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PART I.—GENERAL.

GOVERNMENT NOTIFICATIONS.

FINAL REPORT BY THE COMMISSION APPOINTED TO INQUIRE
AND REPORT ON THE CONDITIONS OF LABOUR
IN COLOMBO HARBOUR

THE writer was appointed on July 31, 1941, by His Excellency the Governor under section 3 of the Industrial Disputes (Conciliation) Ordinance to be a Commission—

- (1) to inquire into and make an Interim Report as soon as possible upon all grievances and disputes of employers and workmen in essential services within the Port of Colombo,
- (2) to inquire into and report upon conditions of employment in all such essential services

Consequent on this appointment a Communique was issued asking all who wished to make representations to send in their names and addresses and a precis of their representations to the Office of the Controller of Labour on or before noon on Saturday, August 9, 1941

Representations were duly received and twenty-nine meetings of the Commission were held, at which one hundred and eighteen witnesses were examined

An Interim Report on the conditions of employment of the labourers employed in the landing and delivery of bags of rice and other forms of grain was issued and the employers concerned intimated to the Commission that its recommendations contained in the Interim Report were accepted

Further investigation was conducted into the representations made by labourers employed at the Chalmers Granaries and a second Interim Report was duly issued. Again the suggestions contained therein were accepted by the employers

After these preliminary investigations the evidence of employers and employees engaged in other forms of work in the port of Colombo was examined and visits were paid to the harbour premises for the purpose of investigating the working conditions of employment there.

To appreciate the labour situation in its proper perspective, a slight description of the method of handling import and export cargo at Colombo must be given

The ships at this Port are not brought alongside wharves or quays, but remain moored at berths in the harbour, lighters being brought alongside both for the purpose of the discharge of import cargo as well as for the purpose of loading export cargo

Import cargo is landed from the lighters and transported either by hand or by means of handcarts to the warehouses concerned from which it is again removed for delivery in a similar manner

Export cargo is also manhandled both from the vehicles by means of which it is brought to the customs warehouses and again into the lighters for removal alongside the ship concerned. There is a remarkable absence of mechanical devices, apart from cranes for the handling of either import or export cargo, and a great deal of the work in the Colombo Harbour which is now performed by human beings is work which in some countries is done by animals or machines. Colombo has been most fortunate in the past in having at its disposal a magnificent labour force of Indian workers who appear to be capable of maintaining sustained efforts for considerable periods. There appears to be found in the Indian labourer some mental factor which influences sustained effort as contrasted with mere physical strength. This characteristic of the Indian labourer has been a very important element in the development of the methods by which cargo is handled in the Port or Colombo. In fact adequate supplies of Indian labour have always been available and little if any necessity arose to attempt forms of mechanisation which have been adopted with success in other countries

Further little, if any, cargo, except coal, is landed in bulk with the result that each individual merchant is enabled to obtain any supplies from abroad direct rather than through the intermediary of a wholesale dealer in Colombo.

In a similar way exporters of Ceylon produce are able to send their goods for shipment in individual consignments

Both these types of procedure are, in consequence of the fact that labourers are available either individually or in gangs, at the disposal of those traders who transact business through the Customs premises

Further the use of lighters for the delivery as well as the shipment of cargo has led to the adoption of a system which appears to be capable of little modification while the present method of not bringing ships alongside the wharf is in operation.

The Commission did not consider itself to be in a position to offer any criticism with regard to the method by which cargo is handled in Colombo but has confined itself to comments on the methods by which labour is employed in accordance with that system.

As far as the evidence before the Commission disclosed the conditions of employment in the Port of Colombo before the war were satisfactory. Labour was adequate, work was regular and the wages paid enabled the regular employees to maintain an adequate standard of living. In fact most of the witnesses bore testimony to the fact that the conditions of employment before the war were satisfactory. These impressions of the past might be merely interpreted as arising out of a feeling of dissatisfaction with the present conditions as compared with those existing before the war. However, many labourers were able to give what appeared to be an accurate account of the wages they used to receive, and there is no reason to suppose that their statements in this connection are inaccurate.

In considering this question, however, one was faced with a matter of considerable difficulty, in that the labourers are not for the most part the direct employees of the landing or shipping Company concerned. An intermediary usually exists who is responsible for the recruitment of the labour in question, and payment is made to this intermediary at a rate which is based on the amount of cargo handled by the labour force employed under this intermediary. The Commission was therefore compelled for the most part to rely on the evidence of the labourers concerned as to the amount of their earnings. No documentary evidence, except in a few cases, was available.

Another factor which appears to have an important bearing on the conditions of employment is that the labourers themselves appear to be reluctant to undertake any but one form of work, e.g., if there is no work available for the labourers employed in the landing and delivery of bags of rice or a similar cargo they are not prepared to take the risk of seeking employment in other parts of the harbour even if in that form of employment, however similar it might be, there is a keen demand for workers. This immobility in the labour market of the Port of Colombo has not, however, during peace times, any serious ill-consequences as this market is, according to the investigations of Sir Edward Jackson into the immigration into Ceylon, exceptionally fluid and readily adjustable to the supply and demand. However, it is important to remember that this fluidity exists within the individual spheres of employment and not over the whole field of employment in the harbour. As stated above, there may be a temporary demand for labour in one particular category in the Port of Colombo and this demand used to be met by a further supply of labour from India and not from a possible surplus in another category of employment in the port itself.

However, since the outbreak of the war the situation in Colombo harbour has appreciably altered in so far as it affects conditions of employment of those workers who form the subject of investigation by the Commission. In the first place, since August 1, 1931, Government prohibited the departure of unskilled labour from India to Ceylon. As Sir Edward Jackson points out in his Report on Indian Immigration into this country, most of the Indian workers in Colombo harbour emigrate to this country leaving behind their wives and families. In consequence frequent visits are paid by these labourers to their homes in South India to renew family ties, the labourers themselves spending as a rule only short periods of residence in Ceylon. The existence of this prohibition has not for the most part militated against the renewal of these domestic ties. Many workers have left for India and are now prevented from returning to Ceylon. The Indian labour market in Colombo, has, for this reason, been constantly decreasing, with the result that it would not be an exaggeration to say that for certain types of work a shortage is felt. Supplies of local labour have been recruited as far as possible, but in a manner to which reference will be made in the later stages of this report.

Further, though there has been on the whole but little decrease in the volume of trade through Colombo harbour, the ships have not come with that regularity they displayed in the past. Work is inclined to be spasmodic, at times coming in considerable volume and at others being reduced almost to nothing. The strain of work therefore on the labour force has been considerable and it has been called upon to shoulder a burden which has placed a considerable tax on its efficiency.

The Commission will now deal with the various types of labour employed in the harbour.

In considering these, the Commission has taken into consideration that the present circumstances are abnormal and that to base any conclusions on facts arising out of the present situation would be of little value. Such recommendations as are made should be regarded as of a temporary nature and should be the subject of revision when conditions return to normal.

The Commission now feels that it would not be out of place to refer generally to improvements which could be made in the method of the payment of wages of all workers in the harbour. At present, as is indicated above, payment is done not by the employer who is engaged by the importer or exporter for the handling of his cargo, but by some intermediary or intermediaries, who are responsible for seeing that the labourers concerned perform their full quota of work. The Commission feels however that there should be no difficulty in the employer taking steps to secure that the worker concerned receives the wages which the latter himself has earned.

This alteration in the method of payment of labourers would enable a closer contact to be maintained with them and their employers and so would provide that contact with the workers which seems all the more necessary when the latter are illiterate and so liable to all sorts of unjustified suspicions and misunderstandings and are at the mercy of misleading statements and promises.

This contact between the employers and the workers is rendered more difficult by the presence of many intermediaries, and important authorities on labour matters, such as the Royal Commission on Labour in India, and the International Labour Office are emphatically of the opinion that the establishment

of the human touch between employers and workers is essential, and the first step towards achieving this objective would appear to be by the direct method of payment of the workers by the employers themselves except where a case is stated by the employed and proved to Controller of Labour's satisfaction that direct payment is not possible.

The Commission would like to draw attention to another feature of the payment of the wages of workers in Colombo harbour which would appear to give rise to certain feelings of resentment. Evidence was forthcoming that where certain requirements have been fulfilled in connection with the employment of the workers, the expenditure incurred in satisfying these requirements has to be met from the money which has been set apart for the payment of the wages of the workers concerned. Various services therefore of a non-arduous nature are frequently remunerated from the money which has been allocated by the employer for payment to the workers themselves. For example, in connection with the landing and delivery of rice, certain checks have to be made on the number of bags landed and delivered. The employee is required to undertake this check though this appears to be as essential in the interests of the employer as of the workers. This employee is given a share of the money payable to the workers equal in amount to that given to those actually engaged in the handling of the bags of rice. Complaints have been received of the iniquity of this procedure and it appears to the Commission that the source of grievance could be eliminated if the checker concerned is regarded as a paid servant of the Company and not remunerated from funds based on the earnings of the manual workers. In addition, when further requirements have to be fulfilled in compliance perhaps with the demands of the workers or with Government regulations, the expenditure in connection therewith is regarded as a legitimate charge on the amount given to the contractor for the landing of the bags involved. In fact, generally as the money for the performances of certain services filters down to the worker, various recognised deductions seem to be made by each person who handles it and the reason for these deductions is not also apparent. The existence of this system would appear to provide an additional argument for the payment by the employer himself direct to the worker of any wages which the latter may have earned.

The Commission is of the opinion that all deductions from the amount allocated for distribution among the labourers should cease except the commission which custom decrees should be paid to the kanganyas. For example, when the Workmen's Compensation Ordinance was brought into operation the expenditure required to insure the employers against claims brought under this Ordinance was deducted from the amount set aside for payment to the labourers. This deduction, especially, should cease.

In this connection it will not be out of place to mention that the contractor who is responsible for the supply of labour is in terms of his contract paid certain rates by the landing and delivery Co in return for the work performed by these labourers. When the bill is presented by this contractor in accordance with these agreed rates a rebate is deducted by the Agent, but the reason for this deduction has not been given. However, the contractors appear to regard this deduction as a source of grievance and any relief given to them by a reduction in the amount of the rebate to set off against any increased payment to the labourers provides little mental satisfaction, and the reduction does not in any way minimise the grievance of the supplier of labour who feels that the agent himself is not paying the full amount but is still withholding something due to the former.

Reference has already been made to the lack of records by means of which the earnings of a worker could be estimated. Only in a few cases was one able to obtain an accurate statement of what each worker has received. Reliance, therefore, had to be placed on the evidence of witness who for the most part did not keep accounts and who could only form a very rough estimate of their earnings and their requirements.

In addition, little assistance was given by those witnesses who presented themselves before the Commission as to what could be assumed to be the normal requirements of a worker in Colombo.

Many representations were placed before the Commission which when analysed disclosed personal grievances such as the existence of a large family or the lack of any increase in the wages paid, or the failure of one worker to secure promotion which had been accorded to another. The Commission felt that it could not investigate these individual grievances but was only concerned with the wage necessary to provide "an average standard of comfort having regard to the conditions of living among employees in the calling." Again difficulty was experienced in estimating what could be regarded as a fair living wage and the Commission felt that the safest guide in this connection would be to attempt to ascertain the question of fact of the average rates of payment paid by reputable employers to employees in that category. Fortunately, in this connection a good guide was provided by one landing and shipping agency of Colombo, which was able to place its workers on a regular fixed monthly rate.

The Commission estimated from the evidence at its disposal that the minimum which would appear to be sufficient to give a moderate standard of comfort to an unskilled worker would appear to be Rs 30 p.m. for a married man and Rs 25 in the case of a bachelor.

The Commission felt it could not do more than assume these rates to be the minimum and try to secure as far as possible that any recommendations made in the alterations of the conditions of employment should be such as to secure the minima as indicated above.

In considering the question of wages one must remember that there are a number of workers in the harbour who will probably be unable at any time to get full time employment, and this feature must be accepted as inevitable. Any rates suggested in this Report will be calculated on the supposition that they are those payable to a recipient who undertakes the average amount of work available in the harbour.

I should add this feature of dockyard labour arises from the fact that work must be available immediately a boat arrives, so that the quick despatch of the vessel may be ensured. The volume

of work offered is never constant but labour should be forthcoming in sufficient quantities to deal with the maximum volume of work which is existent at any time

The work in the harbour falls into a number of distinct categories, each of which is conditioned by particular features relating to the individual form of employment and since the workers in one category do not normally undertake work in any other category it is convenient to deal with them one by one

Loading and Unloading Labourers—Full details with regard to the conditions in which the workers handling rice cargo are employed are given in the Interim Reports attached. The recommendations made therein have been accepted for all those workers and two witnesses giving evidence stated that the increases were sufficient to meet the altered conditions arising out of the war. They asked, however, that a proportionate increase should be given to other forms of bag and case cargo and alleged that the grant of this request would adequately compensate for the rise in the cost of living and for the shortage of work.

The Commission understands that the employers have gone beyond the recommendations contained in the Interim Report and have granted similar increases for the work of handling other forms of bag cargo. Some witnesses who appeared before the Commission admitted the grant of such increases but averred that proportionate increases were not given to all types of bag cargo handled in the port of Colombo. The Commission considers that the wages paid are fair and equitable if proportionate increases, as already recommended in the Interim Report, were given in respect of all bag cargo landed in the port of Colombo.

Payment to the workers handling case cargo appears to be made according to the amount of such cargo landed. The labour contractor who gave evidence before the Commission had adopted a rather complicated system of payment which appeared to be specially designed to secure that each worker was given a guaranteed minimum wage of 70 cents each day if the total quantity of work available did not enable him to earn over that amount. Employers have voluntarily given increases proportionate to those recommended in the Interim Report to certain types of case cargo. Witnesses who appeared before the Commission urged that similar increases should be given to all types of case cargo. This request appears to be reasonable and is recommended for adoption by the employers of labour in the harbour.

In the Interim Report a recommendation was made and accepted by the employers that the Rs. 3 increase granted should be devoted entirely for payment to the labourers themselves. At the time the recommendation was made the Commission was not satisfied that the kanganyes themselves can make out a case for any increase in the remuneration paid to them. However, the conditions arising out of the war have thrown equally on the kanganyes as well as on the labourers additional burdens and it appears to be only equitable, that these employees should be given an additional 50 cents per 1,000 bags. This grant is equivalent to the Rs. 3 which has been awarded solely to the labourers. The total increase, therefore, which it is recommended should be given in respect of the handling of bag cargo is Rs. 3.50 per 1,000 bags from which Rs. 3 goes to the labourer and 50 cents to the kangany. This rate should be paid not only in the case of rice cargo but in respect of all types of cargo imported in bags.

Export Cargo—As in the case of import cargo no cargo is exported out of Ceylon except in packages which are despatched to the particular shipping Companies undertaking the task of ensuring shipment. These packages will be of various shapes and sizes. They would be destined for different ports all over the world. They would have to be shipped by various steamers and in some cases it may be necessary that they should go to certain ports for transshipment to other ports. When these packages arrive in the Customs premises they should be all sorted and arranged in such a way that packages to be sent by one ship are all conveniently warehoused so that they will be available for shipment directly the vessel comes into harbour. When the packages are in the harbour premises they should be handled in a particular manner which will ensure that the goods are not damaged in being loaded to the ship.

Employers of labour at the Customs premises have found that it is advantageous to employ a labour force which has gained considerable experience in the handling of this cargo and for this purpose a regular gang of workers has been enlisted. These are paid by one employer at the rate of Re. 1.75 per day on days they turn up for muster, whether there is work or not. Each worker is stated to earn about Rs. 30-40 a month. No dissatisfaction was expressed to the Commission with regard to the conditions under which these workers are employed and the wages appear to be adequate for a pre-war standard of living. In view of the fact that in a number of cases increases have been recommended to harbour workers this labour force employed at the harbour might feel some dissatisfaction if they were not accorded an increase, and the Commission therefore recommends that a war bonus to compensate for the increased cost of living should be paid to these workers on a scale corresponding to that given in the case of Government employees.

The Commission does not feel in a position to recommend that an extension of this system of direct employment should be made in respect of many types of harbour workers who can secure regular employment but when conditions return to normal and if conditions revert to those which obtained before the outbreak of the war, there appears to be no reason why a regular system of daily pay should not be extended to other categories of workers.

Coal Cargo—The other form of work in which a large labour force is engaged is that of the handling of coal. Again the workers engaged in this occupation appear not to be accustomed to seek employment elsewhere even though no work is available on the coal grounds and workers are required in other parts of the Port of Colombo. Any attempts to decrease the immobility of labour throughout the harbour premises would probably be resented both by employers as well as by employees.

The system of payment to these workers is substantially on the same basis as those engaged in the unloading of rice. Payment is made according to the quantity of coal landed and the amount paid is divided among the kangany and the members of his gang. Owing to the conditions arising out of the imposition of the prohibition of

the departure of unskilled labour from India to Ceylon which has prevented the return to Ceylon of many old coal labourers who went over to India, a marked shortage of coal labour is experienced. This shortage has led to many casual labourers being recruited who are in a position to bargain with their employer as to the amount of remuneration to be paid to them. Reports were received that in times when labour is in much demand these casual workers receive as much as Rs. 2.50 a day.

Payment to these workers is regarded as a first charge against the amount earned by any gang and is deducted before any division of the amount is made among the regular members of the gang.

The contractor is often in consequence compelled to give additions in order to compensate for the undue employment of casual labour and also for possible shortage in earnings owing to the distances that the coal has to be carried. Generally the regular rates payable for the handling of coal vary from contractor to contractor and also differ according to the distance travelled in carrying the coal. A careful analysis of these rates appears to be impossible.

Considerable quantities of coal are landed in Colombo for the purpose of bunkering steamers and also in a lesser degree for supplying the needs of the C. G. R. This coal is discharged in bulk from the colliers into lighters alongside the vessel. The coal is then transported in the lighter to the Jetty where on arrival it is bagged, then landed and delivered to the labourers who carry it and deposit it on the stacks on shore. The reverse process is carried out when coal is required for bunkering, the coal being bagged on the heap, carried into the lighter, transferred still in bags to be duly emptied into the bunkers of the ship.

Representations were made to the Commission that experiments had been conducted with some type of mechanical device in order to eliminate some of the processes by which the coal is now handled. These experiments however proved a failure and throughout the coal grounds no form of mechanisation is to be found. From these remarks the importance of maintaining a satisfactory supply of labour in the coal grounds will be appreciated.

Various witnesses made representations to the Commission complaining about the inadequacy of pay earned at the coal grounds, but no specific recommendations beyond a demand for a general increase were made.

In view of the absence of any standard rates of payment and of the difficulty in estimating the amount earned by each worker a general recommendation only is possible with regard to their wages, and the Commission is of the opinion that the rates should be increased to give an addition of 25 per cent in the recent earnings of the workers to compensate for the rise in the cost of living and the decrease in the amount of work available. Work in the harbour especially in the coal grounds is generally of an exacting and exhausting nature and is frequently performed with the worker wearing the minimum of clothing. The Commission considers that some facilities should be given either by Government or the employers of labour concerned, for bathing and for the safe custody of any clothes that a worker does not consider it necessary to wear during the period of his employment.

The Commission feels that if this recommendation is adopted many workers possibly may be attracted to the harbour who might have felt a certain indignity in parading before the public the unpleasant nature of the occupation in which they were engaged.

Lighter men—As already explained the cargo, both import and export at Colombo is transported between the wharf and the ship in lighters. Generally each lighter is in charge of one tindal who is the direct employee of the landing or shipping Company concerned. The tindal is directly responsible to the Company for the safety of the lighter and the cargo transported there. In fact, witnesses averred that tindals have been called upon to defray to the Company the cost of damage sustained to the lighter during the time it was in his custody and also for the cost of salvaging a lighter owing to his negligence.

In addition, a tindal is required to compensate the Company for any loss due to breakage or pilferage of goods in his lighter and deductions are made from time to time on this account. As far as the Commission could ascertain from the tindals and the workers who gave evidence, the amounts deducted in this latter connection do not appear to be particularly heavy.

The tindal is also responsible for the engagement and payment of the crew employed in this lighter.

No arrangements are made by the landing and shipping Company for the custody of the lighter or its cargo during the periods when the lighter is awaiting discharge or its contents are awaiting shipment. In consequence the tindal himself or his representative has to be with the lighter for the whole period of 24 hours a day.

The payment is made to the tindal in accordance with the number of trips which the lighter performs. Occasionally additional charges are made when the lighter is required to engage in trips of a particular nature such as through the lake to the harbour canal. No payment is made when the boats are lying idle.

This method of payment is intended to overcome the difficulties arising from the fact that the goods have to be quickly despatched, no delay occurring in their transport and also that it is necessary to introduce safeguards to prevent pilfering and breakages.

The wages earned by the crew appear to be in the neighbourhood of Rs. 20 and 25 a month. The employers alleged that it is impossible to leave out of account the facts that these men obtain all their food requirements by pilferage and that the authorities condoned this practice provided the contents pilfered were not excessive. Taking this factor into consideration, the former contend that the latter are adequately paid.

The Ceylon Trade Union Federation presented the following demands on behalf of the lightermen employed by the Ceylon Wharfage Co. Ltd. —

- (1) A 50 per cent. increase in the present rates per trip,
- (2) The 5 per cent. commission should be abolished,
- (3) For exports a trip should be rated at $1\frac{1}{2}$ trips,
- (4) Trips to the river should be paid at double rates,
- (5) Delay in the river, either while loading or unloading, should be paid for at half a trip's rate for each day's delay,
- (6) Proper time for meals should be allowed,

- (7) Watchers are to be appointed to watch the goods and tindals should not be held responsible for losses, &c., after unloading,
- (8) The licence fee of Rs 3 should be paid by the Company,
- (9) New boats from the boat-yard should be brought to the harbour at the expense of the Company,
- (10) The tindals who are taking charge of boats should be given a salary of Rs 25 from the Company

The All-Ceylon Loading and Unloading Workers' Union also made demands on behalf of the lightermen of the Cargo Boat Despatch Co., as follows —

- (1) Terminations of the following deductions —
 - (a) deduction of 10 per cent of their total earnings per month as commission,
 - (b) deduction of 3 per cent of their total earnings per month as insurance,
 - (c) deduction of Rs 7 55 per month as " pudumanam ",
 - (d) deduction of Rs 3 50 per year as licence fee,
- (2) Wages to be paid on the 20th of every month,
- (3) Establishment of a satisfactory system of rotation of work by which all the lightermen will be guaranteed earnings proportionate to the tonnage of work available for transport
- (4) Payment to be made according to the number of trips done, and no deductions to be made if the lighter is not loaded to full capacity,
- (5) After two days on a trip have elapsed a full trip's wages to be paid for every day of delay,
- (6) Three the wage for a single trip to be paid for a trip to the lake or the railway yard. If a launch is provided, twice the wage for a single trip must be made,
- (7) 1½ times the normal rate must be paid for a trip from shore to ship since loading work is done at the shore end too,
- (8) If on proceeding to the ship they return with no load, half the wages for trip must be paid, if they return on the same day and the wages for a full trip must be paid for every additional day,
- (9) If goods brought in a single trip have to be unloaded at more than one place on shore, the wages of a trip must be paid for the journey to every additional place,
- (10) Reference to para 8 of the Memo, twice the normal rate must be paid for this shifting of goods,
- (11) In the event of the source of loss of goods or damage to goods being obscure, an inquiry at which the workers should be represented, must be held by the Company, before a claim is levied from all the lightermen,
- (12) Ball board accessories must be brought to the harbour from the Company's boat-building yard at the expense of the Company and not at the expense of the lightermen as is done now,
- (13) As is done by other Companies, oil must be supplied by the company for the lighting of the lighter lamps,
- (14) Canvas coverings for the lighters must be renewed at least once in 18 months so that workers may not suffer loss of work as a result of worn out canvas coverings,
- (15) Tindals to be paid a monthly wage of at least Rs. 25 in addition to their other wages, as the Company does not provide any watchers,
- (16) An increase in the basic rates of wages by 50 per cent. to meet the increased cost of living due to the war.

In tendering evidence before the Commission, members of this Union complained of the fact that deductions were made on account of insurance, fines, pilferage and losses. They demand that these deductions should cease.

They also alleged that their pay was inadequate and asked that additional pay should be given when they were employed on work in the canal or when their lighter was detained. They also demanded extra pay while working in the canal and also for the periods during which the lighter was detained for repairs or at a special anchorage.

Each of the two individual companies above mentioned has its own system of payment and for the most part no specific recommendations can be made in this connection. The grievances however with regard to canal work and the lack of payment during the period when the lighter is detained as mentioned above should be investigated by each employer and some remedy should be found to eliminate these sources of grievances.

The Commission considers that it is inevitable in the present system of handling cargo in Colombo harbour that the tindal must be made responsible for the custody of the goods in his lighter and so the onus of any loss sustained by breakage and/or pilferage should fall on him.

Deductions on account of insurance should be abolished and paid by the employer. No deductions however should be made unless losses have occurred where the responsibility for negligence can be definitely placed on the tindal concerned or his crew engaged on his lighter.

Again, the system of employment in the harbour seems to render impossible any recommendations being made in the hours of work during which the tindal or his crew should be employed. It is scarcely feasible to imagine that after the tindal has been engaged for some period of time that he and his crew should be relieved of the custody of his lighter and these services replaced by others. If this were to occur the difficulty of fixing the responsibility of any particular tindal will be considerable.

Since the tindal would appear to be responsible for the safety and the custody of the lighter even though he is not employed in the transporting of cargo, the Commission is of the opinion that the tindal should be employed on a basic wage of not less than Rs. 25 per boat each month, and at least half this sum he should distribute to the crew. If this is done the present rates paid in respect of each trip need not be increased.

Water Boat Department.—Colombo is fortunate in having a plentiful supply of fresh water readily available and ships at Colombo frequently take advantage of this facility. As has already been mentioned ships are not berthed alongside the wharves or

quays but remain moored in the harbour away from the jetties. Water has to be transported from the shore to the ships in lighters and special craft are detailed for this purpose.

The lighters take a supply of water from a tap fixed in a quay to which the lighter can approach. When full, the lighter proceeds to the ship requiring the water, which is transferred to the ship by means of pumps operated on the lighter itself. These pumps appear to be of a simple nature, the handling of which requires little technical knowledge or experience.

The tindals in charge of these lighters and the crew engaged thereon are paid on a fixed monthly basis.

The wages appear to vary from Rs. 8 a month payable to the ordinary unskilled labourer employed on the lighter to Rs 51 30 to the serang.

As far as the Commission could understand from the evidence given before it, all workers were eligible for promotion from the position of an ordinary unskilled employee to that of a serang. Allowance was therefore made for additional wages due not only in respect of an increase in the efficiency of the worker but also in respect of an increase for family responsibilities with increasing years.

The Ceylon Trade Union Federation on behalf of the workers employed on the water boats of the Ceylon Wharfage Co., preferred the following demands —

- (1) 25 per cent increase in wages,
- (2) 15 per cent war bonus,
- (3) Adequate time for meals.

The witnesses who gave evidence before the Commission alleged that their salaries were not adequate and secondly that no increments were given as, with the passage of time, experience in the working of these vessels increased the efficiency of the employee concerned.

In their complaints of the inadequacy of wages, the members of the Union were possessed of family responsibilities greater than the normal, and unfortunately it was not possible from their evidence to make any estimate of the requirements of the average worker employed on these water-boats.

Launch Department.—In Colombo harbour there are a number of tugs and launches engaged in the towage of lighters between ships and the shore and also between ships and ships. The crews for these vessels vary from 7 in the case of large tugs to 3 in the case of a launch. In these vessels the wages vary from Rs 22 50 per month paid to the ordinary unskilled worker to Rs 90 earned by a captain of one of the larger tugs. Again, no special training other than that gained in the experience of the working of these vessels seems to be necessary to enable the ordinary unskilled worker to qualify for the post of captain. In fact, witnesses who tendered evidence before the Commission had taken advantage of these avenues of promotion and had thereby attained periodic increases in their salaries.

The Ceylon Trade Union Federation again made representations on behalf of these workers and preferred the following demands —

- (1) Wage increase of 25 per cent, have had no wage increase for years,
- (2) A war bonus of 15 per cent
- (3) Double rate for overtime
- (4) An hour's interval for meals or meals should be supplied by the company,
- (5) When workers are promoted for higher jobs they must be paid at the rate fixed for that particular job,
- (6) Sick leave for 14 days with pay,
- (7) Raincoats and hats to be provided for rainy days,
- (8) A bonus of one month's wage every year.

When the witnesses tendered evidence on behalf of these departments, the same complaints were made as in the case of the employees of the Water Boat Department in the same Company. But again the inadequacy of wages appeared to be based on personal grounds rather than on general grounds. In fact, no representations were made which could be applied to the general category of employees of this particular department. Allegations were also made that there had been reductions in their previous rates of pay and that when promotion was made the employee promoted was not given the same remuneration as the previous holder of the post. All generally appeared to be working under a sense of grievance that no attention had been paid to any demand for increase of salary.

Workshop Department.—Much dissatisfaction appears to be experienced by the workers employed in the Repair and General Overhauling of the lighters employed by the various landing and shipping companies. Again these employees are in receipt of regular remuneration and are paid daily rates varying from 65 cents to Rs 2 25. The work generally is not of a highly technical nature and for the most part can be classified as semi-skilled.

Demands were made on behalf of these workers employed in the Ceylon Wharfage Co. Ltd., by the Ceylon Trade Union Federation. These demands are as follows —

- (1) 25 per cent increase in wages,
- (2) 15 per cent war bonus,
- (3) 6 days' work in the week,
- (4) Sick leave for 14 days with full pay,
- (5) 8-hour working day,
- (6) A batta of 50 cents to be paid if workers are sent for orders outside.

The evidence tendered on behalf of these workers showed a close similarity to that tendered on behalf of the other employees of this company who were remunerated at fixed rates.

Perhaps one feature of the conditions of employment of these workers is that there does not appear to be the same avenues for advancement as were reserved in the case of the employees in the Launch and Water Boat Departments.

Crane Department.—This type of employee may be said to be in a similar category as those of the Workshop Department. They are paid a rate varying from 75 cents to Re 1 60.

The demands of these workers were tendered by the Ceylon Trade Union Federation as follows —

- (1) 25 per cent increase in wages,
- (2) 15 per cent war bonus,

- (3) Sick leave for 14 days with full pay,
- (4) One hour's interval for meals,
- (5) Double pay for overtime work

Again lack of systematic increments was alleged and the inadequacy of pay as in the case mentioned above was based on the ground that the worker concerned had larger family commitments than the normal, and that the pay earned was inadequate for their requirements

Recommendations for the above-mentioned Departments

As has been explained in the opening remarks, the Commission had very little evidence at its disposal on which it could base any opinion as to what can be considered a fair living wage and it was compelled to estimate that such a wage should be reckoned as that paid by a good employer to employees engaged on work of a similar category. In considering the above-mentioned types of workers one is in a fortunate position in having alongside those paid by private employers and those engaged under the Colombo Port Commission and other Departments. The Commission has no reason to suppose that any one will dispute that the wages paid by Government cannot be considered as a fair standard that should be copied by other employers of labour.

Water Boat Department—The Commission considers that it can make no other recommendation than that a boy should not be paid less than Rs 9 a month and that no unskilled adult labourer should be paid less than Rs 17 50. Taking these rates of payment as a minimum, the Commission considers that the employers concerned should regrade the other scales of salary paid to their employees, granting such proportionate increases as are necessary in accordance with the increase of pay of the unskilled adult labourer to Rs 17 50 a month.

Launch Department—Here again in comparison with that of the wages paid to similar employees of the Colombo Port Commission, the minimum rate of wages paid to employees of the Launch Department should be Rs 24 per month and the other rates of salary paid should be proportionately revised in accordance with the efficiency of the worker.

The Commission is aware that the increase so recommended will still leave a vast discrepancy between the rates paid to the more highly paid employees of this Company, and those apparently performing similar work under Government. However this discrepancy is so marked that any attempts to revise the salaries of the employees of the Launch Department in accordance with Government standards would cause such a vast increase as to upset the whole of the general level of salaries of the more highly paid employees of private employers in the harbour.

In addition, a war bonus should be paid to every worker in accordance with that paid to the minor employees of Government.

Workshop Department—Again the Commission sees no reason why the Government standard should not be followed and the minimum rates of wages paid to Government employees of a similar nature should not be adopted. The minimum rates should then be 72 cts per diem. In accordance with the recommendations contained above proportionate increases should be given in respect of the other employees.

Crane Department—Generally the Commission is of the opinion that the rates paid to these categories of employees do not compare unfavourably with those in Government departments.

As before, a war bonus based on Government standards should be granted.

Hours of work—no change—Representations were made for limitation of the hours of work which the employees now are required to perform but for reasons indicated above in dealing with the demands of the lightermen no alteration appears to be possible in this connection. When conditions return to normal this aspect of employment in Colombo harbour should receive the attention of the employers.

General Recommendations

The Commission's attention was directed towards the problem of increasing the employment of Ceylonese in the harbour premises and it found that generally the Ceylonese worker with training and experience could perform a volume of work which did not compare unfavourably with that of his Indian fellow-employee. Representations were frequently urged that the Ceylonese would be more readily forthcoming if some regularity of employment could be ensured, but the Commission feels that the Ceylonese must accept the irregularity of employment as inevitable in all forms of work connected with the arrival and departure of ships. These are features which must always exist in peace time but at the present moment, due to war conditions, they are somewhat exaggerated.

One point in this connection the Commission considers might receive consideration is that better housing accommodation should be available for those who are employed in the Port of Colombo. Labour is required to be available immediately a ship arrives, so that the despatch of the vessel may be assured and for this purpose if a Ceylonese is to take advantage of any work which presents itself he should live in close proximity to the harbour so that his services can be summoned at a moment's notice. From the evidence placed before the Commission it appeared that a number of Ceylonese would be ready to accept the conditions of employment in the harbour even though the volume of work available was not constant. These were for the most part residing some distance from Colombo and could not take advantage of all forms of work offered owing to the difficulty of summoning their services when required. This problem of housing is one which in the opinion of the Commission should receive the attention of the authorities concerned at the earliest possible date.

An additional argument for the adoption of the recommendation is that the Commission was impressed with the necessity for effecting some improvement in the housing accommodation at present available for workers in the Colombo Harbour. This accommodation was not suitable for occupation by Ceylonese married men with a family.

In this connection reference is again invited to the fact that the Indians who are largely employed in the harbour come to Ceylon leaving their families in India. These workers require accommodation of a very simple type and in consequence the housing provided

is such which is only suitable for bachelors and not for married men living with their families. This feature of life in Colombo makes imperative the necessity for attention being directed to the solution of the problem of housing within this Municipality.

Many complaints were made, and were in the opinion of the Commission justified that the workers employed in Colombo harbour experience considerable difficulty in securing any audience with the employers for the presentation of grievances. Even when this audience had been obtained, redress was scarcely, if ever, given. The workers alleged they were in sheer desperation compelled to enlist the services of Trade Union Officials in order that some attention should be paid to their demands. Numerous authorities on problems of employment in the East stress the necessity for closer contact which should be maintained between the employer and the employee and the Commission feels it necessary to emphasise that the necessity for the maintenance of a closer contact than exists at present, is imperative if considerable unrest in the harbour is to be avoided.

The Commission further considers that some Committee or Board, composed of representatives of the employers and employees, should be appointed in order to discuss the various labour matters which arise in the harbour or which are referred to it by the Controller of Labour. The Commission is not aware as to whether the Colombo Port Commission includes labour conditions in Colombo harbour within its purview. If it does not, the Commission is of the opinion that it should do so at an early date, and that possibly its composition might be augmented in this connection by the appointment thereto of representatives who can speak on behalf of the workers.

The existence of grievances would appear to be almost essential where a large labour force is engaged and the Commission is of the opinion that the appointment of a Labour Inspector to whom the workers could refer any complaints will serve a useful purpose.

The Commission feels it should refer to the suggestion made by the All-Ceylon Loading and Unloading Workers Union that the Port of Colombo should be nationalised. Consideration of this question appears to be outside the purview of the Commission, and doubtless if the Union desires that the matter should be pursued further they will raise the question with the Colombo Port Commission which would appear to be the Department of Government concerned. If any question arises with regard to the interpretation of any recommendation made in this Report, the Commission suggests that the employers and employees should agree to regard the decision of the Controller of Labour as final.

In conclusion, the Commission desires to express its appreciation and recognition of the services rendered to the Commission by its Secretary, Mr M Rajanayagam, whose assistance in connection with every feature of the Commission's inquiry has been of the utmost value.

F. C. GIMSON,
Commissioner.

Colombo, November 22, 1941

FIRST INTERIM REPORT OF THE COMMISSION APPOINTED IN CONNECTION WITH THE STRIKE IN THE PORT OF COLOMBO

His Excellency the Governor appointed me under section 3 of the Industrial Disputes (Conciliation) Ordinance to be a Commission—

- (1) to inquire into and to make an interim report as soon as possible upon all grievances and disputes of employers and workmen in essential services within the Port of Colombo, and
- (2) to inquire into and report upon conditions of employment in all such essential services.

The Commission held sittings on August 1 at the Customs premises and on the next day at the Office of the Controller of Labour at the Secretariat, and recorded evidence. It examined the Managers of the Ceylon Wharfage Co. Ltd, and Narottam & Pereira, Ltd, the contractor employed by these Companies, some kaugames and a number of labourers. It also obtained figures and statistics which are relevant to the subject-matter of this Inquiry from the Port Commission and from other sources.

The strike originated on the morning of July 24, 1941, among the labourers employed by the Ceylon Wharfage Co., Ltd, in the landing and delivery of bags of rice and of other forms of grain. It soon spread to the labourers employed under Narottam & Pereira, Ltd, for similar duties. These are the two principal Companies engaged in clearing of rice cargo through the Customs and practically all the labourers engaged in this type of work had therefore ceased work. A few days later the strike spread to other employees of the Ceylon Wharfage Co., Ltd, afloat, *i.e.*, the workers employed in the barges, lighters, &c.

His Excellency's instructions were that the Commission should make an interim report as soon as possible. This direction involved the selection by the Commission for immediate attention of those matters or questions which constituted the grievances of the labourers, while the other questions could be left over for the final report. The Commission, therefore, considered that it was imperative that the grievances of the landing and delivery labourers should be investigated and adjusted with the quickest possible despatch as this matter appeared to be the main grievance. Its efforts were at the outset directed to the question how far the wages now earned by these workers compared favourably (or unfavourably) with those in the days before the outbreak of the present war and before the imposition of the ban on the departure of unskilled labour from India. The Commission is required to report on the various types of work in the harbour, more than one category of which have gone out on strike, but it is not possible in this report to deal adequately with all these questions which should be reserved for the final report. The Commission has, therefore, confined its activities at the present juncture to that question which calls for urgent attention and the others have been left over for later consideration.

The labourers who originally went on strike were those who unload from the lighters and transport the bags into the warehouses and subsequently remove them from the warehouses into carts for delivery to the consignees. These men went out on strike primarily on the question of the inadequacy of wages. The investigations

which the Commission so far has made establishes the fact that this is their main grievance, adjustment of which should, for the time being, satisfy the workers. The Commission is therefore confining its attention primarily to this in the interim report.

It would not be out of place to mention that this strike took place at a time when large quantities of rice were lying in lighters for immediate removal to the warehouses and when the lighters were urgently required for other purposes. The action of the labourers had therefore the effect not only of seriously interfering with the supply of rice for the needs of the Island, but also of embarrassing to a dangerous degree the despatch of export cargo for loading into vessels which had to be cleared with the utmost promptitude owing to the vital importance that shipping plays in the maintenance of the war effort of the British Empire.

The Commission considered it desirable to explore the conditions of employment of the labourers engaged in the handling of these rice bags as they existed in 1939. The Ceylon Wharfage Co., Ltd., who have been kind enough to supply much information on this subject, apparently had then at their disposal a labour force of approximately 375 workers. These for the most part had left South India to seek employment in Ceylon, their families remaining in their mother country. They had come to Ceylon in search of employment and at frequent intervals returned to their homes to renew their family ties. In fact, Sir Edward Jackson, in his Report on Immigration into Ceylon, draws attention to the extremely fluid nature of the labour market of Colombo harbour.

As stated, the men employed under the contractor of the Ceylon Wharfage Co., Ltd., previous to the imposition of the ban on Emigration from India to Ceylon of unskilled workers, numbered between 350-400. This number was reduced owing to the departure of workers to South India to join their families and it appears that the Ceylon Wharfage Co., Ltd., has now a labour force varying from 250-300 workers. In order to handle the cargoes of rice landed at Colombo, it is necessary at present for the contractor of the Ceylon Wharfage Co., Ltd., to engage the services of other casual workers and from the evidence recorded the number of these varies from 150-200. It will therefore be seen that at present the number of workers engaged, including both permanent and casual, is in excess of that employed when the force consisted of permanent workers only.

Official and unofficial sources show that the quantity of rice imported in 1940 was less than that imported during 1939 and that imported during the first six months of 1941, is less than the quantity imported during the corresponding periods of 1939 and 1940. In the past, ships used to arrive more or less at regular intervals and the work available to the men was evenly distributed throughout the month. After the war, partly on account of the convoy system and the requisitioning of ships by His Majesty's Government, the ships come more or less together, and there are long periods when there is no work available in the harbour. In fact, a period of quiescence is almost invariably succeeded by one of considerable activity. In addition, when a ship arrives in Colombo with a cargo of rice this cargo is generally found to be considerably larger than that received in pre-war days.

This factor is important, in that the work in a higher atmosphere of activity makes such a demand on the physical resources of the labourers that they are unable at the present juncture to perform overtime to any extent and so are deprived of the opportunities of drawing wages at higher rates than the normal. Further, some of the casual labour employed has not the physique or the experience of the members of the permanent labour force, and since the wages paid vary with the total output of the gang, a heavier burden is thrown on the latter.

A part, if not most of the work which the casual labourer does, is work which in the past would have been available to the permanent harbour worker when the ships used to arrive at regular intervals. This is another factor which conduces towards reducing the wages available for payment to members of the permanent labour force. The labour contractor had from time to time made representations to his principal that his costs were increasing and various rebates which the company was entitled to make were gradually reduced until they were, by February, 1940, completely eliminated.

The labourers, however, had not partaken of these benefits which accrue to the contractor but in June, 1940, a strike occurred in similar circumstances to that which recently took place and the labourers were then given an increase of Rs 2 per 1,000 bags. The workers themselves now appear to be under an apprehension that some promise was held out that this increase was merely of a temporary nature and that further increases were likely to be forthcoming after due investigation. The contractor, however, does not confirm that any such promise was given, but there is no doubt that the labourers themselves believed that some such promise was extended to them.

In order to obtain an accurate picture of the labour situation in the harbour, the Commission found it necessary to investigate in some detail the method adopted by the importer to clear his consignments of rice through the Customs. For this service the consignee engages the services of the Ceylon Wharfage Co., Ltd., or similar agency. The Company engages a contractor who, in the case of rice and similar cargo, is responsible not only for the supply of labour, but also for meeting the claims of any importers who may have sustained loss while their goods are being cleared through the warehouses. The association of these two services under one contractor may not have been unsatisfactory in times of prosperity when a considerable volume of employment is available and in consequence the workers are earning a high rate of wages, but in abnormal and in adverse conditions when prices are high and when the volume of work is reduced, difficulty is experienced in adjusting earnings to suit the conditions prevailing. Incidentally this method of payment adds considerably to the task of estimating a worker's wages.

This contractor is paid by the Ceylon Wharfage Co., Ltd., at a rate fixed on the number of bags landed or delivered. Part of this sum goes to remunerate the labourers and part goes to meet the claims made against the Company by consignees as well as various overhead charges which a contractor, with this volume of work, must

incur. Representations were made to the Commission with regard to the inadequacy of the sum allowed to the contractor for the purpose of meeting these claims and overhead charges. However, the Commission has not investigated any such grievance for the purpose of this report.

The contractor has at his disposal a permanent labour force which has now to be supplemented by casual labour. This labour force is divided into gangs under a kangany, the number of workers in a gang varies considerably and there appears to be no definite limitation to its size. However, when casual labour is engaged the workers concerned are attached, for the purposes of calculation of output, to some particular gang.

In the case of landing rice the labour contractor receives from his principal, payment at the rate of Rs 26 50 per 1,000 bags not exceeding 160 lb, and Rs. 29 per 1,000 for bags exceeding 160 lb. but not exceeding 224 lb and Rs 32 per 1,000 bags over this weight.

For the sake of brevity this Report will only concern itself with the bags below 160 lb. in weight as the method of payment adopted is similar in all three cases. Of this sum of Rs 26 50, Rs 21 is paid to the contractor to be utilized as wages for the labourers and the kangany. Of this sum the kangany takes Re 1 as commission. The Commission has had no time fully to investigate the nature and extent of this and other deductions which will be mentioned in the subsequent report, but here it is sufficient to state that such deductions do take place. The balance is available for distribution among the workers in equal shares and the kangany is also entitled to two, or in some cases, three shares. In the division of wages one share is given to the man who supplies water. Information was placed before the Commission that others not engaged in manual labour were also entitled to shares, but these it was not possible to investigate in detail.

The Commission is of opinion that an acute source of grievance of the labourers would be eliminated if any such pay as is usually allotted to them could be made in a manner which would avoid any appearance that numerous deductions have been effected from their earnings.

Information was placed by the employers at the disposal of the Commission that at the present moment the wages of these labourers averaged approximately Rs 20 per month. Evidence given by the labourers themselves supported the view that Rs. 20 represented their average monthly earnings. Inquiries were made as to whether this income was supplemented by the labourers accepting employment under other contractors when no work in connection with the handling of rice cargo is available in the harbour. The labourers concerned did not deny that there were such possibilities and that when offered they were accepted. However, the opportunities were few and could not be regarded as a reliable source of additional remuneration.

Unfortunately no records were available of the wages earned by these workmen in the pre-war period and their evidence in this connection appeared to be too unreliable for acceptance. No approximate estimate even of any difference in the amounts earned then and now could be made.

The other section of labourers engaged in clearing bags of rice through the Customs premises are those engaged in the removal of the bags stacked in the warehouses to the carts or lorries of the consignee. The rates payable in respect of this cargo were fixed at the rate of Rs. 22 50 per 1,000 bags whatever the weight of the bags, might be. The labourers employed in this connection were under the supervision of an overseer styled a "nattama". The evidence at the disposal of the Commission disclosed that until three months ago a permanent gang of labourers was engaged for carrying out these duties. Each gang was then paid at the rate of Rs 10 per 1,000 bags and the amount so earned was distributed among each member of the gang. Since then, however, the changed conditions prevailing in the harbour have introduced a radical alteration in their mode of payment. Evidence was given that consignees now-a-days sell their goods even before they are cleared through the Customs to a number of small traders. The latter are so anxious to take delivery of the imports that the labourers concerned were able to utilize the position to bargain with the contractor that a special daily rate of payment should be made to them. For the last three months they have been able to earn Re. 1 75 to Rs 2 50 per diem, the rate varying in accordance with the demands that were made for their services.

In this connection it may be stated, that the balance of Rs 12 50 available to the contractor after payment to the labourers was utilized for the purpose of meeting claims and for paying the wages of other employees who were engaged by the contractor for the purposes of the clearing of the rice cargo through the Customs.

In view of the fact that the labourers concerned in this form of employment have been able to make satisfactory terms with their employer the Commission does not feel it necessary to make any recommendations at this juncture with regard to the remuneration now payable to these workers. It would be scarcely out of place to point out that this drastic alteration in the payment of remuneration to one set of workers is merely an indication of the manner in which conditions have changed in the customs premises during the period of the war.

Recommendations.

The labourers who gave evidence before the Commission desired an increase of pay on the following grounds:—

- (a) that the opportunities available to them for work were less than there had been hitherto,
- (b) that there had been a large increase in the cost of living.

The survey of the situation which has been given above indicates that the labourers are not now in a position to earn as much as they did previously. In addition to this decrease in the capacity to earn, the figures published in the Ceylon Trade Journal issued by the Department of Commerce and Industries, show that there has been a rise in the cost of living since the outbreak of war. The time at the disposal of the Commission is not sufficient for the full examination which it would like, but sufficient evidence has been placed before it to show that an immediate rise in wages is necessary. For this purpose the Commission recommends to the employers that the present rates for the landing of rice bags be increased by

Rs 3 (Rupees Three) per 1,000 bags This increase should be entirely placed at the disposal of the labourers themselves and no portion of it should be devoted either as commission to the kangaries, or as part payment to the contractor to meet such charges as are required of him by his principal

Colombo, August 4, 1941

F C GIMSON,
Commission

SECOND INTERIM REPORT
Strike at the Chalmers' Granaries

Award

On the afternoon of Saturday, July 25, 1941, the Controller of Labour, received a copy of a letter addressed by the All-Ceylon Nattame Workers' Union to the Ceylon Rice Merchants' Association and two similar organizations, containing certain demands of the workers and an intimation that if those demands were not granted by 6 P.M., on the following day, the workers themselves would strike as from the Monday morning

The Controller immediately replied to this letter requesting the Union to defer action until he had an opportunity of intervening by arranging a conference at which its demands could be discussed by the Union with the employers concerned. This letter could not however be delivered owing to the fact that the office of the Union had closed for the day

On the morning of July 29, 1941, 1,000 workers in the Chalmers' Granaries had ceased work. The Controller refused to entertain any proposals for a settlement until the strikers returned to work.

On Tuesday, July 29, representatives of the Union informed the Controller that they were prepared to influence all strikers, including those in the harbour, to return to work if the Controller held an early inquiry and made an interim award. The Controller took the necessary steps for an inquiry to be held into the grievances of the strikers in the Customs premises, and Mr R B Naish, C.C.S., was deputed to conduct the inquiry with regard to the conditions of employment of workers in the Chalmers' Granaries. Mr Naish however, was unable within the short time at his disposal to form any conclusions, and the Controller, as early as possible proceeded to continue the inquiry which Mr Naish had started.

Evidence was first recorded at the Office of the Controller of Labour on August 5, 1941, when representatives of the Chettiar Rice Merchants' Association of Ceylon and the Ceylon Rice Merchants' Association were present, together with an officer of the All-Ceylon Nattame Workers' Union. The proceedings continued until August 13, 1941, by which date evidence had been given on behalf of the Rice Merchants, the Nattames and labourers.

The Chalmers' Granaries consists of 119 rat-proof stores provided by Government for the accommodation of rice. In the Granaries rice is received from the Customs, stored, sorted, mixed and despatched for delivery to Colombo or elsewhere. About 1,000 labourers almost exclusively Indian, are engaged in those operations. These labourers are employed under a Nattame who is paid at certain rates based on the amount of bags of rice handled by the Nattame and his gang of labourers working under him.

The Rice Merchants' Association and the Chettiar's Rice Merchants' Association gave the following rates as those payable at present to the Nattames for distribution among their gangs of labourers, in column 2 are the rates paid six months ago —

	Column (1) Rs c	Column (2) Rs c
Loading into carts at stores per cart load of 160 lb (20 bags)	0 37	0 25
Loading into carts at stores per cart load of 240 lb (15 bags)	0 55	0 30
For unloading from cart into stores per bag of 160 lb.	0 1	0 0½
For unloading from cart into stores per bag of 240 lb	0 1 5	0 1
For bagging, stitching, measuring and unloading per bag of 160 lb.	0 4	0 4
For bagging, stitching, measuring and unloading per bag of 240 lb	0 6	0 6
For stacking per 100 bags	1 0	0 75
On C.I.F. sales per 100 bags	0 25	0 25

The rates of 37 cents and 55 cents given above are the rates payable by the merchants who handle large quantities of rice. These rates do not apply to the deliveries to smaller merchants from up-country and elsewhere whose transactions normally involve smaller quantities. In these cases the witnesses gave the following as the present rates —

	Cents
A bag not exceeding 160 lb	5
A bag exceeding 160 lb. but not exceeding 220 lb.	6
A bag exceeding 220 lb	8

A notification was issued by the Price Controller at Colombo on October 11, 1939, prescribing certain maximum rates for the loading of rice. The relevant extract from the *Gazette* is as follows —

	Amount per Bag Cents
(1) Where the rice is loaded exclusively by persons employed or nominated by the dealer or his agent —	
(a) for bags of rice weighing not more than 160 lb	5
(b) for bags of rice weighing not less than 160 lb but not more than 190 lb.	6
(c) for bags of rice weighing 190 lb or more	8
(2) Where rice is loaded partly by persons employed or nominated by the dealer or his charge agent, and partly by persons not so specified in paragraph (1)	One-half

These rates appear to have been fixed by the Price Controller as the result of certain representations made to him by three Nattames on behalf of the Chalmers' Granaries Tholihalar Sangham. The Commission has examined the file forwarded to it by the Price Controller and there is no indication in it that considerations other than the representations of the Nattames were taken into account when these rates were fixed. A statement made by a witness seems to indicate that other factors, such as abnormal conditions prevailing in the Granaries at that time, may have influenced the Price Controller in deciding these maxima. Whatever those factors may be, the rates fixed by him were substantially higher than those then prevailing. When control was removed, the rates decreased and eventually stabilized themselves at the figures prevailing prior to the control. Many of the witnesses who gave evidence expressed their dissatisfaction with the present rates in that they compared unfavourably with those which had been paid during the period control was in operation.

This dissatisfaction also expressed itself in December, 1940, when the workers struck work on the ground that they were being paid low rates. As a result of this strike increases in the rates which were the rates in force at the time of the strike were given. These are given in column (1) in paragraph 7.

As already mentioned above, the All-Ceylon Nattame Workers' Union presented certain demands on July 26, 1941, for further increases of rates. These were considerably in excess of those normally paid, but the Commission is informed by the Union concerned that one merchant at least pays to his Nattame for distribution to his gang wages on the rates given in the demands. Evidence given to the Commission indicated that there is no uniformity throughout the Granaries with regard to the rates paid; and slight variations are to be found in many cases. For example, though the rate for unloading is 20 cents a cart, some witnesses state that in the case of those merchants who deal in considerable stocks of rice, an amount as low as 15 cents is paid. Again whereas the rate for restacking is stated to be 1 cent per bag, some merchants only pay ½ cent, and in some cases nothing whatever is given.

The amounts earned in accordance with the above rates are paid to the Nattame who again remunerates the members of the gang working under him. Each labourer is paid an equal share. The Nattame usually gets 2 shares, while the person who is directly under him, called the "Mail-arl" gets 1½ shares. In the case of small gangs, the Nattame himself gets only 1½ shares.

When additional labour has to be engaged on account of an increase in the volume of work, the labourers engaged are paid rates which have been estimated by one Nattame to be as high as Rs. 3 50 a day. The amounts paid to casual labourers are deducted from the total earnings before their distribution among the regular labourers. The members of the permanent gang complain that the wages paid to the casual labourers are considerably in excess of the amount normally earned by the former.

Other deductions are also made on behalf of services which, in the opinion of the labourers, have no relation to the manual work involved in the handling of rice. The time at the disposal of the Commission coupled with the lack of uniformity of practice does not enable the Commission to ascertain exactly what the deductions are; but where any deductions are made, under whatever designation, which have no relation whatsoever to the work actually performed by the gang they should cease. All these in future should be met by the employer and paid direct by him. The Commission here refers to those deductions relating solely to charges incurred by the employer in the running of the business, such as the wages of a poon, &c. Where the custom has been for the labourers to contribute a part of their earnings to a fund from which payments are made to them or to their dependants at a later date, these too should cease unless the labourers voluntarily agree to their continuance.

Reference is made in the scale of charges to an amount of 25 cents payable in respect of 100 bags of C.I.F. sales. In the past, most of the rice imported by any particular merchant was brought direct into the Chalmers' Granaries and thereafter sold. Since the war however a large proportion of the sales takes place prior to the removal of the rice from the Customs premises. As a result of the increase in this practice, the labourers have been deprived of the work which they, otherwise, would have had from this particular merchant if the bags had been brought into the Granaries. To compensate them for this loss, this payment of 25 cents is made to the Nattame for distribution to his gang. The evidence given by the Nattames was to the effect that C.I.F. sales are a negligible fraction of the total quantity of sales conducted by a merchant, but on the other hand, figures supplied by the rice merchants do not support this statement and show that the amounts given to the Nattames for such sales are fairly large sums. It does not appear that the labourers are fully aware of what sum is paid to the Nattame in this connection and the fact that the Nattames minimised the actual quantity of such sales would appear to indicate that their profits from this source are not all distributed among the labourers.

The labourer who goes to the Wharf in connection with the transaction of these C.I.F. sales is paid one share of the total earnings of the gang as his duties are such that they bring to the gang an addition to its earnings. The Union objected to this employee being given a share of the gang's earnings on the ground that he had nothing whatsoever to do with the handling of the rice in the Granaries. This objection would be of greater weight if the gang were to be deprived of this payment on C.I.F. sales.

The Commission endeavoured as far as possible to obtain some information as to the amounts earned by each worker but was considerably handicapped by the complete absence of any records kept by the Nattame. This handicap will disappear when the Wages Board Ordinance recently enacted by the State Council comes into operation. For then the Nattames will have to keep records of wages paid, &c.

The daily earnings are estimated by the workers to be in some cases as high as Rs. 2 a day and in others as low as 75 cents. The estimates of monthly earnings also vary considerably. Some labourers state that it is in the neighbourhood of Rs. 20 to 25 per month and others at Rs. 30 to 35 per month. A Nattame who

was drawing $1\frac{1}{2}$ times as much as a labourer stated that he earned during the month of July, 1941, Rs. 67 50. On this basis an employee of his gang during that month would have earned Rs. 44 50. Other evidence given before the Commission indicated that the wages of a worker would approximate to Rs. 40 a month.

All the labourers who gave evidence on the subject of wages were interested in having their wages increased and the possibility that the amount of their earnings had been understated cannot be ignored. On the other hand, an examination of the expenditure detailed by the workers themselves showed that they were spending on one case Rs. 36 a month and in another Rs. 60. It is inconceivable that the difference in the amount earned and the amount spent should be so marked, or that the worker himself would be given credit by kaddai keepers, &c., to the amount of the difference involved.

It will be realized that the data available to the Commission for fixing the wages of these workers is of a very nebulous nature and no accurate estimate in this connection can be framed. The figure of Rs. 35 a month appeared to the Commission to represent what would probably be the average earnings of a worker.

Evidence before the Commission showed that the conditions arising out of the War have not produced any alteration in the volume of work in the Chalmers' Granaries and it still continues to be fairly regular. There is no reason to suppose that any decline in wages had taken place, but there is no doubt the feeling exists among the labourers that their wages should be increased. This feeling owes its origin partly to the comparison with the earnings they obtained during the period control was enforced, and partly to the increase in the cost of living.

It would not be out of place to mention here that in terms of the Essential Commodities Ordinance importers of rice are required to keep two months' stocks. This requirement has necessitated the storage of considerably increased stocks of rice within the Chalmers' Granaries. The rice is therefore stacked to a higher level than was necessary previously and the labourers complain that their work is of a more arduous nature than it was before.

For the purpose of this interim award the Commission is only concerned with the manner in which established grievances of the labourers might be rectified. The Commission is of opinion that a considerable source of grievance can be eradicated by (a) ensuring that the amounts placed at the disposal of the Nattame for distribution to members of the gang are so distributed, (b) the adoption of uniform rates throughout the granaries, and (c) by the abolition of the deductions now made for the payment of employees who are not directly concerned with the handling of rice.

Reference has been made above to the payment of 25 cents per 100 bags. This is a payment made to the gang more as a compensatory benefit rather than for work done. This form of payment is objectionable in principle and should cease. To counterbalance the cessation of this payment, the Commission has recommended increases to the rates now in force and these are in the Commission's opinion adequate to insure a reasonable wage to the average worker under the conditions prevailing at present. If at any time food control is introduced, other conditions may operate and the question may have to be re-examined again.

For the interim award the Commission recommends the following rates —

	Rs. c.
Loading into carts at Stores per cart load of 160 lb. (20 bags)	0 40
Loading into carts at Stores per cart load of 240 lb (15 bags)	0 60
For unloading from cart into Stores per bag of 160 lb.	0 1 $\frac{1}{2}$
For unloading from cart into Stores per bag of 240 lb	0 1 $\frac{3}{4}$
For bagging, stitching, measuring and loading per bag of 160 lb	0 4 $\frac{1}{2}$
For bagging, stitching, measuring and loading per bag of 240 lb	0 6 $\frac{1}{2}$
For stacking per 100 bags	1 25

These should be of uniform application and paid by all the merchants in the Granaries

Colombo, August 18, 1941.

F. C. GIMSON,
Commission