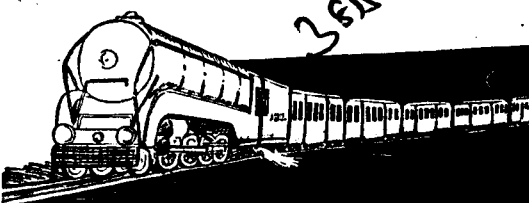


341-
3614
4-61
129317



The RAILWAY ACCOUNTANT

A MONTHLY JOURNAL DEVOTED TO RAILWAY ACCOUNTS, AUDIT & FINANCE.

Published on the 15th of every month

Vol. VIII—No. 6 SEPTEMBER 1961 Re. 1

129317
JL
7215 : 8112 NS4 R.F.
1101-8-6

Edited & Published by:
L. V. GOPALAN, B.A., B.L.
Retd. A. A. O., M. S. M. Ry.
14, Balakrishna Road,
Mylapore, Madras-4.

Hon. Editorial Adviser:
Sri B. G. Balakrishnan,
Retd. S.A.O., S. Ry.

Subscription:
Payable in Advance

	Annual:	Half-Yearly:
	Rs.	Rs.
Inland	Ten	Five
Burma (Sea-Mail) Pakistan	Twelve	Six

CONTENTS

	PAGE
EDITORIAL:	
THIRD FIVE-YEAR PLAN & EFFICIENCY IN WORK- ING	.. 149
CONTRIBUTIONS:	
ENQUIRY INTO EXCESS OVER ESTIMATE	.. 151
THE RAILWAYS AND THE THIRD PLAN	.. 152
GOVERNMENT PURCHASE—POLICY	.. 152
PAY CEILING	.. 153
FRESH RESOURCES FOR THE GOVERNMENT	.. 154
GOVT. SERVANTS' CONDUCT RULES	.. 155
PROPOSALS FOR REFORM OF ADMINISTRATIVE MACHINERY	.. 155
SUBJECTS OF MOMENT	.. 159
NEWS, NOTES & COMMENTS	.. 163
RAILWAYS IN PARLIAMENT	.. 168
LETTERS TO THE EDITOR	.. 169
PERSONNEL	.. 170
SCIENTIFIC DEVELOPMENTS	.. 171
STUDENTS' CORNER	.. 172

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.

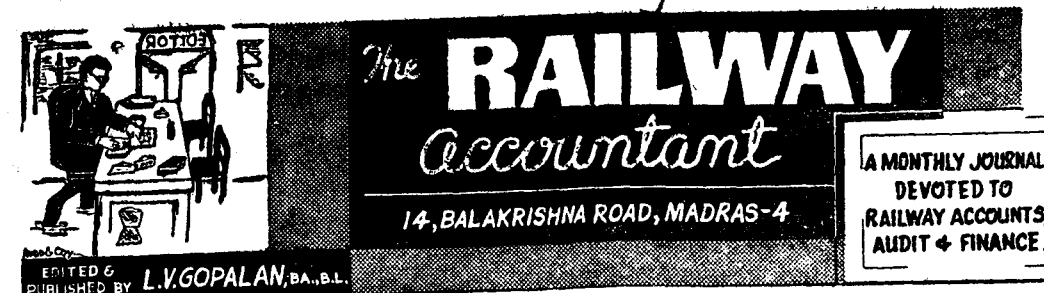
All communications contributions, subscriptions, advertisements, etc., should be addressed to

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

ACKNOWLEDGMENTS

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

Central Railway Magazine	— '61	Transport	— '60
Eastern Railway Magazine	June & July '61	Indian Railway Gazette	Aug. '61
Western Railway Magazine	June & July '61	Indian Construction News	Apr. & June '61
South Eastern Rly. Magazine	— '61	Chartered Accountant	Aug. '61
Southrailnews	— '61	Educational Review	Aug. '61
Chittaranjan	— '61	Australian Accountant	July '61
Central Railway Newsletter	— '60	Accountants' Journal (NZ)	— '61
Eastern Railway (Lifeline) up to F.E.	16 7-'61	Technical Bulletin (Australia)	— '60
" Newsletter upto F.E.	21-7-'61	Accountants' Magazine (Edinburgh)	July '61
Western Railway "	— '61	Railway Board's Monthly Statistics	
Metric Measures	July '61		Mar. & April. '61
Indian Railways	Aug. '61	I.R.T.D.A. Newsletter up to F.E.	31-8-'61



Vol. VIII—No. 6

SEPTEMBER 1961

Re. 1

The Third Five-Year Plan and Efficiency in Working

Planning is the order of the day. But planning not merely theoretical, but one based on mature considerations of past experiences, of reliable forecasts of the future and remedial measures of past defects with a view to their non-recurrence in the future. In the words of the Third Five-year Plan Report : "Thus, ever since Independence, two main aims have guided Indian Plan Development—to build up by democratic means a rapidly expanding and technologically progressive economy and a social order based on justice and offering equal opportunities to every citizen." Though this sounds very fine, still it is not free from criticism. While the Communists and Socialists may say that equality of opportunity is a false slogan of the capitalist world, the progressive economy should, others may feel, include rural industries and not merely urban industries. It may appear, when studied in detail, that the principles underlying Indian Planning follow more the conservative elements of the British Labour Party than the more liberal aspects of the U.S.A. What is urgently and really needed at present is the actual result as compared with the planned programme.

Thus, it is obvious that the imperative need is to so improve the administrative machinery as to make it really efficient and capable of yielding the maximum favourable results. For this purpose, not only is a very great devolution of responsibility necessary, but also that such persons as are entrusted with extensive powers use them to the best advantage of the community.

Recently, the Prime Minister (Mr. Nehru) stated in the Lok Sabha "The Government proposals to improve the administrative machinery, a summary of which is enumerated in an article later in this issue. Some of the other aspects not mentioned there are as under :

Ministries are given latitude to vary the pattern of organisation within broad limits in order to introduce speed and quality of work suited to their circumstances.

Executive agencies should be made stronger and given greater responsibility, relieving the Ministers to concentrate on matters of policy, general supervision and enforcement of standards.

Responsibility for financial management should be undertaken in greater measure than before both by the Ministries and Executive Agencies. A scheme has been drawn up for this purpose to be tried experimentally in four Ministries and cover the following:

- (i) Formulation of a programme for intensive prebudget scrutiny between the Ministry of Finance and Administrative Ministry necessitating the preparation of budget estimates earlier than usual in cases in which actuals of the previous year are not an important consideration.
- (ii) Liberalisation of financial powers to the Ministries in order to avoid references to Finance Ministry in the post-budget period except on vital matters.
- (iii) Exercise of control of important financial aspects by the Finance Ministry through an adequate reporting system and test-checks. The Finance Ministry is also simultaneously taking measures to strengthen its machinery for scrutiny of project estimates and their financial review.
- (iv) Control of the Ministry of Home Affairs on staff up to and including Section Officers to be transferred to the Ministries concerned. This will enable this staff being given training specially related to the Ministry in which they are employed, and will also be conducive to better personnel management.

It is apparent from the above that very detailed action has to be taken to improve efficiency at every stage and ensure a correct appreciation of the responsibility by every officer in the discharge of his duties. In practical working, it would be realised that the tendency to a great part is to shove responsibility on to a higher Officer and thus to increase avoidable strain and delays. These therefore point to the need for continuous studies being made by the O. & M. Division of Government for simplification and improvement of procedures and also the internal work study cells of such procedures as involve delay in decision-making and implementation.

These would also emphasise the need for having Design and Research Units established in every sphere. On the Railways, the Financial Commissioner can have a strong Project Coordination Cell to undertake a thorough scrutiny of cost estimates and of the broader economic aspects of projects; and also to present an annual report on financial and economic aspects of the Railways' Plan undertakings as a whole.

This phase of work can be fully effective if the Finance Branch of every Railway discuss in open session the peculiarities of all cases dealt with every month in broad outline, and thus afford adequate educative knowledge to the entire staff, who are interested in it. Such meetings may be either official or semi-official as the case may be; but their importance should be recognised and encouraged.

Enquiry Into Excess over Estimate

BY B. G. B.

Mr. G. Pande, former Chairman of the Railway Board and Vice-Chancellor, Roorkee University, has been appointed to hold a "Technical Audit" into the alleged over-expenditure in the construction of the Matatila Dam, the original estimate of which was only Rs. 4 Crores while the actuals had risen to Rs. 14 Crores.

It is high time that the Railways also selected some of the Projects where alarming excesses have occurred over the original estimate, for a proper and competent technical probe, so that not only will the irregularities, if any, be brought to light, but it will also serve as a moral corrective to those engaged in the execution of Schemes.

While, as has been pointed out in several articles earlier in this Journal, the excess resulting from higher Tender rates and the rise in prices of materials is understandable and justifiable, there are various other causes for excess which require greater investigation and scrutiny. For instance, entirely new works of magnitude which should have been properly contemplated at the time the Scheme was promulgated, are subsequently inserted, causing great embarrassment to the sanctioning authorities, no less to the tax-payers. The far-reaching effects of such new provisions involving considerable excess over the original estimate, are easy to imagine. The difficulty in finding funds is one thing; secondly, the financial results originally forecast get totally upset by such excesses. Thirdly, who is to pay for the increased running maintenance and working expenses of the Project, resulting from the increased initial cost? And how is such expenditure to be financed; whether through taxation or otherwise? Even worse is the case when excesses are brought to

light covering a host of irregularities and frauds. Taking for instance, earthwork, wilful misclassification of the soil to the advantage of the Contractor, e.g. classifying ordinary soil as soft rock, and paying a higher rate, results in loss and covers up frauds. Similarly, the depth of excavation and the leads for carrying excavated earthwork and throwing to spoil may sometimes be wilfully increased and heavy amounts paid.

It would be an interesting study if, in each Project, a probe is made into the relative proportions of the different classifications of soil and the leads and lifts originally estimated, compared with the actuals. In fact, it may be made a rule that before a Completion Report is submitted, this should invariably be furnished along with it for the information of the sanctioning authority. Another type of cases is the execution of temporary works for the construction of the main scheme. As the temporary works are subsequently pulled up, there would be no evidence as to the nature and extent of the temporary works done and unless a watchful scrutiny is exercised over these works concurrently, particularly at the technical level, losses might arise.

When all is said and done, the fact remains that things could be straight only if those in charge of the execution of works are not only thoroughly efficient, but also possess a high moral integrity; but there is no reason why a continuous scrutiny by the Technical Authorities at a higher level should not be made in order that the attempt to commit irregularities and frauds may be nipped in the bud, or, if possible, prevented by such vigilant scrutiny. It need hardly be added that such a scrutiny will repay itself manifold.

The Railways and the Third Plan

BY S. RAMAMURTHI

The total outlay proposed in the Third Plan in its final shape is shown in the following table:—

(Rupees Crores)				
	Draft Outline (1)	Financial Cost of Outlay Programmes (2)	(3)	Increase over Draft Outline (2)–(1)
Agriculture and Community Development	1025	1068	1090	43
Irrigation, major and medium	650	650	660	...
Power	925	1012	1020	87
Village and Small Industries	250	264	264	14
Organised Industries and Minerals	1500	1520	1882	20
Transport and Communications	1450	1486	1655	36
Social Services and Miscellaneous	1250	1300	1527	50
Inventories	200	200	200	...
TOTAL	7250	7500	8298	250

There is no increase in the Plan allocation of Rs. 890 crores for Railway Development as shown in the Draft Outline. But the Railways are expected to find out of their own resources Rs. 385 crores instead of Rs. 330 crores, so that the total outlay on Railway programmes will be Rs. 1,325 crores instead of Rs. 1,225 crores. The only new line included in the Plan is the line to Haldia Port. It is also stated that the execution of the following lines have been since included in the Railway programme:

Mangalore—Hassan.
Bangalore—Salem.
Manamadurai—Virudhunagar.

The inclusion of Rail link from Sudinda Daitari mining area in Orissa to the main line from Kharagpur to Cuttack, is still under consideration.

Tinnevely—Kanyakumari line, recommended by the Ry. Ministry, would, the Planning Commission stated, be taken up for execution as and when funds were available.

Government Purchase - Policy

The value of orders for stores placed by all Government Departments in 1960-61 is as under:—

Imported stores	Rs. 37 Crores
Indigenous stores	Rs. 186 Crores
Total	Rs. 223 Crores

A 16 man Committee has been set up to make a thorough study of the difficulties to suppliers of stores on

account of delays in payment and complicated procedures, and to suggest solutions designed to increase efficiency in purchasing. The Committee headed by Mr. N. E. S. RAGHAVACHARI (D. G. S. & D) will have on it, representatives of trade and industry, State Governments and Public Undertakings. It has been asked to study the purchase practices of various Government

agencies and evolve, as far as possible, uniform terms and conditions of contracts, keeping in view the specialised nature of purchases made by certain public sector undertakings. The Committee will also examine the variety of Government purchases and recommend a list of goods which should be purchased through D.G.S. & D and those by the purchasing agencies direct, as in the case of Railways. The Report is expected to be submitted in October '61 and will come in for discussion at the next conference of State and Central purchasing agencies scheduled to be held in December next. Needless to say, any

steps which the Committee may recommend towards increasing efficiency in purchasing operations and prompt settlement of bills will be beneficial to Government no less than to suppliers.

The Conference held in July agreed that the firms registered with D. G. S. & D should be normally acceptable to the State Governments. Instances of unsatisfactory performances by such firms could, however, be brought to the notice of the D. G. S. & D which would, after enquiry, consider taking suitable action against them, including their removal from the list of registered firms.

Pay Ceiling

BY B. G. B.

It is reported that a wage ceiling of 600 Roubles a month has been laid down in U. S. S. R. It is also reported that this ceiling is already practically in effect there. In Indian Currency, this is just under Rs. 300/- per month. This seems rather incredible, if account is taken of the present levels of prices reported to be prevailing in U.S.S.R.

It is, however, stated that, in many cases, apart from the salary, the officials enjoy several extras including free housing, transportation and personal services. But how far these will be sufficient for the normal day-to-day expenses for the family of the employee, is doubtful.

When it is widely published, that all is milk and honey in Communist

U.S.S.R., it is obviously difficult to reconcile this state of heavenly paradise with the wage levels having a low ceiling of hardly Rs. 300 a month, particularly having regard to the price levels in that country which are certainly much in excess of those ruling in India. This apparently paradoxical situation in U.S.S.R. seems inexplicable. Compare this with the average wage of an American worker of about 300 dollars a month (which means about Rs. 1,500/- a month). There is, of course, no comparison with India, where the large gap between the lowest paid worker and the highest paid official is still high in spite of the considerable levelling up of the low income groups and pegging, if not, levelling down of the salaries of top officials, in recent times.

Fresh Resources for the Government

BY K. V. IYER

The appetite of the Government for money to spend, whether profitably or otherwise, is so vast that they are prepared to stretch their hands to any one whether for a loan, a gift or a deposit.

They have already obtained control over Rs. 500 crores and more of life insurance money through the agency of the Life Insurance Corporation with the prospect of annual accretions of Rs. 30 to 50 crores; next comes the requirement of the Reserve Bank that Commercial Banks should leave with it a certain percentage of the sums on deposit with them carrying no interest or only a nominal rate. Legislation is now said to be in hand for the establishment of an Insurance Deposit Corporation which may be expected to collect several lakhs of Rupees every year, the collections growing larger like a snowball with the passing of time.

We now read of some new legislation "to provide for compulsory deduction of a part of the salaries of the employees both in the public and private sectors for investment in Government securities under a non-contributory Provident Scheme"; the "rates of deduction may vary from 10 per cent in the case of employees drawing less than Rs. 300 per month to about 20 per cent in the case of those drawing about Rs. 1,000 per month"... "such deductions being inclusive of payments by the employee towards Provident Fund or for life insurance".

The first step which the Government will do well to take before proceeding further with this idea is to ascertain by a survey by the agency of a Committee or Committees one for each State) whether such compulsory deduction (along with the other deductions now in force will leave enough in the hands of the employee to carry on his daily life without discomfort or getting into debt.

In the case of categories of employees in receipt of Rs. 300 or less, many enjoy the benefits of the P. F. scheme, whether contributory or not, to the extent their resources permit; and if there are many who do not subscribe to Provident Fund, it is obviously because they have not that much to save from their monthly earnings. To the extent they are compelled to subscribe under the proposed scheme, they will inevitably fall into debt or cry for an increase in salaries!

Before turning to the other categories of employees, it is worth considering how the P. F. works in practice. Is there not a large proportion of subscribers to the Provident Funds who maintain a sort of running account of borrowings and recoveries (much against their will), and taken in all, do such accounts leave such a surplus? In fact, long ago, they adopted the practice of the Government viz: of raising a loan for the purpose of paying back an earlier loan in part and to retain a surplus somewhat like the recent instance of the Government paying back the first instalment of a foreign loan fallen due by securing a fresh loan from the same Government.

Turning to the classes of employees drawing Rs. 300 to Rs. 1,000 per month, the proposed survey should disclose whether the majority of them are living within their means and the extent of their savings and how far, if any, the cry about bribery and corruption so much talked about, is due to their having adopted a style of living which they cannot afford. In such cases, will compulsory subscription of 20 per cent of salary not increase the evils referred to?

Apparently, employees drawing Rs. 1,000 and over are not being drawn into the net. The scales of salaries of these categories of employees or officers have not been appreciably raised in recent years, at any rate in the public

sector and in fact the maxima have been reduced in Government circles. They must therefore be thankful for not having been included in the proposed scheme. Sometimes, one is left to wonder if they can be considered to be well off in the light of their cries for extensions of service and frantic efforts to secure new jobs.

Moreover, there is another aspect of the matter which must not be overlooked. The Government can of course advise, direct and even compel people to act in

a certain manner; but this should not be carried to the extent of sapping their independence of judgment or make them invertebrate. While it might be conceded that Government may advise and even compel their employees—but not others—to insure their lives to a certain extent and to subscribe to a Provident Fund,—for the well-being of their employees is a legitimate objective of the Government,—compulsion beyond a reasonable limit will in the long run lead to the detriment both of the employees themselves and of the Government.

Government Servants' Conduct Rules

BY B. G. B.

Rule 4-A of the Central Government Servants' Conduct Rules prohibits a Government Servant from participating in a demonstration or a strike. Rule 4-B prohibits Government servants from joining any service association which is unrecognised or whose recognition has been withdrawn. The Bombay High Court on a writ petition filed by Mr. Joseph, Secretary of the Civil Accounts Association (and others), held that Rule

4-B mentioned above was unconstitutional because it infringed the fundamental right to form unions as guaranteed by Article 99 (c) of the Constitution, while Rule 4-A was held to be Constitutional. Against this judgment, a Constitution Bench of the Supreme Court have granted special leave to the Union Government and Mr. Joseph to appeal. The final outcome of the case will be watched with interest.

Proposals for Reform of Administrative Machinery

Prime Minister Nehru explained the principal features of the decisions taken by the Government with regard to the improvement of the administrative machinery taking into consideration the difficulties of the Second Plan and projected needs of the Third Five-Year Plan.

In the course of a statement made in the Lok Sabha on 10-8-61 in reply to a question from Mr. Ram Krishan Gupta and seven other members whether the Cabinet had since considered the

suggestion of the Planning Commission on simplification of administrative procedure. Mr. Nehru said: "Measures for the improvement of administration are continuously under consideration. A review of the existing position was recently made particularly in connection with the formulation of the Third Five-Year Plan."

The vigorous and punctual implementation of the Plan to-day forms the core of administrative activity.

The review of machinery of Government has, therefore, taken into consideration the difficulties of the Second Plan, and the projected needs of the Third Five-Year Plan.

The following principal objectives have been kept in view in taking decisions on measures necessary for administrative improvement:

(i) Individuals and organisations should be judged strictly by the test of results. For this purpose, they should be given a clear statement of tasks, means, obligations, time sequence of operations and the assumptions on which they are based. Attempt should be made to build reasonable challenge into each job and individuals and organisations should be given the necessary trust, responsibility and powers to achieve the results expected of them.

FINANCIAL RESPONSIBILITY

(ii) The present system of financial control should be reorganised. Itemised examination of financial proposals should be confined only to vital matters. Financial responsibility should be devolved in liberal measure, on the administrative ministries and by them in turn, on the implementing authorities. The control of the Ministry of Finance should be exercised through pre-budget scrutiny and by adequate reporting, random checks and work studies in such fields as may be considered necessary.

ADDITIONAL POWERS FOR DEPARTMENT HEADS

(iii) The responsibility of the head of department and the executive authority concerned with the implementation of programmes and policies will be substantially increased. This will be done both by giving additional powers and by the requirement that certain activities such as corruption and public relations should be dealt with on a more planned basis than before. The consideration of individual complaints as at present in these spheres will be supplemented by

the drawing up of a programme of work at the beginning of the year by each head of department. This programme will be scrutinised by the secretaries of the Ministries and progressed by them adequately.

(iv) The managerial skills of the public servants will be increased through a sustained programme of executive development by training and counselling. Powers will also be taken by Government for weeding out officials who are ineffective and against whom suspicion exists amounting to moral conviction.

SIMPLIFICATION OF PROCEDURES

(v) Simplification of procedures and work will be vigorously pursued by introducing work studies, by competently trained personnel, in all spheres of administration.

RELATIONS WITH PUBLIC

(vi) Relations with the public will receive special attention. A series of programmes will be initiated for inculcating courtesy and consideration and for changing the attitude of authority complex towards those who approach public offices for various purposes. Better arrangements will be made for dissemination of information to the public. It is also proposed to fix and publicise time-limits for dealing with applications and requests made to Government offices by the public.

Other measures outlined by the Prime Minister are:

(5) Officials in key posts will be kept in their jobs for at least five years to enable them to produce the results expected of them. If there is any loss of prospects by their being kept in a particular post in the public interest the loss should be adequately protected against.

(6) Resort to committees, groups, conferences etc., should be reduced drastically. Full responsibility should

be given to agencies and to individuals and with it the necessary measure of support and trust.

(7) Arrangements for technical preparation of projects and scheduling of work relating to them require to be strengthened particularly as information relating to a large proportion of projects included in the Third Plan is still unsatisfactory. The concrete suggestion is that planning for the Fourth Plan should be started almost immediately and a comprehensive time table may be worked out for completing studies for the Fourth Plan projects during the next three years.

* * *

ADMINISTRATIVE RESEARCH

(10) Follow up will be the responsibility of the normal line of supervision; but agencies such as the Committee on Plan Projects and the Programme Evaluation Organisation will continue their work of administrative research and evaluation.

(11) It is proposed to appoint a small Committee in each Ministry to locate officials, who are ineffective or against whom suspicions exist regarding their integrity amounting to moral conviction. Measures will be taken to develop the ineffective persons by necessary counselling and training. In case persons are not capable of improvement and are in the age group of 45 to 50, they will be retired either on completion of 25 years of service or at the age of 50 years whichever is earlier. The retirement rules will be amended suitably. Persons lacking in integrity will be dealt with separately.

(12) Work study will be introduced as a compulsory subject in the initial training curricula of all established services. Courses in work study for in-service personnel will also be expanded.

(13) Training in supervisory techniques will be stepped up for all types of personnel in-service.

(14) Incentive schemes, based on systematically worked out standards, will be tried. Encouragement, through appropriate incentives, should also be given for achievement of specific objectives such as reduction in the costs of projects, reduction in the foreign exchange complement of projects, speeding up of the implementation of projects, etc.

MANAGEMENT OF PROJECTS

(15) Management of projects is a new and important part of administrative practice. Its special features are definite targets and schedules, costing, need for initiative and resourcefulness and innovations. These demand adequate pre-planning and accurate estimating. Arrangements for technical preparation of projects and scheduling of work will be strengthened. Reporting from projects will be simplified and made more purposeful.

(16) Training arrangements will be undertaken to develop individual and group responsibility. Several measures are being devised under the following broad heads.

(a) Techniques for fostering initiative, ability to programme and responsibility of individual officers (e.g., encouragement to officers to work out their own programme of work and to suggest criteria for judging their performance).

(b) Increase in capacity for improvement in performance (e.g. by sampling activities to improve time distribution on various types of jobs, by organising case studies and decision-making training).

(17) Heads of departments should be made responsible for maintaining and improving relations with the public. They should prescribe, having regard to the limitations of staff and the nature of cases, time limits for disposal of letters, applications and petitions as far as practicable and should advertise them to the public. Endeavour should be made to adhere to them in all cases except those requiring a greater degree of scrutiny than in normal circumstances.

STEPS TO CHECK CORRUPTION

(18) Each head of department should also draw up an annual confidential programme in advance indicating the types of corruption prevalent, the types of personnel involved and the measures he proposes to take to improve the situation. This programme should be forwarded to the Secretary of the Ministry concerned. Simultaneously the Special Police Establishment of the Ministry of Home Affairs should also send confidentially to the Secretary its own appreciation regarding corrupt practices in the charge of each head of department. The Secretary should, after a consideration of both the documents, approve of the final programme and indicate it to the head of department. He should also progress

periodically the implementation of this programme.

(19) Similarly an annual programme should be drawn up by each head of department indicating the outstanding problems of public relations and the measures to be taken to improve them. This programme should also be progressed periodically by the Secretary of the Ministry concerned.

(20) Where necessary, information counters should be established and they should be placed in charge of responsible officials who should be specially trained to cater to the needs of the public.

(21) National expressions for courtesy may be devised and opportunity should be taken of important national celebrations to emphasise the service aspect of public administration.

NEWS, NOTES & COMMENTS — (Continued from page 167)

Iron ore	Ry. coal for Home line
Limestone & dolomite	Ry. coal for other Govt. Rys., etc.
Miscellaneous full wagons	
Ry. coal for other Govt. Rys. etc.	
These were partly set off by decreased loadings under	
B.G.	M.G.
Grains & Pulses	Grains & pulses
Sugar	Oilseeds
Cement	Sugar
Miscellaneous smalls	Manganese ore
	Iron ore
	Miscellaneous smalls
	Other Ry. Stores

* * *

Pensionary Benefits to Railway Servants who Retired Prior to 1st April 1957

We referred to this subject at page 117 of this Journal—July 61 issue. The Federation since went to Delhi to meet the Minister by appointment and to place further facts and figures in support of their contention. They have gone to the extent

of alleging that the non-grant of Pensionary benefits to earlier retired employees amounts to discriminatory treatment.

We await with interest the result of the interviews.

* * *

Furnace Oil for Locomotives

The suggestion that furnace oil could be used in the steam locomotives by the railways in place of coal, particularly in areas which are far remote from coal-producing belts like Kerala, has been accepted in principle by the Union Railway Ministry. But the details of cost have to be worked out before the Railways are willing to implement it.

It is learnt that the idea of substituting furnace oil for coal was put forward at an interministerial meeting of officials by the representatives of the Oil Ministry. While accepting it in principle, the Railway officials seem to have suggested that unless the economics of using furnace oil was fully known, the idea could not be implemented. It is learnt that the details of it are being worked out jointly by both the officials of the Railway Ministry and the Oil Ministry.

Subjects of Moment

Advance Correction Slips

I. Indian Railway Establishment Code Vol. I
66-R. I.

1315—R. I.

Substitute the following for the existing rule:—

1315. *The Effect of reduced pay on special contribution.*

When a subscriber, who is retained in service on reduced pay and the reduction in pay is for reasons other than his own fault, or is reappointed on reduced pay on the abolition of his post and the break in his service, if any, has been condoned, the special contribution admissible under Rule 1314 may be calculated in respect of each period of service at the rate of pay actually drawn at the end of respective periods if that is more favourable to him. For this purpose, if there be any broken period, i.e. of less than 6 months falling in the period before reduction of pay, it should not be ignored but added to the period of service rendered on the reduced pay.

(R. B. No. F (P) 61 PF—1/16 dated 15-6-'61.)

68 R. I.

Rule 704 R. I.—Substitute the words "Railway Servants whether permanent or temporary" for the words "permanent Railway Servants" appearing in line 2 of this Rule.

(R. B. No. F (E) 60 FR 6/(2) dated 6-7-'61.)

* * *

II. Railway Establishment Code Vol. II
93 R. II

Rule 2122 (F. R. 83) - R. II.—Substitute the following clause for clause (3) of this Rule, viz.,

"(3) The period of leave granted shall be such as is certified by the Authorized

Medical Attendant of the Railway servant concerned to be necessary. It shall not be extended except on the certificate of that authority and shall in no case exceed 24 months".

(R. B. No. F(E) 60 FR 6/(2) of 6-7-'61)

* * *

94 R. II.

Rule 2123 (F. R. 83-A) - R. II.—Substitute the following clauses for clauses (i) to (iii) of this Rule, viz.,

(i) That the disability, if due to disease, must be certified by the Authorized Medical Attendant of the Railway servant concerned to be directly due to the performance of the particular duty; and

(ii) That, if the Railway servant has contracted such disability during service otherwise than with a military force, it must be, in the opinion of the President, exceptional in character; and

(iii) That the period of absence recommended by the Authorized Medical Attendant may be covered in part, by leave under this Rule and in part by other leave, and that the amount of special disability leave granted on average pay may be less than four months".

(R. B. No. F (E) 60 FR 6/(2) of dated 6-7-'61.)

* * *

95 R. II.

Rule 2718 (C.S.R. 746) - R. II.—Insert the following as Note 2 below clause (i) of this rule, numbering the existing Note as Note 1.

NOTE 2.—No award shall be made under the rules in this Section in respect of a Railway servant who is deputed on Foreign service under the U. N. bodies on or after the 1st January 1958 and who is allowed to join the U. N. Joint Staff Pension Fund as an 'Associate Member'.

(R. B. No. F(P) 61 C. S. R.—1/1 dated 21-7-'61)

96 R. II.

Appendix X SLIII-R. II Railway Services (Extraordinary Pension) Rules. Rule 2. Insert the following Note below Rule 2.

Note.—No award shall be made under these rules in respect of a Railway servant who is deputed on foreign service under U. N. bodies on or after 1st Jan. 1958 and who is allowed to join the U. N. Joint Staff Pension Fund as an 'Associate Member'.

(R. B. No. F(P) 61 C.S.R.-1/1 dated 21-7-'61.)

III. Indian Railways Way and Works Manual No. 17 dated 6th May 1961

Chapter VI. THE MAINTENANCE OF PERMANENT WAY

Para 650 (c) *Maintenance of Rails* :—Delete the existing sentence in the above para which reads as "Adequate attention should be paid to the Joint sleepers in regard to their spacing and proper packing to prevent hogging of rails" and insert the following in its place :—

"Correct spacing and firm packing of joint sleepers can help in minimising the development of hogged joints".

(R. B. No. 60/WI/MW/1 dated 6-5-'61)

No. 18 dated 4th May 1961

Chapter XXIX CONTRACTS AND MEASUREMENTS FOR WORKS.

Para 2910 (c) *Tender Committee*: The existing note (i) to the above clause may be deleted and substituted as under.

"When only one tender is received in response to a call for limited tenders (as distinct from single and open tenders under the rules in force), fresh tenders should be invited unless the work is very urgent. The discretion to class work as

'very urgent' for this purpose vests in an officer not lower in status than a Divisional Superintendent who shall record full reasons justifying such course of action".

(R. B. No. 60/WI/MW/1 dated 4-5-'61)

Grant of Incentive to Appendix II-A Qualified Clerks Grade II of the Accts. Department on Promotion to the Post of Clerks Gr. I

The Railway Board vide para 13 of their letter No. E (S) I-57 CPC/40 dated 7-3-'57 laid down that clerks Gr. II on qualifying for promotion to clerks Gr. I, either by virtue of being permanently exempted from passing the App. II-A examination or by virtue of passing the App. II-A examination, would be eligible for a minimum pay of Rs. 100 in the scale of Rs. 80-220. Consequent on the introduction of the Authorised scales of pay, the minimum pay was increased to Rs. 150 in the grade of Rs. 130-300. While this concession has afforded adequate incentive pay to such of the clerks Gr. II who are drawing pay below the initial pay of clerks Gr. I, viz., Rs. 130, at the time of promotion as clerks Gr. I, the scale of incentive pay gets gradually reduced in respect of those drawing pay between Rs. 130 and Rs. 150, while no benefit at all is afforded to such of the staff who have crossed the stage of Rs. 150.

The Railway Board have had under consideration the question of the grant of additional incentive increment to these categories of clerks, Gr. II to enable them to obtain the benefit of a suitable rise in their emoluments on promotion as clerks Gr. I. After a careful consideration of all aspects of the case, the Board have decided as under :—

"(i) In the case of clerks Gr. II promoted as clerks Gr. I on or after 1-5-'61 by virtue of either passing App. II-A exam., or having been permanently exempted from passing App. II-A exam., their pay should be fixed at the stage that would be arrived at by grant of

four advance increments, in the grade of clerks Gr. I after normal fixation, subject to a minimum of Rs. 150. A statement showing the fixation of pay of clerks Gr. II on promotion as clerks Gr. I with reference to their pay as clerks Gr. II at the time of promotion, is attached herewith for guidance.

"(ii) In the case of clerks Gr. I promoted before 1-5-'61, the pay of all such staff, whether working in a permanent or officiating capacity, should be refixed on 1-5-'61 as in (i) above, with reference to the pay to which they would be entitled as clerk Gr. II but for their promotion as clerks Gr. I and they should be allowed either the pay refixed on 1-5-'61 or their existing pay, whichever is more beneficial to them.

Statement showing the fixation of pay of clerks Gr. II on promotion as clerks Gr. I by grant of four advance increments in the scale of clerks Gr. I after normal fixation.

Pay as Clerks Grade II	Pay due to be fixed under the ordinary rules but for the fixation at higher stage of Rs. 150	Pay due to be fixed as clerks Gr. I after grant of 4 advance increments in the scale of clerks Gr. I over and above the fixation of pay under the normal rules as per col. (2)
1	2	3
Rs.	Rs.	Rs.
125 or below	130	150
128	135	155
131	140	160
135	140	160
139	145	168
143	150	176
147	155	184
151	160	192
155	160	192
159	168	200*
163	168	200*
167	176	208*
171	176	208*
175	184	216*
180	184	216*

Note I:—Fixation under column 2 has been done in accordance with Railway Board's letter No. PC-60/PP/1 dated 28-3-'61 i.e., by grant of one increment in the grade of clerks Gr. II and then fixation at the next higher stage in the scale of clerks Gr. II.

*Note II:—In the case of clerks Gr. II who are due to be fixed above Rs. 200 crossing of Efficiency Bar is involved and as such they may not draw more than Rs. 200 till such time they are considered fit to cross the E.B. After having been declared fit to cross the E.B., they will be eligible to be fixed at the correct stage and draw arrears.

(R.B. No. E(S) I-61 CPC/76 of 9-8-'61).

Grant of Post-Retirement Complimentary Passes

The Board have decided that the qualifying limit to Class III staff for eligibility to the post-retirement complimentary passes would be as under :—

No. of years of qualifying service	No. of sets of passes admissible
20 years' service	One set
30 years' service	Two sets

(R. B. No. E (G) 59 PS 5-8/17 dated 1st July '61).

Railway Engineering Code : C.S. No. 15-E

Substitute the following for the existing paras 1043, 1044 & 1045-E.

Rule 1043.—With a view to enable the Ry. Board to watch the progress of works as also of the expenditure on (a) New Constructions, (b) Large Open Line Works costing Rs. 20 lakhs (gross) and over, (c) Track Renewal Works costing Rs. 50 lakhs (gross) and over, quarterly Progress Reports-cum-Financial Reviews in the pro forma given below (Form 1043-E) are to be submitted by the Railway Administrations. These are intend-

ed to apprise the Railway Board periodically of the progress in the execution of the works as also with a reliable estimate of the probable variations from the details of the abstract estimate sanctioned by them at the earliest possible date.

PRO FORMA

Quarterly Progress Reports for sanctioned works costing Rs. 20 lakhs and over and New Constructions

Serial No.	Name of Work	(a) Date of commencement.	(b) Probable date of completion.	Sanction No. and Date	Estimated Cost : (Fig. in thousands)	Financial Progress	Approximate expenditure to end of quarter under review	Percentage progress of expenditure	Percentage overall financial progress	Estd. additional expenditure to complete	Total estimated outlay	Difference bet. Col. 6 and 10		Physical Progress	Overall wage progress	Remarks
												Excess	Savings			
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17

Note.—(1) These reviews should be countersigned by the Chief Engineer and the F.A. & C.A.O.

(2) These are to be submitted from the time expenditure is incurred on the work even though the work might not have been physically commenced.

(3) In the case of the first reviews for the Track Renewal Works, the item no. of the approved Track Renewal Programme and the year in which it was approved as also the cost thereof should be indicated. In subsequent years, the item no. of the latest approved Track Renewal Programme and/or reference to the latest estimate sanctioned by the Ry. Board should be indicated.

Rule 1044.—These Progress Reports-cum-Financial Reviews should show both the progress of works based on the physical progress as well as the progress of expenditure, actual and anticipated for each of the works. They should also give the overall financial and the physical progress as also the dates of commencement of the work and the probable date of completion. If very little progress of a work has been made during the quarter for which the Report has been submitted the reason for the slow

progress as also the steps proposed to be adopted to expedite the same should be indicated in the remarks column.

Rule 1045.—These Progress Reports-cum-Financial Reviews should be submitted to the Railway Board before the end of the 3rd week of the 2nd month following, i.e., before 21st May, 21st August, 21st November and 21st Feb. for the quarters ending 31st March, 30th June, 30th September and 31st December respectively. These are to be submitted quarterly for so long as the works are in progress, i.e., till they are "opened" and thereafter half-yearly till the accounts of the New Constructions or open line works or Track Renewal Works are closed and the Completion Reports submitted. The overall physical progress in these half-yearly reports will no doubt be cent per cent. No report need be submitted to the Railway Board for the quarter during which a Completion Estimate (Form E. 913) is submitted for sanction. But after the submission of the Completion Estimate, the reports should continue to be submitted quarterly or half-yearly as the case may be until the Completion Reports are submitted (Form E. 1805).



Indigenous Manufacture

Some leeway has been made in the manufacture of indigenous machines hitherto being imported from abroad.

The initiative and ingenuity of the Foreman and his assistants, Machine Tool Reconditioning Shop, Jamalpur, have resulted in the manufacture of high precision appliances like the Ticket-printing Machine and automatic ticket-counting Machine. These have been got out within the limit of available resources.

Though only a few machines have so far been manufactured, it is believed that in the near future, the output will be sufficient to meet demands of all the Railways.

New Type of Passenger Car

Nikolai Labutin, a Soviet Engineer, has designed a new type of passenger railway car. The compartments which have the shape of a parallelogram are arranged in

the new car on both sides of the passage, permitting increase in accommodation by one-third. This has been attained without affecting in any way passengers' convenience; on the contrary, the cars are fitted with an air-conditioning system that is more efficient than it used to be and with comfortable upholstered seats. There is a cabinet in each compartment for keeping food and travel accessories. Such a layout of railway cars have been tried for the first time in the world. It will reduce transportation costs and serve the passengers better.

This may be a good lead in the solution of the overcrowding of trains in India.

Option to Pension Scheme

The last date for exercising option for change—over from P.F. Rules to Pension Rules or vice versa has been finally extended to September 30, 1961.

(Continued from previous page)

(R. B. No. 58/W 6/RWT/91 dated 20th July '61).

C.S. No. 16—E

In paras 1046 and 1047-E, for the words Form E-1045 appearing within brackets, please read "Form E-1043".

(R. B. No. 58/W 6/RWT/91 dated 20th July '61).

Re: Class IV Staff at Central Govt. Rates of Pension & Gratuity

The notification appearing in page 139 of August '61 issue of "Railway Accountant" with regard to the reduc-

tion of the minimum length of service prescribed for eligibility to pension from 20 to 10 is in respect of those pensionable Cl. IV Ry. Servants, as contained in Appendix XLI—R II. In the case of those Ry. Servants who are governed by the Railway Pension Rules, as introduced w. e. f. 1-4-'57, there is no difference between Cl. IV & other Ry. servants with regard to the minimum length of service qualifying for pension.

Note.—The above clarification is made in view of the General Pension Rules and the liberalised Pension Rules, the latter applying to Railways.

Ed. R. A.

The benefit of the above extension is admissible only to those Railway servants who were still in service on 1st July 1961.

The Railway employees who have not yet given a firm option are advised to take advantage of this extension.

Concessional Tickets for Students

In order to ensure that students going home during holidays may avail themselves of the concession offered by the Railways without any inconvenience, the Ry. Board have decided to further simplify the procedure relating to such concessions.

The prescribed forms, which are required to be filled up and submitted at the stations for obtaining the concessional tickets will, in future, be accepted for verification at any time up to 15 days before the school or the college is due to close for vacations. As the forms constitute merely a letter from the Head of the educational institution to the Station Master, these can conveniently be filled up by the clerk of the school or the college, instead of by the students themselves, and forwarded in bulk to the stations concerned. This would enable the work of verification by the station authorities to be staggered. This would also afford the students the opportunity to submit afresh properly filled up forms in case the original ones come to be rejected owing to faulty or incomplete entries. The forms found in order will bear the stamp of the station and a suitable endorsement indicating verification. The student undertaking the journey will, at the time of purchase of the ticket, be required to only sign his name at the appropriate place and present the form to the Booking Clerk who will exchange it for a ticket.

With a view to avoiding rush at the booking counters, verified concession forms will be exchanged for tickets on any day up to five days in advance of the actual date of the commencement of the journey.

Educational institutions may obtain well ahead of the vacations sufficient number of

prescribed forms which are available at the Divisional Offices of the railways.

Separation of Railway Finances from General Revenues in Pakistan

While announcing the Railway Budget for the next financial year commencing from 1st July 1961, Mr. F. M. Khan, Minister for Pakistan Railways, told a Press Conference at Rawalpindi recently that the income and expenditure of the Pakistan Railways have been estimated at Rs. 70.61 crores and Rs. 56.74 crores respectively. The expenditure figures include Rs. 12.22 crores for replacement and renewal.

This is the first separated budget; and the general revenues will receive a return of 4% on investments amounting to Rs. 7.24 crores during the next financial year.

Pak Rail Corridor : Proposal Dropped

The high-level deliberations which were going on over a proposal to resume the rail-link between the two wings of Pakistan through India virtually reached a dead-end.

The West Bengal Government seems to have strongly disapproved of the proposal.

Purchase of Rails from Russia for Indian Railways

Since the anticipated production of steel by the Public Sector Steel Plants at the end of the Second Five Year Plan has not been realised, the Indian Railways have decided to buy nearly 400,000 tons of rails to meet immediate requirements partly for track renewal as well as for new lines.

A senior official of the Railway Board has gone to Moscow to negotiate the possibility of speedy construction of rails in Russia to suit Indian specifications.

An advantage of Russian purchases will be that they can be paid for in non-convertible rupees; while imports from elsewhere require payment in foreign exchange.

Parkinson's Law

Administrators are familiar with Parkinson's Law—clerical and other red-tape work mounting up with the increase in the numbers of the administrative establishment. The author of this "Law" is Prof. C. Northcote Parkinson, who was a Staff Officer in the War Office and for some time Professor of History at the University of Malaya. He was also a lecturer at the Royal Naval College, Dartmouth.

Wooden Sleepers

It is understood that the Kashmir Government will enter into a five-year agreement with the Indian Railways for supply of sleepers worth Rs. 10 lakhs in 1961-62. To protect sleepers against damage, wood preserving plants are being installed by the Kashmir Government.

New jobs in the Third Five Year Plan

A number of new jobs anticipated to be created by the Third Five Year Plan has been put at over 1 Crore, of which the Railways will provide new employment for 14 lakhs of people. Other Government service will take in 15 lakhs of people.

Staff Cars on Shuttle Service

The use of staff cars by Officials of various Ministries is to be rationalised by the introduction of micro-bus system.

Under this system, staff cars will be moving at agreed intervals between different Ministries, and officials having business in other Ministries will have to use the car in common with other officials. No official will be permitted to detain the car for his exclusive use.

It is hoped that under this system more officials will be able to make use of staff cars, resulting also in considerable economy in expenditure.

Railway Delegation to the world bank

Shri Karnail Singh, Chairman, Railway Board with a team of Railway Officials left

for Washington to arrange with the World Bank Authorities, the development loan for the Railways.

Preliminary requirements have already been investigated by a team of the World Bank, which visited India recently. A report was submitted by that team to the World Bank President on the operational efficiency of Railways.

The present Mission of the Indian Railway Team will be confined to loan requirements for the current year only. (The total foreign exchange requirements of the Railways during the Third Plan have been estimated at Rs. 130 Crores.

British Bank Rate

The British Bank rate has been increased from 5 to 7% as a measure of fighting the inflation and for protecting the value of the pound. It is hoped that this would help in stabilising the value of the pound and avoid the need for its being devalued.

Payment of Wages Act

The Supreme Court, while dismissing the appeal of Ganeshi Ram against the Northern Railway under the Payment of Wages Act, have held that if any deduction was validly made by the authority under Section 7 of the Act, the claim under Section 15 (2) for an award was not maintainable.

Ganeshi Ram was suspended from service on Feb. 3, 1950, and removed from service on Feb. 24 the same year. He filed an appeal and the order of removal was set aside on April 30, 1954, and he was reinstated on May 1, 1954.

Ganeshi Ram was posted as permanent gangman, but the order added that the period from the date of removal to the date he was put back on duty should be treated as leave without pay.

He moved the District Magistrate, Jodhpur, the authority under the Act, for an award under Section 13 (3) for wages from Feb. 24, 1950 to April 30, 1954.

The Railway raised the defence that the deduction was allowable under Section 7 (2) (h) of the Act and thus the application was misconceived.

The authority upheld the plea and the application was dismissed. The matter was taken to the High Court in writ proceedings. The Railway contended that as appeals were provided for under the Act writ proceedings were not maintainable. The High Court upheld the contention but on merits also held that as the deductions were allowable under the Act, the claim was not maintainable. Aggrieved at this, Ganeshi Ram moved the Supreme Court.

Manufacture of Rly. Coaches

Mr. S. V. Ramaswamy, Deputy Minister for Railways, stated at Coimbatore early in August, that the Hindustan Coach Factory at Bangalore had been entrusted with the work of manufacturing third class broad gauge coaches during the Third Plan period and it was expected to manufacture about 350 coaches per annum.

The Integral Coach Factory at Perambur which was producing third class coaches would no longer produce them but was expected to produce other types of coaches. Its target had been fixed at about 500 first class coaches, 197 diesel rail cars, 400 electrical multiple units during the Third Plan period. He said that 75 oil tankers would be built in Golden Roek and Hubli during the present Plan period.

The Minister said that to meet the immediate requirements of movement of coal, the Railways were in need of wagons and that orders had been placed with the Railway workshops at Amritsar, Jhansi, Lallaguda and Golden Rock to manufacture 2,000 broad gauge wagons of the box type within a year with a pay load of 55 tons as against the present 22 ton vehicles.

The Minister said that the supply of iron material sheets and rails from Bhilai and Rourkela as anticipated in the draft outline of the Third Plan had not materialised and the Planning Commission had therefore raised the allotment for import of steel

materials from Rs. 130 to 185 crores. Steel sets were produced only by Tatas but their capacity was only 8,000 per annum while the requirements of the Railways were nearly double that figure. Durgapur was expected to supply special type of wheel sets without tyres. Their capacity was 35,000 per annum while the requirements of the railways were 75,000.

The Minister said that a branch broad gauge line would be laid parallel to the existing metre gauge line between Guntakal and Hospet for the movement of iron ore to Madras Port and that a sum of Rs. 3 crores had been allotted for this purpose.

Regarding electrification of the Madras-Arkonam double line, the Minister said that the electrification would not be economical unless it was extended upto Jalarpet. The Minister said that there was no proposal to electrify Madras-Jalarpet section and added that only a sum of Rs. 70 crores had been allotted for electrification of railways all over India during the Third Plan period.

The Minister said that the doubling of railway track between Jalarpet and Erode—a distance of about 110 miles—had been undertaken which would cost Rs. 3.75 crores. He hoped that this work would be completed within two years.

Catering on Railways

Departmental catering in Railways is expected to be extended to more stations on an *ad hoc* basis, according to needs.

Figures now available indicate that the sale proceeds of departmentally managed catering units of the Indian Railways have more than doubled during the Second Plan period. From Rs. 108 lakhs in 1955-56, the amount has gone up to Rs. 288 lakhs in 1960-1961. Through various economy measures, the Railway authorities have succeeded in reducing losses in running the catering establishments from Rs. 22 lakhs in 1957-58 to about Rs. 4 lakhs last year.

An officer was appointed sometime ago to suggest measures to run the service on

"no profit no loss" basis. He has submitted his report which is now under examination of the authorities.

In addition to the departmental catering establishments there are now more than 4,300 contractors providing catering or vending service on Indian Railways.

Foreign Exchange Rates

The existing Foreign Exchange rates of different countries with whom India may have appreciable transactions are given below:—

One Indian Rupee =	Currency	Country
£ 0.075		U.K.
\$ 0.21		U.S.A.
2.10	Roubles	U.S.S.R.
0.84	Deutsche Marks (after revision from 6-3-61.)	West Germany
75.6	Yens	Japan
131	Lire	Italy
1.036782	New Frs.	France
0.918	Swiss Frs.	Switzerland
1.11	S. Kroners	Sweden
1.5075	Kcs.	Czechoslovakia
1	Kyat	Burma
Re. 1	(Ceylonese)	Ceylon
Re. 1	(Pak.)	Pakistan
22.5	Australian pence	Australia
5.42	Austrian Sch.	Austria
10.5	France(s)	Belgium

First D. C. Locomotive from C. L. W.

It would be remembered that sometime ago the C. L. W. undertook the manufacture of Electric Locomotives. The first D. C. loco had a trial run recently and will be put on line on the Central Railway.

Only a few imported parts are used in this locomotive, and they will be gradually replaced by indigenous products in the future.

Change of Station Name

Supela Railway Station between Bhilai and Durg Stations on the Howrah Nagpur Line of the S. E. Ry., will be known as Bhilainagar with effect from 15-8-'61.

Japan to supply Wheels & Axles to Indian Railways

After considering the tenders received from numerous manufacturers throughout the world, the Railway Board recently placed a substantially big order on Sumitomo Shoji Kaisha, well-known Japanese manufacturers for wheels and axles. The favourable delivery date promised by the firm was a guiding factor for the decision.

Monthly Statistics of Indian Railways

Gross Earnings: The approximate Gross Earnings for July 61 were Rs. 39.17 crores (inclusive of Passenger Tax) as against the actuals for July 60 of Rs. 32.97 crores exclusive of Tax.

The total earnings for the first four months of 61-62 were Rs. 163.54 crores (incl. of P. Tax) as against the actuals for the corresponding period of 60-61, viz., Rs. 145.69 crores excl. of P. Tax.

Wagon Loading: The number of wagons loaded during July 61 increased by 14.5 & 8.35% respectively over the figures for July 60, under B.G. & M. G. The total loadings for the first four months also showed increases over the corresponding period of the previous year by 6.52 & 4.78% on B. G. & M.G. respectively.

The increased loadings in the month are due to the following commodities:

B. G.	M.G.
Coal & coke for public	Coal & coke for public
Oilseeds	Sugarcane
Sugarcane	Cement
Pig iron	Iron & Steel—others
Iron & Steel—others	Limestone & dolomite
Manganese ore	Miscellaneous full wagons

(Continued on page 158)



Shortage of Wagons

The appointment of a three-member Parliamentary Committee to look into complaints of shortage of railway wagons and suggest to the Government how best shortage could be relieved was announced by the Speaker, Mr. Ananthasayanam Iyengar, in the Lok Sabha on 1st Sept. '61.

He made the announcement when the problem of shortage of wagons to lift fertilizer produced at the Nangal Fertilizer Factory, was raised by several members.

The Speaker said that "again and again", in one form or another, the question was coming up before the House and the Ministers in charge of production of coal and fertilizers complained that there was a shortage of wagons. On the other hand, the Railway Minister had been saying there was no wagon shortage. There must be some solution and so he proposed to appoint a committee of M.Ps. to look into the matter "constantly."

Earlier, Dr. P. S. Deshmukh, Minister of Agriculture, in reply to Mr. D. C. Sharma, said that it was a fact that the Nangal factory was facing the problem of "uncleared

stocks". That was due to the delay in the receipt of "despatch instructions" from some States and slow movement over the Railways.

Asked to state what steps were taken to remove the difficulty, he replied that the Railway Board was approached and they had since issued necessary instructions to the Railways for the early clearance of stocks.

Replying to several supplementary questions, Dr. Deshmukh said that the stocks from the Nangal factory were usually lifted by the States of Uttar Pradesh, Punjab and Rajasthan, but, unfortunately, the States were not lifting their quotas fully. The "biggest defaulter" was Uttar Pradesh. The Government had since decided to allow the States of Andhra and other Southern States to lift the fertilizer stocks.

Asked by Mr. Ranga whether in view of the prevalence of "blackmarket" in the sale of fertilizers in Andhra and Madras, a firm allotment would be made from the Nangal factory, the Minister replied: "We have given a complete 'line clear' to them to have as much of this as they want".

Indian Railways (Amendment) Bill, 1961

The Parliament has adopted the amendment to convert Railways' liability from that of "bailee" to that of a "common carrier."

Other necessary amendments have also been accepted.

Letters to the Editor . . .

Advance increments & Appendix III Examination

A correspondent writes :

"The board have recently issued orders authorising the drawal of Advance Increments on the *proforma* of Grade II category fixed in Grade I. A doubt has been raised whether the normal rate of increment or the enhanced rate of increment should be taken while computing the four advance increments in the case of App. III candidates. The order states that the increment will be increment plus incentive, and hence, there is no need to have a doubt. The argument that the increased rate of increment cannot give a double benefit— incentive & advance—may not be the intention of the Board.

The Ry. Board may be pleased to order that only enhanced rate may be taken for calculating advance increments, and thus give stimulus and encouragement and incentive for passing App. III Exam. earlier."

Note.—We do not know whether the order referred to in the first sentence of the above is the one dated 9-8-'61 published in this issue on page 160 ante. The order about App. III staff getting advance increments has been published at page 114 of this Journal (July 61 issue). If any clarification is required, we are sure the Board will issue the same.

Ed.—R. A.

* * *

Economics of a Railway Officer

At page 129 of this Journal (August 61 issue), we reproduced from "SOUTHRAIL NEWS" an article under the above caption. One of our esteemed readers feels that neither the original publication nor its

reproduction should have been allowed, particularly in view of the state of discontent among high and low. He feels that it will merely throw oil on the burning discontent and add to the jealousy which the Govt. encourage against the upper classes. The SOUTHRAILNEWS being a Govt.—sponsored Magazine, it should not have allowed seeds of discontentment being published against the Govt. as the entire economic situation of the country is entirely in their hands.

We doubt if after all we should take such a serious view on the opinions expressed by an anonymous writer.

Ed.—R. A.

* * *

Salary attachment & Authorised Scale

An affected employee writes :

With the introduction of the Authorised Scale all clerical staff get more than Rs. 100 although much benefit is not derived. Formerly they got pay plus 50/- now they get more or less at the same rate, but formerly the pay was not subjected to attachment since the pay was less than Rs. 100/- or about 100/- but now with the merger of D. A. the pay is subjected to attachment. In view of the changed circumstances, the limit of Rs. 100/- fixed decades back require revision for the benefit of the mass clerical cadre who are heavily in debts.

Note:—The proposal would place the Administration in the enviable position of siding employees against bonafide lenders; the transactions being personal between the lender and the borrower, without the Administration knowing anything about it at the beginning.

Ed.—R. A.

Personnel

Sri G. S. PARMAR, Chief Cashier, S.Ry., retired finally from service on the afternoon of 4th July '61.

Sri S. V. VENKATARAMAN, offg. A.A.O., retired finally from service on the afternoon of 4th July '61.

Sri M. N. SINGLACHAR, offg. Dy. C.E., S.Ry., was posted as Dy. G.M. (General), MAS, with effect from 17-7-'61.

Sri M. N. SWAMINATHAN, offg. D.F.O. TPJ, was posted as offg. D.P.O. Bezwada, with effect from 27th July '61.

Sri N. NATARAJAN, offg. A.A.O., S.Ry., granted 62 days L.H.A.P. from 18th July '61 to 17th Sept. 61.

Sri P. R. K. MENON, Joint Director (Finance), Ry. Board, transferred temporarily to the Ministry of Defence, for appointment as Financial Manager, Mazagon Dock Ltd, Bombay.

Sri A. V. POULOSE, offg. Dy. F.A. & C.A.O., N.Ry., transferred to the Board's Office and appointed as offg. Joint Director, Finance.

On completion of the training as Trainee Officers in the Ry. Board's Office, the following Senior Personnel Officers who have been absorbed in the Indian Ry. Accounts Service are posted as Senior Accounts Officers on the Railway noted against each:—

Sri R. KANNAN	Central
„ R. R. SUD	Western
„ K. SUBRAMANIAN	do
„ D. J. DE	South-Eastern
„ P. A. MENON	Northern
„ P. T. VENUGOPAL	Southern
„ M. P. BAHADUR	Eastern
„ RAM MOHAN ROY	North-Eastern
„ A. V. SUBRAMANIAN	Northeast

Frontier

The following transfers of the Officers of the Accounts Department are made:

Sri S. K. N. NAIR	from Western to Eastern
„ KAPUR CHAND	from Western to D.B.K. Ry. Projects
„ S. S. GOYAL	from South Eastern to Central
„ S. K. PAL (JAO)	from Western to Railway Electrification

Sri SATISH KHURANA from Ry. Elec. to Western

Sri C. CHALAPATI RAO, Dy. C.M.E., C.L.W., placed on special duty.

Sri K. G. BELLIPPA, offg. Senior Scale Officer, Mechanical Engineering Dept. C.L.W., appointed to officiate as Dy. C.M.E., C.L.W.

Sri B. P. SHENOY, Senior Scale Officer, Civil Engineering, S Ry., appointed to officiate as Dy. C.E., S.Ry.

On return from deputation with the Ministry of Transport and Communications, Sri C. R. SULE, posted to the Southern Ry., and appointed as offg. Divisional Supdt, Junior Administrative Grade.

Sri V. PARTHASARATHY, offg. Dy. Chief Signal & Tele-Communication Engineer, Railway Electrification, transferred to the Board's Office and appointed as offg. Jt. Director, Signals (Inspection), Railway Board.

Sri C. M. JOSEPH, District S & T-C Engineer, Ry. Electrification, appointed to officiate as Dy. in place of above.

Sri D. P. PURANG, offg. Dy. Director, Signals, Ry. Bd., transferred to Central Ry., and appointed to officiate as Dy. C.S.T-C. Engineer on that Ry.

Shri R. MAHADEVAN, I.R.A.S., Dy. Director (Finance), Railway Board, has joined Hindustan Steel Limited, on deputation, as Officer on Special Duty (Finance) from 11th August, 1961.

Mr. YASH PAL PURI, formerly a Railway Accountant, now Cost Accounts Officer in the Finance Ministry, on deputation to Hindustan Steel Limited, has passed the Management Accountancy Diploma Examination of the Institute of Cost and Works Accountants London held in June '61. It may be remembered that Mr. Puri contributed a series of articles to the "Railway Accountant" on costing of locomotive repairs, etc. We offer our congratulations to Mr. Puri on the high qualification that he has now acquired. It is reported that only 8 persons from India have, to end of 1960, passed this examination since 1953 when this examination was introduced.

Editor, R.A.

Sri KARNAIL SINGH, Chairman, Railway Board, granted extension of service for one year from end of July 61.

Scientific Developments

Shatterproof Bulb

A shatterproof electric light bulb has been developed by an American company. Called "Fluorescent," the bulb can be dropped on to a hard surface without breaking.

The light consists of a bulb wound with Fiberglass yarn. The glass and yarn are bonded into a single unit with a rubbery silicone adhesive. The Fluorescent casts a warm, flame-like glow, and yet its luminous power output is higher than that of any other processed bulb. It gives a glareless light and lasts at least three times longer than conventional light bulbs.

Seasoning Hardwoods

A new method of drying lumber—called solvent-seasoning—may open the way to wider use of the world's hardwoods. The method, developed at the University of California's Forest Products Laboratory, has been used successfully to dry tanoak sapwood to ten per cent moisture content in 25 hours with relative freedom from seasoning defects. Normal seasoning by air-drying and kiln-drying methods takes months.

In the new process, the green boards are stacked vertically in a vapour-tight extraction chamber and a hot solvent—acetone heated to 130 degrees Fahrenheit—is circulated over the lumber by means of a pump. The acetone removes water and chemicals as it travels through the boards. By continuous distillation, the acetone is removed from the chamber and then re-circulated over the lumber after purification.

* * *

Ultrasonic Sound Waves

A long handed device pushed over a Railroad track detects a dangerous crack in a rail. Silent sound waves from the little black box (attached to the handle) being pushed along the rail, strike the rail and send back an echo. If there is a crack, the sound waves pass through the box and are not reflected back, and or this is indicated by the receiving device near the man's hand.

The Ultrasonic sound waves are used for a number of other purposes: cleaning of machine parts by a manufacturer; easing of pain of an arthritis victim; household duties like cleaning clothes & washing dishes, etc; in industrial units to grind, clean, drill, mix, weld, bond, cut, engrave, test and otherwise aid in production; in treatment of diseases like rheumatism, bursitis, skin ulcers, paralysis & also in brain operations.

Extensive research is still being carried on in the United States.

(Continued from previous page)

Sri B. V. SANJEEVIAH, Offg. D.A.O., Hubli, promoted to officiate as S.A.O. and posted as D.A.O., Hubli, relieving

Sri A. VENUGOPAL REDDY, transferred to G. M's Department for being posted as A. P. O.

Sri S. NARASINGA RAO, Sr. T.I.A., Guntakal, promoted to officiate as A.A.O., and posted as A.A.O./E, Madras, in place of

Sri D. N. BASU, J.A.O., transferred to Western Ry. under R.B.'s orders of 26th Aug. '61.

Sri R. SWAMINATHAN, Sr. Acctt., Constrn. Accounts, Egmore, promoted to officiate as A.A.O. and posted to Constrn. Accts. Office.

Sri A. P. CHOPRA, I. R. A. S. Probationer, (on completion of training), transferred to Western Railway. He was relieved on the afternoon of 22nd Aug. '61.

Kumari ANNAPPA PADMA, I.R.A.S. Probationer, on completion of training on 25-8-'61 A.N., posted as J.A.O./Goods, S. Ry., relieving.

Sri P.V. CHAKRAVARTHI, transferred and posted as D.A.O., Hubli.



STUDENTS' CORNER

Answers

Some Mathematical Problems

Three questions were posed in the Issue for August '61—page 147. Their answers are as under:

I. The interspace between the first and sixth Telegraph Posts will be five, covering a range of sixty yds. Hence, the space between two posts will be 12 yds.

The spaces between twelve posts will be eleven. Hence, the total distance will be 11 x 12 or 132 yds.

II. The number of intervals in striking four times is three, and hence, the strike is made at intervals of two seconds each. The number of intervals for twelve strikes will be eleven; and therefore, the total time taken for twelve strikes will be 11 x 2 or 22 seconds.

III. With the addition of the Minister's elephant, the total comes to 18.

The first son therefore was given $\frac{1}{2}$ of 18 or 9;

the second son got $\frac{1}{3}$ of 18 or 6; and the third son got $\frac{1}{9}$ of 18 or 2.

The elephant loaned by the Minister was returned to him.

Thus, all the 17+1 are distributed.

x x x

Some Mathematical Problems

I

A milkman has three measuring vessels: 7 litres, 13 litres and 19 litres. The first two are full while the third is empty.

A customer wants 10 litres of milk. How will the milkman serve this quantity, using only these three measuring vessels?

o o o

II

Fill up the blanks in the following sum:

4 ? 6 x ? 4 ?

? ? ?

? ? ? ?

? ? ? ?

1 4 5 6 9 2

o o o

III

The figures 1, 2, 3, ... to 9 are used in the following sum with adequate signs to arrive at the total of 6 as under:

$(1+2+3+4+8) \div 9 + 5 + 6 - 7 = 6$.

Use these figures from 1 to 9 (only once in each sum) and find out as many combinations as you can to arrive at the total of 100.

o o o

Note:—Answers in next issue.

Ed., R.A.

SPECIAL REDUCED RATES (within INDIA)

For Full Cash Prepayment only: Effective till 30-10-1961 only

APPENDIX III EXAMINATIONS — 1951 to 1957 — QUESTIONS & ANSWERS

@ Rs. 4 each

BOOK-KEEPING; GENERAL RULES AND PROCEDURE; TRAFFIC ACCOUNTS; TRAFFIC STATISTICS & TRAFFIC BOOK; STATION ACCOUNTS; BOOKS AND BUDGET; GENERAL EXPENDITURE

Reduction allowed for MISSING years. Additional years, if available, charged extra.

Questions and Answers 1947-48.

Construction Accounts .. Re. 1.00
Workshop Accounts .. Re. 0.80

Questions only 1947-57: (58 to 60 supplied at extra rates to be ascertained)

Book-Keeping and Gl. Rules and Procedure; Books and

Budget; Gl. Expenditure; Workshops; Establishment; Stores .. Rs. 1.25 each

Receipts Accounts .. Rs. 2.00
C O. S. Office Procedure .. Re. 1.00
Construction—'47 to 55 only Re. 0.80

GENERAL BOOKS

Handbook of Railway Accounts—

No. 73RR—with two sets of correction slips .. Rs. 5.00

Railway Frauds and Losses (No. 69 R) .. Re. 1.00

Railway Statistics (Revised) 1958—No. 297R .. Rs. 4.00

Stores Accounts in Theory and in Practice by Sri T. S. Chawla, N. F. Ry. .. Rs. 1.50

S. R. A. S. Examinations - Questions only:

Part I: 84C₁ to C₃ 56-58 } Rs. 2.50
84D 59-60 }
Part II: 85B 49-53 Re. 1.80
85C to C₃ 54-58 Re. 1.50
84D 59-60 Re. 0.80

50 nP. per packet should be added to the cost of each order, and should accompany the order, to cover Postal Registration Charges.

Allocation of Expenditure

by Sri B. G. Balakrishnan .. Re. 0.50

Pamphlets on Loco Repairs, etc.

by Mr. Yash Pal Puri—Eight articles in all .. Rs. 1.50

Form of Budget Demands No. 5 to 10: 57-58

with instructions and amendments .. Re. 0.80

Appendix II Examination - Questions and Answers 1955-57:

No. 522 Book-Keeping .. Re. 1.00

No. 523 Gl. Rules & Procedure (+ 1958) .. Rs. 1.00

No. 524 Coaching .. Re. 1.00

No. 525 Goods .. Re. 1.00

Other combinations also available.

Write to L. V. GOPALAN, 14, Balakrishna Road, MADRAS-4

Further concessions allowed for large bulk orders which can be ascertained by furnishing details of requirements.

REGD. NO. M 6479

THE RAILWAY ACCOUNTANT

BOOKS ON SALE

S.R.A.S. Part I Examination Questions
1956 to 1960—Rs. 3.00 by Registered Post

S.R.A.S. Part II Examination Questions
1949 to 1960 except 1954—Rs. 5
by Registered Post

BOOK-KEEPING: Parts I & II
Examinations: Questions 1940-48

Also available Re. ONE

Apply Sharp to: L. V. GOPALAN

CLOSING DOWN SALE of BOOKS
Published by L. V. GOPALAN

As I have a very small balance stock on hand, those interested in getting any of them for their use will kindly write at once and ascertain the amounts to be remitted in advance for obtaining them. Scrap prices are quoted.

No guarantee of availability of any Stock beyond 31st Oct. 1961

BOUND VOLUMES & LOOSE COPIES OF "RAILWAY ACCOUNTANT"

A few copies of Volumes I to VII are available for Sale at rates to be quoted on receipt of requirements. The amounts due are to be remitted in advance quickly so as to avoid disappointment.

Mg. Editor.

MISSING COPIES OF THE JOURNAL

Such subscribers as find any intervening issue of the Journal (upto Dec. '60) MISSING in their files, may apply for duplicate copies IMMEDIATELY, sending a special reduced rate of 80 nP. per issue plus registration charge of 50 nP. per packet. These copies will not be available after 31-10-61.

SPECIAL IMPORTANT NOTICE TO SUBSCRIBERS

Several subscribers have not renewed their Subscriptions, even after the Journal was sent to them for some months thereafter. It is particularly requested that the accounts be brought up to date **immediately**. Further issues may not also be despatched unless arrears are cleared. Those who do not wish to continue may write specifically to that effect, remitting the amount due for the excess copies already sent at Re. One per issue.

Delays in remittances result in inconvenience all round.

Mg. Editor.

Roll Number on cover wrapper should be quoted in all communications.

The last month covered by your subscription is noted on the cover wrapper of your copy of the Journal. Please watch and send **renewal remittance in time**.

Surcharge of 15 nP. per arrear month is to be added to subscription if enrolment is ante-dated.

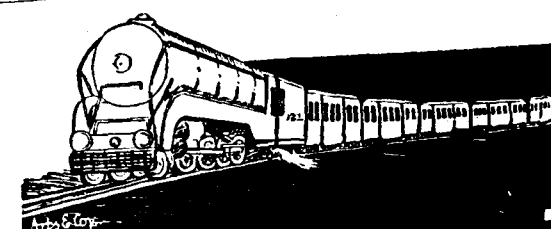
Missing Journals should be reported **without delay** to the Local Post Office and to the Mg. Editor.

Addresses: Correct and current residential addresses ensure safe delivery.

Mg. Editor, R. A.

Printed by C. Muralidharan, at the Sri Ramakrishna Printing Works, 19-B, Woods Road, Madras-2.
Edited & Published by: L. V. Gopalan, B.A., B.L., Retd. A.A.O., M.S.M. Rly.
14, Balakrishna Road, Mylapore, Madras-4.

3
6



The RAILWAY ACCOUNTANT

A MONTHLY JOURNAL
DEVOTED TO
RAILWAY ACCOUNTS,
AUDIT & FINANCE.

Published on the 15th of every month

Vol. VIII—No. 7

OCTOBER 1961

Re. 1

Edited & Published by:
L. V. GOPALAN, B.A., B.L.
Retd. A. A. O., M. S. M. Ry.
14, Balakrishna Road,
Mylapore, Madras-4.

Hon. Editorial Adviser:
Sri B. G. Balakrishnan,
Retd. S.A.O., S. Ry.

Subscription:
Payable in Advance

	Annual	Half-Yearly
	Rs.	Rs.
Inland	Ten	Five
Burma (Sea-Mail)	Twelve	Six
Pakistan		

CONTENTS

	PAGE
EDITORIAL:	
RAILWAYS AND THIRD FIVE-YEAR PLAN	173
CONTRIBUTIONS:	
ROLE OF FINANCE	175
INDIA'S WEAKNESS ON THE TRANSPORT FRONT	175
PERFORMANCE OF RAILWAYS	177
WORKS RELATING TO PASSENGER AND OTHER RAILWAY USERS' AMENITIES	181
PLANNING FOR RAILWAY TRANSPORT	182
MATTERS—ALLOCATION	183
ACCOUNTING AS AN AID TO PRODUCTIVITY	191
SHOULD RAILWAYS BE MANUFACTURERS ALSO?	192
SUBJECTS OF MOMENT	
NEWS, NOTES & COMMENTS	195
SCIENTIFIC DEVELOPMENTS	198
LETTERS TO THE EDITOR	200
PERSONNEL	202
STUDENTS' CORNER	204

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.

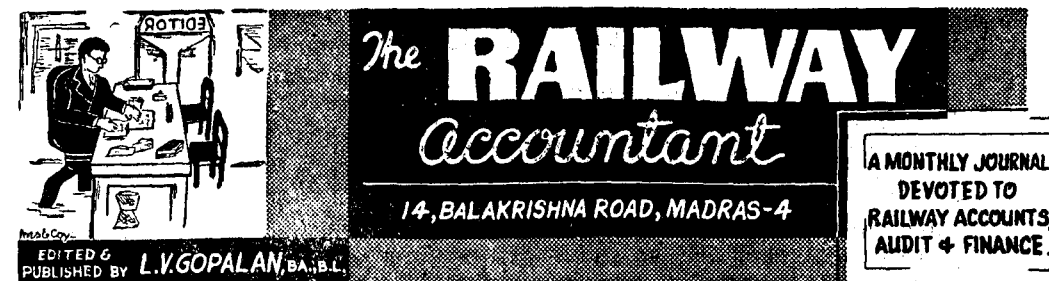
All communications, contributions, subscriptions, advertisements, etc., should be addressed to

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

ACKNOWLEDGMENTS

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

Central Railway Magazine	— '61	Transport	— '60
Eastern Railway Magazine	— '61	Indian Railway Gazette	Sep. '61
Western Railway Magazine	Aug. '61	Indian Construction News	May & July '61
South Eastern Rly. Magazine	— '61	Chartered Accountant	Se. '61
Southrailnews	July '61	Educational Review	Se. '61
Chittaranjan	July & Aug. '61	Australian Accountant	Aug. & Sep '61
Central Railway Newsletter	— '60	Accountants' Journal (NZ)	Aug. '61
Eastern Railway (Lifeline) up to F.E.	'61	Technical Bulletin (Australia)	— '60
" Newsletter upto F.E.	21-8-'61	Accountants' Magazine (Edinburgh)	Aug. '61
Western Railway "	— '61	Railway Board's Monthly Statistics	May '61
Metric Measures	— '61	I.R.T.D.A. Newsletter up to F.E.	30-9-'61
Indian Railways	Sep. '61		



Vol. VIII—No. 7

OCTOBER 1961

Re. 1

Railways and Third Five-Year Plan

The Third Five Year Plan as finalised and put before the Parliament provides for an outlay of Rs. 1,325 Crores including an outlay of about Rs. 400 Crores to be met from the internal resources of the Railways like Depreciation Reserve Fund. The outlay is intended to provide facilities for an additional goods traffic of about 59% over that at the end of the Second Five Year Plan, while for Passenger traffic, the increase provided is only at 3% per annum. We may leave aside for the moment the normal gradual increase in passenger traffic, though with the increase in population and the efforts towards a Socialist pattern of Society, there is little doubt that the passenger traffic on the Railways will be much more than what is provided for.

It is an admitted fact that the Railway transport is essentially an *auxiliary* service to industries and commerce. It follows, therefore, that whatever planning is to be done in regard to the Rail transport, will depend upon, and follow the lead given by, the patterns of the locations and the requirements of the several industrial and commercial activities envisaged in the Third Five Year Plan. That this has been fully recognised both by the Planning Commission as well as by the Railways is quite evident from the fact that the Railways have themselves given expression to this while accounting for the shortfalls in the Second Plan requirements complained of particularly by Coal and Cement industries, and the Planning Commission have also admitted this in their Report.

The originating traffic expected at the end of the Third Five Year Plan is of the order of 91 million tons, of which roughly 80 million tons are accounted for by coal, steel, cement etc., the general merchandise accounting for only a small proportion. This magnitude of the imponderable quantum of traffic relating to the main industries of coal, steel, cement etc. makes planning on the Railways difficult, particularly in the absence of particulars of the patterns and trends of the traffic between particular points etc. The Planning Commission themselves say that, in the nature of things, the traffic requirements for five years hence, cannot be calculated very precisely. In the first place, the location of some of the important units in industries like coal and fertilizers, is still not definitely known and it is not possible to forecast precisely the pattern of traffic for these Commodities. Unless this is known, the Railways cannot plan as to, in which region and between what points the existing facilities for rail transport requires to be augmented. The Planning Commission say that, in the case of coal industry particularly, it is difficult to foresee the exact magnitude of the average distance of haul and the changes in the pattern of production envisaged in the Third

Plan, in so far as a substantial part of the production is expected from fields other than Bengal and Bihar coal-fields. Secondly, in respect of some important commodities like iron ore and steel, because of the increased production within the country, the pattern of future movement may be very different from what it has been in the recent past. Thirdly, it is emphasised that it is difficult at this stage to define precisely the respective spheres of rail and road transport. This may, however, be dismissed as of only small consequence, as the traffic that will be taken away from the Railways to the Roads, (or the industries' new traffic on the roads) in the ensuing five years, is not likely to be of such magnitude as to arouse any apprehensions on the Railway side.

Having regard to all these factors of groping in the dark for planning rail transport to feed the industrial and commercial activities of the country, it becomes all the more necessary at the present juncture, for the Railways to ensure that they have a properly geared machinery which would be working continuously for reviewing the requirements and trends and making concrete proposals for construction of such facilities as may be necessary. Needless to say, such a machinery should include the association of not only Railway Finance but also the industrial unit concerned or the particular team in the Planning Commission and in the Ministry concerned intimately connected with the planning of production requirements of the particular phases of activity. To elaborate, Standing Committees should be established not only at the Railway Board's level but also at the level of the various Railway Administrations, and in fact divisions also. The plan-consciousness should be fully instilled into those who are actually to execute the schemes and operation, and it cannot be the intention that every one should shift his responsibility and try to escape criticism. So long as a decision is made conscientiously, having regard to all the materials then available, any error of judgment should not be seriously looked upon for condignment, but for learning a lesson therefrom and avoiding mistakes.

There are so many other points which might require detailed attention and which would in the long run, enable better performance with the *existing* assets themselves without adding to them and these should be fully taken into account before new schemes are formulated. The lessons of the Second Five Year Plan should be kept prominently in view in making new proposals.

It is a bit curious that the Railways should still continue to invest in road services. In the Third Five Year Plan, a sum of Rs. 10 Crores has been provided for investment in road services by the Railways. It passes one's comprehension why the Railways should invest in road transport. Road transport is a State subject, and it should always be possible for the State authorities to work in unison with the Railway authorities, without the latter having to make the financial contribution in the Share Capital of the Road Transport Undertaking. We have, sometime before, commented on this aspect of the matter, and it is time that the Parliament applied its mind to this question seriously.

Similar would be the case in regard to the producing centres of the Railways like the Integral Coach Factory, Perambur, and Chittaranjan Locomotive Works. Railways are essentially intended for the operation of transport, and not for manufacture of new assets like carriages, wagons and locomotives, except for spares etc. to a small extent that may be required for ordinary repair work of the Railways. It is not inappropriate to suggest that these two undertakings should immediately be segregated from the Railways and put on the basis of independent entities under the Commerce Ministry. Unless this is done, proper control, whether financial or otherwise, cannot be exercised and this is a matter to which attention could be given at this stage.

Role of Finance

(By B.G.B.)

In an interesting article on "The Role of Accounting in Decision Making" in the Journal "Cost and Management" of Canada, Mr. R. F. Hogan, Controller, Ford Motor Company of Canada, Limited, has very pithily summarised the importance of financial advice to Management in these words:—

* * *

"When comparative factors are habitually mustered by experts, marshalled in significant form, sifted to eliminate the extraneous, proportionately evaluated, objectively interpreted and duly presented, management will avoid many a pitfall."

* * *

"I make bold to state that no other single component of the average company participates in as many and as varied management decisions as the finance activity. And no matter how sophisticated and esoteric its techniques may

become, accounting still remains its bedrock foundation. Accounting training in itself sharpens the mind and orients it in the direction of clean-cut decision making. We have learned that a debit is a debit and credit is a credit and we can work wonders with these simple tools. We can debit assets and credit liabilities or credit assets and debit liabilities, or debit and credit assets; or debit and credit liabilities and innumerable adaptations thereof. And all these exercises though mundane and elementary, develop in the accountant a capacity to tackle problems rationally; to break them down analytically; and to balance their pros and cons objectively. In the final analysis, isn't this the very essence of the role of accounting in decision making? It does not surprise me that accountants not only are helping management to make sound decisions but in many instances are themselves graduating into senior management ranks".

India's Weakness on the Transport Front

By 1980—81 road and water transport in India will have to carry 300 million tons of long distance traffic, i.e., about 15 times the volume of 1960—61. Even by the end of the Third Plan, road transport will be called upon to lift five times the long distance traffic it handles today. How unprepared we are to meet this situation can be seen from the condition of our roads. So states the leading article under the caption. "The Writing on the Wall" appearing in the July 1961 issue of "Transport Communications Monthly Review."

The article, which is reproduced below, urges that we must improve road surfaces to carry heavier loads, widen immediately the missing bridges and provide enough money for increasing the manufacture of motor vehicles and truck-trailer combinations in India. "We should go in immediately for truck-trailer combinations of upto 21-ton payloads," stresses the article. The operation cost of road transport can then be reduced to one-third of the present day costs.

"Road and road transport in every country make a great contribution towards the development of its economy in all fields, i.e., agriculture, commerce, industry, social life, education, maintenance of law and order and defence.

"The basic advantages of road transport are its ability to reach remote places, quick transit without transshipment, or loss in transit, door to door delivery, and flexibility. They have influenced most of the advanced countries to utilise more and more road transport. The following data will show that road transport is one of the major means of inland transport of goods in other countries:—

Country.	Share of road transport out of all surface transport.
1. U.S.A. ...	20 per cent.*
2. Australia ...	52 " "
3. Great Britain ...	55 " "
4. Italy ...	69 " "

"In India, the Planning Commission estimated that the total long distance traffic in the year 1960—61 would come to about 182 million tons. Out of it the railways were expected to carry about 162 million tons. The balance of 20 million tons would be moved by other means of transport.

"Our gross production of all commodities which stood at about 165 million tons at the end of the First Five-Year Plan, is expected to be about 245 million tons at the close of the Second Plan, and is likely to swell to about 370 million tons by the end of the Third Five-Year Plan. Since about 25 million tons of goods will also be imported, the total demand for transport by the end of the Third Five-Year Plan will be about 395 million tons, out of which the railways are now being

geared to carry about 245 million tons. Allowing about 70 million tons to be carried by bullock-carts, 15 million tons by sea and waterways, there will still be about 65 million tons to be carried by road transport. This will be in addition to about 135 million tons of feeder traffic for the railways excluding quantities of coal and iron ore which go from siding to siding and about 15 million tons of feeder traffic for water transport.

"In 1980—81, the long-distance transport is likely to be of the order of 800 million tons against which the railways may be carrying about 500 million tons, leaving a gap of about 300 million tons of the long distance traffic, i.e., about 15 times that required to be transported in 1960—61 by other modes of transport.

"By the end of the Second Five-Year Plan, even in the case of National Highways 14,900 miles in length, only 2,003 miles will have two-lane width of carriageway; there will be 400 miles of missing links; 1,000 miles will have the lower type of surface; 84 bridges, each costing Rs. 5 lakhs and above, shall have to be built (47 will be under construction) and 11,300 miles of National Highways will have only one single lane surfaced carriageway. The position of our State Highways and District Roads is no happier.

"From the above it will be seen how unprepared we are for the situation facing us and even to cope with the situation likely to be created by increase in production during the Third Five-Year Plan.

"During the first two Plans greater attention was paid to the development of the railways than to the development of road transport. This was sought to be justified on the ground that the railways would have to carry all coal and

*This is inter-city or long distance freight traffic. The share of roads is 21.61% of the total traffic in ton-miles, while that of railways is 43.66%.—Editor.

The share of roads is 21.61% of the total traffic in

other raw materials for the steel plants. Yet in 1960—61, the railway capacity was found to be about 10 million tons short on coal alone.

"For it other means of transport will have to be used. Sea transport is expected to carry about 2 million tons. For the rest, road transport will have to be considered for nearby places in Bihar, Bengal and Orissa which may be within a radius of about 250 to 300 miles from pit-heads.

"The production of coal is expected to be about 97 million tons in 1965—66 and about 400 million tons in 1980—81. A good portion of these quantities can be carried by providing suitable roads near collieries and by employing heavy truck-trailer combinations. The present average cost of carriage by ordinary trucks by roads is about 13 nP per ton—mile. It can be reduced to about 4.5 nP per ton—mile if truck—trailer combinations with a pay—load of about 21 tons are used for the transport of coal and other raw materials. Hence, this alternative is worth serious consideration.

"To be able to cope economically, with increased demand on the roads we should

go in immediately for truck-trailer combinations of up to 21 ton pay-loads on those roads or roads in specified areas where traffic conditions warrant it. For doing so, we must improve the road surfaces to carry heavier loads, widen the roads to two-lanes where justified by traffic, construct immediately missing bridges and provide enough money for increasing the manufacture of motor vehicles, truck-trailer combinations, etc., in India.

"A beginning has got to be made and initially the States of Bengal, Bihar and Orissa which are near collieries should be considered.

"India can no longer afford to postpone these essential road development works, postponing them will cost us much more in the long run.

"Money invested in roads and road transport in addition to being a very profitable investment, which brings in quick return, also has a great employment potential, both of which are the need of the day in our country."

By courtesy : I.R.T.D.A. Newsletter.

Performance of Railways

The following article on "Planning for Transport" by Shri K.A. Sankarasubramanyam in his series of articles on 'Public Sector: a Survey' appearing in the "*Hindustan Times*" is of interest. The author makes an assessment of the performance of the Railways during the Second Five Year Plan period, and makes the following important suggestions;

(i) There should be better utilization of the track and rolling stock capacity.

(ii) Heavier capacity wagons will have to be increasingly introduced.

(iii) The shortfall in the wagons and locos should be made up quickly. In view of the high operating ratio of the Metre Gauge

and Broad Gauge, which exceeds 100%, (which means, in other words, that these gauges are working at a loss which is made good by the higher earnings in the broad gauge), the narrow gauge system should be scrapped and there should be a gradual conversion of metre gauge into broad gauge.

(iv) The original pattern of a single Traffic Manager with Dy. Chief Operating, and Commercial Superintendents under him, should be reverted to, as this will facilitate placing of responsibility for lapses.

(v) The projected annual increase of 3% in Passenger traffic is totally inadequate and this should be properly planned.

Ed., R.A.

No survey of the public sector can be complete without a study of the working of the railways. The "railways" is the country's largest carrier. It is the largest single national enterprise. It accounts for the largest individual investment. It has the largest earnings for any undertaking amounting to about 50 per cent of the Union budget. It is the largest employer with more than a million people on its rolls.

The problems of the railways call for an elaborately exclusive survey. My attempt here will be confined to some of the major aspects of railway operations which I could study during my current tour and the one in July last year when I visited the major multi-purpose river valley projects.

My understanding of the problems was greatly facilitated by the free and frank discussions permitted by the Railway Board, and the General Managers, Chief Operating and Chief Commercial Superintendents and Chief Engineers of most of the zonal railways.

The problems which confronted the railways at the start of the first Plan were vast and varied. In the first place there was the urgent need of rehabilitating the rolling stock, workshop machinery, track, bridges and signalling and electrical equipment which had remained uncared for during the War. With the

integration of several independent State railways there was the problem of bringing the amalgamated metre gauge railways to the standard of maintenance and operation of the Indian Government Railways. This indeed was a difficult task in that each constituent railway had different types of locomotives, coaches and wagons and maintenance standards. Simultaneously, a number of works had to be undertaken to increase the capacity to deal with the growing goods and passenger traffic.

The first Plan has accordingly been one of rehabilitation. In keeping with the objective of rapid industrialization with particular emphasis on basic and heavy industries, the railway programme during the Second Plan had been geared to the development of facilities to transport raw materials to centres of production and finished products to consuming centres. The country's transport capacity has been enormously augmented during the first decade of planning. Today the railway is handling 100 per cent more freight traffic and 27 per cent additional passenger traffic than at the beginning of the First Plan. Since 1950-51 the railway has added 1,200 miles of new lines, has doubled 1,300 miles of track and has electrified 880 miles; the number of locomotives has increased from 8,200 to 10,600; coaches from 19,200 to 28,900; wagons from 199,000 to 354,000. About

100 diesel locomotives and as many electric locomotives have been added.

The Administration claims that the railway has achieved its Second Plan target of 168 million tons. Whether or not this is so is not easy to determine. But the inadequacy of transport facility is today more acute than ever. The railways cannot be blamed for this because increases in traffic requirements have far outstripped the rate of growth of railways. This experience is nothing exceptional and is in line with that of several industrially advanced countries in their early stages of development.

The planning for transport has betrayed utter lack of realism. The 50 per cent increase in railway capacity during the Second Plan, which means an annual growth of 10 per cent, has proved extremely insufficient. It is a pity that the clear warning of the World Bank that the 10 per cent annual increase in railway capacity will not relieve the transport bottleneck has not been fully heeded. The Third Plan also envisages only a similar rate of increase. The target of 244 million tons has been fixed not on the basis of the transport needs but with a view to limiting the financial outlay. Anything less than a target of 270 million tons is bound to aggravate the transport difficulties at the end of the Third Plan. This may involve on additional outlay of about Rs. 100 crores, which is very worthwhile.

It is doubtful whether even the target of 244 million tons by 1965-66 will be achieved with the present allocation of Rs. 1,275—crores; Rs. 890 crores of new investments, Rs. 350 crores to be contributed by the railways from the depreciation fund and Rs. 35 crores for stores suspense account. The prospects for the Third Plan have to be viewed against the background of the difficulties encountered hitherto. The administration is attempting at maximization of the existing capacity on certain important industrial sections, extension

of dieselization and electrification, acquisition of adequate rolling stock of higher capacity, construction of lines for the development of basic industries like steel, coal, ores, cement and machinery and improvement of signalling.

While the successful implementation of these programmes remains to be achieved, there is enormous scope for better utilization of the track and rolling stock capacity. The index of ton-miles carried at the end of the Second Plan has increased by only 100 per cent as against an increase of only 47 per cent in the installed tractive capacity and 52 per cent in wagon holdings. But this yard-stick of ton-miles cannot be a correct measurement of operational efficiency in that it does not show the proportionate distribution of loading. Judging by the more correct yardstick of wagon turn-round, the achievements of the railways leave much to be desired. There is a real shortage of locomotives which is affecting the quicker turn-round of wagons. Wagon detentions at railway sidings and more so in private sidings because of delays in pilot service, appear to be excessive.

The track renewal scheme is very much behind schedule, with nearly 6,000 miles in arrears. The acute steel shortage is mainly to blame for this. The Bhilai Steel Project, which should have started supplies of rails from October last, is yet to fulfil this promise. There have also been enormous delays in the import of steel. Similarly, the delay in the supply of plates and sheets from Rourkela has affected the wagon programme, which has shown a shortage has also held up work on the doubling of track on certain important routes, resulting in avoidable bottleneck. These routes include Bezwada, Madras, Moradabad—Saharanpur, Allahabad-Kanpur, Zaffarabad-Varanasi and Anuppur-Katni. In many places embankments have been raised and have been awaiting laying of rails for many months.

The electrification scheme does not have much to boast of. The vagaries of D.V.C. have upset all expectations. A large number of the 100 and odd locomotives are often stabled or are engaged on very short routes whereas they are designed to run several hundred miles at a stretch. Quite a few of these electric engines have had to undergo some modifications to suit the conditions of the Indian track. The cumulative effect of this has been that more than 200 steam locomotives, which should have been released from the electrified section for use elsewhere, are not available.

The dieselization programme is also behind schedule. Eighteen months after the Railway Ministry had decided to permit some private industrial units to manufacture these locomotives, the Planning Commission has ordained that the scheme should be in the public sector. On the ideological battle as to who should produce, more than a year has been lost.

The scope for more intensive utilization of existing track facilities depends on the extent to which the average load of trains is increased. The average net train load in India on the broad gauge is only 613 tons as against 1,430 tons in the USA and 1,052 tons in USSR. The Indian record is, however, better than the average of 450 tons on the Continent. The average wagon capacity in India is equally poor with about 20 tons as against 60 tons in the USSR and 50 tons in the USA. It is clear that heavier capacity wagons will have to be increasingly introduced if large investments on double and multiple track are to be avoided.

The 56 ton box wagons, being used of late to transport heavy minerals like coal and iron ore, are greatly helping in the movement of these commodities on the SE and Eastern Railways. These wagons are very costly and can be justified only if they are intensively used. They also

require mechanical facilities for loading and unloading operations. In any case, the old wagons are mostly overaged and too heavy and need to be replaced by lighter and larger ones.

A comparative study of the efficiency of the various zonal railways is limited by a number of factors. The pattern of traffic varies from region to region. If the SE Railway is predominantly a carrier of goods, the Southern Railway is essentially a passenger service. The Northern, Central and Eastern Railways have a balanced blending of both. The type of the track also varies from one region to another. The SE Railway is mostly a broad gauge system, whereas the Southern and the NE Railways are mainly metre gauge. The terrain of the region also has a major impact on operational efficiency and, consequently, earnings. The NE, Southern and Central Railways are the worst in this respect. The varying quality and price of coal is another aspect affecting a comparative study of the different zonal railways.

Allowing a margin for these factors, it appears that the Western Railway is the best administered unit. Its record in wagon turn-round and train punctuality is creditable. But in terms of earnings the SE Railway stands first, accounting for about 60 per cent of the total profits of the Indian Railways. This prosperity is because of its serving the country's largest industrial belt, including the three steel plants at Jamshedpur, Rourkela, and Bhilai, and the extensive coalfields and iron ore mines feeding the steel plants.

The Eastern Railway is equally blessed with paying goods traffic. The Western Railway has the good fortune of a large percentage of high rated goods traffic. The responsibilities of the Central and Northern Railways are onerous in that the traffic on them is rather heavy but not compensatingly paying.

The Southern Railway is languishing for lack of goods traffic. The percentage of empties hauled in the return direction is high. With growing competition from roadways in passenger traffic, the Southern Railway is indeed in a vulnerable position.

COURTESY: *Hindustan Times*

• Works Relating to Passenger and other Railway Users' Amenities

The cost of the Passengers and other Railway Users' Amenities is allocated to DF(1). This allocation has been followed whether the works were taken up independently or as forming part of schemes irrespective of the allocation of cost of the main scheme. The only exception made therein was that in the case of provision of New Platforms, the cost of the New Platforms is to follow the allocation of the main work. The Users' Amenities are itemised under Note 2(a) to para 910-G.I.

The Railway Board have since revised the list of Users' Amenity works and the revised list sent under their letter No. F(X) 1-60-CMT.2/2 dt. 31-5-'61 takes effect from 1-4-'61. In accordance with the revised list, the following items of works which were formerly considered as Amenity Works, vide list under Note 2(a) to para 910-G.I., have been deleted.

1. Provision of overhead hydrants.
2. Provision of New overbridges or subways.
3. Provision of Generation Equipment, Refrigerators in dining cars.
4. Washable aprons on passenger platform lines.
5. Better siting or improvements or additions to Booking Offices, Parcels or Goods delivery windows, improved

arrangements for dealing with luggage, self-printing or ticket issuing machines.

6. Retiring Rooms (R.B. No. F(X)160/CMT.2/2 of 11-9-'61)

The cost of the above 6 items will follow the allocation of the main scheme, and will not be allocated to DF(1) with effect from 1-4-'61.

Prior to 1-4-'61, the cost of raising, extending, widening, surfacing, covering or other improvements to platforms at stations was allocated to DF(1), whether taken up independently or as part of schemes. It has since been clarified in the revised list issued by the Railway Board that these items can be treated as Amenities for Passengers or other Railway users, except when such works are required for other than Passenger Amenity reasons, e.g., extension of platforms at large stations to accommodate full length trains or provision of additional platforms to facilitate crossing of trains. If the extension of platforms is incidental to the provision of crossing stations, yard remodelling, running of longer trains etc., the cost should be allocated to the appropriate head and not as hitherto to DF(1). On the contrary, if such extensions are exclusively provided for the benefit of passengers and other Rail Users, the work should be allocated to DF(1).

M. GOVINDARAJULU,
Jr. Acctt., S.Ry.

Planning for Railway Transport

The following extract from an article on "Economic Growth and Transport Requirements: A Comparative Study in Methods of Projection" by Shri Krishna Bharadwaj, in the "Economic Weekly" of September 2, 1961, will be of interest to Railway Accountants:—

Capital Requirements

"Given the additional demand for freight traffic in terms of the probable traffic-flows originating under a given production programme, capital requirements of such a transport supply will have to be carefully assessed, taking into consideration the extent of excess capacity available and the probable trends in efficiency of utilisation of existing capacity. Knowledge regarding both the direction of traffic flows and the commodity composition is indispensable for efficient planning of capacity creation and utilisation. If the new traffic flows are situated at the low-density points on railway network, the capital investment necessitated by them would be of a lower order than if they had arisen at already traffic-saturated points. Composition of traffic influences the required capital investment in two ways. In the first place, the loading conditions of different categories of goods are different, the lighter goods requiring more space and hence more rolling stock than heavier goods of equivalent weight. Again, since the gross weight of a train

cannot exceed a level depending upon the tractive power of the locomotives, the locomotive requirements of the lighter goods in turn are comparatively higher. The haulage of more number of wagons and trains further leads to the question of maintaining standards of operational efficiency requiring at times additional investment in line capacity. Secondly, the composition of traffic affects capital requirements through the specialised nature of carrying capacity required by certain commodities. These, like petrol and chemicals require special purpose wagons which have to be provided for in case of their deficient supply even if there were no general wagon shortage. Here again, the input-output approach with its sectoral breakdown of traffic requirements might prove more useful.

Technological changes influencing the input patterns in production and through them the prospective transport needs are of considerable significance. Such technological changes, for example, are the substitution of solid fuels by the transport-saving liquid and gaseous fuels, new methods of treating ores at pit-heads, more efficient use of bye-products, etc. The projective techniques based upon the regression approach are not capable of handling such shifts. The input-output method could allow for changes in input structure if they are explicitly identifiable and measurable."

Matters—Allocation

(By SWARAM)

I. Allocation of Cost of Works of Unremunerative Operational Improvements to Olwr or DF(3).

In Railway Board's letter No. F (SPL) 54/FCC-21 date 16-12-57 it was clarified that, as land necessarily forms part of a work, the cost thereof should be added to the cost of Unremunerative Operational

Improvement work for purposes of allocation. In other words, if the total cost of the work including land exceeds Rs. 3 lakhs, the cost of the work proper should be allocated to DF (3) and if it is not

more than Rs. 3 lakhs, to OLWR, the cost of land being allocated to Capital in both the cases. These orders took effect from 1-4-58.

A doubt arose from the allocation given for certain works in the Final Works, Machinery and Rolling Stock Programme for 1961-62, whether the cost of the portion of the work chargeable to DRF, DF (1), DF (2) or Capital should also be included in the total cost for purposes of deciding the allocation of the Unremunerative Operational Improvement portion of the work to OLWR or DF (3).

The question also arose as to the application of this principle of Track Renewal Works, as, on a certain Railway, the cost of increasing the sleeper density had been allocated to DF (3), though costing less than Rs. 3 lakhs, on the basis of the total cost including the renewal of Permanent Way debitable to DRF.

As the Board's letter dated 16-12-57 made a special dispensation only in respect of the cost of land included in the estimate, it would not be correct to extend the analogy of land to other Works, such as Passenger and other Railway Users' Amenities and Labour Welfare Works to arrive at the total cost for purposes of allocating to OLWR or DF (3) the cost of Unremunerative Operational Improvement portion. This

principle will also apply to the allocation of Track Renewal Works, involving normal replacement of Permanent Way chargeable to DRF irrespective of the amount involved, and the amount allocable to DRF should not be taken into account for determining the allocation of the Operational Improvement portion of the work.

II. Welding of Rail Joints

Where the welding of rail joints forms part of the Track Renewal Works, the cost of welding is allocated to DRF. The question arose as to how the cost of welding of rail joints undertaken independently of Track Renewals should be allocated. It has been decided that in the latter case, the work should be treated as an operational necessity and allocated to OLWR or DF(3) as the case may be.

III. Recovery from Worked Lines

Recovery on account of deficit in net earnings pertaining to Worked Lines as well as the recoveries towards the excess payment made in previous years to owners of certain Worked Lines in respect of their share of net earnings at present adjusted in accounts in reduction of expenditure, should be treated as forming part of earnings with effect from the accounts for 1961-62.

(Authority:—Ry. Board's letter No. 61AC-II/3/7 of 18-9-'61)

Accounting as an aid to increase Productivity

BY SHRI G. BASU, F.C.A., F.S.A.A., F.C.I.S., F.I.C.W.A.,

*President of the Institute of Cost & Works Accountants of India and
Member, General Council of the Institute of Chartered Accountants of India*

An Address to the Accounts Forum at Chittaranjan Locomotive Works on the 28th July, 1961.

The subject is "Accounting as an aid to increase productivity". You can put it the other way "Profitability through accounting" or you can say "Industrialisation and the role of accounting in its day-to-day work." I will not go into details of technicalities, but I shall take the opportunity of telling you why

we attach a special importance to the industrialisation in this country. It had been of great education to me this afternoon, when I went round the Locomotive Works. I had an impression that this is one of the usual public sector undertakings. When I say usual public sector, it may include Hindusthan Machine Tools, which is doing extremely well and it may include other public sector undertakings which are not doing so well. But, I was told that this workshop is a part of the Railway Ministry or, in other words, you function here, if I assume correctly, as a Departmental Government. Now industry is a special necessity in this country in the circumstances in which we have been placed. In all aspects, industry plays three important roles. Firstly, the usual role of producing wealth and producing profit for the investor as well as for the entrepreneur. Secondly, industry in India produces employment. And thirdly, industry in India collectively produces national wealth. Now, industry also is in a way directly concerned with social aspects of a Nation. To that extent you notice that our Government has come into the field of industry not so much or at any rate not for making money like a businessman would like to do, but to create conditions in the country by which we can provide more employment, we can produce more wealth. After all, when you produce more wealth, it goes round a different level, until it reaches the lowest stratum. Therefore, it would not be correct to generalise that in industry the main objective is to earn profits. I am mentioning this just to disabuse your mind of the fact that industry is always connected with the object of earning profit. But, in India, this is not the sole object, because, in India we have to create employment potential; we have to create social order through industry. Now, coming back to 'accounting,' until recently, accounting had been relegated to a very insignificant position in the entire set-up of industrial production. Many of you must be aware that there

had always been conflict between an Accounting Adviser and the Executive Officer inasmuch as Executive Officers should have to act to a considerable extent guided by a Financial Adviser. But, things have slowly gone the other way. Accountants are now called upon to act as real advisers to Executive authority. Therefore, you will find that accounting has a place in the entire fabric which leads to industrialisation and for that matter successful industrialisation. I will now come to an example. Supposing, I want to set up an industry and I invest 50 lakhs of rupees. Now, if I am the owner, I like to know three precisely definite things. I should know from time to time what has happened with money that I have given, that is to say, in what shape the money is formed - whether it is in land, building, machinery and plant, vehicles, stock-in-trade, Bank balances. It is very necessary for some one to tell the hoarder from time to time and regularly, periodically, what has happened with his investment. Has it all been lost or is partly there or partly remain unused. The second thing the proprietor would like to know is what is the result obtained by the use of that money. Has he been able to increase capital by way of profit or has the capital gone down, because you have suffered loss? And the third thing is, what is the economic use of the enterprise to the Society? If I set up a Cable Factory or an Electric or Pumping Factory, I not only like to see that the money I have invested is properly used, but I must get periodical statements also to see whether that factory is of some use to the community in which the factory has been established. So, these are the three specific objectives, which the investor must know from time to time. The second fact that you have to recognise is that in the complexities of industrialisation to-day, the proprietor alone cannot do everything. Normally, the proprietor is removed far away from the site of activities. Take for instance, if a company

is formed, which needs capital, the company will be consisting of say, 1,000 shareholders that are scattered all over the world. If you have a Factory, say, at Asansol, it is not possible for all proprietors, that is to say, all the shareholders to know what is happening from day to day in the industry in which he has invested. Therefore, it is necessary to institute a system by which the money invested can be accounted for or looked after properly. Now, that brings us to the need of keeping record of all activities; keeping record of activities in terms of money, means accounting. Now, if you do not do this, what is the result? The result will be that you will not be able to find a dependable statement periodically showing where your capital is locked, how much money you have made or how much you have lost and what is the position for its future career. In early part of civilisation, no accounting was necessary. For, at that time, the society was small; there was not much of manufacture; there was only trading. If to-day in Chittaranjan you find a shopkeeper, who does not do business on credit, then if he sells everything for cash and in the next purchase every day, then in the beginning of the day if he has Rs. 100/- in his box and at the end of the day if his 100 becomes 110, then he can easily say that he has made a profit of Rs. 10/-. But, that is not possible to-day. If you want to make margin of profit, you must try to buy as cheap as possible, wherever it is available. Similarly, if you want to make profit, you have to sell at as high a price as possible. So you must go far and far wide to find your buyers at higher rate. You must go far and wide to buy goods at a cheaper rate. Therefore, the modern conditions of business are such that it is not possible to know your results of activities in course of a day, which would otherwise be possible if you do not do any credit transactions; if you have to buy locally, sell locally and to keep margin in cash. Now, if you have to do this, then

some sort of record must be kept. Even if it is a small business, where you employ 10/20 people, the total cumulative effect of the working of the 20 people must be reflected somewhere, otherwise, the proprietor will not know what has happened.

Now, in accounting you know there are various types of accounting. If you do not keep accounts correctly, and you are content at the end of the year to know what has happened, then possibly you will know too late. If you have 12 months account, then you ask your Audit Department to check and give you the final accounts, then the Audit Department may take six months; by the time you get the result after 18 months you might have suffered a loss. It would then be too late to do anything and the result will be that you would perhaps remove the men who are irresponsible for running the business, but your money is lost. Therefore, to-day, it has become necessary, I would say absolutely necessary, to keep a record of everything that is happening at every point. Then, it is necessary for some people to classify, summarise, tabulate and bring out results. And this is the simple process of accounting. Accounting becomes necessary because in the complexities of industry and business, it is not possible for the proprietor to know everything that is happening every day. Therefore, he must depend on some others. Some people are specialised in purchasing of materials, some are specialised in marketing and selling, some are specialised in handling funds. Therefore, a combination of all types of activities will go to produce the profit. Incidentally, you may consider it unethical, but in business it is not considered unethical, to try to sell something at the highest possible rate. Suppose, I am able, by exercising my judgment, to buy a certain thing at Rs. 10/-, it will not stop me from charging 100/-. There is no normal compulsion for businessmen to charge a particular

margin of profit. And many of you of course know that when there is a large demand in certain areas, but the total volume of commodity is short—supplied, then the fellows who have the short supply can put up the prices. None can raise the question of morality or ethics, when high prices are charged. But when high prices are charged, the Government may intervene, set up control, try to regulate prices. But, here what I have tried to explain to you is that in the complicated situation of running business, industry and commerce, the proprietor has to be told almost continuously as to what is happening. And if that has to be done, then some record must be kept by people, all the people everywhere, as to what he is doing in terms of money. This is the basic need of accounting.

Now, when I selected the subject, I intended to tell you that without an accounting record, if you don't like the word 'accounting' without keeping record of what is happening, productivity or profitability cannot be measured. We will not enter into technicalities of what is productivity, but how it is measured. There are lots of literature on internal audit. But I shall be contented to explain to you that this is the connection between industry, commerce, trade and account-keeping. Without account-keeping, no further progress can be made. I will take an example. Supposing, with the money I have invested, my manager purchases goods worth Rs. 3 lakhs on one day. He acted in good faith. He thought demands for the particular thing will arise after 7 days. He calculated interest on the money being brought. But somehow or other the market went against him and he had to sell it at a lower price and he suffered a loss of Rs. 50,000/-. Now, if he does not come to me or if I do not know what he is doing everyday, I cannot exercise supervision over his judgment. If I know that he had bought Rs. 3 lakhs worth of goods at a certain rate, if I know his aim was to make

money on certain basis, possibly if I know what is happening, I would have told him "don't do it" or "do it upto Rs. 1 lakh." But eventually if he loses the money, the loss is mine. Therefore, the importance of keeping accounts is very great.

Now, coming to accounting also you have competition. In a case like yours, where you are a monopolist, there is no question of cost price, sale price or cost production. But where you have to face competition not merely within your local area but all over the country and on account of transport facilities, more or less competition is world wide. If you have a good industry and if you face competition, then every day you must know your cost of production; otherwise, you cannot regulate quantum of manufacture or pricing at which you are prepared to sell. Therefore, this is additional reason why the proprietor must make arrangements of his affairs in such a manner that he is told certain basic facts every day, almost every day. You will find, I don't know whether you have it here, in well regulated big industries in Calcutta every morning the Working Directors get a statement showing the total profits they have made on the previous day, the position of liabilities on the market, that is to say, suppliers' bills remaining unpaid, total forward contracts, contracts which you have to execute in course of next few days, the amount that is due from the customers from the market and so on and so forth. But, this statement is made every day. By the evening the statement is made and is given to the Working Directors by 9 o'clock on the following morning. This is not easy. It is not easy to prepare a statement like this almost every day, but whenever a system is worked out, it is possible. Now, the satisfaction of the Working Directors of such a concern is that they know as to how business is to be run for the next 7 days or next 20 days. If they are not able to know, particularly when the business is on a large scale, they do not

know what is happening and cannot regulate. For instance, if you find that you have a large stock of basic raw materials, and you would not need them for sometime, unless the top man gives an order to the buying departments to stop buying or go slow, this buying department will continue to buy, because it has no idea of how much materials is necessary, how much is being consumed. Therefore, this is an additional reason why some sort of recording or accounting is necessary.

Now, I wanted to explain to you the importance of account-keeping or record-keeping for the purpose of helping management to regulate the conduct of business so that eventually the three things for which the proprietor is interested, are suitably, adequately met. The three things are:—if I have invested money in an industry, I must know whether my money is intact, is invested safely, that the money is not being lost. Secondly, I must also know whether by using my money, my capital is increasing or decreasing. I must also know that by my efforts there is some reduction in human want. If I produce food-stuff, prepared foods will go to relieve hunger. If I produce medicine, that is something which I shall be glad to do. So, we should like to see not merely the profitability but also social side of manufacture of materials. These are the three basic things.

Now, you must have heard of management. Now-a-days, there are many new words which are constantly in circulation. They are management, top management, middle management, management at each level and so on and so forth. But basically they are all the same. There must be a combination or a balance amongst three elements, which go to produce profit. One is the Capitalist, who must provide adequate capital, the second is the labour, who must work, produce the goods and thirdly there is in between one person called entrepreneur or management. Entrepreneur

is very wide. He takes risk. But, let us call it entrepreneur in management. Capital by itself is of no value. For purposes of productivity your capital cannot produce, unless labour also comes in and labour by itself is of no use, because the labour cannot produce anything. Therefore, there must be a happy balance between capital and labour. And there is the need for an intermediary. That intermediary is called management or entrepreneur. Now, in this world, we have advanced a lot towards everything in research, scientific advancement, technology, but there has been no success yet, I would say, there has been no perfect balancing between Capital and Labour yet, nowhere in the world. We may be backward. We may have constant trouble with labour. But, in highly advanced countries the same is the position. I recently had an opportunity of touring United States for two months. There, labour does not work for two days in a week. I hope, I am not giving any encouragement to you. But the recent thing is that labour has posed a problem in United States. They say that if you can produce 7 day's product in 4 days, we should have three days off. Perfectly reasonable isn't it? They say that what quantum of production you expect from us in 5 days, we will give in 4 days. Then what is the harm of giving one more fully paid holiday? But on that Trade Union and the employer are fighting. So, what I was saying is that upto now even in an advanced country, a rich country, where prosperity is on a high level, capital-labour relation has never been solved. Now, unless you have a sort of balance or equilibrium between this, production must be affected. It is the function of the management to try to keep the balance and for 'management' you may have lot of definition, as to what is management, who is management. Management is nothing but certain types of activities involving responsibility for work of others. They also work, but their responsibility is to get work out of

others in a scientific, regulated and disciplined manner. You press hard on three or four labourers and say you must finish it. That is not management at all. Management is planned. Management is a series of actions taken so that people work with the management and perform their allotted part.

Now, I have already mentioned that capital must remain intact, that I must make profit and that in spite of wear and tear, my machinery and plant must be kept in a working order. It has been noticed that in some places there is very little attention for maintaining the plant. If you do not keep the machines in proper condition, by spending money but at the same time you continued to earn profit, it is no good. The investor would like that his capital remains intact; that he must have adequate profit not for himself but for all who joined in that activity and that the plant and machinery with which he performs business must be kept intact.

Now, I have mentioned that in this structure, accounting has a very important part. In accounting we can start from the original concept of financial accounting, that is to say, keeping records; everybody keeps records in his own section. Those are tabulated at the end. You are told that during the last 12 months you have made 3 lakhs of profit and that your assets and liabilities are in the same position. That is called 'financial accounting.' From that concept, now two further developments have been made. One is called 'Cost Accounting' and the other is called 'Management Accounting.' Now, cost accounting's sole concern is to ascertain cost per unit of production at various levels. If you have taken an order for a locomotive costing 4 lakhs of rupees; you draw up your estimates. In this estimate you set aside so much for direct labour, so much for direct materials, so much for miscellaneous expenses. There must be someone in your organisation, who would watch day to day as to whether your progress of expenditure is keeping pace

with your own estimates. If you do not do this, when the product is completed, you may find that you have spent 5 lakhs of Rupees. Therefore, the new concept in accounting has been what is known as 'cost accounting.' Its purpose is two-fold. One is to tell the proprietor that for purpose of manufacture of one particular article you have spent so much. Secondly, to tell the management almost every day as to the comparison between the amount estimated under various heads and the amount actually spent. That is what is costing. Its importance is that unless you follow or watch the expenses or progress of expenses, you will not be able to secure the desired profit you have intended. The third concept is 'management accounting,' this is a new term, which you are accustomed to hear everywhere. Now this means accounting as an aid to management. The Accounts Department must develop certain data or information which should be made available to management at various levels. At what level, what information must be available will depend on each unit. But after studying the requirements of the unit, a scheme is prepared whereby it is suggested that the Accounts Department must produce a certain statement, which will go to say management level No. 3. Then this goes to management level No. 2 and then to No. 1, so that when it reaches level No. 1 he can take a decision for the future. Now that is the modern technique which is being used in advanced factories and is very necessary. Now, all these are necessary for another reason. That is to say to avoid wastage. In this country we have just begun industrialisation. We are very rich in supply of raw materials and labour is also cheap. But, that does not mean that we should dissipate our resources. Therefore, if you have to industrialise properly and get adequate result out of industrialisation, then it is necessary that you see all gaps through which there is any wastage, whether wastage of man-power or wastage of resources. Now, if you want to stop wastage, the corres-

ponding positive effect would be to make fullest use of your resources. One is to stop leakage or wastage both for materials and also man-power and on the positive side you have to attend to the fullest use of your resources; that is to say, all your men worked during the allotted time effectively and all the raw materials, which you gather, are fully used. I do not know whether you know in Textile Mills this is tested by what is called, 'efficiency ratio.' This is the formula by which they work out the output per week in relation to the number of workers and that is marked in the Manager's room outside and show 80%, 81% and so on and so forth. Every week that is changed. Now, the idea of 'efficiency ratio' is that on the overall basis you find out how your materials have been used and how labour has functioned. Now, you must be also knowing that labour is remunerated generally, partly by hour-basis and partly on piece-rate basis. It has been the experience of business people that you get better output from piece-rate basis, because they know that if they complete that work they can get so much fixed wages. But, where you have daily labour, there the responsibility of getting work from the labourer is with the supervisor. You introduce several systems - time record at the gate, time record in the department, movement and all sorts of things. But you have to remunerate labourers on day-rate basis, i.e., certain number of hours they must put in; whether they work or not they will get wages and the responsibility of getting maximum work out of this is through supervision. Because all these things are necessary to secure not merely that wastage in man-power and materials do not take place but at the same time you have to see that you made fullest use of your resources in man-power and materials. Now, you cannot do these things, unless you have accounting. We keep on harping on one fact that we must keep records at every stage and at every operation. Then they will have to be

classified, summarised and then you weigh your result. This is the old traditional method of accounting.

Now, what we do, what we advocate that it will not be sufficient even at the end by processing, summarising, classifying what is the result, because it may be too late. It is now necessary to prepare life accounts, accounts which will start functioning as soon as a transaction takes place, that is called—'costing.' At each operating centre you must place agencies who will keep records as to what is happening, what you must be doing in your factory. You must have a job card against each machine. Wherever a machine is allotted, the labourer puts his card and code number and number of hours he puts in. Therefore, a system has now been evolved by which you will know very regularly, possibly once a week, what is the total amount spent upto date on a job, on materials, on direct labour and on overhead charges, so that you can follow up the ultimate estimate of profit that you have made. Supposing, I take an order for a locomotive for Rs. 4 lakhs. I work out my cost in advance through my estimates. The cost will be Rs. 350 thousand. Now, I must through Accounts Department, be assured that eventually this 50 thousand will come to me. It will not be appropriate for the Accounts Department or the management to tell me later that for these reasons this 50 thousand of profit, which you expected, has now resulted in a loss of Rs. 30 thousand. That will not be satisfactory to the proprietor. Therefore, the management institutes a system of costing which enables management to know the daily progressive expenses under each head, each job, so that in case you find that there is a rise in the cost of materials suddenly you can regulate by trying to save expenditure on other things. At any rate you know why things are going wrong at an early stage. I think that I have talked quite a lot only to impress upon you that industry in India is serving two very important

functions, apart from the traditional function of producing profit to the proprietor. These two functions are: creating conditions by which we can provide more employment and secondly creating wealth in this country, which will go to raise the standard of living. Thirdly, national requirement is that we want to be self-sufficient. We must produce everything in our country not merely for ourselves but we must also export. Therefore, all over the country, there is an urge for industrialisation and great impetus is being given and Government is helping in various ways. But the history of industrial revolution will indicate that whenever there is upsurge like this, there is bound to be reaction. We are having industry indiscriminately everywhere. Some of these will not last and some will flourish. But, the help which accounting can give to this is to help the management to follow the right path by indicating to them from records of what is happening, what is expected to happen and now, you can set matters right at an early stage. Then, I have explained to you that the results of industry have to be given to the proprietor. In this country you do not get single proprietor. There are mostly companies which cover 1,000/2,000 shareholders; they are all round, the people who invested their savings in companies. There it is necessary for these people to know what you are doing as their Agents or as their Managers. I have explained to you that labour and capital relations continue to be problems, but even then you have to make progress. Off and on we must get together and try to solve the problems. And lastly, I must impress upon my young friends here three things (1) that the country belongs to you, (2) you must take active interest not merely in your works but outside your working period in things which will increase your knowledge, through which will make you more fit

to undertake your responsibilities in a more efficient manner, and you can do so by reading, by bringing people and by arranging discussion and by taking professional examinations. The third thing that I would like to tell you is that every one of us tries to earn a living without which you cannot sustain. But even though you have to earn a living you can also be human, that is to say you have to develop a little bit of tolerance to others' view point. If you are connected with industry you can never have your own way. If you are to have your own way all through, you will never succeed. This is the experience of all people, experience everywhere, and that cannot come, unless you practise it. Tolerance is the key word. You need not accept the view point of others, but you must make an indication. You must indicate to the other man that his point of view is worth considering. If you do not do that, then you do not make progress. There is constant conflict. And lastly, I like to leave this idea with you that if you want to succeed in life in your own sphere, you must exercise commonsense, good judgment and what is right, and not, who is right. These three things have helped me to come to this stage in which I am to-day. Commonsense—you need not require too much of theoretical knowledge. None can assume everything that is on books. Use commonsense and good judgment. Good judgment can come only if you are honest or have honesty of purpose. Otherwise, you cannot have good judgment. If you have something wrong in your mind, then it will not be good. And lastly, I entreat you to develop this. In all your actions only ask yourself what is right and not, who is right. If you know what is right then you concede that the other man is right; and if he is right, there is no harm in conceding at an early stage, because you build better friendship, good community.

Should Railways be Manufacturers also?

BY B. G. B.

The Railways are essentially an Undertaking for operation of transport and all allied activities. The question arises what could be covered under the term "allied activities". Repairs of rolling stock, permanent way etc., are essentially a part of the ordinary Revenue expenditure of the Undertaking for the purpose of maintaining the Railways fit for operation. The manufacture of spare parts which generally cannot be obtained in the open market due to the peculiar requirements and specifications of the Railways and the limited market for them, may be manufactured by the Railways in their own Workshops so that their repair schedule does not suffer and the operation is kept unimpaired. Various other activities such as catering arrangements etc. may come under the category of passenger amenities.

In the earlier days, when the Railways had some spare capacity in their workshops, attempts were made, and rightly, to build coaches and wagons in the Railway workshops. This also gave an opportunity to the Railway workshops to learn the technique of manufacture. The number of new constructions or replacements was, however, limited and this did not blur the financial picture of the activities of the Railways as a whole.

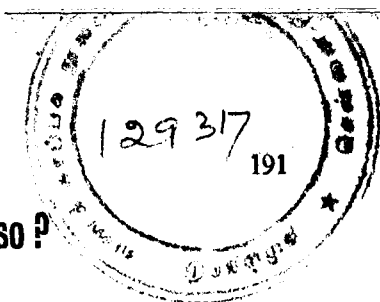
After the Second World War and with the advent of Independence, however, the Railways have enlarged their scope of activities by including in their enterprises, the manufacture of coaches (Integral Coach Factory, Madras) the manufacture of Locomotives, Steam and Electrical (Chittaranjan Locomotive Works), the manufacture of locomotive components etc.* Added to these independent factories, the building up of wagons and coaches has also been undertaken on some sizeable scale in the

existing Railway Workshops where apparently spare capacities are available.

While the efforts to utilise the spare capacity in the Railway Workshops to the best advantage of the Railways by resorting to manufacture operations including building of wagons etc. are laudable, it is difficult to justify why the manufacture of coaches and locomotives should still be under the control of the Railways. As already stated, the Railways are essentially transport Undertaking and if their transport operations are to be assessed in the correct perspective both financially and otherwise, it seems to stand to reason that the Railways should divest themselves of the responsibility for the manufacture of coaches and locomotives and hand over the Undertakings either to a separate Corporation formed for the purpose, or to the Commerce Ministry. This, however, is not to say that the Railways should not be associated with these Undertakings in regard to the technical aspects of the manufacture in regard to which the expert advice of the beneficiary viz., the Railways will be of utmost importance to the manufacturing agencies.

If this was done, the Railway's capital will be relieved of a sizeable amount which, as already stated, should not properly belong to Railway Undertakings. Secondly, the price to be charged by the manufacturing agencies will not be merely on the basis of cost but on a business-like basis which would include some element of profit which would advantageously be ploughed back into the concern itself for expanding the activities. Thirdly, the responsibility for manufacture will be squarely that of the manufacturing agency itself and not as at present on the Railway Ministry which is in over-all control of the manufacturing units.

Continued on page 197



Subjects of Moment

Advance Correction Slips

I. Indian Railway Establishment Code Vol. II No. 97—R II

Rule 2808 (CSR 912)—R II—Substitute the following for clause (i) of this rule :

“(i) The authority receiving the formal application in Form 30 B shall immediately draw up the application in Form 30 in accordance with the instructions embodied in Form 30A. Even where the formal application has not been received, the Head of the Department shall draw up the application in Form 30 as soon as it becomes known that an officer is due to retire within one year or has proceeded on leave preparatory to retirement and shall not delay it till the officer has actually submitted the formal application for pension. In the latter case entries against items 14, 16, 17 & 18 on the First Page of Form 30 shall not be filled up at the initial stage. The relevant entries shall be made soon after the formal application is received. However, if by the time the formal application is received, the application in Form 30 has already been sent to the Accounts Officer, the formal application shall immediately be forwarded to the Accounts Officer who will complete the necessary entries.”

(Rly. Board's letter No. F (P) 61CSR—1/7 dated 29-1-1961)

No. 98—R II

Rule 2813 (CSR. 917)—R II—Substitute the following for sub-clause (i) of clause (a) of this rule :

“(i) After completing the verification in the manner indicated in Rule 2811-R II, the Head of the Office shall draw up the application in Form 30. This should be done irrespective of the fact whether a formal application for pension has been received from the Officer or not. If at the time application in Form 30 is drawn up, a formal application from the officer has not yet been received, entries against items 14,

16, 17 & 18 on the First page of Form 30 shall not be filled up at that stage. The relevant entries shall be made soon after the formal application is received. However, if by the time the formal application is received, the application in Form 30 has already been sent to the Accounts Officer, the formal application shall immediately be forwarded to the Accounts Officer who will complete the necessary entries.”

(Rly. Board's letter No. F(P) 61 CSR—1/7 dated 29-8-61)

No. 99—R II

Appendix—XLII-R II-Form No. 30 A :—Substitute the following for clause (a) of item 8 of the 'List of enclosures' in this form :

“Formal application for pension in Form 30 B”.

(Rly. Board's letter No. F(P) 61 CSR—1/7 dated 29-8-61)

No. 100—R II

Appendix XLII-R II Form No. 30 B—Insert the following as item (v) after item (iv) of paragraph 3 in this form.

“(v) two slips each showing particulars of my height and identification marks.”

(Rly Board's letter No. F (P) 61 CSR—1/7 dated 29-8-61)

II. Indian Rly. General Code Vol. I No. 31—G.I.

Para 1361 :

I. Substitute “Rs. 50” for “Rs. 25” in the last sentence of this para.

II. The amended paragraph will read as under :

1361: VOUCHERS OF CONTINGENT EXPENDITURE: The limit below which vouchers need not be forwarded to the Accounts Office in support of the contingent bill should be fixed in consultation

with the General Manager but all vouchers which are not submitted to the Accounts Office should be defaced and cancelled in such a way that they cannot be used again in support of claims against the Railway. All vouchers for Rs. 50/- or more must be submitted to the Accounts Office in support of the payment.

(Railway Board's letter No. 60ACII/1/7 dated 20-7-'61)

* * *

Scale of Electric Fittings for Staff Quarters

The Railway Board have decided that in old Type II & III quarters not provided so far with a plug point, one plug should be provided on a programmed basis within the funds available annually.

2. The Railway Board have also decided that one ceiling fan should be provided in Type II and Equivalent quarters in future. In the case of the existing quarters where fans are not provided, the work should be done on a phased programme from year year on a priority basis keeping in view the availability of funds. Priorities are to be fixed in consultation with the representatives of Labour or Railway Staff Welfare Works Advisory Committee.

3. These orders are in amplification of the orders contained in Railway Board's letter No. 53/W/180/0 dated 7-12-'55.

(R.B. No. 60/Elec./164/3 dated 25-8-'61)

* * *

Treatment of personal pay under the Railway Services (Authorised Pay) Rules, 1960 as pay for the purposes of Pension

The personal pay granted in the initial fixation of pay under the Railway Services (Authorised Pay) Rules, 1960 would count as emoluments for the purpose of pension to the extent admissible as per rule 2544-A (CSR 486-A) R II notified in advance correction slip No. 33-R II circulated with Board's letter of even No. dated 1-11-1960, i.e., in full under clause (b) or to the extent of one-half under sub-clause (d) (1) (iv) of this rule, according as it is granted to

protect the railway servant from loss where substantive pay or some other emoluments. In cases where it is granted partly in lieu of loss of substantive pay and partly in lieu of loss of other emoluments, including dearness allowance, that part of personal pay which is granted to protect against loss of substantive pay only will count in full and the remaining will count to the extent of one half.

(R. B. No. PC 260/PB-3/7 dated 29-8-61)

* * *

Clarifications relating to para 2027

(F.R. 31) R.II.

A question has arisen whether refixation of pay under Sub-Rule (2) of para 2027 (F.R. 31) - R - II shall be admissible in respect of a post in which a Railway Servant was not actually officiating at the time of enhancement of his substantive pay, but would have officiated under the 'next below rule' but for his deputation to some other post/officiating appointment to a still higher post.

It is clarified that the provisions of sub-rule (2) of para 2027 (F.R. 31)-R.II shall be applicable in such cases also.

The pay of the Railway servant concerned shall be refixed under para 2027 (F.R. 31)-R.II notionally in the post in which he would have continued to officiate but for his deputation to some other post/appointment in an officiating capacity to a still higher post. As and when the Railway servant reverts to that post from deputation/higher post, the actual pay to be given to him on date of reversion will be arrived at with reference to such notional pay.

These orders will have effect from the date of issue of this letter and all cases which have arisen prior to this date but are still pending on that date shall also be regulated in accordance with the provisions contained in these orders.

(R.B. No. F(E) 58/PA-1/1 dated 25-8-61)

* * *

Amenities for Passengers and other Railway Users

As a result of the review of the work included in the list of works relating to amenities for passengers and other Railway Users, circulated under Railway Board's letter No. F (Spl) FCC: 21 dated 14-3-56 as amended by their letter No. F (X) I-56-CMT 4/2 dated 21-11-56, certain changes were found necessary. A revised list is, therefore, sent herewith for information and guidance.

List of Amenities for Passengers and other Railway Users

1. Water supply at stations for the use of passengers, including not only general water supply arrangements which are used for providing water for use of railway users in carriages, stations, parcel offices and goods shed premises, but also purification plants installed, water coolers—electric or otherwise—Water trollies etc., provided for use of railway users.

2. Provision of waiting accommodation including reinforced cement concrete and other types of benches at stations, parcel offices, goods sheds etc., including extensions or improvements to existing waiting arrangements to meet the requirements of railway users.

3. Refreshment Rooms and vendors' stalls of all descriptions at stations, parcel offices, goods sheds etc., provided for catering to railway users, except those which the vendors are required by contract to provide at their own cost.

4. Provision of improvement of latrines provided for railway users at stations, parcel offices, goods sheds etc.

5. Miscellaneous improvements viz., provision of seats, hedges, shade trees on platforms, at stations, parcel offices and goods sheds etc., to cater to the needs of Railway users.

6. Raising, extending, widening surfacing, covering or other improvements on platforms at stations, except when such works are required for other than passenger

amenity reasons, e.g., extension of platforms at big stations to accommodate full length trains, provision of additional platforms to facilitate crossing of trains.

7. Improvements and covering of existing overbridges or subways within station premises to connect platforms or offices at stations, parcel office, goods sheds etc., to serve the needs of railway users.

8. Provision of bathing facilities at stations for use of passengers.

9. Provision of improvement of approaches and circulating areas at stations, parcel offices, goods sheds etc., including improved lighting, tonga-car-taxi-cycle rickshaw stands, sheds for bullocks and other carts, water troughs etc., to cater to the requirements of the railway users.

10. Improvement to existing carriages such as provision of fans, improved lighting and lavatories, special insulation in roofs, bigger water tanks in carriages, better fittings etc., intended to provide improved facilities for passengers.

11. Improvement lighting and provision of fans on platforms or in waiting halls and sheds or vendors' stalls at stations, parcel offices, goods sheds etc., to cater to the requirements of railway users.

12. Opening of new flag stations or conversion of halts into flag stations as a passenger facility, where there is no financial justification.

13. Exhibition of sheet time tables in glass fronted frames at stations, to serve the requirements of passengers.

14. Works under all the above heads meant to cater to railway users, provided in connection with Melas and required for periods exceeding 6 months.

*Note:—*Works of this nature required for periods less than six months will be treated as temporary and charged to Ordinary Revenue under paragraph 937-G I.

15. Any other works considered essential for meeting the requirements of railway users at any station, e.g., provision of



U P. Public Accounts Committee

The Uttar Pradesh Public Accounts Committee's report was presented, recently to the Legislative Assembly. This relates to the period 1954-55, and it is not clear why this was delayed for over 6 years.

Stock items of irregularities are commented upon in the report. The Committee held that most of the Controlling Officers were responsible for such simple defects as non-surrender of savings, injudicious re-appropriation, unnecessary supplementary grants, defects in budgeting, and the omission to provide funds, which show that supervision by Controlling Officers was poor and ineffective, and there was a general lack of seriousness in so far as observance of financial rules was concerned.

The types of irregularities, it would appear, are the same everywhere, whether in the Railways or in the State Governments or other Public Enterprises.

Mortise Chains From Scrap

Mr. Sharam Singh, a mechanic of the Northern Railway at Jagadhri, has invented a process to manufacture mortise chains from scrap.

It is stated that the railways now will not have to import these chains.

Mr. Singh has been awarded a prize of Rs. 300/-

Institute of Chartered Accountants

Mr. S. N. Desai (Bombay) was elected President of the Institute of Chartered Accountants of India at a meeting of the fifth Council of the Institute held on 17th September, 1961.

Mr. P. Brahmayya (Madras) was elected Vice-President.

The Executive Committee consists of Messrs. M. P. Chitale (Western India), Raghu Nath Rai (Northern India), and S. K. Gupta (Eastern India). The Examination Committee consists

(Continued from previous page)

Information Offices or Kiosks, provision of public announcement systems etc.,

[R.B. No. F (X) I-60 —CMT 2/2 dated 3-6-'61]

Encashment of Cheques from Railway Earnings

A reference is invited to R. B. letter No. F (F) I-54/CHQ/1 dated 26th July 1960 published at page 154, September 1960 issue of The RAILWAY ACCOUNTANT, in which the G. Ms. were informed that the grant of the facility of obtaining cash from traffic receipts at Railway Stations against

private cheques of Railway Officers was not permitted by the provisions of the Constitution and that the Board had therefore decided to withdraw the concession. The Board are now advised that, in principle, there would be no difference in the position of the law, whether the money is withdrawn by the officers or the co-operative societies or the catering contractors. They have therefore decided to withdraw the concession as detailed in items (iii) & (iv) of Part (a) & Part (b) of para 1406-G I with immediate effect.

(R.B. No. E(Co-op) /60/CCS/1 dated 17th Aug. '61)

of Messrs. R. Venkatesan (South India), A.C. Basu (Eastern India) and H. B. Dhonday (Western India)

The III all-India Seminar on Management Accounting is proposed to be held at Calcutta from 7th to 9th Jan. 1962.

New Carriage and Wagon Shop

Ry. Board has sanctioned the provision of a new carriage and wagon repair shop at Bongai-gon to provide adequate repair capacity to cope with the increased stock holdings on N.F. Railway. The shop, which is designed for periodic overhaul of 1500 units of coaching stock and 3000 units of wagons per annum, is estimated to cost Rs. 540.12 lakhs.

Railway Minister's Welfare and Relief Fund

A new Relief Fund under the above name was recently created as a non-Government Fund to be financed by Donations. Its main object is to afford relief to railwaymen and their families in distress to whom no assistance could be made available under the normal operation of the rules or regulations in force on railways.

Address to Railway Probationary Officers

Probationary Officers of the Railway Transportation (Traffic) and Commercial and Accounts Departments visited Delhi in August '61 on a study tour from the Mussoorie Staff College. They were addressed on August 18th by Sri C. T. Venugopal, Addl. Member, Finance, Ry. Board. He told them that it was their proud privilege to serve the railways, the greatest national undertaking. In the country's present democratic set-up, he said, they belonged to the people with whom they would come in close contact in the course of their duties. Any leadership they could achieve over their staff would not be merely because of their being Class I Officers but could only be through their competence and hard work and through their character. Under the present policy of posting Officers to Railways outside their State, the officers would get an oppor-

tunity to acquire knowledge of places and people which would widen their experience.

Sri Venugopal stated that the Members of the Board unfortunately were not able to meet the Probationers, as the Chairman and Financial Commissioner for Railways, were away in Washington, while the Member, Staff, Member, Transportation, and Member, Engineering, were attending the meeting of N.R.U.C.C.

Emphasising the need for developing strength of character, Sri Venugopal said that, in day-to-day working, officers must give due credit to those below them for any good work done and must not hesitate accepting full responsibility when things go wrong.

Sri B. Mazumdar, Addl. Member, Staff, Ry. Board, sounding a note of warning, said that the period ahead would be a difficult one for them. They must imbibe a spirit of hard work and devote themselves whole-heartedly to the task of acquiring knowledge about various aspects of railway working.

Sri Mazumdar said that the period of probation was the only time when they could really learn for, once they were posted, heavy pressure of work would hardly give them any opportunity for enriching their knowledge about railway affairs. He advised them not to shy away even from the meanest staff in asking about matters they did not know, for only through cross-examination could they attain knowledge. He also emphasised that they "diarise" their impressions and experiences about things they would come across during their training period. This, he thought, would help them greatly, later in their service career.

Pensionary Benefits to Railway Servants who Retired Prior to 1st April 1957.

At page 158 of our last issue, we had said that a Deputation had gone to Delhi to meet the Railway Minister. We since understand that nothing came out of this trip; but further efforts were still being made.

The Ry. Minister has posed an impossible problem of requiring an absolute condition

from all employees who retired before 1-4-'57 that they would refund the Governmental portion of payments and wait for the decision of the Government as to the extension of Pensionary benefits to them, and its implementation in due course. Knowing how quick Government moves, we wonder if any one would lodge his money with Government for an indefinite period and wait for its convenience to refund the whole or a portion thereof if and when pension is decided upon. Further, how the Minister expects a private body to make out an absolutely complete list of all retired staff with their current addresses, is beyond our comprehension. It would certainly have been better for him to have categorically told the deputation that he could not accept their suggestion on any account. To hold out dubious hopes is no good. We also feel that the Federation can drop this question unless the Govt. take a more practical view. It is for the Govt. to come to a provisional decision and publish the same if need be for necessary claims from interested parties. The hurdle of verification of past settlements has also not been touched upon yet. This also requires prior consideration before taking a decision.

We regret that an apparently good case is being gutted by impracticable requirements.

Ed. R.A.

First Indian Electric Locomotive

The first Electric Locomotive, manufactured in the Chittaranjan Loco Works, will be launched on the Track by the Prime Minister on the 14th of October 1961. It is a 3600 H.P., 1500 volts D.C. Loco. Most of its mechanical parts were completely manufactured at Chittaranjan. The electric equipment was imported from U.K. The Loco has 34,000 components of 3,900 different types. This loco is allotted to the Central Railway.

Accounts Forum, Chittaranjan Loco Works

A Forum of the Accounts Department has been functioning at Chittaranjan from Dec. 1960. Every month, a meeting is held when a suitable subject of interest from the Accounting, Costing or Financial point of view is selected for a paper to be read by an Accountant or an Accounts Officer; followed by discussions.

It is gratifying to learn that Officers of Executive and Administrative Departments have actively participated in the Forum gatherings.

Some of the subjects so far discussed have been: Budget and Cost Control; Levy of overheads in manufacturing undertakings; Payments by Results; and Depreciation.

We are sure that there will be sustained interest and hope to see cultural advance consistently.

Editor, R.A.

SHOULD RAILWAYS BE MANUFACTURERS ALSO? — (Continued from page 191)

Incidentally, as has already been pointed out, it is inappropriate that the Railways should, under present conditions and in the context of present circumstances, invest any part of their funds in the capital of road transport Undertakings which in many cases do not pay a decent dividend. Road Undertakings constitute a separate organisation and it is illogical that the investments in Road Undertakings by the Railways should be added on to the Capital of the Railways and the return on the total capital worked out, which,

though to a limited extent, blurs the financial results of the Railways.

*Note:—The Capital Expenditure to end of 1959-60 on these "non-Railway operation" activities was as under:

Capital-at-charge	crores Rs.
Integral Coach Factor, Madras	10.23
Chittaranjan Loco Works,	
Chittaranjan	22.75
M.G. Loco Components	
Manufacture Scheme	28.78
Investment in Road Services	11.01
Total	72.77

Scientific Developments

New Surgery Method

Three surgeons at the Baylor University College of Medicine, Texas, have added modern technique to an old form of operation so that it now shows promise of saving patients destined to die suddenly of blood clots in the lung.

The old method, developed by the European F. Trendelenburg in 1908, is known to have saved only 16 lives in Europe and the United States. During this time uncounted thousands have died of lung clots.

The 17th survival, achieved by the Baylor surgeons. Drs. D. A. Cooley, A. C. Beall and J. K. Alexander, came through the quick use of a heart-lung machine. For 15 critical minutes while clots were being removed from the pulmonary arteries, blood circulation was shunted away from the lungs and into the oxygenating machine. Thus, the patient was adequately supplied with oxygen and the surgeons were able to perform more easily their work without being hampered by the flow of blood through pulmonary arteries.

Versatile Wood

While wood has always been one of man's most useful materials, it will become even more important in the future, according to Everett L. Ellis, professor of wood technology at the University of Michigan in the United States.

Wood is more versatile than other natural resources, providing housing, clothing, food and industrial and chemical products, Mr. Ellis points out.

American manufacturers, he said, already are making from wood and wood products such varied products as yeast, adhesive, alcohol, plastics, textile fibres, perfumes, cosmetics, food preservatives, drugs and vanilla flavouring. Advances in wood science, he added, have made it possible to treat wood so that it will not burn, shrink, swell, warp or decay. It can even be made termite-proof, he pointed out.

New Building Material

A new building material made of asbestos and cement coated with plastic and called PERMATONE FLEXBOARD is now used in the United States as an exterior house trim. It looks and wears like stone, but is worked like wood. It can be nailed, sawed and mitered. Unlike painted wood, however, it is non-combustible and termite-proof, and will not rot, crack or peel.

Electrical Brakes for 6000 CV Locomotive

The 6000 CV Electrical locomotive recently built in France is equipped with electrical brakes which transform the mechanical energy of breaking into 95,000 volt, 50 cycle electricity sent throughout the network.

The tests are still continuing.

Power from Ocean

An American scientist has developed a device that can generate electric power from sea water and the sediments of the ocean bottom.

The device made by Dr. Frederick D. Sisler of the U. S. Geological Survey, is an "organic" fuel cell that produces electricity directly from decomposing organic matter. The electricity is generated by making bacteria "burn" the organic matter.

Dr. Sisler's fuel cell is divided into two compartments. One contains sea water, organisms and bacteria; the other sea water and oxygen. An electrode is placed in each compartment, and the resulting energy, created by the "burning" organisms, is converted into electrical energy.

Versatile Chemical

The development of a new chemical which marks one of the most important research breakthroughs in recent years was revealed by a commercial enterprise in the United States.

SCIENTIFIC DEVELOPMENTS

Oct. '61

Called Baymal colloidal alumina, the new chemical is said to make cutting tools almost as hard as diamonds and to make synthetic fibres stain resistant. When added to oil and water, it will cause the two liquids to mix. When used as a coating or fibrous glass, it makes the glass six times more heat resistant. In addition foam rubber can be treated with Baymal to reinforce it.

Transmitter Powered by Human Voice

A radio transmitter that is powered entirely by human voice is a new development in the communications field in the United States.

George W. Bryan Jr., the inventor, says that the transistorized device changes the physical energy of the voice's sound waves into electrical energy of sufficient strength to broadcast the speaker's words.

Experimental models have been found capable of transmitting for distances up to 100 yards. With further refinement it is expected that the range will be increased to one to two miles.

Flying Automobile

A flying automobile, named the AEROCAR, has reached the mass-production stage in the United States.

It is a two-place pusher type plane when in flight. For road travel, the wings and tail are folded and towed behind the automobile section. The vehicle can be converted from airplane to automobile, or vice versa, in 5 to 10 minutes with the aid of a single hand crank.

As an automobile, the AEROCAR has a practical road-speed of 60 m.p.h. As an aircraft, it cruises at 100 m.p.h., and has a range of 300 miles.

LETTERS TO THE EDITOR — (Continued from page 201)

App. II after 1947 and were promoted as Clerks Grade I before 1-4-'56 on a minimum of Rs. 80 to the Railway Board, pointing out anomalies in the application of the Order of 9-8-'61 (Vide page 160 of the September '61 Issue of this Journal). The Annexure to the Memorial explains the position. The Memorialist therefore requests the Board to extend the benefit of grant of advance increments to those who have started officiating as CG I during the period from 1947 to 1956 and who were given the minimum of the scale, viz., Rs. 80/-.

—: (o) :—

We are sure that the Ry. Board will look into the cases and issue such orders as may be called for to render justice. Ed. R.A.

Anomalies in the Fixation of Pay as Per Order of 9-8-61

Two letters have been received from the staff of S. Ry., and they look as if they are individual cases. We would therefore suggest to these writers that they may put up their cases in the usual course to their superiors who will come to a suitable decision, obtaining clarification, if needed, from higher authorities. Ed. R.A.

Letters to the Editor . . .

Many letters have been received from the staff who have passed App. II & App. III Exams, regarding their offg. pay, enhanced increments, merging of grades, etc. It is not possible to find space for all these in extenso. Some of them have been summarised below.

Editor, R.A.

Equating Railway Accountants with Central Secretariat Section Officers in the Matter of Status and Emoluments

The Appendix III qualified Accountants of the Eastern Railway have sent a Memorial to the Financial Commissioner, Railways, detailing their arguments and furnishing facts and figures in support of their request for being granted the privilege accorded by the Comptroller and Auditor General to the Accountants of his Department with status and emoluments equal to those of the Central Secretariat Section Officers. The Memorial asks for unification of the scales of pay of Senior and Junior Accountants of the Railway Accounts Department; increase in the number of posts of Accountants for closer supervision and better efficiency; increase in the number of posts of Asst. Accts. Officers to be at par with the percentage of posts on the Civil side.

Some of the arguments are not convincing to us, as the work in Railway Audit Office is not all at par with that in the Railway Accounts Office. In fact, the extent of detailed checks differs in the two Offices considerably. The supervision should also appreciably vary. The scope of the check also varies to some extent in many phases. Hence, mere numerical comparison for this purpose will not be satisfactory.

This subject has once before been dealt with by the Railway Board on the recommendation of the Pay Commission. Its being turned back then does not debar a further consideration if fresh material is brought to notice. It seems to us that it is now time for undertaking a full scrutiny of the various items of work handled by each Railway Accounts Office, so that on the basis of standard data, the exact strength

of staff with normal experience and aptitude may be fixed and enforced. For this purpose, we would strongly advocate the appointment of a High-level representative Committee to tour all the Railways, and with the help of a few co-opted Local Officers on every Railway, prepare a job-analysis and thus obtain sufficient data for strength fixation under present conditions; any extra work imposed later on, being given the necessary extra temporary staff. Responsibilities of the staff at various levels may also be clearly demarcated, so that enforcement of duties may become easy. Incidentally, the snags in disciplinary matters may also be remedied suitably, so that a more efficient administration is made possible.

Ed. R.A.

Appendix III Qualified Staff Awaiting Promotions

Most of the Accounts Staff who passed the App. III Exam. of 1958 onwards are still awaiting promotions; the permission recently accorded by the Ry. Board to temporary employees also to appear for the above Exam. adds to the no. of passes and thus to the no. of those on the waiting list. One of those affected has written to us as under:

"Qualified hands who cannot be provided immediately, should be given intensive practical training in different sections and to utilise them in leave vacancies of Sub-Heads.

Qualified hands should be encouraged to go on deputation to other departments as is being done in most of the Civil Departments.

Further examinations should be postponed till such time the panel is exhausted."

This subject has been handled by us on many previous occasions. We had put forward

some of the above suggestions with our own reasons therefor. In view of the recent Ry. Board's orders awarding enhanced increments, we wonder whether the Board would favourably consider the postponement of future Examinations. In fact, prospective candidates with definite chances of passing, would oppose any such move. On the other hand, the Ry. administrations would have to take on additional commitments on account of increased wages for additional passed candidates; and this without the possibility of allotting them responsible duties.

In regard to training, we have already pointed out on many an occasion how very essential it is, nay even urgent, in the interests of service.

This being an all-India question, we hope that orders will very soon be issued in this connection by the Railway Board.

Ed. R.A.

Revision of the Policy for Promoting Appendix III Qualified Staff

One of those affected on the Northern Railway has drawn attention to this subject in the Letter referred to at page 139 of August 1961 issue of THE RAILWAY ACCOUNTANT.

While assuming that the intention behind the existing policy of promoting qualified men according to the dates of their passing the Examination, irrespective of their normal seniority in service, was granted by the Ry. Board as an incentive for qualification when there was dearth of qualified persons, the writer observes that the situation has entirely changed owing to long lists of unabsorbed qualified hands for years together. He feels therefore that the promotions may follow the normal seniority of service and thus enable vacancies being created by earlier retirements, etc. It is also likely under the existing policy, some of the qualified men on the waiting list who passed later but who are very much older than those who passed earlier, might never get a chance of promotion during the few years of service still left to them.

Any change in policy in staff matters should be supported by facts and figures and very strong reasons, and if a case is made out for a change, effect should be given only after a reasonable notice to persons likely to be affected. It is obvious that in any method, some must be affected while some others stand to gain. We trust that the Board will obtain full data from all Railways before their considered decision is issued.

Ed. R.A.

Constitution of Selection Board on the Southern Railway

With reference to our remarks on this subject in the Issue for March 1960, a correspondent writes that the position has since improved and that there is need for constituting a Board to put men on the panel. We understand that the question was under reference to the Ry. Board, whose orders were received recently. The Selection Board will be constituted very soon.

Ed. R.A.

Grant of Incentive to Appendix II Qualified Clerks Grade II and Efficiency Bar At Rs. 200

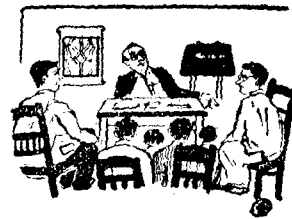
One of our readers writes from Katihar that as the test for E.B. usually takes time, and as these increments are effective from 1st April 1956, the E.B. to such staff may be waived especially since there is another E.B. at Rs. 256. He therefore wants a revision of NOTE II-vide page 161 of this Journal, Sep. '61 issue.

The suggestion is the outcome of a fear that there might be many a slip betwixt the cup and the lip; but as the Note clearly refers to the drawal of arrears, we do not consider the fear wellfounded.

Ed. R.A.

Appendix II Qualified Staff Between 1947 and 1956

A Memorial has been recently submitted by the staff of the Central Railway who passed
(Continued on page 199)



STUDENTS' CORNER

Some Mathematical Problems

The following are the answers to the questions published in September 1961.

I. Serving of Milk

The milkman has to perform 16 operations as under to get 10 litres of milk. Please watch the stages given hereunder :

Operations	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
7 litres	7	0	0	7	0	7	2	2	0	7	0	7	3	3	0	7
13 litres	13	13	1	1	8	8	13	0	2	2	9	9	13	0	3	3
19 litres	0	7	19	12	12	5	5	18	18	11	11	4	4	17	17	10

II. Filling up Blanks

This question requires ordinary common-sense and can be solved very quickly.

The unit place in the result is 2, and the unit place in the multiplicand is 6; hence the unit place in the multiplier can be either 2 or 7 only. So we first try with 2. Similarly, we try to locate the tens place in the multiplier; we try with 2 again. By the same process, we locate the hundreds place in the multiplier, by starting with 3 as the final result starts with the figures 1, 4 etc. Thus, by the first guess, the figures will be as under :

$$\begin{array}{r}
 426 \times 342 \\
 \hline
 852 \\
 1704 \\
 1278 \\
 \hline
 145692
 \end{array}$$

Note :—The figures arrived at are shown in Italics. x x x

III. Arriving at Total of 100

The following are but a few of the very many solutions :

- (a) $1+2+3+4+5+6+7+8 \times 9 = 100$
 (b) $123+4-5+67-89 = 100$
 (c) $\frac{1}{2} + \frac{3+5}{8} + \frac{6}{4} + 97 = 100$
 (d) $98+1+2+3+4+5-6-7 = 100$
 (e) $3 + \frac{69258}{714} = 100$
 (f) $\frac{9}{18} + \frac{3}{6} + 42 + 57 = 100$
 (g) $(1+2-3-4)(5-6-7-8-9) = 100$
 (h) $\frac{8}{.1} + 2+4+6+7+9-3-5 = 100$

The reader should work patiently and diligently to arrive at hundreds of solutions. It is a worthwhile pastime.

NEW YEAR GREETING CARDS

The Southern Railway offers for sale attractive New Year Greeting Cards. The four leaf greeting card is nicely got-up with a colour picture of the illuminated building of the Southern Railway Headquarters on the front leaf and text elegantly printed in the third leaf. The card is designed to suit any NEW YEAR occasion.

The cards can be had at 25 np. each from the office of the Public Relations Officer, Southern Railway, 18-A, Mount Road, Madras-2 or from the offices of the Divisional Superintendents.

BEGGAR & HAWKER NUISANCE IN TRAINS

Please help to eliminate Beggars and Hawkers from Trains.

Railways are doing everything possible in this direction through raids, prosecution etc. But complete success cannot be achieved without the whole-hearted co-operation of the traveller. Giving alms to Beggars and buying from unauthorized Hawkers on trains is the surest way of encouraging them. Apart from inconvenience, there is a danger that the things sold by the Hawkers are spurious. Elimination of Beggars and unauthorized Hawkers from Trains will make travel more comfortable and SAFER.

Please do not encourage beggars and unauthorized Hawkers on Trains by giving alms or purchasing articles.

ISSUED BY SOUTHERN RAILWAY

BOOKS ON SALE

S.R.A.S. Part I Examination Questions
1956 to 1960—Rs. 3.00 by Registered Post

S.R.A.S. Part II Examination Questions
1949 to 1960 except 1954—Rs. 4.50
by Registered Post

BOOK-KEEPING: Parts I & II
Examinations: Questions 1940-48

Also available Re. ONE

x x x
Apply Sharp to: L. V. GOPALAN

CLOSING DOWN SALE of BOOKS
Published by L. V. GOPALAN

As I have a very small balance stock on hand, those interested in getting any of them for their use will kindly write at once and ascertain the amounts to be remitted in advance for obtaining them. Scrap prices are quoted.

No guarantee of availability of any Stock beyond 31st Oct. 1961

BOUND VOLUMES & LOOSE COPIES
OF "RAILWAY ACCOUNTANT"

A few copies of Volumes I to VII are available for Sale at rates to be quoted on receipt of requirements. The amounts due are to be remitted in advance quickly so as to avoid disappointment.

Mg. Editor.

MISSING COPIES OF THE JOURNAL

Such subscribers as find any intervening issue of the Journal (upto Dec. '60) MISSING in their files, may apply for duplicate copies IMMEDIATELY, sending a special reduced rate of 80 nP. per issue plus registration charge of 50 nP. per packet. These copies may not be available after 31-10-61.

SPECIAL IMPORTANT
NOTICE TO SUBSCRIBERS

Several subscribers have not renewed their Subscriptions, even after the Journal was sent to them for some months thereafter. It is particularly requested that the accounts be brought up to date **immediately**. Further issues may not also be despatched unless arrears are cleared. Those who do not wish to continue may write specifically to that effect, remitting the amount due for the excess copies already sent at Re. One per issue.

Delays in remittances result in inconvenience all round.

Mg. Editor.

Roll Number on cover wrapper should be quoted in all communications.

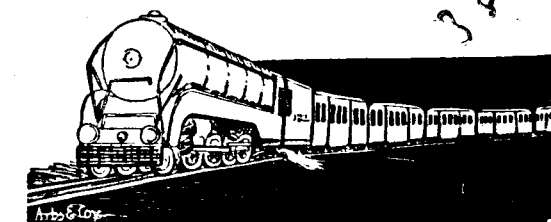
The last month covered by your subscription is noted on the cover wrapper of your copy of the Journal. Please watch and send **renewal remittance in time**.

Surcharge of 15 nP. per arrear month is to be added to subscription if enrolment is ante-dated.

Missing Journals should be reported **without delay** to the Local Post Office and to the Mg. Editor.

Addresses: Correct and current residential addresses ensure safe delivery.

Mg. Editor, R. A.



The
RAILWAY
ACCOUNTANT

A MONTHLY JOURNAL
DEVOTED TO
RAILWAY ACCOUNTS,
AUDIT & FINANCE.

Published on the 15th of every month

Vol. VIII—No. 8

NOVEMBER 1961

Re. 1

Edited & Published by:

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

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

14, Balakrishna Road,
Mylapore, Madras-4.

Hon. Editor's Adviser:

Sri B. G. Balakrishnan,

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

Subscription:

Payable in Advance

Half-
Annual: Yearly:

Rs. Rs.

Inland Ten Five

Burma
(Sea-Mail) } Twelve Six
Pakistan }

CONTENTS

	PAGE
EDITORIAL:	
WORLD BANK LOAN FOR RAILWAYS ..	205
CONTRIBUTIONS:	
CHITTARANJAN MAKES HISTORY ..	207
PROBLEMS OF RAILWAY ACCOUNTANTS ..	209
ROLE OF STORES ACCOUNTING IN COST CONTROL ..	211
EXECUTIVE VS. FINANCE ..	214
SUGGESTIONS FOR IMPROVEMENTS IN THE PREPARATION OF STORES AND MANUFACTURE SUSPENSE BUDGETS ..	214
GARDEN SUBURB OF LLOYD GEORGE ..	216
ALLOCATION OF COST OF QUARTERS FOR CLASS III AND IV STAFF ..	218
RULES OF ALLOCATION ..	218
SUBJECTS OF MOMENT ..	219
NEWS, NOTES & COMMENTS ..	222
RAILWAYS IN PARLIAMENT ..	226
LETTERS TO THE EDITOR ..	227
PERSONNEL ..	228

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.

AN APPRECIATION

On the auspicious occasion of Dusshera Festival, I congratulate you for editing such a unique magazine, in which up-to-date information embodying the Railway Board's latest Orders and Advance Correction Slips to Codes, etc., are published. It is a great boon indeed to candidates appearing for App. I-I etc. Examinations.

AJMER,
17-10-1961)

NARSINGH DEO ARORA,
Qualified T. I. A.

ACKNOWLEDGMENTS

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

Central Railway Magazine	— '61	Transport	— '60
Eastern Railway Magazine	— '61	Indian Railway Gazette	Oct. '61
Western Railway Magazine	— '61	Indian Construction News	Aug. '61
South Eastern Rly. Magazine	July to Sep '61	Chartered Accountant	Oct. '61
Southrailnews	— '61	Educational Review	Oct. '61
Chittaranjan	— '61	Australian Accountant	Oct '61
Central Railway Newsletter	— '60	Accountants' Journal (NZ)	Sep. '61
Eastern Railway (Lifeline) F.E.	1-9-'61	Technical Bulletin (Australia)	— '60
" Newsletter upto F.E.	— '61	Accountants' Magazine (Edinburgh)	Sep. '61
Western Railway "	June & July '61	Railway Board's Monthly Statistics	June '61
Metric Measures	Sep. '61	I.R.T.D.A. Newsletter up to F.E.	31-10-'61
Indian Railways	Oct. '61		



The RAILWAY Accountant

14, BALAKRISHNA ROAD, MADRAS-4

EDITED & PUBLISHED BY L.V.GOPALAN, B.A., B.L.

A MONTHLY JOURNAL
DEVOTED TO
RAILWAY ACCOUNTS,
AUDIT & FINANCE.

Vol. VIII—No. 8

NOVEMBER 1961

Re. 1

World Bank Loan for Railways

The ready manner in which the World Bank agreed last month to grant a loan of 50 million dollars (about Rs. 25 crores) to the Indian Railways for carrying out their development programme, is at once an indication of the efficiency of the Indian Railway working and the soundness of their finances; as also the able presentation of the Railways' case by Mr. Karnail Singh, Chairman of the Railway Board, who led the Indian delegation to the World Bank for this purpose. The grant of this loan is no doubt greeted with satisfaction not only by the Railways themselves but also by the Indian tax-payer who is very anxious to see the successful implementation of the very necessary and inescapable proposals for the provision of facilities for the operation of the Indian Railways through the third Five-Year Plan. We should also at the same time thank the American Government for their helpful attitude in the matter.

The terms of the loan are broadly that it is for a duration of twenty years and bears interest at 5½% including the 1% commission, allocated to the Bank's special reserves. The rate of interest is, however, to be considered on the high side, particularly when it is remembered that even the Government of the U.K. have thought fit to reduce the Bank of England rate twice during the short space of a month. The Indian tax-payer has reason also to grumble about this high rate of interest, as for the loans obtained in India from the Indian public by the Government, the rate of interest does not exceed generally 4%. Why should the Government pay more by way of interest to the foreigner than to the nationals of the country? There would appear to be a two-fold reason for this. In the first place, the loan is required not for meeting any expenditure incurred in the country direct, but for purchasing material and equipment from other countries (notably U.S.A., U.K., Russia, W. Germany and probably Japan also), which requires foreign exchange, of which the country is at present in dire need. Secondly, apart from the resources position made easy by such loan, it assists in procurement of hard currency material, which may not be possible by merely procuring cash resources from within the country, as the whole process of purchasing material from abroad and getting it down to this country, is facilitated by having the resources available in the foreign country itself.

One important question, however, arises in this connection. Is this loan tied to purchase of material only from U.S.A.? If so, the conditions of the loan should be considered rather onerous, because it is common knowledge that the prices of identical material and equipment in U.S.A. are about 20% (if not more) higher than those of other countries, the difference being steep if the comparison is with Japanese prices. Should the Indian Government be loaded with this extra price potential in its already overloaded capital structure, with the concomitant results of increase in the interest payment on the capital outlay and larger doses of money for repayment of the loan? These are some of the aspects connected with the Loan, to which the Government of India should give special thought. Some time before, we had pointed out in these columns that the

inflationary element in this high price of the U.S.A. material should be segregated from the capital block of the Railways and charged to the Civil funds under a separate head to collect the extra expenditure incurred by the Indian Government on account of such tied loans.

The only relieving feature is that when we remember that we are at our wits' end at the present juncture to find the foreign exchange resources for carrying out the requirements of the Railways for providing transport in an efficient and sufficient manner for the expanding industries and new schemes of development and that, unless the transport situation is adequately tied up, we would find ourselves miserably failing in the III Five Year Plan, the high interest rate and the rather onerous conditions of the loan can in a measure be justified in the over-all interests of our country. We think that the Government owe a duty to the public in this respect, by explaining to them the necessity and justification for the onerous conditions of the Loan.

The loan under reference will help to provide the foreign exchange for a sizable proportion of the immediate requirements though the requirements yet to be covered for the III Five Year Plan for the Railways are still large. Out of the outlay of Rs. 1,325 crores proposed for these five years, the foreign exchange element is about Rs. 200 crores, allowing for the possible increase in price over the period. We do hope that all efforts are being made to secure this from the different sources: but at the same time, efforts should not also lag behind in searching for the possible technological improvements in machine-designing and manufacture within the country itself, so that the imports are further reduced and dependence on foreign countries minimised. During the past few years, hundreds of engineers and technologists have gone out from India to U.S.A., U.K., W. Germany, Russia, etc., to get first-hand acquaintance with machine-designing and the connected intricacies, as also the know-how of the hitherto undisclosed techniques of operation, and surely if the maximum use is made of the body of expert knowledge so imported into India, is it too much to hope that what is now manufactured and imported from other countries can still further be reduced by a sizable proportion, with undoubted advantage to our country? An instance was pointed out recently of a particular material being charged about 10 times the price at which it could be produced in this country, as was subsequently borne out when the know-how was known and the manufacture was taken in hand in this country itself!

When we look at the magnitude of the foreign exchange expenditure (about 400 million dollars are envisaged for the III Five Year Plan), it at once becomes apparent that the Finance Officer has to play a very important role in scrutinising and certifying the cases for foreign exchange. While scrutiny of estimates in general is itself an important responsibility of the Finance Officer, it is all the greater where foreign exchange is involved, in view particularly of the fact that not only is it quite scarce now, but the price paid is also excessive in many cases, as already proved. Take for instance the manufacture of locomotives in the Chittaranjan Workshops; it is stated that the cost is much lower than the imported price. The higher technical officers should be encouraged to experiment on the manufacture, in this country, of the more important imported items, and the expenditure incurred on such experiments is bound to be well worth it. The Railway Board should immediately collect particulars of relative costs of imported and indigenous material and equipment in respect of a number of representative items (it is said that the foreign exchange component in the III Five Year Plan for the Railways has been reduced to less than 14% of the total outlay as compared with 30% in the Second Plan), and bring them out in bold relief, to the notice of not only the designers, engineers and technicians in India, but also of the Indian-tax payer. There is no doubt that it will give a great fillip to further inventions and new designs in India itself to replace imported equipment.

Chittaranjan Makes History

BY G. P. SHAHANI, *Formerly, General Manager, C.L.W.*

The author, until recently, the top executive of the Chittaranjan Locomotive Works describes the First Electric locomotive built in India, which was launched on the track by the Prime Minister at Chittaranjan on 14-10-'61. Turning out 164 locomotives a year, the C.L.W. has already made Indian Railways completely self-sufficient in B.G. Steam locos.

Although the Indian Railways are about 108 years old, the Railways' activities till Independence were mainly confined to "Operation" and "Maintenance". They relied mostly on imports to meet their requirements of stores and equipment.

It was only after 1947, when the country won her freedom, that the Railways took up seriously the question of self-sufficiency in the procurement of their rolling-stock, stores and equipment. Since then, and particularly during the two Plan periods, they have developed indigenous capacity in many directions and have been able to considerably cut down imports.

CHITTARANJAN SHOWS THE WAY

In 1948, the Indian Railways started work on a production unit of their own for the manufacture of steam locomotives at Chittaranjan in West Bengal. The first steam locomotive rolled out of the Works in November, 1950. Confining itself only to the manufacture of B.G. locomotives, mostly W.G. type (the Indian Railways standard for the freight locomotive), it has turned out, upto the end of August, 1961, about 1,249 B.G. locomotives. Out of this 1,239 are W.Gs. and the remaining 10 W.Ts.

The W.T. Locomotives are designed for branch lines where they can haul both passenger and freight traffic. The W.G. locomotives are hauling heavy freight trains on the B.G. trunk routes all over India meeting the ever increas-

ing demands from the new and expanded industries.

ELECTRIC LOCOS GAIN GROUND

Although the steam traction has held its ground and served us well over more than a century, it is evident that Indian Railways can no longer cope with the increasing traffic arising out of the rapid industrialisation of the country, by relying exclusively on steam locomotives. In fact the phenomenal spurt in the density of the traffic as well as the exacting requirements of present day railway operation have already necessitated the introduction of diesel and electric traction on some of the busy routes. Electric traction is indeed destined, even in India, to progressively replace steam traction.

PROGRESS OF ELECTRIFICATION

Upto the end of the First Plan, only about 250 route miles near Bombay and Madras had 1,500 volts D.C. electric traction. Early during the Second Plan electric traction was brought for the first time to the Calcutta area—on the Howrah-Burdwan and Sheoraphulli-Tarakeswar sections—on 3,000 Volts D.C. system.

Later it was decided to adopt 25 KV, 50 Cycles, AC system for electric traction on Indian Railways because of greater economy and superior performance of the new system. During the Second Plan, considerable progress has been made on the A.C. electric traction on the Eastern and South Eastern Railways in

the coal-steel areas. About 600 route miles have already been brought under electric traction.

It is proposed to introduce electric traction on another about 1,100 routes miles during the Third Plan. With the rapid expansion of electric traction, the demand for electric locomotives also increased considerably. Thus the need for manufacturing electric locomotives became apparent.

The Railway Board, therefore, intended to make a start in this direction by manufacturing a few D.C. Locomotives at Chittaranjan. It was decided to develop capacity at the Chittaranjan Locomotive Works for manufacturing six electric locomotives a month in addition to maintaining the present monthly rate of production of 14 B.G. W.G. steam locomotives.

While mechanical parts of the electric locos will be all fabricated at Chittaranjan, the electric equipment will, in the initial stages, be imported from abroad. Later, when the Heavy Electricals at Bhopal, develop capacity for the manufacture of electric equipment, the need for import from abroad will disappear.

INDIA-MADE ELECTRIC LOCO.

The first electric locomotive, now ready to leave the Works is a 3,600 H.P., 1,500 Volts D.C. The locomotive, has most of its mechanical parts completely manufactured at Chittaranjan. The electric equipment has been imported from U.K. It has got about 34,000 components of 3,900 different types.

Although this is the first venture of the works at Chittaranjan on the manufacture of electric locomotives, it speaks highly of their skill that very little of the work had to be rejected and redone. Some of the foreign experts maintained that it would take at least 14 months to turn out the first electric locomotive. In spite of the delays and setbacks in receiving the electrical equipment from

abroad, this first electric locomotive has been built by Indian Workers at Chittaranjan well within a period of 12 months only.

TECHNICAL FEATURES

The locomotive, which earns the proud privilege of being launched on track by the Prime Minister, will be assigned to the Central Railway. It can be utilised to haul both passenger as well as freight traffic on the difficult Western Ghat Sections of that Railway. Having tractive efforts of 69,000 lbs. it can haul on the level an express train of 560 tons at a maximum speed of 65 M.P.H. or a goods train of 2,000 tons at a maximum speed of 45 M.P.H. It weighs 123 tons and has an axle load of 20.5 tons. It is mounted on the bogies, each with three axles. Each axle has been fitted with an independent traction motor to drive it.

These locomotives are equipped with the regenerative braking to keep the heavy trailing load under control on steep descending grades and thus reduce the heavy wear and tear on the tyres as the brake gear. The newly built locomotive incorporates many safety devices to ensure its safe operation, such as overhead relay, no-current relay, current balance protection, low pressure governor, vacuum control governor, earth fault relay and lightning arrestor and surge absorber.

IMPRESSIVE PERFORMANCE

While the manufacture of electric locomotive adds another feather to its cap, the C.L.W. continues to march ahead in the matter of steam locomotives progressively improving its already impressive record of performance.

The prime cost of a steam locomotive which in the first year of production was over Rs. 7 lakhs, has now been brought down to Rs. 4.06 lakhs only. The number of man-hours per locomotive has also been reduced from 4,51,000 in the first year of production to only 54,000 now.

An incentive bonus scheme was started in the year 1954-55 and it now extends to all the production shops and a few of the service shops. By virtue of the scheme, not only has the production gone up, but also the workmen have increased the contents of their pay packets.

STEEL FOUNDRY

Besides developing the facilities for the manufacture of electric locomotives, Chittaranjan is planning to instal during the Third Plan a Steel Foundry at an estimated cost of Rs. 3.7 crores. It will have an initial capacity of 7,000 tons per annum, capable of expansion to 10,000 tons per annum. The foundry is scheduled to go into production in 1963.

Although galvanizing has nothing to do with production of steam locomotives, a Galvanizing Plant was erected at Chittaranjan in 1959 to assist the sister organization the Railway Electrification Project. A total of about 10,000 tons of steel structures have been galvanized

which has already resulted in a saving of about Rs. 40 lakhs in foreign exchange, and of about Rs. 30 lakhs in the Capital estimate.

WORKERS' WELFARE

The workers at Chittaranjan are associated with the running of the shops and township through the Staff Council, Works Committee and Area Committees. They are encouraged to suggest ways and means to improve productivity and conditions of work. The staff concerned have been awarded with monetary rewards for suggestions accepted.

The total strength of employees is approximately 8,400. About 6,200 houses have been built for the employees of Chittaranjan locomotive works in a township covering nearly 7 sq. miles. Some of the staff are drawn from the neighbouring villages. There are two High Schools—one for boys and the other for girls—and 26 other Primary schools, a 70-bed main hospital and four dispensaries in the township.

Problems of Railway Accountants

(BY T.S. CHAWLA, Sr. Acct. N.F. Rly.)

The duties of a Railway Accountant are essentially to see that the accounts of the branch of which he is placed in charge are kept in accordance with authorized rules. In the discharge of his duties the Accountant is expected to see that the claims against the Railway or receipts on account of earnings are properly checked to ensure the accuracy thereof, and to record the same in the most efficient manner possible in the various Accounts Statements, registers etc. prescribed for the purpose, so as to render it possible to compile the statistical records for efficient control over the Railway Finance and up-keep of financial standards. The role of the Finance

Branch in the Railway working has assumed more and more importance in the recent past and there is hardly any proposal affecting the Railway Finance which can be put through without finance scrutiny and vetting.

The problems of a Railway Accountant involved in the discharge of his duties may vary with the individuals and the circumstances in which he is placed.

The present standard of the S. A. S. examination no doubt provides the necessary general knowledge of Railway accountancy, but the specialization which is so essentially required for a

Railway Accountant in the proper discharge of his duties is hardly achieved by qualifying in these examinations. This may therefore, be a point well worth consideration whether the general relaxation in standards of SAS examination gives the right type of men to shoulder the important responsibility of an Accountant. It may be argued in this connection that the implementation of the 5 year plans have created large requirements and hence the quality may not be quite so important as that of quantity. But the piling up of large number of SAS qualified hands and the absence of promotions for years together on almost all the Railways will disprove this theory.

The accumulation of larger number of SAS qualified hands in the accounts establishments has created genuine problems for the working accountants and for the Administration alike.

The position may not be quite so serious at this stage, but with the existing tempo the accounts establishments are likely to be fairly saturated with the SAS men in the years to come.

It may be a debatable point whether the existence of a larger section of SAS qualified hands in the accounts establishment without early chances of promotion is conducive to overall efficiency of the working of accounts branch. The opinions may differ on this.

It is a natural instinct that having been qualified for a particular post, one should expect to be promoted to that post within a reasonable period. The absence of such chances for years together is likely to set in a feeling of discontentment, even though some incentive in the shape of higher increments exist. This is, therefore, a real psychological problem for the working accountants to effectively deal with. Their attitude towards these staff should normally be that of co-workers and not necessarily that of subordinates working under them, if the

best results are to be achieved for the efficiency of the section.

There is yet another problem of the zonal imbalance in the number of SAS qualified hands. It is a known fact that the distribution of 5 year plan works over all the Zonal Railways has been made according to the requirements of that region, resulting in disproportionate concentration of works in the different zones. This has resulted in creation of large number of vacancies on one Railway while the other Railway is comparatively debarred from such opportunities.

It may also be a fact that the number of qualified hands on one Railway is much more than on some of the other Railways depending on various factors.

Under the circumstances stated above, the cases are not infrequent where on one Railway the SAS qualified hands have not been given a chance of promotion for years, while on certain other Railways the SAS men are absorbed without any waiting. Thus these men are deprived of the equality of opportunity even though they may be quite willing to work anywhere in India. The creation of a central pool of SAS passed men but not promoted, who are willing to be transferred to any place in India, and declaration of the posts in large projects and 5 year plan works as ex-cadre, with the scope to provide senior most men from the central pool may to a larger extent ease the situation.

Incidentally the central pool can be drawn upon for deputation to the other Central Government Departments etc., from which there is a heavy demand on account of the execution of 5 year plan works.

The Finance Branch Accountants have to encounter diverse and complex problems. The general training and experience gained in the normal working is not perhaps enough to match the specialization which is needed in the proper discharge of duties in this branch. One has also to learn quite a good part of the

practical side of the Railway working to be able to understand the subject and offer a financial advice of intrinsic value. In the general scheme of things there is hardly any scope for the accountants to go over to the site of works on tours, to be able to make objective studies of the physical nature of works, and to fully understand the cases which are dealt with in the Finance Branch. It may therefore be a matter of importance that the Finance Branch Accountants are drawn from the General Branch Cadres who have attained requisite degree of specialization and have been trained in practical working of the various branches of the Railway.

The most important of the Railway Accountant's problems is that of co-ordination among the staff to obtain best results in the working of the section. There are various sections of the Accounts Office like T. A. Branch, Provident Fund, Stores Accounts, etc., where the number of staff under the supervisory control of the Accountants are considerable. The impact of the Accountant's behaviour and dealings with the staff have therefore to play an important role in the successful working of the section. Cases are not infrequent

where relatively minor cases ripen into negative attitude among the staff and hence the work of the office suffers.

This, therefore, requires the Railway Accountant to be trained in public-relations for the successful working. Occasional refresher courses on this subject under the Public Relations Officer of the Railway or under the guidance of FA & CAO or other Administrative Officers may be useful in this connection.

The problems of Divisional Accountants in the District Offices are to a large extent different from those of the Accountants in the Accounts Office.

The SAS qualified person is the one who is trained in the accounts field and who has cultivated what may be termed as 'Accounts mentality'. When they are required to be posted as Divisional Accountants they normally find themselves transported into an altogether different sphere and in what may be termed as 'Executive mentality'. This change in the mental approach is difficult and not always possible. The Divisional Accountant should therefore be required to adapt himself in the new pattern of working, and yet retain his originality as an Accountant.

Role of Stores Accounting in Cost Control

(BY B. B. CHATTERJEE, B.Com. A.I.C.W.A., S.A.O., Chittaranjan
Locomotive Works, Chittaranjan)

INTRODUCTION

In all heaviest industries, Stores plays a very prominent role in the cost structure. Present day high prices, relative scarcity of materials and above all the urgent necessity towards increase in productivity render it imperative to keep a close watch upon materials and stores control techniques. It is thus considered necessary to examine what measures can be achieved for Stores Con-

trol and gearing up through "Recording and Accounting of Stores".

OBJECTIVITY OF STORES ACCOUNTING

As material cost control through the aid of stores accounting is a managerial tool reflecting economic relationship and permeating with prices, the objects of stores accounts should principally be the following:

1. Control of the amount invested by the undertaking for stores purchases based on scientific planning of manufacture.

2. Control of the stores so purchased towards their utilisation and charging off to cost of manufacture.

3. Control through Accounts Inspection and Stock Verification of the careful custody and safe storage of physical stores.

RECORDING TECHNIQUES

In order that the objectivities of stores accounting enunciated above are achieved successfully and satisfactorily, the system of stores accounting should be so modelled that this can provide for the following essentialities:

(a) Categorisation and classification of stores as also affixing a P. L. No. pertaining to each item of stores under each class.

(b) Mechanism for the ascertainment of the quantity and value of each class and category of stores as also that of the individual items in hand at a given time.

(c) Systematic laying out of the stores and their stacking on the scientific system so that physical stock can easily be verified with the actual balances as per ledger records.

(d) Adoption of systematic methods of charging out stores to cost of production since the stores may be purchased at varied prices on different occasions.

(e) Decision for the maximum holdings of stock and ordering levels of all items.

(f) Provision of control on variations in consumption of materials.

TECHNIQUES OF CONTROL

(a) For exercising a better control, the entire stores should be firstly split up into various categories e.g., ordinary stores, special stores, emergency stores, scrap, surplus stores etc., and each item

of stores under each class and category should be given a separate and distinct P. L. No. as its distinguishing mark. The stores accounts should maintain records in such a way in collaboration with the Depot Officers that the management can be supplied with the monthly and periodical statements of class ledgers clearly indicating therein the trend of stores holding in the shape of opening balance, receipts during the month, issues during the month and closing balance under each category and class. From this the management can easily ascertain the position of store holdings at the end of every month under each category and class.

(b) The mechanism adopted for ascertaining the quantity and value of various items of stores in hand at any given time is called "Perpetual Inventory System". This is a method by which the stores ledgers are maintained to reveal quantities and values thereof in hand after each transaction both receipt and issue of stores.

(c) Unscientific system of lay out of stores and improper methods of their stacking often rendered the verification of the physical quantities costly and a time-wasting process. Since departmental as well as Accounts Stock Verification are of paramount necessity and a continuous and concurrent process the adopting of the following ways and means may be profitably examined to improve in this field:—

(i) As far as possible materials can be stored in the bins and the stores numerical ledger cards maintained in the Depot should be in the same sequence. These ledger cards should also record the location of items in the bins and racks which are also correspondingly numbered.

(ii) Stock of materials in the bins should be uniform and issues are effected from one end of the bins without disturbing the other stocks. For the verification of the heaviest quantity of materials most economically, a big stack

as when built up should be left at that and a separate stack erected with a separate numerical ledger card for stack No. 2 so that the issues may continue to be made from the first stack and as soon as this stack is depleted, the residual physical quantity can be easily verified with the records easily and most economically.

(iii) Regular reconciliation of the balances in the bin cards, numerical ledger cards and also priced ledger cards where double ledger system is in vogue, should be carried out and the discrepancies, if any, located, set right.

(iv) The rate of issue of materials to production should be on the "Weighed Average" to exercise control upon the consumption of materials for the same jobs in various periods of time irrespective of whether the purchase of the materials from the trade were at different rates.

(v) The determination of the levels of ordering for stock recoupment and maximum holding are policy matters based on the considerations of the monthly consumption of each item of stores, their availability in the trade and the time lag it takes to be received in the Stores Depot from the time of placing of purchase requisition upon the supplier.

(vi) Accounts records should be maintained in such a way without making the system of accounts unnecessarily cumbersome and expensive that the variations in consumption of stores for the manufacture of the same articles in different periods of time can be pinpointed. The increase in the consumption of stores for manufacture of the same articles in different periods should be properly investigated and for the purpose a breakup of the total utilisation

of stores for two or more different periods of time should be shown shopwise and also in accordance with different sources of drawal, to locate if any wasteful and uneconomical use of materials has been made so as to take a safeguard against their future recurrence. This control can be achieved more scientifically by plotting a graph of these figures for an instantaneous and visual representation.

CONCLUSION

Scientific system of Stores Accounting is the *sine qua-non* of judging the efficiency of stores organisation of an industrial undertaking and this aids in the establishment of proper control over stores transactions which obviously have repercussion upon the cost structure. Apart from a continuous and concurrent review, the Annual Statement of Stores Transactions reveal at the end of each financial year the balances under each category of stores and class as against those at the end of the previous financial year for a critical study as to the position of stores holding. This statement further amplifies whether the physical verification of all items of stores scheduled to be carried out during the year has all been done and with what result; whether the balances so verified and shown as per stores ledger cards agree with the balances as per financial books at the end of the year, whether due allowance has been made for depreciation, obsolete pattern etc., and whether all the rates at which stores are priced are within the current market rates and not in excess of actual price. It also affords facilities to the management to study whether the stores declared as "over stock" or "surplus" have been put up for disposal or sufficient action taken to get this unproductive capital reclaimed and turn it to be productive again.

Executive Vs. Finance

BY B. G. B.

Finance Officers on the Railways generally have a feeling that the executive do not place all their cards on the table when putting up proposals to Finance, and in fact, a spirit of opposition seems to exist between the Finance and the Executive. That this is so, not only on the Indian Railways but also everywhere else, where the proposals of the Executive are subject to Financial scrutiny, is also wellknown. This is not a feature of present times, but has continued from a long time past. It may be of interest to note that even in U.K., the Haldane Committee on the Machinery of Government appointed in 1917, referred to this relationship between the Finance and Executive in its report which stated inter alia,

"The traditional attitude of antagonism between the Treasury

and other Departments which so often manifests itself might be substantially modified if the officers of the Treasury could establish closer personal relations with the several Departments with which they deal, and acquire a fuller knowledge of their work and their difficulties".

This suggestion made by the Haldane Committee over 40 years ago in U.K., is well worth repetition even now. This means, of course, no one-way traffic, but free and unreserved exchange of views and ideas between the Finance and the Executive, keeping in mind that the objective of both is to achieve the formulation of a sound proposal which will be acceptable to the sanctioning authority from all points of view, and which will not be criticised by any reasonable taxpayer.

Suggestions for Improvements in the forms and Procedure for the Compilation of the Budget of Stores Transactions and Manufacture Operations

BY SWARAM

As it is understood that the Stores Code is under revision by the Railway Board and the compilation of the Budget Estimates for 1962-63 will be taken on hand by the Railways, shortly for submission to the Railway Board for consolidation, it is considered opportune to set out in this article certain aspects which struck the writer as requiring attention in the compilation of the Budget Estimates for the two Capital Suspense Heads. These two suspense heads are particular inasmuch as a con-

siderable amount of expenditure is accounted for under them and involved consequently a sizable amount in the vote obtained from the Parliament every year.

Dealing first with the Budget Estimates of Stores Transactions it is as well to recall that sweeping improvements are made with effect from 1960-61. The main features of these improvements are

(1) to exclude from the scope of the Stores Budget value of stores procured

for specific works for which estimates have to be prepared for the reason that the cost of such stores should not be passed through the stores suspense heads but debited direct to the accounts of the work concerned under the subhead "Materials at site" and

(2) to exclude from the amount for which a grant should be obtained, the issues of stores to Grant No. 16 under which these Stores Suspense heads are also accounted for.

The effect of the improvement as per item (1) has been partly nullified by the Railway Board's decision permitting advance procurement of stores for approved works of the Works Programme and creation of buffer stock of Signalling and Tele-communication stores at debit of Stores Suspense; but at the same time the Board have stipulated the limits upto which buffer purchases should be made, as also the ceiling balances for both the advance procurement of stores for the works programme and the buffer stock for the Signalling etc. stores.

Though stores to be procured for specific works are kept outside stores transactions budget from 1960-61, stores obtained for works for which estimates are not required to be prepared and also non-stocked items of stores for issue to the workshops and Printing Press coming under the head "Workshop Manufacture Suspense" continue to pass through the budget of Stores Transactions. Provision for these stores continue to be made in the Stores Budget under the subhead "Purchases-Stores for Works." These stores for works for which estimates are not required to be prepared are not consigned to the stores depots but direct to the consumers. Consequently the payments of these stores are debited to the head, 'Purchases' and these debits are transferred to the accounts of the work concerned without passing through the head "Stores Suspense" unlike stores for stock provid-

ed for in the budget under the subhead "Purchases—Stores for general purposes." It is, therefore, necessary that in providing for the stores budget for the anticipated increase or decrease in outstanding balances under subsidiary stores suspense heads "Purchases," "Sales" etc., the transaction accounted for in respect of direct delivery of stores which do not pass through the head "Stores Suspense" should be excluded.

At present there is no specific subhead in the Stores Budget for making provision for the anticipated variation in the balances under the subsidiary stores suspense heads. Generally the provision required is included under the subhead "Purchases-Stores for General purposes" though it is likely that certain Railways may be following a different procedure. As the variations in these outstanding balances are at times large and have an important bearing on the control to be exercised over the stores budget, it would be advisable to indicate the provision distinctly under a detailed head to be opened under "IV' Other Debits."

As already stated stores for specific works have been excluded from the scope of the stores budget. There seems to be confusion in some quarters as to how stores obtained for specific works to be undertaken in the workshops should be dealt with; whether the cost of these should pass through stores budget or be kept outside its scope. With a view to reducing the amount of the vote it is necessary that the stores obtained for specific works in the workshops, such as construction of Coaches, construction of box wagons and type 'o' wagons for which estimates are prepared should be debited direct to the accounts of the work instead of being passed through "Purchases" and then through "Workshop Manufacture Suspense."

Stores are issued from stock for fabrication purposes e.g. issue of steel for fabrication and cloth for stitching into garments. Such issues are accounted for by credit to "Stores suspense and,

debit to "Miscellaneous Advances—Capital." There is, however, no specific head on the credit side of the Stores Transaction Budget to exhibit the value of stores issues for fabrication. It would be advisable to introduce a specific sub-head on the credit side of the Stores Transactions budget after the subhead "VII Sales and transfers" for showing the value of "Stores issued for fabrication (Miscellaneous Advances Capital)". The cost of issues to "Miscellaneous Advances Capital" for fabrication should also be treated as issues within the same demand and included in the deduction provided for both on the credit side and debit side of the stores transactions budget for purposes of arriving at the net amount for which the stores grant should be obtained.

The issues of coal and coke and fuel oil for other purposes provided for under the separate subhead on the credit side of the stores budget include also issues to the workshops accounted for under "Capital Manufactures Suspense." These latter issues should either be included in the issues to the various shops under the subhead "V Capital Manufacture Suspense" on the credit side of stores transaction budget or better still accounted for under a separate detailed head to be opened under the subhead "XII Issues of coal and coke Fuel oil for other purposes." The value of such issues to workshops coming under the scope of the same demand should be included in the deduction made for the issues within the

demand both on the debit and credit side of the stores budget for purposes of arriving at the net stores grant.

The suggestions made in the foregoing paragraphs for improvements in stores budgeting lead to certain modifications which are considered desirable in the procedure for compiling the estimates under "Manufacture Operation." While in the stores transactions budget the issues within the same demand are excluded for purposes of arriving at the stores grant, no such deduction is at present provided for in the estimates for Manufacture Operations. It would appear that this question was considered by the Railway Board some time back, but the principle adopted in the stores budget in regard to the deduction of issues within the demand has not been extended to the budget of Manufacture operations. There is a strong case particularly in the present times of difficult "ways and means" position to exclude the credits of "Works Capital" and "Capital Stores Suspense: Manufacture for Stock" from the total debit of the Manufacture Budget. If this is done, the effect on the grant on the basis of the budget for 1961-62 will be a reduction of Rs. 32.27 crores under the Sub-head "Manufacture Suspense" in Grant No. 16. In view of the sizable effect on the funds to be voted it would be advisable if this suggestion is considered for adoption commencing from the budget for 1962-63 itself.

Garden Suburb of Lloyd George

BY KALAB

It is an admitted fact that there is a widespread complaint of inefficiency all round in the organisations everywhere, and not less in the Railway Accounts Department. In the columns of this journal, it has been repeatedly urged

that the root cause of this should be traced and wiped out, but the steps that are taken are more superficial than deep. Lack of an adequate sense of responsibility particularly at the lower levels, apathy on the part of the higher super-

visory officials to enforce discipline, for fear of their action not being upheld by those still higher, misplaced sympathy for inefficiency, laziness and irresponsible work, all these contribute not a little to the continuance in perpetuity of the regrettable state of affairs in the organisation. Delay in the provision of proper facilities to staff for discharging their functions in adequate and satisfactory manner, is also one of the causes of arrears and delays in disposal of papers.

Instead of remedying the situation at the root, what is now being done? Knowing full well that neither the data nor the papers would come quickly when called for, from the subordinate levels, the higher-ups, in order to get at least the more important work going, establish a sort of "Garden Suburb of Lloyd George" and have a separate trust-worthy secretariat keeping separate duplicate files of important correspondence, data, etc., so that the more important and urgent references from the Railway Board, etc., may be dealt with, promptly, as best as could be done, with the limited facilities of the private Secretariat, without having to wait for the papers or data from the lower levels where files get misplaced or lost with no responsibility for any one, or people think that they are indispensable and can afford to be tardy. Is this condition of organisation in the interests of the country, and should not something be done to improve matters and set the foundation of the organisation on a sounder footing?

Now that there is a plethora of passed men (both App. II-A and App. III-A) who have not yet been promoted to the

posts for which they are qualified, cannot those men be distributed properly to the different sections of the Office in each Railway (Accounts Department) and told by F.A. & C.A.O. personally that those men should, individually, hold themselves responsible for the efficiency of the Sub-Sections concerned, and set a model for other offices? We can go even further and provide for incentives like grant of an extra pass, etc., for either groups or individual staff who have shown a marked improvement in the state of work of the sub-section or clerk.

The next best thing (or an equally good alternative) would be for the Railway Board to appoint a small high-power Committee of selected F.A.C.A.Os., to go into this question and recommend measures for improvement at the lowest levels and probably at intermediate levels also. There is absolutely no use blaming either the Section Officers or the Accountants if the staff provided for them are hopelessly irresponsible and the supervisory staff cannot deal with them under the Disciplinary rules for the legitimate fear of their action being either interpreted as lack of ability and tact or not upheld. In these days, F.A.C.A.Os., do not even see the Section Officers or Accountants as frequently as may be desirable or necessary, presumably due to pressure of other more important work, but this results in the human touch being given the go-by.

*Note:—During the First World War, Mr. Lloyd George established a separate Secretariat to assist him with advice, and this Section was housed in temporary buildings in the garden of No. 10, Downing Street, and was known as the "Garden Suburb".

For SPECIAL ATTENTION of all SUBSCRIBERS

Owing to growing physical disability, I feel it may not be possible to continue the running of this Journal beyond DECEMBER 1961. Precise intimation will be published in the next issue.

Meanwhile, those who are in arrears of subscription are requested to remit their dues without any further delay, preferably covering the period to end of December 1961.

—Editor, R. A.

Allocation of Cost of Quarters for Class III & IV Staff Forming Part of Schemes for Accounting Purposes

BY SWARAM

In Railway Board's letter No. 56-B 4141-Genl. Pt. dated 28-11-'59 it was clarified that expenditure on staff quarters other than those for gazetted officers should be debited to DF(2) except that quarters on new line construction and other new projects, such as production units etc., should be charged to Capital. Subsequently in Board's letter No. F(X) 1-60-ALC/1 of 16-3-61 instructions were issued for the write-back of the expenditure incurred on staff quarters forming part of open line schemes during the period from 1-4-'55 to 31-3-'60, from Capital and DRF as the case may be, to DF(2).

A doubt arose whether construction of new quarters which are demolished in connection with remodelling schemes should be considered as forming part of the scheme and allocated to DRF or whether the cost of these quarters should be allocated to DF(2). The construction of the quarters is not an integral part of the remodelling scheme itself as would have been the case of quarters constructed

for workshop staff under a scheme for workshops expansion or quarters for station staff in the works of crossing stations. It has been clarified by the Railway Board in reply to a reference made by a Railway that not only the demolition of quarters but also rebuilding the same is directly related to the remodelling scheme, and both should follow the allocation of the main scheme on the analogy of the rule in para 968-G.I., being an essential part of the scheme and cases like this should be clearly distinguished from building of quarters incidental to the scheme, the allocation of which should be determined with reference to the orders of the Railway Board dated 28-11-'59. If, however, any of the quarters dismantled as a result of the remodelling scheme is replaced and the replacement would have been made in the normal course on age or condition basis in spite of the remodelling scheme, the cost of replacement will be allocated to D.R.F., and the work will not be treated as incidental to the remodelling scheme for purposes of allocation.

Rules of Allocation

(BY B. G. B.)

It is not a day too soon that the Railway Board have revised the list of Railway Users' amenity works chargeable to DF(1) Amenities to passengers etc., and deleted the items which cannot be considered as amenity works but, all the same, were being allocated to DF(1), such as provision of overbridges subways, self-printing or ticket issuing machines etc., vide page 181 of October 1961 issue of the 'Railway Accountant'. These works are really either for the safety of the passengers etc., which the Railways are bound to ensure, or efficient operation itself. It has been repeatedly pointed out in these columns

that the rules of allocation of expenditure should not be made subservient to the availability of funds from different sources such as Capital, Depreciation Reserve Fund, Development Fund, Revenue etc.,. The financial picture gets distorted and the real position is not disclosed, if the sources of availability of funds are taken as the criterion for allocating the expenditure, instead of the intrinsic and real nature of the expenditure.

It is time that the Railway Board re-oriented their policy in this respect in the interests of accounting.

Subjects of Moment

Advance Correction Slips

I Ry. Establishment Code Vol. I

Execution of Service Agreements by Apprentices/Trainees:

According to the agreement executed by a person as Apprentice/Trainee, he stands committed to serve the Railway Administration for specified minimum period after successful completion of apprenticeship/training, but in some cases, he is confirmed in Railway service before completing the said minimum period. On confirmation, he is required to execute a fresh Agreement Form in his capacity as a Class III Ry. servant *vide* Form No. 1, App. XXIV R-I 1951 Edn.)

A question has arisen whether such a person may be allowed to quit service at any time after giving one month's notice in accordance with the provisions contained in Clause 3 (a) of the Service Agreement Form to be signed by him as a Class III employee, irrespective of his previous commitments. The Board have decided that in such cases the agreement to be executed by the employee on his being permanently absorbed against a working post as for Class III railway servant should be without prejudice to the terms and conditions of the previous Agreement entered into by him as an Apprentice/Trainee, i.e. to say, he will not be allowed to quit Railway service by serving the Administration with one month's notice in terms of his later Agreement, *unless* he refunds the entire cost of training and pay/stipend, etc., drawn by him.

The Form is amended as per the following Advance C.S.

No. 70 R-I

Appendix XXIV R-I (1951 Edn.):

Add the following as Clause 15 after Clause 14, renumbering the existing Clause 15 as Clause 16 of Form No. 1 in this Appendix—(Form of Agreement for subordinate staff):—

"15. In the case of Apprentices/Trainees who have received training at the railway expense and have on successful completion of their apprenticeship/training been permanently absorbed against working posts, this agreement is without prejudice to the terms and conditions of the previous agreement entered into by them as Apprentices/Trainees."

(R. B. No. E (NG) 55-AG 1/3 dated 14th Sept. '61)

Withdrawal of 90% of P.F. Deposits

In terms of Rule 1337 R-I, when a subscriber has proceeded on leave preparatory to retirement, he may be permitted to withdraw any amount not exceeding 90% of the amount standing to his credit in the Fund if he was appointed before 1st June 1937, or any amount not exceeding the total amount of his subscriptions and interest thereon if he was appointed after that date.

It has been decided that a subscriber who was appointed before 1st June 1937 and has opted for the Pension Rules may be permitted to withdraw any amount not exceeding the total amount of his subscriptions and interest thereon.

The following Advance C. S. is therefore issued.

No. 74 R-I

Rule 1337 R-I:—

Substitute the following for sub-rule (1) of this Rule:—

"(1) When a subscriber:—

- has proceeded on leave preparatory to retirement,
- while on leave, has been permitted to retire at the end of his leave or been declared by a competent medical authority, to be unfit for further service, the Controlling Officer, or in the case of a non-gazetted servant, the District Officer, under whom the subscriber is for the time being employed, may, on the application of the subscriber, permit him

to withdraw any amount not exceeding the total amount of his subscriptions and interest thereon;

Provided further that a non-pensionable Railway servant appointed prior to 1st June 1937 shall be eligible to withdraw any amount not exceeding the 90% of the amount (both compulsory subscription and Government contribution and interest thereon) standing to his credit."

(R. B. No. F (P) 61/PF-1/21 dated 15th September '61)

II. Rly. Establishment Code Vol. II

Charge of Office:

No. 102 R-II

Section I—Charge of Office: Appendix XXXI-R. II:—

Introduce the following 'Note' under para 1 of the above Section. "In respect of Railway servants posted abroad, Railway Board's sanction is necessary to allow them to make over or resume charge of office elsewhere than at headquarters."

(R. B. No. F (E) 61 FR-8/1 dated 21-9-'61.)

III. Rly. General Code Vol. I

Allocation of Cost of Quarters for Class III and Class IV Staff Forming Part of Schemes:

No. 33 G-I

Para 912 G.I.:—

Insert the following as a note under para 912 G. I.:—

.....Rly.

Statement No. XIX - Expenditure under 15-D/E, Miscellaneous Expenditure - Commercial/Strategic. For the year ending 31st March 19 .

Main Heads of Expenditure 1	Outlay during the year 2	Outlay to end of previous year 3	Outlay to end of the year 4
INSPECTION			
Circle 1			
Circle 2			
Circle 3			
Total Inspection			

Note:—Expenditure incurred on staff quarters other than gazetted officers' quarters and forming part of a scheme, excepting new line constructions and production units, should be segregated and charged to DF 2/OLWR as the case may be. This takes effect from 1-4-'55.

(R. B. No. F (X) I-60-ALC-3 dated 4-10-'61). *

IV. Rly. Accounts Code, Part I (Revd. Edn.) No. 8 A-I

Para 1202 A.I.:—

Add the following statements as Statements Nos. (xix) to (xxi) in this paragraph:—

(xix) Statement of Expenditure under 15-D/E, Miscellaneous Railway Expenditure - Commercial/Strategic.

(xx) Statement of Expenditure charged to Development Fund.

(xxi) Statement of Expenditure charged to 15-F. Open Line Works—Revenue.

Amended para 1202 in extenso. (Not reproduced).

(R. B. No. 58-AC II/1/10 dated 8-10-'58).

No. 9 A-I

Introduce the following new paragraphs in Chap. XII of Rly. Accts. Code Vol. I (Revd. Edn.):—

1220-A. Statement No. XIX - Expenditure under 15-D/E Miscellaneous Railway Expenditure - Commercial/Strategic. This Statement should be prepared in Form A 1220-A.

Form A 1220-A

1	2	3	4
AUDIT			
Statutory Audit			
(Chief Auditor)			
Pay of Officers			
Pay of Establishment			
Other charges			
Total Audit and so on.			
SURVEYS			
..... Survey			
(1) Survey Charges			
(2) Establishment			
(3) Plant			
..... Survey			
(details as above for each Survey Project)			
and so on.			
Total			
Closed accounts of Surveys			
Total Surveys			
Grand Total			
India			
England			
Exchange.			

1220-B. Statement No. XX - Expenditure charged to Development Fund
The Statement should be prepared in Form A 1220-B.

.....Rly.

Form A 1220-B

Statement No. XX Expenditure Charged to Development Fund.

For the Year Ending 31st March 19 .

Sub-heads of Expenditure 1	Outlay during the year 2	Outlay to end of the year 3
-------------------------------	-----------------------------	--------------------------------

1220-C. Statement No. XXI - Expenditure charged to 15-F Open Line Works Revenue. This Statement should be prepared in Form A 1220-C.

.....Rly.

Form A 1220-C

Statement No. XXI - Expenditure Charged to 15-F Open Line Works - Revenue.
For the Year Ending 31st March 19 .

Main and Sub-heads Expenditure 1	Outlay during the year 2	Outlay to end of the year 3
-------------------------------------	-----------------------------	--------------------------------

(R. B. No. 58 AC II/1/10 dated 8-10-'58)



Monthly Statistics of Indian Railways

Gross Earnings: The Approximate Gross Earnings for August 1961 were Rs. 39.63 crores (inclusive of Passenger Tax) as against the actuals for August 1960 of Rs. 36.12 crores exclusive of tax.

The cumulative earnings from April to August 1961 were Rs. 203.29 crores (inclusive of tax) as against the actuals for the first five months of 1960-61 of Rs. 181.81 crores exclusive of tax.

Wagon Loading: The number of wagons loaded during Aug. '61 increased by 7.19% and 1.95% on B. G. & M. G. respectively as compared with Aug. '60. The total loadings for the first five months also showed increases of 6.66% and 4.23% on B. G. & M. G. respectively as compared with the corresponding period of the previous year.

The increased loadings in the month are mainly due to the following commodities:

B.G.	M.G.
Coal & coke for public	Coal and coke for public
Sugarcane	Jute raw
Pig iron	Jute manufactured
Iron & steel—others	Sugarcane
Manganese ore	Cement
Iron ore	Iron & Steel others
Metallic ores—others	Tea
Limestone & dolomite	Metallic ores others
Miscellaneous full wagons	Miscellaneous full wagons
Coal for other Govt. Rys. etc.	Coal for Home Line
	Coal for other Govt. Rys., etc.

These were partly set off by decreased loadings under:

Grains & Pulses	Grains & Pulses
Cotton raw	Oilseeds
Jute manufactured	Manganese ore
Cement	Iron ore
Miscellaneous smalls	Miscellaneous smalls
Coal for Home Line	Railway Materials—others

Railway Materials—others

Out-Agency at Surajpur Town

An out-agency at Surajpur Town in Surguja Dt (M.P.) was opened on 1st July '61 for road-cum-rail booking of goods and parcels traffic in local and through booking with other zonal railways via Manendragarh railway station.

Street Collection and Delivery Service for "Smalls" Traffic

A door-to-door pick up and delivery service for Parcels traffic in Calcutta introduced on 1-9-59 was enlarged for Goods traffic in "Smalls" as well via Shalimar Station with effect from 1st July '61.

Direct-Arc Furnace Fabricated at Jamalpur

For the first time on the Indian Railways, a direct-arc electric steel melting furnace of the Heroult type of a half-ton capacity has been fabricated and installed by the joint enterprise of a group of technicians of the Mechanical and Electrical Departments in the Jamalpur Workshops of the Eastern Railway. It has been fabricated largely from available scrap-material with the

result that the overall cost incurred amounts to only about Rs. 36000, i.e. about half the cost of a similar furnace imported from abroad.

The furnace will be used in the production of high quality carbon and alloy steels from pedigree scrap, which are in such short supply in the country.

Final Location Surveys

The Dy. Minister for Rys. told Pressmen at Salem on the 1st Oct. '61 that before the end of this year, the final location surveys of Salem-Bangalore, Virudhunagar-Manamadurai and Hassan-Mangalore lines would be taken up.

Extra Third Class Sleeper Coach on Howrah Mails

It has been notified that a two-tier sleeper coach will be attached to the Mail between Madras and Howrah in addition to the present sleeper coach, with effect from October 15.

Broad Gauge Conversions on Southern Railway

The Gudivada-Bhimavaram line, 40 miles in length, was converted from M.G. to B.G. While declaring this conversion open, Sri Jagjivan Ram, Ry. Minister, said that it forms part of an integrated scheme, under which the Vijayawada-Masulipatam section (40 miles) and Tadepalle-Guntur section (about 16 miles) will also be converted into B.G. The entire integrated scheme is estimated to cost Rs. 7 crores and when completed, will bring the full benefit of B.G. services to these rapidly growing deltaic areas of Guntur and Krishna Districts.

The conversion work on the latter two sections is in progress and is expected to be completed in 1962.

Development of Podanur Railway Signal Shops

As part of a drive to achieve self-sufficiency in the day-to-day needs for Railway components, manufacture of points machi-

nes, signal machines and some more items of power signalling machines will be undertaken in the Podanur Railway Workshop during the Third Plan period. The workshop has already taken up manufacture of several items of electrical signalling equipment.

The production of signalling material in the railway signalling workshops throughout the country has recently been stepped up. The total production of signalling material during 1959-60 was of the value of Rs. one crore. A provision of Rs. 25 crores has been made in the Third Plan for signalling and safety works on all the Railways.

Extension of Electric Trains on the Southern Railway

The scheme to extend the electrification of the M. G. Line to a distance of about 80 miles from Tambaram to Villupuram, on the S. Ry., took a concrete shape when Mr. H. D. Singh, G.M., S.Ry., formally cast the foundation for the first track structure on the 18th Oct. '61.

Mr. Singh pointed out that an apparent delay in the initiation of this scheme was due to the need for taking decisions on the basis of latest inventions, which had shown that AC traction would be more economical. Mr. Singh said that during the last three or four years, there had been so much of industrial progress as to materially reduce the foreign exchange portion to about 30 or 35% only.

It had been decided as a first step to complete the work for the first four miles up to Vandalur early next year. The entire project estimated to cost Rs. 4.6 crores was expected to be completed by December 1963.

Doubling of Track on N. E. Line of S. Ry.

The State Government have sanctioned special staff to acquire necessary land in connection with the doubling of the Railway Track between Tiruvottiyur and Gummidipundi on the north-eastern line of the

Southern Railway. This would considerably speed up land acquisition proceedings and enable the Rly. authorities to take up this project at an early date. The doubling of this line would go a long way in helping the growth of industries and also providing better transport facilities to the people living in the suburban areas served by the line.

Goods Movement by Road

In a Press interview at Hyderabad on the 9th Oct., Sri Jagjivan Ram, Ry. Minister stated that there was so much goods traffic in the country that he was prepared to give a monopoly to motor transport for short distances, say 50 miles, and the Railway might perform the task of moving transport for long distances. The question, he said, was whether they should increase the number of passenger trains or goods trains. In the context of the development of the country, ultimately, more goods trains were needed. After all, the passenger traffic was not the main revenue source for the Railways.

Road Transport and Railways

While inaugurating a five-day Seminar at Madras on the 9th Oct. '61, on Road Passenger Transport organised by the Economic Commission for Asia and the Far East, Prime Minister Nehru stressed the need for co-ordinated development of road transport and the railways. He said that in India, people were travelling more and more and it was important to provide them with relatively cheap road transport services.

Route Relay Interlocking Signalling System

The new Route Relay Interlocking Signalling System installed at Basin Bridge Rly. Junction, on the Southern Railway at a cost of Rs. 20 lakhs was formally inaugurated on the 13th Oct., by Mr. Kamaraj, Chief Minister, Madras.

This system provides a means of automatically setting the points and signals over an entire route from a strategically

located position and affords maximum safety and utmost flexibility of operation.

This installation is the only one of its kind in the country, having the unique feature of one operator actually controlling the interlocking at four stations—three by a system of remote control, akin to the centralised traffic control in vogue in the U.S.A., and other countries.

Mr. H. D. Singh, G.M., S.Rly., in his welcoming address pointed out that the introduction of the system was an essential adjunct to the remodelling of the Madras Central Station.

Mr. S. V. Ramaswamy, Dy. Minister, Rlys., said that the new system was worked on the A.C. System and would fit in with future development of electrification up to Jalarpet and even beyond.

If the electricity system fails, there is a stand-by diesel generator which, automatically comes into operation in about 15 seconds time. The control panel can give to the trained hand, a graphic picture of a train coming in or going out. It operates the field stations at Vyasarpadi, Korukkupet and Washermanpet by remote control.

Launching of the First Electric Loco from C. L. W.

The first Electric Locomotive was formally launched on the track by Prime Minister Nehru at Chittaranjan on the 14th Oct. '61. Mr. Nehru described this as a significant step inasmuch as it meant that India had accepted the challenge of modern scientific knowledge. India has thus entered into an "electric era".

The Electric Locomotive has been named "Lokamanya". It is equipped with regenerative braking to keep the heavy trailing load under control.

Mr. R. Krishnaswami, G.M., C. L. W., revealed that orders had already been received for 21 electric locos and it was expected that the entire lot would be ready by February 1963. The design and specifications had been so prepared as to enable

Nov. '61

maximum use of indigenous plant equipment and materials.

U. K. Bank Rate

The British Bank rate has been reduced from 7% to 6½% from 5th Oct. 1961. In this connection a statement issued by the Bank of England says: "The very high Bank rate at 7% was introduced to reinforce the other restrictions on credit (which remain), and to help relieving the pressure on sterling. Enough progress has been made towards the short term objectives to justifying reduction of ½% without prejudicing the attainment of the long term objectives which the Chancellor of the Exchequer announced in July, 1961".

The Bank of England rate, which determines the pattern for interest on loans in Britain, was cut on 2nd Nov. '61 by half a point—from 6½ to 6 per cent.

The rate had been reduced from seven per cent to 6½ per cent on October 5. It was raised to seven per cent from five in July when the Treasury of Chief, Mr. Selwyn Lloyed, imposed stringent money policies on this country in an effort to stem increasing adverse balance of international payments.

At the same time he had called for a wage increase pause and put extra taxes on consumer goods.

These reductions are evidently an index of the comparatively easier money conditions in the U.K. Incidentally this will result in some financial advantage to India in that, she will pay less interest on the loans she will take from Britain for her development plans.

Cost Discipline

The need for a proper appreciation of the importance of Cost discipline in Industrial Manufacture, particularly in a developing economy like that of India, was stressed by Mr. Galbraith, American Ambassador to India at a meeting in the Indian Telephone Industries, Bangalore, on 21st October '61.

Needless to say, this cost discipline should be emphasised in the case of Railways also.

Ed. R.A.

CORRECTIONS

Railway Accountant, October 1961 issue

On page 178 line 1, the word 'Broad' should read 'Narrow'.

Page 202, col. 1 line 7 from the bottom: for "Dy. C.O.S." read "Dy. C.O.P.S."

Page 203 col. 2 lines 5, 9 and 13. for "Dy. C.O.S." read "Dy. C.O.P.S."

LETTERS TO THE EDITOR — (Continued from page 227)

qualifying themselves the repercussion of such staff as have passed the higher examination and have not been promoted to Accountant's post for want of vacancies are grave enough. The staff naturally want the maximum amount of benefit, while the Rly. Board's orders are not explicit. Here is what one of our readers says on the point:

"As per latest orders of the Railway Bd., Clerks Grade I have been awarded an incentive pay of four advance increments. On a certain Railway, Clerks Grade I who have passed the SAS (Rlys.) exam., are denied the benefit of this incentive by ordering not to take accelerated rate of

increment. But on certain other Railways the incentive to Clerks Grade I who have passed the SAS (Rlys.) examination is based on the accelerated rate both in Clerks Gr. II scale and Grade I Scale and this seems to be reasonable and the intention of the Board.

It is just and reasonable that the staff who have passed the S.A.S. (Rlys) exam. should be given the benefit of this incentive based on the accelerated rate of increment for earlier passing in both the scales."

It is hoped that the Railway Board will review the position with a view to see how and to what extent the interpretation of the staff can be accepted.

Ed., R. A.



LOK SABHA :

Third Asian Railway Conference in New Delhi

Dy. Minister of Railways (Mr. S. V. Ramaswamy) said that India would be host to the delegates to the Third Asian Railway Conference to be held in New Delhi on Nov. 13, 14 & 15, 1961. Nineteen countries had been formally invited. The Conference would be followed by a tour to important railway centres. The delegates would disperse on the 28th Nov.

Rail Link with Singrauli Coalfields

Dy. Minister of Rys. (Mr. S. V. Ramaswamy) said that a preliminary engineering and traffic survey for a B. G. rail line to connect Singrauli Coalfields to a suitable point on the Katni-Anuppur Section had been sanctioned. The estimated expenditure to be incurred during the current year is Rs. six lakhs. The station to be connected is dependent on the alignment and would be known only after the engineering survey is completed.

Import of Machinery for Railways During Third Plan

Dy. Minister of Rys. (Shah Nawaz Khan) stated that the cost of Plant & Machinery proposed to be imported for Railway Transport during the Third Five-year Plan is likely to be about Rs. 12.50 crores.

Oil Traffic on Railways

Dy. Minister of Rys. (Mr. S.V. Ramaswamy) said that with the setting up of oil refineries at Noonmati and Barauni, the Railways would be called upon to transport products of these refineries in lieu of movement of corresponding quantities of imported POL products from the ports. This change in the pattern of move-

ments would increase the oil traffic on certain sections with a corresponding reduction on other sections.

So far as Noonmati Refinery was concerned, there would be an increase in the movement of oil traffic on the M.G. sections of N.E. & N.F. Railways and a reduction in the movement of imported products on the B.G. sections of the Eastern Ry., as also on the M.G. section of the Western Ry.

The changes in the pattern of movement as a result of the setting up of the Barauni Refinery were under examination.

The steps taken to meet the increased movement on M.G. sections include procurement of additional M.G. Tank wagons; and increasing the transport capacity of the Amingaon-Siliguri section for movement of the products of the Refinery to the bulk storage installation at Siliguri.

Rail Requirements for Track Renewals During Third Plan

Dy. Minister for Rys. (Mr. Shah Nawaz Khan) stated that the approximate total requirement of rails for the Third Plan both for track renewal and for new lines was 16.50 lakh tons. During 1961-62, 1.66 lakh tons would be met by indigenous production and 2.84 lakhs by imports. During 1962-63 also, some imports might be necessary; but in later years, the full requirements were expected to be met from indigenous production.

Museums at Important Railway Centres

Dy. Minister of Rys. (Mr. S. V. Ramaswamy) stated that the scheme for opening of railway museums was still in an experimental stage. Besides the museum at Amritsar, on the Northern Railway, another was opened at Gorakhpur on the N. E. Ry., on the 14th April 1961.

Letters to the Editor . . .

A set of corrections suggested for the Indian Railway Code for the Accounts Department, Part II, has been sent to us for publication. It is presumed that a copy has already been officially put through to the Railway Board for necessary action.

Ed., R.A.

Suggested Correction Slips to A-II

1. Rule 2202 (p. 33) Check of Invoices

The words 'One hundred' appearing in line 2 under item (7) should be substituted with the correct words 'three hundred'. (Relevant reference Rule 37 of IRCA Goods Tariff No. 30).

2. Rule 2228 (p. 43) Overcharge Sheets

In line 2 under item (6) the word 'locally' should be inserted after the words 'goods overcarried.' (Kindly refer 1588-89 T).

3. Rule 2230 (p. 44) Wharfage and Demurrage

In item (3) insert the words 'hours or' before the words days, to start the sentence as, 'the No. of hours or days.' (Moreover, it is an established rule that hours are reckoned in charging Demurrage).

4. Rule 2230 (p. 44) Check of Wharfage and Demurrage

Item (8) should be deleted, in view of Railway Board's letter No. 51-AC. II/45/4 dated 1-11-1951. (1911 T. can be perused)

5. Rule 2603 (p. 86) Handling Bills

The second part of item (4) 'and subsequently adjusted by means of overcharge sheet' must be deleted, as an overcharge sheet is unnecessary when an invoice is accounted for twice (vide 1577-T.; and 2228-A II item (5) (a) at p. 43).

6. Rule 2837 (p. 105) Cash-in-Transit

The following addendum should be made. 'The Cash Book of a month should be kept open for three days after the close of the month to accommodate the cash collected in the month but shroffed in the cash office in the following month. (Rly. Board's letter No. 56-AC. II/9/2 dated 30-5-56).

Grant of incentive to App. II qualified clerks Grade II

With reference to our remarks at page 201 of the October 1961 issue, one aggrieved party points out that the increment should have been effective from 1st April 1956 and not from 1-5-'61, as ordered by the Railway Board. This of course is reasonable, but obviously the Railway Board must have foreseen many complications in ordering retrospective effect for a long period of five years. There is, however, an alternative of ascertaining the position as if the orders are effective from 1-4-'56 but treating the arrears between that date and 1st May 1961 as not paid or considered as not due for payment. If this would meet many grievances satisfactorily, the Railway Board may consider the possibility of revising their orders.

Another point has also been brought out as under :—

"Appendix II qualified staff between 1947 and 1956 could not derive the benefit of Rs. 20/- when the minimum start of Rs. 80/- in scale (P.S.) Rs. 80-220 was raised to Rs. 100-vide Board's letter No. E(S) 1-57 CPC 40 dt. 7-3-'57, under the wellknown Fair Deal. C.G. II, whose pay was Rs. 97/- or more was fixed at Rs. 100/- as C.G. I in the usual course. The proper solution lies in granting an *ad hoc* increment of Rs. 20/- (difference between Rs. 100 and Rs. 80) on 1-4-'56, as was done in the case of C.G. II when an *ad hoc* increment of Rs. 5/- was granted consequent on the revision of the scale Rs. 55-130 to Rs. 60-130. There is no other solution to this problem."

In this case also there seems to be a good case for consideration by the Rly., Board so that at least from now on, defects may be remedied and the staff given benefits which have been denied to them for no fault of their own. * * * Ed., R.A.

Incentive for S.A.S. (Rlys) qualified Staff

Consequent on the grant of four advance increments as incentive pay to C. G. I. after

(Continued on page 225)

Personnel

Shri D. P. MATHUR, Director, Finance (Accounts), is placed on other duty; and in his place Shri K. S. BHANDARI is posted to officiate.

Shri S. S. JAGOTA, J.D. M.E(P), Ry. Board, appointed as Addl. Director, Mechanical Engineering (Production), w.e.f. 4-8-61 vice Shri S. CHAKRAVARTY transferred to Diesel Locomotive Project, Varanasi.

Shri R. KRISHNASWAMY, offg. S.D.G.M., W. Ry., transferred to C.L.W., as offg. General Manager.

Shri V. P. RIBEIRO, offg. Director (B & F), Research, Designs & Standards Organisation, transferred to W. Ry., as offg. S.D.G.M.

Shri D. B. PATEL, offg. S.D.G.M., S.Ry., transferred to R.D.S.O. as offg. Director in the above vacancy.

Shri N. VENKATASUBRAHMANYAM, Dt. Controller of Stores, I.C.F., transferred to S.E. Ry., as offg. Dy. Controller of Stores.

Shri H. K. BHALLA, I.R.A.S., recalled from leave and appointed to officiate as F.A. & C.A.O., Diesel Locomotive Works, Varanasi.

Shri D. G. TERE, offg. F.A. & C.A.O., W. Ry., on reversion by Shri S. G. POTHAN, offg. as G.M., transferred back to Central Ry., as Dy. C.A.O.

Shri C. L. SHARMA, S.A.O., N. Ry., transferred as Dy. Director, Finance (Stores), Ry. Board, w.e.f. 18th Aug. 61.

Shri K. S. HARAVU, offg. Dy. Director, Finance (Accounts), Ry. Board, promoted to officiate as Jt. Director, Ry. Board, w.e.f. 16th Aug. 61.

Shri N. C. Sen, offg. S.A.O., D.B.K.Ry. Projects at Calcutta, transferred to S.E. Ry., in the same capacity.

Shri P. P. CHADDA, offg. S.A.O., W. Ry., transferred to D.B.K.Ry. Projects.

Shri M.L. SHARMA, offg. A.A.O., W.Ry., transferred to D.B.K.Ry. Projects in the same

capacity vice Shri O. P. RAWAL, to proceed on relief, to Delhi and report himself to the Addl. Member, Finance, Ry. Board, for further orders.

Shri B. K. PRASAD, Prob. Accts. Officer, on joining as J.A.O., C. Ry., Shri B. R. SHETTY, J.A.O., was transferred to S.E. Ry., in the same capacity.

Shri P. K. ANANTHANARAYANAN, Dy. Ch. Personnel Officer, W.Ry., appointed as offg. Joint Director, Establishment, Ry. Board, w.e.f. 14-8-'61.

The services of Shri B. BHATTACHARYA, Jt. Director, Finance (Accounts), Ry. Board, placed at the disposal of National Mineral Development Corporation, New Delhi, w.e.f. 14-8-'61.

Shri M. A. RAO, appointed as General Manager, N.F. Ry., in place of Shri RATAN LALL, transferred as G.M., Central Ry., to relieve Shri D. R. KHANNA, retiring on superannuation.

The following Accounts Officers were absorbed into the I.R.A.S. Cadre w.e.f. 4-4-'61:

Sri S. Ramamurti	... S.Ry.
„ N. R. K. Aiyar	... E.Ry.
„ Kapoor Chand	... W.Ry.

Shri N. NATARAJAN, offg. A.A.O. S.Ry., resumed duty from leave on 16-10-'61, and was posted as offg. A.A.O. Budget, vice

Shri T. S. KRISHNAN, transferred and posted against the vacant post of A.A.O. Constrn. II.

Shri T. VENUGOPAL, P.R.O., S.Ry., transferred as Vigilance Officer, S.Ry. w.e.f. 11th Oct. 1961.

Sri J. B. RAO, C.C.S., S.Ry., proceeded on leave and

Sri S. RAJAGOPALAN, Divl. Supdt., S. Ry., promoted to officiate as C.C.S.

Special Reduced Rates (Inland) upto 31-12-'61

For Full Cash Prepayment only:

APPENDIX III EXAMINATIONS — 1951 to 1957 — QUESTIONS & ANSWERS (@ Rs. 4 each)

BOOK-KEEPING; GENERAL RULES AND PROCEDURE; TRAFFIC ACCOUNTS; TRAFFIC STATISTICS & TRAFFIC BOOK; STATION ACCOUNTS; BOOKS AND BUDGET; GENERAL EXPENDITURE.
Reduction allowed for MISSING years. Additional years, if available, charged extra.

Questions and Answers 1947-48.

Construction Accounts	Rs. 1'00
Workshop Accounts	Rs. 0'80

Questions only 1947-57: (58 to 60 supplied at extra rates to be ascertained)

Book-Keeping and Gl. Rules and Procedure; Books and Budget; Gl. Expenditure; Workshops; Establishment; Stores	Rs. 1'25 each
Receipts Accounts	Rs. 2'00
C. O. S. Office Procedure	Rs. 1'00
Construction—'47 to 55 only	Rs. 0'80

50 nP. per packet should be added to the cost of each order, and should accompany the order, to cover Postal Registration Charges.

S.R.A.S. Examinations - Questions only:

Part I: 84C, to C, 56-58	} Rs. 2'50
84D 59-60	
Part II: 85B 49-53	Rs. 1'60
85C to C, 55-58	Rs. 1'60
84D 59-60	Rs. 0'80

Appendix II Examination - Questions and Answers 1955-57:

No. 522 Book-Keeping	Rs. 1'00
No. 523 Gl. Rules & Procedure (+ 1958)	Rs. 1'00
No. 524 Coaching	Rs. 1'00
No. 525 Goods	Rs. 1'00

Other combinations also available.

Write to **L. V. GOPALAN, 14, Balakrishna Road, MADRAS - 4**

Further concessions allowed for large bulk orders which can be ascertained by furnishing details of requirements.

HOLIDAY HOMES for use of NON-GAZETTED Staff on Indian Railways

For detailed instructions, the staff should refer to the Weekly Gazettes of the respective Railways.

Railway	Station where situated	Official-in-charge
CENTRAL EASTERN	Matheran	Divl. Supdt, Bombay, V.T.
	Baidyanath Dham	Chief Personnel Officer, E Ry., (Through proper channel)
NORTHERN	Hazaribagh	do.
	Puri	do.
	Barej Ry. Sin.	Asst Engineer, Dharampur
	Mussoorie	Supervisor, Ry. Out Agency, Mussorie; C P O, E Ry., Calcutta, (Through proper channel)
SOUTHERN	Pahalgam (Kashmir)	Welfare Officer, N.Ry. H Q. Office, New Delhi
	Simla	Asst Engineer, Dharampur.
	Courtallam	Divisional Supt., Madurai.
	Mysore	Divisional Supt., Mysore.
SOUTH-EASTERN	Yercaud	Divisional Supt., Olavakkot.
	Ranchi	Sr. Personnel Officer, (General), S.E.Ry., Calcutta.
WESTERN	Bandra	Divisional Supdt, Bombay Central.

REGD. NO. M 6479

BOOKS ON SALE

S.R.A.S. Part I Examination Questions
1956 to 1960—Rs. 3.00 by Registered Post

S.R.A.S. Part II Examination Questions
1949 to 1960 except 1954—Rs. 4.50
by Registered Post

BOOK-KEEPING: Parts I & II
Examinations: Questions 1940-48

Also available Re. ONE

Apply Sharp to: L. V. GOPALAN

CLOSING DOWN SALE of BOOKS

Published by L. V. GOPALAN

As I have a very small balance stock on hand, those interested in getting any of them for their use will kindly write at once and ascertain the amounts to be remitted in advance for obtaining them. Scrap prices are quoted.

No guarantee of availability of any Stock beyond 30th Nov. 1961

BOUND VOLUMES & LOOSE COPIES OF "RAILWAY ACCOUNTANT"

A few copies of Volumes I to VII are available for Sale at rates to be quoted on receipt of requirements. The amounts due are to be remitted in advance quickly so as to avoid disappointment.

Mg. Editor.

MISSING COPIES OF THE JOURNAL

Such subscribers as find any intervening issue of the Journal (upto Mar. '61) MISSING in their files, may apply for duplicate copies IMMEDIATELY, sending a special reduced rate of 80 nP. per issue plus registration charge of 50 nP. per packet. These copies may not be available after 31-12-61.

THE RAILWAY ACCOUNTANT

SPECIAL IMPORTANT NOTICE TO SUBSCRIBERS

Several subscribers have not renewed their Subscriptions, even after the Journal was sent to them for some months thereafter. It is particularly requested that the accounts be brought up to date **immediately**. Further issues may not also be despatched unless arrears are cleared. Those who do not wish to continue may write specifically to that effect, remitting the amount due for the excess copies already sent at Re. One per issue.

Delays in remittances result in inconvenience all round.

Mg. Editor.

Roll Number on cover wrapper should be quoted in all communications.

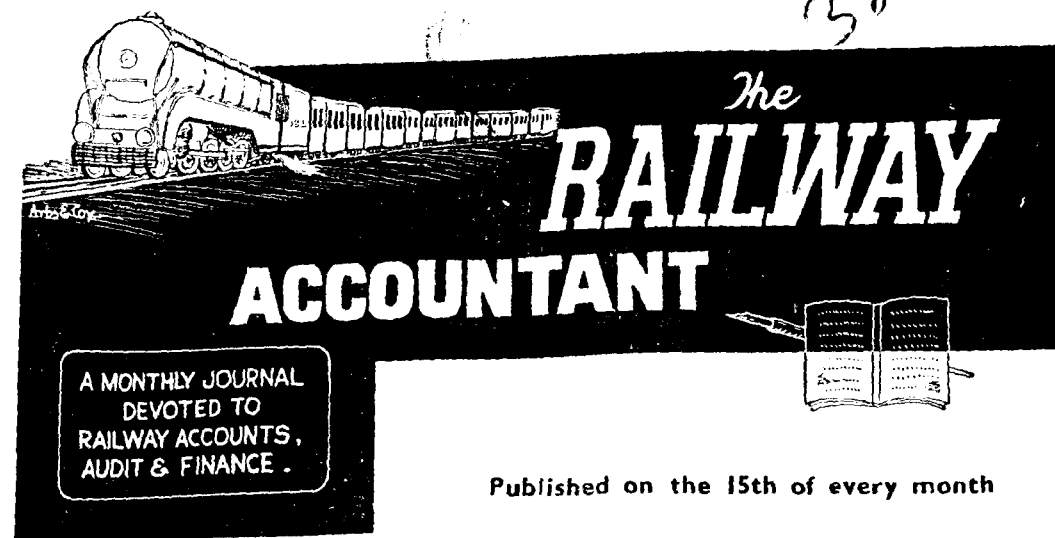
The last month covered by your subscription is noted on the cover wrapper of your copy of the Journal. Please watch and send **renewal remittance in time**.

Surcharge of 15 nP. per arrear month is to be added to subscription if enrolment is ante-dated.

Missing Journals should be reported **without delay** to the Local Post Office and to the Mg. Editor.

Addresses: Correct and current residential addresses ensure safe delivery.

Mg. Editor, R. A.



Vol. VIII—No. 9

DECEMBER 1961

Re 1

Edited & Published by:
L. V. GOPALAN, B.A., B.L.
Retd. A. A. O., M. S. M. Ry.
14, Balakrishna Road,
Mylapore, Madras-4.

Hon. Editorial Adviser:
Sri B. G. Balakrishnan,
Retd. S.A.O., S. Ry.

Subscription:

Payable in Advance

Half-
Annual: Yearly:

Rs. Rs.

Inland Ten Five

Burma
(Sea-Mail) } Twelve Six
Pakistan }

CONTENTS

	PAGE
EDITORIAL:	
ACCIDENTS ON INDIAN RAILWAYS ..	229
CONTRIBUTIONS:	
INDIAN RAILWAY FINANCES ..	231
THIRD ASIAN RAILWAYS CONFERENCE ..	235
UNDERTAKINGS IN THE PUBLIC SECTOR ..	238
TRANSPORTATION OF COAL ..	241
POSTING AND RECONCILIATION OF WORKS REGISTRARS FOR DEPOSIT WORKS UNDERTAKEN BY THE RAILWAYS ..	244
RAILWAYS: HIGHER CHARGES IN THE OFFING ..	245
SUBJECTS OF MOMENT ..	246
NEWS, NOTES & COMMENTS ..	251
PERSONNEL ..	254
RAILWAYS IN PARLIAMENT ..	255
STUDENTS' CORNER ..	257
BOOKS REVIEW ..	259
INSTITUTE OF RAILWAY ACCOUNTANTS ..	259

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.

AN APPRECIATION

THE RAILWAY ACCOUNTANT (Magazine), we have found, is a very useful publication and its closure may adversely affect the Railway Accountancy profession. I hope you will take into consideration all possible ways of keeping the Magazine alive before coming to any final decision.

Kurseong,)
25-11-'61)

T. S. CHAWLA,
Sr. Acctt., N. F. Rly.

ACKNOWLEDGMENTS

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

Central Railway Magazine	— '61	Transport	— '60
Eastern Railway Magazine	— '61	Indian Railway Gazette	Nov. '61
Western Railway Magazine	— '61	Indian Construction News	Sep. & Oct. '61
South Eastern Rly. Magazine	— '61	Chartered Accountant	Nov. '61
Southrailnews	— '61	Educational Review	Nov. '61
Chittaranjan	Oct. '61	Australian Accountant	— '61
Central Railway Newsletter	— '60	Accountants' Journal (NZ)	Oct. '61
Eastern Railway (Lifeline) F.E.	16.9.'61	Technical Bulletin (Australia)	— '60
" Newsletter upto F.E.	21.9.'61	Accountants' Magazine (Edinburgh)	Oct. '61
Western Railway	— '61	Railway Board's Monthly Statistics	— '61
Metric Measures	— '61	I.R.T.D.A. Newsletter up to F.E.	16-11-'61
Indian Railways	Nov. '61		



The RAILWAY Accountant

14, BALAKRISHNA ROAD, MADRAS-4

EDITED & PUBLISHED BY L.V.GOPALAN, B.A., B.L.

A MONTHLY JOURNAL
DEVOTED TO
RAILWAY ACCOUNTS,
AUDIT & FINANCE.

Vol. VIII—No. 9

DECEMBER 1961

Re. 1

Accidents on Indian Railways

Within the space of three weeks after mid-October this year, three serious accidents to Passenger trains were reported on Indian Railways. These involved loss of many human lives, not to speak of the loss of Railway assets and loss of revenue. In regard to these, Sri K. Santhanam, formerly in the Ministry for Railways, wrote in 'THE HINDU' of Madras:—

"In respect of all these accidents, three general questions have to be answered categorically by the Railway Administration. Was the Railway track in a good condition in all these places? Were the age, condition and maintenance of the locomotives involved such as to ensure absolute safe running of fast passenger trains? Thirdly, were the drivers and firemen promoted to their posts on the strict tests of ability and experience as it is indispensable that passenger trains should be in charge of the most competent and experienced workers? If any two of the locomotives should happen to be of the same type, the possibility of weakness in that type will also have to be investigated. I am putting these positive questions as there is a general impression that, faced with heavy traffic and the needs of expansion, maintenance of track and rolling stock have been suffering from comparative neglect. It is also well known that promotions have been taking place on considerations other than merit and experience. The Indian people have to be assured that none of these accidents was due to any of these avoidable defects.

I am convinced that every Railway accident involving deaths should be followed automatically by a judicial enquiry by a High Court Judge assisted by technical assessors.

Nor should it be forgotten that while only accidents to passenger trains, particularly when lives are lost, come prominently before public attention, many accidents to goods trains, disrupting traffic and delaying transport of goods, are occurring frequently. The present opportunity should not be missed and the searchlight should be turned towards every aspect of railway administration and the many incompetent and idle officers and subordinates who have got into soft jobs in the general expansion due to planning, should be made to work or asked to quit".

The Chairman of the Railway Board, on the other hand, has stated that experience and merit have not ceased to be the sole criteria for promotion to important posts in the Railways. Many of the Railway accidents are officially ascribed to the failure of the human element. This is too vague a term and cannot in any case condone the heavy

losses in life and property. It was but natural therefore that many members of Parliament insisted on a thorough enquiry into all the recent accidents and also that the Railway Ministry should tighten up safety regulations. Mistakes of "the human element" could be reduced only by following proper methods of recruitment, training and promotion, which will put the best man available in every job, free of all extraneous considerations.

- Some of the measures that might be taken to ensure safety are
 - the exercise of more frequent checks of track by officers;
 - replacement of permanent way materials at shorter intervals;
 - reducing the workload of permanent way inspectors by shortening their area of supervision and relieving them from duties other than those relating to upkeep of permanent way;
 - providing fool-proof signal equipment at all points, especially in station yards;
 - more frequent overhauling of locomotives where called for;
 - introduction of incentive awards for running staff for careful and safe train working;
 - greater punishment for non-observance of rules;
 - stricter methods for selecting competent and trained crew; etc., etc.

It is possible that several of these aspects are in vogue; if so, and in spite of them accidents do occur, a closer investigation is certainly called for.

Another point that has to be remembered is that many of the Railway lines in India were laid years ago on soil which was considered at that time sufficient or fit for traffic then gauged. But owing to heavier engines and greater speeds subsequently, the original standard may have ceased to be sufficient. It is necessary to closely scrutinise the track capacity in all its aspects, engineering and traffic, and ensure that the tracks have been suitably replaced or renewed. A scientific survey of the track and bridges all over India by experts in the line, preferably Foreign, seems to be urgently essential.

The Union Rly. Minister stated in Parliament that Rly. administrations have been "directed to initiate certain measures—educative, psychological and punitive—which, it is hoped, will instil greater safety-mindedness among the staff". The Minister told the Rajya Sabha at a later date that a general enquiry into the reasons for the series of railway accidents would be undertaken.

When a similar spate of very serious passenger train accidents occurred in 1956, due specially to inadequate size of the bridges to move the heavy overflow of water due to sudden unexpected torrents, a High Level Committee was appointed to tackle this particular problem only. The causes for the recent disasters are quite different and therefore require fresh study. It is hoped that the Railway Board will examine the causes at great length and take such measures as would be necessary to prevent recurrence thereof. But without stopping at this, a detailed study should also be made of Railway accidents in general, not only here but in other countries as well, with the express

Indian Railway Finances

(C. T. VENUGOPAL, *Additional Member, Finance, Rly. Board.*)

The preparation of the Reviews on the performance of the Indian Government Railways, which were published and supplied with the Budget documents in February 1960 and again in February 1961, afforded an opportunity to the Railway Board to take stock of some of the more important financial aspects of working of the Railways over a period of years—namely, correlation of revenue working expenses with the physical performance, overall strength of staff on the Railways in relation to the performance, return on railway capital-at-charge etc. Detailed analyses of the foregoing aspects were included in the Reviews, to indicate how far expenditure had been judiciously controlled and whether the investments in Railways had produced reasonable return. A

further occasion for a thorough-going probe arose when the Canadian Railways Mission, deputed by the World Bank, visited India in March-April 1961, to make an appraisal of the performance of the Indian Railways including performance in terms of financial results.

CAPITAL STRUCTURE

On a casual study of Indian Railway Finances, concern is expressed sometimes at the very large growth of the capital structure, from about Rs. 750 crores at the commencement of the First Plan to over Rs. 1,500 crores at the end of the Second Plan and to about Rs. 2,315 crores (anticipated) at the end of the Third Plan—the increase over the first decade of planning being more than during the first hundred years of existence of the

(Continued from previous page)

purpose of forestalling such contingencies and providing adequate remedial measures in advance to avoid such occurrences. Prevention is better than cure.

In our Editorial in THE RAILWAY ACCOUNTANT, December 1956 issue, we have dealt with the financial aspect of such accidents. What was stated then still holds good, and much more so at present in view of the Plan Projects involving huge investments. Large sums of borrowed capital at heavy rates of interest are sunk in the undertaking, and every loss of asset is not only a serious set-back, but also an avoidable drain on poor resources.

We had also stated then that "every one connected with the administration of the Railway undertaking should realise that he is an important link in the whole and that he in his own way can contribute to the well-being of the Railway and to obtaining for it the goodwill of its users". Dr. S. Radhakrishnan, Union Vice-President, while inaugurating the Third Asian Railways Conference on the 13th November at Delhi, stated that the accidents on Indian Railways were causing 'grave concern to us'; and further 'many of our people suffer from a lack of purpose and dedication. They must be made to realise that they are contributing to the development of the country by their hard and honest work. "It is thus a peremptory duty of every Administration to enforce the cult of loyalty and dedication to service on every one of its recruits, most of the recent ones sadly failing in this respect."

Indian Railways. It is, however, not readily appreciated that the increase in capital since 1950-51 has all been at current prices, whereas in 1950-51 the Indian Railways had the benefit of a much larger proportion of assets acquired at lower (pre-war) prices. A criticism in the opposite sense, which is also voiced sometimes, is that the capital of Railways is understated because the rules for allocation of expenditure permit financing of a substantial portion of the investments in Railways from DRF, DF, OLWR and that, therefore, the return on capital (dividend) payable by the Railways to the General Exchequer is artificially reduced.

CRITICISM REFUTED

It should be remembered, however that the Parliamentary Railway Convention Committee, 1949 deliberately recommended adoption of the present rules for charging the entire expenditure on the replacement of assets to DRF—including the cost of 'improvement element' in the new asset and notwithstanding the increased cost at which replacement is made due to present day prices—and for charging the cost of labour welfare works, railway user amenities and operating works of improvement not directly or immediately assessable as being remunerative, to a Development Fund built up from the surplus revenues of prosperous years. The consideration in both cases was that the Railways as a commercial undertaking should "self-finance" a sizeable portion of their rehabilitation and developmental works, without imposing additional burden on the Government of India and without adding to the Railway Capital Structure. It follows, therefore, that no return is payable to the General Exchequer on such money invested from the Railway's own resources, and there is no question of any artificial understating of the Railway's capital. In effect, this serves the same object as amortisation or write-off of the Capital in the Railway Books inasmuch as Capital account is kept

down through the DRF and DF built up from Revenue.

5% FOR GENERAL EXCHEQUER

It is necessary to bear in mind that, over and above the 4.25% on capital-at-charge which has been accepted as the dividend payable by Railways to the General Revenues in the five year period 1961-66, on the recommendations of the Parliamentary Railway Convention Committee, 1960, the Railways are also required to pay Rs. 12.5 crores annually in this period to the General Exchequer, for transfer to the States, in lieu of the Railway Passenger Tax which has been merged in Railway fares from 1-4-'61. The total amount paid by the Railways to the General Exchequer will thus be equivalent to a return in the neighbourhood of 5%. This rate will not be depressed appreciably, even if note is taken of some of the higher rated external loans obtained by the Government of India in recent years specifically for the Railways, which form a relatively small portion of the total public debt pertaining to Railways. It should be appreciated that the Railways, in the course of their operation, make various payments to the General Exchequer such as cess, sales tax and excise duty on coal, sales tax on other materials, customs duty on various items of imported equipment including diesel oil, and local taxes on Railway property, the total payment on all of which amounted to Rs. 15 crores in 1959-60. There are other indirect contributions made by the Railways to the Public Exchequer—even if some of them may not be precisely assessable—which arise, during an era of planned economy, from the increasing public utility service aspect of the Railways. Allowance must be made for all these factors in considering whether return on investments for a State enterprise like the Indian Government Railways is satisfactory.

DEPRECIATION RESERVE FUND

Nor is there any serious ground for the apprehension that, in relation to the

total value of the investments in Railways—not merely the portion of it charged to capital-at-charge—the present rate of contribution to the DRF made annually from the Railway revenues is perhaps inadequate. With the change in the rules for allocation of expenditure to DRF from 1-4-1950, a new procedure was also adopted, of contributing to the fund an amount equivalent to the expenditure on replacements that is estimated as being necessary in the next five-year period. With the requirements for replacements being thus met as they arise, it is necessary to check up whether the annual appropriation to DRF—average of Rs. 70 crores per annum in the Third Plan—is reasonably adequate. In fact, over the last 20 years or so, all replacements have been met in full from the Railway Depreciation Reserve Fund, which has never had to borrow or draw from any other source. The drawing on the previously accumulated balances in the Funds, during the Second Plan, was largely inevitable during an era of development and expansion of the Railways, when it was simultaneously necessary to overtake the back-log of arrears arising from insufficient replacements during the war years, and to a lesser extent, during the depressing years preceding the last war. The result of a recent study has revealed that, even in relation to the total value of the investments and not just the portion thereof charged to Capital (viz., Rs. 2,787 crores representing roughly the average of this total figure in the Third Plan period, against Rs. 1,945 crores representing the average capital-at-charge only in the period), the average annual contribution to the DRF from Revenue, of Rs. 70 crores would work out to about 2.5%. This corresponds to an overall life of Railway assets of about 40 years. Assets like bridge work, buildings, rails and fastenings are clearly known to have a life of 50 years and more, while metal sleepers, locomotives and goods (freight) vehicles have an average life of 40 years and coaching vehicles of about 35 years. These com-

prise the bulk of the Railway assets, so that a provision for DRF on an overall average of 40 years' life will thus be reasonable; this is so even in comparison with the practices in a number of other countries. Further strengthening of the Fund will be made, when necessary, as Railway revenues permit.

A very satisfactory feature of Indian Railway Finances is that the internal generation of resources from Railways including the drawal of previously accumulated balances in Railway Funds, provided more than 40% of the total investments in Railways in the Second Plan—for meeting expenditure charged to OLWR, DRF and DF—while Government loans, including loans to the Railway Development Fund, provided the balance. This achievement was possible only because of sustained control over expenditure. It is necessary at this stage to refer to the details in the printed Reviews of the performance of Indian Railways, already referred to, which bear out that expenditure has not gone out of proportion in relation to performance nor has there been disproportionate inflation of staff strength. Allowance should be made for increases in staff of a more or less statutory character, such as those on account of Justice Rajadhyaksha's Award in 1947 in regard to revised hours of employment, provision for rest, leave reserve, etc., or increases on welfare and public service activities under Catering, Medical, Health, Education and Welfare.

GROSS RECEIPTS

A question which is often asked is whether the gross receipts of the Indian Railways have increased proportionately in relation to the increase in Capital. A direct comparison of gross traffic receipts with the Capital-at-charge is not a very realistic test, as traffic receipts depend both on the volume of traffic and the rates and fares charged while similarly, capital-at-charge is affected by the cost involved in the creation of assets, inasmuch as additions to capital made since

the war represent, in terms of physical assets, only about a third or fourth of similar additions to the capital made before the war. A comparison, which eliminates differences in rates and fares and in costs, should, therefore, be between the increase in capital-at-charge and the increase in the physical performance of Railways. The following three tables show how the increase in traffic has kept pace with, or even exceeded, the addition to the physical assets:—

I. Number of goods locomotives (all traction) on line, i.e., total holding, for moving one million net ton-miles of goods per day.

Year	Broad Gauge	Metre Gauge
1938-39	66	142
1950-51	56	151
1955-56	47	110
1959-60	39*	103**

* 43 if steam locomotives alone are taken into account.

** 104, if steam locomotives alone are taken into account.

Part of the improvement is to be attributed to the improved tractive effort of diesel and electric locomotives; but even if the performance of those locomotives is taken out of account and the comparison is limited to steam locomotives alone, the improvement is striking.

II. Number of wagons (in terms of four-wheelers) on line for moving one million net ton-miles of goods per day.

Year	Broad Gauge	Metre Gauge
1938-39	2,849	6,803
1950-51	2,304	5,376
1955-56	1,848	4,926
1959-60	1,686	4,348

This table brings out the increasingly better utilisation of wagons. It has to be remembered that goods traffic, in terms of ton-miles, has almost doubled in the last decade or so, while the increase in holdings of goods wagons, expressed in

terms of "four wheelers", is not even 50%. As will be seen from the above table, for moving one million net ton-miles of goods per day only 1,686 broad gauge wagons were utilised in 1959-'60 whereas 2,849 goods wagons used to be utilised in 1938-'39, both the figures being "in terms of four-wheelers". There is an almost equal improvement in the utilisation of metre gauge wagons.

III. Million ton-miles moved per annum per 1000 running track miles.

Year	Broad Gauge	Metre Gauge
1938-39	749	241
1950-51	1,212	239
1955-56	1,572	350
1959-60	2,056	485

During the ten-year period of the two Plans, the traffic in ton-miles moved has almost doubled, while the increase in track mileage has been of the order of five per cent only.

The three foregoing tables show that the most important representative physical assets of the Railways, namely, track, goods wagons and locomotives are being used much more efficiently than they were 20 years or even ten years ago. When one passes on to consider the question of capital value, it is important to allow for the fact that prices of all kinds of capital goods have greatly increased since the War, so that it is necessary to adjust the additions to capital made since then to 1938-39 prices as shown below:

IV. Capital-at-charge adjusted to 1938-39 prices per billion net ton-miles moved per annum.

Year	Rs. in crores
1938-39	35.84
1950-51	27.85
1955-56	22.13
1959-60	19.15

It is significant, that during the late nine or ten years, the increase in traffic

carried has so substantially exceeded the increase in the physical assets used for carrying the traffic that even a comparison of the actual capital-at-charge in 1959-60 with that in 1950-51 shows that performance has increased faster than the capital-at-charge.

The financial return, with reference to the capital-at-charge, during the last several years has been consistently in excess of five percent except in the years 1958-59 and 1957-58 (when it was 4.37% and 4.73% respectively); the return for 1959-60 was 5.20% and that for 1960-61 was 5.49%. It is well known that 1958-59 was an unrepresentative year, because the country's economy as a whole suffered a setback, while 1957-58 was also a year of relatively slow growth of industrial production, though not slow as in 1958-59; a noticeable recovery in the rate of growth was only in 1959-60 after the two earlier years.

A consistently sizeable return of about five per cent for a State enterprise with a large public utility role points to the fact that the unavoidable increase in the costs of Railways due to steady and progressive increase in prices and wage levels have been met by additional revenue secured from time to time as well as by operational economies. The freight rates were revised from 1-10-'58,

but the increases were kept somewhat below the increases which the Railway Freight Structure Enquiry Committee had recommended, thus limiting the burden, in the first instance, to the immediate requirements of the Railways. A five per cent surcharge was subsequently levied from April 1, 1960, when there was a fuller picture of the financial effect of the increase in wages as a result of the Pay Commission recommendations. There have also been readjustments in coal freight rates more recently. In regard to passenger fares, it should be remembered that the Railway passenger fare tax, levied from September 1957—the burden of which still continues, though merged in the passenger fare since 1-4-'61—limited the scope for Railways to further increase passenger fares, at any rate for some time. The basis of planning has always been to review fares and freights and make readjustments at the appropriate time, keeping in mind the overall interests of national economy and development. Cost studies are being undertaken in the Railway Board's Office, to facilitate suitable adjustments being made in the rate structure over a period of years when changes in the pattern of traffic occur as between rail and road.

(By Courtesy: Indian Railways).

Third Asian Railways Conference

The two earlier conferences were held in Japan in '58 and '60. This was a more representative gathering than the two previous conferences. Ministers, executive Heads Senior Railway Officials from Iraq, Iran, Japan, Malaya, the Phillippines, Thailand, Turkey, Burma, Ceylon, India, Indonesia, Saudi Arabia, Pakistan, United Arab Republic as well as the Head of Transport and Communications Division of the ECAFE and observers from France and U. K. attended this Conference.

Dr. Radhakrishnan while inaugurating the third Asian Railway Conference, at New Delhi on the 13th Nov. '61, commended the idea of top executives of the Railways of countries in the Asian and African region which were geographically, socially and culturally similar, but most of which were still

under-developed, coming together to exchange views on the operation and development of Railways. The Vice President referred to the major accidents on the Indian railways in recent months and said "it is causing us grave concern". It is easy to build machines and equipment but it is difficult to build men, though it is absolutely essential. Many of our people suffer from a lack of purpose and dedication. They must be made to realise that they are contributing to the development of the country by their hard, honest and efficient work. This spirit should be developed at all levels from top to bottom. A new climate has to be produced of disciplined, dedicated work. The Vice-President pointed out how the world was becoming increasingly inter-dependent and said this inter-dependence could be sustained by regional co-operation, which might lead further to international co-operation on a larger scale. Railwaymen the world over had a sense of fellowship and extended to one another courtesies and privileges. Karl Marx had said, "Workers of the world Unite" and he hoped workers all over the world were united for co-operation and not for conflict.

Welcoming the delegates, the Union Minister for Railways, Mr. Jagjivan Ram said that subjects like development of railways in an expanding economy, transport policy and co-operation, financial problems of railways and railway accounts, and standardisation of rolling stock, equipment and its local manufacture would be some of the important ones to be discussed by the conference. Japan had taken the initiative in organising the first two conferences of this kind under the able guidance of Mr. S. Sogo, Chairman of Japanese National Railways.

Giving the delegates, (who were to visit some of the Railway establishments in the country after the conference concluded) an idea of the progress made by the Indian Railways, Mr. Jagjivan Ram

said that from 27 thousand million ton miles, the traffic had increased to 54 thousand million ton miles in 1960-61. Indian railways carried four and half million passengers and half a million tons of freight every day. There were about 7,000 trains running through 7,500 stations. He was happy to say that India had attained self-sufficiency in regard to almost all Railway requirements, locos, wagons and signalling equipment. The first Indian electric locomotive had already rolled out of Chittaranjan and the manufacture of diesel locomotives had been undertaken. Indian Railways had established an elaborate research and design and standard organisation, serving as technical consultants to all projects and railway undertakings.

The Conference unanimously elected Mr. Karnail Singh, Chairman of the Railway Board, as Chairman of the Conference. Maj-Gen. Saleh Zaki Tawfiq, Director-General, Iraqi State Railways, and Mr. Abdel Monien Azmi, Under Secretary of State, Ministry of Communications, United Arab Republic, were elected Vice-Chairmen.

The Conference also accepted an invitation by the Government of U.A.R. to hold its next session in that country.

Mr. Karnail Singh in his brief introductory speech maintained that work on the Railways was something more than a profession; it was a service. He felt confident that the exchange of ideas in this Conference would enable the top railway executives who had assembled to learn from each other's experience and serve the people of their respective countries better by providing improved travelling facilities and meeting the increased transport requirements.

Discussions, which followed, centred round the theme of "development of railways in an expanding economy". A common feature of most of the railway systems in the participating countries appeared to be the serious wear and tear which they underwent during the war.

INCREASE IN VOLUME OF TRAFFIC

The delegates said that during the past decade the railways in most of the Asian and African countries had to face the two-fold problem of replacement of worn out permanent assets and handling of increased volume of traffic.

In most of the countries they observed the tempo of industrial growth had outstripped the expansion of railway facilities. The delegate from Japan, for instance, pointed out that in 1959 the traffic in that country exceeded the expected volume by as much as ten per cent. In Pakistan the total increase on the Western and Eastern Railways was of the order of 45 per cent in passenger and 34 per cent in freight traffic.

In outlining the progress made by the railway systems in their respective countries, the delegates gave details of carrying capacity, the route mileage and also various measures adopted to cope with the increasingly large freight and passenger traffic.

Changeover from steam to diesel locomotive, improved type of signalling and improvement in general operation were some of the items mentioned by the delegates in this connection.

The delegates also indicated the varying degree of self-sufficiency achieved by their respective railway systems. The delegate from Iran referred to the two new lines under construction which would link Iran with Pakistan, on the one hand, and the Turkish border on the other. The latter, when completed, will provide a connection to Europe with the Indian sub-continent.

The Malayan representative mentioned the convoy system of rail operation which, he maintained, was an inexpensive way of increasing track capacity.

Various suggestions, including the setting up of a centralised agency to ensure a co-ordinated development of internal transportation, were made at the Conference. Such an organisation

should be able even to integrate the road, rail, air and river transport systems, where necessary.

The problem of co-ordination, it was pointed out, was of recent origin in some of the participating countries. In view of the limited resources, the countries of Asia and Africa could not afford haphazard growth in this field, leading to duplication and wastage of national resources.

Intervening in the discussion, the Chief of the ECAFE Transportation Section said that uncontrolled competition between the rail and road transport was not suited to the needs of the under-developed countries, as among other things, it would lead to the neglect of backward areas. He advocated the establishment of an effective machinery to ensure co-ordination between the road transport, controlled mostly by the State Governments and the Railways, which were run by the Centre. Such a single authority would, he said, ensure all-round and expeditious development of transportation.

The delegates from India and Pakistan stated that the Railways, being largely State-owned, were not merely commercial undertakings. They were utility organisations which had to perform a number of social and statutory obligations. In the interest of dispersal of industries and balanced regional development within the country, they were required to carry a bulk of their freight traffic at an unremunerative rate. It made free competition between them and the road transport unequal.

The conference also decided that its secretarial work should be handled by the host country till the conclusion of a conference. The secretariat, therefore, would shift from country to country along with the venue of the conference. The motion was sponsored by the UNESCO representative and seconded by India. It was also adopted unanimously. A proposal to establish a per-

manent secretariat for the conference was dropped.

Delegates were unanimous in their opinion that standardisation of rolling stock equipment was essential at the national level.

The representative from Malaya, however, stressed the need to extend standardisation on a limited international scale, at least, on a regional basis. He pointed out that the Malayan Railways and the Thai Railways adhered to different specifications resulting in operational problems between the two systems.

LOAN OF ROLLING STOCK

This view received enthusiastic support from the chief of the UNESCO Transportation Section, who pleaded for standardisation at least on a regional basis. Uniformity of maximum moving dimensions and the type of couplings would, he pointed out, in times of need, facilitate loan of rolling stock from one country to another to cope with seasonal rush of traffic. He was, however, opposed to total standardisation of all the systems which, according to him, had certain demerits.

The delegates felt that standardisation would be beneficial in the larger interests of the economy of a country as it would facilitate inter-changeability. It would

also lead to economy as goods could be produced on a mass scale.

The representatives from Iraq, Iran, Ceylon, Burma, Saudi Arabia, Philippines, Malaya, Syria and Thailand pointed out that the bulk of their equipment, including rolling stock, was imported according to international tender system. As the tenderer was not the same in every case, the equipment purchased conformed to the standards of the manufacturers and thereby resulted in a multiplicity of standards of equipment. Buying of goods according to their own standards would make the imports more expensive.

The delegates, however, stated that realising the need for standardisation, they were fast moving in that direction. This process had been facilitated by their increased use of diesel locomotives. Some of them were also manufacturing certain parts in their own countries.

The Thai delegate was of the opinion that each country should adopt its own specifications and standards, according to its own needs and peculiar circumstances. He pointed out that for railway systems with small route mileage it worked out cheaper to import equipment than undertaking indigenous manufacture.

Undertakings in the Public Sector

BY K. V. IYER

If on the one hand the cheap sneer that private concerns work under a profit motive is still current in the Government circles, whether for the benefit of the few or the many, the same motive is now spreading into the undertakings in the public sector, though there does not appear to exist any clear understanding of the end in view.

It must be an axiom that any undertaking in the public sector must produce its goods on an economic basis and place the same at the disposal of the consumers at competitive rates. The gross profit earned at the end of a year's working should be utilised for Repairs and Maintenance, provision for Depreciation, payment of interest charge on

the sums lent by the Government to supplement the capital provided in the first instance. What remains viz: the net profit should be handed over to the Government, for the Government have declared as their policy to earn profit on such undertakings and make the same available to the general public by reduction of the burden of taxes on them.

Therefore the boosting of the Hindustan Machine Tools Ltd. for doubling its capital equipment out of its own resources without asking for further capital from the Government and the exhortation of our Prime Minister that other undertakings in the public sector should do likewise is wrong in principle. On the same ground, the following observations of Prof. J. K. Galbraith (vide Problem of Public Administration in India in BHAVAN'S JOURNAL dated 29/10/61)

"If I had to lay down a measure for performance by publicly owned corporations in a developing country, it would be the earnings that it is able to put up in its own expansion. Such expansion in the given or related field and within the framework of the plan would be considered the prime goal of the public sector firm. The most successful firm would be the one which by its efficiency and drive finds the earnings that allow it the greatest growth" cannot be accepted as a guide for working in India.

Let undertakings in the public sector expand if necessary; this is no great sin. In the case of the concerns in the private sector, the surplus profit is added to the Reserve which is often used for expansion. When the profits are adequate, a portion of the Reserve is given back to the share-holders as bonus shares whose amount is shown in the Annual Accounts as an increase of capital.

In the case of any concern in the public sector, any expansion on a large scale must be on a pre-determined basis and capital funds to carry out the same

should be obtained from the Government in the same manner as for the original establishment.

In regard to the kind of control to be exercised by the Government over such Corporations, a study of the procedure obtaining in the U.K., will be useful. In U.K., the provision for such undertakings is made in the Finance Bill on the principle of "below the line financing". In broad outline, it appears to have been accepted in England that the Government should lay down the policy and have general supervision and control and leave the details of administration in the hands of the Corporation. From the nature of the case there cannot be a clear-cut line of demarcation and the working proceeds a good deal on the basis of a compromise.

Proper accounts are required to be prepared and submitted to the Parliament, as do companies to the general body of share-holders, for consideration by the Public Accounts Committee. The Chancellor is said to have stated "that the Parliament is interested in and entitled to be interested in the investment in those industries, to be informed of the broad lines of their programmes and if it wishes to examine and debate them before they are put into execution. Later he stated that "there will be published in the autumn a White Paper on the investment programmes in the public sector including of course the nationalised industries." The White Paper and any Reports which may be received from the Select Committee on the nationalised industries would provide suitable subjects for debate.

The Special Committee on Air Corporations, for instance, have recorded their view that "it is essential to the efficient running on commercial lines of the Air Corporations that there should be a clear cut division of responsibility between the Chairman (of the Corporation) on the one hand and the Minister on the other. When the Minister wishes, on

grounds of national interest, to override the commercial judgment of the Chairman, he should do so by a directive which should be published.

Further more the Question Hour has provided the House with the most useful of devices for keeping the nationalised industries under supervision, though Questions would not cover matters of detailed administration. Thus it has been accepted that Questions which are not matters of detailed administration are admitted and the Minister concerned has to answer or refuse to answer them on the floor of the House.

But in order to utilise the avenues indicated above effectively, for the effective criticism of the work of the undertakings in the public sector some legislators, though small in numbers, must exist, those who are prepared to devote their time to the subject, get *aufait* with the general or special features of the several enterprises and be prepared to criticise with effect. Can this be said to be the case at present? Do not many of them, instead of devoting their time to the big issues rest content with expatiating on minor constituency grievances?

Turning to the situation in India, there is a publication issued by the Central Statistics Organisation of the Government of India with the title "Principal Public Sector Undertakings in India" which contain an abridged Balance Sheet and Profit and Loss Account of each of the undertakings and short notes detailing the history, aims and objects of each of them. It contains particulars relating to 22 industries completed and in full operation, 9 incomplete and 25 commercial, financial and miscellaneous undertakings. The total capital paid by the Government of India and States amount, in the case of the 31 undertakings to over Rs. 112 crores and total borrowings to over Rs. 37

crores or about Rs. 150 crores in all at the end of March 1960. The accounts do not appear to be made out on a uniform pattern perhaps for want of a single authority like the Auditor-General in India looking after or controlling the preparation of the accounts and their scrutiny. Therefore the results do not lend themselves to an intelligible summarisation.

Taking up the undertakings in the first group, which are complete and in full operation, the Integral Coach Factory, the Chittaranjan Loco Works and the Indian Telephone Industries manufacture articles which are consumed entirely by the Government and there is no question of a comparison of their cost of production with production elsewhere in India and competition with them. The only test is the extent to which their manufactures can find a market outside of India.

A few remarks now follow on certain of the other undertakings. In the case of the Hindustan Antibiotics Ltd., whose subscribed capital is over Rs. 2½ crores the net profits for the year ended March '59 and March '60 were Rs. 87.10 and 76.85 lakhs respectively working out to 27.6 and 25.7 per cent respectively on the sales which rate of profit in the private sector would be considered extravagant. Travancore Minerals Ltd., with a capital of Rs. 50 lakhs earned net profits of Rs. 17 and 16½ lakhs respectively. As the bulk of the minerals taken out are exported and sold to foreign countries, one need not cavil at the profit which works out to 20 and 19.4 per cent respectively on the sales. The National Newsprint and Paper Mills Ltd. started in 1947 had been working for many years at a loss. It appears to have turned the corner only recently though the balance sheet shows a sum of over Rs. 1 crore as balance of losses outstanding.

Transportation of Coal

We invite our readers' attention to an editorial in CAPITAL of 5th October under the caption "Transport chaos a threat to coal expansion" which has been reproduced below.

The handling of coal and raw materials for steel and other industrial units has been unfortunate in our planning for transport from the very beginning. It seems to have always been assumed that these commodities can be carried economically only by rail. Consequently large sums have been spent on extending the railways to carry these commodities.

However, this premise is not correct since the average railways' rate for their revenue-earning traffic is nearly twice the average concessional rate which the railways charge for coal. Hence, the inevitable result of their expanding rail capacity to carry coal and similar commodities is nearly to halve their return on the country's investment on the expansion. Besides, the carriage of large quantities of these commodities at a concessional rate inflicts a burden on other commodities since the railways have to charge for them more than their average cost of carriage for their revenue-earning traffic to recoup their losses on concessional rates. A third factor which has now arisen seems to be the railways' inability to cope with the traffic for which they were provided with funds.

The real solution of this problem is twofold :

- (i) Not to rely on concessional rates for carrying cheap commodities but to employ measures to cheapen the actual cost of carrying them.
- (ii) Not to put all or most of our transportation eggs in one basket as at present.

Experience in other countries shows that the employment of heavy road vehicles reduces the cost of carriage very appreciably and unless this aspect is understood and examined, the problem of transport for coal will not be satisfactorily solved. Hence, what is necessary is to plan right away for the production of heavy road vehicles in the country and side by side to build a network of wide roads of substantial construction within a radius of 200 to 300 miles from collieries. While these roads are being built such vehicles as are being produced in the country should be employed to carry coal and raw materials to supplement the rail capital, the difference between their cost of carriage by road and the rate at which the railways have been carrying them being met by Government.

These vehicles should be replaced by heavy vehicles as they are produced and as the new roads get ready. Thus, the scheme of cheapening the haulage cost of coal and other raw materials can be brought into force within the time required to build roads and to manufacture heavy vehicles, say a period of five to seven years.

This period will be profitably employed since the quantities of coal and other minerals is expected to increase from about 88 million tons in 1960-61 to about 260 million tons in 1970-71 and about 520 million tons in 1980-81. It will be impossible to carry these quantities either at concessional rates or by the railways alone. Hence, a long-term plan of carrying them by road to the extent to which it may be possible to do so by employing heavy road vehicles and building roads for them has become necessary.

—Editor., I.R.T.D.A. News Letter.

Transport Chaos a Threat to Coal Expansion

The Indian coal industry seems to be heading for one of the worst crises in its recent history. The elements of this crisis are mainly three. One is that not enough coal is being produced. The second is that even the little which is being is not all being moved to the places where it is required. And the third is that procedural delays along with financial difficulties are threatening the projected expansion of the industry. In this late day and age, no one can say that these problems are in any sense new, sudden or unpredictable. They have been developing steadily in intensity ever since the Second Plan was launched. By this time last year, a stage had been reached where, because of the shortage of coal, many manufacturing units had to shut down temporarily, while others had to reduce production after running down their fuel stocks to dangerously low levels. The flood of talks, conferences and controversies which that crisis produced led to the introduction of makeshift arrangements to ease the countrywide shortage of coal. It would in due course lead, many had hoped, to the introduction of more rational policies for the production and distribution of the fuel resource most crucial to the country's entire industrialisation programme. But the events of the past few months have belied this optimism. The Steel, Mines and Fuel Ministry has with characteristic bravado been talking about a coal target of 200 million tons under the Fourth Plan and 300 million tons under the Fifth, forgetting that coal production at the moment is falling. The Railway Ministry, with equal brashness, has taken to issuing statistics showing that more wagons are leaving the coalfields, and more are getting past Moghulsarai, forgetting that some of the most important industrial units in the country are still struggling along with less than two days' coal stock in hand. Finally, amid all the tall talk about future expansion,

the fact remains that resources for financing even the relative limited expansion plans of the present are proving extremely difficult to find.

The basic trouble is that neither the Planning Commission, nor the Railway Ministry, nor the Steel, Mines and Fuel Ministry, is prepared to recognise that makeshift arrangements of the sort introduced last year simply will not suffice. Vague attempts have been made to "rationalise" the movement and distribution of coal, but their net effect has been only to benefit certain classes of consumers at the cost of others, without in any way alleviating the overall situation. Perhaps nothing better was to be expected, considering that transport facilities as a whole are extremely inadequate, and that this is the problem which the authorities are reluctant to attack. The Government and the Planning Commission cannot pretend that the transport shortages have arrived with unexpected suddenness. As long ago as 1955, even before the Second Plan was inaugurated, they were warned that the targets for the expansion of transport were far too low in comparison with the targets for the expansion of industry. The warnings were smothered in general soporifics to the effect that in the case of coal at least there need be no worry since most of the increase in the railways' capacity would be devoted to carrying this commodity. Now it is found that even though coal production has fallen far short of the Second Plan target, the railways remain unable to cope with the task they were set. Various excuses, ranging from the plausible to the ridiculous, are being offered for the failure. In the former category is the complaint that the railways were originally not given enough money for expansion; and in the latter category is the remarkable discovery that the transport difficulties are to a large extent due to India's coal reserves being concen-

trated in the West Bengal-Bihar area instead of being dispersed, for the railways' convenience, over the whole country.

At root, it is the railways themselves that are largely to blame for the coal crisis. Their plans for wagon manufacture went away, at least partly, because they did not order the steel in time. Furthermore, if they felt that their own expansion would be inadequate for the needs of the economy, the least they could have done was to withdraw their objections to developing other forms of transport. The growth of road transport was hamstrung as much by the railways' dog-in-the-manger attitude as by anything else. To a lesser extent, the growth of coastal shipping too was hampered by the same factor. Rather late in the day, the railways have now woken up to the fact that their own inadequacies and their former jealousies have done serious harm to the economy. They have adopted the casual attitude where they simply shrug their shoulders and say that since they cannot carry the coal themselves, it may now be dumped into lorries and ships and carried wherever the Government wants it to go. This might have sounded a brilliant idea, but for the unfortunate fact that lorries, roads and ships do not suddenly materialise out of thin air; expansion in these spheres too has to be planned years ahead if it is to meet trade and industrial requirements efficiently. Because no such planning has been done, mountains of bogus schemes are now being invented to move coal in "block rakes" and "box" wagons to coal dumps throughout the country—from which dumps, it is suggested, consumers will make their own arrangements for drawing supplies as best they can. Similar airy schemes are being evolved for moving coal in coastal ships, though the ships cannot be found and the port handling facilities do not exist.

Even to the extent that the schemes can be implemented, there are three serious dangers implicit in them. One is

that they will lead to a substantial increase in the cost of coal for almost all consumers except the railways themselves, which are, of course, comfortably installed in the top priority category. The second danger is that even if consumers are prepared to bear the increase in coal costs, they are not sure of getting the supplies they need; facilities for moving coal from the proposed dumps to consumption centres are lacking, and no assurance is available about whether consumers can get from the dumps the grades of coal to which they are accustomed. The third, and perhaps most serious, danger is that the whole basis for the rational location of industry is being undermined. Industries which, for reasons of economy, have deliberately chosen to be near the coalfields are finding the sudden switch to road transport extremely expensive; the cost of their coal is, therefore, rising much more rapidly than in the case of industries located far away. As much as Rs. 30 a ton has to be paid for moving coal by road over a distance of 150 miles, and the sum is large enough to make a serious difference to the profitability and competitive efficiency of the units affected. Many of these units, especially in the West Bengal-Bihar region, play a major role in the export trade or supply essential domestic needs. Their difficulties are certain to affect their sales abroad or push up prices in the internal market.

The evidence indicates that the transport shortage has reached a stage where simple expedients will no longer suffice; the entire basis of planning has to be reviewed in order to ensure that the development of the railways and of road transport get much higher priority. While consumers on the one hand are starving for coal, it is estimated that 300,000 tons or 400,000 tons of the commodity are simply not being produced each month because there is no way of moving them from the mines. In the immediate future, therefore, better and

more economical transport is probably the surest way of increasing coal production. Looking further ahead, a greater sense of urgency is required in dealing with the difficulties of the coal industry if the Third Plan target of 97 million tons is to be achieved. The private collieries have been preparing their individual expansion projects, and the World Bank has sanctioned a preliminary loan of \$35 million for the first two years to cover the foreign exchange costs. But this is not really a loan to the collieries at all; it is a loan to the Government of India, since the collieries still have to find the rupees to buy the foreign exchange given through the loan. Six months have gone by, and not a single import licence is yet in sight even for the equipment necessary for maintaining production. The detailed nature of the technical and financial screening of individual projects for expansion promises further long delays, yet little progress has been made in dealing with the preliminary problem of the coal companies' financial capacity.

Years of uneconomic working under an irrational pricing system have depleted their reserves seriously, as a result of which it is doubtful whether any but the best of them can find all the money they will need. For political reasons, the Government has set its face against any further increase in coal prices, although the ultimate cost of coal to the consumer is otherwise being allowed to continue rising sharply. The Steel, Mines and Fuel Ministry, having been criticised for juggling with coal production figures towards the end of the Second Plan, is now going round promising that 8.1 million tons of coal will be produced monthly by April 1965. But the way things are moving, it would be surprising if anywhere near that target is achieved.

"CAPITAL", 5th Oct. '61.

The above give the 'other man's point of view' and deserves to be respected. The Railways have their own version; and the parties that are concerned will surely weigh both sides before coming to conclusions.
Editor, R.A.

Posting and Reconciliation of Works Registers for Deposit Works Undertaken by the Railways

BY SWARAM

Deposit works are undertaken by the Railways subject to the prior deposit of the estimated cost by outside parties. In the case of Government Departments, however, only a written undertaking is obtained and the actual expenditure incurred is debited monthly, either through the adjusting accounts or billed for if the transactions with the department concerned are settled on cash basis.

Works Registers are opened in the Accounts Office for recording the expenditure to be booked against the work, flowing through various kinds of vouchers, such as cash bills, freight bills,

monthly summaries of Stores Issues, etc. In addition to the maintenance of Works registers, the monthly expenditure has also to be entered in the Deposit Suspense Register against the initial credit of the estimated cost, if deposited by the parties concerned. Obviously, it will be avoidable duplication of work to make postings in the Deposit Suspense Registers also, giving details of individual vouchers. It is, therefore, necessary to simplify the method of posting and reconciliation of expenditure recorded against the Deposit Works. The following suggestions are offered in this regard:—

The amount deposited will be entered in the Deposit Suspense Register as usual and also on top of the Works Register, giving reference to the sanction accorded by the competent authority. The expenditure by details of vouchers will be recorded only in the Works Registers. At the end of the month, the Works Registers will be totalled and the total debit for each work will be posted in the Deposit Suspense Register, giving reference to the Works register in place of reference to the individual vouchers. A summary of the Deposit Works Registers will be prepared for purposes of reconciliation with the General Books. From

the postings in the Cash Book and Journals in the General Books under the head "Deposits", the figures in respect of deposit for works undertaken for private parties, etc., will be collected and totalled up. These totals will be reconciled with the summary of the Works Registers for Deposit Works. If, in the process of reconciliation, it is found that the postings in the Works Registers require correction, the same should be carried out in the Works Registers and the total debit already entered in the Deposit Suspense Register will be corrected to accord with the reconciled figures in the Works Registers.

Railways: Higher Charges in the Offing?

Railways are contemplating a closer look at operating statistics to discover if certain railway charges could be raised. The Port Trusts have met rising costs by putting up all charges besides taking toll of rising traffic. But export trade considerations may limit increases by the Railway. Besides new higher rates for smalls, it is possible to contemplate a rise in charges in goods traffic. But a limitation of extra-legal charges that go to the staff must precede a plea for upgrading railway charges. Subsidies for ore or coal may be justified, if high-rated traffic increases with the prevention of pilferage. Statistical studies can have value, only if rates are raised in line with the greater speed of traffic.

The application of cost accounting to the railways as a State undertaking may help the other State enterprises to determine costs and prices. The duty to make a profit is axiomatic under the Third Plan and the adjustment of rates for long distance traffic may also be justified in view of the increase in the competitive inter-State traffic by road. The reclassification of goods undertaken for two decades under the impulse of war-

time pressures is another argument for readjustment. The other is that the cost of claims which will go up, when the railways have to accept legal responsibility as a common carrier. The tax on passenger fares may limit the chances of raising charges for passengers but it is admittedly necessary to achieve improvement and safety rather than cheapness in passenger service. Railway economics as evolved by Acworth and others may stand in need of revision if the rule of "charging what the traffic will bear" needs to be applied in the case of priority movements. The concessions offered even to staff must also be limited in future, if net revenue is to be kept up at a rising rate in order to meet debt servicing. The credit-worthiness of the State Railways will rest on the growth of revenue and the duty to avoid the experience of the British railways after the war is clear enough. Regional and other pressures must be ignored and the railways must take into account the lift in prices of commodities like cotton and oil seeds this year. A part of the increase can well be absorbed by measure-

(Continued on page 258)

Subjects of Moment

Reckoning of officiating pay for the purpose of special contribution to Provident Fund

Under the existing rules, the special contribution to provident fund of a Railway servant is calculated on the basis of "pay" as defined in Rule 1302 (8)-R I read with Board's letters No. FE. 59/PE-8/1 dated 21.8.1959 & 30.11.1959 or on the basis of pay arrived at in terms of Government of India's decision No. 2 under Rule 1314-R I, whichever is more favourable, *vide* Government of India's decision No. 1 below rule 1314-R I.

In exercise of the powers conferred by the proviso to article 309 of the Constitution, the President has now been pleased to direct that, with effect from 1st November, 1959, the special contribution to Provident Fund in the case of a permanent Railway servant who has officiated, or would have officiated but for being on leave, in a higher post or posts for any period during the one year immediately preceding the date of quitting service should be calculated on the basis of pay as defined in Rule 1302 (8)-R I or as defined below, whichever is more favourable, the Government of India's decisions Nos. 1 & 2 below.

Rule 1314-R I being deemed to be deleted.

"pay" for the purpose of special contribution to provident fund admissible under Rule 1314-R I means substantive pay admissible to the subscriber on the date of quitting service, in the permanent post on which he holds a lien or would have held a lien had it not been suspended, including dearness pay, personal pay special pay, when forming part of the scale of pay of the post, and overseas pay, admissible to him in that post, increased by 1/24th of the difference between the total pay, dearness, pay, personal pay, special pay when forming part of the scale of pay of the post, and overseas pay, admissible to him

in the permanent post, on which he held a lien or would have held a lien had it not been suspended during the one year immediately preceding the date of quitting service, and the total pay, dearness pay, personal pay, special pay and overseas pay admissible to him in the officiating post or posts during the same period including the periods during which he would have officiated in higher post/posts but for being on leave. The pay so calculated shall be subject to the provisos to Rule 1302(8)-R I."

(R. B. No. PC-60/RB-8/4 dated 30-8-1960)

* * *

Recommendations of the Pay Commission (1957-1959)—Leave preparatory to retirement granted after the date of compulsory retirement under rule 2127 (F.R.86)-R II or corresponding other rules

Under the existing orders, the grant of leave preparatory to retirement after the date of compulsory retirement under rule-2127 (F.R. 86)—R II or corresponding other rules automatically carries with it extension of service required; the railway servant concerned retains a lien on his permanent post during the period of such leave and the period of the leave qualifies for retirement benefits under both the Pension rules and the Provident Fund rules.

In para 25 of Chapter XXXVI of their report, the Pay Commission have made the following recommendations in respect of leave preparatory to retirement granted to an employee after the date of compulsory retirement:—

(a) that the employee concerned should not be allowed to retain a lien on his permanent post during the period of such leave, and

(b) that the period of the leave should not count for pension.

The President has been pleased to accept both these recommendations of the Commission and to direct that (b) above shall apply not only to pensionary benefits but also to the retirement benefits payable under the Provident Fund rules. In future, therefore, while the grant of leave preparatory to retirement under rule 2127 (F.R. 86)-R II or corresponding other rules after the date of compulsory retirement shall continue to automatically carry with it the extension of service required, the railway servant concerned shall not retain a lien on his permanent post during the period of such leave and the period of the leave shall not qualify for retirement benefits under the Pension rules or the Provident Fund rules. It follows that:—

(i) except for lien and pension/contributory provident fund benefits the railway servant would continue to be in service till he ceases to be on the leave;

(ii) the railway servant would not retain a lien on his permanent post during the period of the leave and, therefore, his permanent post can be filled fore, his permanent post can be filled substantively with effect from the date of compulsory retirement or the expiry of the period of extension of service under rule 2046 (F.R. 56)-R II, as the case may be;

(iii) the period of the leave will not qualify for retirement benefits and, therefore, the quantum of retirement benefits due to the railway servant will be that to which he would be eligible on the date of compulsory retirement or expiry of the period of extension of service under rule 2046 (F.R. 56)-R II as the case may be. However, the railway servant shall retire from (or quit) service only with effect from the date on which he ceases to be on leave and, therefore, the retirement benefits, as due to him on the date of compulsory retirement or expiry of the period of extension of service under rule 2046 (F.R. 56)-R II, as the case may be, would become payable only on/from the date on which he ceases to be on leave.

In the case of a railway servant who accepts re-employment during the period of leave preparatory to retirement after the date of compulsory retirement, the orders contained in Railway Board's letters No. F(E) 59/LE-1/1, dated 13-6-59 and F(E) 52/LE-1/1, dated 5-9-1959 will not undergo any change except that, even if he opts to enjoy the leave concurrently with his re-employment, it shall not count as qualifying service for retirement benefits under the Pension rules or the Provident Fund rules.

These orders will apply to all railway servants who avail themselves of leave preparatory to retirement after the date of compulsory retirement on or after 1st April 1961. Railway servants who are already on such leave on that date shall continue to be governed by the existing rules and orders.

(R. B. No. PC-60/LE/9 dated 7-3-'61).

* * *

Recommendations of the Jaganadha Das Pay Commission—Grant of benefit of at least one increment on appointment to a higher post

A question has been raised as to whether the order contained in Railway Board's letter No. PC. 60/PP/1, dated 28th March, 1961 regarding the above would be applicable even in cases of promotion to ex - Cadre posts.

It is clarified that the orders quoted above shall be applicable in such cases also provided that the Railway servant is entitled to draw pay in the scale of pay attached to the higher ex-cadre post, in accordance with the terms of deputation or transfer sanctioned for him. Where, however, according to the terms of deputation or transfer the Railway servant is given his grade pay of the post held by him in his own cadre plus a deputation allowance or special pay at a fixed rate or related to such grade pay, the question of applying the provisions of Board's letter of even number dated 28th March, 1961, shall not arise.

Similarly, in the case of a Railway servant who draws pay in the scale of pay attached to an ex-cadre post, if he reverts to his parent cadre and is appointed in that cadre to a post higher than the ex-cadre post immediately held before reversion, his pay shall be fixed in accordance with the orders dated the

28th March, 1961. In these cases also the orders shall not be applicable if, in the ex-cadre post, the Railway servant has been allowed to draw pay on the basis of his pay in his parent cadre and a deputation allowance or special pay.

(R. B. No. PC 60/PF/1 dated 20-5-'61.)

* * *

Waival of recovery of overpayment of emoluments made in certain circumstances after fixation of initial pay in the authorized scale in terms of Railway Services (Authorized Pay) Rules, 1960

In some cases the emoluments admissible to a Railway servant have had to be revised again after the refixation of his initial pay in the authorized scale in terms of Railway Services (Authorized Pay) Rules, 1960, in the circumstances mentioned below. In order to avoid hardship in these cases, the Railway Board have decided, with the approval of the President that recovery of Over-payment of emoluments resulting from such revision, upto the dates indicated against each, may be waived.

1	2
(i) In the case of ex. Company employees, revision in the conditions under which they would exercise option for authorized scales (and consequent change in their option).	Upto 17-10-1960, the date on which Board's letter No. PC-60/ROP-1/20, dated 17-10-1960 on the subject was issued.
(ii) Revision of authorized scales (and consequent revision of options) retrospectively w.e.f. 1st July, 1959 (in the case of Weigh Bridge Inspector in the prescribed scale Rs. 300-400 and Cash Guards in prescribed scale Rs. 35-40 referred to in paragraph 3 of Corrigendum No. 5 to the Schedule of existing and authorized scale of pay circulated with Board's letter No. PC-60/PS-9B/7 dated 24-2-1961)	Upto the date of issue of Board's orders, already issued or which may be issued or which may be issued upto 30-6-'61, revising the authorized scale.
(iii) Change in the definition of pay for the purpose of grant dearness allowance to the running staff retrospectively w.e.f. 1st July, 1959.	Upto 24-11-1960, the date on which Board's letter No. PC-60/DA-3/2, dated 24-11-1960 on the subject was issued.

Where overpayments, recovery of which would have been waived under these orders, have already been recovered, the amounts so recovered should be refunded to the Railway servant concerned after making necessary adjustment in respect of overpayments, if

any, made after the relevant date mentioned above.

For the purpose of these orders, emoluments shall comprise of the undernoted items of pay and allowances:—

i. Pay as defined in rule 2003 (21) (a) (F.R. 9) (21) (a)-R. II:

ii. Dearness allowance (including the dearness pay and interim relief sanctioned w.e.f. 1st July, 1957);

iii. Assam compensatory allowance, Compensatory (City) Allowance, Compensatory (Hill) allowance, Bad Climate allowance and Island/Remote locality allowance;

iv. House rent allowance;

v. Other compensatory allowances (excluding travelling allowances) e.g. break down allowance;

vi. Over time allowance;

vii. Subsistence allowance;

viii. Leave salary; and

ix. Deputation allowances.

For the purpose of determining the amount of the over-payment, all the abovementioned items will be taken together; recovery of only the excess of the gross amount of emoluments already drawn over the gross amount of emoluments admissible, should be waived.

(R. B. No. PC-61/ROP-1/5 dated 20/22-5-1961.) * * *

Advance Correction Slips

**I. Establishment Code Vol. I
No. 71—R-I**

Rule 903—R.I.—(1959 Edn.)

Substitute the following for sub-rule (2) " (2) "Hospital" includes a Government hospital, Cantonment hospital or a hospital maintained by a local authority and any other hospital with which arrangements have been made by the Government for the treatment of Government servants." * * *

Revision of Pay-limits in Rule 921-R. I

Consequent on the introduction of the Authorised Scales of Pay, Rule 921-R.I. is amended as under:

"Payment of fees for medical attendance on the families of Railway servants shall be regulated according to the contract system or by the visit, as the Railway servant may prefer. Persons drawing less than Rs. 150 per mensem in Authorised Scales (Rs. 100 per mensem in other scales) are exempt from the payment of all fees. The follow-

ing rules relating to the contract system do not apply to acconchements, which should be arranged for separately."

No. 72 R-I

Rule 921—R.I. (1959 Edn.)

Insert the following after the words 'less than' appearing in this rule after deleting the words 'Rs. 100 per mensem.'

"Rs. 150 per mensem in Authorised Scales (Rs. 100 per mensem in other scales)." * * *

**II. Establishment Code Vol. II
No. 101 R-II**

Rule 2514 (C.S.R. 244) R. II.

Substitute "Rs. 4" for the word and figure "Rs. 16" appearing in the last line of item ii (b) of this rule as substituted by C. S. No. 82—R. II.

(R. B. No. E 58 ME 5/52/Medical dated 21-9-'61.) * * *

No. — R. II

Rule 2027 (F.R. 31) R. II

ADD the following at the end of the Note below this Rule as amended vide C.S. No. 43-R. II dated 4th Nov. 1960.

"These provisions shall also apply in respect of a Railway servant whose pay in the post held by him in an offg. capacity has been withheld at a particular stage of the efficiency bar stage of the departmental examination."

(R. B. No. (E) 58/PA 1/1 dated 23rd October 1961.) * * *

**III. Ry. Accounts Code Vol. I
Half-yearly Review of Suspense Balances
No. 13—A. I.**

SUBSTITUTE the following for the existing para 1625-A:

1625.—*Half-yearly Review of suspense balances.*—Half-yearly reviews of suspense balances outstanding in the Accounts for the months of May and November should be prepared in Form A—1625 by the F.A. & C.A.O. and submitted so as to reach the Railway Board by 1st September and 1st March respectively.

Form A-1625

Half-yearly statement of balances outstanding for over one year under Suspense heads of Accounts on 31st May and 30th November, compared with the corresponding balances for the previous two half-years.

HEADS OF ACCOUNTS (1)	No. of items over 1 year old			Amount over 1 year old			Amounts less than 1 year old at the end of current half year (8)	Total balance at the end of current half year (col. 7+8) (9)	Reasons in brief for non-clearance of balance under col. 7 and steps taken (may be given in Annexure) (10)
	H.Y. ending	H.Y. ending	H.Y. ending	H.Y. ending	H.Y. ending	H.Y. ending			
	(2)	(3)	(4)	(5)	(6)	(7)			
Miscellaneous Adv. Revenue									
Dr.									
Cr.									
Miscellaneous Adv. Capital									
Dr.									
Cr.									
Etc.									

Note : (1) "Purchases Imported" should be shown separately from "Purchases Indigenous" and "Purchases Fuel".

(2) Figures for "Coaching" and "Goods" to be separately indicated against "Traffic Accounts".

These reviews should be supported by a statement showing the year-wise analysis of the balances outstanding for more than a year in the form given below:

Annexure to Half-yearly review of Suspense Balances for half-year ending.....

Head of Account :-

(Year-wise distribution of the balances outstanding for more than one year)

Statement of the balances outstanding for more than one year)								
YEAR	CURRENT HALF-YEAR				PREVIOUS HALF-YEAR			
	Items over Rs. 10,000 each		Items not more than Rs. 10,000 each		Items over Rs. 10,000 each		Items not more than Rs. 10,000 each	
	No. of item	Amount Rs.	No. of item	Amount Rs.	No. of item	Amount Rs.	No. of item	Amount Rs.
1947-48 1948-49 etc.	(1) Debit items							
TOTAL								
Headings as above								
1947-48 1948-49 etc.	(2) Credit items							
TOTAL								

(R. B. No. 61-AC III/31/18 dated 12-10-1961),



Monthly Statistics of Indian Railways

I

Gross Earnings: The Approximate Gross Earnings for September '61 were Rs. 38.37 crores (inclusive of Passenger Tax) as against the actuals of Rs. 35.30 crores (exclusive of Tax).

The cumulative earnings from April to September '61 were Rs. 241.72 crores (including Tax) as against the actuals of Rs. 217.11 crores (excluding Tax) for the first six months of 1960.

Wagon Loading: The number of wagons loaded during September '61 increased by 4.26 and 4.93% respectively on B.G. and M.G. as compared with 1960. The total loadings for the first six months also showed increases of 6.26 and 4.34% on B.G. and M.G. respectively as compared with the corresponding period of 1960.

The increased loadings in the month are mainly due to the following commodities.

B. G.	M. G.
Coal & coke for public	Coal & coke for public
Sugar	Jute raw
Sugar cane	Sugarcane
Iron & Steel other-	Cement
Metallic ores, all kinds	Iron & Steel others
Limestone & Dolomite	Tea
Miscellaneous Full wagons	Metallic ores others
Coal for other Govt. Rys. etc.	Miscellaneous Full wagons
	Coal for Home Line
	Coal for other Govt, Rys. etc.

These increases were partially set off by decreased loadings under

B. G.	M. G.
Grains & Pulses	Grains & Pulses
Cotton raw	Oilseeds

Cotton manufactured	Cotton raw
Cement	Manganese ore
Miscellaneous smalls	Iron ore
Coal for Home Line	Miscellaneous Smalls
Other Ry. Stores	Other Ry. Stores

II

Gross Earnings: The approximate Gross Earnings for Oct. '61 were Rs. 40.52 crore (inclusive of Passenger Tax) as against the actuals for October 1960 of Rs. 36.79 crores exclusive of Tax.

The cumulative earnings from April to October 1961 were Rs. 284.45 crores (inclusive of Tax) as against the actuals for the corresponding period of 1960 of Rs. 253.90 crores, exclusive of tax.

Wagon Loading: The number of wagons loaded during October 61 was less by 1.60 & 4.47% on B.G. & M.G. respectively, as compared with October 1960. The total loadings for the first seven months however showed increases of 5.97 & 3.09% on B.G. & M.G. respectively, as compared with the corresponding period of the previous year.

The increased loadings in the month were mainly due to the following commodities :

B.G.	M.G.
Coal & coke for public	Coal and coke for public
Sugar	Sugar
Sugarcane	Sugarcane
Iron & Steel others	Cement
Metallic ores	Iron & Steel others
Limestone & Dolomite	Tea
Miscellaneous Full wagons	Metallic ores others
Coal for other Govt. Rys., etc.	Miscellaneous full wagons
	Coal for Home Line
	Coal for other Govt. Rys., etc.

These were partly set off by decreased loadings under—

Grains & Pulses	Grains & Pulses
Cotton raw	Oilseeds
Cotton manufactured	Manganese ore
Cement	Iron ore
Miscellaneous Smalls	Miscellaneous smalls
Coal for Home Line	Other Railway Materials
Other Railway materials	

* * *

India Anxious to Export Locos

India is now anxious to export all kinds of railway equipment, including locomotives and coaches, but excepting diesel engines, provided it gets orders. India is understood to be already quoting for world tenders, the latest being the one invited by Pakistan.

Although Japan is a big competitor in the Asian market, India also, it is understood, can quote competitive prices.

At the third Asian Railways Conference held in Calcutta recently, brochures publicising Indian railway products were widely circulated among members attending the conference. The country's capability of exporting railway equipment was reflected in the statement of the Chairman of the Indian Railway Board at the conference that Indian Railways would be glad to offer its unhesitating services to all participating countries, and that it would consider it a privilege to extend its help and cooperation to anybody requiring such services at any time.

* * *

Rly. G. Ms. Conference

The General Managers of all Indian Railways at their conference with the Rly. Board on the 10th and 11th Nov. '61 discussed among other subjects, the progress of incentive schemes in the Railway mechanical workshops, intensive utilisation of engines and goods stock, improvement in stores recoupment and departmental catering.

Improving operational efficiency to handle the increasingly large volume of

traffic generated by the rapid economic development in the country, was however, the main theme of discussion.

The target of freight traffic for the Railways in the Third Five-Year Plan is 245 million tons. During the current year, the Railways are expected to move 169 million tons, which is 15 million tons more than what they carried last year. Coal movement alone is likely to increase by six million tons. The General Managers briefly indicated their preparedness to cope with the increased traffic. The progress of various expansion schemes such as doubling of tracks and remodelling of yards for stepping up the carrying capacity was reviewed.

It was revealed that during the first half of this financial year, loading increased by 7.04 per cent on broad gauge and 3.16 per cent on metre gauge as compared to the corresponding period last year. The tonnage lifted increased by nine per cent on B. G. and 8 per cent on M.G.

The improvement in the movement of coal has been more pronounced. The loading in Bengal and Bihar fields increased by nearly 14 per cent. The increase in respect of all coal-fields has been about 11.5 per cent. The average daily movement of coal above Moghalsarai increased by 17.3 per cent.

The outstanding registrations in terms of wagon-load have also come down substantially.

The conference took note of the fact that public coal dumps had so far been opened only at a few places. State Governments had yet to set up more dumps. The Railways were asked to give them the maximum co-operation.

In view of the fact that the Railways would be assuming carriers' liability from January next the need for special care in the handling of the consignments in transit was emphasised. In this connection the provision of adequate covered and enclosed godown accommodation at goods and parcel offices was stressed.

* * *

Compilation of Statistics of Cost of Rly. Services

The Indian Railways have decided to strengthen the statistical compilation system, so as to have not only the broad analysis of the cost of hauling a few important items of goods traffic as at present but to have refined cost studies showing the cost of moving different commodities over varying distances, which will serve as a basis for reviewing freight levels from time to time.

While in India at present there is full scope for the development of all modes of transport, it is inevitable, however, that under the pressure on rail transport, generally due to the present conditions of industrial development a certain amount of traffic from the railways will be diverted to road transport—a fact which has been taken note of in the interim report of a special committee set up by the Government of India for rail transport policy co-ordination.

The problem of railway finances is, therefore, to devise a system which would enable suitable adjustments being made in the rate structure as and when necessary, so that railways will be able to maintain their financial soundness even when changes occur in the pattern of traffic moving by rail and road. It is for this purpose that the Indian Railways have decided to strengthen the statistical compilation system.

* * *

Central Services : Two New Cadres Proposed

Two Services, Economic and Statistical, are to be constituted in view of Government's increasing emphasis on developmental work, says an official Press release.

Known as the Indian Economic Service and the Indian Statistical Service, they will absorb the existing staff in the various Ministries doing economic and statistical work, depending upon their fitness and qualifications.

The authorised permanent strength will be fixed by the controlling authority—the

Union Home Ministry advised by a Board for each service—with the concurrence of the Ministry of Finance. The Board will be presided over by the Cabinet Secretary and will, in addition, consist of four members for whom at least two will be Secretaries of the participating Ministries.

While determining the strength, it will be assumed that 80 per cent of the total number of semi-permanent posts are likely to be continued indefinitely in one form or another and will be provided for in the permanent strength. All the purely temporary posts and 20 per cent of the semi-permanent posts will be excluded for the purposes of determining the permanent strength.

There will be four grades, I, II, III and IV, and they will all belong to Class I. In addition, there will be super-time-scale posts in the services.

The Union Public Service Commission will constitute a selection committee for each of the two services with a chairman or a member of the Commission as president and not more than two representatives of the participating Ministries. In the case of the Statistical Service, the head of the Central Statistical Organisation and in the case of Economic Service, the Chief Economic Adviser in the Ministry of Finance, will also be member.

* * *

Manufacture of Diesel Engines at Varanasi

The Government have decided to undertake the manufacture of diesel locomotive components works at Varanasi, in Uttar Pradesh.

Announcing this in the Lok Sabha, the Deputy Minister of Railways, Mr. Shah Nawaz Khan said that Varanasi was chosen because the existing factory there could be remodelled and production could be undertaken with the least possible delay. Moreover, sufficient land, building and water supply were available at Varanasi. The question which foreign firm would collaborate with the railways for the manufacture of the locomotives was still to be decided.

* * *

Radio Telephone in Russia

Mass production of a midget, transistorised radio telephone will soon start in Russia. The telephone weighs only one and a half pounds. It enables communication from the ground, a train or a plane if within 50 miles of a radio-telephone exchange. The inventor of the midget radio telephone is stated to be working now on a match box size set with a range of 125 miles.

U. P.'s Longest Road Bridge at Garhmukteshwar

The States of Delhi, Punjab and Uttar Pradesh will be permanently linked by road for all the year round with the inauguration of U.P.'s longest road bridge over the river Ganga near Garhmukteshwar, 58 miles from Delhi, by the Prime Minister, Shri Jawaharlal Nehru, on 30th November.

In the absence of a bridge here, the road traffic had to be suspended for six months from June to November every year due to rains and rise in the level of the river Ganga.

The 2,308 feet long bridge constructed at a cost of Rs 78 lakhs would be the fourth bridge over the river Ganga in Uttar Pradesh providing the missing link on the

national highway connecting Delhi with Calcutta via Moradabad, Bareilly and Lucknow. The other three road bridges over the Ganga in U.P. are at Varanasi, Allahabad and Kanpur.

The bridge would also provide impetus to tourist traffic from Delhi to Naini Tal and other hill resorts of Kumaun since the tourists could now visit these places by direct road and could even take their own vehicles with them.

The 13-span Ganga bridge is a prestressed concrete structure of the most modern concept and design and the latest technique has been adopted in its construction. The bridge, which has been designed for the free movement of heaviest vehicles up to 70 ton tankers, has a 34 feet wide roadway including five feet wide footpaths on either side for pedestrian traffic.

Besides the main bridge, three smaller bridges had to be built at a cost of Rs. 14 lakhs over the streams of Matwali, Choiya and Bagad which cross the nine mile long approach road towards Moradabad side. The bridge over Matwali is 234 feet, the one over Choiya is 133 feet and the one over Bagad is 186 feet in length. The approach road towards the Delhi side of the bridge is about five miles long.

Personnel

Southern Ry;

Sri M. C. GOPINATHA MENON, on reporting for duty on 30-10-61, was posted as offg. S.A.O., (Workshops), Perambur, vice

Sri B. M. SATHYE, transferred to Guntakal and posted as Divisional Accounts Officer, vice

Sri S. S. GAUBA, transferred to Central Railway, Bombay, in terms of Ry. Board's letter dated 21-10-'61.

Sri K. V. SRIKANATHIAH, Sr. Acctt., D.A.O.'s Office, Mysore, promoted to officiate as A.A.O. and posted as A.A.O. (Funds), Madras, w.e.f. 15th Nov. 61, vice

Sri T. RAMAMOORTHY, transferred to Heavy Electricals (India), Ltd., Tiruchirapalli, vide Ry. Board's orders dated 26-10-'61.

Sri A. KOLANDAIVELU, Senior Inspector of Stores Accounts Perambur, promoted to officiate as A.A.O., and posted as offg. A.A.O. (W & S), Mysore, in the vacancy caused by the demise of Sri B. LINGE GOWDA, on 22-11-61.

Sri S. S. GOPALAKRISHNAN, I.R.A.S. (Retd.), relinquished charge of the post of F.A. & C.A.O., Heavy Engineering Corporation, Ranchi, on 6th December 1961, at the conclusion of his contract.



LOK SABHA

Overbridges Completed During 1960-61

Shri S. V. Ramaswamy, Deputy Minister for Railways, stated on 29-11-'61 that 15 road over/under bridges were completed during 1960-61 and 17 were under construction on the Indian Railways.

The completed bridges were: Central Railway: 7; N. F. Railway: 1; Southern Railway: 1; Southeastern Railway: 3; and Northern Railway: 3. The bridges under construction were: N. F. Railway: 2; Western Railway: 1; Southern Railway: 3; Eastern Railway: 2; Southeastern Railway: 5; Northern Railway: 2 and Central Railway: 2.

The Deputy Minister said that 218 schemes had been recommended so far by the various State Governments and of these 21 schemes had been included in the Railways' Works Programmes for 1961-62.

For the remaining schemes, the State Governments had been asked to prepare a coordinated programme with the concerned Railways for execution of as many of the schemes as they would be able to finance during the Third Plan period.

Earnings of Railways During 1961

Shri S. V. Ramaswamy, Deputy Minister for Railways, stated on 29-11-'61 that the actual gross earnings of the Indian Railways from April 1, 1961 to September 30, 1961, amounted to

Rs. 243.93 crores as against Rs. 217.11 crores during the corresponding period last year resulting in an addition of Rs. 26.82 crores to the gross earnings.

The addition was mainly attributable to increase in passenger traffic, enhancement of surcharge on freight on small consignments from 10% to 20% from 1-4-1961 and on coal freight rates beyond 335 kilometers w.e.f. 1-7-1961.

In addition, merger of tax on railway passenger fares in passenger fares from 1-4-1961 contributed to the increase though the increase on this account was only illusory as railway revenues would still have to pay general revenues, for transfer to the States, a lump sum amount in lieu.

Free Uniforms for School Children

Shri S. V. Ramaswamy, Deputy Minister for Railways, Stated in the Lok Sabha on 4-12-'61 "A scheme for free issue of uniforms to primary school children of the railway employees receiving upto Rs. 225/- per mensem as salary had been introduced. The number of children being benefited under the scheme annually was nearly 40,000 but the number was likely to vary from year to year.

The amount to be spent on the scheme annually was approximately Rs. 9.5 lakhs but it was likely to vary from year to year. Each child was supplied three sets of cotton uniforms and in winter areas a full-sleeved pull-over as an extra garment once in two years."

Level Crossing in Delhi

The Deputy Minister for Railways, Shri S. V. Ramaswamy, stated in the Lok Sabha on 4-12-61 that the new type of mechanical gates—Lifting Barriers—had been provided at five level crossings in Delhi area.

The new type of mechanical gate—Lifting Barrier—already existed at the Patel Marg level crossing.

accident, because in that short period one could not have removed the fish-plates. The consensus of opinion among Opposition critics was that inefficiency in administration was the main reason for the frequent accidents which had resulted in people losing faith in the safety of railway travel. A thorough judicial enquiry into the three recent successive accidents was demanded.

* * *
Railway Accidents

After the Railway Minister made a Statement in the LOK SABHA on the 2nd December '61, Members from all sections of the Sabha were vehement in their attack on the Railway Administration. They were not prepared to accept the theory of sabotage in the case of Ghatsila accident where a train had passed safely just 15 minutes before the

* * *
Construction of new Lines

While speaking on the Supplementary Demands for Grants for Railways, the Dy. Minister for Railways, Mr. Shah Nawaz Khan, told the Lok Sabha on 2nd Dec. that the Ry. Ministry will surely go ahead with the construction of new Railway Lines in the South for which token grants were asked to carry out survey work.

For SPECIAL ATTENTION of all SUBSCRIBERS

Referring to the intimation at page 217 of THE RAILWAY ACCOUNTANT for November 1961, I have to inform that arrangements are being made by the INSTITUTE of RAILWAY ACCOUNTANTS, Madras, to take over the publication of this Journal from January 1962, i.e., without a break in continuity.

The subscribers to this Journal will continue to get their copies during the currency of their subscription, even though they are not Institute Members. Individual Subscribers are however advised, after the lapse of their direct subscription to the Journal, to enrol themselves as Institute Members and get FREE copies of the Journal. Official subscribers will continue as at present—unattached to the Institute—as subscribers to the Journal only.

Since I am to continue as Managing Editor until further advice, the subscribers will not feel the change over in management.

Every subscriber is therefore requested to keep his account current by promptly remitting subscriptions as and when they fall due.

Editor, RAILWAY ACCOUNTANT

STUDENTS' CORNER

The following was set as a Compulsory Question in BOOKS & BUDGET (with Books) paper in the recent Appendix III-A Examination (November 1961).

Calculate the Dividend payable to the General Revenues by Rly., 'A' for the year 1960-61 on the basis of the following particulars.

	Rs.
1. Capital at charge at the end of 1959-60	... 182,00,00,000
2. Capital cost of worked lines met by owners	... 25,00,000
3. Capital outlay during the year 1960-61	... 6,25,75,000
4. Capital outlay incurred on New Lines started during 1953-54.	7,75,00,000
5. Cost of intangible assets	... 7,50,00,000
6. Element of overcapitalisation excluding intangible assets	... 10,35,60,000
7. Capital cost of Locomotives transferred from 'B' Railway	... 1,57,00,000
8. D. R. contribution in respect of locomotives transferred	... 40,00,000
9. Inefficient balance under Stores Suspense dropped in 1960-61 account	... 25,00,000
10. Average borrowing rate	... 3.57%

A suggested Solution has been given below. Comments are invited.

SUGGESTED SOLUTION

	Rs.	Rs.
(1) Capital at charge at the end of 1959-60	... 182,00,00,000	
(2) Deduct (a) Capital cost of worked lines met by owners	... 25,00,000	
(b) Capital outlay incurred on new lines started during 1953-54 (assumed that 1960-61 is not the 6th year after opening of the line) and/or works in progress	... 7,75,00,000	
(c) Element of overcapitalisation	... 10,35,60,000	
(d) Cost of intangible assets	... 7,50,00,000	25,85,60,000

Dec. '61

	Rs.
(3) Net capital at charge to end of 1959-60	156,14,40,000
(4) Add Transfer without financial adjustment (Locos transferred from 'B' Rly.)	1,57,00,000
(5) Deduct Inefficient balance under Stores Suspense dropped in 1960-61 accounts	25,00,000
	1,57,46,40,000
(6) Half the capital outlay during 1960-61	3,12,87,500
(7) Total capital at charge on which dividend at 4% is due	1,60,59,27,500
(8) Dividend on above at 4%	6,42,37,100
(9) Dividend at the average borrowing rate (3.57%) on items 2 (c) & (d)	63,74,592
(10) Total dividend payable for 1960-61	7,06,11,692

Note 1. The revised rate of dividend at 4.25% applies only from 1961-62.

Note 2. The contribution to Depreciation Fund for locomotives transferred will not affect the dividend payable to General Revenues, but only the interest on D. R. F. balances.

Note 3. Capital outlay on construction of new lines is subject to a moratorium in respect of liability to dividend upto 5 years after opening for traffic.

RAILWAYS : HIGHER CHARGES IN THE OFFING ?

(Continued from page 245)

ment of volume originating from the producing centres in order to counter the fall in movement to ports, owing to the fall in some exports. The rule of internal free trade cannot be infringed by the application of differential rates including special rates. With larger goods trains in vogue, speed must be raised. Railway users may concede that the revision of rates is necessary provided they are satisfied that it will result in greater operational efficiency.

(By Courtesy: "Indian Finance").

Dec. '61

Books Review

"INDIAN RAILWAYS" Asian Railway Conference Number—1961.

The November 1961 issue of "Indian Railways," has been published by the Railway Board as a Special Number to commemorate the holding of the Third Asian Railway Conference in New Delhi from 13th to 15th November 1961.

Besides containing the Railway Minister's Message to the Conference and the Welcome Message to the Delegates to this Conference by Sri Karnail Singh, Chairman, Railway Board, on behalf of the Indian Railways, a number of special articles have been obtained and published in this Issue.

A special feature is the Section entitled "ASIAN RAILWAY DIGEST," giving salient particulars of every one of the Railways in Burma, Ceylon,

Indonesia, Iran, Iraq, Japan, Malaya, Pakistan, Phillippines, Saudi Arabia, Thailand, Turkey and U.A.R. Only a skeleton information has been given in this portion about Indian Railways, as the Chairman's Welcome speech already is fully informative.

As usual, sketches and photographs are widely interspersed and the whole volume is very neatly got up on Art paper. The Issue is very educative and gives interesting reading of a lasting nature.

No increased price has been fixed for this costly Issue, a thing which a private publisher could not have been enabled to do.

We hope every Railway employee will carefully go through this Issue much to his advantage. Editor, R.A.

Institute of Railway Accountants

A Meeting of the General Body of Members will be held at Madras in the last week of December 1961 to consider the arrangements for taking over the publication of THE RAILWAY ACCOOUNTANT with effect from January 1962; and also amendment of Bye-laws to enlarge the scope of Membership so as to extend its usefulness to all members of the Rly. Accountancy Profession in India.

This advance intimation will be confirmed by a detailed notice to be sent shortly to every one of the existing members of the Institute.

Detailed information about the Institute will be found in the journals for September 1960 and January 1961. Non-members may write to the Institute Secretary for any further information.

COMMITTEE MEETING ON 11-12-1961

A meeting of the Committee of the Institute was held on the 11th Dec. when (1) it was decided that the taking over of the RAILWAY ACCOUNTANT was referred to the General Body Members for approval; (2) Mr. Babu Pillai was elected Secretary, in place of Mr. A. S. Ramahhadran transferred to Varanasi; and (3) the agenda for the G. B. Meeting was drawn up.

Special Reduced Rates (Inland) upto 31-12-'61

For Full Cash Prepayment only:

APPENDIX III EXAMINATIONS

QUESTIONS & ANSWERS 1951 to 1957

@ Rs. 4 each

Reduction allowed for MISSING years.

Additional years, if available, charged extra.

BOOK-KEEPING; GL. RULES AND PROCEDURE;

TRAFFIC ACCOUNTS; TRAFFIC STATISTICS &

TRAFFIC BOOK; STATION ACCOUNTS;

BOOKS AND BUDGET; GENERAL EXPENDITURE.

Questions and Answers 1947-48.

Construction Accounts .. Re. 1'00

Workshop Accounts .. Re. 0'80

Questions only 1947-57: (58 to 60 supplied at extra rates to be ascertained)

Book-Keeping and Gl. Rules and Procedure; Books and Budget; Gl. Expenditure; Workshops; Establishment; Stores ..

Rs. 1'25 each

Receipts Accounts .. Re. 2'00

C. O. S. Office Procedure .. Re. 1'00

Construction— '47 to 55 only Re. 0'80

Appendix II Examination - Questions and Answers 1955-57:

No. 522 Book-Keeping .. Re. 1'00

No. 523 Gl. Rules & Procedure (+ 1958) .. Re. 1'00

No. 524 Coaching .. Re. 1'00

No. 525 Goods .. Re. 1'00

Other combinations also available.

GENERAL BOOKS

Handbook of Railway Accounts-

No. 73RR—with two sets of correction slips .. Re. 5'00

Railway Frauds and Losses (No. 69 R) .. Re. 1'00

Railway Statistics (Revised)

1958 - No. 297R .. Re. 4'00

Stores Accounts in Theory and in

Practice by Sri T. S. Chawla, N. F. Ry. .. Re. 1'50

Allocation of Expenditure

by Sri B. G. Balakrishnan .. Re. 0'50

Pamphlets on Loco Repairs, etc.

by Mr. Yash Pal Pari--Eight articles in all .. Re. 1'50

Form of Budget Demands No. 5 to 10: 57-58

with instructions and amendments .. Re. 0'80

S.R.A.S. Examinations - Questions only:

Part I: 84C₁ to C₃ 56-58 } Re. 2'50
84D 59-60 }

Part II: 85B 49-53 .. Re. 1'60

85C to C₃ 55-58.. Re. 1'60

84D 59-60.. Re. 0'80

50 nP. per packet should be added to the cost of each order, and should accompany the order, to cover Postal Registration Charges.

Write to **L. V. GOPALAN, 14, Balakrishna Road, MADRAS - 4**

Further concessions allowed for large bulk orders which can be ascertained by furnishing details of requirements.



Beggar & Hawker Nuisance in Trains

Please help to eliminate Beggars and Hawkers from Trains.

Railways are doing everything possible in this direction through raids, prosecution etc. But complete success cannot be achieved without the whole-hearted co-operation of the traveller. Giving alms to Beggars and buying from unauthorised Hawkers on trains is the surest way of encouraging them. Apart from inconvenience, there is a danger that the things sold by the Hawkers are spurious. Elimination of Beggars and unauthorised Hawkers from Trains will make travel more comfortable and SAFER.

Please do not encourage beggars and unauthorized Hawkers on Trains by giving alms or purchasing articles.

ISSUED BY SOUTHERN RAILWAY

BOOKS ON SALE

S.R.A.S. Part I Examination Questions
1956 to 1960—Rs. 3.00 by Registered Post

S.R.A.S. Part II Examination Questions
1949 to 1960 except 1954—Rs. 4.50
by Registered Post

BOOK-KEEPING : Parts I & II
Examinations: Questions 1940-48

Also available Re. ONE

x x x
Apply Sharp to: L. V. GOPALAN

CLOSING DOWN SALE of BOOKS
Published by L. V. GOPALAN

As I have a very small balance stock on hand, those interested in getting any of them for their use will kindly write to me once and ascertain the amounts to be remitted in advance for obtaining them. Cheap prices are quoted.

No guarantee of availability of any Stock beyond 31st Dec. 1951

BOUND VOLUMES & LOOSE COPIES
OF "RAILWAY ACCOUNTANT"

A few copies of Volumes I to VII are available for Sale at rates to be quoted on receipt of requirements. The amounts due are to be remitted in advance quickly so as to avoid disappointment. *Mg. Editor.*

MISSING COPIES OF THE JOURNAL

Such subscribers as find any intervening issue of the Journal (upto Mar. '61) MISSING in their files, may apply for duplicate copies IMMEDIATELY, sending a special reduced rate of 80 nP. per issue plus registration charge of 50 nP. per packet. These copies may not be available after 31-12-61.

Issues from April '61 onwards are charged Rs. 1.15 nP. per copy.

SPECIAL IMPORTANT
NOTICE TO SUBSCRIBERS

Several subscribers have not renewed their Subscriptions even after the Journal was sent to them for some months thereafter. It is particularly requested that the accounts be brought up to date **immediately**. Further issues may not also be despatched unless arrears are cleared. Those who do not wish to continue may write specifically to that effect, remitting the amount due for the excess copies already sent at Re. One per issue.

Delays in remittances result in inconvenience all round; and also to avoidable correspondence.

Mg. Editor.

Roll Number on cover wrapper should be quoted in all communications.

The last month covered by your subscription is noted on the cover wrapper of your copy of the Journal. Please watch and send **renewal remittance in time**.

Surcharge of 15 nP. per arrear month is to be added to subscription if enrolment is ante-dated.

Missing Journals should be reported **without delay** to the Local Post Office and to the Mg. Editor.

Addresses: Correct and current residential addresses ensure safe delivery.

Mg. Editor, R. A.