The **RAILWAY** *Accountant*

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Railway Accountancy Research

It is regrettable that, while all the professions have been setting up research units for improvements in the techniques of the several branches of the respective professions, and reports of studies on particular problems, and aspects are being published by them for the enlightenment of the profession concerned and subsequent appropriate action by the authorities, Railway Accountancy is singularly alone in being lethargic in this respect, though, for the technical fields in the railways, such as Engineering, Operating etc., the Railway Research Centre at Lucknow/Simla has already been highly developed. This lethargy for the Railway Accountancy seems to be due to the fact that there is at present no strong professional organisation for Railway Accountancy. The Institute of Railway Accountants recently started in Madras, is just engaged mostly in building up its membership and has hardly the time or facilities, as yet, to give attention to the question of research. In the absence of such a professional body to deal with the developing techniques of the profession, it is obviously incumbent upon the Railway Board to initiate an organisation for Railway Accountancy Research. It is too late in the day to argue the need for research in this specialised field, as, without research, no development or improvement of techniques, ideas, etc., bearing on railway accounting methods, procedures and practices, is possible.

While it is gratifying in this connection to learn that the Railway Board have deputed a Senior Financial Officer (Shri D.U. Rao) on deputation to the United Kingdom for observation study of the British Railways for a period of six months, this will not be sufficient by itself to do duty for research in the manner required. So also, while the recent strengthening of the statistical (and costing) organisation in the Railway Board to collect and collate detailed statistical data for costs of haluge of different commodities for particular leads, etc., (as is being done by the costing team of the American Rail-Roads Association) is a welcome feature for providing valuable information and data for policy-making in connection with the revision of freight rates etc., it cannot cover the field of research in methods, techniques etc. We have, in these columns, very often stressed the need for Railway Accountancy Research but the authorities do not seem to recognise or appreciate the imperative need at the present time for action in this direction.

The National Productivity Council recently sent a team of Cost Accountants to U.S.A. etc., on a study tour, to get a first-hand idea of the practices and procedures evolved in the advanced countries for costing, Management Accounting and Budgetary control in industries, and while a Cost Accounts Officer of the Finance Ministry was included in the team, it is surprising that the Railway Accounting and Finance was not represented in it, although Indian Railways form the greatest commercial undertaking of the Government of India. Is it because it is felt by the powers that be that the Indian Railway accounting and financial techniques and methods are perfect and need no rejuvenation or modification or improvement, and that no lessons remain to be learnt from the more advanced countries !

It is high time that the Railway Board gave serious attention to the matter of instituting at least a nucleus of a Railway Accountancy Research Centre immediately. Surely there are a number of problems already awaiting solution and these can advantageously be entrusted to the nucleus organisation for the present. Perhaps the most appropriate place to locate this research unit, would be the Railway Staff College, Baroda, where the atmosphere of academic discussions as related to practical working would be quite ideal for the purpose.

Ourselves

In our Editorial in the Issue for April 1961, we pointed out the necessity for an early consolidation of the position of the Railway Accountancy profession, and hoped that the INSTITUTE OF RAILWAY ACCOUNTANTS newly started at Madras would and should be in a position to tackle the situation quickly and effectively. Though during these twelve months that have since elapsed, nothing spectacular has been achieved, it is still heartening to observe that steady efforts are being made in the right direction and that in the near future, we may be able to perceive the effects. Time is of great consequence, and the sooner we are able to push forward, the better.

We hoped at that time that the Institute would be able to take over this Journal very soon as its official organ. But the year has passed without the proposal taking shape, in spite of the announcement made in our December 61 issue to the effect that the Institute would run this Journal from January 1962. Vigorous attempts are being made, as a preliminary, to substantially augment Membership not only at Headquarters but also in the mofussil, so that the scope of action may be wide and useful. Though there is ample scope for development both on this Railway and on the other Indian Railways as well, it is surely a question of some time; but in the meanwhile, it is hoped that the Institute will organise the official organ by taking over the management of this Journal as a nucleus.

As already stated in the Issue for December 1961, subscribers to this Journal can continue as such without the need to become members of the Institute if they so desire. As such, they are requested to keep their accounts up-to-date by remitting their subscriptions as heretofore.

Cost of Coal for Railways

BY B. G. B.

In the operating expenses of the railways, the cost of coal is a predominant factor, so far as steam traction is concerned. The costs are much more for railways situated far away from the coal fields, for example the Southern Railway. The cost per ton of coal, to the railway areas which are far away from the coal fields, may be about Rs. 60 (prime cost of coal at pits-mouth, about Rs. 20 plus freight and other incidental charges Rs. 40). This cost would even be much more for coal moved by sea, for want of transport capacity on the railways. The need for reducing the coal bills of the railways, for effecting a reduction in the cost of operation, is therefore quite obvious, and this is not the less so, with the switch over, to some extent, of steam traction to diesel and electric traction in certain areas of the railways, as such switch over is only very limited and the coal requirements of the railways have not been appreciably reduced.

It may be seen that, apart from the bare cost of coal, the freight and other incidental charges come to about 3 times the prime cost of the coal. And hence any measure evolved to reduce the quantity of coal consumption by the railways would result not only in saving in the cost of coal but also would release, to some extent, transport capacity on the railways. Looking to the fact that the free freight rate on coal has been fixed on the railways at a low level, in fact even below the cost of haulage, the transport capacity released by reducing rail transportation of some quantities of coal, can be switched over to profitable commodities with resultant additional earnings to the railways.

Various steps have been taken for reducing the coal consumption on the railways. While the increase in consumption is accounted for to some extent by the supply of inferior varieties of coal—which means that larger quantities are required per train mile than the superior varieties, stricter control over coal issues to locos has to some extent, though inappreciable, helped to reduce the coal indents. Apparently the Coal Controller is unable to allot better grades of coal to the railways, having regard to the supplies of coal by the different collieries and their distribution to the different consumers on the basis of necessity and technical specifications. Other methods have therefore to be devised for reducing the coal consumption on the railways.

For the steel plants, arrangements have been made for the coal being first washed to reduce the ash content and then utilise it for the coke ovens. Similarly if the coal from the coal mines is first properly washed for reducing the ash content, before being loaded for despatch to the railways, the quantity of coal requiring railway transport could be apparently reduced. It should be made a rule that only washed coal should be accepted for transport by the railway, but before this could be done, it would be necessary to establish coal washeries near the coal fields to have the coal washed according to the latest techniques, through cyclone washers etc. Apart from Government coal washeries in the Hindustan Steel and the National Coal Development Corporation, a number of coal washeries are being built by firms and it seems that this is being given special attention in the Third Five Year Plan.

The purchase of washed coal, instead of raw coal, by the railways would, of course, add to the cost of coal, but, per contra, there are other advantages such as higher quality of coal, lower quantity for consumption and consequent lower freight costs etc., apart from release of a sizable transport capacity on the railways for use by higher-rated commodities. The economics of using washed coal on the railways should certainly be studied with advantage by the Ry. Board, but there appears to be no gainsaying the fact that the use of washed coal by the railways will be ultimately financially advantageous to them, let alone the release of transport capacity in the national interest when such release is imperatively needed for other higher rated commodities.

The Implications of Standard Costing

BY A. H. TAYLOR, M.C., A.A.C.C.A.

THE MEANING OF EFFICIENCY

The industrial acceuntant tends to spend the larger part of his working day considering the various possible combinations of cost, output and sales that reflect the efficiency of a business. It is these three vital factors which represent for him the hard and inescapable facts of industrial prosperity. The apparently magical effects of, for example, changes in taxation or the Bank Rate seem to lack reality when set against the effort which is exerted on the factory floor or at the Office desk. It is the inter-action of cost, output and sales which produces profit or loss and to a simple mind profit becomes synonymous with efficiency.

It is perhaps a truism that whilst a rise in the price of a product may sometimes produce a short-term increase in profits, in the long-term, profit potential lies in the reduction of price. Price reduction depends on unit cost reduction; and a reduction in unit costs may be achieved either by a fall in the price of labour and materials per unit sold or by a rise in turnover until the maximum spread of fixed overheads is achieved. This perhaps naive reasoning leads to the somewhat remarkable conclusion that price and cost are different words for the same thing, only the seller calls it price and the buyer calls it cost. A fall in prices means somewhere in industry a fall in costs.

These reflections are introduced to emphasise the necessity for accountants, in their capacity *as financial advisers* to industry, to concentrate on methods of reducing unit costs. This need is underlined so far as the United Kingdom is concerned by the rapid growth in world communications, the intensified competition from nations with exportable surpluses of manufactured products, and the lowering of trade restrictions such as are effected by the Common Market and other trading communities. U.S.A. business colleges are conducting courses in the techniques of international trade in order to remedy a supposed defect in American Commercial education. Meanwhile one suspects that the pricing policy of the general run of British manufacturers is based on a "cost plus" approach, and the costs on which prices are calculated are in many cases historical costs reflecting the inefficiencies of the past.

THE ROLE OF THE ACCOUNTANT

Of course many industrial companies carry cut cost reduction programmes from time to time but it seems that these operations are more often than not initiated when some crisis threatens rather than as a continuous routine. The responsibility for maintaining a reliable system of cost control clearly lies with the accountant, particularly in view of his widening outlook in the field of management accounting. To the accountant cost reduction does not merely consist of lowering wages or reducing administrative staff, but it is rather a process of applying all the business resources of labour, space, capital and equipment to the best possible advantage. Some companies have demonstrated practically that the payment of high wages is often the first step to higher productivity and consequently greater profit potential. Likewise efficiency in the operating functions may depend on an increase rather than a reduction in administrative staff provided the latter are used not merely to carry out routine duties but have the capacity of improving systems and aiding planning and control.

The ultimate purpose of the modern industrial accountant's function is to provide pertinent information and advice on the two basic concepts of management—profit and price or cost, whichever way the latter figure is being considered at the time. There are, it is suggested, three broad systems available to the accountant as a basis on which his service to management is constructed.

The financial accounting system measures the actual performance of overall management in monetary terms; the costing system analyses that performance by units of output or service; and the budgetary system expresses the managerial plan.

All these services have become essential to the successful operation of a modern business but the one system which probes into the roots of operating efficiency is the costing system. It is becoming widely recognised that the only effective method of costing is by means of standard costs. Standard costing is certainly not a new device but, just as certainly, it is by no means in general use. In the sense that it asks the fundamental question: What ought the job to cost? it has probably been used from time immemorial, but as a complete system of costing it has not received universal acceptance by management. If this is so, it may be the appropriate time for both management and accountants to take stock of the full implications of standard costing as it affects profit, price and efficiency.

CONVERSION TO STANDARD COSTING

A change from 'historical' to standard costing means that there is a fundamental realignment in the approach not only to accounting problems [but also to those of planning, operating and selling. It implies a change in thinking with regard to the methods of managing a business, and to the extent that this revolution in ideas is not appreciated by all managers so the usefulness of standard costing is limited.

Considerable differences exist in practice as to the methods of operating a standard costing system and the basis on which the standard cost is formulated. In brief, it is an attempt to assess what the cost of producing a job, product or service ought to be under given conditions. Those conditions are basically normally efficient operations and a reasonable level of output. A standard cost is, therefore, an animal of quite a different species from the 'historical' or so-called 'actual' cost. The historical cost depends on the conventions used by the accountant and the traditions of the business producing the same article under precisely similar conditions would show quite different 'actual' costs for the same product. To the extent that they are factual, historical costs record the cost of inefficiency, either of the workers or the management.

Effective standard costing implies that a careful measurement has been made of what is meant by normal efficiency and what is meant by a reasonable level of output. On the basis of this measurement the performance of the operating functions will be judged, the correct price for the product will be calculated (subject, of course, to market influences) and the profit and financial position of the undertaking will be drawn up. In the absence of such a measurement, efficiency is gauged by reference to the past in which different conditions existed and which was bound to contain some element of inefficiency.

The effect of standard costing on the selling policy of a business is that prices and profits on sales will no longer be based on the misleading 'actual' cost of the past, but on what the cost ought to be under reasonably efficient operations in existing conditions. Whilst it is true that prices are to a large extent dictated by the market conditions those conditions are inevitably influenced by cost in the long run. The question, on which there can be little argument, is whether those costs shall relate to current operations under normal conditions or whether they shall relate to the past.

THE EFFECT ON PRICES AND PROFITS

Because of differences in specification or quality, in regional advantages and marketing methods, competitive products frequently show wide variations in price and it is still normal practice for a business to establish its price structure as a percentage on cost. If, as is likely, the standard costs of efficient operations are below 'actual' past costs, the introduction of standard costing is likely to result in the long term in a general reduction of prices. The persistence of adverse variances, either due to lack of volume, inadequate equipment or operating inefficiency, will reduce profits below the desired or worthwhile level and might indicate that the organization is not capable of making the product at a reasonable margin. The business would then be faced with the alternative of obtaining the necessary facilities of adequate space, specialized machinery, engineering and marketing skills, or of applying its resources to a more suitable field.

The drastic effect which a conversion to standard costing may have on the profit and loss account and on the financial position as revealed by the balance sheet is not always fully appreciated. If past costs have been higher than they should have been and output has been running well below capacity, a conversion to standard costing may entail an immediate write-down in the value of stocks and work in progress. Whilst the business continues to incur costing variances, profits will be shown at a lower level than in the past. The balance sheet will accordingly show a reduction in capital employed and although the percentage return on capital employed may be little affected the amount of profit available for appropriation will be less than it was under the old costing system. If these results occur then tbere is a clear implication that profits were overstated in the past.

One of the outstanding virtues of standard costing is that it enforces the immediate writing off against income, of the costs of inefficiency, and in this connection it is particularly unfortunate that the valuation of stocks on a standard costing basis is not recognized by the Inland Revenue. It has been well said that one of the major causes of business failure is the over-valuation of stocks and it may also be pointed out that the carrying forward of inefficiency costs severely limits the future capacity of a business to meet competition.

THE EFFECT ON ADMINISTRATIVE COSTS

Subject to the existence of a reliable system of budgetary control running in parallel with standard costing, it is no longer necessary for the accounts department to carry out the laborious process of collecting innumerable 'actual' job costs. It is well understood in the accountancy world that a cost is a convention and that it depends, amongst other variables, on the fidelity of labour time bookings and the method of valuing material issues. Standard costing replaces job costing by control accounts recording the overall cost of operations or workshops; volume variances can be

extracted by comparison with budgets and operating variances from original documents. Standard costing may, indeed, bring into a busidess a number of additional functions such as those involved in the assessment of standards, essential forecasting and planning exercises, and the extraction and analysis of variances, but these services bear directly on the life blood of business.

If in fact the foregoing is an accurate—if brief—outline of the benefits to be derived from standard costing, one can only wonder why the system is not more widely adopted. Is it because there is still a lingering belief that standard costing is applicable only to standard production? Or that manufacturers are traditionally unwilling to incur the initial cost and effort of changing administrative methods? These reasons are demonstrably unsound, particularly when it is appreciated that in jobbing works dealing with non-repetitive orders every job must be subject to an estimate which could in itself form the basis of a standard. The principles of standard costing are, in any event, probably best applied to processes rather than directly to products or jobs. It may be that the absence of efficient costing is due to management's lack of understanding of its benefits. If so, then the accountant cannot avoid a measure of blame.

—With acknowledgments to the 'Accountant's Journal', London.

Suggestion for Changes in Allocation of the Cost of Expenditure on Track Works

BY 'SWARAM'

When it becomes necessary to provide additional loops or crossing stations or to remodel yards the financial implications are examined. If the proposal is remunerative i.e., giving a clear return of 5%, the expenditure is allocated to Capital. If, however, it is not and the work is necessary as an operational improvement, the expenditure is allocated to OLWR or DF (3) according as the cost is upto Rs. 3 lakhs or more. The works of increasing sleeper density are also allocated to OLWR if estimated to cost upto Rs. 3 lakhs. Works of Passenger amenities included in these schemes are however, allocated to DF(1) irrespective of whether they cost upto Rs. 25,000/- (NMW limit) or more.

2. According to the rules for allocating renewal expenditure, casual renewals of rails, sleepers and their fittings are allocated to DRF irrespective of any monetary limit. When such casual renewals are found necessary in a track which has been provided at debit of OLWR or DF(3), the cost of such renewals should be allocated to DRF as it would not be possible for the PWI to link up the original sanction under which the track was laid at debit of OLWR or DF(3). While allocating the cost of such casual renewals to DRF, in respect of track laid at debit of DF(3) is in accordance with the rules of allocation, it is obviously repugnant to the allocation rules that casual renewals on the portion of track which has been laid at debit of OLWR in the circumstances explained in para 1 above should be allocated to DRF, instead of to OLWR. In fact, according to the present rules, if it is necessary to replace a work which, if provided for the first time would be allocable to OLWR, the replacement should be allocated to OLWR, the original cost if held at the debit of Capital being written back to DRF. In view [illegible] position, the allocation [illegible]

casual renewals should correctly be to OLWR, but it is not possible in actual working conditions to segregate these renewals and charge them to OLWR.

3. In view of the fact that on account of phenomenal increase in traffic during the plan periods and also of the policy of the Govt. to provide adequate operating facilities to quicken the movement of traffic, a large number of loops, crossing stations or remodellings are being under-taken at the debit of OLWR and these works include track portions also. While the rules of allocation provide that cost of land required for works should be chargeable to Capital irrespective of the allocation of the cost of the works themselves, it is considered that the track which is the indispensable asset for carrying on the work of transportation is no less important than Land and so the cost of track whether on main line, sidings, loops etc., should be allocated to Capital without any consideration of remunerativeness. The most important capital asset for the railways is track and land becomes important only by the reason that the track is laid on the land. So the same treatment in respect of allocation as given to land should also be extended to track. In any case, the cost of track should not be allocated to OLWR. If the work in which track is included is unremunerative, the cost of track can be allocated to DF(3) while the cost of the rest of the work may be allocated to OLWR.

4. If the change suggested above is adopted, the anomaly which might result in casual renewals of track borne at debit of OLWR, being charged to DRF instead of to OLWR could be resolved, for the reason that the rules of allocation provide for the cost of replacement works at the debit of DF being allocated to DRF. The suggestion made is on the analogy of passenger amenities works included in the schemes for crossing stations, or remodelling etc., which are allocated to DF(1) irrespective of the allocation of the main scheme.

Promotion of Class II Officers to Class I (I.R.A.S.)

(CONTRIBUTED)

It may be remembered that, under the existing rules, 33-1/3% of the vacancies in Class I Service in each year, are reserved for promotion from Class II service (both permanent and officiating Officers). For this purpose, the total number of anticipated vacancies in each year is first worked out, and 2/3 of the number of vacancies is made available for direct recruitment through all-India Central Services (Class I) Competitive examination ; the remaining 1/3 being intended for promotion from Class II service. In other words, half the number of vacancies for which direct recruitment is made, is reserved for promotion from Class II service each year. After the World War II, there were heavy arrears in the quota of promotion from Class II service, and after a great deal of representation from the Service Associations, the Railway Board ordered promotions from Class II to Class I, with the concurrence of the UPSC, but except for two or three years, the intervals were too long and very often the orders were issued a long time after the dates on which the vacancies arose. It is understood that an assurance was given by the Minister of Railways to the Service Associations a few years ago, to the effect that promotions from Class II to Class I would be ordered *every year* without fail, effect being given from the dates on which the all-India Central Services (Class I) competitive examinations ended in the respective years, i.e., in about August-September every year. It is stated that, after the promotions ordered with effect from September 1957 (the orders themselves were issued again, very late, though effect was given from September 1957), the next batch of promotions was ordered only with effect from April 1961 or so. This means that, for over three years, no promotions were made to Class I, setting at naught, the assurance given by the Minister for Railways that promotions would invariably be made every year. The result is that, the recently promoted Officers lose the seniority in Class I which would otherwise have accrued to them, had they been promoted in the respective years in which the promotion quota was actually available, and this means again that their promotion to the Junior Administrative rank is correspondingly held back, which is not quite fair to the promoted Officers.

The recent transplantation of Class I Officers of the now defunct Indian Railway Establishment Service, into the Accounts Department, has still further put back the chances of promotion of Class I Officers of the promotion quota.

It is urged that, in all fairness, the dates of seniority of promoted Officers (Class I) of 1961 batch should be adjusted, after giving the prescribed weightage, to the dates to which the promotion, if made in the respective years, would entitle them.

Needless to say, the Railway Accountancy profession requires for its higher ranks seasoned and experienced officers ; and the application of the promotion quota, as from the respective years, (instead of in a lot from an arbitrary date after a lapse of years,) to the Class II Officers who are promoted, would be a step in the right direction, making not only for efficiency but ensuring that the higher ranks from the Junior Administrative level upwards are more balanced than at present. With the need for providing experienced Officers to the public sector undertakings from the Railways, the issue raised above merits appropriate and sympathetic attention from the Financial Commissioner of Railways.

Subjects of Moment

Allocation of funds under "Passenger and other Railway Users' Amenities."

Attention is invited to para 2 of Railway Board's letter No. 60/PL/Plan/Rly dated 7-8-'61, in terms of which expenditure on dynamos and battery equipment from 1-4-'61, is to be allocated under the normal rules consequent on the item "Generating Railway Users Amenities", vide Railway Board's letter No. F(X) I-60-CMT-2/2 dated 2-6-'61. A question has now been raised as to whether in view of this decision, the cost of replacing undersized dynamos and battery equipment would be chargeable to D.R.F., or to "ordinary revenue." In this connection, it is clarified that the effect of deletion of the item from the list of "passenger amenities" is that, as train lighting equipment including dynamos and batteries form an item in the excepted list under para 952(4) G-I, the cost of replacement of all such items with effect from 1-4-'61 would be chargeable, in terms of that para, to "ordinary Revenue", regardless of whether the replacement occurs in the normal course or by replacement of higher capacity equipment.

As regards expenditure on equipping coaches with dynamos, batteries and train lighting equipment on Rolling

(*Continued from previous page*)

Stock where these have not been initially provided, it is also clarified that, with the deletion of these items from the list of "Passenger Amenities", the cost of the same would be chargeable to Capital in terms of para 902(4).

(R. B. No. F(X) I-61-ALC/5 dated 13-2-62).

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Liberalisation of leave rules on the recommendation of the Central Pay Commission

Reference: Railway Board's letter No. E(S)I-60 CPC/LE/6 dated 13-7-1960 on the above subject. In modification thereof the President is pleased to decide that the production of the certificate prescribed in it will not be necessary when:

(i) a Railway servant has continuously officiated in a Gazetted post for more than three years and has not availed of any leave;

(ii) a Gazetted Railway servant has availed of earned leave for which certificate under rule 2022 (bb) (i) as substituted, vide Advance correction slip No. 70-R II forwarded under Bd's letter No, F(E) 60/IC-1/2 dt. 14-2-'61, has been furnished to the Accounts Officer and he has been allowed increment without its being postponed.

(iii) a Gazetted Railway servant has officiated in a higher post for which certificate of continued officiation in the lower post but for appointment to the higher post has been furnished to the Accounts Office and the officer has been allowed to count the period for increment in the lower post.

(R. B. No. E(S) 62 CPC/LE/1 dated 22-2-'62).

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Introduction of Incentive Scheme in Railway Engineering Workshops

Ref: Board's letter No. 60/WII/WS-2/3 of 10-6-60

Further to the Board's letter quoted above wherein their decision to introduce the Chittaranjan pattern of the Incentive Scheme in workshops with a strength of 500 men and above, was indicated, the Board considers that the following *Engineering Deptt. Workshops* fall under the scope of the Board's orders:—

Manmad (Central Rly.), Moghalsarai (Eastern Rly.), Jullunder Cantt. (Northern Rly.), Arkonam (S. Rly.) and Sini (South Eastern Rly).

2. In order to ensure successful and speedy introduction of the Incentive Scheme, the following steps need to be taken immediately:—

(i) *Development of Production Control Organisation*:—A model chart indicating the yard sticks for various categories of staff required for development of this organisation is attached.* The build up of the staff strength should be brought about through surrender of existing vacancies. In addition, it should be possible to adjust existing posts by re-distribution of work and direct the incumbents of such posts to the Production Control Organisation. In other words the Production Control Organisation should be built not by incurring any additional expenditure on staff, but by re-distribution of the existing staff and/or by utilising the savings achieved by surrendering the vacancies that occur as a result of the temporary ban placed on the recruitment against normal vacancies. For example, there should be no objection to the creation of posts of Chargemen, Mistries etc., out of savings achieved by surrendering the vacancies of skilled, semi-skilled or unskilled labour. Promotions may be effected to fill up such posts leaving the resultant vacancies in the lowest cadre unfilled.

General Manager, Chittaranjan Locomotive Works is being requested to arrange for facilities for training the staff in Chittaranjan for a period of two months.

* Not printed.

(ii) *Pattern of Rate-fixing*:—The workshops at present are mainly engaged in the following activities:—

(a) Manufacture of components for Engineering Dept. in Foundry, Smithy and Machine Shops,

(b) Fabrication work.

(c) Manufacture of points & crossings.

Chittaranjan Pattern should be adopted for building up of allowed times for new manufacture whether of components or of assemblies.

(iii) *Assessment of workload*:—Depending upon the requirements of the Engineering department, an annual programme of manufacture should be prepared.

It will be appreciated that due to improved productivity expected especially under incentive working, additional capacity will be generated. Studies and investigations so far made in the Mechanical Workshops indicate that improvement from 50 to 100 per cent over the present performance is expected to be achieved as a result of introduction of the Incentive Scheme. As it is expected that the introduction of the Incentive Scheme in the Engineering Department Workshops may follow a similar pattern, it can be taken that in these workshops also an average increase in the per capita outturn of the order of 60 per cent over the current performance will result.

You are aware that assurances had been given to All India Railwaymen's Federation and National Federation of Indian Railwaymen that no staff will be retrenched as a result of the introduction of the Incentive Scheme. It is therefore, necessary to make a correct assessment of the load that will be offering in future to satisty that the additional capacity thus generated will be fully utilised.

(iv) *Raw Material Schedules*:—In order to ensure that the required raw materials are available at the time of manufacture, it would be essential to draw up their requirements well in advance. This will enable the Stores Dept. to make ready the required raw materials in time and ensure regular supplies. Steps should also be taken to ensure that requisition for the manufacture of components are not issued on the shops unless it is satisfied that the raw materials of the specification and size are available in the Stores and have been reserved.

(v) *Preparation of a list of Machine Tools and their Calibration*:—Before a machine tool can be properly used, it is essential to know its capabilities such as its feed, speed, the depth of cut it can take etc. Detailed knowledge of the various types of machine tools and their capabilities will have to be built up in the shops. It would, therefore, be necessary not only to prepare a list of different types of machine tools available in the workshops but also to calibrate each machine and to record its capabilities to be readily available at the time of planning.

(vi) *Preparation of a list of existing jigs and fixtures*:—A list of the existing jigs and fixtures should be prepared and it should be ensured that these are fully utilised. New manufacture of jigs and fixtures should be undertaken only when it is financially justified.

(vii) *Tools and Drawing Stores Services*:—For satisfactory working of the system of payment by results it is imperative that the necessary drawing and correct details are made available in time. Bad tools and drawing stores services will result in the booking of idle time. The requirements of tools to meet the increased production consequent on the introduction of the system of payment by results should be worked out well in advance and it should be ensured that corrections and modifications to drawings are promptly carried out. Considerable expenditure on tools can be saved by stocking them in standardised forms.

(viii) *Preparation of Master Planning Cards*:—For all components and assemblies, manufacture of which is proposed to be undertaken in the workshops, master planning cards indicating therein drawings and part numbers, size, quantity and specifications of raw material required for the manufacture of the unit, the shops and sections through which the material will be processed, the type of machine tools employed, the jigs and fixtures used and the sequence of operation to be carried out should be prepared. This is an important record of a production organisation and will also help in deciding as to whether any deviations from a standard operation allowed, are financially justified.

(ix) *Computation of Process Timings*:—Simultaneously, with the preparation of master planning cards and the basic data mentioned above, work in connection with the building up of allowed times should be started. The allowed times should be entered in the master planning card. This will be necessary to avoid any big gap in the introduction of the system of payment by results between different sections of the works.

(x) *Documentation*:—Relevant forms and other documents for the introduction of the system should be devised in consultation with the Accounts Branches concerned. The design of the above forms may be based on those introduced at Chittaranjan with any modifications in the Engineering Workshops. The Railway Board should be approached for any deviation from the forms adopted at Chittaranjan.

(xi) *Introduction of Quota Cards*:—Before any system of payment by results can be introduced, the allowed timings should be checked to see that they compare favourably with those actually required to carry out the job. This is necessary not only to find out if there have been any mistakes in computation or otherwise, which can be corrected without causing any suspicion of changing rates later but also to gain the confidence of the staff that the timings computed are related to practical performances and not on any theoretical considerations. It is of utmost importance to avoid any impression on the part of the staff after introduction of incentive schemes that allowed timings are being altered wholesale and without any sufficient cause.

(xii) *Punching clocks - booking of labour*:—Reference is invited to this office letters No. 56-U45/38 dated 7-12-56 and 58/814/3/M (W) dated 17-5-1958 wherein Railways have been advised to introduce punching clocks both for recording attendance not at the gate but in shops as well as for booking of labour by introducing a system of job cards under the Incentive Scheme. Steps should be taken to procure requisite number of punching clocks for Engineering Workshops also.

(xiii) *Inspection Organisation*:—With the introduction of the System of payment by results, it would be necessary to establish an Inspection Organisation to ensure that only that work which has been manufactured to laid down standards and passes inspection is paid for. It may be necessary in some cases to introduce stage inspection. The strength of the Inspection Organisation where that organisation already exists should be examined in the light of the model chart* sent along with this letter and steps should be taken to build up the Organisation.

(xiv) *Maintenance of Machines*:—In order to keep idle time due to machine breakdown to the minimum, it would be necessary to examine the organisation for their maintenance and to ensure that it is adequate and that system of periodical oiling and other preventive maintenance measures has been introduced.

* Not printed.

A breakdown not exceeding 2.5 to 3% of the total machine tools in the shop should be aimed at.

(xv) *Accounts Organisation*:—Accounts Department has a very important role to play in introducing incentive schemes in workshops. It will, therefore, be necessary to have simultaneous investigations carried out in the Accounts branches so as to develop suitable organisations, where they do not exist, to deal with all aspects of incentive working in which this department is concerned. For this purpose, a close co-ordination between Engineering, Stores and Accounts Depts. must be maintained at all stages.

Time-keeping and time-booking functions will have to be placed under the control of the Accounts Department in consultation with the FA & CAO as has been done in the case of Mechanical Workshops.

3. As you are aware, the following steps were taken when it was decided to introduce system of payment by results in the Mechanical Workshops :—

(a) a temporary ban was placed on recruitment against normal vacancies except to meet certain unexpected loads ;

(b) it has decided that the proportion of skilled, semi-killed and unskilled in the workshops should be 3 : 2 : 1.

(c) a temporary ban was also placed on working overtime except to meet emergency :

(d) staff required for building up the Production Control Organisation was found by redistribution from the existing staff or by adjustment and promotion and not by resorting to fresh recruitment.

Similar steps will need to be taken with immediate effect to pave way for introduction of the Incentive Scheme in the workshops of the Civil Engg, Deptt.

The following points should also be borne in mind while taking such action.

Regarding Item (a) above - the ban on recruitment will apply to normal vacancies and not to the needs of development of the Workshops.

Regarding Item (b) The target for the proportion of skilled, semi-skilled and unskilled staff in the workshop should be 3 : 1 : 1 :

Regarding Item (c) - The overtime working should be stopped for normal production and repair work but may be resorted to for meeting emergencies or for urgent requirements.

(R. B. No. 61/WII/WS 2/3 d/ 15-12-61)

* * *

Advance Correction Slips

I Establishment Code Vol. I

(1) C. S. No. 80—R. I.

Rule 1736—R.I:—Substitute the word "Order" for the words "enhanced penalty" appearing in Clause (i) of the proviso to Rule 1735—R.I.

(R.B. No. E (D & A) 61 RG 6-40 dated 8th Dec. '61)

* * *

(2) C. S. No. 81—R. I.

Rule 1736R.I.:—Introduce the following as a new Rule No. 1736 A-R.I after Rule 1736—R.I in Section IX of the Discipline and Appeal Rules.

1736 A.—*Supply of copy of Commission's Advice.*—Whenever the Union Public Service Commission is consulted as provided in these rules, a copy of the advice given by the Commission and, where such advice has not been accepted, also a brief statement of the reasons for such non-acceptance shall be furnished to the railway servant concerned along with a copy of the order passed in the case, by the authority making the order.

(R. B. No. E (D & A) 61 RG 6-40 dated 8th Dec. '61)

* * *

II Establishment Code Vol. II

C. S. No. 110—R. II.

Appendix XXX—F. R. 36 (2030) R. II:—(i) Insert the following after "Staff College, Baroda" appearing in the C. S. forwarded with Board's letter No. E 52 TRI-69 dated 17th July 1953:

"and the Advance Permanent Way Training School, Poona."

(ii) The following will accordingly be inserted as Govt. of India's Order No. 2 below Rule 2030 (F.R. 36) in Establishment Code Vol. II (Third Reprint), the existing one being re-numbered as (1).

The President has decided that in the cases of Railway Officers undergoing training at the Staff College, Baroda, and the Advance Permanent-Way Training School, Poona, the period so spent may be treated as duty and officiating arrangements may be made by the Railway Administrations, vice the officers so deputed. This is however subject to restrictions laid down in connection with acting promotions.

(R. B. No. E (P) 59 TRI-25 dated 10th Dec. '61)

* * *

Inclusion of Special Pay in Leave Salary

The Ry. Board have decided that where the 'special pay' forms a part of the scale of pay of the post itself, it should be included in the substantive pay for the purpose of calculation of leave-salary under Rule 744 - R. I. These orders will apply to those Railway servants who are not governed by the orders contained in their letter No. PC-61/LE-2/1 dated 1st April 61. Past cases dealt with otherwise need not be re-opened.

(R. B. No. E (S) I-59 CPC/LE/3 dated 18/20th Nov, 61)

* * *

Fixation of Pay in the Authorised Scales of Re-employed retired Railway servants, non-Railway Govt. servants, employees of quasi-Govt. bodies

Ref. Rule 2 (ii) (h) of Railway Services (Authorised Pay) Rules, 1960, under which these rules did not apply to "re-employed Ry. Servants". Board's decision is as under:

I. Retrenched Govt. servants including Railway servants and employees of quasi-Govt. bodies, who retired without receiving pensionary or Provident Fund benefits and who were in re-employment on 1st July 1959.

They shall be eligible to opt for the Authorised Scales in accordance with the provisions of the Railway Services (Authorised Pay) Rules, 1960.

II. Retired Railway servants, non-Railway Govt. servants and employees of quasi-Govt. Bodies who received Provident Fund/Pensionary Benefits on retirement and are re-employed:

(A) Persons who retired before 1st July 1959 and who were in re-employment on that date.

(a) Persons who retired on superannuation or Retiring Pension will continue on the existing terms, i.e., pay on the 'pre-revised' scales and dearness allowances at the rates in force on 30th June 1959. The terms will not be changed even if the period of re-employment is extended, which would ordinarily mean fresh re-employment.

(b) The following categories of re-employed persons shall be eligible to opt for the Authorised Scales in accordance with the provisions of the Railway services (Authorised Pay) Rules, 1960:—

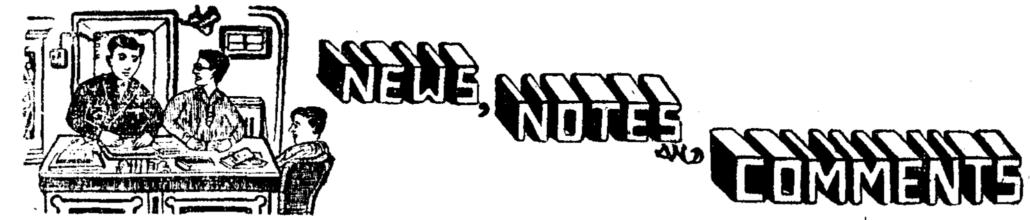
(i) Re-employed Pensioners who retired on other than on superannuation or retiring Pension/and other persons who retired prematurely.

(ii) Personnel of Defence Services released or retired prematurely.

(iii) Ex-Burma employees other than those re-employed after super-annuation.

(B) Persons who retired before 1st July 1959.

The will be allowed pay only in the Authorised Scales. The pay in the Authorised Scales will be so fixed that the emoluments (i.e., pay and dearness allowance, if any, (*plus* the gross amount of Pension and/or the pensionary equivalent of other retirement benefits, do not exceed the pay reckonable as pre-retirement pay under the orders contained in Board's letter No. E (G) 58-EM



International Congress of Accountants

The 8th International Congress of Accountants will be held in New York in September, 1962. It would be in the interests of the Railway Accountancy profession to send delegates to the Congress. We hope the Railway Board will take the necessary steps in the matter.

* * *

The European Congress of Accountants

A Congress of members of the leading accountancy bodies in *Western Europe*

(*Continued from previous page*)

1-29 dated 31ss March 59 (as amended from time to time) *plus* the dearness allowance (including dearness pay and interim relief) at the rates in force on 30th June 1959 appropriate thereto.

(C) Persons who retained the 'existing scales' of pay and retired after 1st July 1959 and are re-employed after 1st July 1959.

The pay on re-employment will be regulated as at II (b) above,

(D) Persons who elected the authorised scale and retired after 1st July 1959.

Their pay on re-employment will be regulated in accordance with the orders contained in R. B. Letter No. E (G) 58 EM 1-29 dated 31st March 1959 as amended from time to time, the term "prescribed scale" of pay wherever referred to being treated as the "authorised Scale" of pay.

2. Re-employed persons who become eligible to elect Authorised Scales in accordance with the above orders should exercise their option in the manner laid down in Rule 9 of the Railway Services (Authorised Pay) Rules, 1960, within three months of the date of issue of this letter.

(R. B. No. PC-60/ROP-1/15 dated 5th Dec, 61)

* * *

Revision of Rules Regarding Treatment of Running Allowance as Pay for Certain Purposes, Consequent on Revision of the Pay Structure, w.e.f. 1—7—'59

It has been represented to the Ry. Board that the revised percentages of Running Allowance to be treated as pay for different purposes, as laid down in para 3 of Board's letter of even number dated 22nd May 1961, in the case of staff governed by the Authorised Scales of Pay, have adversely affected their interests. After careful consideration of the matter, the Board have decided that the orders referred to above should be treated as modified to the extent indicated herein:—

(i) Where, e.g., for the purpose of Passes & P. T. Os., pay is deemed to be pay *plus* 40% of pay, it shall be deemed to be pay *plus* 60% of pay,

(ii) Where actual amount of running allowance drawn subject to a maximum of 40% of pay is treated as pay, e.g., for the purpose of leave-salary, medical attendance and treatment, educational assistance, retirement benefit, etc., actual amount of running allowance drawn, subject to a maximum of 75% of pay shall be treated as pay.

Effective from 1st November 1961.

(R. B. No. PC/60/RA-2/1 dated 11th December 1961) is to be held in Edinburgh during the week beginning September 8th, 1963.

Some forty-one organisations in twenty countries of Western Europe will take part and it will be the *first* European Congress in which all the leading accountancy organisations in Europe will be participating. The holding of the congress will increase the opportunities for accountants from different countries of Western Europe to discuss their common problems.

The Institute of Chartered Accountants of Scotland in its capacity as the oldest existing accountancy body in the world, is to act as host organisation for the Congress and will shoulder the burden of making the arrangements. The Institute has, however, set up an International Congress Policy Committee to deal with the general planning of the Congress.

* * *

Panvel—Apta Rail B. G. Line

The Ry. Bd. have sanctioned the construction of a 16 KM B. G. Rail Line between Panvel and Apta on the Central Railway. It is an extension of the Diva—Panvel line already sanctioned for construction.

Apta is a place where the Maharashtra Govt. is settiug up the Basic Chemical Intermediate Plant, an industry of national importance. The new line will also serve the transport needs of other industries which are likely to develop in this area as well as the passenger traffic.

* * *

Rail Link between Singrauli and Obera

Ry. Board have sanctioned the final location survey for a 64 KM B. G. Rail link between Singrauli and Obra on N. Ry., and preliminary works, such as acquisition of land, formation and bridge-works, connected with its construction.

Urgency Certificates amounting to Rs. 2.10 lakhs for the survey and Rs. 6·50 crores to cover the expenditure on preliminary works have also been sanctioned.

The proposed line is required for exploiting the hitherto undeveloped Singrauli coalfields which will commence production during the Third Five Year Plan. The production target of these coalfields has been fixed at 2.5 million tons per year during the Plan.

The line will connect the Singrauli coalfields with the Garwah Road—Robertsganj line at present under construction at Obra station.

* * *

Warehousing Facilities on Railways

As per the Indian Railways Amendment Act in force from 1st. Jan. '62, after the period of transit, which includes the period allowed free of demurrage and wharfage, Railways should extend warehousing facilities for general merchandise for a maximum period of 30 days. During this period, the responsibility of the Railways will be that of a Bailee, under the Indian Contract Act.

The warehousing facilities, however, will not be available for livestock, explosives and other dangerous goods carried by the railways.

The amended Act sets at rest the controversy about the responsibilities of the Railways for the goods after the expiry of free time at destination.

The shed accommodation on Indian Railways will therefore be increased by one million sq. feet to provide the warehousing facilities for general merchandise.

* * *

Track Renewals

It is learnt that a consignment of 20,000 tons of rails from the Soviet Union is on its way to India. Another consignment of 10,000 tons of rails from Russia has been received already.

These two consignments form part of 60,000 tons of rails which the Indian Railways are purchasing from that country.

The requirements of the Indian Railways, during the current year, for carrying out track renewals and developmental works, including laying of new railway lines and doubling of existing sections, are about 4.5 lakh tons. Only half of this is at present available from indigenous sources.

In order to meet the deficit, the Railways have, apart from the Russian imports, arranged to obtain another 85,000 tons from Poland, 40,000 tons from Czechoslovakia and 55,000 tons from Yugoslavia.

* * *

Manufacture of Mobile Steam Cranes by Indian Railways

The Jamalpur Workshops of the Eastern Railway are the first industrial undertaking, both in the public and private sectors, to manufacture a rail-mounted 20-ton mobile steam crane, B.G. No special purpose machinery was imported for this purpose, nor was any foreign expert consulted at any time. Twenty six more of the same type are to be built in these shops. When completed, this would have contributed to a saving in Foreign Exchange to the extent of Rs. 70 lakhs.

The manufacture of these cranes involves some 1212 different items of which only seven components are being imported as indigenous industry is not yet able to supply them.

The crane can be used for loading, unloading and transhipment of heavy consignments in the goods yards, as also for the clearance of tracks after an accident or a break-down.

* * *

Heavy Load Wagon Construction in Australia

A heavy load wagon, 92 ft. long, with a tare-weight of 97½ tons and carrying capacity of 180 tons, was delivered recently to the New South Wales Govt. Railways. It is the biggest rail vehicle built in Australia, and probably the biggest in the Southern Hemisphere. It was designed by N. S. W. Ry. engineers.

It will be used to transport huge generator equipment for the new Power Stations at Vale's Point and Munmorah, and other future heavy loads.

* * *

New Kind of Freight Train in U. S.

Thirtyfive U. S. Railroads are participating in a joint study of the possible benefits from semi-permanently coupled integral trains. They expect to achieve a trainload as large as 25000 tons (double the present U. S. capacity) with a specially designed integral train having the motive power built in.

This presupposes accumulation of bulk traffic to and from two stations, so as to avoid detentions enroute, and to enable fast movements, and quick loading and unloading.

The investigation is still not completed.

* * *

Monthly Statistics of Indian Railways

Gross Earnings: The approximate Gross Earnings for Jan. 62 were Rs. 41.60 crores, inclusive of Passenger Fares Tax, as against the actuals of Rs. 39.98 crores (excl. of Tax) for Jan. 61.

The cumulative earnings from April 61 to Jan. 62 were Rs. 409.24 crores (incl. of P.F. Tax), as against the actuals of Rs. 370.12 crores (excl. of Tax) for the period April 60 to Jan. 61.

Wagon Loading: The number of wagons loaded during Jan. 62 was less than that during Jan. 61 by 1.05% & 6.55% on B. G. & M. G. respectively. The cumulative loadings for the first ten months - April 61 to Jan. 62 - however showed an increase of 2.62% on B.G.; while on the M.G. there was a decrease or 1.38%, as compared with the corresponding period of 60-61.

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

B. G.	*M. G.*
Coal & coke for Public	Coal & coke for public
Jute raw	Sugarcane
Sugar	Cement

(*Continued on page 341*)

Personnel

Shri M. A. QADEER was appointed as Additional Member (Staff), Ry. Board, in place of Shri B. MAZUMDAR, retired.

Shri B. D. GAUR, Engineer-in-Chief, Brahmaputra Bridge Project, took over from Shri Qadeer as Director, Establishment, Ry. Board.

Shri M. S. NANJUNDIAH, Dy. F. A. C. A. O., S.E. Ry., appointed w.e.f. 20-11-'61 as offg. Jt. Director, Finance, (Accounts), Ry. Board, vice

Shri K. S. HARAVU, reverted as Dy. Director (Accounts).

Shri S. K. RAMANATHAN, offg. Asst. Director, Finance, (Budget Committee), appointed as offg. Dy. Director, Finance, (Special), Ry. Board, w.e.f. 20th Nov. '61.

Shri R. RAJAGOPALAN, offg. Director, Standards (Mechanical), R.D.S.O., transferred to Ry. Board's Office and appointed as offg. Director, Mechanical Engineering, in place of Shri I. HYDYRI, transferred to I.C.F.

Shri B. S. D. BALIGA, offg. C.E., D.B.K. Ry. Projects, transferred and appointed as offg. Director, R.D.S.O., vice

Shri K. K. RAO, transferred to N.E. Ry., as offg. C.E., vice

Shri INDER SINGH, transferred to N.F. Ry., in the same capacity, vice

Shri D. B. SINGH, proceeding on L.P.R.

Shri U. S. RAO, offg. Dy. C.E., N.Ry., to officiate as Engineer-in-Chief, N. Ry., vice

Shri G. B. SINGH, appointed as Divisional Supdt. on that Ry.

Shri GULSHAN RAI, offg. Liaison Officer, transferred to N.F. Ry., to officiate as Controller of Stores, vice

Shri A. T. MANSUKHANI, transferred to S. Ry., as Controller of Stores, vice

Shri C. D. ELLICOTT, proceeded on refused leave.

Shri C. R. SULE, offg. Dy. C.E. (Construction), D.B.K.R. Projects, appointed to officiate as C.E. (Construction), N.F. Ry., vice

Shri B. C. GANGULL, promoted as G.M. w.e.f. 11-1-'62.

Shri H. D. DHIR, Divl. Supdt., N.Ry., transferred to W.Ry., and appointed to officiate as Ch. Op. Supdt., on that Ry., vice

Shri G. S. KHOSLA, Ch. Op Supdt, W. Ry., transferred to N.Ry., in the same capacity, vice

Shri S. P. LAL, proceeding on leave.

Shri B. VENKATRAMANI, Divl. Op. Supdt., S.Ry., promoted as offg. Dy. Ch. Op. Supdt., on that Ry. w.e.f. 28-11-'61.

Shri C. V. B. MENON, Dist. Op. Supdt., S.Ry., promoted as Dy. Ch. Op. Supdt. (Planning), on that Ry., w.e.f. 12-2-'62.

Shri K. C. RAY, temp. A.A.O., E.Ry., transferred back to C.Ry., for appointment in the Senior Scale in the arrangement of

Shri S. JAGANNATHAN, to attend Refresher Course in Baroda Staff College.

Shir C. S. PRASAD, offg. S.A.O., S.E.Ry., transferred to E.Ry.

Shri K. R. THANGASWAMY, Sr. Scale Officer of Civil Engineering Dept, S.Ry., transferred to Diesel Loco Works, as offg. Dy. C.E., vice

Shri B. N. GUPTA, offg. Dy. C.E, transferred to D.B.K.R. Projects in the same capacity.

Shri A. SAHUL HAMID, F.A. & C.A.O., N. F. Ry., transferred to Chittaranjan Loco Works in the same capacity.

Shri M. C. G. MENON, S.A.O. on return from the Railway Staff Colloge, Baroda, is posted as DAO/RPM *vice* Shri G. V. RAJA, to report to G. M's office to take up the post of SAO/Vigilance.

Shri S. PARTHASARATHY, S. A. O. on return from the Railway Staff College and on reporting to duty at Madras is granted 44 days LAP from 3rd March, 1962.

Shri A. S. EKAMBARAM, S.A.O. (Instruction) Railway Staff College, Baroda on reporting for duty on the S. Railway is posted as SAO (W)/PER. He will take over charge of the post from Shri P. S. HARIHARAN, SAO (S)/PER who is at present in additional charge of this post.

The following changes in the postings of officers at ordered on Southern Railway.

Shri M. RAMJI, Officiating Deputy C.A.O. (General), Madras is posted as Officiating Dy. CAO (Construction)/MS *vice* Shri R. CHINNAPPA posted as officiating Dy. CAO (Traffic Accounts)/MAS *vice* Shri P.T. VENUGOPAL, posted as Officiating Dy. CAO (General) *vice* Shri M. RAMJI.

Shri S. K. BALASUNDARAM, Offg. AAO/Station Inspection/MAS is posted as Offg. AAO/Goods/Foreign *vice* Shri V. C. GOPALAN, posted as Offg. AAO/Station Inspection.

NEWS, NOTES & COMMENTS — (*Continued from page 325*)

B. G.	*M. G.*
Iron & Steel others	Iron & Steel others
All metallic ores	Tea
Limestone & Dolomite	Metallic ores others
Coal for other Govt. Rys. etc.	Coal for Home Lins
	Coal for other Govt. Rys. etc.

The increases were partially set off by decreased loadings under

B, G.	*M. G.*
Grains & Pulses	Grains & Pulses
Cotton Raw	Oilseeds
Sugarcane	Cotton Raw
Cement	Management ore
Miscellaneous smalls	Iron ore
Coal for Home Line	Limestone & Dolomite
Other Ry. Stores	Miscellaneous full wagons
	Miscellaneous smalls
	Other Ry. Stores

* * *

U. K. Bank Rate

The U.K. Bank Rate which was 6% from 2nd Nov. 61 has been reduced to 5½% from 8th March 62. This cut is expected to give a stimulus to industry which has been paying dearly for overdrafts.

The decision has been taken in the light of the continued strength of sterling in the Exchange Markets and the general economic situation.

* * *

Diesel Locos for Indian Railways

The U. S. Agency for International Development (U. S. Aid) has approved a loan of 35 million dollars (Rs. 16.27 crores) for the purchase of 125 Diesel Locomotives for the Indian Railways.

The U. S. has already financed the purchase of nearly 300 diesel locomotives as against an estimated requirement of 556 diesels to be put into service during the Third Plan.

Institute of Railway Accountants, Madras

During his recent visit to Hubli, the President Mr. N. Natarajan took the opportunity to address the Accounts Staff at the place and impressed upon them the necessity of safeguarding the interests of their profession to the utmost extent.

At the Meeting held on the 27th Feb. 62, it was decided to form a Branch with the nucleus of Local Members. It was also decided to enrol as many members as possible quickly and to start functioning without delay.

Sri R. Swaminathan, Divisional Accounts Officer, was unanimously elected as Chairman of this Branch. A Committee of seven members was also elected. These proceedings were subsequently ratified by the Headquarters Committee of Management.

It is hoped that the Branch will very soon have about a hundred members at least.

Even at Headquarters, the membership drive has been rapidly moving, and it is believed that the response will be very satisfactory in a very short time. It should be no surprise, if another hundred members are secured here with great ease. This should be possible with the reduction in the subscription rate and the enthusiasm instilled into the staff by the Canvassers. What is required is a sense of loyalty for the Profession which sustains them.

The President of the Institute is arranging for visiting other Divisional Headquarters in the near future, and inaugurate Branches everywhere. With the hearty co-operation of the Local Officers, the Scheme is bound to be a success, provided of course they are keen on maintaining the integrity of the Railway Accountancy Profession with all their might.

With the ever-increasing developments envisaged under the Five-Year Plans, the need for keeping abreast of times is obvious. There is no better body than an Institute to undertake the work of consolidating the members of the Profession and encourage them to give of their best in the interests not only of the present body but of the future generation as well. There is bound to be much latent talent, and it only requires the Institute to tap it and make the best use of it.

We hope that the Institute will fulfil our expectations and enjoy the credit and everlasting gratitude of the members of the Profession.

THE RAILWAY ACCOUNTANT

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INSTITUTE OF RAILWAY ACCOUNTANTS

STUDENT'S CORNER