

TABLE X. COST-OF-LIVING INDEX NUMBERS OF THE SOCIAL BOARD LINKED UP WITH THE INSTITUTE'S BUDGET (b) INDEXES, 1913-1930

(Base : 1861-1870 = 100)

Year	Index	Year	Index	Year	Index
1913	119	1919	319	1925	211
1914	121	1920	321	1926	203
1915	139	1921	275	1927	201
1916	157	1922	223	1928	202
1917	198	1923	207	1929	200
1918	276	1924	207	1930	194

## Indian Labour in Ceylon and Malaya in 1932

In both Ceylon and Malaya, the plantation industries of which are largely dependent on Indian labour supplies, the principal plantation crop (tea in Ceylon and rubber in Malaya) has been affected by the economic depression and a labour problem of some magnitude created by the necessity of providing a minimum level of existence for the labourers in spite of depressed market conditions. The Government reports for 1932<sup>1</sup> illustrate this situation and throw light on the efficacy in times of stress of the social machinery built up in times of prosperity. It is also clear from them that there is a growing realisation that when

<sup>1</sup> CEYLON : *Administration Report of the Controller of Labour for 1932*. Government Press, Colombo, September 1933.

FEDERATED MALAY STATES : *Annual Report on the Social and Economic Progress of the People of the Federated Malay States, 1932*. London, H.M. Stationery Office, 1933. "Annual Report of the Medical Labour Department for 1932", in *F.M.S. Government Gazette*, 22 Sept. 1933.

INDIA : *Report on the Working of the Indian Emigration Act, 1922 (VII of 1922), the Rules issued thereunder, and of the Labour Ordinances of Ceylon during the year 1932*. Delhi, Manager of Publications, 1933. *Report of the Agent of the Government of India in British Malaya for the year 1932*. Delhi, Manager of Publications, 1933.

STRAITS SETTLEMENTS : "Report on the Working of the Labour Department for the Year 1932", in *Straits Settlements Government Gazette*, 4 Aug. 1933.

For an account of conditions in British Malaya in 1931, cf. *International Labour Review*, Vol. XXVII, No. 3, March 1933, pp. 397-402; for Ceylon, *Idem*, Vol. XXVIII, No. 1, July 1933, pp. 62-73.

an industry is largely on a care and maintenance basis in anticipation of market improvements, the cost of labour, like any other factor in production, may not be brought below a certain figure; for even if the labour force is not reduced beyond the limited needs of the moment, it will be discouraged from offering itself in sufficient numbers should the economic position improve in the future.

### THE DECLINE IN EMPLOYMENT

In Ceylon the estimated Indian estate population fell from 740,000 in December 1929 to 651,000 in December 1932 and to 596,000 by 30 June 1933.<sup>1</sup> In 1931 arrivals of estate labourers receiving assisted passages totalled 68,000 and departures of estate labourers 75,000, and in 1932 50,000 assisted labourers arrived and 58,000 labourers left. Until November 1932 the recruiting of Indian workers by *kanganies* (workmen employed on the estates for which they recruit) continued. Of the recruited labourers, however, 9,157 were close relations of the *kanganies* and only 5,946 were other labourers. Another method of obtaining Indian labour for Ceylon is by granting free passages to workers in India who have been nominated by their friends or relations in Ceylon. During 1932, 5,320 workers were so registered.

In Malaya the movement back to India was more marked than in Ceylon. There was no recruitment of Indian labour during 1932 and except in a very few special cases the system of paying for the passages of Indian labourers was not applied. Immigration, however, was not restricted and during the year 17,734 Southern Indians arrived as deck passengers by the regular immigrant boat services. The main stream of migration, however, was towards India, 85,051 deck passengers leaving Malaya, of whom 56,476 were repatriated free of charge. The movement decreased during 1933 and by the end of August a balance of only 15,257 Southern Indians had left the country during the eight months of the year.<sup>2</sup>

### WAGES

In Ceylon minimum wages for Indian labourers are fixed, subject to the Governor's approval, by the Board of Indian Immigrant Labour, on proposals of the Estate Wages Boards, which are composed of a Government official as Chairman, two employers of Indian labourers and two persons selected to represent the labourers. In practice, the Government of Ceylon always acts in consultation with the Government of India.

As previously described<sup>3</sup>, the minimum wages fixed in January 1929 were progressively reduced in May 1931, February 1932 and May 1933, though the effect of these reductions was partly balanced by reductions in the price of rice sold to estate labourers.

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<sup>1</sup> *Ceylon Government Gazette*, 10 Nov. 1933.

<sup>2</sup> *Federated Malay States Government Gazette*, 20 Oct. 1933.

<sup>3</sup> Cf. *International Labour Review*, Vol. XXVIII, No. 1, July 1933, pp. 66-72.

The Agent of the Government of India in Ceylon, reporting on the reasons for the reductions made in May 1933, states that at the end of 1932 the choice lay between the closure of many estates and a reduction of minimum wages. It is not so easy to close down a tea estate as a rubber estate. While a rubber estate suffers little from neglect, a tea estate unattended turns into a jungle. From the labourer's own point of view an extensive closure of the estates followed by extensive unemployment would have caused hardship, and repatriation would be a poor remedy in the case of those labourers who had lost touch with their mother country. The Agent points out, however, that the wage was intended as a minimum and not a standard rate, and that the only circumstance that could justify its reduction was a fall in the cost of living. Moreover, a reduction of the minimum wage was by no means the only method whereby estates in Ceylon had endeavoured to reduce the labourer's monthly remuneration. In certain districts the practice of employing labourers for less than six days in the week assumed almost disquieting proportions and there were some estates which offered not more than four or even three days' work in the week. The position was further complicated by the practice on certain estates of giving one day's credit for two days' work. Nevertheless, the Agent states, when due allowance has been made for all these factors, by the end of 1932 the plight of the industries was so desperate as to render a reduction of minimum wages an unpleasant but inevitable necessity.

Since the publication of the reports under review, the tea industry's position appears to have improved and the proposals of the various Estate Wages Boards, to be considered by the Board of Indian Immigrant Labour<sup>1</sup>, suggest the probability of a return to the rates in force between February 1932 and May 1933, or to only slightly lower rates.

With regard to the actual payment of wages, the Ceylon Controller of Labour states that the difficulties experienced were much less than anticipated. Cases of belated payment on small estates were numerous, but in all cases save two it was possible to secure the wages for the labourers. Prosecution was avoided as far as possible, the Labour Department contenting itself with securing arrears of pay or the payment of instalments. Rice issues were always made and the Controller does not think that any distress was caused. He visited one estate on which the wages were said to be six months in arrears. Advances of rice and foodstuffs had been made throughout the period as well as petty cash, and he was astonished to find the labourers unusually cheerful and contented, their main feelings being of anxiety lest the estate be closed down.

The Agent of the Government of India in Ceylon reports that the depression imposed an almost intolerable strain on the working of the Minimum Wage Ordinance, but that despite an artificially manufactured agitation for the suspension or repeal of the Ordinance, the majority of the planters followed its provisions in good faith. There were a few who attempted to take the law into their own hands and pay the labourers arbitrary rates, on the ground that the labourers them-

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<sup>1</sup> *Times of Ceylon*, 13 Nov. 1933.

selves were not unwilling to receive them. The assumption underlying the Ordinance, the Agent points out, however, is that in the face of the powerful and elaborately organised body of employers, the Indian labourers are at present incapable of looking after their own interests. To accept the consent or acquiescence of the labourers as a valid excuse for the payment of less than the minimum rates would have been to reduce the Ordinance to a mockery.

In the case of rubber estate labour, however, the Agent states that it was impossible to enforce the payment of minimum wages. The most that could be done was to see that wages were not reduced appreciably below the subsistence level. At the same time, free repatriation was offered to those labourers who were dissatisfied with their remuneration.

An important test case was contested right up to the Supreme Court of Ceylon. It was contended that the minimum wage was fixed for a working day of eight hours and that if a labourer or other worker worked for only six hours he would be entitled to only six-eighths of the minimum wage. It was felt that if this principle was accepted and extended it would result in the negation of the object of the Minimum Wage Ordinance, for which reason the test case was fought. The Supreme Court found that under the Ordinance *pro rata* wages are illegal and that even if a labourer agrees to work for less than eight hours he must be paid the full minimum wages and not a ratio thereof. The Agent of the Government of India comments that there is not a shadow of doubt that the intention of the Legislature was to secure to the Indian labourer a minimum living wage and that this object could not be achieved if it was open to the employer to deny him that wage by giving him less work; the Perth Estate case, as the test case came to be known, was pressed not to harass the planting community in a time of depression, but to remove a legal camouflage which would have clouded the principles on which the minimum wage is based.

The wage situation is even more difficult in Malaya, where rubber is of greater importance than in Ceylon. Minimum wage rates do not apply to the whole of Malaya; in certain selected "key" districts standard rates are established and in other districts wages are allowed to find their level by the influence of these "key" districts and the natural play of economic conditions.

The Agent of the Government of India in British Malaya reports that part-time employment, lower wages, fewer working days in the week and enforced rest of working women and children were the methods adopted by employers to keep the rubber industry and other concerns going and to minimise the number of dismissals otherwise inevitable. In addition, in the "key" districts the device declared illegal in Ceylon appears to have been followed and tappers were only paid three-fourths of the daily rates for tapping work permitted them from early morning till noon or 1 p.m. During the Agent's inspection of a few estates he found that the wages paid were steadily declining, and he gives figures illustrating that men who were paid 40 cents a day in January 1932 were only receiving from 22 to 25 cents in May 1932.

The Controller of Labour of Malaya addressed the Council of the Planters' Association on the question of wages, which he also brought

before the Indian Immigration Committee at a meeting in May 1932. The Indian Immigration Committee decided that monthly subsistence wages of \$7.20 for men and \$6 for women should be paid ; if the labourers were not enabled to earn as much, they would be offered the option of free repatriation. The Agent of the Government of India, however, notes that notwithstanding the strenuous efforts of the Controller of Labour and the co-operation of the Planters' Association, his subsequent inspection of several rubber estates disclosed that the Indian Immigration Committee's decision was not being followed. He brought cases to the notice of the Controller of Labour, but felt convinced that any insistence on the payment of standard rates would be most prejudicial to the best interests of the labourers, as it would result in further discharges and an increase in the number of workers who had to be repatriated. Moreover, the offer of free repatriation was losing its value as a lever to raise the wage level, since most of the existing labour force were reluctant to return to India.

The Agent, however, records his opinion that whatever may have been the degree of success in times of prosperity, the experiment of fixing standard wages in selected "key" districts and allowing economic conditions to play their part in raising the level of wages in the rest of Malaya to that prescribed for the "key" districts has beyond doubt failed during the depression, so that the establishment of an irreducible statutory minimum wage based on the cost of living of labourers for the whole of Malaya is an urgent desideratum.

Since the publication of the reports under review the Malaya Controller of Labour has made a further effort to improve the wage situation. At a meeting of the Council of the Planters' Association in June 1933 he pointed out that with the rise in the price of rubber there were indications of an increased demand for labour, and negotiations were proceeding with the Government of India to reintroduce non-recruited immigration from India. He feared, however, that such immigration would not supply large numbers unless labour conditions improved. There was therefore a danger that the rubber industry would remain dependent on the present labour supply in Malaya, with the result that there would be competition for labour, disorganisation of the estate labour forces and heavy losses of days of work and of rubber crop. He believed this could only be prevented by an agreed scheme between employers to pay rates of wages commensurate with the rise in the price of rubber.

#### PROTECTION OF WOMEN AND CHILDREN

In Ceylon planters are by law required to provide medical aid for labourers and maternity benefit consisting of sufficient food and lodging for one month and one month's leave of absence should the mother so desire. The Ceylon Controller of Labour states that these obligations are more than observed in practice. It is usual, in addition, to give a money grant to mothers at the time of confinement, generally five rupees, the free services of a female attendant and any special nourishment prescribed by the doctor or dispenser. On the other

hand, the Agent of the Government of India in Ceylon states that there were only 89 midwives to serve 2,500 estates with a total population of over 650,000. He considers that the construction of lying-in rooms and the employment of midwives are matters which should be made legally obligatory, as estates unfortunately paid little attention to them even in times of prosperity.

The law also requires planters to see that all children under the age of one year receive proper care and nourishment and that children under ten receive a good meal of curry and rice daily. As an alternative free issues of rice for the provision of such meals may be made to the adult workers. The employment of children under ten years of age on estates is illegal. Ordinance No. 6 of 1923 applied to Ceylon the International Labour Conventions concerning night work (women and young persons) and minimum age (industry and sea). A report for 1931 from the Inspector General of Police with regard to the working of the Ordinance states that in Colombo officers inspected monthly during the year 75 industrial undertakings, and 356 young persons between 14 and 18 years of age were found to be employed. The registers were checked and all regulations under the Ordinance were found to have been complied with.

With regard to education, the Ceylon Director of Education reports that at the end of September 1932 there were 544 registered estate schools, as compared with 554 at the end of 1931. Of the estate children of school-going age (between six and ten years), 50.31 per cent. were attending school. The continued depressed conditions had prevented the increase which would have occurred normally in the number of schools and the percentage of children attending them. Quite apart from the rubber estates, which had to close down a large portion of their acreage and repatriate their labour, many tea estates had had to face losses in working, so that the superintendents were somewhat chary in incurring expenditure on buildings or improving the educational facilities.

In Malaya similar protective legislation exists concerning maternity benefits, night work of women and young persons and estate education. The Agent of the Government of India reports a general falling-off in the number of estate schools as a result of the repatriation of labourers. In the Federated Malay States, for example, the number of estate schools gradually fell from 613 in 1929 to 246 in 1932.

### HEALTH

The birth rate among the Indian estate population in Ceylon was approximately 36.6 per thousand, as against 34.2 in 1931. The death rate was approximately 18.7 per thousand, as against 20.8 in 1931. Pneumonia and bronchitis were jointly responsible for 14.3 per cent. of the total deaths. Though this proportion is somewhat lower than in previous years, the Ceylon Controller of Labour considers the incidence of these diseases still high; it is said to be mainly due to the changes of climate the labourers have to weather in coming from the hot plains of South India to the cool hills of Ceylon. The

same change in climatic conditions is referred to as a cause of death by the Agent of the Government of India, who points out that all possible precautions must be taken, particularly with labourers whose constitutions are already impaired by poverty. On the other hand, there has been a striking decrease in the number of deaths from dysentery since 1925, which is attributed to the improved water supply on estates.

Infant mortality on estates increased from 184 per thousand in 1931 to 188 per thousand in 1932. The Agent of the Government of India considers this an excessive and preventable waste of life and to be largely due to immaturity at birth and mismanagement afterwards. The Ceylon Controller of Labour states that of the many reasons adduced in explanation of the high infant mortality rate, the failure of estate mothers to observe hygienic methods of nursing infants is considered the main one.

In British Malaya, among the total Indian population the death rate per thousand fell from 21.0 in 1931 to 16.2 in 1932. The birth rate also fell from 30.3 in 1931 to 27.5 in 1932. The Director of the Medical Department considers that repatriation has largely affected the unhealthy and sickly employees, and suggests that the present low death rates may not be maintained in other years. He regrets, however, that the most important enactment in British Malaya, during 1932, from the point of view of health services was a retrograde measure, namely, the Federated Malay States Health Boards (Dissolution) Enactment. The Central Health Board had made thorough and persistent attempts to devise a practical system for the improvement of medical and health services to estate labourers, and had survived criticism and opposition from every direction, but at last found itself impotent in face of the complete financial collapse of the rubber planting industry. The many schemes for the provision of medical services and for the organisation of estate hospitals, together with the preliminary work for the organisation of preventive measures, had only been possible with the aid of a loan from the Government. When it became clearly apparent that the state of the rubber planters was such that the Board could only carry on by borrowing more money and there was obviously only a remote possibility that the increasing loan would ever be repaid, there was no alternative but to dissolve the Central Health Board. It is nevertheless hoped that a great part of the ground gained will be retained. It will not be possible in present circumstances to maintain preventive and medical services on the lines proposed in the Health Board schemes, nor with such reduced labour forces are such services held to be necessary. It is believed, however, that the lines have been laid down for future guidance, and that with improved conditions the work done by the Central Health Board will yet bear fruit.