect of the period passed under suspension.

2. It has been decided that the average pay of the Railway servant in a case of the type referred to above, should be calculated on the basis of the pay actually drawn by, or allowed to, him during the 12 complete months preceding the month in which the leave commenced.

3. It has also been decided that the leave salary of a railway servant, who is allowed to draw pay under Rule 2015 [F.R. 20] R II, or Rule 2029 [F.R. 35] RII, should also be calculated similarly, i.e., on the basis of the pay actually drawn by or allowed to him.

[R. B No. F (E) 58 LE—1/3 dated 18-8-'58].

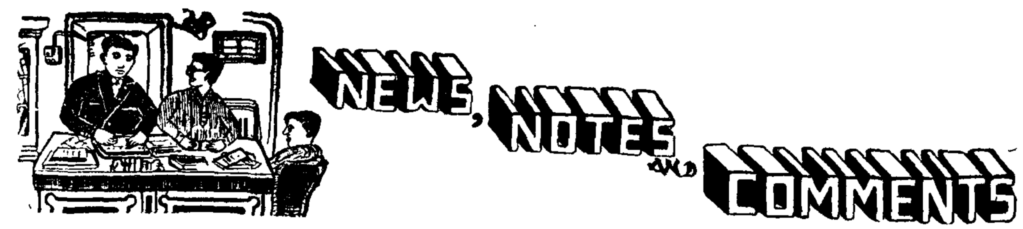
* * *

Encashment of Private Cheques of Railway Officers from Station Earnings

The Railway Board have decided that with immediate effect (19th Sept. '58), private cheques of the categories of staff mentioned in Para 1406 (a), (i) & (ii)–G should not be encashed at the Headquarters of the Gazetted Officer, if normal commercial banking facilities are readily available at the headquarters. Officers on tour, may however be allowed to encash their cheques from station earnings at other than their headquarters station provided they are not returning to their headquarters within a period of five days. The limits already prescribed and in force regarding the maximum per day and maximum per month in the case of various officers continue to operate. Similarly, other safeguards for such withdrawal from station earnings as may have been prescribed by local administrative instructions on each railway will also continue to operate.

Gazetted Officers themselves are personally responsible to see that they do not use the facility otherwise than in accordance with these instructions. The F.A. and C.A.O. of each railway will also arrange to have a periodical review made to ensure observance of these instructions.

[R.B. No. F. (X) I-54-CHQ/1 dated 19-9-1958.]



Railway Sports Control Board

The Railway Sports Control Board (formerly Indian Railway Athletics Association), consists of General Managers of all Zonal Railways and heads of other organisations viz., Calcutta Sports Commissioners, C.L.W., I.C.F., Ganga Bridge Project and the Railway Board, as members of the General Body. New Office Bearers were elected for 1958-59 :

President	:	Sri M.K. Kaul,
Vice-President	:	Sri Y.P. Kulkarni
Secretary & Treasurer	:	Sri V.P. Sawhney
Asst. Secretaries	:	Sri S.N. Gopal and Sri P.K. Mathur.

* * *

All India Signal and Tele-Communication School

The conclusion of the training of the first batch of apprentices to the All India Signal and Tele-communication School, Secunderabad, was marked by a colourful function held on August 19th 1958 with the General Manager, Central Railway presiding. The G.M. hoped that with the intensive training received at the institution, the trainees would give a good account of themselves and maintain the high traditions which the department expected of them.

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Doubling of Arkonam Jalarpet Section

The opening of the first 5 miles from Arkonam to Chitteri, the first lap of this project was made by the Divisional Superintendent, Royapuram, on the 15th August 1958.

* * *

World Bank Loan for Indian Railways

In connection with the World Bank Loan of 85 million dollars to India to help to meet the foreign exchange cost of programme to improve and expand the Indian Railways, the *Charge d'Affaires*, Shri Harishwar Dayal signed the Loan Agreement at Washington on the 16th September 1958 and recorded a message for the Voice of America. In the course of this message, he said, "The World Bank's participation in the Second Plan is now of the order of half a million dollars and this indication of the Bank's confidence in our determination and capacity to fulfil the Plan is gratifying. The participation of private banks in this loan is also welcomed." He expressed appreciation of the part payed by the President of the World Bank, Mr. Eugene R. Black, not only in negotiating the particular loan projects but in taking initiative in working up over-all interest in the whole question of India's economy.

* * *

Conference on Railway Facilities

The Conference of Chief Ministers of various States with the Railway Ministry was held at New Delhi on the 6th November. At this meeting, demands from various State Governments for the provision of new Railway facilities or extension of existing ones came up for discussion. The Chief Ministers from most of the States attended the Conference.

The Chief Ministers promised every possible assistanee in combating the incidence of crime in running trains.

The Railway Minister said that, in the larger National interests, fresh invesments in road development should be employed for opening of areas at present not served by the Railways, instead of duplicating existing routes which amounted, in the last analysis, to wastage of National Investment. He also referred to the liberal issue of road permits on sections where

Railway facilities already existed and such transport was required as feeder to the railways.

* * *

Purchase of Stores by Railways

The Indian Railway purchases of stores manufactured within the country have doubled during the seven-year period ending 1956-57. It is unofficially estimated that about 60% of the entire Engineering capacity in India is geared to meet the requirements of an incredible variety of stores purchased by Railways.

The indigenous purchases are as under :

Year	Amount
1950—51	Rs. 63.22 crores
1955—56	Rs. 93.65 „
1956—57	Rs. 126.00 „

* * *

Chief Operating Superintendents' Conference

The Chief Operating Superintendents of the eight Zonal Railways met in Conference at Bangalore on the 28th October Sri K.B. Mathur, Member (Transportation) and Mr. S.V. Ramaswamy, Union Deputy Minister for Railways.

Mr. Ramaswamy referred to increase in the Railways' traffic by about 50% and the heavy responsibilities of the departmental personnel. He mentioned that over six thousand questions were being addressed to the Railway Ministry by the public and urged the importance of attending to the public complaints. There were certain complaints which called for effective supervision especially those relating to cleanliness of coaches, carriage fittings and shortage of water. Surprise checks at important stations and rectifying matters on the spot would go a long way to eliminate such criticisms. It was necessary to take the public into confidence and explain to them in simple language the exact position.

Emphasising the necessity to improve punctuality, the Minister said that with careful time-tabling of trains and adequate provision for engineering and other restrictions, it should be possible to attain better punctuality. He also urged that a sense of earnestness should be cultivated amongst all Railway Staff. He cited Japanese Railways as example of such earnestness. Regarding the causes of accidents which were traced to a great extent to the human factor, the Minister said that such accidents should be reduced by effective supervision at different levels. He hoped that frequent inspections by officers and inspectors would bring about safety-mindedness and ensure that all safety rules were being strictly observed by staff.

* * *

All India Cooperative Week

The Railway Board has decided that railways throughout the country should celebrate the All India Cooperative Week commencing from November 1, 1958 to popularise the cooperative movement among railway employees.

Indian railways were one of the earliest to form cooperatives for the benefit of their staff. The first cooperative credit society on the railways was formed in 1907 at Madras. At present, there are 30 cooperative credit societies with a membership of 5 lakhs or nearly half of the total number of employees on all the railways.

The first consumer cooperative society on the railways was formed in 1918 at Kanchrapara. At the end of June this year, there were 121 consumer cooperative societies with a total membership of 50,000 functioning on the Indian Railways.

Note :—In this connection, some of the old employees of the ex-M.S.M. Railway would remember how great necessity was felt for a cooperative consumer society during the evacuation period when the staff were subjected to very great inconveniences in strange places. But, nevertheless, the Railway Administration refused at that time to recognise a cooperative society formed voluntarily by the members at Bellary for the Railway Staff with practically an official committee for management. In spite of such handicaps, not only was the society supplying the members consumer stores at rates

far lower than the market rates, but the society also earned for its members a rich dividend on a nominal share capital of Rs. 5/- per share. That the institution worked very vigorously for eight months and earned the unique distinction of being placed in A class by the Deputy Registrar of Co-operative Societies at Bellary, is sufficient to prove the possibility of such consumer societies working tremendously well, provided the management is in able and selfless hands.

Editor.—R.A.

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Literacy Drive in Railway to be Intensified

The Railway Board have decided, as a part of their campaign to eradicate illiteracy from amongst railwaymen, to set up over 40 special adult literacy centres at selected places where large concentrations of railwaymen live.

State Governments concerned would be requested to run these centres through their social education organisation. Railway Welfare Inspectors and other railway employees, who may volunteer to teach their colleagues, would be associated with these centres.

An honorarium of Rs. 20 per month would be paid to the Instructors taking the adult literacy classes to be held thrice a week. As far as possible, the literacy classes would function as community centres, where recreation would also be provided to make the literacy campaign more attractive. Training as part-time Instructors would be given to those from amongst the railway employees who volunteer for such work.

The Railway Board have also directed that monthly and fortnightly meetings of the adult pupils should be convened and they should be encouraged to take part in speech-making, dialogues, conversations, dramatic performances, etc. so that their various other creative instincts may be fully expressed.

Lifeline—Oct. 16, 1958.

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F. C. Railways, at Madras

Sri J. Dayal, Financial Commissioner, Railways, visited Madras towards the end of October '58, when he discussed with the Ry. Administration outstanding questions. The Managing Editor, RAILWAY ACCOUNTANT, also met Sri Dayal at Madras.

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App. II & III Examinations 1958

Appendix II Examination is to be held on 24th, 25th, 28th and 29th November 1958; Appendix III Examination from 16th December to 24th December, except 21st.

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Metric System of Weights

1 Palam is equivalent to 35 Grams		
1 Viss	„	1400 Grams or 1·400 Kilogram
1 Maund	„	11·200 Kilograms
1 Candy	„	223·900 Kilograms

Note :—Calculations may be made for every palam at 35 grams up to 1 Viss and thereafter at 1400 grams for every viss and at 11·200 Kilograms for every maund.

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Monthly Railway Statistics

1. *Gross Earnings*: The approximate Gross Earnings for September 1958 showed an increase of 0·14% as compared with the approximate for September 1957. Compared with the actuals for September 1957, however, the approximate is lower by 4·76%. The Gross Earnings to end of September 1958 compared with the corresponding period of 1957 showed an increase of Rs. 2·41 crores.

The following statement gives a ready comparative picture.

(Rs. in crores)

	Approx. Septr. 1957	Actuals Septr. 1957	Approx. Septr. 1958	Cumulative figures Actuals Apr.–Sep. 1957	Cumulative figures Approx.–Actuals Apr.–Sep. 1958
Coaching	10·75	12·07	10·24	72·94	70·23
Goods	17·16	17·29	17·43	106·84	111·71
Others	0·44	0·45	0·72	3·01	3·26
Total	28·35	29·81	28·39	182·79	185·20

2. *Wagon Loading*: During the month, the number of wagons loaded with goods traffic increased by 0·78 per cent on the Broad Gauge and decreased by 3·83 per cent on the Metre Gauge as compared with September, 1957. From 1 April to 30 September, 1958 the number of wagons loaded increased by 2·31 per cent on the Broad Gauge and decreased by 4·18 per cent on the Metre Gauge as compared with the corresponding period of the previous year.

The details are given below :—

(a) Number of wagons (in terms of 4 wheelers) loaded during the month of September, 1958 as compared with September, 1957.

	September 1957	September 1958	Percentage : Increase (+) or Decrease (–) in the current month as compared with the corresponding month of the pervious year.
Broad Gauge	427·422	430·750	+ 0·78
Metre Gauge	253·226	243·526	– 3·83

(b) Total number of wagons (in terms of 4 wheelers) loaded from 1 April to 30 September, 1958.

	1957–8	1958–9	Percentage : Increase (+) or Decrease (–) in 1958–59 over 1957–58.
Broad Gauge	2,619,397	2,679,817	+ 2·31
Metre Gauge	1,636,564	1,568,179	– 4·18

An analysis by Commodity loadings of the above shows :—

On the B. G.—Increases under coal & coke for public, grains & pulses, cement, iron & steel, iron ore, miscellaneous fulls, coal for Home Line and Railway coal and materials, others; set off mainly by decreases under cotton manu factured, jute raw, sugar, sugarcane, manganese ore, other metallic ores, and miscellaneous smalls;

On the M. G.—Increases under coal & coke for public, grains & pulses, oil seeds, cement, iron ore, and coal for other Govt. Rys.; set off mainly by decreases under cotton raw, cotton manufactured, sugar, sugarcane, manganese ore and coal for Home Line.

Students' Corner

The Institute's Examinations

AN ARTICLE BY MR. OSCAR BRITZIUS, B.A., F.C.I.S., *In a series of articles to the South African Edition of THE SECRETARY.*

Are the Examinations Really Very Difficult ?

x x x

The system of written examinations within a prescribed time limit, such as we are familiar with, has at least the merit that the candidate has the freedom to express his knowledge and understanding of the subject in his own words, and without the much greater stress and tension that would be inevitable at a personal interview.

The fact of the matter is that the candidate who is adequately prepared for the examination, in terms of (a) knowledge and understanding of the syllabus, (b) accuracy of thought and expression and (c) speed and neatness of presentation, has (apart from accidents) nothing to fear. And no examination system can be proof against accidents. Moreover, it is just the three qualities mentioned above that are essential for success in profession or business life, long after the examination has been passed; it is therefore not inappropriate that they should play a decisive part in the passing of the examination.

It is, of course, the "border-line" candidate who feels that he has most legitimate grievance. Why, he argues, should he be "Ploughed" for the sake of two or three wretched marks? Apart from the fact that all "border line", cases are carefully scrutinized by the Examination Committee, this complaint really amounts to a protest against any minimum standard being demanded. For, if candidate X, who falls short by, say, 1 per cent. is admitted, what of candidate 7 who is 1% behind candidate X? Clearly, this argument can be carried on AD INFINITUM.

In any case, why be border line? If indeed, the candidate has worked conscientiously through the syllabus, recognizing the three DESIDERATA for examination success mentioned above, there is no need to fear the outcome. It is then not a difficult thing to attain a mark which will well satisfy the examiners. Herein, in fact, lies the crux of my answer to the question propounded above. If you know your work, no Institute paper is difficult; if you don't, no Institute paper is easy! Therefore, know your work!

x x x

Who Knows ?

In this connexion I am reminded of the old adage that men fall into four types viz. (a) he who knows that he knows; (b) he who knows and knows not that he knows; (c) he who knows not and knows he knows not; and (d) he who knows not, and knows not that he knows not. Of the last two types of unsuccessful candidates, it seems unlikely that the candidates, it seems unlikely that the candidate who is aware that his knowledge was insufficient to secure a pass would descend to rationalization on the lines discussed above. Hence, it seems reasonable to suspect the candidate who is unaware of his own insufficiency. And the more one reflects upon the problem, the more can one appreciate that it is just such a candidate, who for whatever reason believes that his knowledge is sufficient, but who, in fact, has not yet realized the scope of the knowledge and understanding which is expected of him, and hence his own deficiency, who is likely to blame the examiners, or the Institute, for his failure.

x x x

What is the Pass Percentage ?

From several sources the question has been put: What is the percentage required to "satisfy the Institute examiners?" It is, of course, common knowledge that the Institute does not disclose the percentage required to secure a pass in individual subjects, nor that required for a pass in a section, and it is not unnatural for students, and others, to inquire after the reasons for this policy.

In the first place, it is worth mentioning that the Institute is not alone in not declaring percentages. Indeed the Institute of Bankers is the only professional examining body, as distinct from those conducting university examinations, that does disclose its pass standard.

I think that the reasons which have always influenced the Council in this matter are two-fold viz. (a) that the advantage to be gained is more apparent than real, and (b) that there are certain very definite objections to the proposal. I will take each point in turn. Suppose that the pass standard were announced to be 50 per cent. How much wiser would we be? Since the assessment of the percentage would be entirely within the judgment of the examiner, we would be no further towards securing an answer to the question posed above. There is in fact, no means of defining objectively a standard which, by its very nature, must be determined subjectivey. In other words, the examiner must feel, from the quality of the candidate's answers, that he (or she) is fit to be allowed a pass, bearing in mind the policy of the Institute only to pass those candidates who, in the examiner's judgment, are entitled to bear the Institute's hallmark of approval. It is after all, in the interests of all, and not least of those who seek membership of the Institute, that this should at all times be the criterion of success in the Institute's Examinations. There is, indeed, no evading the fact that the examiners' decisions are based on the subjective impression created upon them by the candidate's answers; the act of expressing their judgment in the form of a percentage in no way renders it more mathematicaliy calculable or objectively accurate, and only suggests a degree of mathematical exactitude which is, in fact, not present.

Turning now to the second reason enunciated above, I believe that the disadvantages which would flow from declaring a specific percentage to be the pass standard are very real. In the first place, let us again assume that the Institute were to declare 50 per cent as the pass mark; and suppose that some other professional body were to announce 60 per cent as its pass standard. Would not nine persons out of ten draw the hasty conclusion that the Institute's examinations were relatively easier? Yet such a conclusion would be entirely fallacious, not only because of the subjective nature of the examiners' assessment discussed above, but also because it would take no account of the type and difficulty of the questions set, the scope of the syllabus prescribed, the length and detail of the answers expected, etc. Secondly, some candidates would undoubtedly not be disposed to put forth more effort than they thought necessary to secure "just enough marks to get through". Even under present conditions, this attitude is all too prevalent among those who appear to be afraid that they might study too hard, or might acquire too much knowledge and who are therefore anxious to reduce their preparation to what they conceive to be the bare minimum. In my view, this attitude would be likely to be encouraged if a specific percentage were announced. Even more than now, we should find students making ingenious and involved calculations in their endeavours to discover a minimum formula–and the standard of their knowledge, and hence the Institute's pass results, would suffer in consequence. Moreover, the experience of the one professional body that discloses its pass standard i.e., the Institute of Bankers, does not seem to justify the claim sometimes made that, if the percentage were known, candidates would be in a better position to prepare themselves for the examinations.

Borderline Cases

I believe that the reflections contained in the foregoing paragraphs go far towards answering a question which I would now like to put, viz.

Why are so many candidates so interested in the precise percentage which the examiners have set up as the minimum standard? To be perfectly frank, is it not because they only aspire to being border-line? If their ambitions were instead to obtain as sound a training and as full a knowledge of the prescribed syllabus as possible, then surely the question of the minimum standard would cease to be important. In other words, why be satisfied with being mediocre? I am reminded in this connexion of the words of the wise man of Isreal: "Whatsoever thy hand findeth to do, do it with thy might." I believe that if more candidates were to adopt this advice, the Institute's pass figures would show an immediate and substantial improvement.

One final point is worthy of mention. Not only does the Institute demand a high (though by no means unattainable) standard in respect of each particular subject; in the Final examination it also lays down an over-all percentage (or aggregate). This is a practice by no means confined to the Institute; for example, it is also adopted in the Matriculation Examinations. And rightly so. It ought not to be sufficient fór the candidate merely to secure the minimum demanded in respect of each subject; he should also attain a certain over-all minimum. And for this over-all minimum to have any practical significance, it must be a higher percentage than that prescribed for individual subjects. To put the matter the other way round, the Institute is prepared to accept, in any particular subject, a somewhat lower percentage than the over-all average, provided that the shortfall is made up in other subjects. This is a concession for which, I feel the Institute rarely receives due credit.

In conclusion, then, let me once again emphasize that "what is worth doing at all is worth doing well." The Institute's examinations are certainly worth doing; they are also worth doing well.

[By Courtesy—The *Secretary*, Journal of The Chartered Institute of Secretaries, London.]

Note: The grading system of marking results was recently introduced in the Madras University in regard to pre-university examinations, and later extended to others also. The grades represent marks obtained within certain specific limits and hence the exact marks allotted are not likely to be known but they can be ascertained within a margin of 5 to 10 marks. So long as the allocation of marks for a specific answer is in the hands of the examiner, such gradations are as good or as bad as actual marking itself. It is also well-known that marking the same answers vary from examiner to examiner; and if at all a fair amount of accuracy of estimating the performance has to be obtained, the papers have to be valued by a team of examiners independently of one another and the results pooled. *Ed.—R. A.*

* * *

Depreciation

It may be defined as the permanent reduction in value of an asset which cannot be made good by repairs. Thus, it becomes an item in the costs of business or industry.

It is not always possible to determine accurately in advance the appropriate rate or amount of annual charge that should be provided on any fixed asset. In making a decision, sound common sense and experience are important factors. A fair judgment should be exercised regarding the purpose of the depreciation. It may be that the charge should allow the cost price to be completely absorbed and written off during the effective life of each item. The theory behind this term is called, "Expired Capital Outlay." Another way of looking at it is that the depreciation provided over the working life of an asset should not be limited to the original cost but should permit the building up of a fund so that the item can be replaced when necessary without increasing the book value. This is called, "The Accrued Renewals Theory." This has a special importance in regard to inflated prices. Hence, the need for making a wise judgment regarding the basis of depreciation.

Personnel

Sri J. P. Chapman, Senior Scale Officer in the Signal and Telecommunication Department of the Eastern Railway has been transferred to the Railway Board and appointed to officiate as Deputy Director, Signals, Railway Board with effect from 18-9-'58 with Head quarters at Calcutta.

Sri S. Chakravarthi, Offg. C.M.E., Southern Railway, has been appointed as Offg. Director, Mechanical Engineering (Production), Railway Board.

Sri A. N. Mukerji, Offg. C.M.E., Chittaranjan Loco Works, has been transferred as Offg. C.M.E., to Southern Railway.

Sri K. C. Lall, Director, Standardisation (Mechanical) R.D.S.O., has been appointed as C.M.E., C.L.W., *vice* Sri A. N. Mukerji.

Sri S. S. Jagota Offg. Deputy C.M.E., C.L.W., has been appointed as Offg. Joint Director, Mechanical Engineering (Production) Railway. Board.

Sri S. S. Lal, Offg. Deputy G.M. (G), Western Railway, has been appointed to officiate as Chief Personnel Officer on that Railway for about three months.

Sri M. J. Patel Offg. Deputy C.E., Western Railway, has been appointed as Offg. Deputy G.M. (G) on that Railway *vice* Sri S. S. Lal.

Sri T. S. Gopalan, Senior Accounts Officer, Southern Railway, has been appointed to officiate as Deputy C.A.O., Southern Railway for a short term local arrangement in the leave vacancy of Sri A. K. Ganesan.

Sri T. S. Subramaniam, Deputy C.A.O., Northern Railway, has been appointed to officiate as F. A. and C.A.O. on that Railway

vice Sri Apjit Singh who took over as additional Member Finance, Railway Board's Office, with effect from 16-9-'58.

Sri V. R. Ganesan transferred to Northern Railway on promotion as Dy. C.A.O. in place of above.

Sri Varadachari is to officiate as Dy. C.A.O. Central Railway.

Sri M. Sunder Raj, Dy. C.A.O., Central Ry. is transferred as Dy. F.A. & C.A.O., Integral Coach Factory, Madras.

Sri B. Bhattacharyya, Dy. F.A. & C.A.O., I.C.F., is transferred as Joint Director, Production, Ry. Board.

Sri M. V. Rao, Jt. Director, Finance (P.P.), has been nominated as a member of the Advisory Council of Messrs Richardson & Cruddas.

Southern Railway :

Against the extra post of A.A.O. sanctioned temporarily, Sri A. M. Rajarathnam, Offg. Senior Accountant has been promoted to Officiate as A A.O. and posted as Assistant Divisional Accounts Officer, Royapuram, with effect from 13-10-'58.

Sri B. G. Balakrishnan, S.A.O. (Finance) was granted leave from 5-10-'58, to 22-11-'58.

Sri G. Dasappa, Offg. Senior Accountant, was promoted as Offg. A.A.O. and posted as P.A. to C.A.O. with effect from 17-10-'58.

Sri P. K. Madhava Menon, Divisional Superintendent, Hubli, is transferred to Bezwada, as Divisional Superintendent, from 10th November 1958 in place of Sri M. S. Murthy, transferred to Chittaranjan, as reported in the last issue.

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