



THE
CEYLON GOVERNMENT
GAZETTE

EXTRAORDINARY.

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PART I.—GENERAL.

GOVERNMENT NOTIFICATIONS.

T 7/18/41

INDUSTRIAL DISPUTES (CONCILIATION) ORDINANCE,
CHAPTER 110.

THE report sent to the Controller of Labour under section 6 (3) of the above Ordinance by the Conciliation Board established under the above Ordinance and to which the dispute which had arisen between the Hindustan Construction Co., Norton Bridge, and the Kamkaru Sevaka Sabha and the Norton Labour Union as representing the labourers on strike was referred in order that it may endeavour to effect a settlement is hereby published in terms of section 7 of the above Ordinance.

2. The representatives of the parties, namely, Mr. B. P. Kapadia for the Hindustan Construction Company and Messrs. M. P. C. Jayewardene and R. E. Jayatilleke for the Kamkaru Sevaka Sabha and the Norton Labour Union respectively, are required to state in writing, in terms of section 7 of the above Ordinance, to the Controller of Labour, within fourteen days after the date of publication of this notice, whether they accept or reject the recommendations made.

Colombo, May 6, 1941.

F. C. GIMSON,
Controller of Labour.

Report.

This Board was appointed on February 25, 1941, as some labourers employed under the Hindustan Construction Co. at Norton Bridge went on strike and they agreed to go back to work on the promise that their grievances would be inquired into by a Board of Conciliation. It appeared that the strikers were members of the Kamkaru Sevaka Sabha and the Union and Management were therefore asked to nominate representatives to serve on the Board. The Union nominated Mr. Samaraweera as its representative and the Management nominated Mr. Benson. When the papers were forwarded to me as Chairman by the Controller of Labour, I found that there was another Union called the Norton Labour Union, having members among the workers employed by

this Company. I fixed a preliminary meeting of the Board for March 6, 1941, to which I requested both the Unions and the Management to send representatives. At this Meeting Mr. M. P. C. Jayawardana, the President of the Kamkaru Sevaka Sabha, stated that his Union had 317 members while Mr. R. E. Jayatilleke, the President of the Norton Labour Union, stated that his Union had 563 members. There are approximately 1,000 Ceylonese labourers employed on the work. The Norton Labour Union stated that it also had grievances which it wished the Board to investigate and the Board inquired from the Presidents of both Unions whether they would agree to put forward joint demands on behalf of the workers as a whole. They were prepared to do so, but Mr. Jayatilleke stated that he wished his Union also to be represented on the Board. In view of this development the sittings of the Board were adjourned but the parties were requested in the meantime to consider the question of a settlement. On the next date the Board visited the works and examined the conditions under which the men are working at Norton. I went down the adits and tunnels where the men are working both at Laxapana and at Norton to examine working conditions and looked into the question of the housing provided for the labourers. All matters which the representatives of the parties brought to the notice of the Board were investigated.

2. The Board sat again on March 13, 1941, at which Mr. Jayatilleke stated that his Union was agreeable to Mr. Samaraweera representing the labourers on the Board. Mr. Benson intimated, however, his wish to resign from the Board and forwarded a letter of resignation some time later. The labourers submitted document B which contained 8 issues, which they wished the Board to inquire into. These were discussed and the parties arrived at a settlement on 3 issues, viz., 6, 7, and 8 and a part of another, namely, 3 (a). Mr. Modder on behalf of the employer raised 2 issues. The issues having been settled the parties submitted the names of witnesses whom they wished to summon and the Board adjourned to April 2, 1941, for the evidence to be heard.

3. The issues on which agreement was reached are as follows:—

Issue 3 (a).—Should not the tunnel labourers be compensated for industrial diseases contracted in the course of their duties?

Mr. Kapadia agrees to continue in the case of tunnel workers to supply to pneumonia patients patent medicines not supplied by the Government when certified by the D. M. O. as necessary. The labour representatives accept this as satisfactory.

Issue 6.—Are medical facilities provided at present and available to the labourers adequate? If not, what improvements are necessary.

The employer and the Trade Unions are agreed that the medical facilities provided at the Watawala Hospital are inadequate. Both the employer and the Trade Unions agree to co-operate in pressing on Government the need for improving these facilities.

Issue 7.—Are the Housing and Sanitary conditions provided for workers satisfactory?

The employer states that he has carried out Dr. Fonseka's recommendation relating to Housing and Sanitation except that in all cases the recommendation of 4 labourers to a room has not been satisfied. The employer agrees to provide paths to the lines. The Unions are satisfied with this answer and withdraw this issue.

Issue 8.—Are workers paid overtime wages for serving over and above 8 hours a day?

The employer states that overtime wages are paid. If any dispute arises in any case that matter is to be referred to the D. C. L., Hatton, whose decision is final.

4. In connection with issue 6, the parties wished the Board to visit the Watawala Hospital so that the Board may examine for itself the conditions prevailing at that place. The Board visited this hospital on the morning of April 3, 1941, along with Messrs. Jayawardene, Jayatileke, and Kapadia. The Watawala Hospital has been in existence for 12 years and there are 40 beds in all—male, female, and maternity. This is a small hospital and it is intended to serve the neighbouring estates. Before 1939, except during the malaria epidemic, on an average 30 beds were occupied and the hospital therefore was big enough to meet the requirements of the locality. Since the Hindustan Construction Company started work at Norton Bridge 2 fresh classes of cases have arisen, viz., (1) sick workmen especially those suffering from lung diseases from the works, and (2) accident cases. The average number of cases from the Hindustan Construction Company is 30 which has raised the average number which the Watawala Hospital has to deal with to 60. It was alleged that Government has done hardly anything to meet the situation created by the increase of cases from the Hindustan Construction Company though an year has elapsed since work began at Norton Bridge. At the time of my visit however a new ward was being built which will accommodate 16 cases and which the D. M. O. stated would be completed in three weeks time. As it will not completely absorb all the cases from the Hindustan Construction Company, Government should consider what further additions to this Hospital are necessary. The labour representatives also recommended the building of an I. D. H. ward for which there is space available.

5. The complaints made seem to indicate that Government has not taken steps to meet fully the situation created by the presence at Norton of over 1,000 labourers who are within the area served by this hospital. It was explained that while application was made for Rs. 2,200 for drugs a sum of Rs. 1,600 was sanctioned. There is a large number of pneumonia cases for which an expensive drug, M.M.B. 693 is necessary. At present the regulations require that the cost of this drug should be defrayed from the drug allowance and as this sum is required for other drugs also the Medical Officer in charge is unwilling to prescribe M.M.B. 693 in many cases where it is necessary, in order to conserve the drug allowance which is barely sufficient for all his needs. The representatives were agreed that the entire drug allowance asked for should be given together with a special allowance of, say, Rs. 500 for M.M.B. 693. The D. M. O. has also asked for a special allowance for linen for the Men's Ward, the supply of which it was urged should be expedited. An application for Rs. 7,000 for food was made some 6 months ago but Rs. 6,300 was sanctioned. It was explained to me that according to present average figures Rs. 9,000 is required. When the new ward is built additional staff will be required and an increase in staff allowance will have to be made. It was urged that a nurse should be appointed to assist the matron for whom quarters are available. Two more attendants and two more labourers and a night watcher are required. Since most of the accident cases come at nights the labour representatives recommended that the hospital should be supplied with electric lights. At present hurricane lanterns are in use. The cost of supplying electric lights may be prohibitive, but it may be possible to supply some other lights such as Kitson lamps which will be an improvement on the present position.

6. Mr. Kapadia, the Manager of the Hindustan Construction Company stated that according to the contract document Government agreed to provide free medical treatment at Watawala Hospital and his Company agree to provide only the transport thither. At present he has been asked to pay for the supply of the drugs also at Watawala and other expenses. Sometimes he is required to transport labourers from Norton to Kandy and Colombo. In a number of these cases he transports the patients or pays the fees under protest. The Board was also informed that two patients sometimes sleep on one bed. It was explained that in view of the inadequacy of accommodation, the extra patients are provided with mats. Since the place is fairly cold these patients, with the consent of those who are provided with beds, utilize the latter's beds. The contract document was not placed before the Board as it was claimed to be a confidential document. The Board therefore had no opportunity of ascertaining how far the contractor's contention was sound. It was argued by Mr. Kapadia that since Government has agreed to provide free medical treatment at Watawala Hospital and the Hindustan Construction Company has agreed to provide only the transport to Watawala, his Company would have an eventual claim for reimbursement in regard to the expenses he has incurred in paying for drugs, transport, &c., which he now provides though unwillingly at the request of the D. M. O. It is no part of my functions to express an opinion on the liabilities of the parties but Government should examine its obligations in this matter and if

the contractor's contention is correct, it may probably be cheaper to Government to make other arrangements to fulfil its obligations under the contract.

7. The Board does not express any opinion on the individual complaints made, such as the inadequacy of drugs, &c., as it did not summon and examine witnesses from the Head Office of the Medical Department. This is unnecessary as the parties agreed jointly to make representations and I am merely assisting them to place their grievances before Government. Their complaints can be broadly classified under two heads, viz. :—

- (a) there has been no adequate expansion of hospital staff, equipment and accommodation to deal with the increased number of cases at this Hospital due primarily to the fact that it has to deal with the cases from the Norton Bridge Works;
- (b) the delay in supplying to this Hospital even the equipment, drugs, &c., which are sanctioned, has caused and is causing considerable inconvenience and suffering. Government should at the earliest possible date examine exactly what are the requirements of this Hospital and keep the matter under constant review. As far as possible the supply of drugs, &c., should be expedited if the allegation of delay is true so that there would not be any considerable time lag between the date of application and the date of supply

8. One further point needs to be dealt with. At present there is an Apothecary at Norton who is working directly under the M. O. H., Nawalapitiya. When patients go to this officer he recommends that those cases which he is unable to treat himself should be sent to the Watawala Hospital. It was urged that this method of administrative control is unsatisfactory and that if the Apothecary is retained he should be placed under the D. M. O., Watawala. It was however submitted that he should be replaced by a Doctor as the former is not in a position to treat a number of cases which could easily be dealt with by a qualified doctor if one is stationed at Norton. If this suggestion is adopted, the number of cases sent to Watawala may be reduced. The feasibility of this suggestion may be examined by Government. All the representatives stated that they would prefer the Medical Officer being stationed at Norton and that he should work under the direction of the D. M. O., Watawala, rather than that he should be attached to the Watawala Hospital.

9. April 2, 1941, had been fixed earlier for the evidence of the witnesses to be recorded. Before this date, Mr. Benson resigned his membership of the Board and Mr. Samaraweera therefore withdrew. From now onwards I sat alone as the Board. Before the evidence of the witnesses was led, an objection was raised by the employer Mr. Modder on behalf of the Hindustan Construction Co. stated that there is a clause in the contract to the effect that disputes between the contractor and his workmen should be settled by Government and that in terms of this clause the contractor had placed the matter before Government for a ruling. He therefore submitted that the Board had no jurisdiction to inquire into the matter and withdrew the two issues which he had raised earlier. The Board overruled this objection as it was appointed under the Industrial Disputes Ordinance and was performing functions as provided therein and no contract between Government and any other party can operate to override the provisions of the law. Moreover the duty of the Board was to try and settle the dispute that had arisen between the labourers and the employer and any agreement entered into by the employer and a third party, viz., Government, cannot possibly bind the labourers, and therefore will not carry the position any further as far as the solution of the dispute is concerned.

10. The employer also refused to call any witnesses or to participate in the proceedings of the Board but he agreed however to assist the Board by giving such information or placing such material as may be helpful to the Board. I was therefore somewhat handicapped in my investigations on account of the stand taken by the employer.

11. At the earlier sittings of the Board the contractor had referred to certain clauses in the contract, and the Labour Unions had applied for and obtained summons on the contractor to produce a certified copy of the contract document. The Board received a letter from the Hon. the Financial Secretary to the effect that the contract was a confidential document and that it would be contrary to the public interest to disclose its terms generally. I inquired from the representative of the Labour Unions whether he had any reasons to urge why the document should be produced. He stated that if the other party referred to this document, he should be given an opportunity of examining the document himself. Mr. Modder stated that he referred only to clause 28 which lays down that any dispute between the contractor and his labour should be dealt with by Government. He stated that this clause had already been referred to and that both parties were aware of it. The claim for privilege raises a general question which I think should be dealt with. The letter from the Hon. the Financial Secretary stated that it would be contrary to the public interests to disclose the terms of the contract generally. It was perhaps intended by the use of the word "generally" to mean that some clauses in the contract, such as the clauses which relate to labour, could be disclosed. If this interpretation is not what was intended, then the claim for privilege should be supported by argument. If any clauses in the contract refer to conditions of employment, wages, &c., and one of the parties to the contract takes refuge under these clauses, it is difficult to see how any claim of privilege can be made with reference to the disclosure of the terms of these clauses. Where a labour dispute arises which may result in disorder and disturbance of public tranquillity, a Board's investigation should not be restricted by a claim of privilege relating to clauses defining the conditions of employment, rates of wages, &c. If these clauses are incorporated in the contract they must, if the necessity arises, be available to any Board inquiring into any dispute. If they cannot be divulged, arguments should be adduced in support of whatever claim is made. The representative of the labourers did not apply

for the production of a certified copy of only the clauses in the contract which relate to the conditions of employment perhaps because it may have involved delay and the parties were anxious that the inquiry should be speedily concluded.

12. In this case Government has incorporated in a contract for the execution of a particular piece of work certain clauses which relate to the conditions of employment of labour and which are generally called "fair wages clauses". The position therefore appears to be the same as that of contracts entered into by the Canadian Government with contractors where similar clauses are incorporated. If any dispute arises, as far as this Board is aware, these clauses are made available to any Boards which may inquire into labour disputes. Fair wages clauses are inserted by Government in contracts to ensure that labour is employed on favourable terms. The Canadian Government therefore insists that these clauses should be made available to the workers so that the latter may know their rights. For the reasons already given I think the same procedure should be followed in this country. If this view is not accepted, it should be shown how labourers whose welfare is affected by such a clause could be denied the right to see it. It may be possible to consolidate all these clauses in a part of the contract and a certified copy of this part produced at an inquiry, if necessary.

13. After the evidence of the witnesses had been recorded, I pointed out that no material had been placed before the Board to show that night workers should be paid a higher rate of wages, Mr. Selvadurai stated that he was aware of it and that he wished to withdraw that issue.

14. The main issues therefore on which the parties are disagreed are the following:—

- (1) Are the present rates of wages paid to unskilled labourers by the Hindustan Construction Co., Ltd., at Norton Bridge adequate under the conditions prevailing?
 - (a) If inadequate, what would be a reasonable scale?
- (2) How do the rates paid to skilled labourers compare with those paid by Government Departments, such as the P. W. D.?
 - (a) Should not a reasonable scale start on the minimum laid down by the P. W. D.?
- (3) Should not the tunnel labourers, by virtue of the hazardous work entailed, be paid a higher rate?
- (4) Should not the labourers be supplied by the contractors with water-proof coats and head-gear?

15. In order to prove inadequacy of wages, the Unions called a number of labourers to prove that they are in debt, and a number of "kada-keepers" to show that the labourers are indebted to them. Substantially the evidence of these labourers was that their wages are inadequate and that they are all in debt. In order to make their case a little stronger the labourers exaggerated the amounts they spent on food and the amounts of their debts, but it is quite possible that they are in debt though not to the extent to which they averred. Even if this is admitted, it does not necessarily prove that the wages are inadequate. It is stated that a large number of Government minor employees are in debt. Government does not draw the conclusion from this that the wages paid are inadequate. The fact that a labourer is in debt may be due to various causes. It may be due to improvidence, reckless habits, indulgence in gambling and a number of other causes, one of which may be inadequacy of wages. The Board asked the Labour Unions whether they had prepared any budget of the needs of these labourers which would have been of assistance in ascertaining whether the wages are adequate or not. They were unable to supply any such budgets. In fact, they do not appear to have considered this question at all. It is unfortunate that these leaders did not take the trouble to collect data on this point which is the foundation on which their whole case for an increase in wages rests.

16. A number of "kada-keepers" were also called in to show that the labourers are in debt to the "kadas". It is possible that as stated by these "kada-keepers" many of these labourers are in debt. Once again the same argument would apply and merely being in debt to a "kada" is not by itself a sufficient reason from which to conclude that the wages are inadequate.

17. In the absence of any assistance whatsoever from the Trade Unions on the question of inadequacy of wages I have had to examine the question myself with the assistance of such material as is available. Thus I am entitled to do as under section 6 of the Industrial Disputes Ordinance the Board should investigate the dispute and all matters affecting the merits and the right settlement thereof. At the Norton Bridge Works, with the consent of the Unions, a contractor has been appointed to supply meals and his rates are fixed with the consent of the employer and the Unions. Moreover, the Unions or their representatives examine the food when complaints are made and on their intervention the contractor who was unsatisfactory was dismissed and a new contractor was appointed with the approval of Mr. Jayawardene. Throughout the Unions have controlled the rates and supervised the quality of the meals. But at the inquiry the labourers stated that the meals supplied by this contractor were unsatisfactory which fact made it necessary for them to have their meals elsewhere in the other hotels close by. In view of the strict control exercised by the Unions over the catering contractor, it is difficult to place much credence on that part of the evidence of the witnesses wherein it was sought to make out that the meals were unsatisfactory. If they were bad, why was no action taken by the Union? If this evidence is believed, other evidence given by their leaders, that they intervened when the meals were shown to be bad, is false. Though the labourers complained before the Board that the food supplied by the caterer was bad, most of them had not made that complaint earlier either to the management or to the Unions. The truth is that the Unions have supervised the quality of the meals supplied by the contractor but at the inquiry the evidence that the food was bad was led merely in order to prove that the labourers took their meals at the "kadas" which are more expensive. The

Unions, therefore, at the inquiry, slightly shifted their position in order to establish a more convincing case. The truth of the matter is that there is a catering contractor who supplies meals at controlled rates which satisfy the minimum requirements of the Unions. It may be that the "kadas" supply better food which is a little more expensive. In dealing with questions such as these, the Board cannot take into consideration the rates charged by more expensive restaurants and eating-houses. What it can consider are the rates charged which satisfy minimum requirements. The catering contractor's rates have been approved by the Unions and the supply of food supervised by them. A labourer can have a morning meal for 8 cents, a mid-day meal for 14 cents, and an evening meal for 14 cents. The total cost of the meals for a day amounts to 36 cents which will satisfy his minimum requirements. The catering contract requires the contractor to supply "samba" rice and it is also a requirement that the quantity of food should be sufficient for a workman's meal. As stated earlier, the workman can get more and better food perhaps at higher rates at boutiques, but he would hardly be justified in asking that his wages should be calculated on the rates charged by the latter.

18. There is no other information available as to a labourer's other wants. He is, however, provided with free housing at the works itself, and his expenditure under this item is therefore nil. In the early stages when work commenced at Norton Bridge, the housing was stated to be unsatisfactory, but the Unions and the management discussed the matter on various occasions and various improvements have gradually been given effect to. At the preliminary sittings of this Board some questions relating to housing were raised which the management agreed to grant and the parties amicably settled the matter. It may therefore be taken for granted that the matter of housing is settled to the satisfaction of the Unions. No doubt from time to time minor questions such as the repair of lines, &c., are bound to arise, which it should be possible amicably to adjust as has been done in the past.

19. Recently a family budget inquiry of labourers in Colombo City was conducted and it was ascertained that a family consists of 5.64 equivalent adult units ascertained according to Lusk's scale. The expenditure for the various groups is as follows:—

Monthly expenditure		Amount.
		Rs c.
I.	Food	27 64
II.	House rent	8 42
III.	Fuel and light	3 31
IV.	Clothing	4 41
V.	Miscellaneous	8 97
Total		52 75

It was found earlier that the labourers at Norton Bridge are supplied with housing which is a free benefit supplied by the employer and their expenditure on fuel and light is also negligible since they mostly do not cook their own meals. The Colombo budget is that of families whereas the labourers at Norton Bridge should be regarded as single men. Strictly speaking the figures obtained for Colombo cannot be applied to Norton Bridge, but they are useful for a rough comparison. The total amount spent on clothing and miscellaneous expenses in Colombo is Rs. 13 38. For each equivalent adult male, the amount is Rs. 13.38 divided by 5.64 which is 2.37 cents. The daily cost of meals supplied by the approved caterer is 35 cents which gives 10.50 as the cost per month. It was explained by Mr. Kapadia and admitted by the labour representative that 95 per cent. of the labourers are given work for 26 days and the balance 5 per cent. for at least 22 days. If it is assumed that a labourer works for 25 days a month and the wages are tentatively fixed at 70 cents a worker will be able to earn Rs. 17.50 a month. For his expenses other than food a labourer will have available Rs. 7 or approximately three times the amount a Colombo labourer spends on clothing and miscellaneous expenses. If a Norton Bridge labourer's expenditure under these groups is assumed to be the same, he will have a balance of Rs. 4.63 for other expenditure or which he can save or send home to his relatives.

Certain figures which were collected in Bombay may also be useful. In the family Budget inquiry conducted a few years ago single men who work in the city and whose dependants were living away from Bombay were included. The results were tabulated separately for these persons and it was found that monthly remittances to dependants were made. The group with incomes below Rs. 30 remitted 16.1 per cent. of the income, while for all income groups the figure was 26.2 per cent. It will be observed that Rs. 4.62 is 26.46 per cent. of the income of Rs. 17.50 which is slightly greater than the figure for all income groups in Bombay. But since the Board is considering here the lowest income group, 16.1 per cent. is the more appropriate figure for comparison. On this basis the workman's expenditure will be Rs. 10.50 for food and 2.80 for remittances which allows Rs. 4.20 for clothing, and miscellaneous expenses which last figure is roughly double the amount a Colombo labourer spends.

20. If the calculation is made on a daily wage rate of 68 cents, the monthly earnings will be Rs. 17. Since food will cost Rs. 10.50 and remittances will amount to Rs. 2.72, the balance left is Rs. 3.78. This will allow for clothing and miscellaneous expenditure 1½ times the sum a labourer spends in Colombo which though less favourable to the labourer is probably sufficient not to cause hardship if abnormal facts are not present. It will be shown below that the war has introduced abnormal factors for which special consideration is necessary. At a daily wage of 64 cents we get the following figures: monthly wages = Rs. 16, Food = 10.50, remittances = 2.56, clothing and miscellaneous expenses = 2.94 which is not much above the amount a Colombo labourer spends. This is probably inadequate as it does not allow a sufficient margin to meet the increased cost of living due to the war, which may partly indicate the origin of the present discontent.

21. The Executive Engineer, Norton, stated that to men of the locality a wage of 65 cents per diem would be adequate as they would not have to run two separate houses. If a family in Norton Bridge can subsist on a wage of 65 cents a day, a single man should be able to live on a sum below this figure. This would allow a part of the wages earned to be saved. The figures given above would appear to support this conclusion. If the statement that the labourers' wages are inadequate, as he has to remit a part of his income home, is true, then the figures given above seem to indicate that if the wages are increased to 70 cents a day, it should be possible to rectify matters. This figure applies only to the lowest paid worker and those on higher rates are better off. It is therefore possible for a good worker progressively to improve his condition, if the urge to do so on account of family responsibilities, is there. Mr. Kapadia in his evidence stated, in reply to a question from me, that if he was not bothered by the Unions, he would have increased the rate from 64 cents to 70 cents. It was unfortunate that the bother was caused which made Mr. Kapadia reject the request of the Unions. The evidence shows that there are 453 workers rated at 64 cents, 1 at 65 cents, and 1 at 67 cents. I recommend that they be paid at the basic rate of 70 cents forthwith. Mr. Kapadia realises that the more efficient workers should be given higher rates of wages as his efficiency increases. Though the principle may be recognised in theory, in actual practice the change may not be made quickly enough to avoid dissatisfaction. I would suggest that Mr. Kapadia examines the system which obtains at present and takes such steps as may be necessary to ensure that the efficient worker is not compelled to stagnate unduly on a rate of wages which is below his standard of efficiency.

22. The evidence of the labourers who gave evidence shows that generally they did not make any complaints to the management regarding their grievances. Most of these grievances were only ventilated before the Board. Some of these witnesses stated that deductions were made for rainy days even if they worked the usual number of hours and even if the output was not affected. I doubt whether any employer will be so foolish as to reduce wages for no cause whatsoever and clearly this is an exaggeration. Mr. Kapadia admitted that when work is stopped for the day on account of rain, if the usual number of hours work is not done and the card is returned to the labourer, a deduction is made. But no deduction is made as long as the card is not returned. This has been magnified by the labourers to cases of deduction for no reason other than the rain. The witness P. A. Charles, who is a workman admitted that if they worked regularly for 8 hours they are paid regular wages, which I think is the truth.

23. One of the grievances urged by the labourers is that they had very large families to support and the wages were inadequate for the purpose. In discussing the adequacy of the wages of unskilled labourers I examined the wants of labourers and calculated their wages on the assumption that they have family responsibilities to meet. This request of the labourers may be interpreted to mean a request for family allowances as such and it is necessary to examine the question from this angle also. This question is inter-related to another question which was raised and which may be examined together. The leaders of the Labour Unions also stated that the labourers were living away from home and therefore had to run two establishments and their request could also be interpreted to be one for a separate allowance. Both these questions introduce the same principle, namely, that the wages fixed should also include a family allowance whether the family lives with the labourer or elsewhere. Major Orde Browne, in his Report on the West Indies, has pointed out that an employer pays wages for good work and not for successful paternity. At present the system of wage payments in this country is according to the output or efficiency of the worker. If the size of a family is to be taken into consideration this system will have to be replaced by the principle of remuneration according to need.

24. If an employer starts work in a locality where labour is scarce he will have to pay a wage which is sufficiently attractive to induce labour from other regions to come thither. One of the factors which would weigh with the labourers to whom the offer to migrate is made is the question of running two establishments if they are unable or unwilling to take their families with them. There may be other factors also which enter into the question. The employer would have to pay a wage much higher than the rates prevailing in other localities if labourers are otherwise unwilling to come to that locality for work. This rate may, in fact, include a sum which the labourer hopes to send home and which would be in the nature of a hidden separate allowance. If the principle of the family allowance is to be introduced difficult and important questions arise. Are the allowances to be given only to wives and children or is the "family" to be given a wider definition? What amounts should be given as allowances and on what principle should they be calculated? Should the rates of wages be revised in consequence of the introduction of family allowances? Should these allowances be paid by private employers or by the State? These and other difficult questions arise which I regret I am not in a position to answer. I would mention that the Trade Unions merely raised the matter and they did not place any material before the Board which would have been of assistance in this connection. As fundamental questions arise, any independent investigation is likely to take time. In the circumstances therefore this Board is unable to consider this aspect of the matter in relation to the present dispute.

25. I have so far dealt with the wages of unskilled labourers. It is now necessary to deal with those of skilled workers. The issue on this point is: "How do the rates paid to skilled labourers compare with those paid by Government Departments such as the P. W. D.? Should not a reasonable rate start on the minimum laid down by the P. W. D.?" Mr. Mendis, Manager, Employment Exchange, has stated that he has supplied skilled labour also and that at a conference which was held, it was agreed that skilled workers should not be supplied at less than Re. 1.60 per diem. In Table 1 of the Controller of Labour's Report for 1938 is given the minimum rates for Government non-factory employees. There the minimum wage for skilled labour is given as Re. 1.60 which was also the rate

mentioned by the Manager of the Employment Exchange. Mr. Mendis said that the rates of wages and other conditions of employment are explained to the workers before they are sent to Norton Bridge. R. de Silva, one of the witnesses, a carpenter, stated that he is paid only Re. 1.25 while he is a full-fledged carpenter. He has no one to assist him and no complaints have been made about his work. He was never fined for inefficiency or unsatisfactory work. The Manager of the Employment Exchange has explained that there are various grades of skill, e.g., (1) Foreman carpenters, (2) Master carpenters, (3) Furniture carpenters, and (4) carpenter's assistants. A carpenter cannot be considered skilled unless he can turn out a finished job. Mr. Mendis was in a position to state that the Government rates are the rates at which the skilled workers were sent to the Norton Bridge Works. If a labourer was paid less than the rate of Re. 1.60 it follows that he was sent not as a skilled worker but in some other capacity such as a semi-skilled worker for the complaint is not that the wages have been reduced but that they are inadequate. Under cross-examination R. de Silva admitted that he did timber work in the tunnel which is rough carpentry work.

26. The evidence shows that skilled labourers are paid at the rates sanctioned by Government or in other words that those workers start on minimum rates of wages paid by Government to its own employees. The answer to the issue therefore is that the rates for skilled labourers are the same as those in Government departments. The real difficulty is that the labourers are not paid wages according to their own estimate of their skill. In normal circumstances the best judge of a labourer's efficiency is his employer. But since the labourers are dissatisfied with the employer's assessment of their efficiency I examined the question how far it is possible to devise a procedure whereby a dissatisfied labourer's grievance can be examined by some impartial officer to whom the parties can refer the matter. Since the question for determination would be the standard of efficiency of a worker who claims to be a skilled worker the arbitrator would have to be somebody who is familiar with the various types of skilled work available at the works at Norton Bridge. Such an officer would probably have to be a fully qualified engineer. At first sight it appeared to me that the Chief Resident Engineer would be admirably suited for such work. I therefore inquired whether he would agree to undertake duties in this connection when any labourer complains that he is not paid wages to which he is entitled because of his skill. The Chief Resident Engineer however stated that he performs certain judicial functions in relation to the contractor and the Ceylon Government and that it would place him in an embarrassing position if he undertook these duties also. The parties were not able to suggest any other officer who would be able to carry out these functions.

27. No material was placed before the Board to show that the work done by tunnel labourers is more hazardous than the work performed by other classes of labourers. The work at the Hindustan Construction Co. is mostly strenuous work and I do not think it can be said that the tunnel labourers do work which is particularly hazardous and which hazard is not shared by other classes of labourers. The leaders of the Unions stated that the roof of the tunnel may come down and that in the past such accidents had occurred and therefore the work of the tunnel labourers was more hazardous. These were the only reasons given by the Unions in support of their contention. It may no doubt be true that accidents had occurred in the tunnel, but on the other hand, it is equally true that accidents have also occurred elsewhere on the construction works. No statistics of the frequency of accidents in tunnels and elsewhere was placed before me which would entitle me to conclude that work in the tunnel should be regarded as being more hazardous. The Unions which are in intimate contact with the workers are particularly qualified to give statistics of such accidents which information can be obtained from their members but no such evidence on this point was given. The material placed before the Board would seem to indicate that the leaders of the Unions are inclined to regard the mere fact of working underground as introducing a risk. I doubt whether miners and others who are used to working underground would for that reason alone consider work underground more dangerous than work on the surface of the land. Though it has not been proved that the tunnel labourers do particularly hazardous work yet the fact that this issue was raised and other circumstances seem to indicate that the labourers or a good proportion of them dislike this type of work. It will therefore be to Mr. Kapadia's advantage to make conditions a little more attractive for tunnel workers. I recommend that those tunnel labourers who have been working regularly for at least six months as such and who are rated at 75 cents and less should be given an increase of 5 cents a day on their present rates of wages. For instance a tunnel labourer who has worked for six months in the tunnel on the rate of 75 cents a day should be rated at 80 cents. For other cases it is difficult to make any specific recommendations except the one made already, namely, that the rate should be revised as a workman's efficiency increases.

28. On the question of the issue of raincoats and capes, the management of the Hindustan Company was prepared to give certain concessions which however were not acceptable to the labourers. When the question was first mentioned, the suggestion was made that the labourers should be supplied with cumbles as is done on estates which the Manager, Mr. Kapadia, was prepared to supply free of cost to the labourers. This suggestion was not acceptable to the Unions who demanded the supply of raincoats and capes. One of the labourers who gave evidence also asked for gum boots and hats. In examining the reasonableness of any demand made by workers it is usual for Conciliation or other Boards to take into consideration the practice followed by good employers in the locality or industry. The District Engineer, Norton, has stated in evidence that the P. W. D. does not provide waterproof coats, capes or headgear which means that Government as an employer does not provide these benefits. Mr. Gibbon, the manager of Carolina Group, stated that he supplies cumbles to his labourers both Sinhalese and Tamil and recovers the cost over a period of months. When Mr. Kapadia agreed to issue cumbles free of charge or to pay Rs. 2.50 out of the cost of raincoats and capes he was

going further than other employers in the locality Mr. Kapadia was of the opinion that if raincoats and headgear are issued, the labourers would take to them as novelties but later would not use them. He also feared that the labourer may keep them near the fire which will make the waterproof qualities vanish. That which is given free is often not appreciated and misused by at least a proportion of labourers cannot be entirely ruled out. Moreover, application for raincoats may be made even by labourers who have no need for them. Disputes are also likely to arise between the management and the labourers if the issue is free of cost to the labourer. The worker should feel that he has paid a part of the cost and that it is his property which should be used carefully. I have suggested earlier rates of wages which are sufficient to allow him to meet the cost in part. I recommend that Rs. 2.50 out of the cost of the raincoat should be paid by the employer and the balance by the labourer in instalments. If this recommendation is not acceptable to any labourers I would make an alternative recommendation that the full cost of the raincoat and cape should be met by the employer but the rates of wages of labourers to whom such issue is made may be reduced by 2 cents, i.e., 68 cents basic wage instead of 70 cents in the case of unskilled labourers.

29 In considering the rate of wages recommended earlier, I have so far not taken fully into consideration the increase in the cost of living due to the war. The Colombo budget figures relate to a period prior to the war and the cost of living index number has increased a number of points and Government has started to pay a cost of living allowance calculated on the increase as indicated by the index number. This will be a varying amount varying with the index number. In the clothing and miscellaneous groups therefore the figures I examined did not take into consideration the increase in the cost of living due to the war. But the food expenditure does, for that is calculated on the rates charged by the approved caterer at present. My estimate of the cost of meeting an unskilled labourer's wants partly took into account war conditions and partly did not, which is not entirely satisfactory but due allowance for this was made when the figures were compared. Though an issue was not raised I am dealing with this point as the Board is charged with the duty of effecting a settlement of the dispute and statements made in the course of the inquiry showed that a demand for a war allowance is being kept in abeyance for the time being. It is better therefore to deal with it here and now so that the cause of any potential future dispute may be eliminated. For unskilled labourers I have recommended a basic rate of 70 cents (or 68 cents to those who are issued raincoats and capes free) a day which will enable a labourer to meet his obligations to his family in his village. In order to meet the increase in the cost of living due to the war, I recommend that the labourers be paid in addition war allowances exactly as are paid by Government to its own employees.

30. In the course of the inquiry it appeared to me that the grievances of the labourers got mixed up with certain differences of opinion between their leaders and the management and to understand the dispute in its true perspective it is necessary to know something about the history of these unions. When the work was started at Norton Bridge, Mr. Jayatileke, president of the Norton Labour Union, interested himself in obtaining work for residents of the locality. Subsequently he formed the Norton Labour Union about the beginning of 1940 of which he became president. Some time later the Kamkaru Sevaka Sabha was formed. There is the uncontradicted statement of Mr. Jayatileke that this was formed by the ex-secretary of the former who had been expelled for running a gambling den and encouraging the labourers to lose their money. This Union managed to obtain the services of Mr. Jayawardene as president of the Union. Mr. Jayawardene is the Superintendent of Glenariff estate which is close to Norton Bridge. It is rather a strange development of trade unionism in this country that an employer who should be in the opposite camp should be invited by labourers to become their president and that Mr. Jayawardene should have consented to serve. In Ceylon the lesson that labour has to learn is the lesson of cohesion. Labour interests are the same and there is no need and no room for more than one Union. The existence of more than one union would seem to imply that the interests of one group of labourers may not be the same as those of another group and therefore a union is necessary for each group. The tendency in Ceylon is for a number of unions to come into existence each led by leaders who are not prepared to join an existing union and work for the welfare of labour from within. Where a new union is started it will probably give the idea to labourers that their interests are divided and this will prevent them from learning to act as one unit. Moreover, this development in actual fact weakens labour's position vis-a-vis the employer. Any leader who encourages or assists this development is doing a disservice to labour. This tendency should be discouraged and Government should consider whether it is necessary to introduce legislation or to take other steps to prevent the growth of a multiplicity of unions in the same industry or group of industries.

31. The evidence of some of the labourers seemed to indicate that they were not clear to which union they belonged and it appeared that some labourers belonged to both unions. Labour as yet is not fully organized nor have they been trained in the principles of trade unionism. When the two unions came into existence they vied with each other in obtaining benefits for their members which perhaps was the method by which each union could hope to attract members. Naturally these concessions had to be obtained from the employer. The Norton Labour Union and the management had arrived at some working arrangement for the examination of grievances relating to the labourers at Norton Bridge and the new development upset this arrangement.

32. As stated earlier some of the members joined both unions in the hope that either one or the other would be able to obtain benefits for them. It is perhaps true that in every sphere of employment there will be a number of labourers who will be disgruntled and

Norton Bridge has a sufficiently large proportion of dissatisfied workers. They will be prepared to give their allegiance to anybody who will obtain for them their demands. The material is therefore available which other leaders can utilize to form other unions if they so wish. If they have the welfare of labour at heart they should, as stated earlier, join the existing unions and work on behalf of the labourers. The Board made efforts to get the two unions themselves to amalgamate but their leaders were unwilling to do as certain ideas which they themselves had could not be reconciled. It did not perhaps occur to them that on a question such as this the wishes of the labourers should be paramount. If new leaders come forward and form other unions the difficulties at Norton Bridge are likely to increase and may even result in disorder. If such a development takes place the question may be pertinently asked as to whether labour is being exploited by employers or by their own leaders.

33 I have so far dealt with the matter from the point of view of the unions. It is now necessary to consider it from the angle of the employer. Mr. Kapadia's view was that most of the trouble was created by the leaders of the unions especially the leaders of the Kamkaru Sevaka Sabha. I do not know whether this is an accurate analysis of the situation. Mr. Kapadia is inclined to under-estimate the restlessness of his labour force. Most of these labourers are drawn from the unemployed and even if left to themselves a good proportion would be disgruntled. A mere incident is sufficient to fan their discontent. Mr. Kapadia must therefore face the fact that there is dissatisfaction among a portion of the workers at Norton Bridge. Even if it is admitted that the labourers' point of view is unreasonable, merely telling them so will not improve matters. As a prudent employer he should examine what concessions he can give them without paying much regard to the discourtesy shown him. Mr. Kapadia stated that he was willing to give an increase of wages but he did not do so as he felt that the unions did not appreciate the concessions he had allowed. He also stated that he was afraid that if he went on conceding they would ask for more concessions. This was a justifiable fear for the leaders of the unions themselves admitted that in the past they had been able to obtain practically all the demands they made from Mr. Kapadia. One other complaint made was that as the efficiency of a worker increases his rate of wages is not progressively increased. This is an accusation which can easily be made without any foundation and on the other hand even if true it is one which cannot be easily proved. From Mr. Kapadia's point of view what is necessary to avoid discontent and restlessness among his labour force. Most of the labourers who have been working for some time at Norton Bridge are probably more efficient and their worth to the company would be more than that of new labourers who would have to be recruited from elsewhere. It would probably be true economy to pay these labourers higher wages as their efficiency increases.

34. The wages an employer pays should be sufficient not only to attract labour but also to retain it in employment. I have no doubt the management realizes this fact. Though these labourers originally accepted the present rates of wages their continued employment on the same rates is causing discontent as is evidenced by the strikes and disturbances. As far as the unions and labourers are concerned they should remember that the Manager of the Employment Exchange has stated that the conditions of employment were fully explained to the labourers who were sent by the Exchange and they willingly accepted the rates offered. He also stated that on these rates, other labourers could be sent if required. I have made these observations to show both parties the dangers they face which I hope will induce them to accept the recommendations I have made.

35. A summary of my recommendations for a settlement of the dispute is —

- (1) The unskilled labourers who are at present rated below 70 cents should forthwith be paid at this rate.
- (2) Labourers who have been working as tunnel labourers regularly for at least six months and who are rated at 75 cents or less should be given an increase of 5 cents a day on their present rates of wages.
- (3) Labourers whose cases fall within both recommendations should be included within the recommendation more beneficial to them.
- (4) Raincoats and capes should be supplied by the employer to those labourers who apply for them. Rs. 2.50 of the cost should be met by the employer and the balance if any may be recovered from the labourer in suitable monthly instalments. To those labourers who prefer an alternative system, raincoats and capes should be supplied by the employer free of cost and they may be rated at 2 cents a day less.
- (5) All the labourers at Norton Bridge should be given war allowances to meet the increased cost of living due to the war at the same rates as are paid to, and on the same conditions as are imposed by Government on, its own employees. This benefit should be in addition to those mentioned above.
- (6) The parties should continue in force the procedure whereby they submit all questions (except technical questions) on which agreement is not possible to the Deputy Controller, Hatton, for his decision which is accepted as final.

36. Under section 6 (5) of the Industrial Disputes Ordinance I nominate Mr. M. P. C. Jayawardene, President, Kamkaru Sevaka Sabha, and Mr. R. E. Jayatileke, President, Norton Labour Union, to represent the Workers and Mr. B. P. Kapadia, Manager, Hindustan Construction Company, to represent the employer.

Colombo, May 5, 1941.

M. RAJANAYAGAM,
Chairman, Board of Conciliation.