

the part of the authorities administering the rules or highly developed mutual understanding, and perhaps both. It is sufficient to state that so far co-operation in the field of public assistance has been smooth and effective.

* * *

Far from being an obstacle to broader international collaboration, the tradition of co-operation between the northern European countries has made it natural for them to collaborate with other nations outside their own circle. The evolution of reciprocity in the field of social insurance, and particularly of workmen's compensation, may be taken as an example of this spirit, and this example could be supplemented by many others from the great area covered by the work of the International Labour Organisation.

Indian Labour in Ceylon, Fiji, and British Malaya

Information on conditions of Indian labour in Ceylon, Fiji, and British Malaya, has been published from time to time in these pages or in Industrial and Labour Information. The following notes, which continue the series, refer to the years 1936, 1937, and 1938, so far as Ceylon and British Malaya are concerned, and to the years 1937 and 1938 as regards Fiji. The note on British Malaya, it may be added, deals not only with Indian but also with Chinese and Javanese immigrant labour.

INDIAN LABOUR IN CEYLON¹

It has been estimated that there were at the end of 1938 altogether about 800,000 Indians in Ceylon. Of this number the estate labourers with their dependants amounted to 682,570.

The Employment Market

It may be recalled that Indians immigrating into Ceylon fall into two main groups — "unassisted" and "assisted" immigrants. The first group comprises those who pay their own travelling expenses, and consists of shopkeepers, tradesmen, and labourers employed elsewhere than on estates. The second group is composed of persons who receive assisted passages from the Indian Immigration Fund —

¹ The information given here is mainly taken from the following official reports: CEYLON: *Administration Reports of the Controller of Labour in Ceylon for 1936, 1937 and 1938* (Colombo, Government Press); INDIA: *Annual Reports of the Agent of the Government of India in Ceylon for the Years 1936, 1937 and 1938* (Delhi, Manager of Publications).

For an account of conditions in Ceylon in 1935, see *International Labour Review*, Vol. XXXV, No. 1, Jan. 1937, pp. 87-91.

that is, estate labourers and their dependants. Assisted immigrants are divided into "recruited" and "non-recruited" immigrants. The former are those labourers (with their dependants) who are recruited under licences issued by the Controller of Labour and countersigned by the Agent of the Government of India in Ceylon. For statistical purposes the recruiters of licence-holders themselves and their relatives are also included in this category, although they do not actually require a licence to leave India. "Non-recruited" immigrants are labourers who return to estates where they have been employed previously, their close relations who accompany them, and persons going for the first time who have been nominated for passages by relations on estates and are joining them in Ceylon. In times when the demand for labour is slack, the flow of non-recruited immigrants suffices to maintain the labour forces on estates. However, since under the Indian Emigration Act and Rules only close relatives are allowed to accompany to Ceylon a person who does not hold a licence, it is always necessary in practice to issue some licences for special cases. When there is an increased demand for labour it is rapidly satisfied by the estates through sending licensed workers (*kanganies*) to their villages in India for the purpose of recruiting relatives and friends who are willing to come as labourers to Ceylon. Each licence-holder is permitted to take 20 emigrants only, exclusive of dependants, so that a large number of licences must be issued when the demand is heavy.

Particulars of the emigration of Indian workers to Ceylon during the period 1934-1938 are given in the following table :

Year	Unassisted immigrants	Assisted estate labourers	Total	Proportion of assisted migrants previously employed in Ceylon to the total (per cent.)	Recruiting licences issued	Indians who left Ceylon for India	Total Indian estate population (M. = men, W. = women, C. = children)
1934	104,876	140,607	245,483	49	6,443	147,858 (52,481) ¹	688,741 (M. 223,581 W. 209,650 C. 255,560)
1935	104,429	43,018	147,447	86	23	152,755 (43,036) ¹	674,024 (M. 214,225 W. 204,739 C. 255,060)
1936	97,158	40,803	137,961	88	6	145,289 (39,747) ¹	659,311 (M. 206,530 W. 199,520 C. 253,261)
1937	111,125	51,427	162,552	82	5	152,257 (37,605) ¹	677,897 (M. 211,631 W. 204,364 C. 261,902)
1938	110,786	47,210	157,996	86	1	158,338 (43,819) ¹	682,570 (M. 212,715 W. 204,530 C. 265,325)

¹ Approximate number of estate labourers included in total.

The total number of workers immigrating into Ceylon in each of the four years 1935-1938 was not only considerably less than that in 1934, which was an exceptional year, but also inferior to the average for the period 1924-1938 (198,182). The numbers of recruiting licences issued in these four years were 23, 6, 5, and 1, respectively, as compared with 6,443 in 1934. The proportion of assisted migrants who had previously been employed in Ceylon to the total number was over 80 per cent. during the same period, as against 49 per cent. in 1934, and 51 per cent. on an average during the years 1924 to 1933. There were various reasons for this decline, some of which have already been mentioned in reviewing the conditions of Indian labour in Ceylon in 1935¹ — for instance, the existence of a slight surplus of estate labour in the island at the end of 1934 due to the very heavy recruitment from India at the beginning of that year to meet the strong demand consequent upon the improvement in the prices of rubber and tea. The continued operation of the international restriction schemes for tea and rubber and the placing of some of the smaller estates on a "care and maintenance" basis led to a further reduction in the demand for labour, but since 1937 there has been a steady improvement in the tea and rubber industries, with the result that a fresh supply of labour was required.

There were reports of a shortage of labour in the rubber districts as early as May 1937. The authorities in Ceylon would, however, seem to have taken the view that the requirement should be met by the employment of local (Sinhalese) labour.² One result of this policy was that greater efforts were made to induce the surplus Indian (Tamil) labour on tea estates to move to rubber estates, and also to get from India relatives of migrants working on estates in Ceylon as well as labourers who had previously been employed

¹ Cf. *International Labour Review*, Vol. XXXV, No. 1, Jan. 1937, p. 88.

² The State Council passed a resolution in December 1934 suggesting the appointment of a Commission to consider the restriction and effective control of immigration into Ceylon. In pursuance of that resolution a Commissioner was appointed in October 1936, and his report was published in April 1938. The report points out that, according to the returns published by the Controller of Labour in Ceylon, during the seven years from 1929 to 1935 the average total number of Sinhalese employed on estates with their dependants was approximately 63,000. These returns included only estates on which Indian labour was also employed. Of this total less than half were actually resident on estates on which they worked and the majority lived in their villages and worked on neighbouring estates. The Commissioner observes that immigration is dependent on the state of economic activity in the island, increasing in times of prosperity and decreasing in times of depression. In his view, in considering the effect of immigration on the interests of the permanent population of the island the problem should not be regarded as one of preventing the immigrant workers from driving the Ceylonese out of work, but as that of replacing the immigrant by the Ceylonese in work which the immigrant has made his own because in the past there was no one else to do it. He advises against any restriction as a means of increasing the employment of Ceylonese in any sphere of labour. The report and recommendations of the Commissioner were considered and approved generally by the Board of Indian Immigrant Labour.

there, in whose case no licence was required.¹ Nevertheless, on account of insistent demands from planters for additional labour, the Ceylon Government decided to permit the recruitment of 5,000 workers from India. But the Government of India when it was approached replied that it would not feel justified in authorising such recruitment unless some revision of wages was promised and another proposal which it had been urging — namely, the grant to Indian estate labourers settled in Ceylon of franchise for village committees — was accepted.² Recruitment has thus been virtually in abeyance since 1935.³

¹ In February 1938, the Government of Madras, the province which furnishes the bulk of the emigrants to Ceylon, issued the necessary instructions to the District Magistrates to ensure that no undue inducement was offered to 'non-recruited workers emigrating to Ceylon voluntarily'. In his report for 1938 the Agent of the Government of India in Ceylon states that, according to the Planters' Association of Ceylon, there was a shortage of over 20,000 workers in September 1937 and that this shortage was made up during the period from 1 September 1937 to 1 February 1938 by an increase of 15,681 Indian (Tamil) labourers, who had previously been employed in Ceylon, and 5,346 Sinhalese labourers.

² In February 1932 there was a reduction in the wages for Indian labourers on estates in the mid and low country on the ground principally of a fall in the cost of living, but partly based on a consideration of the capacity of the industry to pay; the Government of India desired that "as the revival of prosperity in the tea and rubber industries appeared to justify the extension of its benefits to Indian labour, the wages in the mid and low country estates should be restored to the levels which obtained prior to this cut". As for the other question, that relating to village committees, the Ceylon legislature considered a proposal in 1937 for the purpose of amending the Village Committees Ordinance of 1924, which did not apply to Burghers (persons of European descent), Europeans, and Indian estate labourers, with a view to extending the jurisdiction and functions of Village Committees. The amending Bill extended the franchise, and with it the responsibility to pay taxes, to Burghers and Europeans, but maintained the exclusion of Indian estate labourers. The Government of India made representations to the Government of Ceylon to the effect that any differentiation between Burghers, Europeans, and Indians, was undesirable. The amended Ordinance came into effect on 1 January 1939, and in the form in which it was finally adopted the discrimination against Indians has been removed. But the Government of India observes: "Indian opinion in Ceylon feels that though *de jure* discrimination against Indians has been removed, *de facto* discrimination remains as a very large body of Indian estate labourers will in practice be excluded from village franchise while the effect upon Ceylonese will be negligible" (cf. the Government of India's *Review of Important Events relating to or affecting Indians in Different Parts of the British Empire during the Year 1938-39*.)

³ In September 1938 the Indian Emigration Act, 1922, was amended so as to enable the Government of India to bring under its control unassisted as well as assisted emigration from India for the purpose of unskilled work. In exercise of the powers conferred by the Act the Government of India prohibited from 1 August 1939 emigration from British India to Ceylon for the purpose of unskilled work unless exempted by a special order. The ground for the prohibition was stated to be the uncertainty concerning the position of Indians engaged in unskilled work in Ceylon arising from the decision of the Government of Ceylon to terminate, from 1 August 1939, the employment of a large number of these Indians and its declared intention to continue that policy. The Financial Secretary to the Government of Ceylon, in the course of a statement which he made in the State Council in May 1939, observed that unemployment had increased in the island and that it was necessary to adhere strictly to the policy announced in March 1934 of not employing non-Ceylonese for work for which suitable Ceylonese were available. He also stated that the Government had decided to give a month's notice of termination of employment to all non-Ceylonese employed as daily paid workers in Government service since 31 March 1934 and to offer them special facilities should they be willing to return to their villages of origin abroad (cf. *Industrial and Labour Information*, Vol. LXXI, No. 13, 25 Sept. 1939, p. 377).

The numbers of Indians repatriated in 1936, 1937, and 1938, under one or another of the four categories (repatriation by the Controller of Labour on application by employers, repatriation by the Agent of the Government of India within one year of the migrant's arrival in Ceylon under Ordinance No. 1 of 1923, repatriation by the Magistrates under Ordinance No. 5 of 1907, and repatriation after more than one year's stay of the migrant in Ceylon on application by the Agent of the Government of India through the Government Agent, Central Province) were 4,494, 5,064, and 3,004, respectively. Two special schemes of repatriation were adopted in addition, that of 1935 which remained in operation until the end of January 1937 and which applied to labourers employed on tea estates placed on a "care and maintenance" basis for whom no further employment could be found, and another, which was in operation from February to September 1937 and applied to labourers reported to be surplus by a superintendent of a tea estate of 100 acres or more, and who were willing to be repatriated; the total number of persons repatriated under these two schemes was 6,160.

Wages

There was no change in the rates of minimum wages during 1936, 1937, and 1938. The Board of Indian Immigrant Labour, however, decided on 13 March 1939 that the wages of labourers on mid and low country estates should be raised to the levels which obtained prior to the cuts in February 1932, after considering the reports of various regional Wages Boards on the subject.

In 1935, owing to the restriction of crops and other circumstances, it was possible for only a few estates to give work for six days a week to their labour force, as provided by the Minimum Wage Ordinance, and many estates were unable to provide more than three or four days' work a week. There has been a gradual improvement in this situation since then, and in 1936 and 1937 most estates were generally in a position to give on an average five days' work a week. During 1938 the question of short work on any considerable scale did not arise, and it is understood that on an enquiry made by the Chairman of the Planters' Association, who addressed 1,158 estates in 19 planting districts for information regarding the number of days' work offered to the labour force, it was found from 971 replies received that on an average estates offered over 312 days' work in that year.

Indebtedness

The Agent of the Government of India in Ceylon discussed the question of the indebtedness of the Indian estate labourers in his Reports for the years 1936, 1937, and 1938. He observes that, although it is not possible to obtain statistics to gauge the extent of this indebtedness and it is true that many labourers are frugal and thrifty and manage to make some savings, a large number are chronically in debt and complaints received at his Office and enquiries made of superintendents of estates go to show that many of the

difficulties in the estates and shifting of labour from one estate to another have their origin in debt. In most cases the creditors are either *kanganies* (headmen) or boutique-keepers. Although the Indian estate labourer is legally immune from arrest for debt, means are found for enforcing repayment.

The Agent agrees that the ultimate remedy for indebtedness lies in the education of the labourer in thrift and prudence, and suggests that in so far as debts to the *kangany* are concerned they are probably due to the persistence of the old practice, no longer openly allowed, by which the *kangany* either gets from the estate or himself pays an advance to the labourer by way of inducement to come to it. The Discharge Certificate¹ may be of advantage to the labourer inasmuch as it serves as a ticket of identity and a certificate or testimonial, but it "lends itself to serious abuse as a valuable security for the creditor to collect debts". The problem in respect of debts to boutique-keepers, it is suggested, can be met to some extent by more frequent payments of wages in order to make cash readily available to the labourers and also by the provision of co-operative stores on estates.

The number of co-operative stores established on estates increased from 14 in 1935 to 21 in 1938; only two additional estate thrift co-operative societies were opened during this period, the total number being six.

Housing

The Director of Medical and Sanitary Services states that there has been appreciable activity in the matter of line construction on estates which were unfavourably reported on during the years of depression and that the new constructions are in many instances of improved types. He also observes that, as result of the reduced labour forces on estates — chiefly rubber — many sets of lines have been abandoned; where these were of back-to-back type, especially if they were deficient in floor area only, the recommendation has been made to have the rooms converted into over-size single rooms.

Health

The birth rate among the Indian estate population was 37.5 per mille in 1938, as against 38.4 in 1937 and 37.7 in 1936, while the rates for the general population were 35.9, 37.8, and 33.5 per mille in 1938, 1937, and 1936, respectively. The death rates for the Indian estate population for these years were respectively 18.5, 19, and 19.3 per mille, the corresponding figures for the general population being 21, 21.7, and 21.4. The principal causes of deaths among the Indian estate population, in the order of their importance, were debility, pneumonia, and ankylostomiasis.

¹ Without this document no labourer can get employment on any estate subscribing to the Discharge Ticket Agreement.

Education

The number of registered estate schools increased from 608 in September 1935 to 784 in September 1938, and the percentage of children of school age who attended schools rose from 52.19 in 1935 to 56.99 in 1938.

Social Legislation

In 1937 Ordinance No. 1 of 1923 was amended (by Ordinance No. 26 of 1937) so as to enable payment to be made from the Immigration Fund of contributions to any provident fund or scheme established for the purpose of paying a gratuity or pension to employees who are paid from the Immigration Fund. In addition, various problems such as the provision of adequate accommodation for married Indian labourers on estates and prevention of the separation of families were under consideration.

INDIAN SETTLERS IN FIJI ¹*Population and Health*

Year	Total Indian population	Males	Females
1921	60,634	36,748	23,886
1936	85,002	49,420	35,582
1937	89,333	50,394	38,939
1938	92,309	51,862	40,447

The Indian population of Fiji, as will be seen from the above figures, rose from 60,634 in 1921 to 92,309 in 1938. During this latter year the birth rate was 39.52 per thousand, the death rate 11.20 per thousand, and the mortality rate for children under one year 76.75 per thousand. The high birth rate, the low death rate, and particularly the low infant mortality rate, are, it is observed, an indication of the good general health of the Indian population. Attention is, however, called to the disparity that still exists, although it is gradually diminishing, between the number of males and that of females, and to this factor is mainly attributed the present system of control ² of immigration.

Indians who arrived in the colony in 1937 and 1938 numbered 151 and 857 respectively, as against 650 in 1936, and those that left the colony numbered 513 in 1936, 60 in 1937, and 418 in 1938; 171 persons were repatriated at the expense of the Government

¹ The information given here is taken mainly from the Reports for 1937 and 1938 of the Secretary for Indian Affairs to the Government of Fiji. For an account of the conditions of life and work of Indians in Fiji in 1936, see *Industrial and Labour Information*, Vol. LXV, No. 13, 28 March 1938, pp. 366-367.

² The control is maintained by arrangement between the Governments of India and Fiji as regards the grant of passport visas to Indian emigrants; for details see the Government of India's *Review of important events relating to or affecting Indians in different parts of the British Empire during the year 1937-38*, pp. 12-14.

of the colony in 1936 and 195 in 1938. Repatriation is confined to aged persons returning to India for good and younger people availing themselves of the concession of a free passage one way to take a holiday.

Conditions of Life and Work

The production of sugar is by far the most important of the colony's industries, and in it more than half of the Indian population is directly or indirectly employed. A considerable number of the Indian cane growers are tenants of the Colonial Sugar Refining Company. The control exercised by the Company over the cultivation of its tenants is said to be the chief factor in giving them a large yield, and the tenant farmer system has been introduced into its pineapple growing and canning industry established in 1938. A total crop of 928,288 tons of sugar cane was produced by Indian farmers in 1938, as compared with 942,470 tons in 1937 and 997,008 tons in 1936. Indians are also engaged in the production of local food crops of rice, maize, and dhall, in addition to tobacco and some bananas for the New Zealand and Canadian markets.

No changes are reported in the basic rates of wages during the period under review.

In the sugar-cane areas the Colonial Sugar Refining Company has undertaken an extensive programme of replacing the old type of labour lines with up-to-date, relatively commodious buildings provided with adequate septic tanks, bathrooms, and kitchens, and surrounded, as far as possible, with lawns and gardens.

There were in 1938 seven Government Indian schools and 67 others receiving financial aid from the Government. An Indian girls' school was established at Namosau in the Ba district in that year, and another school for Indian girls is expected to be opened shortly in the Nadi district. The number of Indian children on the rolls of the schools throughout the colony for 1938 was 7,968 (5,643 boys and 2,325 girls).

Assistance is provided by the Government of the colony for destitute Indians—those that are unable to secure employment because of age or infirmity and have no relations to support them—under a system of outdoor relief and by maintaining a Poor House in Suva. Indians receiving this assistance numbered 70 in 1936, 94 in 1937, and 149 in 1938.

General

The new Constitution, with its provision for three elected and two nominated representatives each of the European and Indian communities in the Legislative Council, and for five representatives selected from a panel of the Fijian community, became effective on 12 June 1937. At the ensuing general election three locally-born Indians were returned. A new class of officials—Indian Assistants to the District Commissioners—was created in 1938, and three Indian appointments—one in the Northern, another in the Southern, and the third in the Western District—were made.

The Secretary for Indian Affairs expresses the belief that this step "will greatly facilitate the maintenance of a sympathetic relationship between Government and the Indian community, and will fill some gaps that have hitherto been more or less unavoidable".

IMMIGRANT LABOUR IN BRITISH MALAYA¹

Population

It has been estimated that on 31 December 1938 the total population of Malaya (consisting of the Straits Settlements and the Federated and Unfederated Malay States), including Europeans and Eurasians, was 5,278,866, the Malays, Chinese, and Indians amounting to 41.9, 42.1, and 14.1 per cent. respectively.

Extent of Employment of Immigrants

The two key industries of Malaya, tin and rubber², are for the most part dependent on immigrant labour consisting mainly of Chinese and Indians, but to some extent also of Javanese³. The other principal organised places of employment engaging immigrants are factories and public departments such as public works departments, municipalities and local boards, railways, and defence services at Singapore. The total numbers of workers, classified by race, in these different occupations for the years 1935-1938 are given below :

Year	Indians	Chinese	Javanese, Malays, and others
1935	231,475	127,869	44,070
1936	247,327	151,144	48,173
1937	306,759	178,504	58,110
1938	277,502	144,431	48,785

¹ Sources :

Annual Reports of the Labour Department, Malaya, for the Years 1936, 1937 and 1938 by the Controller of Labour, Kuala Lumpur, Government Press).

Annual Reports of the Immigration Office, Straits Settlements and Federated Malay States, for the Years 1936, 1937 and 1938 (Singapore, Government Printing Office).

Annual Reports of the Agent of the Government of India in Malaya for the Years 1936, 1937 and 1938 (Delhi, Manager of Publications).

Reports on the Conditions of Labour in Malaya by the Right Hon'ble V.S. Srinivasa SASTRI, P.C., C.H. (New Delhi, Government of India Press, 1937).

For an account of conditions in Malaya in 1935, see *International Labour Review*, Vol. XXXVI, No. 1, July 1937, pp. 91-96.

² In 1937, of world rubber exports totalling 1,135,000 tons, Malaya produced 470,000 tons. Of tin, Malaya in 1936 produced 67,000 tons of a total world production of 179,000 tons.

³ Recent investigations into the extent and conditions of employment of local Malay labour made by the Malayan Labour Department have, however, elicited the fact that in some areas, such as Kelantan and Malacca, such labour is at present successfully utilised on estates by the employment of a system of apportioning work by families. It was estimated that in 1938 about 20,000 Malays were employed on estates and in mines and factories, in addition to 7,452 labourers in public departments.

In 1938 the labour force was distributed as follows :

Places of employment (and their number)	Indians	Chinese	Javanese, Malays, and others
Estates (3,947)	214,610	59,263	25,987
Mines (443)	7,061	33,757	6,359
Factories (855)	8,199	40,552	2,719
Public departments	47,632	10,859	13,720

Indian Immigration

The Labour Department exercises jurisdiction throughout Malaya, and its head, the Controller of Labour, ensures the uniform application of a common labour policy. On the immigration side the work of the department is confined to Indians.

Indian immigration into Malaya takes two forms : (1) unassisted and (2) assisted. The unassisted flow consists of those who pay their own expenses across to Malaya. Formerly it was composed almost exclusively of members of the commercial classes—traders, money-lenders, and clerks. But in recent years an increasing number of labourers and artisans has been a feature of this form of immigration. The proportion of unassisted labourers to the total number of migrant labourers (assisted and unassisted) in each of the five years 1934-1938 was as follows : 1934, 38 per cent. ; 1935, 55 per cent. ; 1936, 87 per cent. ; 1937, 48 per cent. ; 1938, 79 per cent.

The Controller of Labour suggests that the large number of unassisted labourers was probably due to the desire of better circumstanced workers to avoid the week's quarantine¹ which is imposed on all assisted labourers on arrival in Malayan ports, and to the numerical restrictions placed in India on assisted emigration.² He also takes the view that the comparative advantages of employment in Malaya, which are well known to South Indian workers, are "a powerful inducement" to them to emigrate. The Agent of the Government of India, on the other hand, calls attention to what he considers to be the consequences of the large volume of unassisted immigration. He states that the practice prevails in Malaya of fixing much the same rates of wages for Indian labourers whether they are employed on plantations or elsewhere, although estate labour receives certain amenities which are not available to urban labour. He attributes this practice partly to the apprehension that if higher wages are paid elsewhere labour may drift away from plantations, but mainly "to the flow of unassisted emigrants from India who continuously depress the conditions of wage earners" and provide "always a surplus of Indian labour which is one of the contributory causes to its cheapness".

¹ Except for the station and camp at Port Swettenham, the quarantine and immigration arrangements are reported to be generally satisfactory (cf. Mr. SASTRI's Report, pp. 14-16).

² Cf. *International Labour Review*, Vol. XXXVI, No. 1, July 1937, p. 92.

However, in accordance with a proposal made by the Government of India, the Indian Emigration Act, 1922, was amended in September 1938 so as to enable the Government to bring under its control unassisted as well as assisted emigration from India for the purpose of unskilled work.¹

Assisted immigration is also of two kinds—recruited and non-recruited. Recruited labour is obtained through the service of a *kangany* (literally, foreman), himself an agricultural labourer who has worked on estates in Malaya. He is commissioned by his employer and licensed by the Labour Department in Malaya. He is also examined by the Agent of the Government of India, by whom the licence must be endorsed. On arrival in India the licence is registered in one of the two Malayan Emigration Depots in South India. A *kangany* is authorised to obtain a limited number of workers, generally twenty, from his own village. Before any recruit leaves the village he is required to be brought by the *kangany* before the village headman, who, by endorsement of the licence, confirms that there is no objection to the act of recruiting. On arrival in the emigration depot the recruit is received by a Malayan Government officer and later questioned by an officer of the Government of India.

The Controller of Labour claims that “if the main object of any system of control of recruitment is the avoidance of deception and misrepresentation and the elimination of profits which might produce abuses particularly in the case of uneducated and credulous people, it would be difficult indeed to devise a system better calculated to attain these ends than the Malayan *kangany* system”.² On the other hand, the delegate (Mr. Sastri) appointed in November 1936 by the Government of India for the purpose of visiting Malaya and obtaining first-hand information upon the condition of Indian immigrant labour, in response to an invitation from the Malayan Governments, has recommended the abolition of this system. He observes: “The *kangany* system is no doubt of value to employers and saves some work in the Labour Department offices, particularly when there is any abnormal demand for labour. It produces results more quickly and guarantees, so far as assisted emigration is concerned, a supply almost exactly equated to the demand. There are, however, other factors which deserve consideration. Since immigration was re-opened in 1934, the system of non-recruited emigration has produced an adequate supply of labour. In fact in 1934, the influx was in excess of requirements. Since then the Labour Department have devised a system of applying quotas to individual employers according to their needs, and the depots in India are instructed not to admit any non-recruited emigrant for whom there is not a definite offer of employment in Malaya. In theory also there can be no doubt that the

¹ Cf. *Industrial and Labour Information*, Vol. LXVIII, No. 6, 7 Nov. 1938, p. 198, and No. 12, 19 Dec. 1938, pp. 409-410.

² The Controller of Labour's Report for 1938, p. 13.

voluntary¹ system affords greater independence to the individual labourer and is not open to the suspicion that, however careful the administration may be, the labourer may be under some concealed obligation to the *kangany* which will act to his disadvantage in Malaya. . . . The great majority of emigrants to Malaya come from districts in the south of Madras which are within easy reach of one of the two depots, and it is precisely in those districts that economic pressure has in the past proved most acute. The attractions which employment in Malaya has to offer are now fairly widely comprehended, and emigrants from the more remote districts are in the majority of cases acting under the stimulus of some personal relationship or connection. In such cases there will not normally be any great difficulty in finding sufficient money to reach the nearest depot." ²

Non-recruited emigrants consist of labourers who themselves apply at one of the Malayan emigration depots in South India and are accepted by the Malayan authorities there if found fit for estate work. A large majority of the assisted emigrants in recent years belong to this class. Practically all the licences issued since 1934 were for recruitment to newly opened tea and oil-palm estates, and for employers whose labour connections were with remote parts of South India or were not so well established as to secure them a sufficient supply of non-recruited labour. The number of recruited and non-recruited assisted emigrants in the four years 1935-1938 were as follows :

Year	Recruited emigrants	Non-recruited emigrants
1935	1 862 (1,318) ¹	18,909 (13,861) ¹
1936	669 (460) ¹	3,085 (2,358) ¹
1937	5,337 (3,726) ¹	49,512 (38,506) ¹
1938	88 (57) ¹	4,492 (3,464) ¹

¹ Number of adults (persons over 12 years of age) included in total.

Particulars of the flow of Indian labour to and from Malaya during the years 1935 to 1938 are given in a table appended to this note.³ The general improvement in the economic situation and increase of production in Malaya in 1936 and 1937 were reflected in an increase in the immigrant labour force. But in 1938 trade conditions showed signs of deterioration, partly owing to the disturbed international situation, and there was a reduction in the export of rubber. The consequence was unemployment or under-employment for a large number of imported workers, who could not be employed outside the industry in which they were formerly engaged. Some of these were repatriated, especially labourers who were previously employed on smaller estates or holdings or

¹ That is, non-recruited.

² Mr. SASTRI's Report, p. 20.

³ Pp. 75-76.

in tin mines which had stopped working owing to the severe restriction of output.

The general tendency, however, was to retain the immigrant worker as long as possible, on account of the cost of sending him home and bringing him back again. It has been estimated that it costs 50 dollars to repatriate an Indian labourer and take him back to Malaya. Accordingly, attempts were made to spread employment. Permission was given by an executive order of the Malayan Labour Department to the employers to reduce the number of working days guaranteed by the labour statutes from 24 to 20. The Agent of the Government of India states that wherever this concession was used the monthly income dropped by 22 to 25 per cent. The Federated Malay States Government, however, agreed to withdraw the permission when a representation was made to it that the concession was contrary to law. Another method was to decrease progressively the work offered to women and other dependants. Women weeders were given half-time work at proportionate rates. Children were stopped from working. Any surplus labour which still could not be absorbed on the estates was repatriated.

The Agent of the Government of India has also called attention to the fact that the total Indian labour population of 408,772¹ in 1938 included 131,270 dependants, and observes that in times of economic depression increased responsibilities are placed on the principal wage earner, the male head of the family.

Assisted emigration to Malaya was prohibited by the Government of India from 15 June 1938, having regard to the conditions in the employment market there.²

Reference may also be made in this connection to the Indian Immigration Fund, which draws its income from a levy on employers of Indian labour and meets expenses relating to passages of the emigrants from their homes in India to Malaya, quarantine charges in Malaya, transport from ports in Malaya to places of employment, and repatriation to India. This fund is administered by the Indian Immigration Committee, established in 1907, which at present includes two Indians. The delegate of the Government of India emphasises the importance of one of the functions of the Committee, which is to prescribe, subject to certain conditions, the standard rates of wages payable for practically all forms of work for which Indian immigrant labour is employed, and considers that the Indian representation on the Committee is quite inadequate. He recommends that at least two more Indians should be appointed, chosen with due regard for their knowledge of labour conditions in areas

¹ The figure for Indian estate labour, separately, was 327,820, and this number included 15,933 adult dependants and 97,277 minor dependants.

² An official delegation from Malaya visited India early in 1939 and discussed with the Government the resumption of emigration. It is understood that this question is at present under consideration by the authorities concerned. Cf. *Industrial and Labour Information*, Vol. LXVIII, No. 6, 7 Nov. 1938, pp. 197-198, and Vol. LXX, No. 7, 15 May 1939, pp. 643-644.

where Indian labour is largely employed and for their ability to give close attention to matters affecting labour.

Chinese Immigration

Chinese labour is principally employed in agriculture and mining in the Federated Malay States and on rubber plantations in the Unfederated Malay States, where, with the exception of Johore, the Chinese form numerically a far less important element of the population. Chinese immigration is spontaneous and unassisted. It is, however, subject to restriction, and a monthly quota is fixed by proclamation. Before 1938 the quota did not apply to women, but this exemption ceased on 1 May of that year when a limit of 500 women a month was imposed. The quotas for adult males for the period 1935-1938 were as follows :

January 1935-January 1937.	4,000
February-March 1927.	5,000
April-December 1937.	6,000
January-March 1938.	3,000
April-December 1938.	500

A free use was not made of the system of special permits adopted in 1934 in order to enable employers to import labour outside the quota, since it was found that the system gave rise to abuses, and only 96 labourers were admitted in this manner over the whole of the period under review.

The Chinese migratory flow during the period 1935-1938, details of which are given below, was as a whole in favour of Malaya. The comparatively large decrease in the balance for 1938 is accounted for by the drop in the quota and the end of the exemption of women from control.

Year	Excess of arrivals of deck passengers from China over departures	Net gain in adult males
1935	76,828	38,271
1936	69,244	27,399
1937	176,802	65,749
1938	50,545	4,455

Javanese Immigration

Javanese labourers are recruited mainly for the Kuala Lipis and Kuantan districts of Pahang, and they fall into two classes : (1) labourers on verbal monthly agreements ; (2) labourers working under contractors. They tend to mix with the local Malay population. The number of Javanese employed on estates and in mines and factories in 1938 has been estimated by the Labour Department of Malaya at about 11,000.

Other Immigration

In addition to the three classes of immigrants mentioned above, there are others who in 1938 numbered about 4,000. These consist

of labourers from Ceylon and from various parts of India other than South India, to which part assisted emigration is at present restricted, or descendants of immigrants from these places. When the rubber industry began, planters from Assam and Darjeeling coming to Malaya brought with them Gurkhas from Nepal and Uriyas from Ganjam and Orissa. On only one estate is a Gurkha connection still maintained, and in that case no assistance is given. The only Jaffna Tamils now known to be working as labourers are engaged in gold mining in Pahang.

Wages

In Malaya wages in the rubber industry set the standard for wages of Indian and Javanese labour in all other industries. Standard wages for Indians are fixed by law in certain selected areas¹, known as key areas, and these rates effectively regulate the wages in other districts and for other areas. In non-key areas the employer is not under an obligation to pay not less than the standard wage and is not, therefore, liable to be prosecuted at the instance of the Labour Department if he fails to do so.

The abolition of this distinction is recommended by the delegate of the Government of India as a result of enquiries made by him during his visit to Malaya. The distinction is not, in his view, based on any well defined principle. He suggests that "to make standard wages applicable throughout the peninsula would certainly assist the Labour Department in its efforts to ensure that supply and demand are fairly balanced and that there is no floating surplus (of labour) which may become a burden either on the industry or on the public revenues". He also observes that "while . . . it may be true that in theory the labourer is at liberty to seek more profitable employment elsewhere, in practice he is often unwilling to sever the ties that he has established and to uproot himself from a locality where he has formed binding associations".²

Key areas consist of two classes : ordinary areas, and certain less accessible and more expensive areas for which higher rates of standard wages are set. The Agent of the Government of India states that there is a tendency to do away with this territorial distinction, but considers that it is desirable to maintain it having regard to the fact that the inland districts are undoubtedly even now comparatively not so easily accessible and healthy and popular

¹ This system was adopted in 1928, after a detailed examination of the cost of living and close consultation with the Government of India. The Agent of the Government of India would seem to consider that since then there has been an improvement in the efficiency and standard of living of the Indian labourer. He also calls attention to various other factors concerning wages such as the tendency for the cost of living to rise when there is a rise in the price of rubber, occasional lack of work on account of weather conditions and proportionate decrease in income, deductions for fines for trivial offences, contrary to the law, and the fixing of lower rates for adolescents than for adults in contravention of the principle on which the standard rates were to be reckoned (cf. the Agent's Report for 1936, pp. 8-9).

² Mr. SASTRI's Report, p. 6.

with the labourers as the coastal districts. The delegate of the Government of India supports this view.

The Controller of Labour, however, remarks: "The tendency of the cost of living to equality throughout Malaya continues and makes undesirable a continuance of a differential standard rate. Remoteness, inferior amenities and health are the decisive factors in fixing the differences between the wages paid not merely in different parts of the country but between different estates in the same district. Provided a minimum is assured which satisfies the requirements of an acceptable labourer's budget, there is a distinct advantage in leaving to the competition of employers and reluctance of labourers the settlement of wage rates . . . Individual employers are forced either to pay higher wages or improve conditions in other ways if the labourer is to remain on their estates. If higher rates are fixed by law this automatic incentive disappears in the less favourably situated districts".¹

The actual rates of wages for Indian plantation labour during the period under review were as follows ²:

	Men	Women
	cents	cents
January-December 1936.	40	32
January-March 1937	45	36
April 1937-April 1938.	50	40
May-December 1938.	45	35

The minimum rates paid in all Government Departments, including the Federated Malay States Railways, were 50 and 40 cents in 1938.

Wages of Chinese labourers were, as usual, higher than those for South Indians. In 1938, they were generally about 20 per cent. higher, and in one case where the two rates were 55 and 45 cents enquiries showed that this was completely explained by the difference in the output.

Javanese labourers were paid at rates practically the same as those for South Indians.

The Controller of Labour, commenting on the reduction of wages in recent years, remarks: "It is safe to say that Malayan opinion in general was strongly against hasty reduction of wages. . . There is a growing feeling in countries with decent standards of living that these standards should not be imperilled by lower standards elsewhere. It is this feeling which provides such a strong sanction for the introduction of the Conventions worked out in the International Labour Office. The same feeling would it is certain, support a demand that those countries, which had received the benefits

¹ The Controller of Labour's Report for 1938, pp. 39-40.

² It has been reported that the 1928 standard rates of wages of 50 and 40 cents were restored with effect from 1 October 1939 (*The Statesman*, Delhi, 21 Oct. 1939). The restoration of these rates, it may be added, was, in particular, recommended by Mr. Sastri, who expressed the view that non-recruited assisted emigration should be permitted to continue, provided that active and sympathetic consideration of the recommendations made in his report was assured.

of international control and protection for their most important exports, should try to raise the standard of living of their workers to the levels which other countries, with comparable conditions, have found to be possible. It is appreciated that comparison of wage rates and cost of living in different countries is not as easy as it appears at first sight, but it is hard to believe that it would be impossible to arrive at figures which would be generally agreed to in the case of the rubber-producing countries since the chief article of food of their workers is rice, a commodity with a world price... It is probable that if a demand was made by countries consuming rubber that in return for their acceptance of restriction of output there should be an improved standard of living for the workers in the industry in all producing countries there would be general support from Malaya. The wages of workers in tropical countries are low and these workers therefore cannot buy the goods which factories in temperate climes are in a position to produce. At the same time, manufacturers are tempted by these low rates to establish factories in the tropics where, under inferior conditions, goods will be produced in competition with the products of labourers enjoying much higher labour standards in temperate countries." ¹

Land Allotments and Settlements

As for the permanent settlement of Indian labour in Malaya, reference to which has already been made in these pages ², the question continues to receive the attention of the Controller of Labour as well as the Agent of the Government of India. The delegate of the Government of India also deals with it in his report. While he agrees that the full use of garden allotments on estates should be encouraged by all possible means, he considers that any settlement of Indian labourers should be by means of a permanent title held only from Government and not from any private owner. It is, moreover, observed that it is essential that settlement schemes "should provide for complete independence and liberty of movement among settlers, so that no suggestion that they are in any way tied or bound to a particular estate should be allowed to grow... Therefore... any such schemes must be sponsored by Government and by Government alone. It is the settlers themselves who by their own exertions open and develop the land, and it must be clearly understood that they have as permanent a stake in the welfare of the country as any mine or estate owner. Their title therefore must be permanent and unassailable, and in any future political development which may take place they must receive recognition as permanent independent inhabitants of Malaya. It is only if these conditions are fulfilled that such settlements can be expected to flourish, and these conditions can only be guaranteed if the land is originally allotted by Government." ³

¹ The Controller of Labour's Report for 1938, pp. 38-39.

² Cf. *International Labour Review*, Vol. XXXVI, No. 1, July 1939, p. 95.

³ Mr. SASTRI's Report, p. 14.

Housing and Sanitary Conditions

Considerable progress appears to have been made during the period under review in the improvement of housing. The policy of the authorities in this respect is to take account of the growing family character of the labour forces and to provide dwellings suited to the probable needs of the future rather than to erect more houses of the type suitable to the needs of ten or twenty years ago.

While standard plans for new houses have been drawn up, the need for providing new designs to suit particular local conditions has been kept in view, and the old bachelor quarters have also been adapted successfully to modern requirements. These quarters consisted of single rooms built back to back with the lines so concentrated that antimalarial measures could be undertaken economically and efficiently. On several estates the problem of turning these houses together with living areas into an attractive whole has been met successfully. The front and back rooms are turned into a family dwelling by raising the side walls and lowering the wall between front and back room and providing a door. The back veranda is enclosed so as to give privacy and security as well as ample light and air, this back enclosure becoming a kitchen in which a stove is installed. The general result has been that the possession of these quarters under the occupants' own control has done away with the necessity of constant inspection. It has been found, too, that the same principle can be applied to the housing areas as a whole. Where the individual families have been granted the full use of the land surrounding their houses and the growing of vegetables encouraged, the price of possession and the spirit of emulation rapidly turned the hard sour soil into attractive gardens.

The delegate of the Government of India, commenting on housing on estates, observes that he was pleased to note that the Labour Department bestows particular care on this aspect of the labour question and brings considerable pressure to bear on the employers. The only recommendation he has to make is that the programme of replacing the condemned type of housing be hurried up, and that meanwhile every attempt be made to maintain a high standard of cleanliness.

Medical Attention

The Controller of Labour observes that owners of medium-sized and small estates have not yet realised the value of healthy labour forces and good sanitation and that the position of the small Asiatic-owned estate presents special difficulty in any scheme of extension of the system of group hospitals. The delegate of the Government of India is of opinion that the dressers employed on smaller and more remote estates are not always sufficiently qualified, and recommends that whole-time dressers with proper qualifications should be employed on every estate. He agrees, however, that medical attention on the larger estates is satisfactory.

Educational Facilities

Under the labour laws in force in Malaya the Controller of Labour has power to order the establishment of schools in places where ten or more children between the ages of 7 and 14 years reside. The number of schools maintained on estates increased from 565 in 1935 to 754 in 1938. The delegate of the Government of India considers that estate schools need closer supervision and that both the accommodation provided and the quality of the teachers employed are susceptible of considerable improvement. In April 1938, however, an officer of the Malayan Education Department assumed duty as Inspector of Indian Schools. He has been considering possibilities of improvement and submitted certain proposals. The Controller of Labour states that the principal problem is the training of suitable estate teachers and that training classes have already been instituted, which have shown good results.

Legislation

In the field of labour legislation, in addition to various minor amendments to the Labour Codes in different areas or enactments consolidating earlier legislation, the scope of the workmen's compensation laws was enlarged in certain respects during the period under review in the Straits Settlements and Federated Malay States and in Kedah and Johore.

APPENDIX

FIGURES SHOWING THE MOVEMENTS OF SOUTH INDIAN IMMIGRANTS
TO AND FROM MALAYA IN THE YEARS 1935-1938

	1935			1936		
	Adults	Dependants	Total	Adults	Dependants	Total
Assisted labourers :						
Arrivals	15,179	5,592	20,771	2,818	936	3,754
Departures	4,537	1,648	6,185	6,296	2,333	8,629
Increase (+) or decrease (—)	+ 10,642	+ 3,944	+ 14,586	— 3,478	— 1,397	— 4,875
Unassisted labourers :						
Arrivals	21,958	3,667	25,625	20,745	3,359	24,104
Departures	13,364	1,298	14,662	14,916	2,193	17,109
Increase (+) or decrease (—)	+ 8,594	+ 2,369	+ 10,963	+ 5,829	+ 1,166	+ 6,995
Trades and others :						
Arrivals	16,849	1,946	18,795	13,893	1,440	15,333
Departures	15,825	1,021	16,846	13,384	953	14,337
Increase (+) or decrease (—)	+ 1,024	+ 925	+ 1,949	+ 509	+ 487	+ 996
Total increase (+) or decrease (—)	+ 20,260	+ 7,238	+ 27,498	+ 2,860	+ 256	+ 3,116

	1937			1938		
	Adults	Dependants	Total	Adults	Dependants	Total
Assisted labourers :						
Arrivals	42,232	12,617	54,849	3,521	1,059	4,580
Departures	4,798	1,768	6,566	20,561	8,482	29,043
Increase (+) or decrease (—)	+ 37,434	+ 10,849	+ 48,283	— 17,040	— 7,423	— 24,463
Unassisted labourers :						
Arrivals	42,383	7,745	50,128	15,586	1,721	17,307
Departures	20,447	2,607	23,054	24,806	2,992	27,798
Increase (+) or decrease (—)	+ 21,936	+ 5,138	+ 27,074	— 9,220	— 1,271	— 10,491
Trades and others :						
Arrivals	15,659	1,930	17,589	19,994	2,326	22,320
Departures	13,764	1,102	14,866	17,080	1,558	18,638
Increase (+) or decrease (—)	+ 1,895	+ 828	+ 2,723	+ 2,914	+ 768	+ 3,682
Total increase (+) or decrease (—)	+ 61,265	+ 16,815	+ 78,080	— 23,346	— 7,926	— 31,272