

ADMINISTRATIVE REFORMS COMMISSION

# Report

ON  
RAILWAYS



January, 1970

# REPORT ON RAILWAYS



सत्यमेव जयते

**Administrative Reforms Commission,  
Patei Bhavan, New Delhi.  
January 1970**



**CHAIRMAN**

**ADMINISTRATIVE REFORMS COMMISSION  
GOVERNMENT OF INDIA**

**Camp : Kengal Krupa, Bellary Road,  
Bangalore-6, dated 30th Jan. 1970.**

**My dear Prime Minister,**

I am forwarding herewith the Administrative Reforms Commission's Report on the Railways. This is the sixteenth Report of the Commission.

2. To a government like ours, the level of efficiency obtaining in its public enterprises is a true index of the success of its efforts to establish a socialistic pattern of society. Furthermore, the measure of the spirit of service and of dedication to the public good which the employees bring to bear on their tasks, will either vindicate or shake the people's faith in the public sector. The Railways are by far the biggest of our public undertakings employing a capital of Rs. 3,250 crores along with a work force of 13.7 lakhs and, operating a country-wide net-work extending over 59,000 kilometres of railway. The enormous size of material investment and human employment as much as the vital nature of the service provided to the community and to the economy highlight the necessity of their efficient working.

3. Our examination of the subject reveals several deficiencies in the organisation and methods of work adopted as also certain disquieting features in the broad financial picture presented by the Railways. Their performance, both as a commercial proposition and as a public utility patronised by millions every day, leaves much to be desired and has got to be improved. The Railway must find ways and means of better and more rational use of their man-power, and of improving their technical competence. They need to modernise not only their equipment, but their management practices as well. Each operation and each planned investment has to be viewed in the cold light of adequacy of return, either short-term or long-term. Above all, railwaymen must accept that their general betterment or their individual prospects have, necessarily, to follow and not precede their collective efficiency and their dedication to social obligations. In this report, we have made specific recommendations which would, if efficiently implemented, lead to the attainment of these objectives.

4. Uninterrupted and smooth operation is undoubtedly the most crucial factor for achieving better results. Strikes and "go slow" tactics should have no place in a public enterprise. In a Government undertaking, which feeds, and in its turn feeds upon, the whole economy and its means of production, strikes can only be ruinous and self-defeating. When the means

of production are owned by the people, as in public undertakings, strikes must be abjured as a matter of principle. There should, however, be an adequate machinery for redress of grievances and adjudication of disputes. We have, in this report, supported the steps which the Government has already taken in this regard and have also suggested their effective implementation.

5. There should be optimum utilisation of man-power through better training, career development, job analysis and placement. A career planning cell should be established and management development programmes undertaken. Individual performance should be judged more systematically through a new system of performance reports. Advancement must be related more directly to actual performance and demonstrated merit. The promotion quota should be enlarged to 40% of the cadre strength and one half of the promotion posts should be filled on the results of competitive tests, so that the younger elements can move quickly up the ladder on merits.

6. Dealing with the economic aspects of the working of the Railways, we have suggested that ways and means should be devised to ease the financial strain of unremunerative lines which are maintained in the public interest. The multiplicity of gauges presently in use is irrational and wasteful. A policy of progressive conversion of narrow and metre gauges into broad gauge must be adopted. The ultimate objective should be a single gauges (broad) system for the whole country, except in hilly tracts or for special operational reasons. Road and rail transport should neither compete with each other, nor duplicate each other's facilities. There should be closer co-ordination with State Transport Authorities, so as to eliminate any possible conflict of interest between different modes of transport.

7. Project planning and construction work must be made more systematic and efficient. Modern accounting procedures and performance budgeting should be adopted as a measure of control of costs and promotion of efficiency. Decision making should be made easier and quicker by adequate decentralisation and delegation of powers to Zonal heads and to their subordinate Units.

8. Despite phenomenal growth in the last two decades, modern engineering techniques, and mechanisation of operations, have touched only a fringe of the vast railway net-work. Larger funds should be provided for this purpose. The Research Organisation is not strong enough, nor has it received the importance and encouragement it deserves. We have suggested measures to attract and retain men whose talents lie in the direction of research and to ensure that the management of the Research Organisation is placed on a sound footing.

9. The continuing canker of corruption must be combated. We have proposed the streamlining of the vigilance set-up with a view to ensuring

its more effective working. In the Zones, the Vigilance Organisation should work in close consultation with the General Manager and the heads of Departments should be made squarely responsible for checking corruption in their charges. At the same time, we have emphasized the need to guard against demoralisation of honest employees and to ensure that distinction is made between *bona fide* errors of judgment and *mala fide* actions. Public confidence in the Railway Safety Organisation should be improved by making it truly independent. We have recommended that responsibility should be fixed and penalties imposed collectively or individually on the concerned railway staff for the loss of or damage to goods in transit. Finally, we have suggested steps for improving passenger amenities and have urged greater responsiveness on the part of the Railway Administration to the genuine and reasonable needs of their patrons. For the passenger in transit, the supply of cheaper and more wholesome food is called for and is possible.

10. The Study Team on Railways was headed by Shri Hriday Nath Kunzru who has all the time taken abiding interest in the improvement of Railway Administration. He, his colleagues and the staff that assisted them deserve our appreciation and thanks.

Yours sincerely,

Sd :

(K. HANUMANTHAIYA)

Shrimati Indira Gandhi,  
Prime Minister of India,  
New Delhi-1

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