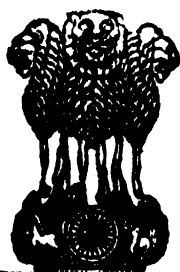


ESTIMATES COMMITTEE

Twenty-Sixth Report **1955-56**

MINISTRY OF RAILWAYS
COMMERCIAL MATTERS



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C O R R I G E N D A

TWENTY-SIXTH REPORT OF THE ESTIMATES COMMITTEE ON THE
MINISTRY OF RAILWAYS

- Page 15, Heading (e); read 'Dependent' for 'Dependant'
- Page 20, Para 61, Line 5; read 'determined' for 'determind'
- Page 40, Para 132, Line 11; read ',' for '.' after 'Books'
- Page 58, Para 177, Line 4; insert '-' between 'Fisheries' and 'to'
- Page 62, Para 193, Line 1; read 'Officers' for 'Officer'
- Page 71, Serial No. 88; read 'Waiting Rooms - Maintenance of'
for 'Wharfage and Demurrage'
- Page 80, Serial No. 6, Line 11; Delete 'be' from between 'will'
and 'enable'
- Page 81, Serial No. 10, Line 13; read 'depende t' for 'defendent'
- Page 82, Serial No. 13, Line 8; read 'various' for 'verious'
- Page 83, Serial No. 17, Last Line; read 'dereliction' for
'deriliction'
- Serial No. 19; read '70-71' for '70'
- Page 84, Serial No. 19, Line 4; read 'the Railways' for 'Railway'
- Serial No. 21, Line 2; read 'bulletins' for 'bulletin'
- Serial No. 22, Line 4; read 'basic' for 'basie'
- Page 85, Serial No. 24, Line 4; read 'relating' for 'relati g'
- Page 86, Serial No. 31, Line 2; read 'coaches' for 'c aches'
- Line 7; read 'distributed' for 'distribut d'
- Line 8; read 'accommodated' for 'accom odated'
- read 'sectional' for 'ectional'
- Page 87, Serial No. 31, Line 4; read 'recommend' for 'reco mend'
- Serial No. 32, Line 4; read 'travelling' for 'trav lling'
- Line 6; read 'ticket' for 'ti-ket'
- Serial No. 33, Last Line; read 'suggestions' for 'suggesti ns'
- Page 91, Serial No. 39(a), Line 9; read 'Bookstall' for 'Bookstalls'
- Serial No. 40, Line 14; delete ',' after 'advise'
- Page 92, Serial No. 42, Line 3; read 'Committees' for 'Committee'
- Serial No. 43(iv), Line 1; read 'National' for 'national'
- Page 93, Serial No. 46(c), Line 5; read 'integrated' for
'integrated'

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Shri H. N. Trivedi—*Deputy Secretary*.
Shri R. P. Kaushik—*Under Secretary*.

*Elected Member with effect from the 7th December, 1955 *vice* Shri R. Venkataraman resigned.

INTRODUCTION

I, the Chairman, Estimates Committee having been authorised by the Committee to submit the Report on their behalf present this Report on the Ministry of Railways on the subject, 'Commercial Matters'.

2. The Committee wish to express their thanks to the Chairman and Members of the Railway Board and other Officers of the Ministry of Railways for placing before them the material and information that they wanted in connection with the examination of the estimates. They also wish to thank the representatives of the Federation of Indian Chambers of Commerce and Industry, New Delhi, the All India Manufacturers' Organisation, Bombay, the All India Federation of Transport Users' Associations, Bombay, the National Federation of Indian Railwaymen, New Delhi and Sarvasbri H. N. Kunzru, M. P., Shanti Prasad Jain, L. P. Misra, K. C. Bakhle, I. S. Puri, V. P. Bhandarkar and B. B. Varma for giving their evidence and making valuable suggestions to the Committee.

BALVANTRAY G. MEHTA,
Chairman,
ESTIMATES COMMITTEE.

NEW DELHI;
The 5th April, 1956.

INTRODUCTORY

As a commercial organisation, one of the main responsibilities of the Railways is "to earn revenues". Various departments of the Railways, such as Transportation, Civil Engineering, Mechanical Engineering etc., etc., are the "spending" departments, whereas Commercial department is the only department on the Railways, which is an "earning" department. The need for a strong Commercial organisation on Indian Railways cannot, therefore, be exaggerated. This point has been repeatedly stressed by the previous Committees including the Indian Railway Enquiry Committee (1947). That Committee rightly pointed out that during the period of continued transport shortage, the normal functions of the Commercial departments were likely to be lost sight of. This is the situation even today. With the increasing expansion of Indian Railways, a stage is bound to come, when the Railways will succeed in increasing their capacity to produce transportation, until the supply exceeds the demand. When this stage is reached, the Commercial departments of the Railways will assume greater importance than at present, as they will be required to zealously watch the earnings of the Railways and take steps to increase the same by creating new markets for the surplus transportation available. In order that the Railways may not be found napping, when this stage is reached, the Commercial Officers of the Indian Railways should be carefully selected and properly trained in the art of salesmanship. In this connection the Committee are in agreement with the qualifications laid down by the Indian Railway Enquiry Committee (1947) for a Commercial Officer of Indian Railways:—

- (a) An aptitude to appreciate the commercial implications of the various measures taken to raise the revenues. For this purpose, he should have a close familiarity with the rate structure, Railway Law, Railway statistics and their use and possess an analytical brain;
- (b) An even and pleasant temperament, which is needed in his dealings with the public, as his work brings him in constant touch with them;
- (c) The ability to understand the market conditions of commodities and also trade requirements. His interests should cover a wide field of knowledge of economic activities generally, particularly method of production and distribution of industries and trade.

2. The main functions of the Commercial department are as under:—

- (i) Fixation of rates and fares and publication of tariffs;
- (ii) Issue, checking and collection of tickets and concession orders;
- (iii) Settlement of compensation claims and refunds including the remission of demurrage and wharfage;

- (iv) Acceptance, booking and delivery of goods traffic;
- (v) Publicity and advertisement;
- (vi) Catering; and
- (vii) Traffic surveys for new construction etc., etc., etc.

3. There are a number of spheres, where the line of demarcation between the functions of the Operating and Commercial departments has been somewhat blurred, with the result that the subjects which are dealt with by these two departments varied considerably from Railway to Railway. With a view to bring about uniformity in this respect, a Committee was appointed by the Railway Board to advise on the allocation of work between the Commercial and Transportation departments of all Railways on uniform basis in the headquarters and division/district offices. On receipt of the recommendations of this Committee, the Railway Board issued instructions to distribute the work between these two departments. The list of distribution of work entrusted to the Commercial department is given in Appendix I.

II

RAILWAYS' RATES AND FARE STRUCTURE

A. Introduction

4. As stated earlier, Railways are like a business concern. The Operating department, with the aid of other departments, manufactures and makes available for sale to the public, the commodity called 'transportation'. The Commercial department, which is akin to the 'Sales Department', fixes its sale price. Fixing the sale price of 'transportation' is a complicated affair. It is a determining factor in the production, distribution and price of other commodities. Besides, it must have a selling price, which is satisfactory both to the Railways and the public alike. It must be satisfactory to the Railways, in that it must yield sufficient revenues, to cover expenses and provide a profit. It must also be satisfactory to the public, in that, it must enable them to market their products, meet competition and realise a profit. Thus, the selling price of transportation must be fixed with due regard for the needs of both the Railways and the Railway users.

5. In fixing the price of a commodity, a producer generally takes into consideration only those economic laws, which affect his particular commodity, whereas the Railways in fixing their rates must consider all economic laws related to the transportation of each and every commodity. They must also make a profit, if they are to remain in business. The general level of rates must, therefore, exceed the general level of expenses. The margin above expenses should be large enough to pay the interest on the Capital-at-charge, to build up revenue reserve, to contribute towards the general revenue and to provide for improvements, new equipment and necessary extensions.

6. The Railways carry a large variety of articles, raw materials, finished products, goods in bulk and in bags, perishables, liquids, fragile and dangerous goods, chemicals, medicines, foodstuffs, minerals and what not. All these commodities transported directly or indirectly enter into the daily life of the common man. The Railways cannot reason that a commodity, which furnishes 10 per cent. of its total traffic volume, should produce 10 per cent. of its revenues. They must take into account all the factors in connection with the individual commodity groups and must apportion the burden imposed upon each one, so as to ensure a sufficient aggregate return upon its investment and at the same time, place no undue burden on any commodity, nor must any commodity be so favoured as unduly to discriminate against other commodities.

7. The principal factors considered in the fixation of rates for commodities are (i) cost of service, (ii) value of service, (iii) character and value of commodity, (iv) volume and regularity of movements and (v) market competition.

(i) *Cost of service:*

8. In the construction of rates, cost of service, though in itself not conclusive, is an exceedingly important consideration. It is the minimum level, which the Railways must have always in mind. The total revenue must exceed total cost. The total cost must be distributed over all the traffic, which the Railways carry. This cannot be done, however, through the sole consideration of the relation of volume of any commodity to the volume of traffic moved. Each element entering into the transportation of each commodity must be considered and in the consideration of each element, a very fine sense of proportion must be maintained. As far as possible, discrimination against any commodity to the advantage of any other must be avoided. The transportation characteristic of each commodity must be given due weight, so that each commodity may contribute its just share towards total revenues. It is, therefore, of very great importance, that the Railways must have means to make a reasonably correct assessment of costs for the transportation of different types of principal commodities, which make up their volume of traffic. Without this, the Railways will not be in a position either to build up a sound rate structure or to verify the efficacy of their existing rate structure.

(ii) *Value of service:*

9. It is representative of the maximum that the public can afford to pay for the transportation service. Since the Railway business is subject to the economic law of increasing return, it is desirable to adjust the rates at a level that will produce the largest volume of traffic. The importance of the value of service principle, as a factor in rates making, lies in the fact that it is closely related to the value of commodities. The two factors combined may be considered as "what the traffic will bear". The value of service element is approximately comparable to a graduated scale of income-tax. Just as the income-taxes are to some extent based upon what the income will stand, so freight rates based upon value of service and value of commodity are made with relation to what the traffic will bear. It is an economic truism that low grade commodities selling for low prices, must necessarily be transported at low freight rates. Freight rates may also vary for articles in different stages of manufacture. The principle of value of service is not the absolute determining factor in rate making—its importance decreases in the days of prosperity and its importance increases, when the general price level declines and the margin of profit becomes smaller. It contributes to the maintenance of a sense of proportion in the fixation of rates for various commodities and classes of commodities. It tends towards preventing the imposition of burdensome freight rates on industries, which could ill-afford to pay high rates, correspondingly it shifts a proportionate share of burden to the higher classed commodities, which can better afford to stand the burden of higher rates.

(iii) *Character and value of commodity:*

10. This largely determines what other principles of rate construction shall be used in measuring the rates. Both cost of service and value of service are to an extent dependent upon the nature of commodity, i.e., bulk, value, risk involved, liability to loss and damage

in carriage; stage of manufacture, ease of handling, special equipment required, whether a necessity or a luxury and its relationship to other commodities.

(iv) *Volume and regularity of movements:*

11. Whether the rates are based upon the cost of service principle or upon the value of service principle, consideration must be given to the volume of traffic represented in the movement of a particular commodity. Volume of traffic is closely related to the general rate level. It is obvious that a large and steady volume of traffic will be conducive to low freight rates. Just as a large production of any particular commodity enables a manufacturer to turn out his product at a much lower cost, similarly large volume of traffic enables a carrier to transport it at a lower rate. That is why in a thickly populated country, the level of rates is usually lower than in a sparsely populated country. Full wagon-load consignments are cheaper to carry than the less-than-wagon loads. Fixation of minimum weight condition to lower rates is justified by this.

12. The degree of regularity with which traffic moves has a most decided effect upon the costs and consequently upon the rates. Regularity of movement tends to facilitate economical use of equipment. Large volumes and steady flow tend to reduce costs and ultimately rates. The most important single factor in the production of increasing returns upon a Railway is the density of traffic, that is to say, the amount of business, which can be conducted with a given set of rails, terminals and rolling stock.

(v) *Market competition:*

13. The relation of market competition to freight rates is not the sole determining factor in its construction. It is, however, an important factor in so far as the initiation of rates is concerned. The Railways try to facilitate the movements of commodities to certain markets with a view to preserving market competition not only between commodities, but between markets. The rates based on this basis are beneficial to both the Railways and the rail-users.

B. Classification of goods on Indian Railways

14. Classification aims at grouping all commodities with reference to their transportation characteristics *inter se* or in relation to others. The economic basis of classification rests on the dual principle of (a) value of service depending upon the intrinsic value, uses, stage of manufacture and the volume of traffic and (b) cost of service or rather the extra cost incurred in rendering the special service represented by bulk, volume, risk involved, loads obtained in a wagon, speed of transit and other factors.

15. Prior to 1884, every Railway in India had its own classification as simple as their English progenitors. The Government of India in its historic resolution of 12.12.1887 enunciated the principles that

16. The Railways did not accept the position of maxima and minima being the same (except for special class). A revised minimum was fixed from 1891 as '10 pie per md. per mile for Special Class and '166 pie per md. per mile from 1st to 5th class.

17. As a result of the efforts of the Traffic Simplification Committee of the I.R.C.A. constituted in 1905 the "General Classification of Goods" came into existence from 1-7-1910 and a new class was added known as X class for explosives and dangerous goods with a maximum of 1.50 pies per md. per mile and minimum of .166 pie per md. per mile to the existing classification.

18. The period after the first World War necessitated an increase in freight rates and the classification was revised in April, 1922 increasing the number of classes to 10 as under:—

Class										Rates per md. per mile	
										Maximum pies	Minimum pies
1	.	.	.	.	.	.	.	.	.	·38	·1
2	.	.	.	.	.	.	.	.	.	·42	·1
3	.	.	.	.	.	.	.	.	.	·58	·166
4	.	.	.	.	.	.	.	.	.	·62	·166
5	.	.	.	.	.	.	.	.	.	·77	·166
6	.	.	.	.	.	.	.	.	.	·83	·166
7	.	.	.	.	.	.	.	.	.	·96	·166
8	.	.	.	.	.	.	.	.	.	1·04	·166
9	.	.	.	.	.	.	.	.	.	1·25	·166
10	.	.	.	.	.	.	.	.	.	1·87	·166

19. This revision also had the following defects:

- (a) The number of classes was inadequate for a sufficiently elastic gradation of the different commodities that were to be classified.
- (b) The system of flat class rates based on maximum permissible charges failed to make allowance for what was perhaps the most potent factor in limiting the ability of traffic to bear charges namely, the distance; and
- (c) The 'spread' between the basic charges of the different classes was uneven.

20. The classification was, therefore, again revised in 1936 raising the number of classes to 16 as under:—

<i>Class</i>										<i>Rates per md. per mile</i>	
										<i>Maximum pies</i>	<i>Minimum pies</i>
1	·380	} ·100
2	.	.	.	.	.	.	.	.	.	·420
2A	.	.	.	.	.	.	.	.	.	·460
2B	.	.	.	.	.	.	.	.	.	·500
2C	.	.	.	.	.	.	.	.	.	·540
3	·580	} ·166
4	.	.	.	.	.	.	.	.	.	·620
4A	.	.	.	.	.	.	.	.	.	·670
4B	.	.	.	.	.	.	.	.	.	·720
5	.	.	.	.	.	.	.	.	.	·770
6	.	.	.	.	.	.	.	.	.	·830
6A	.	.	.	.	.	.	.	.	.	·890
7	.	.	.	.	.	.	.	.	.	·960
8	.	.	.	.	.	.	.	.	.	1·040
9	.	.	.	.	.	.	.	.	.	1·250
10	.	.	.	.	.	.	.	.	.	1·870

21. This classification had the following drawbacks:

- (i) The flat class rates ignored the transport economies inherent in long hauls;
- (ii) There was still a very large number of 'schedule rates' and 'station-to-station' rates;
- (iii) Terminal charges varied from Railway to Railway, from commodity to commodity and from rate to rate (*viz.*, haulage rate).

22. With effect from 1-10-1948, therefore, the following standard telescopic class rates chargeable on continuous mileage have been

introduced on the Indian Railways in replacement of the flat class rates previously in force:

Class	Basis of telescopic class rate pie per maund per mile			Minimum pie per maund per mile	Maximum pie per maund per mile
	For the first 300 miles	Plus for the next 300 miles	Plus for distances beyond		
1st . .	·49	·45	·40	·16	·49
2nd . .	·54	·49	·45		·54
3rd . .	·58	·54	·49		·58
4th . .	·63	·58	·54		·63
5th . .	·68	·63	·58		·68
6th . .	·73	·68	·63		·73
7th . .	·78	·73	·68		·78
8th . .	·84	·78	·73		·84
9th . .	·90	·84	·78	·20	·90
10th . .	·97	·90	·84		·97
11th . .	1·04	·97	·90		1·04
12th . .	1·11	1·04	·97		1·11
13th . .	1·18	1·11	1·04		1·18
14th . .	1·41	1·18	1·11		1·41
15th . .	2·11	1·41	1·18		2·11

These standard telescopic class rates have been modified from 1-4-55. as under :

Class	Basis of telescopic class rates pies per md. per mile			Min. pie per md. per mile	Max. pie per md. per mile	Max. rate per md excl: of terminals transhipment and other extra char- ges which should be added.
	For the first 300 miles	Plus for next 300 miles	Plus for dis- tances beyond			
1st	·54	·45	·34	·16	·54	Rs. 3/3/-.
2nd	·59	·49	·38		·59	Rs. 3/8/-.
3rd	·64	·54	·42		·64	Rs. 3/13/-.
4th	·69	·58	·46		·69	Rs. 4/3/-.
5th	·75	·63	·49		·75	Rs. 4/8/-.
6th	·80	·68	·54		·80	Rs. 4/14/-.
7th	·86	·73	·58		·86	Rs. 5/4/-.
8th	·92	·78	·62	·20	·92	Rs. 5/9/-.
9th	·99	·84	·66		·99	Rs. 6/-/-.
10th	1·07	·90	·71		1·07	Rs. 6/7/-.
11th	1·14	·97	·76		1·14	Rs. 6/14/-.
12th	1·22	1·04	·82		1·22	Rs. 7/6/-.
13th	1·30	1·11	·88		1·30	Rs. 7/15/-.
14th	1·55	1·18	·94		1·55	Rs. 8/11/-.
15th	2·32	1·41	1·00		2·32	Rs. 10/9/-.

23. This revised Rates Structure had the following advantages:

- (i) Telescopic principle was introduced in the class rates which were applied to journeys as a whole;
- (ii) The plethora of 'schedule rates' and 'station-to-station' rates were abolished;
- (iii) Uniform wagon-load scales and uniform minimum weight conditions were introduced;
- (iv) Terminal charges were standardised;
- (v) Inter-railway competition in the quotation of rates became a thing of the past. The shortest route became the cheapest;
- (vi) By an amendment of the Indian Railways Act in 1949, the need to execute separate risk notes has been obviated, and railways were made statutorily liable for loss or pilferage, whether due to misconduct or negligence on the part of a railway or its servants, evidence of absence of misconduct or negligence to be furnished by the railway to the same extent as before;
- (vii) a statutory Rates Tribunal was appointed. No complaint can be withheld from the tribunal so long as it relates to undue preference, unreasonableness of rates, packing conditions and risk or minimum weight. If a party considers that a Railway has been unreasonable in its refusal to quote a station-to-station rate, a complaint can lie to the tribunal.

C. Existing policy regarding rate and fare structure on the Indian Railways.

24. The general policy is to fix Railway rates and fares at such levels as would be commensurate with the value of the services rendered to the Railway users on the one hand and would bring in sufficient revenue on the other to meet the cost of Railway operations, maintenance and depreciation and the interest on capital-at-charge payable to the general revenue. It should also provide an adequate margin for appropriating suitable sums to the Development and Revenue Reserve Funds.

(a) GOODS RATES:

25. So far as goods rates are concerned these fall broadly into two categories, namely, the classified rates including the wagon load scales and the 'station-to-station' or special rates.

(i) Classified rates:

26. (a) These are fixed taking into account, what are known as the 'Transportation Characteristics' of the commodity; this expression covering various factors, such as the value of the commodity, the use to which it is put and the stage of manufacture, the bulk of the commodity in relation to its weight, risk of damage, wastage in transit, the volume of traffic etc.

(ii) *Station-to-station or special rates:*

26. (b) These are abatements in the classified rates made in respect of traffic in particular commodities and between particular points, based on exceptional considerations, such as competition with another mode of transport, the general inability to bear the full freight particularly in the case of long hauls etc.

(b) **PASSENGER FARES:**

27. Passenger fares for different classes take into account the amenities and comforts provided in the respective classes of accommodation. The speed of different trains is also taken into account in fixing different basis for charge by ordinary and by Mail/Express trains, though this is not done in respect of 1st class.

D. Appointment of the Railway Freight Structure Enquiry Committee:

28. The revised rates, introduced from 1948, were no doubt a big step towards the rationalisation of freight structure of Indian Railways. This work of rationalisation, however, had to be carried further. Many new factors arose, since the introduction of these rates, necessitating a further revision of the Railway freight structure. The urgency of this revision is indicated in the following extract from an article on "RAILWAY FREIGHT RATES" written by Shri I. S. Puri, ex-Financial Commissioner of Railways and published in the "Statesman", dated the 10th November, 1955.

"It would, therefore, be an exaggeration to say that the changes made in 1948 cleared away, from an antiquated structure, all the dead wood that had accumulated over decades. The work of rationalisation then started has to be carried further and completed. New factors have arisen. Economically, the country is not the same, as it was seven years ago. Millions of additional acres have been brought under the plough and millions more will be added in the next Plan period. Old deficits in food-grains and cash crops have disappeared. New targets have been set for industrial expansion. The railways are faced with ever increasing demands for transport. Moreover, they are called upon to play a positive and dynamic role in the opening up and development of the country and are not considered a mere dividend-earning investment. They have adopted a bold policy of expansion, which is bound to have far reaching results, not only on the economy of the country, but also on the finances of the railways themselves. This gives urgency to the work of overhauling the freight structure."

29. A Railway Freight Structure Enquiry Committee has, therefore, been appointed by the Government of India with the following terms of reference:

- (i) To review the present railway freight rate structure in all its aspects and to suggest what modifications should be made, bearing in mind the needs of a developmental

economy and the necessity for maintaining the financial stability of the Railways;

- (ii) To examine whether the statutory provisions dealing with the responsibility of railways as carriers need any, and if so, what modifications; and in the light of the modification proposed, whether any adjustment in freight rates is warranted;
- (iii) To examine what changes, if any, are needed in the existing constitution, jurisdiction and rules of procedure of the Railway Rates Tribunal, so that the Tribunal might be a more effective and expeditious instrument for adjudication of railway freight matters at a reasonable cost to the litigant; and
- (iv) To make recommendations.

30. The representative of the Railway Ministry informed the Committee, that it was not possible to give any indication, as to when the report of the Freight Structure Enquiry Committee would be available, as the task was fairly big and had to be done in a detailed and scientific way.

31. As the work of revising the existing freight structure of Indian Railways has been assigned to the Railway Freight Structure Enquiry Committee, the Committee do not propose to offer any detailed recommendations on the subject. The Committee would like to make the following broad suggestions :

- (i) The freight structure should be such as to ensure the financial stability of the Railways.
- (ii) With the above proviso, it should be such as to give some consideration to the cottage and the newly developing small scale industries.
- (iii) It should also give some consideration to the export and import traffic. This consideration should be given to the traffic to and from the major as well as the intermediate ports so as to rationalise the movement of traffic with a view to avoiding undue congestions at the major ports.

32. One suggestion made to the Committee was that there should be a permanent Railway Rates Advisory Body in addition to the Railway-Users' Consultative Council. Shri L. P. Misra, ex-Chief Commissioner of Railways, pointed out that any system of rates was bound to lead to snags, but at present there was no machinery to remove these snags expeditiously. The Railway Rates Tribunal took a very long period to decide a case. He, therefore, suggested that the Railway Board should have a Director to advise whether the increase in a particular rate or in a particular Railway required revision or reconsideration, so that the aggrieved party could appeal to the Railway Board. In his opinion such a system would ensure that the case was looked into non-judicially on the executive side taking into consideration the various pros and cons of the proposal. The Committee suggest that the two proposals be examined by the Railway Ministry. In this connection, the Committee would like to invite the attention of the Railway Ministry to the fact that on German Federal Railways, a sub-committee,

called the Standing Tariff Committee has been set up by Government for the purpose of examining proposals and changes in the tariff proposed by the Railway Administration. This Committee is composed of representatives of the Railways and of associations of industries and other bodies nominated by Government. This procedure of consultation, according to the report of the Indian Railway Delegation to the Soviet and other European Railways, has ensured a wider appreciation of the problems of the Railways by the users, as also enabled the Railways to introduce changes in the tariffs with a considerable amount of public support. In the event of any difference of opinion between the Railway and other representatives in this Committee, the Railway Administration is competent to take a final decision with the approval of the Minister.

E. Railway Rates Tribunal, Madras

33. The Railway Rates Tribunal is a statutory body, formed in 1949 under section 34 of Chapter V of the Indian Railways Act. It consists of a President, two Members and a Secretary. The statutory function of the Tribunal is to hear and decide cases brought before it, alleging that a Railway Administration is:

- (a) making or giving any undue or unreasonable preference or advantage to, or in favour of any particular person or Railway Administration or any particular description of traffic, in any respect whatsoever, or subjecting any particular person or Railway Administration or any particular description of traffic to any disadvantage in any respect, or
- (b) charging station-to-station rates or wagon-load rates, which are unreasonable owing to any condition attached to them regarding minimum weight, packing, assumption of risk or any other matter, or
- (c) levying charges (other than standardised terminal station charges), which are unreasonable, or
- (d) unreasonably refusing to quote a new station-to-station rate, or
- (e) has unreasonably placed a commodity in a higher class.

[Sections 28, 39 to 46-B of the Indian Railways Act (IX) of 1890 give the functions of the Tribunal in greater details.]

Volume of Work

Year	No. of complaints received	No. disposed of during the year	No. of cases pending
1950-51	5	..	5
1951-52	8	8	5
1952-53	5	5	5
1953-54	8	9	4
1954-55	4	3	5

34. The Committee understand that the disposal of cases often takes a very long time, even more than a year. The Committee suggest that suitable simplified procedure should be evolved so as to ensure that a case referred to the Tribunal is disposed of within a period of six months. This will also reduce the number of cases pending at the end of the year.

35. The representative of the Railway Ministry informed the Committee, while giving reasons for the location of the office of the Tribunal at Madras, that originally the intention was to locate the office of the Tribunal at Nagpur, a central place, but suitable accommodation was not forthcoming. The Government of Madras provided accommodation and so it was decided to locate it at Madras. He further added that on receipt of complaints from the public that they had to incur heavy expenditure in going to Madras, instructions were issued with the consent of the Chairman of the Tribunal that they might visit big centres like Calcutta, Bombay and Delhi for trying the cases there and the same practice was continuing.

36. The Committee feel that the headquarters of the Tribunal are too far off and attempts should be made to locate the same at some central place easily accessible to all. The Committee also suggest that the feasibility of referring some controversial claims cases to the Tribunal for opinion before proceeding to courts of law might be examined by the Railway Ministry, as the Tribunal's opinion may be valuable in such cases and may save a lot of unnecessary expenditure. The Committee understand that in the cases of removal or dismissal of class III employees where appeal lies to the General Manager, there is a provision for the case being referred to the Tribunal, if so desired by the employee concerned. The position should be carefully examined by the Railway Ministry to ascertain whether this provision has resulted in better chances of justice and satisfaction to the employees or whether it has simply resulted in causing abnormal delays in the disposal of cases. The Railway Ministry should also examine whether some other useful work can be entrusted to the Tribunal so that the spare time of the Tribunal can be usefully utilised.

F. Introduction of Rates Registers on Railways

37. The estimates for the compilation and maintenance of rates registers on the Railways have been prepared by the Railway Administration. In the meantime, however, the Railway Freight Structure Enquiry Committee has been appointed to review the present railway freight structure in all its aspects and to suggest, what modifications should be made in it. It has, therefore, been decided to postpone the introduction of rates registers till the recommendations of the Committee and the Government's decisions thereon are known, as the expenditure and labour incurred in the compilation of the rates registers would be infructuous in case the present rate structure is materially modified, as a result of the Railway Freight Structure Enquiry Committee's recommendations.

38. The Committee understand that in the absence of rate registers, there are a number of cases, where the rates are either undercharged or overcharged, which results in loss of revenue to the

Railways in one case and a lot of unnecessary harassment to the public on the other. The Committee, therefore, recommend that Railways should be ready to introduce the rates registers on all Railways soon after the date the Government take final decision on the recommendations of the Railway Freight Structure Enquiry Committee. This will also enable the public to obtain an authorised rate from a station for the traffic they intend to book from there, instead of approaching the Railway Headquarters or the Rate Quotation Bureaus.

G. Miscellaneous

(a) COST OF PROVIDING SPECIAL TYPES OF WAGONS:

39. The Railway Ministry informed the Committee that the question whether the rates charged for special type of stock were adequate to cover the cost of providing such stock was examined in the year 1949 and it was found that the existing level of charges adequately covered the cost of providing special types of wagons. The representative of the Railway Ministry further informed the Committee that a detailed investigation was going on at present in that connection at the instance of the Railway Freight Structure Enquiry Committee.

40. The Committee feel that this is a matter which should be very carefully looked into and the Railways should ensure that the Railway rates adequately covered the cost of providing special types of wagons.

(b) MINIMUM WEIGHT CONDITIONS FOR BROAD GAUGE AND METRE GAUGE WAGONS:

41. As the capacity of the newly constructed B.G. and M.G. wagons is higher, the Committee suggest that the question of revising the present minimum weight conditions should be examined afresh with a view to securing the maximum utilisation of the increased capacity of the wagons.

(c) TERMINAL CHARGES:

42. Apart from their duties as public carriers, the Railways have to provide certain facilities at both the forwarding and receiving ends in the shape of stations, goods sheds, warehouses, sidings, wharves, approach roads and have to render certain services in the shape of weighing, marking, invoicing, loading, unloading, shunting, marshalling etc. to facilitate receipt and delivery of goods from and to the traders and for these facilities and services Railways charge certain amounts in addition to the transportation charges.

43. Section 32 of the Indian Railways Act, 1890 authorises the Central Government to fix the rates of terminal and other charges for the whole or any part of a Railway and prescribe the conditions in which such rates will apply. Section 3(14) of the Indian Railways Act, 1890 defines "terminals" as including charges in respect of stations, sidings, wharves, depots, warehouses, cranes, and similar other matters and of any services rendered thereat.

44. The representative of the Railway Ministry informed the Committee that it was not possible to work out the terminal charges separately for different services, as these included charges in respect of stations, sidings, wharves, depots, warehouses and similar other things. Further, it was a question of separately apportioning the charges between goods and passenger traffic for each terminal and since there were so many stations, it would mean a considerable amount of work.

45. The Committee understand from the Railway Ministry that the Railway Freight Structure Enquiry Committee are considering the question whether the terminal charges should be imposed separately and if so on what basis or whether it should be integrated with the regular freight as in the U.S.A. The Committee, therefore, do not suggest any modification of this charge at this stage, but would like the Railway Ministry to make a reference in this connection to some of the advanced countries to ascertain the procedure followed in those countries and to place all the material before the Railway Freight Structure Enquiry Committee for their consideration to evolve a rational system of charging terminal charges.

(d) COST OF HAULAGE OF THE AIR CONDITIONED AND FIRST CLASS CARRIAGES:

46. The Committee feel that there is a case for investigation as to what extent, if any, the air-conditioned class or the first class was being subsidised by other classes. The Committee, therefore, recommend that the capital cost of various classes of rolling stock should be worked out and then the earnings compared with the capital cost of stock, interest, maintenance and depreciation charges thereon and the cost of haulage per vehicle.

(e) AVERAGE AND DEPENDANT COST OF HAULAGE OF DIFFERENT COMMODITIES:

47. As pointed out in the Committee's Report on Finance & Accounts, the Indian Railways should develop a system of accounting and analysis which would enable them to ascertain with a fair measure of accuracy, the costs of various services, and the average and dependant cost of haulage of different commodities. This knowledge will be of considerable use in working out goods tariffs from time to time.

III

COMPENSATION CLAIMS ON RAILWAYS

A. Introduction

48. The high incidence of claims against the Indian Railways, particularly during the post-war years, has been a source of great anxiety all round. Appendix II contains a statement showing the number of claims, amounts paid and gross earnings of Indian Railways from the year 1931-32 to 1954-55. During the pre-war period, the claims figure was only about .05% of the gross earnings of the Railways, whereas during the post-war years, this figure is more than 1% (except in 54-55). As rightly pointed out by the Railway Corruption Enquiry Committee, the high figure of compensation paid means a heavy drain on the revenues of the Railways, badly needed for rehabilitation and development. Apart from the monetary aspect, the harassment this causes to the customers and loss of their goodwill is out of all proportion to the amount involved. The figures of number of claims settled, number of claims remaining unsettled at the close of the year, the number of claims paid and the value of claims paid together with the average time taken in the settlement of a claim are given below for ready reference for the last four years.

Year	No. of claims settled during the year	No. of claims remaining unsettled at the close of the year	No. of claims paid during the year	Value of claims paid during the year*	Average time taken in the settlement of a claim in days
1951-52	382,638	83,026	181,825	3,15,75,406	72
1952-53	365,215	71,149	185,548	3,14,08,745	71
1953-54	376,680	68,859	198,792	2,86,69,650	68
1954-55	387,761	60,471	210,279	2,68,00,489	61

From the above figures, it will be seen that there is a wide difference between the number of claims settled during the year and the number of claims paid during the year. The Committee were informed that this difference was due to the fact that the number of claims settled includes the number of claims paid as well as the number of claims repudiated. From the third column, it will be seen that the number of claims remaining unsettled at the close of the year is on the high side. What is more, though during 1954-55 as many as 11,081 claims were settled in excess of the figure for 1953-54, the drop in the number of claims remaining unsettled was only 388. This indicates that the machinery for the settlement

*Value of claims paid represents the total amount for which pay orders have been issued during the year.

of claims needs to be geared up further. There are however, two satisfactory features in the performance during the last four years. One is that the value of claims paid during the year has shown a progressive decrease, in spite of an increase in the number of claims paid. Secondly, the average time taken in the settlement of a claim has also shown a progressive reduction. Complaints about the delays in the settlement of claims are, however, still very frequent. The necessity of expeditious settlement of individual claims cases cannot, therefore, be overstressed.

B. Reasons for increase in the number and amount of compensation claims

49. A statement is given below indicating the number and amounts for compensation claims paid during the last four years under seven different heads:—

Number and amount paid for compensation claims during the last four years by causes

Serial No.	Causes	1951-52		1952-53		1953-54		1954-1955	
		No. of claims	Amount in lakhs	No. of Claims	Amount in lakhs	No. of claims	Amount in lakhs	No. of claims	Amount in lakhs
1	Claims paid on account of goods lost . . .	60,737	116.33	70,847	115.75	81,193	107.01	89,442	104.80
2	Claims paid on account of goods stolen . . .	34,641	60.21	30,222	58.28	23,008	43.38	21,118	38.43
3	Claims paid on account of goods damaged by wet . . .	10,632	19.04	12,228	20.83	16,642	28.65	17,202	27.48
4	Claims paid on account of goods damaged by fire . . .	144	0.74	423	1.50	103	1.62	44	0.87
5	Claims paid on account of goods damaged by breakage . . .	3,978	4.86	2,913	4.68	2,501	3.36	3,293	4.21
6	Claims paid on account of parcels and luggage lost or stolen . . .	33,824	40.04	31,372	42.29	30,449	37.13	33,578	29.01
7	Claims paid on account of other causes . . .	37,869	74.55	37,453	70.75	44,895	65.56	45,602	63.20

50. The Railway Ministry have given the following causes for the rise in the number of claims during 1953-54 and 1954-55:

(i) decontrol of foodgrains: This commodity, which was previously booked on Government account in large quantities under a few invoices was with the withdrawal of control, split and moved in smaller loads, under a large number of invoices, thus resulting in an increase in the number of claims;

(ii) the monsoons during the years 1953-54 and 1954-55 were extremely heavy; in consequence there was greater damage by wet and 'paid' claims on that account increased very considerably.

51. The Economic Commission for Asia and Far East, which made a special study of the prevention and speedy disposal of claims, observed that the position in respect of claims had deteriorated during the war and post-war period everywhere. According to their

Report, the main causes that gave rise to the abnormal situation are as follows:—

(i) Economic causes, such as continued shortage of essential commodities like foodgrains, textiles, medicines, etc., and high prices generally, all accounting for the large number of thefts, pilferages, etc.

(ii) Causes arising from post-war Railway operating conditions like shortage of experienced personnel, defective rolling stock, etc. causing a general increase in misdespatches, wrong deliveries, unconnected consignments, insufficient supervision and damage by wet, leakage, etc. The general increase in the volume of traffic and the inadequacy of the carrying and operating capacities to cope with the increased demand, have also resulted in delays in despatch and transit of goods.

(iii) Causes arising from post-war social and political conditions, such as internal unrest, violent political changes and the general lowering of respect for law and order have tended to increase the number of crimes connected with running trains and marshalling yards. Shortage of men to man the security services made crime control more difficult.

52. Shri A. A. Brown, retired Director of Traffic in the Railway Board's Office, was appointed in September, 1951 to investigate the problem of claims on Indian Railways and according to his Report the various factors contributing to the rise in the number of claims are as under:

(i) dilution of staff, including the Watch and Ward Staff, during the war years leading to loss of efficiency;

(ii) increase in the volume of traffic, both goods and coaching, without corresponding expansion of storage and conveyance facilities;

(iii) defective condition of rolling stock;

(iv) scarcity, restrictions, controls and the high prices of essential commodities, coupled with the activities of blackmarketeers, resulting in large-scale thefts and pilferages from traffic in transit; and

(v) the general increase in price level.

53. Shri B. N. Mullick, Director, Intelligence Bureau, was deputed by the Government of India, to undertake an exhaustive enquiry into the problem of the alarming increase in crimes on the Indian Railways leading to rise in the number of claims. According to Mr. Mullick, about 80% of the compensation claims paid by the Railways are for losses due to internal causes and about 20% directly due to thefts. Two important observations of Shri B. N. Mullick in this connection are quoted below:—

“(i) It is clear that the actual standard of work and of protection and security etc. in Railway goods sheds in general is far below what one would expect in any commercial concern and certainly far below the standard one would expect to find on reading of the rules; and

(ii) the work of the staff has been extremely inefficient and negligent. They have also taken advantage of the prevailing congestion

and confusion and indulged in many malpractices. The cumulative result has been an all round deterioration in the standard of work, and the disappointing spectacle of neglect and inefficiency."

It is because of these factors that the Committee have laid such great stress on the question of proper training of the Railway staff and the necessity of proper supervision, in their previous report on "Staff Matters".

54. By an analysis of the figures of the number of claims disposed of and the amount paid as compensation for the same during the last four years, the Committee notice the following revealing facts:—

- (i) the total number of claims during 1953-54 and 1954-55 has risen by 2.2 per cent though the total amount paid as compensation during the same period has fallen by 1.2 per cent, as compared with the figures of previous two years, i.e. 1951-52 and 1952-53;
- (ii) the largest number of claims arising and highest amount paid as compensation for one single cause each year is for goods lost;
- (iii) the bulk of claims received and the bulk of amount paid as compensation each year is for (a) goods lost, (b) goods stolen, (c) parcels and luggage lost or stolen, and (d) causes unidentified;
- (iv) the rise in the number of claims is more marked for the goods lost or damaged by wet and for other causes unidentified during the years 1953-54 and 1954-55; and
- (v) the rise in the amount of compensation claims paid is more marked for goods damaged by wet during 1953-54 and 1954-55, whereas the fall in the amount of compensation paid is more marked for the goods stolen and parcels and luggage lost or stolen during the same period.

55. The Committee are surprised to note the magnitude of the claims paid for goods, parcels and luggage lost or stolen, and suggest that vigorous drive should be initiated to reduce the number of claims under this head.

C. Steps taken by the Railways to reduce the claims for compensation.

56. Following steps have been taken by the Railways to reduce the claims for compensation:—

- (i) Periodical observance of 'Pack-Label-Mark Check Up' and 'Stop Rough Handling' Weeks.
- (ii) Spot checks at stations, marshalling yards, goods sheds, parcels offices by claims prevention inspectors.
- (iii) Improved methods of loading foodgrains.
- (iv) Extensive use of E.P. Locks.
- (v) Re-organisation of the Watch and Ward forces now designated as Railway Security Force.

(vi) Close collaboration with the Police to prevent thefts and pilferage of goods.

(vii) Creation of a post of a senior scale officer on each of the zonal Railways solely for claims prevention work.

57. The Committee particularly welcome the last step taken by the Railway Ministry to appoint a senior scale claims prevention officer on each zone, because they feel that heavy incidence of claims, like disease, can best be tackled by methods of prevention rather than cure.

The Committee also suggest that suitable instructions should be issued to the supervisory staff at various levels to exercise surprise checks and counter checks at frequent intervals on various aspects of working such as packing, labelling, marking, loading, unloading, stacking of goods, etc. with a view to reducing the incidence of claims.

58. A list of duties assigned to the claims prevention officers is attached as Appendix III.

59. To have an effective check on the claims position, instructions have been issued a few months back to the Railways to maintain statistics for a number of important commodities cause-wise.

60. A detailed enquiry on the subject of railway claims was undertaken by Shri B. N. Mullick, Director Intelligence Bureau, at the instance of Ministry of Home Affairs. He recommended, among other things, the tightening up of the methods of railway working in certain aspects and of the security arrangements. The recommendations made by Shri Mullick have been examined and necessary instructions have been issued to the Railway Administrations to implement them, wherever practicable. The Ministry of Home Affairs have also asked the State Governments to implement Shri Mullick's recommendations in regard to the Railway Police and State Civil Police.

61. The Committee agree with the observations of the Railway Corruption Enquiry Committee, that all the causes, which materially contribute to a rise in the incidence of claims on Railways are known to the Railway and the Police Administration. What is, therefore, required is a determined effort on the part of Railway and Home Ministries to implement the suggestions of Shri A.A. Brown and Shri B. N. Mullick with vigour to bring about a substantial reduction in the claims bills of the Railways.

62. The Committee suggest that the co-operation of the members of the various consultative Committees should be sought with a view to exercising spot checks to see that the various measures taken by the Administrations for prevention of claims are being pursued vigorously on an adequate scale.

D. Suggestions for reducing the claims for compensation on Railways.

(a) EXTENSIVE USE OF ELLIS PATENT LOCKS:

63. The Railways have instructions to use Ellis Patent locks, a special type of locking device, which has proved immensely useful in the matter of prevention of thefts of all valuable commodities. The use of Ellis Patent locks has so far been restricted to B. G. Railways only. The Committee recommend that suitably modified

forms of Ellis lock should be devised and introduced on the M. G. Railways also. They also suggest that the use of Ellis Patent locks should be made more extensive on B. G. systems as well. If it is not introduced in any areas, reasons for the same should be called for and examined.

(b) PERMITTING THE OWNERS TO PUT THEIR OWN LOCKS ON THE FULL WAGON LOAD CONSIGNMENTS:

64. Regarding the use of private locks on full wagon load consignments, individual senders have occasionally, been permitted in the past to put their own locks and seals, it being clearly understood that the Railways accept no responsibility for the locks, which may have to be broken in case transshipment becomes necessary for any reason.

65. The Committee recommend that a more extensive use of the practice of allowing private locks on full wagon load consignments be made.

(c) PROPER HANDLING OF GOODS AND TRAINING TO STAFF.

66. Regarding rough handling of packages, Shri A. A. Brown made the following observation in his Report.

"The rough and careless manner in which even fragile goods are handled at stations must be seen to be believed. It is a common occurrence for heavy packages to be dropped from wagons to platforms. This is done quite openly and in a way, which suggests that labour is not and does not expect to be taken to task. It must, however, be conceded that, if labour is not considerate of Railway interests, Railways themselves do not give much consideration to the conditions under which labour is sometimes required to work."

67. The representative of the Railway Ministry informed the Committee that constant propaganda was being carried on through posters and that training was also being given in regard to handling of special types of consignments.

68. The Committee recommend that the Railway Ministry should introduce specialised training for those people, who are required to handle goods in order to teach them the right way of handling goods and proper method of storing goods in wagons and in the goods sheds. Some kind of a certificate may be given to those who undergo such a training, and eventually only such persons who possess the certificates should be permitted to handle the goods. At present, it is sometimes noticed that callous mis-handling of goods goes on in the very presence of the station masters, goods supervisors etc. They should also be told in no uncertain terms that such indifference on their part, would be regarded as dereliction of duty.

69. The Committee also suggest that the Railways should consider the desirability of introducing mechanised handling devices at big stations for carrying parcels and goods between platforms and parcel and goods godowns. Such devices need not replace human labour, but should make their task easier and simpler leading to more efficient handling of consignments.

70. The Committee further recommend that the responsibility for the breakage or loss due to rough handling should be properly fixed and in the case of loss due to the negligence of the labour of contractors, they should be held responsible for the same and debited with the amount of loss suffered.

(d) IMPROVEMENTS IN THE EXISTING STOCK OF WAGONS:

71. The Committee notice that there is a gradual rise in the number of claims and the amount of compensation paid for goods damaged by wet. This is apparently due to defective wagons used in which rain water enters through holes and crevices in the roofs and panels. The Committee recommend that Railways should pay more attention to this aspect. Defective wagons must not be used for carrying commodities likely to be damaged by rain water, particularly during the monsoons. Further, attempts should be made to plug small holes in the roof and panels of wagons by using suitable substance before such wagons are used or arrangements for temporary repairs of leaky wagons should be made before loading commences.

(e) PREVENTION OF TRANSIT THEFTS:

72. These include running train thefts, yard thefts, goods shed thefts and pilferages. The Railways are paying huge amounts as compensation claims each year for goods lost or stolen. In fact the highest amount paid as compensation each year for a single cause is for goods lost or stolen.

73. Shri B. B. Varma, *ex-General Manager of Railways*, informed the Committee that at present the loaded wagons were either open or closed with rivets, which could be easily tampered with. He suggested that the Railways should provide locks on all loaded wagons, so that thefts and pilferage could be reduced to the minimum.

74. The Committee are glad to note that with the reorganisation of the Watch and Ward Department as the Railway Security Force, the appointment of Claims Prevention Officers on all Railways, and other measures taken by the Railways, the number of thefts and losses due to the same are on the decline, but this should not give a feeling of complacency. Determined efforts should continue to eradicate this evil completely. The Committee feel that the Railway Security Force should select some mobile gangs of specially trained men of integrity and they should in rotation be posted for duty in important goods sheds at big stations, so that the chances of collusion with Railway staff and local men of notoriety are minimised.

(f) CONNECTING CONSIGNMENTS LYING UNCONNECTED:

75. A large number of claims paid on the Railways are for consignments lying unconnected and if the Railway staff take proper care in correctly marking, labelling, despatching and repacking of consignments such claims can be considerably reduced.

76. Shri A. A. Brown, who was appointed to investigate the problem of claims on Indian Railways in 1951, suggested the following

action to be taken to reduce claims paid for unconnected consignments:—

- (i) to circularise to all Railways on the 1st of each month particulars of all valuable unconnected consignments on hand;
- (ii) to receive such lists from other Railways and post the items in the card index register using ink of a distinctive colour to distinguish between the home line and foreign entries;
- (iii) to receive and reply to enquiries from other railways in respect of missing consignments; (All such enquiries should be boldly endorsed: "*Enquiry for unconnected goods section*" and contain a complete description of the missing consignments); and
- (iv) to certify on each office file relating to a claim for a complete consignment or a complete article that the missing goods or suitable replacements are not available, before the claim is paid.

77. The Committee feel that if all the Railways publish monthly Claims Bulletins, as done by Southern Railway, giving particulars of unconnected consignments and of consignments not to hand on which heavy claims have been received, it will facilitate disposal and location of consignments. The Committee, therefore, suggest that all the Railways should issue such monthly Claims Bulletins. The feasibility of publishing these bulletins in the regional languages should also be examined.

(g) QUICK AND SAFE TRANSIT OF GOODS:

78. The Committee are glad to learn from the budget speech of the Railway Minister delivered on the 23rd February, 1956 that it was proposed to introduce shortly a special scheme for quick transit of consignments both in wagon loads and in smalls on important trunk routes. The basic feature of the scheme would be that the goods would be carried by Express Goods Trains within a guaranteed period and that their movements would be specially watched. The Committee feel that this will have a healthy effect of reducing the claims bill of the Railways.

(h) APPOINTMENT OF A SUB-COMMITTEE OF THE ZONAL CONSULTATIVE COMMITTEE REGARDING CLAIMS WORK:

79. The Committee were glad to learn that the Eastern Railway had appointed a sub-committee of the Zonal Consultative Committee to examine the claims work on the Railway and to offer suggestions for improvement. This sub-committee has made a number of useful suggestions, which will no doubt improve the position. The Committee recommend that similar sub-committees should be appointed on other Railways also. The Committee have no doubt that association of the non-official element in solving difficult problems facing the Railways will be considerably facilitated by such association, leading to better appreciation of each other's point of view and evolving solutions advantageous to all concerned, including the administration.

E. Settlement of Claims on Railways

80. Following are the figures of claims outstanding on the Railways for a period exceeding two years as on 1-9-1955.

Railway	No. of claims outstanding
Central	Nil
Eastern	4
South-Eastern	7
Northern	20
North-Eastern	1,666
Southern	Nil
Western	Nil
TOTAL	1,697

These figures indicate that the position in regard to the arrears in the settlement of claims is serious on the North-Eastern Railway.

81. The representative of the Railway Ministry, while explaining the reasons for delay in settlement of claims on the North-Eastern Railway informed the Committee that it was due to the fact that there had been too many changes in the staff dealing with claims on the North-Eastern Railway. The Headquarter office of that Railway was at Gorakhpur, whereas part of the claims office was in Calcutta. It had been decided to shift the office to Gorakhpur, but the arrears are to be cleared in Calcutta itself. Two officers from other Railways had been deputed with the object of clearing the arrears as soon as possible.

82. The Committee agree with the recommendation of the Railway Corruption Enquiry Committee that for settlement of claims there should be a time limit of three months for a claim relating to local traffic and six months for a claim relating to traffic moving on more than one Railway. The Committee further recommend that the number of claims cases pending for more than six months on the 31st March should be shown separately for each Railway in the Annual Report of the Railway Ministry.

The Committee also suggest that with a view to expediting the settlement of claims, powers to sanction payment of claims may be delegated to a greater extent.

F. Existing machinery for handling legal work on Railways

83. Organisation for handling and processing court cases varies from Railway to Railway, the brief particulars of which are given below:

Central Railway.—No Law Officer is employed. Legal advice, where necessary, is obtained from Messrs. Little & Co., and occasionally from Messrs. Easterly Law & Co.

Eastern Railway & Chittaranjan Locomotive Works.—Messrs Sandersons and Morgans are the legal consultants. In addition to this, the Government Solicitor also attends to commercial cases relating to the Eastern Railway. He attends to the legal work pertaining to the Chittaranjan Locomotive Works also.

South-Eastern Railway.—There is a Law Officer and two Advocates, one at Kharagpur and the other at Alipore. In complicated cases, legal advice is obtained from Messrs Orr Dignam and Co.

Northern Railway.—A full time Law Officer is employed.

North-Eastern Railway.—A Legal Adviser and an Assistant are available for legal advice. They are employed at a suitable retainer fee.

Southern Railway.—There is a full time Law Officer and Messrs King & Partridge, Solicitors, are consultants. A suitable retainer and scheduled fees for individual suits are paid. The Law Officer on the Southern Railway also attends to the legal work pertaining to the Integral Coach Factory, Perambur.

Western Railway.—Legal advice is obtained from Messrs Crawford Bayley and Co. on a retainer. There is a Legal Assistant in Class II service, who deals with all minor cases.

84. The Committee notice that there is no uniformity in the matter of employment and remuneration of Law Officers on different Railways. On some Railways, there are regular full time Law Officers, whereas on others no regular Law Officers are employed. Similarly, some Law Officers are paid retainer fee and others are given some fixed remuneration. The Committee recommend that there should be uniformity in the matter of employment and remuneration of Law Officers on all the Railways and are glad to learn from the representative of the Railway Ministry that it has been decided that each Railway should have a Law Officer of its own to deal with court cases and other cases involving legal issues and that the Railway Board would fix a grade attractive enough to get a man of some standing.

85. The Committee also recommend that the firms of consultants from whom legal advice was being taken by the Railways should, as far as practicable, be Indian firms.

86. In the year 1951 an examination of the whole system of legal work on Indian Railways was undertaken with a view to reorganise it on some uniform basis. Accordingly, Shri Ramaswamy, an independent Advocate of Madras, examined the whole question at length and submitted his report. After examination of his report, it was decided that the existing practice of engaging selected lawyers for the conduct of Railway cases should continue.

87. Orders have also been issued to Railways that there should be two separate sections in their headquarters offices, one dealing with compensation claims cases and called the "Court" section, and

the other dealing with other legal matters such as those relating to Staff, Engineering and Stores Contracts etc. and called the "Law" section.

88. The Court section will deal with all compensation claims cases from the time the summons of law suits are received and it will be responsible for processing the cases thereafter, until they are finally decided, all correspondence in regard to this being dealt with by that section.

89. The Law section will deal not only with questions referred to it for legal opinion on staff matters etc., but also with Court cases relating to such matters.

G. Lost Property Offices

(a) ORGANISATION OF LOST PROPERTY OFFICES ON RAILWAYS:

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

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

91. Booked consignments are kept at the destination station for a period of not less than one month; after a week or so, a notice is issued to the consignee, if their names and addresses can be ascertained, asking them to remove the consignments. If these are not removed within a month, they are transferred to the Lost Property Office, after due service of a registered notice on the senders and consignees, as prescribed in the Railways Act.

92. Unconnected consignments are also transferred to the Lost Property Office, after all attempts made to connect them have failed.

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

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

(b) LOCATION AND SET UP OF LOST PROPERTY OFFICES:

95. Central Railway.—There are three Lost Property Offices on this Railway—(i) at Victoria Terminus (incharge of an Inspector assisted by three clerks), (ii) at Wadi Bunder (incharge of a Senior Clerk assisted by two clerks), and (iii) at Secunderabad (incharge of a Clerk).

Eastern Railway.—There are two Lost Property Offices on this Railway, one at Howrah and the other at Sealdah. These Offices are under the charge of an Assistant Officer assisted by one Supervisor and 59 clerks.

Northern Railway.—There are 5 Lost Property Offices on this Railway—(i) at Amritsar (incharge of a Supervisor assisted by two clerks), (ii) at Bikaner (incharge of a clerk), (iii) at Delhi Kishanganj (incharge of a Head Clerk assisted by 5 clerks), (iv) at Jodhpur (incharge of the Assistant Depot Store Keeper with 2 clerks), and (v) at Kanpur (incharge of a Supervisor assisted by 2 head clerks and 18 clerks).

North-Eastern Railway.—There are at present three Lost Property Offices on this Railway, the central one being at Gorakhpur with two branch offices at Lucknow City and Siliguri. The Central Office at Gorakhpur and the branch at Lucknow City are in the charge of a Commercial Inspector, assisted by 20 clerks. The Lost Property Office at Siliguri is incharge of an Assistant Commercial Inspector assisted by eleven clerks.

Southern Railway.—The Lost Property Office is located at Madras. The strength of the staff is one Supervisor assisted by one Assistant Commercial Inspector and five clerks.

South-Eastern Railway.—The Central Lost Property Office is located at Ramkistopore. An additional Lost Property Office is also functioning at Shalimar to deal with unclaimed articles and unconnected articles relating to Shalimar only. These are in the charge of a Commercial Inspector assisted by eight clerks.

Western Railway.—There are four Lost Property Offices on this Railway—(i) Grant Road (incharge of a senior graded clerk assisted by two clerks); (ii) Carnac Bridge (incharge of a Supervisor assisted by two clerks); (iii) Bhavnagar (incharge of a Supervisor assisted by one clerk) and (iv) Jaipur (incharge of a Supervisor assisted by three clerks).

96. A statement showing the volume of work handled by various Lost Property Offices of the Indian Railways during the last three years 1952-53, 1953-54 and 1954-55 is given in Appendix IV.

97. The Committee feel that even after making allowance for the volume of work involved, the strength in the Lost Property Office of the Eastern Railway appears to be considerably higher and recom-

mend that a detailed job analysis should be done with a view to reducing the strength suitably. Feasibility of laying down uniform and specific standards for providing the staff in the Lost Property Offices might be examined.

98. The Committee further endorse the recommendation of Shri A. A. Brown made in his report that the Railways should tighten up the procedure governing the holding of auctions in Lost Property Offices to ensure that reasonable prices are realised and that no article of value should be sold without a pre-determined reserve price being placed upon it.

IV

TICKETLESS TRAVELLING

A. Introduction

99. In their report on "Passenger Amenities", the Committee have touched upon the subject of ticketless travelling as a contributory factor accentuating overcrowding. Here, the Committee, propose to deal with this subject in somewhat greater detail from a different aspect, viz., a potential source of revenue to the Railways.

100. In 1951, an attempt was made to assess the extent of ticketless travelling and the loss of earnings therefrom and it was estimated that such loss amounted to anything from Rs. 2 to 3 crores per year. Recent special checks conducted by the Railways also indicate that the loss is of this order. The Committee feel that this is a conservative estimate.

101. Apart from the monetary loss involved, the fact that a large section of our people prefer to travel without tickets is an indication of inadequate civic sense. The Committee, therefore, feel that the Railways should take proper steps to eradicate ticketless travelling, not only to increase their revenues but also as a part of social education of the masses. It is not enough merely to take punitive action against the defaulters. It is also necessary to create conditions in which ticketless travelling would be extremely difficult for anyone to indulge in. Civic sense could be inculcated in schools by the educational authorities in States which may be approached for this purpose by the Railway Ministry.

B. Steps taken by Railways to check ticketless travelling

(a) NORMAL PROVISION ON RAILWAYS FOR TICKET CHECKING:

102. (i) Substantial number of stationary Ticket Collectors are posted at large stations for manning the gates and for checking the tickets of passengers entraining and detraining at these stations and of those in the trains;
- (ii) Travelling Ticket Examining staff are provided on specific sections to check tickets to prescribed programmes; and
- (iii) Flying Squads are utilized for surprise and special checks.

(b) SPECIAL MAGISTERIAL SCHEME:

103. These schemes of checking ticketless travel are in force on all Railways.

The scheme in essence is that ticketless travellers, who do not pay the excess-fare on demand, instead of having to be taken to the ordinary courts are tried summarily by Special Railway Magistrates, who hold their courts at railway stations and sometimes in running trains. Sometimes concentrated checks are organised, both at the stations and in running trains, by a batch of specially selected Travelling Ticket Examiners assisted by a number of police constables and accompanied by the Special Railway Magistrate. Checks are also carried out between stations by stopping trains specially therefor, motor vehicles being provided for the checking parties to enable them to travel by road to meet the trains. The Magistrate accompanying the party tries the cases on the spot.

104. Following are the States, where special Railway Magistrates have been appointed to try offences under the Railways Act exclusively with a view particularly to combat ticketless travelling: Uttar Pradesh, Bihar, Bombay, Assam, Punjab, Hyderabad, Madras, Andhra and Saurashtra.

105. There are proposals to appoint additional Railway Magistrates in West Bengal. The general policy is also to appoint additional special Railway Magistrates as the need arises.

106. The appointment of Special Railway Magistrates has substantially assisted the drive against ticketless travel, as cases are tried summarily by these Magistrates and the expenses of man-power involved in producing the apprehended persons before the ordinary magistrates at their courts are avoided.

(c) ADDITIONAL STEPS TAKEN TO COMBAT TICKETLESS TRAVEL:

107. (i) In pursuance of the recommendations of the Railway Delegation to Soviet Russia and other European countries, a scheme of having one T.T.E. for two coaches on certain important trains on Indian Railways has been in operation, since November, 1954.

(ii) On the suburban sections of the Southern and Central Railways and also on the Kalyan-Poona Section of the Central Railway, a system of ticket checking by T.T.Es. in plain clothes is in force.

The device has been adopted to get the measure of the habitual ticketless travellers and unauthorised vendors and beggars, who successfully evade the normal checking staff in uniforms.

(iii) The members of the National Railway Users' Consultative Council have been authorised to call upon the Station Master or ticket checking staff to check tickets of passengers in their presence.

108. The experiment of posting one T.T.E. for every two coaches on some important trains was/is being tried on the following trains:—

Railway	Train Nos.	Duration of experiment
Southern	513 and 514	Madras-Mangalore Express. 20-11-54 to 19-12-54
Central	15 Dn. and 16 Up.	Grand Trunk Expresses between Delhi and Bezwada. Still in force.
Northern	301 Up and 302 Dn.	Between Delhi and Ambala. 17-11-54 to 16-12-55
North-Eastern	313 Up and 314 Dn.	Between Katihar and Kanpur Anwarganj. 8-12-54 to 7-1-55
Eastern	69 Up and 70 Dn.	Howrah Delhi Janta Expresses. Still in force.
Western	33 Dn. and 34 Up.	Dehra Dun Express Trains. Still in force.

The T.T.Es. are expected both to check the tickets of passengers effectively and to be of general assistance to passengers.

109. The Committee are of the opinion that if this scheme is properly handled, not only will it be useful for reducing ticketless travelling, but also, it will prove of great assistance to the third-class passengers, in accommodating them in a systematic manner, so that they are evenly distributed on the train and are also accommodated in the proper sectional coaches. It will also help in reducing the nuisance of beggars and hawkers. Such T.T.Es. may be called Conductors or Guides with powers of the T.T.Es. The Committee, therefore, recommend that the scheme should be gradually extended to other trains.

(d) EXPENDITURE DURING THE LAST THREE YEARS INCURRED BY RAILWAYS ON TICKET CHECKING STAFF:

110. The expenditure, which was incurred by the different railways on ticket checking staff during the last three financial years is as under:—

(Rs. in lakhs.)

Railway	Years			TOTAL
	1952-53	1953-54	1954-55	
Southern	49.52	49.98	43.8	143.30
Eastern	48.14	50.18	53.17	151.49
Central	33.48	34.06	36.18	103.72
Western	20.17	24.84	29.67	74.68
North-Eastern	Not available	32.08	33.05	65.13
Northern	34.27	36.46	39.73	110.46

The expenditure incurred on the ticket checking staff appears to be particularly low on the Western Railway and the matter requires to be looked into. Unless the extent of ticketless travelling is found to be particularly low in that area, it would be worthwhile strengthening the ticket-checking organisation on that Railway. Here again, the Railway Ministry should lay down some uniform standards for fixing the strength of ticket-checking staff.

111. The figures below give the number of passengers detected travelling without tickets, the amounts realised from them, and the amount spent on the ticket checking staff by the Railways for the last three years.

Year	No. of passengers	Amount realised (Rs. in lakhs)	Amount spent (Rs. in lakhs)	Difference in Col. 3 and Col. 4
1	2	3	4	5
1952-53	8,415,088	166.68	185.58*	..
1953-54	6,957,255	140.58	227.60	—87.02
1954-55	7,586,808	145.75	235.60	—89.85

112. From the figures given above, the Committee observe that the number of ticketless travellers detected decreased from 84.15 lakhs in 1952-53 to 69.57 lakhs in 1953-54. The number increased from 69.57 lakhs in 1953-54 to 75.86 lakhs in 1954-55. During this period the amount spent on ticket checking staff increased by Rs. 7.28 lakhs, which shows that the number of ticket checking staff was increased. The amount realised from detected ticketless travellers increased from Rs. 140.58 lakhs in 1953-54 to Rs. 145.75 lakhs in 1954-55 i.e. by Rs. 5.17 lakhs. It would, however, not be correct to judge the performance of the additional ticket checking staff merely by the increased amounts realised from the ticketless travellers. As a matter of fact, efficient and intensive ticket checking arrangements would result in substantial reduction in the number of ticketless travellers, and this would naturally result in the reduction of the amounts realised from the ticketless travellers. The Committee would, however, like to stress that this stage has not yet been reached, and that ticketless travelling is rampant all over the country. Though chronic overcrowding in trains, lack of fencing at road-side stations and skilful evasion of ticket checking are also partly responsible for ticketless travelling, the Committee are inclined to believe that negligence and collusion of the ticket checking staff in many cases are no less responsible for this evil. The Committee offer the following suggestions to eradicate this evil:—

- (i) Magisterial checks should be extended to States, where these do not exist at present concentrating more on areas, where ticketless travelling is extensive.

*This does not include the amount spent by North-Eastern Railway, as the same is not available.

- (ii) Extensive propaganda should be carried on by means of announcements, leaflets, posters and instructions at stations, in trains, in schools and colleges. The travelling public should be exhorted to desist from this evil practice, and to assist the ticket checking staff in rounding up the ticketless travellers.
 - (iii) The honest ticket checking staff, who are sometimes intimidated by ticketless travellers should be given protection. The public should also be requested through propaganda not to show any misplaced sympathy with the ticketless travellers. In areas, where undesirable elements are known to exist who successfully intimidate the ticket checking staff, some Watch and Ward staff may be posted in plain clothes to render assistance in case of an emergency.
 - (iv) The honest ticket checking staff, who show outstanding merit in hauling up ticketless travellers and increasing the Railway revenues, may be given some sort of incentive in the shape of appreciation of their services by rewards or by further promotions.
 - (v) The Flying Squads should be kept changing from section to section and their programmes should be kept secret, so that the normal checking staff in a section may not be aware of the presence of Flying Squads.
 - (vi) The fencing at road-side stations should be improved on a planned basis to ensure that the passengers have to pass out through proper gates.
 - (vii) Orders have been issued by the Railway Ministry authorising the members of the National Railway Users' Consultative Council to have surprise checks made by the ticket checking staff in their presence. The Committee suggest that this authority should be given to the members of the Consultative Committees at all the levels.
 - (viii) It is noticed that the upper class compartments and waiting rooms are often occupied by unauthorised persons, and those who are rightfully entitled to these facilities are denied the same. The Committee, therefore, recommend that the checking of upper class compartments and waiting rooms should be intensified.
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PUBLIC RELATIONS ORGANISATION ON RAILWAYS.

A. Introduction

113. Both as a commercial concern and also as a nationalised undertaking, it is one of the most important responsibilities of Indian Railways to keep harmonious relations with the public. Unfortunately, however, the Indian Railways have not enjoyed much popularity. In this connection, it would be interesting to recall the following pertinent observations of the Wedgwood Committee (1937):

"If we may judge from the evidence, which we have taken, the Indian railways are unpopular. We would almost say that they are the most unpopular institutions in India.

"For this they are not wholly to blame. Railways are not popular anywhere, and in India the circumstances are particularly unfavourable. They are regarded by Provincial governments as a department of the Central Government and indifferent to provincial interests. Indian opinion regards them as largely European in direction, which is true enough and European in their capital basis, which they are not. In some circles, they are regarded as unfriendly to the development of home industries and in others as a military machine intended primarily to keep the country in subjection.

"The Railways of India may therefore, be said to start on the road for popularity with a heavy handicap against them. We are nevertheless of opinion that they must make a concerted endeavour to improve their position, and we see good reason to believe that with a well-considered policy a substantial improvement can be achieved.

"We are aware that in India, as in other countries, there is a numerous and respectable section of those responsible for the management of the railways who say "What have we to do with popularity? We do our duty; we manage the railway with efficiency and economy. Why should we look to popular favour for reward?" This self-sufficient attitude presupposes that the railways are in fact efficient and economical; if they are not, it loses its title to respect. Apart from this, the attitude may have reflected a high sense of duty in days, when the railways were a monopolist public service, but it is both inappropriate and short-sighted in existing conditions, when the railways must compete for their custom against a younger and more popular rival in road transport. In such conditions a public service cannot afford the luxury of wrapping itself in its own virtue; it should go out and court

popularity as assiduously as if it were selling soap or petrol. Indeed the railways at the present moment must be more assiduous in courting popularity than any ordinary commercial undertaking. They are equally concerned to gain the goodwill of their customers and the ordinary commercial undertaking may rest content when it has achieved that aim. But the railways cannot stop there; they must win the approval of the governing authorities as well. It does not matter what the Legislature thinks of soap; the sales will not be materially affected. But it matters very much indeed what the Legislature thinks of the railways, because that opinion will affect legislation in which the railways are vitally interested."

114. While referring to the question of popularity of Indian Railways, the Indian Railway Enquiry Committee (1947) observed that the remarks of the Wedgwood Committee were as true in 1948 as they were in 1937.

115. Some of the handicaps suffered by the Indian Railways, as referred to by the Wedgwood Committee, have since been removed. Indian Railways are no longer under European direction nor are they unfriendly to the development of home industries, nor can they be regarded as a military machine. With the dawn of independence and the nationalisation of Indian Railways, they are now the largest nationalised undertaking in which the country can take legitimate pride. Moreover, in recent times, under the inspiration of the popular Minister, the Railways have played a very important role in levelling down distinctions and uplifting the lot of the common man. Increased facilities for the third class passengers and greater stress on staff and labour welfare are two important planks of the revised and enlightened policy of the Railway Ministry. It is, therefore, upto the Railways to take advantage of the changed circumstances and to make determined efforts to win popularity of all the sections of the public by showing true spirit of public service and by also maintaining harmonious relations with the rail-users. The Committee, therefore, lay considerable stress on the Public Relations Organisation of the Indian Railways and entirely agree with the following observations of the Indian Railway Enquiry Committee (1947):

"It is of the greatest importance that the 'Railways' case' should be kept constantly before the public; by the issue of notifications from time to time, by the writing of suitable replies to the letters appearing in the correspondence columns from "Disgruntled Traveller" and his ilk, by holding occasionally Press conferences and generally by getting to know and gaining the confidence of Editors, Reporters and Press Correspondents. It is, of course, vitally important that before holding a Press Conference or issuing any information to the Press, the Public Relations Officer should be absolutely certain of his facts."

116. The Committee are glad to observe that the Public Relations Organisations on Indian Railways are being developed on the lines indicated by the Indian Railway Enquiry Committee (1947). A brief

description of the existing Publicity and Public Relations Organisations on Indian Railways is given below.

B. Publicity and Public Relations Organisations on Railways

117. All Railways Administrations have Publicity and Public Relations Organisations of their own at their Headquarters comprising of a Public Relations Officer, assisted by staff, which varies from Railway to Railway.

118. The Public Relations Organisations on Railways maintain close liaison with the press, and through it and otherwise with the public. News is disseminated through the medium of press notes, news items and photographs concerning the various activities of the Railways, including the amenities offered to the public. Paid advertisements are inserted in newspapers for purposes of publicity and in connection with invitation of tenders, employment notices etc.

119. Press previews are arranged on the eve of the inauguration of new projects etc. Conducted tours of pressmen are also arranged occasionally to acquaint and familiarise pressmen with Railway working, its problems and its achievements. Reports in the Press are watched and corrections or clarifications issued, if and when necessary. The assistance and co-operation of the members of the public are also sought in combating ticketless travel, foot-board travel, thefts and pilferages from coaches, hawking and begging through the media of posters, leaflets and press campaigns. The Administration is kept in daily touch with reactions to its policies and activities.

120. Apart from the above, the other main functions of the publicity organisations on Railways are detailed below :—

- (a) Preparation and publication of Railway news letters and monthly magazines for circulation to the public and the staff.
- (b) Preparation and publication of pamphlets, posters and display advertisements.
- (c) Works in connection with—
 - (i) Social education campaign,
 - (ii) Tourist publicity,
 - (iii) Participation in exhibitions held in India and abroad,
and
 - (iv) Staff propaganda on things like cleanliness, courtesy, punctuality etc.
- (d) All work in connection with commercial advertisements at stations by means of boards, posters, enamelled plates, neon signs etc. and those in time-tables.
- (e) Proper maintenance of bookstalls and personal weighing machines at stations (in the case of some Railways).

121. A statement showing the expenditure incurred on publicity organisations on individual railways is given below :

Railways	1952-53	1953-54	1954-55
1. North Eastern	54,000	75,000	83,000
2. Western	88,000	109,000	113,000
3. Central	106,000	106,000	113,000
4. Eastern*	269,000	248,000	279,000
			*Undivided Eastern Railway.
5. Southern	70,884	62,124	75,426
6. Northern	47,693	84,119	44,569

The expenditure incurred on the Eastern Railway appears to be disproportionately high and needs looking into. The reasons for the lack of uniformity in this respect might be examined.

122. In the Office of the Railway Board, there is a Joint Director, Public Relations. The Railway publicity organization and the Joint Director in the Board's office make use of the publicity organisation of the Government of India for issuing news items, where all-India coverage is required. Liaison is also maintained with the Advertising Consultant and other units of Information and Broadcasting Ministry, in regard to matters, such as distribution of advertisements, preparation and distribution of feature films etc.

C. Suggestions for developing public interest in Railway matters

123. Shri B. B. Varma, ex-General Manager of Railways, and now Chairman, Indian Suburban Railway Committee, informed the Committee that sufficient contact did not exist between the Railways and the public and that it could only develop gradually, as the public took an intelligent interest in the working of the Railways. Interest could be developed by Railway staff by placing things of public interest before them for eliciting their opinion. At present the public was interested in matters concerning individual complaints and not in matters of public importance. The Railway Reports, which were very voluminous were rarely studied by individuals at large. Publication of a popular edition of the Annual Report is a step in the right direction. The Committee suggest that these popular editions might be published in Hindi also, to begin with.

124. The Railway Corruption Enquiry Committee observed as under in connection with the need of wide publicity on Railways :

"During the course of our enquiry, we found that many of the facilities made available to Railway-users are, in practice, denied to them unless some unauthorised payment is made. This is generally due to the ignorance of what the public are entitled to. Unscrupulous

employees exploit this ignorance. We, therefore, feel that greater publicity should be given by the Railways than hithertofore for making widely known :

- (a) the facilities that are available ;
- (b) the procedure to be adopted for making full use of them ; and
- (c) the machinery that exists to bring to the notice of the Administration any complaints regarding the same."

125. The Committee are in agreement with the views expressed by the Railway Corruption Enquiry Committee and recommend that the Railways should spare no pains in developing the interest of the public on the following lines :—

- (i) At stations and in coaches notices and propaganda placards of educational value may be displayed in national and regional languages enumerating the various facilities offered by the Railways and how these can be made use of by passengers ;
- (ii) The posters displayed at stations should also give fuller particulars indicating the location, distance from Railway stations of places of interest advertised and the facilities for visiting the same so that the real purpose of encouraging travellers to visit these places is served;
- (iii) Placards and posters containing mottos in bold types on the following lines may be suitably displayed to catch the passengers' eyes :
 - (a) Railways are nation's property and so your property. Its protection and upkeep is your responsibility. Railwaymen are only managing on your behalf. Help them in all ways.
 - (b) Look to the convenience of fellow passengers. Do not deprive them of their right by dumping heavy luggage in compartments. Travel light and clean. Do to others, what you expect others to do to you.
 - (c) India is free and so behave like a citizen of a free country. Bad manners are a disgrace to the nation as a whole.
 - (d) Stop corruption. Do not offer illegal gratification. Do not look for a favour. Look for your right and see that you get it.
 - (e) Freely give your suggestions for improvement in the service. Thus help the Railways and the nation.
 - (f) Do not travel without ticket nor let anybody travel like that, by reporting to Railway staff on duty.
- (iv) The Railways' targets of development in the Second Five Year Plan and its achievements in the First Five Year

Plan should be widely publicised by issue of posters, charts and pictorial pamphlets.

(v) The Railway Board should examine the feasibility of publishing a monthly Railway magazine, which will stimulate the interest of the public in various Railway activities.

(vi) Suggestion books may be provided at the book stalls at the stations in which the travelling public may be invited to offer suggestions in regard to any activities connected with the Railways.

D. Miscellaneous

(a) COMMERCIAL ADVERTISEMENTS ON RAILWAYS:

126. Commercial Advertisements on Railways are usually secured through the agency of professional advertising canvassers. As rightly pointed out by the Kunzru Committee, the sale of advertisement space on Railway premises is an important source of revenue, which has, as yet, not been fully exploited.

127. The question of developing commercial advertising was discussed at two conferences of Railway Public Relations Officers held in April, and June, 1955.

128. To develop commercial advertising, rates schedules for all-India contracts as well as for individual Railway contracts have now been rationalised. Stations have been classified into two categories based on their importance from the commercial point of view. The facility of negotiation of 'bulk' contracts is afforded to firms saving them the trouble of getting in touch with each Railway separately. A list of stations on Indian Railways suitable for advertising purposes is made available to the firms, so that proper selection can be made. A list of sites available for showcases, hoardings and neon-signs is maintained and when any of these sites fall vacant, canvassers and advertising agencies are advised, so that these sites may be offered to prospective parties interested in them.

129. The terms and conditions of canvassers and advertising agencies have also been revised with a view to bring in additional business.

Earnings from commercial advertisements at stations, in time-tables and in trains

S. No.	Railways	1950-51	1951-52	1952-53	1953-54	1954-55
1.	North Eastern	35,910	45,190	37,380	46,092	43,825
2.	Western	3,50,345	3,98,110	3,95,572	3,45,970	4,44,895
3.	Central	2,06,440	2,17,887	1,99,385	2,61,254	3,12,608
4.	Eastern	1,78,656*	2,12,362	2,00,000*	1,80,006†	2,10,000†
5.	Southern	1,90,749	2,14,000	2,34,017	1,78,982	2,04,904
6.	Northern	65,635	94,749	83,911	1,17,460	1,25,544
TOTAL		10,27,735	11,82,298	11,50,345	11,22,758	13,41,877

*Ex-E.I. and B.N. Railways.

†Undivided Eastern Railway.

These figures indicate that the performance of the Western Railway in this respect is the best, whereas that on the North-Eastern Railway is the poorest.

130. The representative of the Railway Ministry informed the Committee that earnings from commercial advertisements on North-Eastern Railway were less than the cost of publicity organisation on that Railway, as the stations on North Eastern Railway were not of the same publicity value as on other Railways. The North-Eastern Railway passed through an area, which was not so highly industrialised as to earn sufficient revenue through advertisements. Secondly, the North-Eastern Railway could not establish in Pandu the same advertising set up as in Calcutta. Further, Gorakhpur itself did not have a strong press, whereas on almost all other Railways, there was a vocal press at Headquarters. So far as the earnings of Eastern Railway were concerned, that Railway also functioned as a publicity agent for the Chittaranjan Locomotive Works and the Ganga Bridge Project. The representative added that the two Railways had been asked to institute an intensive drive to improve the income from publicity and better results were expected in future.

131. The Committee feel that there is still considerable scope for vitalising activities in this respect specially with a view to popularise the commercial activities in different fields, which are leading to the development of the country as a whole and recommend that Railways should consider all these aspects and take suitable action to widen the scope of commercial advertisements on modern lines. The Committee suggest that a modest target of annual earnings of Rs. 5 lakhs from commercial advertisements should be aimed at by each Railway to begin with.

(b) BOOK-STALL CONTRACTS AT STATIONS:

132. Book stall contracts are licensed out to firms, who are already in the book business, on a royalty not exceeding 3½% of the gross turn-over, preference being given to those who have given satisfactory service in the past.

Railway book stalls are required to provide a reasonable variety of books, a fair proportion relating to subjects of general interest.

Indian literature, especially in Hindi and other Indian languages, should be available for sale to the fullest extent. A provision to this effect is also being made in the respective agreements with the Contractors.

Books, which are pornographic in content and even scientific books on sex, are not permitted to be sold at Railway book-stalls.

133. Instructions have also been recently issued that a small sub-committee of one or two energetic non-official members of the Zonal Railway Users' Consultative Committee should be formed on each Railway to inspect the book stalls and offer suggestions for improvement and for weeding out undesirable publications. The Committee welcome this step taken by the Railway Ministry. The Committee understand that instructions have been issued to Railways to ensure that the railway book-stall holders properly display

and keep for sale an adequate stock of tourist literature, as well as other popularly-priced Government publications at their stalls. Railways have recently been directed to arrange for regional meetings to be held at their headquarters between them, the Ministry of Transport, the Publications Division of the Ministry of Information and Broadcasting and the book-stall proprietors concerned. In order to achieve this objective provision has also been made in the agreements with the contractors for stocking publicity literature produced and released by the Ministry of Information and Broadcasting for sale and display.

134. The Committee are glad to learn from the representative of the Railway Ministry that a Committee has already been appointed to advise the Railway Board regarding the quality of the books to be stocked in the book-stalls at Railway stations, and that it is proposed to associate some literary people with this Committee.

VI

CONSULTATIVE COMMITTEES ON RAILWAYS

A. Introduction

135. In a democratic form of Government, importance of closely associating enlightened public opinion in the various governmental activities cannot be overstressed. This point becomes still more important in the case of a public enterprise like the Railways, which have to rely on public goodwill and co-operation for their prosperity.

136. With a view to securing more frequent opportunities for consultation between Railway Administrations and users of the Railways on matters relating to the service provided by Railways and as a means of improving the efficiency of such service, the following Consultative Committees have been set up since 1953:—

- (i) Railway Users' Consultative Committees at the Regional or Divisional level;
- (ii) Zonal Railway Users' Consultative Committees at the Headquarters of each Railway; and
- (iii) National Railway Users' Consultative Council at the Centre.

137. The Constitution and the Functions of these Committees are as given below:

B. Regional Railway Users' Consultative Committees

138. *Constitution.*—The Regional Railway Users' Consultative Committee may consist of not less than seven members to represent the principal interests among railway users of the area, the membership being determined as follows:—

(a) Not more than eight to be appointed by the General Manager, made up of one representative each to be elected by local Chambers of Commerce, Trades Associations and industries, and Agricultural Associations registered in the State or States;

(b) Two representatives elected by the registered passenger associations in the area, to be appointed by the General Manager; and

(c) Two representatives of special interests, not otherwise represented on the Committee, to be nominated by the General Manager.

Where by reason of the larger number of Chambers, Traders' Associations etc. representation cannot be given to all such bodies, representation may be given to them by rotation.

The Regional Traffic Superintendent (Divisional Superintendent of one of the Divisions) will be the Chairman of the Committee, and one of the senior traffic officers of the Regions/Divisions concerned will function as the Secretary of the Committee.

Each Railway may have not more than three Regional Users' Consultative Committees to represent the general Railway Users in the Regions or Divisions.

139. *Functions.*—The Railway Users' Consultative Committees in the Regions/Divisions will consider matters relating to:—

- (i) Provision of amenities in the area with which the Committee is concerned.
- (ii) Proposals regarding opening of new stations within the jurisdiction of the Committee;
- (iii) Arrangements regarding time-tables;
- (iv) Improvement of the services and facilities provided by the Railways; and
- (v) Any subject of general interest or public convenience or matters affecting the services and facilities, which have been the subject of representation by users, or which have been referred to them for consideration by the Zonal Railway Users' Consultative Committee, the National Railway Users' Consultative Council or by the Administration.

C. Zonal Railway Users' Consultative Committees

140. *Constitution.*—The Railway Users' Consultative Committees at the headquarters of each Railway will consist of persons appointed by the Minister of Railways to represent the general Railway users in the territory served by the Railway, as stated below:—

- (a) One representative each of the Governments of the States served by the Railway as recommended by such Governments;
- (b) One representative of the States' Legislatures recommended by the State Governments;
- (c) Not more than five representatives of the principal Chambers of Commerce and Trades Associations recognised by the State Government or Governments and having standing of not less than five years;
- (d) Two representatives to be sent by State Government or Governments, of Agricultural Associations and other bodies, not included in, or affiliated to the Chambers of Commerce etc. referred to in (c) above;
- (e) Two non-official representatives elected from each of the Regional Railway Users' Consultative Committees;
- (f) One representative of the Port Trust (Bombay, Calcutta and Madras) in the case of Railways serving such ports;
- (g) Three Members of Parliament; and
- (h) Such other members as the Minister may appoint to represent interests, which he considers are necessary to be represented on the Committee.

The members of the Zonal Railway Users' Consultative Committees representing industries, commerce and trade will ordinarily be drawn from important local Chambers or Associations representing predominant trade interests and approved by the State Governments concerned. Each such Chamber or Association may be

required to elect a representative whom the Minister, if he considers the interests as necessary to be represented, may appoint as a member of the Committee.

The General Manager will be the Chairman of the Zonal Railway Users' Consultative Committee, and the Secretary to the General Manager or such other officer as may be nominated for the purpose by the General Manager, will function as Secretary of the Committee.

141. *Functions.*—The Railway Users' Consultative Committee at the Headquarters of each Railway will consider:—

- (i) such matters, from the point of view of the zone as a whole, as are referred to in para 139 above;
- (ii) matters arising from the reports of the Regional Committees, or such other matters relating to the subjects referred to in para 139 as may be specifically forwarded by the Regional Committees for consideration; and
- (iii) matters referred for consideration and report by the Administration, Ministry of Railways or the National Railway Users' Consultative Council.

D. NATIONAL RAILWAY USERS' CONSULTATIVE COUNCIL—CONSTITUTION

142. The National Railway Users' Consultative Council at the Centre will consist of persons appointed to it by the Minister of Railways, as stated below:—

- (a) Secretaries of each of the following Ministries of the Government of India : 4
 - (i) Food and Agriculture ;
 - (ii) Commerce and Industry ;
 - (iii) Transport ; and
 - (iv) Production.
- (b) Ministry of Railways : Chairman and Members of the Railway Board ; 5
- (c) Eighteen Members of Parliament, twelve of whom being from the Lok Sabha and six from the Rajya Sabha ; 18
- (d) A representative of each of the Zonal Railway Users' Consultative Committee, not being an official, to be elected by the respective Zonal Railway Users' Consultative Committee ; 7
- (e) Persons appointed to represent coal, iron and steel, jute and cotton industries ; 4
- (f) One each from the Federated Chambers of Commerce and the Associated Chambers of Commerce ; 2
- (g) One to represent agricultural interests ; 1

- (h) Such other members as the Minister may appoint to represent interests, which he considers are necessary to be represented in the Council.

143. The Minister will preside at the meetings of the Council, and in his absence the Deputy Minister will act as Chairman.

NOTE.—(i) The appointment to these committees and the National Railway Users' Consultative Council will be for a period not exceeding two years, except in the case of Members of Parliament appointed to the Zonal Committees and the National Council, who will have a tenure of one year. The representative of Coal Industry on the National Council will also have a tenure of one year.

- (ii) For purposes of representation of Governments of States and Legislatures of States in the Railway Users' Consultative Committee such representation will be limited to the list of States given in the statement attached as Appendix V.

144. *Functions.*—The National Railway Users' Consultative Council at the Centre will consider:—

- (i) matters relating to the services and facilities provided by railways, as may be referred to it for consideration by the Minister;
- (ii) matters being within the scope of the functions of the Zonal Committee as are referred to it for consideration by such Committees; and
- (iii) such other matters as relate to the services and facilities on Railways, which individual members of the Council may, with the approval of the Chairman, desire to be included in the agenda.

NOTE.—The Regional Railway Users' Consultative Committee will ordinarily meet once a quarter, but not less than three times a year; the Zonal Railway Users' Consultative Committee may meet as often as necessary, but not less than twice a year; and the National Railway Users' Consultative Council may ordinarily meet at least once a year.

E. Working of the Consultative Committees and suggestions for improvement.

145. There is a general feeling that these Consultative Committees are of a formal character. It is necessary that the members of the Consultative Committees should have a feeling that their meetings were useful, their suggestions bore fruits and their discussions came to certain beneficial conclusions. The Committee, therefore, suggest that a Conference of the members of Zonal Committees be called by the Chairman of the Railway Board, so that

they might be able to put forth their points of view and offer suggestions for improving the working of these Committees and enlarging the scope of their activities. One obvious suggestion is that the meetings of these Committees should be more frequent. The Committee further reiterate their recommendation made in para. 22 of their 19th Report on 'General Administration of the Railways' that in addition to the Zonal Consultative Committees as at present constituted, there should be a council of advisers consisting of not more than five individuals to advise the General Manager in different matters pertaining to the administration of the Railway and that there should be similar advisory bodies at regional, divisional and district levels also.

146. The Committee also agree with the recommendation of the Railway Corruption Enquiry Committee that a Consultative Committee should be constituted at every district and divisional headquarters and also at important industrial centres. The Committee were glad to learn that Consultative Committees are being constituted at important industrial centres. They hope that the Consultative Committees will be set up at district and divisional headquarters also without undue delay. The Committee suggest that the Consultative Committees might be set up at important political centres also.

147. As referred to earlier, the Committee are glad to note the lead given by the Eastern Railway in appointing a sub-committee of the Zonal Consultative Committee to look into the question of compensation claims on the Railway. Such association of the members of the Consultative Committees in the problems affecting the administration and the public will be of mutual benefit to all the parties concerned. The Committee, therefore, recommend that the practice of appointing sub-committees of the Zonal and other Consultative Committees for the purpose of enquiring into specific problems with a view to offering helpful suggestions, should be gradually extended.

148. In regard to the constitution of the Consultative Committees, the Committee have the following suggestions to offer:

- (i) The Regional/Divisional/District Consultative Committees should include one representative each of the Governments of the States and one each of the Legislatures of the states served by the Region/Division/District.
- (ii) One representative of the Port Trust (Bombay, Calcutta and Madras) is included in the Zonal Consultative Committee of the Railway concerned. Similarly, the representative of the Advisory Committee for Kandla Port, Vizag Port and the group of intermediate ports should also be included in the Zonal Committees of the Railways concerned.
- (iii) Persons are appointed in the National Consultative Councils to represent coal, iron and steel, jute and cotton industries. Similarly, a representative of the salt industry should also be included.

- (iv) The tenure of appointment to the National Consultative Council should be uniformly two years.

149. The Committee also suggest that the Minister for Railways should hold an annual conference with the representatives of the State Governments. The past performance and future plans of the Railways and the problems of the States in regard to rail transport and other allied matters can be usefully discussed at these annual conferences.

VII

MISCELLANEOUS

A. Collection and Delivery Service on Indian Railways

150. Collection and Delivery service (as distinct from Out Agencies) can, on account of their very nature, normally be introduced only in big cities and towns, where the demand for such a service is adequate for the functioning of an economic unit.

These services are undertaken generally through contractors.

The progress made by the various Railways in developing these services is indicated below.

Central Railway.—Street delivery of Parcels and luggage is in operation at Bombay while street delivery of parcels only is in existence at Poona and Nagpur. The service is well patronised at Bombay V.T. and Poona, but not at Nagpur.

N. E. Railway.—There is no Collection and Delivery service on this Railway.

Western Railway.—A Collection and Delivery scheme of parcels and goods is in force in Ahmedabad. The Delivery service of parcels only is in force at Bombay. Further, there is also a scheme for the home delivery of passengers' luggage at Bombay.

On the recommendation of the Regional Railway Users' Consultative Committee, it is proposed to introduce the home delivery service of parcels at Rajkot.

Eastern Railway.—There is at present no Collection and Delivery service at any station.

Southern Railway.—Such services have been introduced at the following centres on this Railway. Against each centre the services rendered are also indicated.

<i>Name of the station at which provided</i>	<i>Name of service</i>
Belgaum, Bellary, Gadag. . . .	Street delivery of parcels only.
Guntur, Hubli	} Street delivery of parcels only.
Kolhapur	
Mangalore	
Coimbatore	
Dindigal	
Erode	} Street delivery of both parcels and goods.
Kumbakonam	
Trichinopoly	
Vellore Cantt. . . .	
Ootacamund	

*Name of the station at which
provided*

Name of service

Madura	}	Street delivery and collection and forwarding of parcels.
Trichur	.	.	.	.
Calicut	}	Street delivery and collection and forwarding of both parcels and goods.
Madras	.	.	.	.
Ernakulam	.	.	.	.
Yercaud (via Salem)	.	.	.	.

Street delivery and collection and forwarding services have been introduced at Bangalore with effect from 1-11-1955.

Northern Railway.—There is no such service.

S. E. Railway.—The following City Agencies provide Street Collection and Delivery Services for parcels on this Railway:—

1. Tatanagar City Booking Agency . Jamshedpur-Tatanagar Parcels.
2. Tatanagar (Sakchi) City Booking Agency . Do.
3. Ranchi City Booking Agency . Ranchi-Ranchi Parcels.
4. Raipur City Booking Agency . Raipur-Raipur Parcels.

151. The representative of the Railway Ministry while offering reasons for not providing collection and delivery service on the Northern, North Eastern and Eastern Railways informed the Committee that on the Eastern Railway the system had been tried twice both through a contractor and departmentally at Calcutta but it had failed on both the occasions. In Calcutta there were a number of booking offices spread all over the city and so all facilities were available. The reason for lack of patronage of the collection and delivery service was that the vested interests (i.e., the *dalals*) resisted the same for it meant their complete elimination from business. The *dalals* had interest so long as the delivery was given at the station. Another reason was that most of the transactions took place through the banks. The result was that actually the ultimate consignee was not determined until the wholesale business was executed in the market and the Railway receipt had been redeemed by a particular party. Thus the original sender could not possibly send it to the ultimate consignee. The representative further added that so far as smaller people were concerned they were not prepared to pay the additional charge and that was the reason why the service had not progressed. He, however, informed the Committee that in Calcutta the matter would be further pursued and in the case of Delhi, enquiries were in progress whether the service would be paying.

152. The Committee suggest that as an experimental measure, it could be made compulsory to give delivery only at home and the Railways might charge for it. A start could be made with a few

cities in consultation with the Chambers of Commerce and other important bodies. This service might be made compulsory at uniform rates at all the towns with the population in excess of a specified limit.

B. Rail-Road Co-ordination

(i) Policy regarding Development of Road Services and Rail-Road Co-ordination.

153. The Ministry of Railways do not directly deal with the subject of road development which is mainly a subject for State Governments. Also, the co-ordination and policy in this regard are determined in the Ministry of Transport.

154. In accordance with the Code of Principles and Practice in the regulation of motor transport evolved by the Central Government in consultation with the State Governments, a State Board of Transport is to be set up to ensure, *inter alia*, the maximum co-ordination of all forms of inland transport so as to avoid wasteful competition. Railways are required to be represented on these Boards. Such Boards have been set up in the States of Madras, Punjab, Orissa, Assam, Madhya Pradesh, Bombay, Bihar, Pepsu and Saurashtra.

155. A study group which was recently set up by the Ministry of Transport to look into the question of co-ordination of all forms of transport in the country, have made the following recommendation, which, it is understood is under examination in that Ministry:—

“There is still a tendency to construct roads parallel and adjacent to the railways leading to duplication of transport services. It is desirable that State road plans should give priority to feeder roads connecting the interior with rail-heads. It is also desirable that whenever the construction of a major road, whether it is a national highway or a state highway, is decided upon, the project should have the approval of the Central Board of Transport or the State Road Board, if one exists, as the case may be. The Railways should have representation on such Road Boards.”

The Railway Ministry are generally in agreement with this recommendation.

(ii) Policy regarding clearance of goods traffic by Road.

156. The accepted policy in the matter of goods transport is to reserve long-distance traffic for the Railways and to allow road transport to cater to short distance traffic.

157. This policy is embodied in the Code of Principles and Practice in the regulation of motor transport and is based on recognition of the fact that road transport generally ceases to be economical for distances exceeding 150 miles in respect of most of the commodities.

158. In accordance with the provisions of the Code, permits were normally to be issued for operation of goods vehicles within a ‘compact area’ of 75 miles radius and over specified routes beyond the

'compact area' extending over a distance of 150 miles, if the places were connected by rail. For distances exceeding 150 miles but not exceeding 300 miles, permits were to be issued if the goods could not be transported by rail without undue expenses and inconvenience in the outward direction. For routes involving a distance of more than 300 miles, permits were to be granted only in exceptional cases.

159. At the last meeting of the Transport Advisory Council held in November, 1954, it was agreed that the existing restrictions on the movement of vehicles should be relaxed in the following manner.

- (i) Private carriers should be given far greater freedom of movement than what is permitted now.
- (ii) Public carriers operating in areas not served by Railways should be free from restrictions relating to compact area imposed under the Code. They should be permitted to move freely over the entire area, or if such area covers different zones, over all such zones.
- (iii) Public carriers operating in rural areas and on feeder roads to rail-heads should also be permitted to move freely without the necessity for counter-signature if the route or routes fall within more than one zone. The distance limitations imposed under the Code should not be applied in such cases.
- (iv) Goods lorries, particularly those carrying smalls, should be permitted to ply more freely than now on routes served by Railways, subject to the following procedure:
 - (a) For routes not exceeding a distance of 100 miles, between places served by the railways, the R.T.A. should be free to issue permits under the Motor Vehicles Act.
 - (b) For routes exceeding 100 miles and not exceeding 150 miles, between places served by railways, the R.T.A. may issue permits under the Motor Vehicles Act, in accordance with the general or specific instructions of the State Transport Authority.

[A permit issued as in (a) and (b) above shall be valid for the entire distance of 100 miles or 150 miles, as the case may be, without the necessity for counter-signature by another Regional Transport Authority if the route falls within more than one Region].

- (v) Applications for permits for distances exceeding 150 miles shall be directly received and disposed of by the State Transport Authority subject to the principles of the Code, except that, in regard to perishables like fruits and vegetables, permits shall be given liberally irrespective of distances within a State after giving an opportunity to the Railways to show that they have made adequate arrangements for the carriage of such commodities.

160. The recommendations of the Transport Advisory Council were circulated to the State Governments for ratification and implementation. In order to ensure their early implementation, regional meetings of State Transport Commissioners/Controllers of the Northern, Eastern and Southern Regions have also been held. Most of the State Governments have agreed to liberalise the issue of permits for carriers on the lines indicated.

(lii) *Advisibility of withdrawing restrictions on Road traffic.*

161. In regard to the advisability of withdrawing all restrictions on road traffic, the danger in the event of such general relaxation would be that instead of relieving congestion, wherever it exists, the road vehicles might be operated on the basis of maximum profits of the owners and utilised for the conveyance of the cream of the railway traffic over longer lengths on routes on which the Railways may be experiencing no difficulty, whatsoever. Consequently, the purpose behind the withdrawal of present restrictions on road traffic is likely to be defeated and also such free licensing may jeopardize the healthy growth of Road Transport industry itself.

162. The representative of the Railway Ministry informed the Committee that the position in respect of important recommendations of the Study Group appointed to study the question of rail-road-co-ordination and allied matters and the action taken thereon was as under:—

Recommendations of the Study-group Action taken by the Railways

- | | |
|--|--|
| (i) Provision for locomotives be made corresponding to the provision made for additional stock. | This was being done. |
| (ii) Provision should be made for an increase of 30 per cent in the transport capacity of the country. | [[Railways were providing for more in the Second Five Year Plan. |
| [(iii) New Railway construction in areas served by other means of transport should rather be discouraged. | -- |
| (iv) Rail- <i>cum</i> -sea route should be used for movement of coal. | The matter was being considered by the Rail-Sea Co-ordination Committee. |
| (v) The possibility of extending the electrification of Railways should be examined. | Several sections have already been earmarked for electrification. |
| (vi) Expansion of the system of road operation by Road Transport Corporations in which the Railways and the States should take part. | The Railways had been taking part as co-sharers wherever there were Road Transport Corporations. |
| (vii) There should be no discouragement to the carriage of smalls by road over limited distances not exceeding 150 miles. | The Railways have accepted this recommendation. |

- (viii) The Railways should be represented on Road Boards who should approve of the proposals of State Governments for construction of major roads. This was under examination of the Ministry of Transport.
- (ix) Government should set up a high-level committee to go into all aspects of Rail-Sea co-ordination. This had been done.

163. The Committee reiterate their recommendation made in para. 142 of their Seventeenth Report that the entire position regarding the various restrictions imposed by the State Governments on road traffic should be carefully reviewed and these restrictions should be relaxed to the maximum extent possible so that wherever the rail transport is inadequate, advantage can be taken of road transport. While relaxing these restrictions, care will, of course, have to be taken to see that road transport does not enter into unhealthy competition with the Railways now or at a later stage.

164. The Committee recommend that the transit time by Rail between points served by Road should be reduced to compare favourably with the time taken by road service.

165. The Committee endorse the recommendation of the 'Study-Group' appointed to study the question of rail-road co-ordination that it is desirable to examine the feasibility of operating integrated services over the Railways and inland waterways. An extension of the through booking facilities is also desirable.

C. Development of Mela Traffic

Steps taken by Railways to develop Mela traffic

166. The steps generally taken by Railways to develop Mela traffic as useful source of revenue are as under:

- (i) Introduction of cheap single journey or return journey tickets at concessional rates where commercially justified and when the existing resources permit additional traffic so stimulated being catered for, subject to a maximum concession upto 25% of the double journey fares.
- (ii) Issue of return journey tickets on payment of two single journey fares with a view to avoid the inconvenience of purchasing a separate ticket for the return journey from the Mela station.
- (iii) Running special trains and augmenting of loads of existing passenger trains subject to available resources.
- (iv) Adequate publicity in the shape of press notices, posters for exhibition at stations, pamphlets etc.
- (v) Special arrangements for adequate amenities to passengers at Mela stations.

167. It would not, however, be out of place to mention that with the present conditions of overcrowding prevailing in third class generally and availability of resources of coaching stock, locomotives etc. the problem at present is not so much the stimulation of additional traffic as the utilization of the existing transport capacity to maximum advantage.

168. The Committee fully appreciate the inability of the Railways, in the present context of limited resources to encourage the traffic for Melas but they do feel that in a vast country like India inhabited by crores of people where a number of Melas with religious importance are held each year or at fixed intervals at centres spread over almost throughout the country, the Railways cannot afford to ignore altogether the necessity of providing a quick and efficient service to and from these centres of Melas, in spite of the limited resources available, as there are no other cheap alternative means of transport suitable for the people in general who congregate at these centres. The Committee, therefore, recommend that special and efficient organisation of specially trained staff should be built up on each Railway who could efficiently and courageously deal with the problems of Mela traffic in all its aspects and Railways should also gradually build up special facilities at Mela Centres during the Second Five Year Plan to serve the pilgrims and to increase their revenues.

169. The Committee also feel that though considerable attention is being given to organize the various arrangements to meet the heavy demand of pilgrim traffic for big melas like the Kumbh and Ardh-Kumbh, adequate attention is not being paid to meet the demands of mela traffic during smaller festivals at a large number of smaller religious centres in the country. With proper organisation and advance planning, it should be possible to meet such demands, even with the limited resources. The Committee, therefore, suggest that it should be made one of the important duties of the Commercial officers to keep themselves fully posted with information about festival days in the areas within their jurisdiction, and make timely arrangements for clearance of extra pilgrim traffic, by augmenting the loads of normal passenger trains and by introducing special trains, wherever necessary.

D. Development of Tourist Traffic

170. Development of tourism, both in respect of foreign tourists and internal tourism, is under the charge of the Ministry of Transport, who consult the other Ministries and co-ordinate their activities in this regard. However, the measures that have been taken by the Railway Administration for the development of tourist traffic are as under:—

(i) Retiring rooms have been provided at the following stations where this facility was not available previously:—

Wardha

Mathura

Gaya

Bolpur

Amritsar
Bangalore City
Bhuvaneswar

At the following other stations, additional retiring rooms have also been provided:—

Kanpur
Pathankot

Improvements in regard to white-washing, sanitary fittings, provision of modern furniture, mozaic flooring and dado on the walls have been carried out in the existing retiring rooms at the undermentioned stations:—

Allahabad
Ajmer
Madura
Trichinopoly
Kanpur
Pathankot
Ahmedabad

Proposals for provision of retiring rooms at Puri, Contai Road, and Jorhat and a tourist rest house at Rameswaram are under examination in consultation with the Railways concerned.

(ii) Two double rooms and two single rooms in the Railway Hotel at Aurangabad have been set aside for advance booking of accommodation for tourists through Tourist Agents. /

(iii) An additional wing consisting of four double rooms with attached sanitary units and 4 single rooms with similar toilet facilities is being added to the Railway Hotel at Aurangabad at a cost of about Rs. 1,25,000/-. The work is nearing completion.

(iv) Regional Tourist Advisory Committees on which Railways are also represented have been set up by the Ministry of Transport at Bombay, Madras and Calcutta and other tourist centres. These Committees consider measures for the improvement and development of facilities for tourists.

(v) Air-conditioned accommodation is being progressively provided on important long distance trains as and when additional air-conditioned coaches become available.

Ordinarily, reservation of air-conditioned accommodation is permitted, for journeys of over 400 miles, upto one month in advance; but in the case of overseas tourists this limit has been specially relaxed, and they can book air-conditioned accommodation upto 2 months in advance as well as for short journeys of less than 400 miles, provided such overseas tourists hold tickets for the entire tour by the Railway which must cover more than 400 miles.

(vi) Concessional return rail-cum-road and rail-cum-air tickets at 1-1/3 single journey fares over the rail portion from certain important stations on all the Indian Railways to Srinagar were issued from 1st April, 1955 to 31st October, 1955, available for 3 months from the date of issue of the tickets. This concession has been specially allowed with a view to promote tourist traffic to Kashmir.

(vii) Circular Tour Tickets, at concessional fares equal to 3/4th of the public tariff rates for distance of 1500 miles and over for First, Second and Third classes are issued not only for the standard circular tours notified by Railways but also for circular tours suggested by the parties themselves and approved by Railways provided certain conditions are satisfied.

The following concessions are allowed in connection with the running of excursion/pilgrim special trains:—

- (i) *Fares*.—3/4th the public tariff rate for a distance of 1500 miles and over subject to a minimum charge of Rs. 12/- per train per mile on broad gauge and Rs. 10/8/- on metre gauge.
- (ii) *Conductor or Organiser*.—One is allowed free in the highest class of accommodation available on the special train.
- (iii) *Cooks or Servants*.—A maximum number of four is allowed free.
- (iv) *Kitchen arrangements*.—One bogie vehicle is allowed free.

(viii) Employees of tourist agencies when travelling on duty for the purpose of making enquiries regarding places likely to be visited by the tourists are allowed concessional travel at a rate of 5 pies per mile for first class travel on submission to the Railway of a certificate from the Manager of the tourist agency.

(ix) Instructions have been issued to Railways to ensure that the railway bookstall holders properly display and keep an adequate stock of tourist literature. In order to assist all concerned in this matter, Railways have recently been directed to arrange for regional meetings being held at their headquarters between them, the Ministry of Transport, the Publications Division of the Ministry of Information and Broadcasting and the bookstall proprietors concerned.

171. The Committee are not convinced about the necessity of granting the concession under item (viii) above, and suggest that the same may be withdrawn.

172(a). While figures in regard to internal tourism are not available, the following statistics indicate the progressive increase in the visits of foreign tourists to India in the last few years:—

Year	Number of foreign tourists who visited India	
1951	about	20,000
1952	about	25,448
1953	about	28,060
1954	about	39,333

172(b). In order to encourage internal tourism, some Railways include a note on places of interest in their Railway Time Table and Guide. The Committee suggest that this note should be included in the Time-Table and Guide of every Railway. The Railway Ministry might also publish a booklet on places of interest in India giving a description of places and buildings etc. worth visiting, the distances of places from the nearest Railway station etc. This booklet should be available at all book-stalls on Railways, and should be priced as low as possible. The Government of India publishes several booklets on selected places of interest. The Committee suggest that these booklets should also be made available for sale at all the Railway Book-stalls.

173. The Committee appreciate the efforts of the Railways in encouraging tourist traffic specially from overseas. They, however, feel that there should be more liberal provision of Third Class tourist cars and tourist special trains than hitherto. As and when the line capacity increases over various important routes, the Railways should introduce more tourist special trains and undertake to plan conducted tours for visiting selected places of interest.

E. Use of Refrigerator Vans on Indian Railways

174. The question of providing refrigerated transport for perishables i.e. fresh fruits, vegetables, fish, eggs, etc. had received consideration in Railway Ministry and by the Railway Administrations from time to time in the past but it has not been found feasible to introduce such service on any large scale. During the pre-partition period, the North-Western Railway used to run refrigerated vans for fresh fruits from Chaman and Quetta to distant places like Bombay and Calcutta. The consignors were required to arrange for provision of ice at the starting station and replacement of ice at suitable stations *en route*. With the partition, the entire stock of refrigerated vans owned by the North-Western Railway went over to Pakistan on the principle of allocation of special type stock according to the originating traffic.

175. During the war some refrigerated vans were fitted up and according to the records, the following refrigerated vans were available as on 31st March, 1952:—

Eastern	.	.	.	7	} Broad Gauge.
Northern	.	.	.	16	
Western	.	.	.	14	
Southern	.	.	.	7	Metre Gauge.

It is more than likely that they are not in good fettle at present having been out of use for some time.

176. One instance of refrigerator transport is in respect of vans which are worked by Messrs. Spencer & Co., Railway Refreshment Room and Dining Car Contractors for transport of their perishable articles. In these vans they are not allowed to carry any traffic other than perishable traffic chargeable at half parcel rates or other than that belonging to the Company itself. The

Company has the exclusive use of the vans but pays the Railway Administration charges for maintenance etc. as also for haulage at an agreed rate.

177. Recently at the instance of the Fisheries Department of the Madras Government one insulated van was made available on transfer from the ex.-E.P. Railway for the carriage of fish from Mettur Dam area—a centre of Madras Government Fisheries to Madras. The trial conducted with it was found satisfactory by the Fisheries Department and three more similar insulated vans have since been transferred from the Northern to the Southern Railway. But one out of the four insulated vans was condemned by the Southern Railway and the remaining three are under some mechanical tests by the Southern Railway, before they are declared fit for the purpose for which they were built.

178. The only other instance of cold storage transport is in respect of insulated wagons made over for transport of milk for Bombay Government from Anand to Bombay. Ten wagons have been converted into insulated vans and are reserved for the exclusive use of the Bombay Government who are to bear the usual charges for conversion and reconversion.

179. The question of provision of refrigerated transport on Indian Railways was considered by the Indian Railway Enquiry Committee (1947) who came to the conclusion that the time had not till then come for the extensive use of refrigerated vans.

180. The development of refrigerated services is a highly complex problem as different degrees of temperature are required for different commodities. With the experience so far gained it has not been possible to finalise the type of refrigeration which would be suited for conditions in India.

181. The principal difficulties in the development of refrigerated transport are as under:

- (i) the poor prospects of obtaining traffic in both directions;
- (ii) the trade are generally shy of utilizing such transport; in some cases of perishables, there is very little scope for saving in cost as a result of transport in a refrigerated van such as in the case of bananas which are despatched while still raw; and
- (iii) lack of an organisation which can co-ordinate pre-cooling and post-cooling with cooling during transport.

182. The Committee, while appreciating the difficulties that have so far stood in the way of developing the use of refrigerator vans on Indian Railways, feel that in a country like India with a pretty high temperature for major part of the year, there is considerable scope for the use of refrigerator vans on Indian Railways for perishable traffic. The Committee, therefore, suggest that Railways should explore the possibilities for wide use of such stock by consulting the various Chambers of Commerce, Trade and Industry and also the State Governments. The experience of the foreign Railways in this direction should also be utilised to the extent possible.

F. Bribery and Corruption

183. The conditions created during the last war and the post-war period leading to the scarcity of everything including the rail transport, system of rationing and a vast gulf between the demand and supply gave a fillip to the already existing corrupt practices in all spheres of activity. The Railways, however, soon realised the importance of the problem and the Government of India notified the appointment of a Committee on 9th September, 1953 to enquire into the prevalence of corruption on Indian Railways. This Committee was headed by Shri Hriday Nath Kunzru who had, however, to resign the Chairmanship of this Committee on his appointment as a member of the States Reorganisation Commission. In his place, Acharya J. B. Kripalani was appointed as Chairman of the Committee in February, 1954 who guided the deliberations of the Committee thereafter. This Committee, known as the Railway Corruption Enquiry Committee submitted its report in July, 1955. The Committee have carefully studied this report which is as rightly stated by the Railway Minister in his budget speech this year, a valuable document with plenty of information and concrete and helpful suggestions. The Committee have no doubt that the implementation of the various recommendations of the Railway Corruption Enquiry Committee will go a long way in eradicating this evil. The Committee were, therefore, glad to learn from the Railway Ministry that it is their intention to implement practically all the suggestions and recommendations of that Committee unless there was some administrative difficulty, and that a large number of them have already been implemented. The Committee appreciate the vigorous action taken by the Railway Ministry on the report of the Kripalani Committee and suggest that many of their recommendations might, with advantage, be implemented by other Ministries also, with minor modifications to suit local conditions.

G. Railway Security Force

184. One of the reasons for the steep rise in the compensation claims against the Railways during the post-war period was an increasing number of thefts and pilferages of goods and parcels entrusted to the care of the Railways. The Watch and Ward Department of the Railways proved ineffective to prevent these thefts and pilferages. With a view to organising the Watch and Ward Department on the Railways into an effective Railway Security Force, the post of a Security Adviser to the Railway Board was created in July, 1953. He is functioning with his office at Allahabad and is entrusted with the following functions:

- (a) to study the working of the Security Organisation on different Railways and to make recommendations for making the force effective for the purpose for which it is intended;
- (b) to suggest measures to the General Managers, which would secure immediate improvements in the security organisation even without large scale changes envisaged under (a) above;

- (c) to pay attention to the problem of pilferages and thefts of goods from Railway premises and running trains, and to suggest ways and means of dealing with this problem. The Security Adviser has been authorised to call upon Railway Administrations to supply any statistical data necessary for this purpose;
- (d) to maintain very close liaison with the Police Authorities of various States so as to secure an effective collaboration between the District Police, Railway Police, Railway Protection Police and the Security Forces; and
- (e) to examine the existing security arrangements in general, including those for the collection of intelligence and make recommendations for improving them.

185. The representative of the Railway Ministry informed the Committee that the re-organisation of the old Watch and Ward Department on the Railways into a Railway Security Force was being proceeded with and the following improvements had already been effected:

- (i) training schools had been set up for imparting initial training to those who were in the security forces. Refresher courses had also been started;
- (ii) the Railway Security Force Discipline and Appeal Rules were promulgated in 1955;
- (iii) security staff had been treated as an essential category and it was proposed to provide as much residential accommodation as possible and house them at places of their work;
- (iv) an armed wing had been created; and
- (v) strength of the supervisory staff had been suitably augmented.

He also added that a draft bill for converting the Security Force into a Statutory Force was ready and it had received the approval of the Law Ministry and the Home Ministry. It would be brought before Parliament after it was approved by the Cabinet.

186. The Committee are glad to observe that the recent re-organisation of the Watch and Ward Department has brought about some improvement inasmuch as the number of thefts has recorded a steady decrease during the last three years as will be seen from the figures given below:—

	1953	1954	1955
(a) Running train thefts	4,169	3,231	2,639
(b) Goods shed thefts	1,249	940	648
(c) Yard thefts	2,220	1,853	1,304
TOTAL	7,630	6,024	4,591

The improvement is remarkable, if it is borne in mind that the volume of traffic carried by the Railways during 1955 was considerably more than in 1954. There is, however, no room for complacency on this account, as the number of thefts and pilferages as also the claims bill continue to be high. Further toning up of this department with a view to achieve still better results is necessary.

H. Recruitment of Commercial Apprentices

187. The Committee understand that the Railways have a scheme of recruiting Traffic Apprentices in the Operating Department with the minimum qualification of a University Degree and of giving them an all-round intensive training for the initial period of three years. This direct recruitment is done with a view to improving Control Organisation on the Railways and to fill the higher traffic grades in order to secure material, which will be suitable for promotion to the higher ranks and also for maintaining the quality in the ranks of Section Controllers, higher grade Assistant Station Masters, Assistant Yard Masters, Assistant Inspectors etc.

188. The Committee also understand that the ex-E.I. Railway apprentices were similarly recruited for the Commercial Department, but the practice seems to have been discontinued now.

189. The representative of the Railway Ministry informed the Committee that the question of recruiting Commercial Apprentices on the lines of Traffic Apprentices is already under consideration of the Railway Board.

190. The Committee recommend that in order to meet the requirements of suitable supervisory staff in the Commercial Department to effectively deal with the increased traffic under the Second Five-Year Plan, the Railway Board should formulate a scheme for recruitment of Commercial Apprentices for each Railway with the minimum qualification of a University Degree as done for the recruitment of "Traffic Apprentices" and give them an all-round intensive training in various commercial matters.

I. Check of mis-declaration and under-weighment of goods on Railways

191. No detailed estimate has so far been made of the extent of mis-declaration or under-weighment etc. in the case of goods booked by the Railways. There is, however, no doubt that this is a fruitful source of leakage of Railway revenues. The Committee are glad to note that the importance of exercising a more stringent check in this respect has been realised by the Railway Ministry. Accordingly, instructions have been issued to Railways to have, where they do not exist, separate reweighment squads on each Railway. These squads are not only to reweigh consignments and also inspect them to detect mis-declaration on a regular basis, but to prepare periodical statements of the number of consignments found under-weighed or mis-declared as a percentage of those

correctly weighed and correctly described so that after a period, fair appraisal of the extent of under-weighment and of mis-declaration and of the improvement achieved can be had.

192. Apart from these special steps, in order to guard against under-weighments, receiving stations have standing instructions to exercise a check on the weight entered on invoices. This check is required to be exercised by reweighing at least 10 per cent. of all small consignments, and all consignments, the invoiced weights of which appear to be incorrect. The results of such re-weighments are required to be recorded in the Unloading Tally Books, the connected invoices and the Goods Inward Books.

193. Similarly, to detect mis-declaration, Commercial Officer, Commercial Inspectors and Travelling Inspectors of Station Accounts are required to carry out surprise checks at intervals at important trade centres and examine the contents of parcels and goods consignments. All cases of mis-declaration found during the course of these surprise checks are required to be listed and the lists distributed among the staff engaged in the booking and delivery of parcels and goods with a view to educating them as to the kinds of commodities which traders have a tendency to mis-declare and the actual wrong declaration resorted to in practice, so that they may prevent the leakage of Railway revenue that may take place in this manner. The Committee suggest that the question of providing a drastic penalty for deliberate mis-declaration of goods might be examined by the Railway Ministry.

194. Other measures taken by the Railways to check the evil are detailed below:—

Eastern Railway.—An organisation has been set up with effect from 1-1-54 for making spot checks of consignments at selected stations on a programmed basis.

Western Railway.—Six Re-weighment Inspectors assisted by Scale men have been specially appointed to conduct surprise checks.

Northern Railway.—Re-weighment and Demurrage Inspectors are appointed at Delhi, Moradabad and Jodhpur Divisions to detect cases of mis-declaration and under-weighments. Appointment of Re-weighment Inspectors on other Divisions is under consideration.

Central Railway.—A squad consisting of one Re-weighment Inspector and 7 Assistant Inspectors attached to the Headquarters has been sanctioned with effect from May, 1955 to deal with cases of mis-declaration and under-weighments.

Southern Railway.—A special re-weighment squad of Travelling Ticket Examiners is working with the specific object of combating the evil and unearthing cases of under-weighment and mis-declaration. They also reweigh wagon loads at weigh-bridge stations. At major goods sheds like Saltcotaurs and Rayapuram where the inward traffic is heavy, Re-weighment Inspectors have been specially detailed.

North-Eastern Railway.—Surprise check weighments are made by Commercial and Accounts Inspectors and staff of Railway Security Force.

South-Eastern Railway.—With a view to avoid leakage of revenue, 4 Assistant Commercial Inspectors (Weighment) have been appointed whose duties include checking under-weighment and mis-declaration of goods.

195. The cost of special staff provided on Railway (except North-Eastern Railway where no separate staff exists) is approximately Rs. 1 lakh per annum.

196. The Committee feel that mis-declaration and under-weighment are two important items due to which there is considerable leakage in Railway revenues. The Committee, while appreciating the attempts made by the Railways for the check and prevention of the same, recommend that Railways must maintain statistics to show the extent of mis-declaration and under-weighment existing on the Railways and estimates of the loss involved therefor and take suitable action in the light of these statistics to eradicate this evil. The figures in this respect should be included in the Annual Reports of the individual Railways concerned.

J. Blank Card Tickets

197. The Indian Railway Delegation to the Soviet Railways have made a special note of the system of Blank Card tickets prevalent on the Soviet Railways. On the paper ticket, charges for different distances are printed, rounded off to the nearest rouble. When Blank Card ticket is issued for a particular destination it is cut at the proper place indicating the distance and the charges recovered. The upper portion which shows this charge is handed over to the passenger. The remaining portion, which would also show the amount that has been collected serves as a counter-foil. The possibility of a fraud by entering different fares on the portion issued to the passenger and in the station records is thus naturally eliminated. This system also does away with the necessity of preparing in manuscript, by carbon or any other process, different foils in connection with the issue of Blank Card ticket. As the fraudulent use of the blank paper tickets on Indian Railways is quite frequent, the Committee suggest that the system of Blank Card tickets prevalent on the Soviet Railways should be introduced on Indian Railways also.

K. Family concession

198. The Indian Railway Delegation that visited the Soviet and other European Railways have described a system of family concession prevalent on French Railways. This system would allow the parents to take their children with them in rail journeys at concession rates. The quantum of concession permitted increases with the number of children, so that the fare burden on the parents does not increase in the same proportion as the number in the family. It was understood that the total fares payable by the parents travelling with five children amounted to about 25 per cent. of the normal fares. The Committee suggest that introduction of similar concession on Indian Railways might also be considered by the Railway Ministry.

L. Enquiry Offices in German Federal Railways

199. The Indian Railway delegation during their visit saw some blind men working as enquiry clerks in the telephone enquiry offices who supplied information as quickly as possible from the records, specially maintained for them in *braille*. This is a potential source of useful employment of blind men and the Committee would suggest that the Railway Ministry might examine the feasibility of employing suitably trained blind men for this purpose.

Incidentally, the Committee also suggest that the Enquiry Offices should be located at a place where the third class passengers could have easy access, and that enquiry clerks in these offices should be given lessons in Public Relations.

M. Traffic Surveys of New Lines

200. At the time of making traffic surveys of new lines to be constructed, estimates of gross earnings that would accrue in the sixth year from the opening of the new line have to be made. These estimates have to be made separately for passenger earnings and goods earnings. The rules for making the approximate estimates of earnings are laid down in the Engineering Code. Perusal of the relevant paras of the Engineering Code indicates that it is necessary to revise the instructions in the Code in the light of present day conditions. The Committee will indicate below the direction in which the revision is necessary:

(a) PASSENGER EARNINGS:

201. Para 308 of the Engineering Code lays down that the probable passenger traffic should not be computed by ascertaining the existing traffic on the roads and adding a certain percentage as the probable enhancement due to the provision of rail communication, as any estimate so based, is very unreliable. A reliable method of estimating the third class passenger earnings is that which takes into account the population of the area served. One way of doing this is by the application of what is known as Palmer's formula, viz. $E = K \times L \times D + 2P$, where E represents gross passenger earnings per annum in rupees, L the length of the line, D the density per square mile of population in the country served, P the total population in the nearby towns and K a co-efficient of about 12 representing the average number of miles expected to be served on either side of the line. This formula is based upon the assumption that the third class passenger earnings in the sixth year after the opening of a new line will be about Re. 1 per head of rural population and Rs. 2 per head of town population. Now, the above formula was laid down as far back as 1904 and during these fifty years the rates charged for the carriage of 3rd Class passengers have more than doubled and yet the same old formula is still laid down for the guidance of traffic survey officers. Apart from this, the assumptions about travelling by the rural and urban population are altogether out of date. An inhabitant of rural areas might be paying Re. 1 per year and that of urban areas Rs. 2 per year for his Railway journeys in the year 1904, when the country was undeveloped and when agriculture formed the main occupation of the people. But with the coming in of independence, the general development and

industrialization of the country, particularly during the First Five Year Plan, the picture has entirely changed and the formula has become quite obsolete. It is, of course, laid down in the Code that in common with all formulae, this formula also should be used with caution and with a correct appreciation of its limitation; but with an obsolete formula prescribed in the Code, this guidance is not of much practical use.

202. In para 309 of the Code, it is stated that the most satisfactory method in ordinary cases is to compare the proposed line with an existing line, where the conditions are similar and from this comparison to deduce the probable earnings after making due allowance for the difference in lead, density and economic conditions of the population, existing communications, position and size of large towns etc. The Railway Board have not, however, drawn up and laid down a revised formula on the basis of these principles. It is understood that another formula called the Line's formula, which more or less embodies these principles, is now-a-days being used in estimating the earnings of the new lines. This formula, which has not been codified, is as under:—

$E = F (r \times CDL + t \times p)$, where

E=total earnings from third class passengers

CDL=Rural population served

P=Population of towns served

F=Average fare per third class passenger

r=Number of third class tickets issued by other than town stations divided by total rural population served

t=Number of third class tickets issued by town stations divided by total town population served.

203. The factors r and t have to be calculated from similar existing lines and applied to the project under review. This formula does not suffer from some of the defects mentioned in the case of Palmer's formula and is more scientific. But it does not take into account the increase in passenger traffic, which is taking place in the country from year to year.

204. The Committee, therefore, recommends that the obsolete Palmer's formula should be deleted from the Engineering Code and replaced by the Line's formula after modifying the latter suitably by making due allowance for the anticipated increase in passenger traffic during the next five years from the time of making the traffic survey.

(b) GOODS EARNINGS:

205. The instructions laid down for estimating the earnings from goods traffic are in general terms and no formula has been laid

down for this purpose. Paras 312 to 317 of the Engineering Code on the subject are reproduced below for ready reference:

"312. Goods earnings from outward traffic:—

The goods traffic that will be secured by a new line may be grouped into—

- (a) Short-distance traffic, and
- (b) long-distance traffic.

Before crediting the line with any anticipated short-distance traffic the conditions of trade should be examined to ascertain whether it is likely that the Railway will be used in preference to the road for this purpose. Over a short lead the 'door to door' convenience of road transport added to other advantages, frequently outweighs any small financial savings offered by rail transport. The position of established markets has an important bearing on this matter. If there is a market on the proposed line, it is likely to develop and attract some of the exportable surplus of the area, in which case this produce will become long distance traffic and the proposed line would get the benefit of the lead involved. From the observations and inquiries made on the spot, it should be possible to calculate the volume of short-distance and long-distance traffic and to determine the probable lead of such traffic.

"313. The figures which will be of value in arriving at the outward traffic will be those of the total acreage under cultivation, the normal yield per acre, and the normal exportable surplus in the area to be served. The possibilities of development and the likelihood of an increased area being put under cultivation with the provision of better transport facilities should not be lost sight of.

"314. *Goods earnings from inward traffic.*—For estimating the inward goods traffic, it will be necessary to ascertain the average import of food-stuffs per head of population and the average weight of other imports, such as raw material, machinery, agricultural implements, clothing etc. These figures can usually be obtained from octroi and revenue offices, markets, factories etc.

"315. The inward goods traffic at stations on the existing systems, which are already used by the inhabitants of the area should be examined.

"316. If it is anticipated that the road will be able to compete successfully for short distance traffic, due allowance must be made for the possibility of the inward traffic also being carried from the market stations by road.

"317. The figures of inward goods traffic on an existing similar section of line should be examined and compared with those worked out for the proposed line."

206. The above instructions, which were framed many years back and which continue in force upto this date with perhaps slight modifications mainly refer to the export of surplus food-grains etc. from the rural areas and to the import of raw material, machinery, agricultural implements, clothing etc. which formed the requirements of the people of earlier days. While it is true that

the same principles will apply to other traffic which has since developed on Railways consequent on our tapping of our mineral and forest resources etc. and consequent on the establishment of various industries, big and small, in different parts of the country, nothing has been mentioned about the estimating of increase in earnings from such traffic from year to year. It is, therefore, necessary that the instructions at present laid down in the Engineering Code for estimating the earnings of the new lines are suitably revised to make them more realistic. This is particularly necessary, as the new lines are required to yield a net return of 5 per cent. in the sixth year after opening, and if the calculations for this purpose are based on obsolete formula and out-of-date instructions, the progress in the opening of new lines is likely to be unnecessarily retarded.

BALVANTRAY G. MEHTA,
Chairman,
Estimates Committee.

NEW DELHI;
The 5th April, 1956.

APPENDIX I

List of headings of subjects to be dealt with by Commercial Department

1. Acceptance and booking of traffic.
2. Alarm chain pulling—prosecutions.
3. Approximate Traffic Returns.
4. Assessment of requirements of public traffic for which provision of transport (trains, special type of transport services such as air-conditioned services) is considered necessary.
5. Assisted and private sidings—Applications for.
NOTE: Except in respect of collieries on the Eastern Railway, which is dealt with by the Transportation Department.
6. Bedding Sets and Ice-Containers—Supply of.
7. Budget earnings Commercial Department—framing of.
8. Catering and Vending arrangements.
9. Census of passenger trains to determine the extent of utilisation of accommodation provided therein.
10. Civil bans etc. on the movement of traffic—Imposition of and action for booking against such bans.
11. Claims for compensation, settlement and prevention.
12. Clarification and interpretation of rules in Tariffs.
13. Collection and Delivery Services.
14. Commercial Committee Meetings; Conference Rules (Commercial).
15. Commercial Research, Development and Convassing of traffic.
16. Concession Orders—Issue of.
17. Customs examination—Rules and Regulations for.
18. Delivery of Traffic.
19. Dies-Non-Declaration of.
20. Disposal of unclaimed articles at stations.
21. Diversion of coaching and goods traffic.
22. Drinking water arrangements.
23. Escorts for bullions and other insured articles.
24. Financial Review of sidings.
25. Forged Currency notes, Railway Receipts, etc.
26. Frauds, thefts, loss and misappropriation of Station cash.
27. Goods consignments—registration of and all transactions connected therewith.

28. Handling contracts for goods (In special circumstances obtaining at any particular transshipment station, however, the control over the handling contractor may vest in the Transportation Department. Such a case will be an exceptional one).
29. Handling contracts for Parcels.
30. Haulage and hire charges for stock, both for public and Government traffic—determination of the scale and recovery of.
31. Hours of business for public transactions at stations and goods sheds—fixing of.
32. Imprest cash at stations and offices.
33. Insurance of goods.
34. Lease of plots at stations.
35. Licensed Porters.
36. Loading, labelling, sealing and rivetting of wagons.
37. Loss of documents—Notification in Gazette to prevent fraudulent use.
38. Loss of Railway cash at stations.
39. Lost Property Office.
40. Mela Traffic—Arrangements for.
41. Military Warrants.
42. Minimum weight for registration of wagons.
43. Mis-declaration of goods.
44. Mis-despatch of goods.
45. Nominated loading.
46. Offensive goods, contraband articles, explosives and dangerous goods.
47. Open delivery of goods and parcels and assessment of damages.
48. Opening or closing of stations for public traffic; conversion of Halts into Flag Stations.
49. Outstanding at stations due to Audit debits.
50. Overcharges—Goods and Coaching.
51. Parcel Trains—Justification for running of.
52. Passenger amenities at stations—Initiation and development of proposals for.
53. Pilgrim, terminal octroi and other taxes—Rules for levy of.
54. Platform passes and tickets.
55. Cases of prosecution of members of the public in connection with transportation and commercial working (including those for misuse of Alarm Signal Apparatus).
56. Provision of fixed cranes and weighbridges at stations—Justification for.
57. Railway Honorary and Stipendary Magistrates.
58. Railway Rates Tribunal—Preparation of cases for.

59. Rates and Fares.
 60. Re-booking of goods and parcels.
 61. Refunds of fares and freights.
 62. Remittance of cash.
 63. Reservation of berths and compartments.
 64. Retiring Rooms at stations—Allotment and maintenance of.
 65. Restrictions—distance limits of booking of passengers by particular trains.
 66. Reweighment of consignments.
 67. Road-rail Co-ordination and Road Competition.
 68. "Said to Contain" Receipts—Issue of and framing of rules for.
 69. Season Tickets—Rules regarding framing of.
 70. Smalls—Transit of.
 71. Standard weights and measures.
 72. Stands at stations for carts, cycles, motor cars, etc.
 73. Station Accounts.
 74. Stations—Change in name of.
 75. Stock of tickets—Indenting and maintenance of.
 76. Supply of Stores and Stationery to stations, goods depots, etc., for purely Commercial Depts.
 77. Tariffs—Printing of.
 78. Telephones, public at stations—Installation of.
 79. Ticket checking organisation—Control of.
 80. Tourist Traffic and Tourist Agencies—Development of.
 81. Tracing of consignments.
 82. Traffic survey for opening of new lines.
 83. Tranship sheds—in respect of
 - (i) Documentation and blending of consignments.
 - (ii) Preparation of appropriate through and collecting road vans, ensuring the best possible loads for farthest points.
 - (iii) Provision and control of adequate clerical staff through the Chief Tranship Clerk in his functions and responsibility towards the Divisional Commercial Superintendent.
 - (iv) Full utilisation of the transshipment capacity made available by Traffic (Transportation).
 84. Unclaimed, unconnected and undelivered goods and parcels.
 85. Undercharges—Goods and Coaching.
 86. Wagon registration fees—Refund of.
 87. Wagon sheets, ropes and breast bars—Control and distribution of.
 88. Wharfage and Demurrage.
 89. Wharfage and Demurrage.
 90. Withdrawal of consignments after booking.
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APPENDIX II

Statement showing the number of claims, amounts paid and gross earning of Indian Railways

Year	No. of Claims	Amount paid	Gross earnings (in thousands)	Percentage of the amount paid to gross earnings	Remarks
1	2	3	4	5	6
1931-32	.	5,03,352	94,30,12	.05	B. B. & C. I., AB, B & N.W., B.N., Burma, EB, EI, GIP, M & S.M., NS, NW, R & K and SI Rlys.
1932-33	.	3,66,448	93,26,14	.04	
1933-34	.	2,87,405	96,35,48	.03	
1934-35	.	2,92,159	99,12,74	.03	
1935-36	.	3,53,028	100,19,03	.04	
1936-37	.	3,02,942	104,35,37	.03	
1937-38	.	4,37,653	103,54,85	.04	-Do- except Burma Railway.
1938-39	.	4,28,757	103,47,30	.04	
1939-40	34,574	5,40,886	107,76,95	.05	
1940-41	34,679	7,27,859	122,39,69	.06	
1941-42	42,808	10,15,266	141,20,93	.07*	
1942-43	59,300	18,21,842	163,35,47	.11†	BA, BB & CI, EI, GIP, Jodhpur, M&SM, NS, NW, OT, SI, BN, and Mysore Rlys.
1943-44	62,913	44,72,324	193,50,08	.23	
1944-45	84,253	81,02,929	226,04,70	.36	
1945-46	1,31,124	1,44,97,301	237,28,00	.61	

1946-47	.	.	.	85,681	90,33,649	215,44,60	.42	} Assam, BN, BB & CI, EI, GIP, M&S.M., OT, SI, Bikaner, Jodhpur, Mysore and NS Rly.
1947-48	.	.	.	1,10,603	1,31,41,892	176,67,74	.74	
1948-49	.	.	.	1,60,724	2,26,56,836	225,65,33	1.01	
1949-50	.	.	.	1,86,454	4,08,10,298	250,63,20	1.63	
1950-51	.	.	.	1,60,895	3,32,61,713	262,56,65	1.27	} -Do- excluding Mysore but including EP Railways.
1951-52	.	.	.	1,81,825	3,15,75,406	291,84,70	1.09	
1952-53	.	.	.	1,85,548	3,14,08,745	270,08,83	1.16	} C., E., N., NE., S. and W. Railways.
1953-54	.	.	.	1,98,792	2,86,69,650	270,75,28	1.06	
1954-55	.	.	.	2,10,279	2,68,00,489	286,88,96	0.94	-Do-

* BA, B & NW, BB & CI, EI, GIP, Jodhpur, M & SM, NS, NW, R & K and SI Railways.

BA, B & NW, BB & CI, EI, GIP, Jodhpur, M & SM, NS, NW, R & K, SI, BN and Mysore Railways.

APPENDIX III

Duties of the Senior Scale Officers appointed in connection with claims prevention

Entire control of the claims prevention organisation both outdoor and indoor.

2. An initial check up of the claims statistics maintained, to ensure that it is adequate and is prompt, so that a quick and clear picture, of both loss and damage, is obtained and studied by commodities, by causes and by sections.

3. Reorganisation of the outdoor claims prevention staff, ensuring that :

- (i) The staff are adequate to cover the bad spots and bad areas ;
- (ii) that the claims prevention is tackled, in respect of major commodities, by deputing outdoor staff on a commodity rather than an area basis, if that is considered more advantageous ;
- (iii) that clear instructions are issued to the outdoor staff, as to what is expected of them by way of on the spot checks, and what periodical reports should be submitted by them.

The periodical reports to be submitted by the outdoor staff should cover checks of various aspects such as packing, marking, labelling, loading, unloading and prompt despatch of consignments; correct choice, rivetting and labelling of wagons; more extensive use of E.P. locks and pad-locks; quick passage of wagons and smalls through engine changing stations and repacking points, etc.

Also the reports should be so designed as to give statistical information of the number of consignments and wagons checked in respect of each aspect, the number found correct and the number found defective, so that the volume of work done and the improvement achieved may be assessed.

4. To initiate all action for organising the 'PLM CHECK UP' and 'STOP ROUGH HANDLING' campaigns, and watch the results achieved, for the purpose of issuing directives to correct faulty procedures.

5. Maintaining close liaison, by way of at least monthly meetings, with the officers actually disposing of claims cases, so that the knowledge gathered by those officers during the disposal of specific

cases, in respect of bad practices at stations, commodities needing special attention etc., may be put to prompt practical use.

6. To keep in touch with the Divisional/District Officers in regard to the claims prevention aspects of the work of the station staff, including prompt handling and despatch of full wagon loads and smalls.

7. To maintain proper liaison with the officers of the Civil and Government Railway Police and the Railway Security Force, and also to ensure appropriate liaison at the lower levels.

8. To arrange for periodical contacts between trade and industry on the one hand and the Chief Security Officer and himself on the other, with a view to appreciating the difficulties put forward by the former, so as to take suitable measures for prevention of claims. The aspects of proper packing and private marking should receive special attention at these meetings.

9. To exercise supervision over the work of the Lost Property Offices and over the working of the 'Unconnected wagons and consignments' section of the claims offices, both from the point of minimising the payments of claims in regard to current cases and long term improvements in regard to marking and labelling.

10. Lecturing to the concerned staff while attending courses in the area and zonal training schools, on claims prevention aspects.

APPENDIX IV

Statement showing the volume of work handled by the various Lost Property Offices of the Indian Railways for the years 1952-53, 1953-54 and 1954-55.

Railway	No. of packages received during the year	No. of packages disposed of by auction sale	No. of packages disposed by connection & delivery	Total amount realised as sale proceeds
1952-53				
Central	11,897	9,767	1,783	5,20,875
Eastern	51,330	44,085	1,609	5,46,055
Northern	39,520	33,019	5,081	4,87,385
North Eastern	15,036	13,147	2,934	1,00,753
Southern	19,133	13,038	3,509	1,30,292
South Eastern	23,656	21,557	1,726	2,00,710
Western	20,614	18,610	4,777	3,15,743
TOTAL	1,81,186	1,53,223	21,419	23,01,813
1953-54				
Central	11,469	10,316	1,188	4,55,813
Eastern	34,256	34,904	3,778	2,72,160
Northern	37,824	32,156	3,945	4,97,541
North Eastern	24,554	11,766	4,702	71,349
Southern	19,056	16,906	2,965	1,82,625
South Eastern	13,175	15,766	556	2,43,570
Western	14,861	9,013	2,697	1,36,481
TOTAL	1,55,195	1,30,827	19,831	18,59,539
1954-55				
Central	10,491	10,462	1,205	3,23,132
Eastern	33,434	30,898	2,876	2,57,424
Northern	37,091	26,721	4,201	2,83,928
North Eastern	21,030	18,892	2,488	1,85,760
Southern	11,350	9,432	1,288	77,905
South Eastern	14,571	10,295	3,320	1,01,471
Western	17,160	11,190	2,754	1,50,427
TOTAL	1,45,127	1,17,890	18,132	13,80,047

APPENDIX V

Representation of States on Zonal Railway Users' Consultative Committees

The States represented on the Zonal Railway Users' Consultative Committees will be as follows :—

<i>Southern</i>	.	.	.	.	Madras. Mysore. Travancore-Cochin. Bombay. Andhra.	
<i>Central</i>	.	.	.	.	Bombay Hyderabad Madhya Pradesh Vindhya Pradesh* Bhopal* Madhya Bharat Uttar Pradesh.	3 1
<i>Western</i>	.	.	.	.	Bombay Saurashtra Cutch† Rajasthan Madhya Bharat Ajmer†.	
<i>Northern</i>	.	.	.	.	Punjab (I) PEPSU Rajasthan Uttar Pradesh Delhi*	
<i>North Eastern</i>	.	.	.	.	Uttar Pradesh Bihar Assam West Bengal	
<i>Eastern</i>	.	.	.	.	Bihar West Bengal Orissa Madhya Pradesh Vindhya Pradesh*	

*These States will have representation alternatively under one of the first two items in para 140 (a) and (b) i. e. for one term a representative under item (a) only, and in the succeeding term a representative item (b) only.

†These States will have a representative under item (a) only and not under item (b) of Para 140.

APPENDIX VI

Statement showing the Summary of Conclusions/Recommendations of the Estimates Committee relating to the Ministry of Railways—Commercial Matters.

Sl. No. in the Report	Ref. to para No.	Summary of Conclusions/Recommendations.
1	I	<p>I. With the increasing expansion of Indian Railways, a stage is bound to come, when the Railways will succeed in increasing their capacity to produce transportation, until the supply exceeds the demand. When this stage is reached the Commercial departments of the Railways will be required to zealously watch the earnings of the Railways and take steps to increase the same by creating new markets for the surplus transportation available. In order that the Railways may not be found napping, when this stage is reached the Commercial Officers of the Indian Railways should be carefully selected and properly trained in the art of salesmanship.</p> <p>The Committee are in agreement with the following qualifications laid down by the Indian Railway Enquiry Committee (1947) for a Commercial Officer on Indian Railways:—</p> <ul style="list-style-type: none">(a) An aptitude to appreciate the commercial implications of the various measures taken to raise the revenues. For this purpose, he should have a close familiarity with the rate structure, Railway Law, Railway statistics and their use and possess an analytical brain;(b) An even and pleasant temperament which is needed in his dealings with the public, as his work brings him in constant touch with them;(c) The ability to understand to market conditions of commodities and also trade requirements. His interests should cover a wide field of knowledge of economic activities generally, particularly method of production and distribution of industries and trade.
2	7	<p>The principal factors considered in the fixation of rates for commodities are : (i) cost of service, (ii) value of service, (iii) character and value of commodity, (iv) volume and regularity of movements, and (v) market competition.</p>

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- 3 31 As the work of revising the existing freight structure of Indian Railways has been assigned to the Railway Freight Structure Enquiry Committee, the Committee do not propose to offer any detailed recommendations on the subject. The Committee would like to make the following broad suggestions :
- (i) The Freight structure should be such as to ensure the financial stability of the Railways;
 - (ii) With the above proviso, it should be such as to give some consideration to the Cottage and the newly developing small scale industries;
 - (iii) It should also give some consideration to the export and import traffic. This consideration should be given to the traffic to and from the major as well as the intermediate ports so as to rationalise the movement of traffic with a view to avoiding undue congestions at the major ports.
- 4 32 The Committee suggest that the two proposals *viz.* (a) permanent Railways Rates Advisory Body in addition to the Railway Users' Consultative Council and (b) a Director in the Railway Board's Office to advise on various problems of Rates, might be examined by the Railway Ministry. In this connection the Committee would like to invite the attention of the Railway Ministry to the fact that on German Federal Railways, a sub-Committee called the Standing Tariff Committee has been set up by Government for the purpose of examining the proposals and changes in the tariff proposed by the Railway Ministry. This procedure of consultation, according to the Report of the Indian Railway Delegation to the Soviet Railways and other European Railways, has ensured a wider appreciation of the problems of the Railways by the users, as also enabled the Railways to introduce changes in the tariffs with suitable amount of public support. In the event of any difference of opinion between the Railway and other representatives in this Committee, the Railway Administration is competent to take a final decision with the approval of the Minister.
- 5 34—36 The Committee suggest that suitable simplified procedure should be evolved so as to ensure that a case referred to the Tribunal is disposed of within a period of six months. This will also reduce the number of cases pending at the end of the year.

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The Committee feel that the headquarters of the Railway Rates Tribunal are too far off and attempts should be made to locate these at some central place easily accessible to all. The Committee also suggest that the feasibility of referring some controversial claims cases to the Tribunal for opinion before proceeding to courts of law might be examined by the Railway Ministry, as the Tribunal's opinion may be valuable in such cases and may save a lot of unnecessary expenditure. The Railway Ministry should examine whether the provision to refer certain appeal cases to the Tribunal has resulted in better chances of justice and satisfaction to the employees or whether it has simply resulted in causing abnormal delays in the disposal of cases. The Railway Ministry should also examine whether some other useful work can be entrusted to the Tribunal so that the spare time of the Tribunal can be usefully utilised.

- 6 38 The Committee understand that in the absence of rate registers, there are a number of cases where rates are either undercharged or overcharged resulting in loss of revenue to the Railways in one case and a lot of unnecessary harassment to the public in the other. The Committee, therefore, recommend that the Railways should be ready to introduce the rate registers soon after the date, Government take a final decision on the recommendations of the Railway Freight Structure Enquiry Committee. This will be also enable the public to obtain an authorised rate from a station for the traffic they intend to book from there, instead of approaching the Railway headquarters or the Rate Quotation Bureaus.
- 7 39—40 The Committee feel that the question of rates for special types of wagons should be very carefully looked into and Railways should ensure that the Railway rates adequately cover the cost of providing special types of wagons.
- 8 41 As the capacity of newly constructed B.G. and M.G. wagons is higher, the Committee suggest that the question of revising the present minimum weight conditions should be examined afresh with a view to securing the maximum utilisation of the increased capacity of the wagons.

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- 9 45 The Committee understand that the Railway Freight Structure Enquiry Committee are reconsidering the question whether the terminal charge should be imposed separately and if so, on what basis or whether it should be integrated with the regular freight as in the U.S.A. The Committee, therefore, do not suggest any modification to this charge at this stage, but would like the Railway Ministry to make a reference in this connection to some of the advanced countries to ascertain the procedure followed in those countries and to place all the material before the Railway Freight Structure Enquiry Committee for their consideration to evolve a rational system of charging terminal charges.
- 10 46—47 The Committee feel that there is a case for investigation as to what extent, if any, the air-conditioned class or the first class is being subsidised by other classes. The Committee, therefore, recommend that the capital cost of various classes of Rolling Stock should be worked out and then the earnings compared with the capital cost of stock, interest, maintenance and depreciation charges thereon and the cost of haulage per vehicle. Indian Railways should develop a system of accounting and analysis which would enable them to ascertain, with a fair measure of accuracy, the costs of various services and the average and dependent cost of haulage of different commodities. This knowledge will be of considerable use in working out goods tariffs from time to time.
- 11 48 As the complaints about the delays in settlement of claims are still very frequent, the necessity of expeditious settlement of individual claims cases cannot be overstressed.
- 12(a) 54 By an analysis of the figures of the number of claims disposed of and the amount paid as compensation for the same during the last four years, the Committee notice the following revealing facts :
- (i) The total number of claims during 1953-54 and 1954-55 has arisen by 2.2% though the total amount paid as compensation during the same period has fallen by 1.2%, as compared with the figures of previous two years, i.e., 1951-52 and 1952-53 ;
 - (ii) The largest number of claims arising and highest amount paid as compensation for one single cause each year is for goods lost;

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(iii) The bulk of claims received and the bulk of amount paid as compensation each year is for (a) goods lost, (b) goods stolen, (c) parcels and luggage lost or stolen and (d) causes unidentified;

(iv) The rise in the number of claims is more marked for the goods lost or damaged by wet and for other causes unidentified during the years 1953-54 and 1954-55; and

(v) Rise in the amount of compensation claims paid is more marked for goods damaged by wet during 1953-54 and 1954-55 whereas the fall in the amount of compensation paid is more marked for the goods stolen and parcels and luggage lost or stolen during the same period.

12(b)

55 The Committee are surprised to note the magnitude of the claims paid for goods, parcels and luggage lost or stolen and suggest that vigorous drive should be initiated to reduce the number of claims under this head.

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57 The Committee welcome the step taken by the Railway Board in appointing a senior scale claims prevention officer in each zone, because they feel that heavy incidence of claims, like disease, can best be tackled by methods of prevention rather than cure.

The Committee also suggest that suitable instructions should be issued to the supervisory staff at various levels to exercise surprise checks and counter checks at frequent intervals on various aspects of commercial working with a view to reducing the incidence of claims.

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The Committee agree with the observations of the Railway Corruption Enquiry Committee, that all the causes which greatly contribute to a rise in the incidence of claims on Railways are known to the Railway and Police Administrations. What is, therefore, required is a determined effort on the part of the Railway and Home Ministries to implement the suggestions made by Sarvashri A.A. Brown and B.N. Mullick with vigour to bring about a substantial reduction in the claims bills of the Railways.

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The Committee suggest that the co-operation of the members of the various Consultative Committees would be sought with a view to exercising spot checks to see that the various measures taken by the Administrations for prevention of claims are being pursued vigorously on an adequate scale.

- 15 63 The Committee recommend that suitable modified forms of Ellis locks (at present in use on B.G. railways) should be devised and introduced on the M.G. railways also. The Committee also suggest that the use of Ellis locks should be made more extensive on B.G. systems as well. If it is not introduced in any areas, reasons for the same should be called for and examined.
- 16 65 The Committee recommend that a more extensive use of the practice of allowing private locks on full wagon load consignments be made.
- 17 68 The Committee recommend that the Railway Ministry should introduce specialised training for those people, who are required to handle the goods in order to teach them the right way of handling goods and proper methods of storing goods in wagons and in the goods sheds. Some form of a certificate may be issued to those who undergo such a training, and eventually only such persons who possess the certificates should be permitted to handle the goods. Supervisory staff, such as Station-masters, goods supervisors etc. should be told in no uncertain terms that their indifference towards rough handling of goods would be regarded as dereliction of duty.
- 18 69 The Committee also suggest that the Railways should consider the desirability of introducing mechanised handling devices at large stations for carrying parcels and goods between platforms and parcel and goods godowns. Such devices need not replace human labour, but should make their task easier and simpler leading to more efficient handling of consignments.
- 19 70 The Committee further recommend that the responsibility for the breakage or loss due to rough handling should be properly fixed and in the case of loss due to the negligence of the labour of contractors, they should be held responsible for the same and debited with the amount of loss suffered.

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The Committee notice that there is a gradual rise in the number of claims and the amount of compensation paid for goods damaged by wet. The Committee recommend that Railway should pay more attention to this aspect. Defective wagons must not be used for carrying commodities likely to be damaged by rain water particularly during the monsoons. Further, attempts should be made to plug small holes in the roof and panels of wagons by using suitable substance before such wagons are used or arrangements for temporary repairs of leaky wagons should be made before loading commences.

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74 The Committee are glad to note that with the re-organisation of the Watch and Ward Department into a Railway Security Force, the appointment of Claims Prevention Officers on all the Railways, and other measures taken by the Railways, the number of thefts and losses due to the same are on the decline. But this should not give a feeling of complacency. Determined efforts should continue to eradicate this evil completely. The Committee feel that the Railway Security Force should select some mobile gangs of specially trained men of integrity and they should, in rotation be posted for duty in important goods sheds at big stations, so that the chances of collusion with Railway staff and local people of notoriety are minimised.

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77 The Committee feel that if all the Railways publish monthly claims bulletin, as done by Southern Railway giving particulars of unconnected consignments and of consignments not to hand on which heavy claims have been received, it will facilitate disposal and location of consignments. The feasibility of publishing these bulletins in the regional languages should also be examined.

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78 The Committee are glad to learn that it is proposed to introduce shortly a special scheme for quick transit of consignments in both wagon loads and in smalls on important trunk routes. The basic feature of the scheme would be that the goods would be carried by Express Goods Trains within a guaranteed period and that their movements would be specially watched. The Committee feel that this will have a healthy effect of reducing the claims bills.

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- 23 79 & 147 The Committee recommend that sub-Committees of the Zonal Consultative Committee as on the Eastern Railway should be appointed on other Railways also for examining the claims work on the Railways and to offer suggestions for improvement. The Committee have no doubt that the association of the non-official element in solving the difficult problems facing the Railways will be considerably facilitated by such association, leading to better appreciation of each other's point of view and evolving solutions advantageous to all concerned, including the administration.
- 24 82 The Committee agree with the recommendation of the Railway Corruption Enquiry Committee that for settlement of claims there should be a time-limit of 3 months for a claim relating to local traffic and 6 months for a claim relating to traffic moving on more than one Railway. The Committee further recommend that number of claims cases pending for more than six months on the 31st March should be shown separately for each Railway in the Annual Report of the Railway Ministry. The Committee also suggest that with a view to expediting the settlement of claims, powers to sanction payment of claims may be delegated to a greater extent.
- 25 84 The Committee notice that there is no uniformity in the matter of employment and remuneration of law officers on different Railways. The Committee recommend that there should be uniformity in the matter of employment and remuneration of Law officers on all the Railways and are glad to learn from the representative of the Railway Ministry that it has been decided that each Railway should have a law officer of its own to deal with court cases and other cases involving legal issues and that the Railway Board would fix a grade attractive enough to get a man of some standing.
- 26 85 The Committee also recommend that the firms of Consultants from whom legal advice is being taken by the Railways should, as far as practicable, be Indian Firms.
- 27(a) 90 The Committee suggest that at a terminal station, all the compartments of the incoming trains should be carefully checked by some responsible Railway official such as T.T.E., guard or conductor and any unbooked articles found should be deposited with the Station Master. Such articles should be kept for a

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		period not less than seven days before being transferred to the Lost Property Office. In case of big Stations where Left Luggage Offices are provided, a separate counter should be earmarked for storing such articles to facilitate the tracing of the same by the rightful owners.
27(b)	97	The Committee feel that even after making allowance for the volume of work involved, the strength in the Lost Property Office of Eastern Railway appears to be considerably higher and recommend that a detailed job analysis should be made with a view to reducing the strength suitably. Feasibility of laying down uniform and specific standards for providing the staff in the Lost Property Offices might be examined.
28	98	The Committee further endorse the recommendation of Shri A. A. Brown made in his report that the Railways should tighten up the procedure governing the holding of auctions in Lost Property Offices to ensure that reasonable prices are realised and that no article of value should be sold without a pre-determined reserve price being placed upon it.
29	100	The Committee feel that the loss of earnings due to ticketless travelling which has been estimated as between two and three crores of rupees every year, is a conservative estimate.
30	101	Ticketless travel is also an indication of inadequate civic sense among the people. The Committee, therefore, feel that the Railways should take proper steps to eradicate ticketless travelling not only to increase their revenues, but also as a part of social education of the masses. It is not enough merely to take punitive action against the defaulters. It is also necessary to create conditions in which ticketless travelling would be extremely difficult for anyone to indulge in. Civic sense could be inculcated in schools by the educational authorities in states, which may be approached for this purpose by the Railway Ministry.
31	109	The Committee are of the opinion that if the scheme of posting one T. T. E. for every two coaches is properly handled, not only will it be useful for reducing the ticketless travelling, but also it will prove of great assistance to the third class passengers, in accommodating them in a systematic manner, so that they are evenly distributed on the train and are also accommodated in the proper section coaches. It

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will also help in reducing the nuisance of beggars and hawkers. The T. T. Es. may be called conductors or guides with powers of the T. T. Es. The Committee, therefore, recommend that the scheme should be gradually extended to other trains.

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The expenditure incurred on the ticket checking staff appears to be particularly low on the Western Railway and the matter requires to be looked into. Unless the extent of ticketless travelling is found to be particularly low in that area, it would be worthwhile strengthening the ticket-checking staff on that Railway.

The Committee suggest that the Railway Ministry should lay down some uniform standards for fixing the strength of ticket-checking staff.

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The Committee observe that there has been an increase in the number of ticketless travellers, as also in the amount spent on ticket collecting staff and in the amount realised from detected ticketless travellers in 1954-55 as compared to the year 1953-54. It would not, however, be correct to judge the performance of the additional ticket-checking staff merely by the increased amounts realised from the ticketless travellers. As a matter of fact, efficient and intensive ticket-checking arrangements would result in substantial reduction in the number of ticketless travellers and this would naturally result in the reduction of the amounts realised from the ticketless travellers. The Committee, would, however, like to stress that this stage has not yet been reached and that ticketless travelling is rampant all over the country. Though chronic overcrowding in trains, lack of fencing at road-side stations and skilful evasion of ticket-checking staff are also partly responsible for ticketless travelling, the Committee are inclined to believe that negligence and collusion of the ticket-checking staff in many cases are no less responsible for this evil. The Committee offer the following suggestions to eradicate the evil :—

(i) The magisterial checks should be extended to States where these do not exist at present, concentrating more on areas where ticketless travelling is extensive ;

(ii) An extensive propaganda should be carried out by means of announcements, leaflets, posters and instructions at stations, in trains, in schools

and colleges. The travelling public should be exhorted to desist from this evil practice, and to assist the ticket-checking staff in rounding up the ticketless travellers;

- (iii) The honest ticket-checking staff, who are sometimes intimidated by ticketless travellers should be given protection. The public should be requested through popaganda not to show any misplaced sympathy with the ticketless travellers. In areas, where undesirable elements are known to exist who successfully intimidate the ticket-checking staff, some Watch and Ward Staff may be posted in plain clothes to render assistance in case of an emergency;
- (iv) The honest ticket-checking staff, who show outstanding merit in hauling up ticketless travellers and increasing the Railway revenues may be given some sort of incentive in the shape of appreciation of their services by rewards or by further promotions;
- (v) The flying squads should be kept changing from section to section and their programmes should be kept secret, so that the normal checking staff may not be aware of the presence of flying squads;
- (vi) The fencing at road-side stations should be improved on a planned basis to ensure that the passengers have to pass out through proper gates;
- (vii) The Committee suggest that the authority to have surprise checks made by the ticket checking staff in the presence of the members of the National Consultative Council may be extended to the Consultative Committees at all levels;
- (viii) The checking of upper class compartments and Waiting Rooms should be intensified.

34 113—116 Both as a commercial concern and also as a nationalised undertaking, it is one of the most important responsibilities of Indian Railways to keep harmonious relations with the public. Unfortunately, however, the Indian Railways have not enjoyed much popularity. With the dawn of independence and the nationalisation of Indian Railways, they are now the largest nationalised undertaking, in which the country can take legitimate pride. Moreover, in recent times, under the inspiration of the popular Minister, the Railways have played a very important role in levelling down distinctions and up-lifting the lot of the

common man. Increased facilities for the Third Class Passengers and greater stress on staff and labour welfare are two important planks of the revised and enlightened policy of the Railway Ministry. It is, therefore, upto the Railways to take advantage of the changed circumstances and to make determined efforts to win popularity by showing the true spirit of public service and by also maintaining harmonious relations with the rail-users. The Committee, therefore, lay considerable stress on the Public Relations Organisations of the Indian Railways and are glad to observe that they are being developed on the lines indicated by the Indian Railway Enquiry Committee (1947).

- 35 123 Publication of a popular edition of the Report of Railways is a step in the right direction. The Committee suggest that these popular editions might be published in Hindi also, to begin with.
- 36 124-125 The Committee are in agreement with the views expressed by the Railway Corruption Enquiry Committee in connection with the need for wide publicity on Railways and recommend that the Railways should spare no pains in developing the interest of the public on the following lines :
- (i) At stations and in coaches, notices and propaganda placards of educational value may be displayed in national and regional languages enumerating the various facilities offered by the Railways and how these can be made use of by passengers;
 - (ii) The posters displayed at stations should also give fuller particulars indicating the locations, distance from Railway stations of places of interest advertised and the facilities for visiting the same so that the real purpose of encouraging travellers to visit these places is served ;
 - (iii) Placards and posters containing mottos in bold types on the following lines may be suitably displayed to catch the passenger's eyes;
 - (a) Railways are nation's property and so your property. Its protection and upkeep is your responsibility. Railwaymen are only managing on your behalf. Help them in all ways.
 - (b) Look to convenience of fellow passengers. Do not deprive them of their right by dumping heavy luggage in compartments. Travel light and clean. Do to others, what you expect others to do to you.

- (c) India is free and so ~~behave~~ like a citizen of a free country. ~~Bad manners are disgrace~~ to the nation as a whole.
- (d) Stop corruption. Do not ~~offer~~ illegal gratification. Do not look for a favour, look for your right and see that you get it.
- (e) ~~Freely give your suggestions for improvement in the service.~~ Thus help the Railways and the nation.
- (f) Do not travel without ticket nor let anybody travel like that by reporting to Railway Staff on duty.
- (iv) The Railways' targets of development in the Second Five Year Plan and its achievements in the First Five Year Plan should be widely published by issue of posters, charts and pictorial pamphlets.
- (v) The Railway Board should examine the feasibility of publishing a monthly Railway magazine, which will stimulate the interest of the public in various Railway activities.
- (vi) Suggestions books may be provided at the Book-stalls at the stations in which the travelling public may be invited to offer suggestions in regard to any activities connected with the Railways.

- 37 129 The performance of the Western Railway in regard to earnings from commercial advertisements at stations, in time-tables and in trains during the year 1950-51 to 1954-55, is the best whereas that on the N.E. Railway is the poorest.
- 38 131 The Committee feel that there is still considerable scope for vitalising the activities of the Railways with regard to earnings from the commercial advertisements, especially with a view to popularise the commercial activities in different fields, which are leading to the development of the country as a whole and recommend that the Railways should consider all these aspects and take suitable action to widen the scope of the commercial advertisements on modern lines. The Committee suggest that a modest target of the annual earnings of Rs 5 lakhs from commercial advertisements should be aimed at by each Railway to begin with.

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- 39(a) 133 The Committee are glad to learn that instructions have been recently issued that a small Sub-Committee of one or two energetic non-official members of the Zonal Railway Users' Consultative Committee should be formed on each Railway with a view to suggesting improvements and weeding out undesirable publications in the Railway Bookstalls. The Committee also understand that instructions have been issued to ensure that the Railway Bookstalls holders properly display and keep for sale an adequate stock of tourist literature, as well as other popularly priced Government publications at their stalls.
- 39(b) 134(b) The Committee are also glad to learn that a Committee has already been appointed to advise the Railway Board regarding the quality of the books to be stocked in the book stalls at Railway Stations and that it is proposed to associate some literary people with this Committee.
- 40 145 In order to make the Consultative Committees at various levels more effective than at present, the Committee suggest that a conference of the Members of Zonal Committees be called by the Chairman of the Railway Board, so that they might be able to put forth their points of view and offer suggestions for improving the working of these Committees and enlarging the scope of their activities. The Committee further reiterate their recommendation made in their Nineteenth Report on 'General Administration' that in addition to the Zonal Consultative Committees as at present constituted, there should be a council of advisers consisting of not more than five individuals to advise, the General Manager in different matters pertaining to the Administration of the Railway and that there should be similar advisory bodies at Regional Divisional and District levels also.
- 41 146 The Committee also agree with the recommendations of the Railway Corruption Enquiry Committee that a Consultative Committee should be constituted at every District and Divisional Headquarters and also at important industrial centres. The Committees were glad to learn that Consultative Committees were being constituted at important industrial centres. They hope that the Consultative Committees will be set up at District and Divisional Headquarters also without undue delay. The Committee suggest that the Consultative Committee might be set up at important political centres also.

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- 42 147 The Committee recommend that the practice of appointing sub-committees of the Zonal and other Consultative Committee for the purpose of inquiring into specific problems with a view to offering helpful suggestions, should be gradually extended.
- 43 148 In regard to the constitution of the Consultative Committees, the Committee have the following suggestions to offer :—
- (i) The Regional/Divisional/District Consultative Committees should include one representative each of the Governments of the States and one each of the Legislatures of the States served by the Region/Division/District.
 - (ii) One representative of the Port Trust (Bombay, Calcutta and Madras) is included in the Zonal Consultative Committee of the Railway concerned. Similarly, the representative of the Advisory Committee, Kandla Port, Vizag Port and the group of intermediate ports should also be included in the Zonal Committees of the Railways concerned.
 - (iii) Persons are appointed in the National Consultative Councils to represent coal, iron and steel, jute and cotton industries. Similarly, a representative of the salt industry should also be included.
 - (iv) The tenure of appointment to the national Consultative Council should be uniformly two years.
- 44 149 The Committee also suggest that the Minister for Railways should hold an annual conference with the representatives of the State Governments. The past performance and future plans of the Railways and the problems of the States in regard to rail transport and other allied matters can be usefully discussed at these annual conferences.
- 45 152 The Committee suggest that as an experimental measure it could be made compulsory to give delivery only at home and the Railways might charge for it. A start could be made with a few cities in consultation with the Chambers of Commerce, and other important bodies etc. This service might be made compulsory at uniform rates at all the towns with population in excess of a specified limit.

- 46 163-165 (a) The Committee reiterate their recommendation made in their Seventeenth Report that the entire position regarding the various restrictions imposed by the State Governments on road-traffic should be carefully reviewed and these restrictions should be relaxed to the maximum extent possible. While relaxing these restrictions care will have to be taken to avoid unhealthy competition between the Railways and Road Transport.
- (b) The Committee recommend that the transit time taken by Rail between two points served by Roads should be reduced to compare favourably with the time taken for transport by road.
- (c) The Committee endorse the recommendation of the 'Study group' appointed to study the question of rail-road co-ordination that it is desirable to examine the feasibility of operating integrated services over the Railways and inland water-ways. Extension of the through booking facilities is desirable.
- 47 168 The Committee fully appreciate the inability of the Railways, in the present context of limited resources to encourage the traffic for Melas but they do feel that in a vast country like India, the Railways cannot afford to ignore altogether the necessity of providing a quick and efficient service to and from these centres of Melas, in spite of the limited resources available, as there are no other cheap alternative means of transport for the people in general who congregate at these Mela centres. The Committee, therefore, recommend that an efficient organisation of specially trained staff should be built up on each Railway who could efficiently and courageously deal with the problem and the Railways should gradually build up special facilities at Mela centres, during the Second Five Year Plan period.
- 48(a) 170-71 The Committee feel that enough attention is not being paid to meet the demands of Mela traffic during smaller festivals at a large number of smaller religious centres in the country. The Committee therefore suggest that it should be made one of the important duties of the Commercial Officers to make timely arrangements for the clearance of extra traffic on festival days in areas within their jurisdiction. The Committee are not convinced about the necessity of

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granting concession to employees of Tourist Agencies when travelling for the purpose of making enquiries regarding places likely to be visited by the Tourists, and suggest that the same may be withdrawn.

- 48(b) 172(b) The Committee suggest that the notes regarding places of interest should be included in the Time-Table and Guide of every Railway. The Railway Ministry might also publish a booklet of places of interest in India giving a description of places and buildings etc. worth visiting, the distances of places from the nearest Railway Station etc. This booklet should be available at all Railway Book-stalls at as low a price as possible. The several booklets on selected places of interest published by the Government of India should also be made available for sale at all the Railway Book-stalls.
- 49 173 The Committee appreciate the efforts of the Railways in encouraging tourist traffic, especially from overseas. The Committee, however, feel that there should be a more liberal provision of third class tourist cars and tourist special trains than hitherto. As and when the line capacity increases over various important routes, the Railways should introduce more tourist special trains and undertake to plan conducted tours for visiting selected places of interest.
- 50 182 While appreciating the difficulties that have stood in the way of developing the use of Refrigerator Vans on Indian Railways, the Committee feel that there is great scope for the use of Refrigerator Vans for perishable traffic. The Committee, therefore, suggest that the Railways should explore the possibilities for wide use of such stock by consulting the various Chambers of Commerce, Trade and Industry and also the State Governments. The experience of the foreign Railways in this direction should also be utilised to the extent possible.
- 51 183 The Committee have carefully studied the Report of the Railway Corruption Enquiry Committee which is, as rightly stated by the Railway Minister in his budget speech this year, a valuable document with plenty of information and concrete and helpful suggestions. The Committee have no doubt that implementation of the recommendations of this Committee will go a long way in the eradication of the evil of corruption. The Committee appreciated the vigorous action taken by the Railway Ministry on the

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report of the Kripalani Committee and suggest that many of the recommendations of that Committee might, with advantage, be implemented by other Ministries also with minor modification to suit local conditions.

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186 The Committee are glad to observe that the recent re-organisation of the Watch and Ward Department on the Railways has brought about some improvement inasmuch as the number of thefts has recorded a decrease during the last three years. There is, however, no room for complacency as the number of thefts and pilferages as also the claims bill continue to be high. Further toning up of this Department with a view to achieve still better results is necessary.

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190 The Committee recommend that in order to meet the requirements of suitable supervisory staff in the Commercial Department to effectively deal with the increased traffic under the Second Five Year Plan, the Railway Board should formulate a scheme for recruitment of Commercial Apprentices for each Railway with the minimum qualification of a University degree, as done for the recruitment of 'Traffic Apprentices' and give them an all round intensive training in various commercial matters.

The Committee suggest that the question of providing a drastic penalty for deliberate misdeclaration of goods might be examined by the Railway Ministry.

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196 The Committee feel that mis-declaration and under-weightment are two important items due to which there is considerable leakage in Railway revenues. The Committee, while appreciating the attempts made by the Railways for the check and prevention of the same, recommend that the Railways must maintain statistics to show the extent of mis-declaration and under-weightment existing on the Railways and estimate the loss incurred thereon and take suitable action in the light of these statistics to eradicate this evil. The figure in this respect should be included in the Annual Reports of the individual Railways concerned.

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197 As the fraudulent use of blank paper tickets on Indian Railways is quite frequent, the Committee suggest that the system of blank card tickets prevalent on the Soviet Railways should be introduced on Indian Railways also.

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56	198	The Committee suggest that the question of introduction of concessions similar to the family concession system prevalent on the French Railways might be considered by the Railway Ministry.
57	199	The Committee suggest that the Railway Ministry may examine the feasibility of employing suitably trained blind men as enquiry clerks in the telephone enquiry offices as is done on the Federal German Railways. Incidentally, the Committee also suggest that the Enquiry Offices should be located at a place easily accessible to the third class passengers and that enquiry clerks in these offices should be given lessons in Public Relations.
58	200—204	The Committee recommend that the obsolete "Palmer's" formula used in the traffic survey of new lines, should be deleted from the Engineering Code and replaced by the "Line's" formula after modifying the latter suitably, by making due allowance for the anticipated increase in passenger traffic during the next five years from the time of making the traffic survey.
59	206	It is necessary that the instructions at present laid down in the Engineering Code for estimating the earnings of the new lines are suitably revised to make them more realistic. This is particularly necessary, as the new lines are required to yield a net return of 5% in the sixth year after opening, and if the calculations for this purpose are based on obsolete formula and out of date instructions, the progress in the opening of new lines is likely to be unnecessarily retarded.
