

C. S. O.

0327/A

0

3

2

7

/

A

10148

(Formerly)

SUBJECT:

MAIL CONTRACT.

Surcharge on Local Freights.

19

CONNECTED FILES.

NUMBER AND YEAR.

0327

Mail Contract.

76/36

-do-

70/43

-do-

0768

*labour - demand for higher wages.*

# The Falkland Islands Company, Limited.

(INCORPORATED BY ROYAL CHARTER 1851)

REGISTERED 1902.

AGENTS FOR LLOYDS.

TELEGRAMS "FLEETWING PORTSTANLEY" VIA RADIO.

*Stanley*

14th October, 1948.



Sir,

Enc: 2 I enclose herewith copy of a letter received from the Labour Federation on the question of increased pay for men in the Company's jetty gang while loading and unloading ships.

After doing everything possible to get the men to ~~accept~~ accept contract rates in which endeavour the Federation gave every help and encouragement, I am reluctantly compelled to increase the surcharge on local freights, including to and from South America, by 5% - making the surcharge 25%, to cover the increased cost of handling the cargoes.

It is proposed to make this effective from the 1st November and request your approval of the step.

The last cargo was worked at contract rates and the results were satisfactory to us and we believe to most of the men. The rate of discharge was 10.2 tons per hour per gang - more than double the normal output - and the men's average earnings were 2/7½d per hour. This involved no increase in freight rates.

I am,  
Sir,  
your obedient servant,

*M. W. Colerick*  
Manager.

The Honourable  
The Colonial Secretary,  
Stanley.

*ack. 14/10/48*

*XX*  
*HP*  
*ccy*  
*14/10*

*Reply at 7.*



COPY.

FALKLAND ISLANDS LABOUR FEDERATION,

STANLEY, 9th October, 1948.

The Manager,

The Falkland Islands Co., Ltd.

Stanley.

Dear Sir,

I am instructed by the General Committee to reply to your letter of the 24th September, 1948 as follows:

The men concerned in the matter of increased wages on the Company's jetty have informed the Committee that they are not prepared to work any more cargoes by contract until such time as a settlement is made of the question of a general increase of wages, when the matter will be considered again, and that pending such settlement, they wish to be paid at the original rate of 1/9 per hour while loading or unloading ships, as was recommended by the Labour Advisory Board on the 14th July, 1948.

The Committee, after careful consideration, have decided to support the men in this attitude, and I am therefore to ask that the rate of 1/9 per hour will be paid pending a settlement of the general wage question.

Yours faithfully,

(Sgd). L. DEARLING

Secretary.

*with Chairman, L.A.B.  
6041*

2



YE

1-2

3

(b) in 7/36 shows agreed freight rates in the basic Contract. They were increased in 1942 by 20% (see (b)-(b) in 7/36), for reasons which do not obtain now in all cases (e.g. War Risks Insurance). But ~~Good~~ <sup>fuel</sup> - the charges have increased, - at 20%. The surcharge has likewise remained.

2. As - the other users of F.T.C. transport, i.e. means anyone who purchases any imported goods - are faced with a further increase of 5% merely to satisfy the exigencies of labour which prefers to do work on ships at its own time @ 1/2 an hour to contract which works out at 2 1/2! I have come across no more damning criticism of the validity of the demand for increased wages - C.O.L.B.

3. He can of course ask F.T.C. to support their request for approval of the increase by Congress. I do not doubt they can do that, - even more. Indeed, as they jibe at



60% increase in Mail Contract.  
Outside of his title, I feel sure they  
will produce impossible figures for an  
increase in freight of more than 25%.

4. The reference to the L.A.B. in 2,  
(D: Hamilton, the Chairman, informs me),  
is to the fact that the Board was invited  
by the F.I.L.F. through the manager F.I.C. to  
consider a plan its view on the question

We should certainly  
have been informed.

of jetting. Gang's wages. I did not know  
of this before except by hearsay - since  
we had no information in future.

5. In the past, up to July 1948,  
the regular jetting gang was paid 1/2 + 3.  
C.O.L.B. They were regularly employed,  
but when the F.I.C. wished to work a

small non-regularly they augmented  
them with <sup>extra</sup> casual labor @ 1/9. The

regular jetting gang woke up to this  
demand @ 1/9. To <sup>this</sup> about the  
remains - to L.A.B. -

X

F.I.C. ~~reported~~, that his wages involve  
a 5% increase in freight.

6. Consequently, Contract was  
mutually agreed upon as a trial.  
But for some reason it has failed



✓ we are back when we see it x.

7. The men seem to be extremely ice-advised of the F.I.L.F. are against them. It seems to me that they ought to follow the advice of their union, & should be AS 50. Though I do not see how the F.I.L.F. can exist. In the meanwhile, in view of the fact that the F.I.C. is certainly making money for members, we might ask for an explanation of the extra 5% being caused by the difference between contract & 1/9 an hour.

8. It is utterly wrong to pay a regular gang more than 1/5 an hour - F.I.C. - who can pass it on to their wife who will earn a hell of a rap when they have some - about an being held to ransom.

9. ? Suggest employing the extra labour on contract of the regular @ 1/5?

Entirely; why is it necessary for them to maintain a regular gang?

Yes.

15. x



6

A

I regard this as all entirely unsatisfactory.

- (a) F.I.C. should not contemplate paying daily labour in excess of the agreed rates of  $1/2 + 3d.$
- (b) I cannot reconcile an increase of from  $1/5$  to  $1/4$  with an increase in freight rates of  $5\%$ .
- (c) Labour should abide by the recommendations of its Federation.

I will have a talk with Capt. Roberts this morning.

MC 16  
x

B

4/17

Dont let us for com. etc

✓  $\frac{4}{17} \times$

(I believe the F.I.L.F. have gone back on their advice; my conversation with Capt. R. was only exploratory).

MC 18  
x

4

0327/A

18th October,

48.

Sir,

I am directed by the Governor to refer to your letter of the 14th of October, 1948, and to say that Government was unaware that it had been intended to increase the wages of labour on the jetty from (1/2 + 3d. Cost of Living Bonus =) 1/5 to 1/9 an hour, and on grounds of policy deprecates any suggestion that the Falkland Islands Company should pay labour in excess of the agreed rates.

2. It is of course presumed that these men are in the regular employ of the Company, and if it is necessary from time to time to take on extra labour I am to suggest that such labour should be paid at contract rates.

3. Government is in any case unable to reconcile an increase of 4d. an hour from 1/5 to 1/9 with an increase of 5% in freight rates, and considers that, as the Falkland Islands Labour Federation has recommended the men to accept contract rates, it would be impolitic to encourage them to disregard the advice of their Union.

I am,  
Sir,  
Your obedient servant,

(Sgd.) A. B. MATHEWS

Colonial Secretary.

The Manager,  
Falkland Islands Company, Limited,  
STANLEY.

*PAH*  
*21.7*  
*Reply at 8*







COPY OF NOTE FROM THE CHAIRMAN, LABOUR ADVISORY BOARD, STANLEY.

9

It was considered by the Board that it was anomalous that two bodies of men should receive different rates of pay for the same work.

The principal of equal pay for equal work is well known, and I believe generally accepted.

The small number of men involved was taken notice of and also the fact that for that reason the recommendation could not affect the cost of living of the Colony.



COPY.

F.I.LABOUR FEDERATION, 10  
STANLEY, 26th August, 1948.

●  
The Manager,  
The Falkland Islands Co., Ltd.  
Stanley.

Dear Sir,

With reference to the question of increased pay for loading and unloading ships, this is now understood to entail an increase in freight rates.

The Committee would be most grateful if you could inform them as to what the effects on freights would be if ships were worked on contract at the rates proposed by you during the recent discussions on the subject.


Yours faithfully,

L. DEARLING

Secretary.

Reply at 11




THE FALKLAND ISLANDS Co., LTD. 

COY.

STANLEY, 28th August, 1948.

The Secretary,  
F.I. Labour Federation,  
Stanley.

Dear Sir,

 I have for acknowledgement your letter dated 26th inst. with reference to the question of increased pay for loading and unloading ships.

If ships were worked on contract, rates proposed by me there would be no rise in freight rates.

Yours faithfully,

D. W. ROBERTS

Manager.

CCFY.

F. I. LABOUR FEDERATION,

STANLEY, 14th Sept. 1948.

The Manager,  
The Falkland Islands Co. Ltd.  
Stanley.

Dear Sir,

With reference to the question of increased wages on the F.I.C. jetty, the Committee would be most grateful for any comments you may wish to make regarding the recent experimental unloading of the "Lafonia" by contract.

Yours faithfully,

L. DEARLING

Secretary.

Reply at 13

12  
~~15~~



COPY.

FALKLAND ISLANDS Co., LTD.  
STANLEY, 24th Sept. 1948.

13

The Secretary,  
F.I. Labour Federation,  
Stanley.

Dear Sir,

12

With reference to your letter dated 14th inst. the results of the working of s.s. "Lafonia" may be considered quite satisfactory. 1,107 tons cargo were discharged and/or loaded. This worked out at something over 10 tons per hour per gang. The first two days work was noticeably slower than one would expect. It is my belief that the men will do better yet once they are used to the idea.

I wish to express my satisfaction with the work done and to thank the Chairmen and Committee of the Labour Federation for their help and co-operation.

Yours faithfully,

D. W. ROBERTS

Manager.

Reply at 14

COPY.

F. I: LABOUR FEDERATION,  
STANLEY, 9th October, 1948. 14

The Manager,  
The Falkland Islands Co., Ltd.  
Stanley.

Dear Sir,

13 I am instructed by the General Committee to reply to your letter of 24th Sept. 1948 as follows:

The men concerned in the matter of increased wages on the Company's jetty have informed the Committee that they are not prepared to work any more cargoes by contract until such time as a settlement is made of the question of a general increase of wages when the matter will be considered again, and that pending such settlement, they wish to be paid at the original rate of 1/9d per hour while loading or unloading ships, as was recommended by the Labour Advisory Board on 14th July, 1948.

The Committee, after careful consideration, have decided to support the men in this attitude, and I am therefore to ask that the rate of 1/9d per hour will be paid pending a settlement of the general wage question.

Yours faithfully,

L. DEARLING  
Secretary.

Reply at 143



COPY.

FALKLAND ISLANDS Co., LTD.  
STANLEY, 13th October, 1948.

15

The Secretary.  
F.I. Labour Federation,  
Stanley.

Dear Sir,

14 I have to acknowledge receipt of your letter dated 9th inst. on the subject of increased wages for the Company's jetty men while loading or unloading ships. The matter is having attention.

In the meantime I shall be glad if you will confirm the grounds on which your Committee, after careful consideration, has decided to support the men in their attitude.

Yours faithfully,

D.W. ROBERTS

Manager.

Reply at 16

COPY.

F. I. LABOUR FEDERATION,  
STANLEY, 14th Oct. 1948.

16

The Manager,  
The Falkland Islands Co., Ltd.  
Stanley.

Dear Sir,

15 With reference to your letter of yesterday's date, I am instructed to state that the Committee's chief reasons for supporting the men's attitude are that contract on the jetty while the general wage question remains unsettled means that a small group of men would benefit while the majority have to continue with their present rates, which as you will be aware, are considered too low; and that the rate of 1/9d per hour is the recommendation of the Labour Advisory Board, the official body for examining labour questions.

2. The Committee would be most grateful for a reply on this matter before the arrival of "Lafonia" from Montevideo.

Yours faithfully,

L. DEARLING

Secretary.

Reply at 17



A

17

CCPY.

THE FALKLAND ISLANDS Co., LTD.

STANLEY, 15th Oct. 1948.

The Secretary,  
F.I. Labour Federation,  
Stanley.

Dear Sir,

I thank you for your letter dated 14th inst. stating your Committee's chief reasons for supporting the men's attitude.

Provisionally, only, I agree that 1/9d shall be paid loading or unloading s.s. "Lafonia" until the matter is properly clarified. You state for instance that "on contract rates a small group of men would benefit while the majority have to continue with their present rates". This, surely, is also the case when 1/9d per hour is being paid.

I shall be glad to discuss the matter further with a deputation from your Committee any time convenient to you after the sailing coastwise of s.s. "Lafonia" next week.

Yours faithfully,

D. W. ROBERTS

Manager.

E

A.C.S.

9 pl. Correspondence  
between L.A.B & F.I.C.,  
not in C.S. files.

W.H.

29.10.48

B

Where does 9 come from?

2. Pl. cut down pp. into chrono.  
logical order early - mark  
references. by 25/10

C

ACS.

D

Yes - but is there  
anything in our L.A.B. files  
about it, pl? 26.10.48

9 is an enclosure to parcel of 8 pl.  
Refs. made accordingly, etc.

F

26/10/48.

to supra - pl. see E

25/10



18

YE

7-17 I have spoken to Capt. Roberts suggested to him that we should now see whether the present rates under the last year's contract rates + 2% C.O.L.B. as I believe they are going to. At the end of this week tackle the L.F. to find out on that analogy, if the jetty. range will work the 'Leponic' a contract similarly.

2. The argument is that Govt. has now framed an interim C.O.L.B. and that basic pay rates await a decision upon facts to be furnished by the F.I.L.F. So we can't be held up by 16.



3. In fact, the award (or recommendation) of 1/9 as base for jetty gang loading & unloading ships (cf. 2) seems misleading. The men are in regular employment for the most part & get 1/5 as base. Surely because there are not enough for loading & unloading they are paid 1/9 during these periods because their numbers have to be supplemented by 'casual' labour at those rates, etc. have been in force for many years of such labour.

4. At that rate, the F.I.C. might employ one man in the jetty gang @ 1/5 - being here & see his sleepers up to 1/9 when loading & unloading. This is reductio ad absurdum. For the essence of 1/9 is that it compensates for the intermittent nature of the employment. So the 'regular' has been cut - eat it.

5. I have told D: Hamilton that Govt. was unaware of the L.A.B.'s deliberations in July (cf. 2) that he ought to have informed me at the time of that was correct (cf. 4 & 4).

Quite - special rates as for Stevedores at home?

Most certainly since it was bound to have repercussions.

What is the real position now?  
I gather that EE has been unable to persuade any of his men to work

2/11



Y/E

✓ Peat question is, I hope, settled. I have reports in 111/45 in his box.

2. Stoddard at home was got a regular weekly wage. But they used to get high daily wages because of the inter-mittent nature of their employment. Then we had the supreme illogicality of men on 1/5 are now leaving the P.W.D. for 1/9 with the F.T.C. Then coming back to the P.W.D. as soon as their job was done!

by  
2/11

Quite absurd, but how are we to overcome it?

Seen - I will discuss with Capt Roberts. Mc 3/11

Decided 4/11  
Mc.



## THE FALKLAND ISLANDS LABOUR FEDERATION.

The Manager,  
Falkland Is. Co., Ltd.,  
Stanley.

STANLEY,  
30th October 1948.

Dear Sir,

With reference to the matter of increased pay on the Company's jetty, I am instructed to state that, in view of the Governor's decision to increase the cost of living bonus from the first of November, 1948 and to consider the settlement of basic wages on receipt of a reasoned case from the Labour Federation, the Committee advised a general meeting held on the 29th Oct. that they had the fullest confidence in the employer's desire to settle this matter in a friendly spirit and that work should continue normally pending the settlement of wages.

The meeting fully agreed, and a resolution that all work should continue normally so that the Committee could negotiate on the basic rate was passed, it being agreed that the jettymen would continue on the rate of 1/9 per hour while working ships as recommended by the Labour Advisory Board and provisionally agreed to in your letter of the 15th October. (17)

The resolution was not come to without difficulty and it was therefore with regret that the Committee learned that 1/9 had not been paid for the latest period of work on board the "Lafonia".

I am to ask that, whatever the difficulty over the 1/9, it will be paid as back money and pending the wage settlement, in the interests of getting a friendly settlement of wage question.

Yours sincerely,

(Signed)

L. Dearling.

Secretary.

CS.

Capt. Robats handed me this yesterday. X was the cardinal error. But I do not see how the Company is to get out of its dilemma of having two rates of pay for men doing the same work.

MC 5/xi



YE

Since 1/9 was based on  
 policy which could scarcely be  
 supported by rational argument,  
 one solution would be to suggest  
 that P.L.C. pay  $1/2 + 3^2 + 2^2 = 1/7$   
 to all concerned a further basis  
 acceptance of the ~~applied contract~~  
 rates.



2. There is no mention of con-  
 tract in 21. by  
5/xi

That is so but as I understand they have for  
 some long time paid 1/9 to casual labour?

inc 5/xi



YE

Yes, Sir. But whether there was real  
 'casual' labour in the past or not there  
 is no need for it now. If we press the  
 argument in 1954 ad absurdum we  
 will find it justifiable to pay a man  
 1/9 an hour instead of 1/5 all the time,  
 because if 1/9 is ever justified it can only  
 be justified by equity <sup>now that</sup> by some cor-  
 relation with C.O.L. ~~then~~ there is no  
 casual standing any more. In other words,  
 once you pay 1/9 for the wrong reason it  
 impinges on the validity of 1/9 (or 1/5)  
 earned by the same man on the days  
 of the week doing no less onerous work.

l  
5.11

Then as at X of 22 which I much prefer.

M.C. 6  
xi

YE

I ask His indulgence for a pencil draft.  
 I have discussed it with Dr. Hamilton who is  
 in general agreement. But I shd. like to  
 show it to Chairman F.I.L.F. before it issues  
 in order to support his & the Cttee's position  
 if they accept the principle. They will have







25

Colonial Secretary's Office,  
Stanley.

10th November, 1948.

Sir,

8 I am directed by the Governor to refer to your letter of the 23rd of October, 1948, and to say that it is understood that the custom for many years has been to pay casual labour engaged for the purpose of working your Company's ships when in port at the rate of 1/9 an hour. When the work was over, the men were dismissed.

2. This was of course in accordance with the practice in vogue generally for stevedoring whereunder a rate was paid in excess of the usual rate to daily labour because of its intermittent nature. But it may be assumed that it was an economic rate.

3. It appears that the rate of 1/9 was continued, even in periods of full employment when there was no reservoir of true casual labour. For example, men would leave the Public Works Department for employment by the Falkland Islands Company for a few days at a time and earn 4d. an hour more than they were paid by the Public Works Department to which they returned when their Falkland Islands Company employment finished. The absurdity of such an arrangement must have been patent at the time, but seems to have escaped the attention it deserved.

4. The recommendation of the Labour Advisory Board that the jetty gang should be paid 1/9 an hour was strictly speaking ultra vires: in that the matter should have been dealt with by the appointment of an advisory board under the Labour (Minimum Wage) Ordinance 1942. But it is noted that the 1/9 rate was accepted by the Labour Federation in their letter of the 9th of October, 1948, addressed to you until such time as a settlement might be made of the question of a general increase in wages, when the matter would be considered again.

16 5. Government appreciates the obvious anomaly of some of the men working at 1/5 an hour and others at 1/9, to which the Labour Federation took exception in their letter of the 14th of October, 1948, addressed to you, but an interim increase in the cost of living bonus has now been awarded making wages up to 1/7 an hour, and the Labour Federation is to produce a case for an increased basic wage. In those circumstances the Labour Federation has accepted the principle of cutting peat by contract on the 1947/48 basis varied by the increased interim cost of living bonus and payment for private wheelbarrows used, and I am to suggest that the question of payment to the jetty gang, whose employment is on all fours with that of other labour on 1/7 an hour, should be settled by acceptance of contract based on that rate.

I am,

Sir,  
Your obedient servant,

(Sgd.) A. B. MATHEWS

Colonial Secretary. PAC

The Manager,  
Falkland Islands Company, Limited,  
STANLEY.



26  
Manager F.I.C. informs me today  
that the jury case has refused to  
look a contract & insists a  
an hourly wage of 1/9 then  
looking 'before'. This he has  
refused & they walked out. As  
far as is known, F.I.L.F. has given  
no authority for their action.  
F.I.C. has heard nothing from  
them.

I inform H.E. that the above adds that  
E.E. has been told <sup>not</sup> to employ  
the men in P.L.A. P.A. <sub>3.12</sub>