



## About the Book «Railway Confusion» by N. P. Verkhovsky. Part 2



### *News from the archives*

In 1910 the experienced railway manager Nikolai Petrovich Verkhovsky presented in the VIII Department of the Imperial Russian Technical Society his book «Railway Confusion» dedicated to the comprehensive solution of a wide range of pressing issues of organising the work of railways. The report presented by him, in fact, was a detailed and accentuated presentation of its content. The first part, published in the previous issue of *World of Transport and Transportation* (Vol. 19, Iss. 6), focused on the author's opinion on the educational and professional trajectory of engineers and railroad managers.

The emphasis in the second part, published in this issue, is on social work (housing), rail employment of women, primarily the wives of former railway workers.

Special sections of the report are devoted to the policy of railways in the field of remuneration, working hours for certain categories of workers, as well as social insurance and pensions.

Some thoughts are still relevant, if not in terms of practical implementation, then in terms of the importance of the considered components of social policy.

Punctuation and vocabulary of the author are preserved in the text as much as possible.

The final part of the publication will be in the next issues of the journal.

**Keywords:** history, Russian railways, education, staff management, high schools, universities, children and youth police, railways social policy, career, skills.

### **Part 2 (first part: *World of Transport and Transportation*, 2021, Vol. 19, Iss. 6).**

#### **Living spaces**

My report would suffer from a major gap if I, having received such a practical acquaintance with all the details of the life of employees on the roads, did not mention one of the main topics of the day for all employees, or at least most of

them. A topical and acute issue is the housing issue.

The railway service makes serious demands on its agents, but before demanding work and business from them, it is necessary to put them in the position of a possibly tolerable existence.

In the mass of heterogeneous climates of our vast homeland, either severe cold and winds, or

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Текст статьи на русском языке публикуется в первой части данного выпуска.*

terrible heat, mainly prevail. Both require, for possible compensation of atmospheric influences, appropriate dwellings. In no other branch of railway business are local conditions so little taken into account as in the field of housing. This happens mainly because, as it seems to me, the roads are being built by engineers and technicians who are completely unwilling to get acquainted with the local conditions along which the new rail track will pass.

With regard to housing, two defects are allowed during construction of the road: construction of buildings that do not correspond to local conditions and, in quantitative terms, is inappropriate for the service personnel necessary for conducting operational business. The design never takes into account the needs of operation, either technically or in terms of the number of personnel.

The railway must take every measure to create living quarters as soon as possible so that the number of these unfortunate victims is as small as possible. Hair stands on end, listening to the stories of the wives of unfortunate workers, watchmen and switchmen about the hardships of such housing. In the first years of their resettlement, a lot is written and said about the unsightly housing of the settlers, but no one will think about the unfortunate lower railway brethren.

*Railway construction.* «All the perks given to employees to facilitate their construction are not great enough to move this business forward. The rules of private construction, approved on January 31, 1903, were extended only to the Siberian, Trans-Baikal and Ussuri roads, and employees of other roads were given only benefits for cheaper transportation of material for construction and for obtaining loans for construction from pension capital.

The work of building employees on state-owned land is progressing very poorly so far. One of the main obstacles is the need, upon leaving the service, to part with such a building. Everyone, in making a nest for himself, strives to provide himself with a decent dwelling during his service on the road and at the same time create for himself a corner for calming his old age. The latter is impossible, which is why the incentive to create house-building is rather shaky, and everyone, or at least many, are forced to reckon with it.

Things go better when building houses on private land, but here another difficulty arises –

this is the huge appetites of the owners of private land adjacent to the railway. For the concession to the ownership of land convenient for building, which is often even empty, without bringing any income, the owners demand sums that take employees out of their modest budget. Land has to be purchased away from the roadbed.

Not only the treasury, but also the boards of private roads impose the same requirements on such housing construction – on demolition of buildings in the event of death or departure from the service of the owner of the building, and in essence, strictly speaking, such requirements included in the rules for private construction of employees cannot but be recognized as solid, otherwise, in the end, circumstances may develop in such a way that all free railway sections will be occupied by private individuals, former employees, but no longer employees on the road, and new employees will not be able to build their own houses for their own residence, therefore, an event that facilitates existence employees, will lose all meaning.

The lack of housing for employees is felt along all railway lines, but new roads especially suffer from it, mainly roads that pass through remote areas and develop their own freight traffic. Roads such as the Siberian, Trans-Baikal, and Tashkent roads were built on the assumption of significantly less freight traffic and fewer employees. The increase in traffic and strengthening of personnel, naturally, outstripped construction of houses, since these roads pass through remote areas, especially Tashkent, passing almost 600 versts through a waterless and deserted desert, then the employees had absolutely no opportunity to fit anywhere without participation of the railway department. In such cases, the roads usually at first satisfy the need for housing by appointing freight cars for it. Settling employees with their families in freight cars, in the form of temporary accommodation in anticipation of a loan for construction of barracks or residential buildings; at the same time, the premises are given both for employees who have the right to an apartment, and for those who do not, in view of the impossibility of obtaining premises anywhere. But loans are difficult to resolve.

It all depends on the size of the loans issued. Credits are not issued because large sums are needed for this subject, due to expensive state-owned buildings. In view of such considerations, it is necessary to start building cheap fire-

resistant adobe, adobe and chamur buildings on the railways.

In order to implement this idea, I submitted to the Minister of Railways in June 1909 a memorandum on the use of adobe and chamur buildings on railways, which I know personally and practically. Mr. Minister favorably reacted to this note and proposed to include the question raised by me in the program of studies of 27<sup>th</sup> Consultative Congress of Track Engineers, which was convened on November 20 in Kyiv.

Having considered this issue, the Congress decided – to allow the use of this system of cheap buildings in areas where there is material for such buildings, and if their repair does not cost more than the repair of current buildings.

In addition, the Minister instructed the Riga–Oryol and Moscow–Brest roads to carry out a trial construction on their own roads.

*Land areas.* – Speaking of outbuildings for livestock and food storage, it is necessary to mention land.

This question is also not settled, as it is common for all roads. Some roads have established rules for division of station land between services, while others have left the land issue to its own devices. In the latter case, there are constant disputes and quarrels between employees.

Station areas, with the exception of large city stations, often have a lot of free land, not occupied by tracks, buildings and warehouses, and it is this that serves to possibly satisfy the agricultural needs of railway employees.

In addition to the station territories, a huge amount of free land is available on the hauls between stations.

The land question in itself is by no means so small as to be overlooked, especially in the present utilitarian mood of the Ministry. With 60000 versts of railway lines and alienation of an average of 20 sazhen wide strip of land under the road, and sometimes the width reaches 60 or more sazhen, the total area of land occupied by roads is not less than 250 thousand acres. It is worth thinking about the proper use of such an area in the interests of employees, and, consequently, roads.

*Moral amusements.* – Satisfaction on railway lines with the mental life of employees alone is not enough; moral amusements must also be considered.

«Cause is time, and fun is an hour», the Quietest Moscow Tsar used to say to us.

Employees who have worked hard should be given the opportunity to have fun, but even this requires funds, and voluntary donations from the employees themselves are not enough: they need allowances from the treasury and the board and the initiative of senior employees who have musical and stage talents and who can take on formation of musical and theater circles.

*Credit institutions.* – One of the main evils that undermine the financial condition of railway workers is the need, in difficult domestic financial difficulties, to resort to loans from outsiders. Bills of exchange, usually issued in double amounts, paid at usurious interest, and, if urgent repayment is impossible, triple the currency, not only ruin the employees and involve them in bondage, but often even force them to resort to abuses in order to in some way postpone the inevitable catastrophe.

On some roads there are cash desks for services, or even a general mutual aid, savings, savings and mutual credit fund, from which loans are issued on mutual guarantee.

These financial measures, initiated by individuals who care about the welfare of their associates and junior employees, should be disseminated in the railway world in all forms, having developed suitable charters for them, which would be known to all employees.

Financial self-help is an essentially useful activity that at the same time develops in employees the habit of thrift and mutual assistance.

The authorities of the road should not adhere to the economic theory – *«laissez faire, – laissez passer»*, so that everything will form somehow – by itself. It must show activity in the common interests of the cause and employees. The administration of the roads, for its part, must exaggerate the authorities of individual roads and assist in the publication and dissemination of normal statutes of cash desks.

### **Women's work on the roads**

Women's work on railways is such a serious issue that it has to be reckoned with. In this regard, the Department of Railways deserved the palm of all departments. In none of them is women's labor placed in such an exceptionally favorable position.

The feminist question, in the sense of labor, is practically solved on the railways. This is a great merit not only to the fair sex, but also to the state. The mass of orphans, girls and wives



of former railway employees who died on the roads, and left their families without any material support, are despised by the railways. Otherwise, they would have been thrown into the streets and burdened the state with their proletarian condition. They are contemplated not by charity, but by utilization of their own labor. This work enables them to exist on their own, raise the remaining children, sisters, brothers and support elderly parents.

In addition, a lot of wives and daughters of employees serve on the roads, facilitating the work of their fathers and husbands, and contributing to the household purse.

Regardless of this, the physical labor of women has a significant use on the railways in the positions of barrier guards, house cleaners at people's latrines, wipers and scrubbers.

*The quality of women's work.* – In turn, women, in addition to labor, which, according to the reviews of all railway workers, in most cases, is more distinct and conscientious than men in homogeneous areas, – they introduced an ennobling element into the environment of offices and the male population, in the sense of softening the morals and improving the morals of serving youth. The presence of women in the service restrains men from some of the excesses of frivolity and rudeness of language allowed in their absence. Although this is not a direct, but an indirect merit, nevertheless, its results bear valuable fruits in the field of improving the moral qualities of employees on the roads.

As for their labor itself, it is most applicable, for the benefit of the cause and most suitable for the women themselves, in the following services and positions: in the collection service for accounting for transportation of goods, in the statistics of the traffic and traction service, in accounting for the mileage of cars and steam locomotives, in libraries, pharmacies, hospitals, lower schools, in all offices for working on typewriters, as well as on telegraph devices. At ticket offices, it is also better to have cashiers who are more accurate than cashiers and never run the risk of doing abuse.

Women's labor has been introduced to the railways for a long time, as a single phenomenon, and only in the last ten years has it already become massive on all roads, except for the Warsaw–Vienna, where it is completely inapplicable.

*Granting the right to work exclusively to women of the railway circle.* – In this, of course,

one cannot see anything bad, reprehensible, but what else should be introduced is the extension of the right to serve women on railways exclusively to persons having been belonged or belonging to railway personnel. At present, there is a significant contingent of daughters of employees who have graduated from gymnasiums and institutes, and who are unable to join the railways due to lack of vacant places within the percentage rate. Railways in their internal organization should exclusively serve as a refuge and labor market for those women whose husbands, sons, brothers, sisters, fathers and mothers have worked and are working on the roads. The admission of women outsiders for the road should be unconditionally prohibited.

*Railway caste.* – With regard to personnel, railways should form a special caste of railway workers and take into their service not only predominantly, but exclusively, children of railway employees of various generations. The railway caste has now grown so widely that it is not uncommon to find two generations of adults in the service, and the third generation of teenagers preparing themselves for the same work.

This can serve as one of the serious incentives for formation of a cadre of good employees who value their service and organically enter into the interests of the road. The youth who have grown up on the road, who have managed to educate it morally, will naturally become related to the road and its interests and, having become its agents, will no doubt be efficient servants, especially if they have to start the service in their own family, and under its supervision.

In fact, society itself has long been accustomed to considering the railway circle as a special caste, why the recognition of the right to existence of such a caste will not present anything strange and will not change in any way the mutual, vital, social relations of the railways to the population.

*Study of women's work on the railways.* – The women's issue on the railways is an issue completely unexplored, almost obscure, like many of our important issues. I wanted to diversify it by undertaking a *con amore* study of it, with the consent of the Railroad Administration. But nothing came of this encroachment to serve the women's issue in the railway business. The wind blew from the other side, and the Railway Administration did not wish to continue my research.



The work of railway employees, its normalization, bonuses, remuneration, the issuance of awards and benefits

*Type of labor.* – With regard to distribution, normalization and remuneration of labor, there is still a lot to be done, since it is impossible to rest on normalization and remuneration that have been established at the present time.

Railway labor is sharply divided into two parts:

1) Work in departments and their offices.

2) Work on the line.

*Work in the departments.* – Work in departments is not regulated and not standardized by instructions from above. This is the home business of every department.

Ordinarily employees of the department work from 9 am to 3 pm, or from 10 am to 4 pm. In my opinion, this is too much grace period, especially taking into account three circumstances: first, that all employees usually leave punctually at the time appointed for the end of classes, hurrying to leave the administration building, as if afraid to give the road an extra minute of their time; another, that the employees never come exactly at the appointed hour for beginning of classes, often being late even up to one hour; thirdly, that during the working period a lot of time is spent talking, drinking tea and smoking tobacco, so that no one works a full six hours. Six hours of labor, i.e. the fourth part of the day – this is a very short period, at a time when the shortest duration of service along the line is 12 hours, and in the increased movement of goods and passengers – employees have, willy-nilly, to violate this norm and often work until 16 and 18 hours, and even 24 hours, but for train and conductor crews, in the winter season during snowstorms, and for a longer period.

Why does it seem to me quite possible to bring the working hours of office workers to 8 hours a day. Such an event, although it cannot cause a decrease in the number of employees, since it increases the number of working hours ( $2304 - 1728 = 576$ ) only for the half-year work of one employee, but it increases productivity of all employees.

*Line work.* – The work of line agents, whose activities are associated with movement of trains (excluding reserve agents), in order to avoid overwork, is rationed in detail, and at present, the authorities, under pain of personal

responsibility, do not risk violating the established standards. These norms, in general, are very preferential and do not require much effort, either physical or mental labor. In other states railway employees work much more, especially in America.

*Labor in former times and its modern regulation.* – In the past, before rationing of the work of employees, they worked much more and did not know what overwork is. If the circumstances of the service were so unfavorable that they required strenuously intensive and prolonged work, then it was resignedly left to the cause. When the technical pathological term «overwork» was invented, the employees realized how much they were exploited by the case. In order to avoid overwork, to which at one time in the eighties of the last century all accidents were explained, although this is completely unfounded, as later times have shown, which did not reduce accidents on the roads, they were carried away in the opposite direction and created too small norms for railway work.

The rules governing labor were created and redrawn several times, and most of the current ones date back to 95, 98, 99 years.

*Regulation of the work of switchmen.* – No matter how, apparently, these rules were not developed exactly, nevertheless they are not accurate, and often serve as a reason for unnecessary expenses, and at the present time they need to be revised and redone again. For example, to normalize the duty of switchmen to the base, movement with six pairs of trains per day is accepted, but how to count these pairs is not indicated. Therefore, in order to avoid liability against the letter of the law, in the event of some crime, the roads keep a staff of switchmen at the station with five people instead of three, for a whole year, when movement of more than six pairs occurs only a few days a year. The same stations on branches and on highways of low traffic – a lot; consequently, the sums spent in vain on them are significant.

*Regulation of the work of drivers.* – The duration of the work of the train driver is determined at 14 hours, and he is given the right, after this period, to leave the train, demanding rest. On some roads, the traction service very jealously guards such privileges of the drivers, introducing a complete confusion into movement of trains, which, no doubt, has an unfavorable value in economic circulation of rolling stock.



*Rationing of rest of station heads.* – The rationing of the rest of such agents as the heads of intermediate stations, despite the exact limits distributed by hours, is violated by life itself. The head of the station, who has the right to distribute the hours of classes for a full night's rest, often cannot use it, since he must go to the passenger train, hand over the proceeds and sell tickets. In the past, the ticket office was in the hands of the head of the station and one or two of his assistants, which is why tickets were not on duty at night and during hours – the assistants on duty sold them. Cases of deliberate miscalculation were very rare, but at the present time, after the strikes, there is already no trust between the employees themselves, and mass cases of dishonesty in the sale of tickets are forcing the station heads, who are personally responsible for the ticket office, not to trust assistants and go out at night for the sale of tickets, thereby violating their lawful and necessary rest. The regulation of rest is reduced to nothing.

*Exemption of stationmasters from conducting postal operations and compiling reports.* – The Non-Technician advises that some stationmasters be relieved of postal operations and savings bank responsibilities. It seems to me that this should not be done in order to avoid unnecessary expenses for other departments that cannot also entrust the operation to someone; – they need persons with a responsible, fairly solid position.

In order to remove the burden on stationmasters, it is better to give him an extra cashier or commercial clerk responsible for certain operations. To release station agents from the responsibility of compiling reports for the collection service is a completely wrong idea, since those who make expenses and commercial transactions should report for themselves. Here again the question of the help of assistants, if the station master himself does not have time to draw up reports.

*Labor of employees in commodity offices. «White» negroes.* – What should be paid attention to is the difficult working conditions in which most employees are placed in the goods offices of large goods stations. In truth, these workers, these «white» negroes, are pitiable. They are forced to work from early morning until late at night. And such work lasts not for weeks, but for whole months and sometimes even whole years. About ten years ago, this question was put on the agenda, a congress of heads of commercial departments was convened to develop a labor

standard for clerks and taxi drivers of goods offices.

The work of this congress had no real result at all, except for the decision to shelve this matter for eternity. According to the calculations of the congress, in order to standardize the work of agents of commodity offices and make it completely fair in relation to the work of other employees, it was necessary to add several million rubles to the number of employees in these offices. They were frightened of such expenses and shoved the work of the congress under the cloth, while the «white» negroes continue to languish under the yoke of overwork.

In spite of the present tendency to reduce expenditures, in the name of justice, the norms worked out by the congress should be brought to light and established once and for all, or for a long time, as a regulation of labor by the ministry.

The several million spent on this will not be completely wasted. Naturally, the work will become more correct, there will be no errors in the sales documents, and the number of claims will noticeably decrease, and, consequently, the size of the amounts paid for claims.

Overwork causes inaccuracies in work and a lot of errors, giving waybill buyers a pretext for lawsuits, the dimensions of which reach colossal proportions.

Embittered by overwork and low remuneration for it, employees can easily be consciously making mistakes in favor of claimant's offices<sup>1</sup> for weak remuneration on their part. Not by washing, but by skating – they are making up for their illegally trampled right.

*Employee remuneration.* – As regards the material remuneration of employees, it leaves much to be desired. As a general rule established on the roads, in relation to remuneration of senior and junior agents, a large difference is noticeable. Greater remuneration for seniors and less for juniors. This abnormality is a common phenomenon of all departments, which is why the railway department cannot be an exception.

I see a fair solution to this question in a constant consistent, up to certain limits, increase in the salaries of middle and junior employees after a certain number of years of service, as is practiced on many foreign roads.

*Gradual salary increase.* – Most employees remain in their positions from young to old age, all on the same salary. In his younger years,

<sup>1</sup> From «claimant» – a person, filing a claim. – *Ed. note.*

a single or small family, with small children, the salary received was somehow enough, and it was possible to live, but over time, as the children grow up, there is not enough salary, there is nowhere to find income, and it is impossible in the railway service, – involuntarily, one has to excel in extraneous gain, often at the expense of the interests of the road, or its losses. Here is an incentive for theft. First forced, and then already by virtue of secretly established methods and customs. Little by little, theft and bribes became necessary, and among the railways, they received a silent and unregistered right of citizenship.

The principle of railway economy: more employees and cheaper – not a little contributed to development of theft.

*Comparison with other states.* – The references given by the statistical collection of M.P.S. for 1905 are interesting, comparing the number of employees and workers and their average content in the European network of Russia, Austria, Germany and S.-A. United States a mile away in six years from 1899 to 1904 inclusive.

In Russia, the average number of employees and workers per verst is 12,7, Austria – 8,6, Germany – 6, America – 3,7.

The average salary of one employee and worker: in Russia 331 rubles, in Austria – 458 rubles, in Germany – 602 rubles and America – 1110 rubles.

Consequently, there are fewer employees abroad, but they are better paid. We should also strive for the same principle, as an economically correct principle. A well-paid employee and worker is capable of creating more value and better quality than a poorly paid one.

*Distinction for seniors.* – In addition to these allowances for old employees, it is necessary to establish some kind of difference for those who have served in general on the railways continuously for 25, 35, 40 and 50 years, and, in particular, on state employees and, moreover, on the same road.

*Work award.* – Even though the bonuses for the work of employees have long been granted the right of citizenship on the railways, but, unfortunately, recently its significance has fallen sharply in the service in which it should have a dominant value, namely, in the traffic service. Only a few old roads, which have long begun to award bonuses, traditionally still retain it. But new roads do not start such beneficial and profitable measures for lack of credit. The fact is

that the basis of the bonus is a reward for saving expenses allocated for a well-known work. If, on the other hand, an amount is allocated for expenses that is obviously insufficient for performance of certain functions, then it is obvious that only overspending, and not savings, can be expected. If there are no savings and separate estimated appropriations specifically for bonuses, then it goes without saying that the bonus is reduced to an empty phrase.

The main difficulty and delay in organizing a system of bonuses for some kind of labor available for bonuses lies in the lack of work coefficients that have not yet been worked out. When introducing bonuses, a huge amount of preliminary work is necessary to develop a coefficient through experimental observations and statistical records, which is why often the head of movement, with all the desire to introduce bonuses for labor and having neither time nor means for this, is often made unable to carry out this useful measure that serves an incentive to more energetic work and accustoming employees to more meaningful work and the desire to save government material and money.

*Traction service awards.* – Another thing in traction service. Coefficients have long been developed in it, which are independent of local dependence and can be applied, with insignificant changes, on all roads, which is why bonuses are of significant use in this service. Prizes are awarded for saving fuel and lubrication, the timeliness of thy train, the composition and weight of trains driven by the driver, the mileage of steam locomotives, and many other works.

With good work and intensity of movement of goods, the driver drives out monthly bonuses, often equal to or even exceeding his salary. A period of increased work on the road – traction employees are looking forward to and are not burdened by them, working with all their might; employees of the movement, on the contrary, curse this time, which draws all the veins and juices out of them and does not increase their material earnings. Only the conductors are happy with the increase in traffic, as they receive bonuses for their mileage.

*Bonus question.* – In general, the issue of premiums is raised on very shaky grounds, but in view of its usefulness, it is necessary to pay special attention to it, thoroughly think it over, systematically develop and introduce premiums on all roads and, if possible, in all services, especially in traffic and traction services.



*Premium.* – Regardless of all these paychecks, employees are also given bonuses for the results of their operation. I find the issuance of awards, in the form in which they are currently issued, completely wrong. For operation, i. e. in fact, for their work on operation of the road, employees receive a salary, while the issuance of awards for the results of operation, i. e. actually for successful operation of the road, can have meaning and significance in the case when they are really issued only for the success of the case, and not without any relation to whether the road worked well or not.

Currently, premiums are included in the estimates for the corresponding number, and make up 10 % of the total cost estimate for each road. Consequently, the issue of awards is decided in advance, whether it is bad, whether the road will work well, employees will work diligently or lazily. Such a system of fixing awards profanes the meaning and significance of awards in general and destroys any incentive that encourages diligence in work for the benefits of the road.

*Distribution of awards.* – For 1909, the total amount of awards for all state-owned roads was set at 3 706 000, and for 1910 at 4 million. This is such a solid figure that it is worth thinking about the correctness of its disposal.

The principle of distribution of awards does not withstand criticism, in the sense of justice, and one should resort to another, more appropriate, correct assessment of the work of employees.

In any case, it seems to me that awards cannot be given out for the results of exploitation, regardless of quality of the results. It is necessary to find out first whether the bad result came from organic shortcomings of the road and the lack of cargo, or from mismanagement and unsuccessful operation of it. Employees should not consider receiving awards as their inalienable right and look at them as an increase in salary, *conditio sine qua non*.

The reward is the encouragement of outstanding works, which must be shown by tangible benefits for the cause. The incorrectness of the principle of issuing awards was, in my opinion, of great importance in lowering the energy of employees of state roads.

On state-owned roads, in addition to awards, various kinds of benefits are also

issued, distributed as needed by the Management Council.

*Courts of honor and comrades, as elements of raising morality.* – To raise morale among railway employees, it would be useful to organize courts of honor and comrades on each road. All employees of the practice who have lived for a long time on the line and in its offices know what a mass of illegal and immoral acts are committed by employees; a lot of clashes of a comradely, personal nature, offenses contrary to the interests of the treasury and societies and official duty – pass without a trace for those responsible for them, without any recovery from them and without open censure by a decent majority. This gives rise not only to a relapse, but also causes other employees who do not have the ethics of decency to follow the example of those who did not receive proper punishment for a reprehensible act.

The accumulation of deeds sinning against ethics among railway employees has greatly lowered the moral level of this environment. In the area of concerns about raising ethics among railroad workers, measures must inevitably enter, directly, one way or another, condemning and stigmatizing immoral acts and misconduct in the face of all employees.

The authorities, *in corpore*, cannot take up this matter, since, being overly busy with performance of their direct duties, they are not so familiar with the environment of their employees, and besides, punishment or even disapproval of a misconduct by the authorities cannot have that peremptory value, which they acquire in the eyes of employees if they are imposed by colleagues themselves. «*The voice of the people is the voice of God*». The people, in this regard, will appear in the person of judges chosen voluntarily by the servants themselves.

Of course, I am far from thinking in this report to present a ready-made program of courts, which, together with the statutes, should be thoroughly worked out by the employees themselves; I express only the idea, which, in my opinion, should be realized in terms of its undoubted usefulness and profound significance.

*Choice of judges.* – The roads should be divided into departments, whose employees, excluding laborers, watchmen and switchmen, choose from among themselves and from among senior employees, a certain number of respected and worthy persons who have a good, unblemished reputation as honest and just people. These



persons are considered judges. For the court of honor, which is in charge of all matters of a personal and family nature, two judges are chosen from outside, and these latter themselves elect the chairman – the third judge from the total number of elected judges. The decisions of the court of honor are peremptory and the parties are obliged to obey it.

For a comrades' court, which is in charge of offenses against comrades, the treasury or society, against the rules of morality, official duty, etc., the judges gather in a certain number, according to the established turn, and elect a chairman from among themselves, call the guilty and witnesses, examine cases and issue their decision, which is considered peremptory, and to which the guilty are obliged to obey unquestioningly.

For both courts, charters must be drawn up, approved by the head of the road.

*The influence of the courts.* – Such kind of courts, for some very short time, should have a visible benefit, raising morality and developing an ethics of decency both among the judges themselves, flattered by the trust of their colleagues, why they should become even more correct and decent, and among other employees, condemnation which will fall on them like a black spot and will inevitably cause a desire to improve and make amends. Such a condemnation will always have an enormous advantage over the penalties imposed by orders and circulars on the road and which, given the low moral level that has been established on the road, many even flaunt. This is the judgment of the people, the judgment of God. It is impossible to go against him. It remains to submit and correct, or be ostracized. People who do not want to submit to the judgment of society, or who are incapable of correction, will have to not only leave the road, but also completely leave the service on the railways, thus, the tares will be completely removed from the railway field, to the general well-being.

*Self-help in raising the moral level.* – Self-help in this matter by the employees themselves will be of real importance, all the more important because, on the one hand, it will function completely independently, without the slightest pressure and even direction from the local top administration, and on the other hand, it will not cause any expenses from the treasury and boards of private road companies.

Self-help on the basis of an elective principle, with the mutual trust of employees and judges

and the favorable consent of the administration, will disinfect the roads from harmful elements, raise railway ethics high, and with it an honest attitude to the official duty and interests of the treasury and the state, and help the Ministry of Railways in raising profitability of roads and the establishment of order in them.

On four roads on which I served, there was not a trace of courts of this kind, and on other roads they do not exist, because otherwise I would have known. In railway literature, I have not read about organization of such courts.

It seems that there are some kind of courts of this kind on the Warsaw-Vienna road, but nothing is known about their functioning.

*An example of officers' courts.* – Officers' courts are organized in our army, and they function successfully, exerting a very useful influence on maintaining morality and honor in military units. The same must be achieved on the railways.

For a start, of course, an initiative is needed on the part of the Ministry, whose duty it is to notify the roads about taking measures for organization of courts.

It goes without saying that all employees will gladly respond to such a call and immediately set to work. God help such a useful and good cause!

### **Pension fund and employee insurance**

So far, I have been talking about organization of institutions that embrace the organization of the life of employees during their service on the roads, but for final provision of employees, at the end of their service, due to advanced age or illness, as well as to provide for the family in case of premature death, organization of pension funds and employee insurance is necessary.

The general pension fund of employees on state-owned railways has existed since January 1, 1894 and has as its purpose the issuance of emerital, widow's and orphan's pensions to the employees themselves. The pension capital is provided by employees' own obligatory contributions in the amount of 6 % of the content, deductions from bonuses, income from station canteens and surcharges from the treasury.

Unfortunately, the amount of pensions received by both the employees themselves and their widows and orphans is too small to ensure the existence of pensioners, even in the case of a long service of an employee. In cases of the death of an employee shortly after entering the



service, the family receives little to provide for himself, since the size of the pensions is directly proportional to the contributions made.

The pension fund, in its current position, does not satisfy the employees at all, and they, in fact, do not value it. Everyone pays deductions, as obligatory, but in the past they often tried to leave the service in order to receive their contributions and then go back to the service. This was banned by the Railroad Administration a few years ago. But nevertheless, it is still practised.

It would be necessary to revise the calculations of the state general pension fund and, if possible, increase pensions. There is no need to accumulate excess capital, made up of small contributions from participants.

*Life insurance in the pension fund.* – Life insurance in private companies seems unfeasible due to the expensive annual premium rate, so the Ministry of Railways, through the administration of the pension fund, developed a project for insurance of employees in the pension fund and, after many vicissitudes, finally achieved a favorable opinion of the State Council and was awarded the Highest Approval project on May 3, 1899.

According to this law, all employees in operation and construction of state-owned and private railways, and the central institutions of the Ministry of Railways, Finance and State Control for the railway part, received the right to life insurance in the pension fund of employees of state-owned railways. Two types of insurance are allowed:

a) capital insurance in case of death.

b) Mixed insurance for a certain period – in which the insured capital is issued either to the insured himself, or, in the event of the death of the insured before the expiration of the term, to his heirs.

Finally, the so-called collective insurance by a group of persons of at least 25 people and the amount for each insured of not more than 1000 rubles is also allowed. This insurance completely replaces funeral funds, which are extremely disadvantageous for participants.

*Involvement of employees in insurance.* – No matter how brilliant are the results of insurance operations over decades, but, nevertheless, the number of insured employees as a percentage of the total number of employees is negligible, only 21 %. And this is due to insufficient dissemination among employees of information about such insurance and its benefits. The management of

the affairs of the cash desk is not in a position to keep a mass of special agents on all lines for recruitment of insurers: local railway agents, such as traffic and train auditors, auditors of station accounting, auditors of the telegraph, traction, material service, assistant chiefs of sections and distances, must undertake this. There were examples that the auditors of movement, having become interested in this issue, attracted a lot of employees to participate in insurance. These senior line agents, each in their own area, must explain to employees their personal benefits of insurance and, by the power of words, persuade them to take part in it.

This must be done not by virtue of official obligations and not by bureaucratic methods (orders, circulars), but by a living persuasive word, by virtue of philanthropy and attention to junior employees, whose interests should be dear to the district authorities.

The local railway administrations, in their turn, should help to spread insurance and by their attention incite the district authorities to active recruitment of agents of this useful institution.

The insurance premium on average reaches only 3 % of the salary of the insured persons, which cannot burden the budget of a railway employee, especially in view of providing for his family in the event of his premature death, and himself when he survives to the insurance period.

*Insurance as a means of facilitating the arrangement of life.* – Employees should understand the beneficial value of insurance for each of them and strive to use its services. One cannot always count on assistance from the treasury, one must also resort to self-help, especially when there are all chances for this, provided by the diligence of the Ministry and the Railway Administration.

Life insurance in the Railway Pension Fund should play a major role in arranging the life of railway employees and develop in them the desire to retain the service that ensures their old age, and in the event of premature death, makes possible the comfortable existence of their families.

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**The final part  
of the report will be published  
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