

331.2
Int

अवाप्ति संख्या 105903

Acc No. 105903

वर्ग संख्या

पुस्तक संख्या

Class No. _____

Book No. _____

लेखक

Author Int. Lib. 105903

शीर्षक Confidential

331.2

Int

LIBRARY

C-1 LAL BAHADUR SHASTRI

* National Academy of Administrative
MUSSOORIE

Accession No. 105903

1. Books are issued for 15 days only but may have to be recalled earlier if urgently required.
2. An over-due charge of 25 Paise per day per volume will be charged.
3. Books may be renewed on request, at the discretion of the Librarian.
4. Periodicals, Rare and Reference books may not be issued and may be consulted only in the Library.
5. Books lost, defaced or injured in any way shall have to be replaced or its double price shall be paid by the

1948
31st SESSION
VI (c) (1)

REPORT VI (c) (1)

International Labour Conference

THIRTY-FIRST SESSION
SAN FRANCISCO, 1948

WAGES

(c) Protection of Wages

Sixth Item on the Agenda

GENEVA
International Labour Office
1947

PRINTED BY THE "JOURNAL DE GENÈVE"
GENEVA, SWITZERLAND

CONTENTS

	Page
PREFACE	1
CHAPTER I : <i>Introduction</i>	3
CHAPTER II : <i>Medium of Wage Payments</i>	8
Payment in Kind.	8
Payment in Cash	13
Free Disposal of Wages and Regulation of Company Stores	15
CHAPTER III : <i>Deductions from Wages</i>	20
CHAPTER IV : <i>Attachment and Seizure of Wages</i>	28
CHAPTER V : <i>Wages as a Privileged Debt</i>	31
Bankruptcy and Similar Eventualities.	31
Persons enjoying Preferential Treatment.	32
Scope of the Privilege	33
CHAPTER VI : <i>Periodicity, Time and Place of Wage Payments</i>	36
Periodicity of Payments.	36
Time and Place of Payments.	38
CHAPTER VII : <i>Notification of Wage Conditions to Workers</i>	41
Notification of Wage Rights	41
Statements of Earnings	43
CHAPTER VIII : <i>Enforcement Measures</i>	45
CHAPTER IX : <i>Questionnaire</i>	48
APPENDIX	
<i>Selected List of Legislation</i>	56

PREFACE

The protection of wages is one of three aspects of the wages question which the Governing Body of the International Labour Office, at its 101st Session, decided to place on the agenda of the 31st Session of the International Labour Conference (San Francisco, June 1948). The Governing Body also decided that protection of wages should be considered under the double-discussion procedure, the stages of which are prescribed by the Standing Orders of the Conference. These call for the International Labour Office to prepare a preliminary report, together with a questionnaire, setting out the law and practice in the different countries, and subsequently to submit that report to the Conference together with a further report drawn up on the basis of the Governments' replies to the questionnaire and indicating the principal points which require consideration by the Conference. This is the preliminary report and questionnaire required by the Standing Orders.

In points 1 and 2 of the questionnaire, which appears below in Chapter IX, the Governments are consulted as to the form that the proposed international regulations should take. The succeeding points deal with a number of aspects of the question of the protection of wages which appear to be the principal ones which may usefully be considered with a view to the adoption of international regulations.

National laws relating to the protection of wages are among the oldest measures of social protection, and are contained in a great many scattered texts : special laws, labour codes, civil codes, etc. Because of the antiquity and the complicated nature of this legislation, the Office found it difficult, in the time available for the preparation of this report, to ascertain in some cases exactly whether, and to what extent, these laws are still effectively in force. The Governments, in replying to the questionnaire, are requested to give reasons for their replies, in accordance with Article 31, paragraph 1 of the Standing Orders

of the Conference, and to indicate wherever appropriate the grounds on which their replies are based, with a view to completing the information contained in this report.

As mentioned above, the Office is further called upon to prepare a second report to the Conference, drawn up on the basis of the Governments' replies to the questionnaire. In order that the Office may have time to consider the replies and to prepare the second report so that it reaches Governments early enough for study and consultation, *it is requested that the replies to this questionnaire should reach the International Labour Office in Geneva not later than 15 March 1948.*

CHAPTER I

INTRODUCTION

The general purpose of legal measures for the protection of wages is to guarantee the worker against practices which would tend to make him unduly dependent on his employer and to ensure that he receives promptly and in full the wages which he has earned. To achieve these ends it is necessary that he should normally receive his wages in the form of money which he can spend as he wishes, that he should be paid regularly and at intervals short enough to allow him to live on a cash rather than a credit basis, that he should be protected against any unjustified or arbitrary deductions from his nominal earnings and, in general, that he should be kept informed of his wage conditions of employment. And, it may be noted at the outset, the question of protection of wages does not include methods of wage-fixing or standards of remuneration.

Money is the principal form of wage payment in modern industrial society. But in the earlier stages of industrial development wages were paid in other media, such as food, clothing and shelter, or goods and merchandise, or partly in money and partly in commodities. Historically, the payment of wages in kind has led to abuses too well-known to require extensive discussion. This method of wage payment—known as the “truck system”—as practised in the initial stages of capitalist industrialisation by employers who exploited the wretchedness and ignorance of their workers, kept those workers in a state of dependency bordering on slavery. The traditional solution of the problem was the prohibition of the truck system and the requirement in law that wages should be paid in money. Nevertheless, it has always been recognised that there are a number of circumstances in which it is manifestly undesirable or impossible to prohibit by law all payment of wages in kind. Payment in the form of food, housing and other necessities of life is per-

mitted in such employments as agriculture, lumbering, mining, domestic service, or construction work carried on in areas removed from urban centres.

This report deals first with the problem of regulating the medium of wage payments, and subsequently with the various measures necessary to protect wages.

A number of the points dealt with have been the subject of past Conference decisions. At its 19th Session, in 1935, the Conference adopted a Resolution inviting the Office to undertake an enquiry into the "truck system" and related practices, and a similar Resolution was adopted at the First Conference of American States Members of the Organisation (Santiago de Chile, 1936). The enquiry undertaken by the Office in pursuance of these Resolutions was suspended, because of the outbreak of the war, at a time when a number of the replies from Governments had not yet been received. At its 25th Session, in 1939, the Conference included in the Contracts of Employment (Indigenous Workers) Convention certain provisions related to the question of the protection of wages, in the form of a requirement that the contracts of employment are to contain particulars concerning, *inter alia*, the rate of wages, the method of wage calculation, the manner and periodicity of wage payments, and advances on wages. Finally, the Convention concerning Social Policy in Non-Metropolitan Territories, adopted at the 30th Session of the Conference, in 1947, contains a number of specific provisions for the protection of wages which read as follows :

Article 14

1. . . .
2. . . .
3. The necessary measures shall be taken to ensure that the employers and workers concerned are informed of the minimum wage rates in force and that wages are not paid at less than these rates in cases where they are applicable.
4. A worker to whom minimum rates are applicable and who, since they became applicable, has been paid wages at less than these rates shall be entitled to recover, by judicial or other means authorised by law, the amount by which he has been underpaid, subject to such limitation of time as may be determined by law or regulation.

Article 15

1. The necessary measures shall be taken to ensure the proper payment of all wages earned and employers shall be required to keep registers of wage payments, to issue to workers statements of wage payments and to take other appropriate steps to facilitate the necessary supervision.

2. Wages shall normally be paid in legal tender only.

3. Wages shall normally be paid direct to the individual worker.

4. The substitution of alcohol or other spirituous beverages for all or any part of wages for services performed by the worker shall be prohibited.

5. Payment of wages shall not be made in taverns or stores, except in the case of workers employed therein.

6. Unless there is an established local custom to the contrary, and the competent authority is satisfied that the continuance of this custom is desired by the workers, wages shall be paid regularly at such intervals as will lessen the likelihood of indebtedness among the wage-earners.

7. Where food, housing, clothing and other essential supplies and services form part of remuneration, all practicable steps shall be taken by the competent authority to ensure that they are adequate and their cash value properly assessed.

8. All practicable measures shall be taken :

- (a) to inform the workers of their wage rights ;
- (b) to prevent any unauthorised deductions from wages ; and
- (c) to restrict the amounts deductible from wages in respect of supplies and services forming part of remuneration to the proper cash value thereof.

Article 16

1. The maximum amounts and manner of repayment of advances on wages shall be regulated by the competent authority.

2. The competent authority shall limit the amount of advances which may be made to a worker in consideration of his taking up employment ; the amount of advances permitted shall be clearly explained to the worker.

3. Any advance in excess of the amount laid down by the competent authority shall be legally irrecoverable and may not be recovered by the withholding of amounts of pay due to the worker at a later date.

It will be noted that in the previous decisions of the Conference concerning the protection of wages the term "wages"

has a broad meaning and appears to include earnings or remuneration in general. In the note submitted by the Office to the Governing Body, on the basis of which it was decided to place the present question on the agenda of the 31st Session of the Conference, the term was also used in a generic sense. Nevertheless, in the preparation of this report, the Office noted that in many countries the word "wages" has a definite and circumscribed legal meaning; it may mean, for example, the remuneration of manual workers, or workers whose pay is calculated on a time basis of less than a month, or factory workers, as distinguished, respectively, from intellectual workers, employed persons whose remuneration is calculated by the month or year, or office and clerical employees.

It would seem that, if the Conference should decide to adopt international regulations on the subject in the form of a Convention, this situation might give rise to grave difficulties of interpretation. In these circumstances the Office ventures to suggest, in point 3 of the questionnaire, a possible solution of this problem which would take the form of a decision that the proposed international regulations should apply to remuneration or earnings, however designated or calculated, capable of being expressed in terms of money, which are payable by an employer to a worker for labour or service rendered in virtue of a written or unwritten contract of employment. The term "wages" as used in this report has this general meaning, except where a distinction is drawn between wages and other specific types of remuneration. A provision along the lines suggested would appear to go a long way towards solving the problem of using the term "wages" as a generic term, and would also permit the Conference to express its wish, as evidenced in previous decisions, to adopt measures for the protection of earnings in general.

At the same time, it would seem advisable to consider the possibility of following the legislation of a number of countries by excluding from the application of the proposed international regulations employed persons who have a status and standard of remuneration which makes it unnecessary to give them the same measure of protection as lower paid workers. This possibility is also foreseen in point 3, which has been drafted for the consideration of the Governments in the following terms :

3. (a) *Do you consider that the international regulations should apply to—*

- (i) *remuneration or earnings, however designated or calculated, capable of being expressed in terms of money, which are payable by the employer to the worker in virtue of a written or unwritten contract of employment; and*
- (ii) *allowances or supplementary payments, such as bonuses and severance pay or dismissal wages, which are payable by the employer to the worker in virtue of a contract of employment or national law?*

(b) *Do you consider that the international regulations should provide for the possibility of excluding employed persons whose remuneration exceeds an amount prescribed by law?*

(c) *Do you further consider that the international regulations should provide for the possibility of excluding any other categories of employed persons, and if so, which?*

(d) *Have you any further suggestions to make concerning the scope of the international regulations?*

CHAPTER II

MEDIUM OF WAGE PAYMENTS

The definition discussed in the previous chapter of what is to be understood by protection of wages leads directly to the examination of regulations concerning the medium of wage payments.

In the first place, it should be pointed out that part payment in kind is generally authorised in specific industries or occupations, subject to the observation of certain conditions which are analysed below. In the second place, the law guarantees that the remuneration owed by the employer to the worker by virtue of a contract of employment must be paid in cash. Finally, the law recognises the worker's right to spend his wages as he pleases and, therefore, to make use of a company store, where one exists, only if he so wishes.

PAYMENT IN KIND

This medium of payment consists in providing the worker with certain supplies in kind for the satisfaction of his own needs and those of his family. In agricultural undertakings, for example, the land provided by the employer to be cultivated by the worker for his own use, or the products such as wheat, potatoes, etc., supplied directly by the employer to the worker for his own consumption, are considered as payments in kind. This form of payment, if properly regulated, does not appear to give rise to abuses, and is, in fact, authorised by law in most countries. In the United Kingdom, for example, the Truck Acts allow the provision of "any victuals dressed or prepared under the roof of any such employer and there consumed by such (workmen)".

This is by no means the case in regard to the truck system, that is to say, the payment of wages in the form of goods produced by the employer himself. This method of payment has led to serious abuses in the past and is forbidden in almost all countries. The British Acts mentioned above prohibit the truck system outright. They have formed the basis of legislation enacted in the various British Dominions, such as Canada and Australia, where the anti-truck Acts stipulate that the whole amount of the wages, subject to a few exceptions, is to be paid in cash, and that any payment made in the form of goods or otherwise is null and void.

Similar provisions have been enacted in most countries, for example, in Chile, France and Mexico, in Labour Codes ; in Cuba, Egypt and Poland, in legislation relating to contracts of employment ; in Norway, in legislation for the protection of workers ; in Turkey, in labour laws ; and in Switzerland, in the Factory Acts. Similar clauses are included in wage legislation in various other countries, such as India, New Zealand, the Union of South Africa and many States of the United States.

On the other hand, as has been mentioned above, most countries give general authorisation for payment in kind, in lieu of wages, to particular classes of workers. In certain industries and occupations the employer may provide his workers with housing, food, or the use of land. This is the case, for example, in agriculture, the merchant marine, hotels, restaurants, hospitals and similar institutions, domestic service and, generally speaking, in any work carried out at considerable distances from population centres, such as bridge, railway and road building, sugar plantations, and so forth.

There are also many trades and occupations in which the employer provides the worker with products of the undertaking at specially favourable rates, for example, food products, coal, textiles, footwear, and so on, for use by the worker himself or his family. Employees in retail stores often receive payment in kind in the form of goods which are sold in the shop.

Uniforms are often provided in certain occupations such as railway service, and special clothes which workers have to wear in some occupations are generally supplied, laundered and kept in repair by the employer.

In certain occupations the cost of tools, instruments, materials and equipment required for the work in question, and for which, in accordance with custom or the terms of the contract

of employment, the worker is responsible, is similarly included in the worker's wages.

Another form of allowance, that of medical assistance, which was formerly provided by the employer, is now generally replaced by sickness and accident insurance.

To sum up, various allowances in kind are customary in particular industries and occupations. Since they normally offer certain advantages to the workers, they have been maintained by regulations authorising exceptions to, or exemptions from, the principle of payment in cash.

Among the exceptions provided for, it may be mentioned that the anti-truck Acts in the British Dominions do not apply to seamen or agricultural workers. Polish legislation excludes homeworkers. In a number of States of the United States (Colorado, Maryland, New Jersey, New York and Pennsylvania) the laws requiring wages to be paid in cash only apply to factories, mines and railways.

In other countries, subject to certain conditions, regulations authorise exceptions to be provided for in contracts of employment. In France, for example, the Labour Code provides that the prohibition of payments in kind does not affect a contract of employment if the said contract specifies that the worker is to be given board and lodging together with a stated money wage, and provided that the employer supplies any such allowances at cost price.

In some cases, the regulations specify that any exceptions made should be mentioned in the internal works regulations. In Chile, for example, the Labour Code provides that payments in the form of housing, lighting, water supply, and so on, must be authorised in the works regulations and approved by the labour inspector.

Another system has been adopted in Belgium, where the law authorises the employer to provide the worker with housing, garden allotments, the tools or materials required for his work, and uniform, but delegates the right to authorise employers to provide workers with food, clothing and fuel to the competent authority, which fixes the conditions of authorisation after previous consultation with the Industrial Labour Council, if one exists for the industry concerned.

It should be pointed out that regulations often guarantee that the goods supplied to workers should be of suitable quality and sufficient in quantity. Whenever possible, the nature and

value of the goods to which workers are entitled must be clearly defined. This is the case, for example, in Colombia, Czechoslovakia, Hungary, New Zealand, Sweden and Switzerland.

The Colombian Labour Contracts Act stipulates that the employer shall be responsible for providing workers with hygienic dwelling places and wholesome and adequate food. In Hungary, legislation ensures that agricultural workers shall receive the quantity and quality of goods specified in their contract. In New Zealand, collective agreements and arbitration awards contain guarantees concerning the quality and quantity of the goods provided. In Sweden, legislation and collective agreements include provisions concerning the quality of the articles supplied to workers : for example, a collective agreement covering hotels and restaurants states that the staff shall receive an adequate, wholesome and varied diet. In Switzerland, there are many cases of legislation to protect persons partly remunerated in kind and to prevent unfair exploitation. A cantonal law on labour protection in Zürich, for example, specifies that the employer may not make more than a reasonable allowance for board and lodging. Similar guarantees appear in cantonal laws on cafés and other places where drinks are served.

It should also be mentioned that, in many countries, the value of the goods provided under the regulations can be deducted from cash wages. This results in a reduction of the net wage, but such deductions are subject to strict regulation and may not be made without the consent of the worker, nor may they exceed the actual value of the goods provided. In a number of countries regulations fix the maximum percentage of cash wages which may be deducted. The law also provides for measures of supervision and for penalties in case of infringement. These measures will be discussed in Chapter VIII.¹

In Argentina, for example, the legislation authorises deductions to be made from cash wages against the value of goods bought in a co-operative or mutual benefit store, or against rentals, services, or goods bought in an establishment owned by the employer, so long as these are confined to goods manufactured or produced in the undertaking, or goods sold in the employer's normal course of business. The total amount of deduction may not exceed 40 per cent. of the total cash value of the wages due to the worker at the time when the deductions

¹ See below, p. 45.

are made. Deductions cannot be authorised except with the express agreement of the worker concerned and with previous authorisation from the competent authority. The last two conditions must be fulfilled in each individual case, though the competent authority can give a general authorisation to a particular employer covering all workers employed by him. In addition, the following safeguards must be observed :

(1) the listed price of the goods bought must not be higher than the normal price in the locality ;

(2) the employer or tradesman must grant the worker a reasonable rebate on the listed price ;

(3) the transaction must be a genuine sale and not a device to give an appearance of legality to a deduction forbidden by law.

For these reasons, the competent authority exercises a certain degree of supervision over an employer who intends to conduct such transactions. Penalties are provided for in cases of infringement.

Similar measures have been enacted in other countries such as Australia, Belgium, Canada, Cuba, Hungary, India, Mexico, Poland, Switzerland, the United Kingdom, several States of the United States and Venezuela.

In Cuba the value of the goods may not exceed 40 per cent. of the total cash wage. In Mexico deductions may not be more than 30 per cent. of the amount by which the wage exceeds the statutory minimum wage ; except that in the case of domestic servants wages may, unless there is express agreement to the contrary, include board and lodging up to 50 per cent. of the cash wage. In the United States, various State laws specify maximum rates which may be deducted for housing and meals supplied to workers. In the United Kingdom, workers must receive a written list of the items against which deductions are made, and such deductions may not exceed the actual value of the goods supplied. In Switzerland, employers are forbidden to make any profit on goods and provisions supplied to workers, or to make deductions from wages without the consent of the worker.

It should be mentioned that, in certain countries, supplies authorised by legislation cannot be charged against cash wages, whereas in other countries part payment of wages in kind is

included in the normal remuneration. In Costa Rica, for example, the legislation specifies that payment in kind is to be taken to mean only that part of his wages which a worker or his family receives in the form of food, lodging, clothes or other articles for immediate consumption. In agricultural and stock-breeding undertakings, land allotted to the worker for his own cultivation is also considered as payment of wages in kind. If the cash value of payments in kind is not specified, it is taken to be equal to 50 per cent. of the cash wages due to the worker.

In conclusion, it may not be irrelevant to point out that payments in kind have a tendency to increase in periods of monetary instability. For example, the collective agreements concluded in Hungary at the end of the last war specified that payment should be partly in cash and partly in kind, the proportion of payment in kind varying according to the size of the worker's family. The nature and quality of allowances were to be determined by the Supreme Economic Council on the basis of proposals drawn up by a tripartite committee of representatives of the Trade Union Council, the National Federation of Manufacturers, and the Ministry of Industry. After the stabilisation of the currency, the system of payment in kind in lieu of normal wages was abolished by an Order of 28 July 1946, which re-established the principle of full payment in cash.

PAYMENT IN CASH

Under a cash payment system the employer is required to pay legal tender for the amount of cash wages due to the worker under his contract of employment. This requirement is specified in legislation in the form either of an obligation to pay wages in cash, or of a prohibition of payment by vouchers, counters or other tokens taking the place of money.

Regulations in almost all countries contain provisions relating to the payment of wages in cash, as for example, in Argentina, Australia, Belgium, Bolivia, Canada, Chile, Colombia, Costa Rica, Cuba, Ecuador, Egypt, France, Hungary, India, Iran, Mexico, New Zealand, Norway, Sweden, Switzerland, Turkey, the Union of South Africa, the United Kingdom, the United States and Venezuela.

In Norway, legislation specifies that wages are to be paid in cash except in the case of seamen, agricultural workers, and domestic servants.

In the Union of South Africa, the Wages Act authorises the Wages Boards to recommend the prohibition of wage payments otherwise than in legal tender.

In a number of countries the regulations authorise payment of wages by cheque or bank draft. This is the case in Argentina, Canada, Mexico, New Zealand, Norway, the United Kingdom and various States of the United States. This form of payment is often used for wages above a certain figure; in Argentina, for example, legislation specifies that wages over and above 300 pesos per month are to be paid by cheque. In a number of countries, such as New Zealand, payment by cheque is only allowed if the worker agrees.

In the large majority of cases, the legislation expressly forbids payment of cash wages in the form of vouchers, tickets, counters, or other tokens taking the place of money. This is the case in Australia, Canada, Chile, Colombia, Costa Rica, Cuba, Ecuador, Egypt, Mexico, Sweden, Switzerland, the United Kingdom and Venezuela.

In Costa Rica an exception is provided in the case of coffee plantations, where it is the established custom at harvest time to pay coffee pickers by means of tokens; but these must be exchanged for money within the eight days following the pay day. It is a criminal offence to issue promises to pay which can only be exchanged against goods in specified establishments.

In Switzerland, the federal authorities have declared illegal a system under which employers belonging to a group of firms paid their employees a part of their wages in the form of vouchers for purchases in the establishments owned by the group.

In a number of countries regulations also specify that wages are to be paid directly to the worker. This is the case, for example, in Argentina, Chile, Colombia, Costa Rica, Cuba, Mexico, New Zealand, Turkey and Venezuela. In certain countries, such as Costa Rica and Mexico, the worker may appoint a person to represent him. In Costa Rica, legislation specifies that this representative must be a member of the worker's family, and that the worker must authorise the payment in writing.

To sum up, workers are entitled to refuse payment of their wages in the form of tokens taking the place of money, and, in order to protect workers against any abuse, regulations in most countries provide that any contrary provisions agreed to are null and void. Employers who infringe these regulations

are liable to punishment. Regulations in a number of countries also specify that payment is to be made directly to the worker concerned, or to a person appointed by him.

FREE DISPOSAL OF WAGES AND REGULATION OF COMPANY STORES

It is not enough that the worker should receive the wages due to him ; he must also be able to spend them as he chooses. For this reason, regulations in most countries forbid the employer to exercise any kind of constraint on the use made by the worker of his wages. In countries where company stores are allowed, the employer may not oblige the worker to spend any part of his wages there. For example, in Australia, Canada, New Zealand and the United Kingdom, the anti-truck Acts specify that any agreement containing provisions relating to the manner in which wages are to be spent, either in whole or in part, or the place in which they are to be spent, shall be declared null and void. The employer is also forbidden to make the engagement of a worker dependent on his spending his wages in a particular way or in a particular place ; nor may the employer discharge a worker because of the use to which he puts his wages.

In Belgium, the law forbids the employer to impose on any worker employed by him, or to specify in any agreement with such a worker, conditions which may interfere with the worker's right to spend his wages as he chooses. Similarly, an employer who is authorised by law to provide housing or land for the use of his workers cannot negotiate a lease for the property unless the lease is freely concluded.

In Switzerland, the Federal Act on home work specifies that the employer cannot exercise any open or implied constraint against the worker as to the use he makes of his wages.

In other countries, such as Colombia, Cuba, Egypt, Hungary and Mexico, regulations give workers the right to buy wherever they wish.

In Colombia, an employer is not permitted to sell food or other goods to his workers unless the workers are completely free to buy wherever they wish, and the conditions of sale are openly published.

In Hungary, any contract by which a worker undertakes to buy in a particular store or to give up part of his wages for any other purpose than his own welfare is declared illegal.

In order to prevent any abuse, a number of countries have abolished company stores run by employers. In France, for example, employers are forbidden to establish any store in the undertaking in which to sell food or goods of any kind directly or indirectly to workers or their families.

In certain circumstances, and at certain times, however, the prohibition of company stores may cause serious inconvenience to the workers, since they may thus find it impossible to supply their needs without considerable difficulty. For this reason, such stores are specifically authorised by legislation in some countries, subject to the fulfilment of certain conditions; the workers may not be compelled to use the stores; the sale of the store goods may not result in any profit to the employer; the quality of the goods must be supervised; and so on. This is the position in Chile, Hungary and Poland, for example.

In Chile, the price of goods sold in stores or shops or at counters maintained by the employer to supply the needs of the workers must not be higher than their cost price, including transport and provision for wastage, plus a maximum of 10 per cent. for expenses of management. Such stores may be managed directly by the employer, or by a concession-holder or contractor, but the employer remains responsible in all cases for any irregularities. Moreover, employers must allow the use of any means of communication owned by them within the area of the undertaking in order to ensure the transport of consumer goods for sale in such stores.

In Hungary, measures have been taken to supervise the price and quality of products sold by employers to workers employed by them in thinly-populated or inaccessible districts, *e.g.*, navvies and forestry workers.

In Poland, legislation authorises works stores for the sale of essential goods, under the supervision of the labour inspection services.

It may be mentioned that, in some cases, regulations may even require employers to establish stores, especially in undertakings which are some distance from population centres. This is the case, for example, in Bolivia and Turkey. In these

countries, measures have been taken to guard against any exploitation of the workers.

In Bolivia, employers must maintain under their direct management stores for the supply of provisions in all sites more than 10 km. from a population centre. Goods must be sold at cost price and may be supplied without payment at the time, the cost being subsequently deducted from the wages due.

In Turkey, employers may be required to set up stores for the sale of essential goods if their undertakings are at some distance from any town or city. The Ministry of National Economy decides what kind of goods are to be sold, fixes the prices and quality and the conditions of sale, and exercises such supervision as is necessary.

The question of company stores can take on completely different aspects under different conditions. Formerly, they were proscribed by legislation because they provided a means for exploiting the worker; today, regulations in a number of countries allow or even require them to be set up, provided that this is for the sole object of serving the interests of the workers. In attaining that object, it would appear to be not enough merely to lay down rules for the sale of goods and the obligations of the employer; arrangements for participation by workers' representatives in the management of the stores may also be envisaged, as in countries where there is statutory machinery for co-operation between employers and workers in the form of works committees or similar bodies.

From the above considerations it would appear desirable to consult Governments concerning the inclusion in international regulations of provisions to guarantee that workers should be paid in a medium that leaves no opening for abuses.

The first question is whether part payment in kind may be authorised in industries and occupations the character of which has made this form of payment necessary or customary. It appears that, in such branches, payment in kind has more advantages than disadvantages for the workers, though at the same time all necessary measures must be taken to prevent any reappearance of the truck system. Points 4 and 5 of the questionnaire are intended to ascertain the views of Governments on this important question.

As regards payment in cash, Governments will undoubtedly be in favour of the principle of payment in national currency,

and the prohibition of any kind of token taking the place of money. Point 6 has been included in the questionnaire to obtain the views of Governments on this question and on the question of payment by bank draft or cheque.

Governments will no doubt also wish to guarantee the worker's right to receive his wages directly and to spend them as he chooses. Their views are also requested on the related problem of company stores. These questions are dealt with in points 8 and 9 of the questionnaire.

Points 4 to 9 are as follows :

4. *Do you consider that the international regulations should provide that the partial payment of remuneration in the form of allowances in kind may be authorised by law only in industries or occupations in which such payments are customary or necessary by reason of the nature of the industry or occupation concerned ?*

5. (a) *Do you consider that the international regulations should provide that, in cases in which the law authorises part payment of wages in kind, appropriate measures should be taken to ensure that—*

- (i) *such allowances in kind are restricted to those which are necessary for the personal use of the worker and his family ;*
- (ii) *the value attributed to such allowances should not exceed their real value ; and*
- (iii) *such allowances are of adequate quality and quantity ?*

(b) *Are there any other provisions which you consider should be included in the international regulations concerning the partial payment of wages in kind, and if so, which ?*

6. (a) *Do you consider that the international regulations should provide that wages should be paid only in legal tender and that payment in the form of promissory notes, vouchers, coupons or any other token alleged to represent legal currency should be prohibited ?*

(b) *Do you consider that wages may, with the consent of the worker, be paid by bank draft or cheque ?*

7. *Do you consider that the international regulations should provide that, except as otherwise specified by the worker, wages should be paid directly to the worker concerned ?*

8. *Do you consider that the international regulations should provide that the employer should be prohibited from limiting in any manner the freedom of the worker to dispose of his wages ?*

9. (a) *Do you consider that the international regulations should provide that in appropriate cases works stores or similar services may be established for the sale of merchandise to the workers subject to conditions to be prescribed by national laws or regulations ?*

(b) *If so, do you consider that such conditions should include the following :*

- (i) *that the workers concerned should be free from any coercion to make use of such services ;*
- (ii) *that no financial profit should accrue to the employer from the operation of such services ;*
- (iii) *that appropriate measures should be taken to ensure the sale of goods at fair and reasonable prices ; and*
- (iv) *that representatives of the workers concerned, and more particularly members of works welfare committees or similar bodies where such exist, should be associated in the administration of such services ?*

(c) *Are there any other provisions concerning the regulation of works stores and similar services which you consider should be included in the international regulations, and if so, which ?*

CHAPTER III

DEDUCTIONS FROM WAGES

As has been seen in the preceding chapter, a number of legal measures exist which are designed to regulate the medium of payments and to guarantee the payment of remuneration in money rather than in the form of goods, merchandise, etc., except in those types of employment in which part payment in kind or allowances is a natural or normal arrangement because of the circumstances of the occupation concerned. The payment of cash remuneration involves another series of questions. An employed person rarely receives the full amount of the remuneration to which he is nominally entitled ; his wages may be subject to various deductions which represent the difference between the gross amount of his earnings and the net amount he actually receives. The problems raised here involve the regulation of deductions so as to protect the worker from arbitrary or unfair deductions which would amount, in effect, to an unjust decrease in his remuneration.

The law generally recognises the principle that a worker should be assured of receiving his earnings in full and should be protected against excessive or arbitrary deductions, and it therefore specifies the different kinds of deductions which may be permitted, the maximum amounts which may be deducted, and the circumstances in which such deductions may be made. Thus, while certain deductions may be prohibited, others are lawful, within the limits and under the conditions laid down by law, and some deductions, in particular those intended for public or social purposes, are even obligatory.

As a general rule, the legislation of most countries stipulates that no deductions may be made from earnings except those prescribed by law or authorised under certain safeguarding conditions ; it follows, from legal measures for the control of

the truck system, that deductions may not be made for the delivery of prohibited goods and merchandise.

Apart from this general principle, many countries expressly prohibit the worker from paying any part of his remuneration to the employer, either directly or indirectly, for the purpose of obtaining or retaining employment. This prohibition also extends to an intermediary who engages the worker on behalf of the employer or who acts as a subcontractor of labour. Such legal measures are in force, for example, in Argentina, Colombia, France, Mexico, South Africa and the United States (in respect of persons employed on work financed in whole or in part by Federal Government funds); and in Chile, in respect of homeworkers. In Egypt, on the other hand, a "recruiting agent"—defined as "any person who undertakes to procure gangs of employees to perform a specified job on account of an employer, whether the said person supervises the performance of the work himself or whether his obligations are limited to procuring the employees in question"—may retain up to 10 per cent. of the wages fixed by contract with the employer for the work concerned.

A number of deductions are, in fact, either sanctioned or prescribed by law because they are considered to be in the public interest; for instance, social insurance contributions and periodical income tax payments. In addition, some legal systems sanction the deduction from earnings, with the prior consent of the worker concerned, of sums destined for collective purposes in which the individual interest of the worker is considered to be subordinate to the collective interest of his trade union or other organisation or of the whole body of workers in the undertaking. Thus, in Chile, Costa Rica, India and Mexico, contributions to a co-operative society may be deducted; in Norway, contributions for pension and sick funds may be deducted; in Chile and Mexico deductions for savings funds are permitted; and in Iran deductions are prescribed for factory welfare funds. Further, in a large number of countries, trade union dues may be deducted from wages by an arrangement made with the trade union or with the worker himself.

A number of deductions which are also regulated by law may conveniently be classified as authorised deductions, that is deductions which may be made under conditions stipulated by law and within certain limits. These include: (a) deductions in payment for damages for bad or negligent work, or for injury

to materials or to the property of the employer ; (*b*) deductions in the form of fines for breaches of discipline ; and (*c*) deductions in payment for the use of materials, tools and equipment supplied by the employer. The object of the legal measures regulating these questions is to protect earnings from arbitrary, unfair and excessive deductions, since it is in respect of such types of deductions that abuses may occur.

Such deductions are not permitted in all countries. In France and New Zealand, for example, the law does not allow either the imposition of disciplinary fines or deductions for defective workmanship ; in Mexico and Norway, deductions in the form of disciplinary fines are prohibited. In other cases, the law contains no specific reference to these kinds of deductions, but provides a general safeguard by prescribing—as in Australia, Cuba and Mexico—that deductions may be made only in cases authorised by the provisions of collective agreements or arbitration awards. Another method of regulation is found in the legislation of certain countries, which provides that deductions may be made only in conformity with provisions included in the internal works regulations—as approved by the labour authority—of an undertaking or establishment ; this method is found in the laws of Belgium, Chile, Egypt, Hungary, India and, in the case of wage-earners, Poland. In Iran, deductions may be made only in pursuance of regulations issued by the Council of Ministers.

Various methods exist for the regulation of disciplinary fines. In Argentina, for example, the law provides that fines may be deducted from the earnings of salaried employees and wage-earners only in pursuance of regulations issued by the National Executive or the provincial Governments. In Egypt, the law requiring the prior specification of rules concerning fines and their approval by the Labour Department applies to employers of not less than fifty workers ; in other countries, however, the law does not include any such numerical limitation. In India, no fine may be imposed on any employed person except in respect of such acts or omissions on his part as the employer, with the previous approval of the competent authority, may have specified in a notice exhibited at the workplace, and the person fined must be given an opportunity to appeal ; a fine may not be recovered by instalments, nor after the expiry of sixty days from the day on which the act occurred which gave rise to the fine. In Iran, disciplinary fines may be imposed

only for breaches of the works regulations previously approved by the Labour Ministry ; the amount of such fines is to be fixed in regulations drawn up in pursuance of the General Labour Act of 1946. In Poland, fines may be deducted from the earnings of salaried employees (but not of wage-earners) only under conditions stipulated in the contract of employment. In the United Kingdom, fines may be imposed if the contract in respect of such deductions is posted up, or is contained in a written agreement signed by the worker.

In a number of countries legal provisions exist to ensure that the employer shall not benefit financially from fines imposed for disciplinary reasons. Thus, in Chile, the proceeds of fines must be paid into a special account from which they are distributed, under the supervision of a labour inspector, as bonuses to the workers of the establishment concerned. The law in Egypt, India and Turkey provides that the proceeds of fines shall be used by the employer for the benefit of the workers in conformity with general rules to be laid down by a governmental authority, *i.e.* the Ministry of Social Affairs in Egypt, the "prescribed authority" in India, and the Ministry of Economic Affairs in Turkey.

In respect of deductions for defective work, the system of regulation in Norway provides that compensation for damage caused wilfully or through gross negligence may only be deducted in pursuance of a written agreement between the parties concerned. Similarly, in the United Kingdom, deductions for negligent work or damaged goods may be made only if an agreement setting out the acts which may give rise to such deductions has been signed by the worker in advance, or if he has been notified of the conditions by means of a posted notice.

In Bolivia and Chile, special provisions exist with regard to homework. The Bolivian Labour Code provides that if the worker delivers defective goods or damages the materials given out to him by the employer, the latter, with the authorisation of the labour inspectorate, may deduct up to one-fifth of the weekly wage until the loss has been made good. In Chile, the employer, with the permission of the competent labour inspector, may deduct up to one-fourth of the weekly wage as security for compensation for defective work or spoiled materials, the actual amount of such compensation being determined by the labour court.

A number of countries also regulate by law deductions made for the cost of tools, materials and equipment supplied by the employer to the worker. In Chile, India and Poland, deductions of this nature are expressly or implicitly prohibited, apparently on the principle that the cost of the goods supplied is part of the normal cost to be borne by the employer in setting up and equipping his business. In other countries, however, the law countenances such deductions as a custom of the trade, but requires that they shall be made under certain conditions, usually involving the consent of the worker by individual or collective agreement. Such is the case in Argentina, Australia, Belgium, Colombia, Costa Rica, France, Hungary, New Zealand, Norway (in respect of homeworkers), South Africa and the United Kingdom. The conditions under which such deductions may be made vary in their details. In Argentina, official authorisation is required in each case; in Colombia and the United Kingdom, deductions of this kind may be made only with the express consent of the worker; and in Australia, New Zealand and South Africa, such deductions must be authorised by a collective agreement, an arbitral award or the decision of an industry wages board. In Costa Rica, the relevant provisions apply in cases in which wages are calculated on a piece-work basis, and prescribe that contracts of employment are to state "the quantity and quality of the material, the condition of the tools and implements (if any) which the employer provides for carrying out the work, the period during which he places them at the disposal of the employee, and the payment for this, provided that the employer shall not charge the employee any fee for the natural wear and tear of the tools which has occurred in the ordinary course of the work".

In addition to regulating the conditions under which deductions may be made, a number of countries have laws prescribing the maximum amount or proportion of earnings which may be deducted for damage or as a fine. In this respect the legislation of the United Kingdom sets up a general standard—the deduction must not exceed the real value of the damage caused and it must be fair. In other countries more specific limits are prescribed. In Argentina and Colombia, for instance, deductions in the form of fines may not in any case exceed one-fifth of the wages or salary, and in Chile, the limit fixed is one-fourth of the wages. In Egypt, the fine for a single fault committed by a worker may not amount to more than ten days' wages,

and not more than half the fine may be deducted from the wages earned in any one month. In India, a fine imposed on a worker in any one wage period may not exceed an amount equal to half-an-anna in the rupee (*i.e.* $1/32$) of the wages payable to the worker in respect of that wage period. The law in Mexico provides that if a worker is indebted to his employer on account of errors, loss or damage, the employer may deduct the proportion of the wages which, in agreement with the worker, is deemed to be right, provided that it does not exceed 30 per cent. of the amount by which the wages exceed the legal minimum wage. In Turkey, deductions, which may be made only in pursuance of rules of employment approved by the Ministry of Economic Affairs, may not exceed three days' wages in any one month.

In the light of the foregoing considerations it would seem appropriate to consult the Governments on the advisability of including in the international regulations provisions for the general control of deductions which would be designed to give protection against arbitrary and unfair deductions. As has been seen above, deductions authorised by law are usually controlled by a public authority, which is responsible either for issuing or for giving its approval to the conditions under which deductions may be made. In view, however, of the diversity of national legislation in this regard, it would seem necessary to leave to national action the details of the conditions under which and the extent to which deductions may be legally authorised.

The second general principle which emerges from the foregoing examination of the legal measures concerning deductions is the necessity of obtaining the worker's express or implied acceptance of the conditions under which his earnings may be subject to deductions. As has been pointed out, this object is generally secured either by his signing in advance an agreement in which the conditions for deductions are stipulated, or by his rendering services under the internal works regulations which form part of the conditions of his employment and of which he is informed by means of posted notices. Point 10 of the questionnaire is intended to secure the views of the Governments on these aspects of the question.

Thirdly, it would seem advisable to consider the outright prohibition of any deductions representing payment by the worker to the employer or to an agent of the employer for the purpose of securing or retaining employment. This aspect of the question is dealt with in point 11 of the questionnaire.

In addition to these general measures of protection, there are those which apply to particular types of deductions. In the case of deductions for negligent work or for damage to the employer's goods and property, it would seem important to consider laying down the condition that such deductions should be permitted only in cases in which the damage or loss has been caused intentionally or through grave negligence, and that the amount deducted should not exceed the fair value of the damage or loss. In respect of deductions in the form of disciplinary fines, the laws of the various countries indicate that such deductions are authorised in breaches of the provisions of legal regulations or of works regulations previously established in conformity with requirements laid down by law. Finally, deductions in payment for materials or equipment supplied by the employer are permitted either with the worker's consent or in pursuance of an authorised procedure, such as, for example, the proceedings of an arbitration board or an industry wages board. These specific questions are placed before the Governments for consideration in points 12, 13 and 14 of the questionnaire.

Points 10 to 14, therefore, read as follows :

10. (a) *Do you consider that the international regulations should include provisions concerning deductions from wages ?*

(b) *If so, do you consider that the conditions under which deductions may be made should be prescribed by national laws or regulations and notified to the workers concerned in the manner deemed most appropriate by the competent authority ?*

11. *Do you consider that the international regulations should provide that no deductions from wages may be made in the form of direct or indirect payments by a worker to an employer or his representative or to any intermediaries (such as subcontractors or labour recruiters) for the purpose of obtaining or retaining employment ?*

12. (a) *Do you consider that the international regulations should provide that the employer may not make any deductions from wages in order to reimburse himself for loss or damage to his products, goods or installations except under the following conditions :*

- (i) *that the damage or loss has been caused intentionally or through grave negligence on the part of the worker ; and*
 - (ii) *that the deduction is fair and does not exceed the real value of the damage or loss ?*
- (b) *Are there any other conditions which you consider should be prescribed, and if so, which ?*

13. *Do you consider that the international regulations should provide that the employer may not make any deductions from wages in the form of disciplinary fines except under the following conditions :*

- (i) *that the worker has committed a breach of legal regulations or of the provisions of works regulations previously established in conformity with national laws or regulations ;*
- (ii) *that the worker concerned or representatives of the staff should be heard ; and*
- (iii) *that the proceeds from disciplinary fines are used exclusively for the benefit of the staff of the undertaking concerned ?*

14. *Do you consider that the international regulations should provide that deductions from wages in respect of tools, materials or equipment supplied by the employer may be made only if such deductions—*

- (i) *are a recognised custom of the trade or occupation concerned ;*
or
 - (ii) *are provided for by collective agreements ; or*
 - (iii) *are authorised by a procedure recognised by national laws or regulations ?*
-

CHAPTER IV

ATTACHMENT AND SEIZURE OF WAGES

Wages are the worker's main source of income. For this reason, when a worker falls into debt, the proportion of his wage which is considered necessary for the maintenance of himself and his family is usually declared immune from attachment and seizure.

Most countries have established very detailed provisions on this matter. Such provisions refer in general to any form of remuneration paid to a worker by virtue of a contract of employment, and they are often supplemented by special measures to provide additional safeguards for workers in unfavourable economic circumstances, such as agricultural and forestry workers.

The legal protection covers all forms of remuneration : wages, salaries, allowances, remittances, commission, or any other form of income paid in respect of work, together with pensions or annuities due to workers. Under Swiss legislation, for example, cost-of-living allowances or any sums credited in respect of work done are considered as part of wages. Similarly, in France, account must be taken not only of wages and salaries proper, but of all supplementary earnings.

The scope of the protection varies from one country to another. In some countries wages as such are declared immune from attachment or seizure. In the United Kingdom, for example, an Act has been passed to prohibit seizure of the wages of domestic servants, labourers and workmen ; in other words, a creditor is not able to obtain payment directly from an employer of any part of the wages of a worker who is convicted for debt in the courts. Similarly, in several States of the United States, the wages of minors are immune from seizure.

In most countries, however, a fixed minimum proportion of the wage is declared immune from attachment or seizure.

This is the case, for example, in Argentina, Australia, Belgium, Costa Rica, Cuba, France, Hungary, Iran, Poland, Switzerland, and a number of States of the United States. This minimum may be a fixed sum expressed in national currency ; in Australia (New South Wales), for example, the Act to define assets subject to seizure provides that such seizure is illegal if the wages or salary are less than £2 (Australian) a week. In the United States, certain State laws declare a specified number of working days' wages to be immune from seizure—90 days, for example, in Iowa. In other countries, only a specific percentage of wages is declared immune from seizure ; for example, wages are subject to seizure in Cuba and the United States (Kansas and Missouri) up to 10 per cent. of the total amount ; in Poland, up to 20 per cent. ; and in Iran, up to 25 per cent. These two methods are sometimes found in combination ; in Argentina, Costa Rica and Hungary, for example, wages less than a certain specified amount are declared immune from attachment or seizure. Wages above the specified amount—which varies according to the nature of the contract of employment, whether permanent or short-term, etc.—are subject to attachment or seizure up to a fixed percentage : 25 per cent. in Argentina and Costa Rica ; 35 per cent. in Hungary, etc. In France, the amount of a wage which can be attached rises, in proportion to the total, until it reaches a maximum, above which the total wage may be attached or seized.

In some countries the courts decide in each individual case what proportion of wages shall be subject to seizure. In Switzerland, for example, wages may only be seized after deduction of the amount which is considered by the courts to be indispensable for the maintenance of the debtor and his family ; moreover, tools, instruments and books required by the worker and his family in their occupation are declared immune.

Whatever the method adopted, the principle appears to be generally admitted that a minimum amount of wages essential for the maintenance of the worker and his family must be immune from attachment or seizure, unless such seizure is, in fact, ordered to meet the worker's obligation to provide for the needs of his family and dependants. Regulations concerning attachment and seizure of wages cannot be cited to avoid payment of maintenance allowances which the worker is required to pay under common law. This is the case, for example, in Argentina, Belgium, Costa Rica, Cuba, France, Hungary,

Iran, Norway, Poland and Switzerland. In Argentina, the immunity does not apply to payment of maintenance allowances, court costs or sums owing to the pensions fund. In Costa Rica and Hungary, wages can be seized up to 50 per cent. of the whole amount for the payment of maintenance allowances. In France, the whole of the monthly maintenance allowance must be charged against that portion of the wage which is immune from seizure, though the part which is subject to seizure may be drawn upon as surety for amounts in arrears or for costs. Even family allowances are subject to seizure and attachment for the payment of outstanding maintenance charges.

To sum up, it seems that, as regards attachment and seizure of wages, regulations in the different countries agree in guaranteeing the worker's right to retain that proportion of his wages which is considered necessary to provide for the maintenance of himself and his family. At the same time, the scope of the protection afforded to workers, and the methods of determining the proportion of the wages which shall be immune from attachment or seizure, vary considerably from country to country, and must evidently be regulated by national legislation in each country. For these reasons the question on which the opinion of Governments is asked refers solely to the guarantees which should be provided by law to protect the worker against attachment or seizure of his wages. Point 15 of the questionnaire, therefore, reads as follows :

15. (a) *Do you consider that international regulations should provide that wages should be subject to attachment or seizure only in a manner and within limits prescribed by law ?*

(b) *Do you consider that, to the extent deemed to be necessary for the maintenance of the worker and his family, wages should not be subject to attachment or seizure ?*

CHAPTER V

WAGES AS A PRIVILEGED DEBT

Among the oldest-established measures of social protection are the various provisions to protect wages when an employer becomes insolvent. If the employer is declared bankrupt, the wage-earners who are working for him, and who have nothing to live on but the fruits of their labour, risk being deprived not only of their future livelihood, but even of the wages they have already earned.

To avoid consequences of this kind, it has been necessary to make provisions to guarantee, first the immediate settlement of debts owed by the employer to his workers, and secondly, payment of wages in full.

With this aim in view, most countries grant workers a privileged position in relation to other creditors. Workers are not subject to the general rules for liquidation procedure, a procedure which, as is well known, may drag on for many months, nor are they compelled, like ordinary creditors, to accept merely a dividend; they must be paid in full before the ordinary creditors may even claim payment in part.

It is almost universally recognised today that wages constitute a privileged debt, but regulations vary considerably as regards detail. The present chapter contains a brief survey of the main eventualities which give rise to the preferential treatment of wages, the persons who enjoy this preferential treatment, and the scope of the privilege.

BANKRUPTCY AND SIMILAR EVENTUALITIES

Bankruptcy, as defined by law, is the most usual occasion for provisions for the special protection of wages, though similar situations producing similar results may call for the application of the same principles—for example, the liquidation of an

incorporated or limited liability company, as in Great Britain ; judicial liquidation in lieu of bankruptcy, as in France ; or composition with creditors, as in Austria and Hungary.

In some countries wages are also treated as privileged debts in the enforcement of a court decision against an employer. For example, the legislation of certain countries provides that real estate seized in execution of such a decision shall be mortgaged in favour of the wages of certain workers (this often occurs in the building industry) ; in other countries, some classes of wage-earners may be treated as privileged creditors in the case of the forced sale of real or personal property, as, for example, agricultural workers in Austria and Hungary, and railway workers in Switzerland.

PERSONS ENJOYING PREFERENTIAL TREATMENT

In the past, it was principally domestic servants and day labourers who were given the advantage of a privileged position. The relevant provisions are derived from common law, and appear in the law of bankruptcy, civil and commercial codes, rules of procedure, etc.

As a result of successive amendments to statutory law, and, in particular, owing to the enactment of social legislation such as regulations concerning contracts of employment, the number of persons who enjoy privileged treatment has gradually increased. But where there has been no codification of the laws on the subject, there are often considerable gaps, so that not all classes of workers are in the same position. The labour codes of some countries contain no special provision for the treatment of wages as privileged debts, but refer to common law, as in Bolivia and Venezuela. The Labour Code of Chile confirms workers' rights as provided for under civil law. Under other codes, all workers who come within the scope of the code automatically enjoy the benefit of provisions relating to the treatment of wages as a privileged debt, as in Costa Rica, Mexico and Nicaragua.

The persons enjoying privileged treatment today normally include workers and employees engaged in the undertaking of the employer concerned, as well as individuals in his personal service. Further, persons outside the range of wage-earners, properly so-called, are often included ; for example homeworkers, as in France.

SCOPE OF THE PRIVILEGE

Debt privilege covers, in the first place, wages and salaries as such, but in a number of countries it also covers sums accessory to wages, such as compensation for breach of contract, as in Belgium and France; dismissal wages, as in Argentina and Costa Rica; accident compensation, as in the United Kingdom; sickness compensation, as in Sweden; pensions, as in Nicaragua; and miscellaneous allowances, as in France. There is, in fact, a clearly marked tendency to include among privileged debts any payment due to the worker either in respect of wages or supplementary to wages. This is shown in the Constitutions of Cuba and Venezuela, and in Colombian legislation.

In order to satisfy the conditions for legal protection, the worker must have acquired the right to wages prior to the bankruptcy or judicial liquidation. Workers who remain at their jobs during bankruptcy or liquidation proceedings are, however, in a completely different position; they are in the service, not of the former employer, but of the agent or board of trustees responsible for the management of the property of the person or undertaking under liquidation, and must be paid in the normal way.

In most countries the privilege does not apply to all wages, but only to those earned during a stated period before bankruptcy or liquidation. In Costa Rica, however, wages are protected without limit as to the amount or length of employment.

The period specified by legislation is one month in Nicaragua, three months in the United States—for wages up to a cumulative total of \$600 for the period—six months in Belgium and France, and one year in a number of other countries, such as Austria, Colombia, China, Cuba, Hungary and Mexico.

In addition, the legislation in many cases makes a distinction between different classes of wage-earners. In the United Kingdom, workmen's wages for a period of two months are privileged, up to a cumulative amount of £25 for the period; and wages and salaries of domestic servants and employees for a period of four months, up to a cumulative amount of £50.

Swiss legislation provides for the following grades: wages of domestic servants are privileged for a period of one year; salaries of employees for six months; wages of workmen

employed by the day or paid by the job, and wages of factory workers or others paid by the day or week, for three months. Swedish legislation makes a distinction between permanent and temporary workers and employees ; the wages of the former are privileged for a period of one year, and those of the latter only for three months.

Wages are evidently not the only privileged claims recognised by the law ; certain other debts, such as judicial costs, taxes, and certain personal or family obligations, must also be given priority for payment. Legislation generally fixes a definite order of priority for these different kinds of claims.

In some countries, for example, Belgium, Colombia and France, judicial costs and certain personal obligations, such as funeral or medical expenses in the case of the bankrupt's death, take priority over wages. In many other countries, however, such as Austria, Czechoslovakia, Hungary, Mexico, Nicaragua, Switzerland and the United Kingdom (subject to deduction of judicial costs), wages come first, and must therefore be paid before any other privileged claim.

To sum up, it is generally recognised in most countries that wages should enjoy certain privileges. In view of the importance of this principle as a social measure, it would appear essential to include it in international regulations concerning the protection of wages, and this is, therefore, the first point on which Governments are consulted, in question 16 (*a*).

If Governments accept this point of view, they will probably wish to give their opinions on the best method of giving expression to the principle. It is suggested that the international regulations should specify that wages already earned shall be given a privileged status, and that this right should be guaranteed to all workers in the employer's service, and in both of the two most important eventualities, viz. bankruptcy and judicial liquidation of the undertaking.

On the other hand, in view of the differences which exist between the regulations in different countries, it would appear that it should be left to each State to determine the limits within which outstanding wage claims are to be privileged, and the place that wages should occupy in relation to other privileged claims. These points are covered in question 16 (*b*).

The scope of the measure will be established by the provisions concerning the scope of the international regulations themselves.

It would hardly be possible to specify that wages shall be paid to the worker in full ; this is a question which depends on the facts of each case, but at the same time it would appear appropriate to consult Governments as to whether wages, in so far as they constitute a privileged claim, should in all cases be paid in full before ordinary creditors may establish a claim to payment of any kind. Question 16 (c) covers this point.

Governments are therefore requested to give their opinions on the following questions :

16. (a) *Do you consider that the international regulations should include provisions to declare wages a privileged debt ?*

(b) *If so, do you consider that the international regulations should provide that, in the event of the bankruptcy or judicial liquidation of an undertaking, workers in the employer's service should be treated as privileged creditors as regards wages due to them for services rendered prior to the bankruptcy or judicial liquidation ?*

(c) *Do you consider that the international regulations should include any provisions concerning the relationship between privileged wages debts and other types of privileged debts, and if so, what kind of provision would you regard as appropriate ?*

(d) *Do you consider that the international regulations should provide that the wages constituting a privileged debt should be paid in full before ordinary creditors may establish any claim to a share of the assets ?*

CHAPTER VI

PERIODICITY, TIME AND PLACE OF WAGE PAYMENTS

PERIODICITY OF PAYMENTS

In most countries the law demands that wages shall be paid regularly and at short intervals. The purpose of legislation of this kind is to discourage the practice of paying wages at such long intervals that the workers are induced or forced to incur debts in order to live from one pay day to the next.

The legal provisions on this matter vary considerably from country to country. In the first place, mention may be made of those countries, such as Colombia, Denmark, Sweden and the United Kingdom, which do not regulate the question by law but leave it to the parties concerned to agree, either by collective or individual agreement, on the periods for the payment of wages. However, it appears to be a well-established practice in these countries for wage-earners to be paid once a week or once a fortnight, and for salaried employees to be paid once or twice a month. Awards of the Commonwealth and State Arbitration Courts in Australia usually make wages payable weekly or fortnightly.

In another group of countries the law prescribes a comprehensive maximum wage payment interval which is applicable to employed persons in general or broad categories of workers. Such is the case, for example, in Cuba and India, where the maximum wage payment interval is one month, and in Hungary and Turkey, where the prescribed interval is one week. Similar legislation exists in a number of States in the United States; for example, in Illinois, Michigan, New Jersey and Wisconsin payment must as a rule be made twice a month, and in Connecticut, Massachusetts and New York, once a week.

Different wage payment intervals for different categories of employed persons are specified in the laws of a number of

States. For the most part, such laws differentiate between wage-earners (*i.e.*, manual workers or workers employed by the hour, day or week) and salaried employees, but in some cases special provisions exist in respect of workers whose wages are computed on a piece-work basis or according to output, and also in respect of employees paid in whole or in part on a percentage basis or by commission. Thus, wages must be paid weekly or fortnightly to wage-earners, and fortnightly or monthly to salaried employees, in Argentina, Belgium, Bolivia, Chile, Costa Rica, Egypt, France, Mexico, New Zealand, Norway, Poland, Switzerland and Venezuela. Some laws (*e.g.* those of Bolivia, Costa Rica, Mexico, Venezuela) assimilate domestic servants to salaried employees as regards the intervals prescribed for the payment of wages.

In a certain number of countries (*e.g.* Argentina, Chile, Egypt, France, Norway) the law makes a further distinction in respect of intervals for the payment of wages to persons whose remuneration is computed on a piece-work basis or according to output. Such laws generally provide that payments on account are to be made at the same intervals as are prescribed for payments to workers whose wages are calculated on a time basis. In Argentina and Chile, the employer may withhold on each pay day, in respect of partly completed work, an amount as security not exceeding one-third of the accumulated wages due for the preceding period.

In the case of employees who are paid in whole or in part on a commission or percentage basis, such as agents, commercial travellers, etc., the law may require a settlement of accounts to be made at regular intervals, for example, once a year in Costa Rica, and at least once a quarter in France.

To sum up, the laws of many countries lay down the maximum intervals at which wages are to be paid; these laws may prescribe a general maximum applicable to all employed persons, or may lay down differing intervals for various categories of workers in accordance with the type of employment in which they are engaged or the manner in which their wages are computed. It would therefore seem advisable to consider the adoption, in the first place, of international regulations concerning the general principle that maximum intervals for the payment of wages should be fixed by laws or regulations, and, *secondly*, of detailed rules for the application of the principle *in respect of various categories of workers*. The Governments

are accordingly consulted in points 17, 18, 19 and 20 of the questionnaire as follows :

17. *Do you consider that the international regulations should prescribe maximum intervals for the payment of wages ?*

18. *If your reply is in the affirmative, do you consider that the international regulations should provide that payment should be made not less often than—*

(a) *twice a month in the case of workers whose remuneration is calculated—*

(i) *by the hour, day or week ; or*

(ii) *on a piece-work or output basis ; and*

(b) *once a month in the case of other employed persons ?*

19. *In the case of workers employed to perform a task the completion of which requires more than a fortnight, do you consider that the international regulations should provide that—*

(a) *payments should be made on account not less often than twice a month in proportion to the amount of work completed ; and*

(b) *final settlement should be made within a fortnight of the completion of the task ?*

20. *Are there any other categories of workers in respect of which the international regulations should include provisions concerning intervals for the payment of wages ? If so, what intervals do you suggest for such categories of workers ?*

TIME AND PLACE OF PAYMENTS

There are regulations in almost all countries which contain provisions relating to the time and place of wage payments. In most countries the general principle as established by law is supplemented by detailed provisions in collective labour agreements. In certain countries, especially in Australia and New Zealand, the rules to be followed are fixed by arbitration

awards. In some cases, as in Colombia and Turkey, legislation merely prescribes that the time and place for payment of wages are to be stated in the works regulations.

In most countries the regulations specify that wages must be paid on working days or—and this has the same effect in practice—must not be paid on rest days. This is the case, for example, in Argentina, Chile, Costa Rica, France, India, Iran, Norway, Rumania, Sweden and Switzerland.

The time for payment is seldom fixed by legislation, and varies from country to country. For example, wages are generally paid on Fridays in Denmark and Sweden, and on Saturdays in Mexico. In Switzerland, on the other hand, Federal law prohibits the payment of wages on Saturdays except in cases of *force majeure*, though cantonal law in Neuchatel and the Valais authorises payment on Saturdays before mid-day.

In a number of countries, such as Argentina, Chile, Costa Rica, New Zealand and Norway, the regulations specify that wages are to be paid during working hours or immediately after the end of work. In Chile the Labour Code states that payment is to be made within one hour of the end of the working period. In certain cases the regulations even fix a limit beyond which waiting time spent at the place of work must be paid at overtime rates.

It should be pointed out that when the contract of employment is terminated the law regulates the time within which any wages remaining due to the worker are to be settled. The legislation of some countries merely fixes a maximum period within which the employer must pay the worker the amount owed to him. In India, for example, the wages must be paid before the end of the second working day following the day on which the employment terminated. In Egypt the period is fixed at one week, and in several States of the United States at two weeks. In the last-named country, the regulations often contain detailed provisions concerning the settlement of wages in cases of dismissal, voluntary departure, or industrial disputes. Provisions vary from State to State—for example, the Labour Code of California provides that in case of dismissal the worker's wages are to be paid immediately and at the place of work; similarly, if the worker leaves his employment and gives three days' notice, his wages must be paid at the expiration of the notice period, whereas, if no notice is given, a period of three days is allowed. In the case of an industrial dispute, the

settlement of wages must be effected on the first pay day following the termination of the contract.

Most regulations provide that wages must be paid at or near the workplace. This is the case in Argentina, Chile, Costa Rica, Norway, Poland, Rumania, Sweden, Switzerland, several States of the United States, and Venezuela. The New Zealand Coal-Mines Act provides that, at the request of the majority of the workers, wages must be paid at the mine or within two miles thereof. In certain countries, such as Costa Rica, Mexico and Venezuela, they must be paid at the workplace unless there is an agreement or stipulation to the contrary.

In order to protect workers against abuses which might occur if wages were paid in cafés, taverns, stores, etc., the regulations in most countries prohibit payment of wages in taverns, shops, places of amusement, or other similar establishments, except in the case of persons employed in such establishments. This is the case in Argentina, Belgium, Chile, Costa Rica, Cuba, France, Hungary, Mexico, New Zealand, Rumania, Switzerland, the United Kingdom and Venezuela.

In Switzerland, for example, a number of Orders concerning contracts for work to be done on behalf of the public authorities specify that payment is not to be made in a café or place where drinks are served.

In the light of the considerations set out above, Governments are invited to state their views on the following points :

21. *Do you consider that the international regulations should provide that payment of wages should be made only on working days ?*

22. *Do you consider that the international regulations should provide that, when the contract of employment is terminated, a final settlement of wages should be effected within a period to be prescribed by national laws or regulations ?*

23. *Do you consider that the international regulations should provide that the payment of wages should be made at or near the workplace ?*

24. *Do you consider that the international regulations should prohibit the payment of wages in taverns, shops, places of amusement, or other similar establishments except in the case of persons employed in such establishments ?*

CHAPTER VII

NOTIFICATION OF WAGE CONDITIONS TO WORKERS

It has already been mentioned in connection with other aspects of the protection of wages, notably in regard to deductions, that it is obviously essential to ensure that workers are informed of the various details of the wage conditions under which they are employed. The present chapter deals with this question in two parts: (1) informing workers of the general wage conditions to which they are subject, and (2) informing them of the details concerning the calculation of their earnings in respect of each pay period.

NOTIFICATION OF WAGE RIGHTS

Under the laws of Belgium, Colombia, Costa Rica and the United Kingdom, individual notification of wage conditions is secured by providing that details concerning remuneration must be included in individual agreements or contracts of employment. In Colombia, a written contract of employment must specify the wage rates or amounts agreed upon by the parties, the method and periodicity of payment, and the manner in which future increases are to be regulated. In addition, if part payment is to be made in the form of food or lodging, the contract must indicate the conditions under which such allowances are furnished and their proportionate value in relation to the total wage. In Costa Rica, contracts of employment must specify the wage rates, the method of calculation, and the intervals and place of payment. In Iran, the amount of wages to be paid and the method of payment are among the details to be included in individual contracts of employment. In the United Kingdom, in the case of piece work, the employer is *required to supply the worker, at the time when the work is given out, with a statement containing particulars of the rates and methods of calculation of the wages.*

In some cases, the requirement to inform workers individually of their wage rights applies specifically to deductions. In Norway, for example, an agreement in writing is required to authorise deductions other than those authorised by law or made in respect of workers' contributions to pension and sick funds, and those made by way of compensation for damage caused wilfully or through gross negligence. In the United Kingdom, under the Truck Acts, deductions may only be made in accordance with conditions which must be contained in a written agreement signed by the worker.

The other method of ensuring that workers are informed of wage conditions is to require that extracts from the law relating to wage rates, payment dates, etc., shall be posted up in the undertaking or included in the works regulations. In some cases, both individual agreement and the posting up of notices are prescribed. Thus, in Colombia, in addition to the inclusion of wage conditions in contracts of employment, the employer is obliged to post up works regulations, as approved by the labour authority, specifying, *inter alia*, the periodicity and the day, hour and place of payment. In the United Kingdom, where individual written agreement is required for the authorisation of deductions, various regulations require that employers shall post up wage rates.

In certain other countries, such as Chile, Egypt, Hungary, India, Norway, Poland and the United States (*e.g.* California, Illinois), the law only requires wage conditions to be notified by means of the works regulations—which are often subject to the previous approval of the competent labour authority—and displayed at the workplace.

To sum up, various methods are used in the different countries to ensure that workers are informed of the wage conditions under which they are employed. The variations in the legislation of different countries on this question are due to diverse national conditions, or even to the differences between various industries within the same country. For the purposes of the proposed international regulations it would seem more important to consider the adoption of the general principle that workers should be informed of their wage rights than to prescribe in detail the methods by which such notification is to be secured. Accordingly, in point 25 of the questionnaire the Governments are consulted on the advisability of adopting international regulations laying down the general principle but

leaving it to appropriate national action to make detailed rules for its application. Paragraph (b) of the question is intended to consult the Governments on the advisability of specifying the essential details of the information to be thus supplied to the workers. The question reads as follows :

25. (a) *Do you consider that the international regulations should provide that workers should be informed, in a manner to be prescribed by national laws or regulations, of the conditions in respect of wages under which they are employed ?*

(b) *Do you further consider that the international regulations should specify the details of the conditions which should be brought to the knowledge of the workers, and that such details should, wherever appropriate, include particulars as to :*

- (i) *the rates of wages payable ;*
- (ii) *the method of calculation ;*
- (iii) *the intervals of payments ;*
- (iv) *the place of payment ; and*
- (v) *the conditions under which deductions may be made ?*

(c) *Are there any other provisions which you consider should be included in the international regulations concerning notification to workers of wage conditions, and, if so, what provisions would you suggest ?*

STATEMENTS OF EARNINGS

In addition to legal measures calling for notification to workers of the general wage conditions under which they are employed, the legislation of a number of countries—for instance, Belgium, France, Norway and Switzerland—requires that they should also be informed, each time they are paid, of the various elements entering into the calculation of the current payment. In Belgium, for example, a statement of the quantity of work done and the amount of remuneration paid must be issued with each payment made to workers who are employed by the job or piece or on contract. In France, the employer must give each worker, at the time when he is paid, a statement *containing details of the gross amount of earnings, the method of calculation, the deductions, if any, made, and the net amount*

actually paid. Norwegian legislation does not require employers to issue regular statements of earnings, but provides that, at the time when he is paid, or immediately after, a worker may demand a written statement showing the method of wage calculation, any deductions made from gross earnings, and the net amount paid.

The Governments are consulted on the advisability of including in the international regulations provisions concerning the issue to workers of statements of earnings. However, it might be considered advisable to envisage the exemption from such a requirement of certain categories of employed persons, such as salaried employees whose remuneration is more or less fixed for stated periods of time. These aspects of the question are covered in point 26 of the questionnaire, which reads as follows :

26. (a) *Do you consider that the international regulations should provide that workers should be informed, with each payment of wages, of the following particulars :*

- (i) *the gross amount of wages earned ;*
- (ii) *the method of calculation ;*
- (iii) *any deductions which may have been made ; and*
- (iv) *the net amount of wages paid ?*

(b) *Are there any categories of workers to which you consider that the foregoing provisions should not apply, and if so, which ?*

CHAPTER VIII

ENFORCEMENT MEASURES

In most countries, the labour inspection service is responsible for the enforcement of the legal provisions for the protection of wages. In some States, *e.g.* Australia (New South Wales, Tasmania), Denmark and Sweden, there appears to be no particular provision made for enforcement, apparently because it is considered that the workers concerned can themselves enforce their rights with the help of the judicial procedure available for the recovery of wages. In most cases, however, it is customary for the labour inspectors to be given the duty of supervising, in the workplaces under their control, the application of the legal measures concerning amounts of earnings, deductions, net amounts paid, etc. In countries such as Czechoslovakia and Poland, where a recognised legal status is given to workers' factory councils, the work of the officials responsible for supervising the application of the law is assisted by these councils, which are authorised, for example, to examine draft works regulations before their submission to the labour authorities for final approval, to inspect payroll registers, and, in general, to collaborate with labour inspectors in the performance of their duties. But such measures do not appear to run counter to the general rule that the problems arising out of the application of wages protection legislation can be effectively dealt with within the framework of the general labour inspectorate.

The most obvious and most usual method of facilitating the work of inspectors is to oblige employers to keep payroll records. *Wage sheets, records or registers are required, for example, in Australia, Brazil, Costa Rica, Cuba, Czechoslovakia, Egypt, France, Hungary, India, Poland, Sweden, the United Kingdom and the United States. Special registers for deductions are also required in a number of countries, such as*

Belgium, France and India. In some countries, for example, Denmark and Switzerland, the laws relating to the protection of wages do not require the keeping of payroll records, but such records are in fact required in connection with other legislative provisions; in Denmark, for municipal tax purposes, and in Switzerland, in virtue of federal legislation concerning sickness and accidents. Finally, in almost all cases in which payroll records are required, the form of such records is either prescribed by the general labour authority or is subject to its approval.

It would seem fruitless to attempt to establish in international regulations a uniform method for the keeping of payroll records, since it is obvious that they must be kept in a form consistent with the legal provisions to which they relate. Nor would it be essential for international regulations to require such records to be in the form of special registers; the data needed to facilitate inspection could be recorded—as is the case in a number of countries—in a form which also included other information (such as hours and rest periods, holidays, etc.). Nevertheless, it would seem appropriate to consider the advisability of adopting international regulations to require that the wage data kept by employers as an aid to inspection should be similar to those supplied to workers in the form of statements of earnings issued with each payment.¹

Since the obligations laid upon the citizens of any State in respect of legal measures for the protection of wages have a public character, the laws in question also prescribe penalties to be imposed for violations. In view of the number and variety of the penalties prescribed for various offences, it is obvious that international regulations could not prescribe a specific penalty for any particular type of offence, but must necessarily leave such details to national action.

In the light of the foregoing considerations, the Governments are consulted on the question of the enforcement measures to be adopted in international regulations in points 27 and 28 of the questionnaire, which read as follows:

27. *Do you consider that the international regulations should provide that the laws and regulations concerning the protection of wages should—*

¹ See point 25 of the questionnaire, pp. 43 and 54.

- (i) *be brought to the notice of all persons concerned ;*
- (ii) *define the persons responsible for compliance therewith ;*
- (iii) *prescribe adequate penalties for any violation thereof ; and*
- (iv) *provide for the maintenance of a system of inspection adequate to ensure effective enforcement ?*

28. (a) *Do you consider that the international regulations should provide for the maintenance of payroll records in a form and manner to be prescribed by national laws or regulations ?*

(b) *Do you further consider that such records should, in respect of each worker employed, include the following particulars, wherever appropriate :*

- (i) *the gross amount of wages earned in each pay period ;*
 - (ii) *the method of calculation ;*
 - (iii) *deductions from wages ; and*
 - (iv) *the net amount of wages paid ?*
-

CHAPTER IX

QUESTIONNAIRE

The preceding chapters contain the text of the various points on which the Governments are requested to give their views, together with explanations of the questions concerned; the points are repeated below. As has been explained in the Preface, the Governments are requested to give reasons for their replies and to send the replies so as to reach the International Labour Office in Geneva not later than *15 March 1948*.

I. Form of the International Regulations

1. *Do you consider that the International Labour Conference should adopt international regulations concerning the protection of wages and that these regulations should take the form of a Convention?*

2. (a) *Do you consider it desirable to supplement the proposed Convention with one or more Recommendations on the subject?*

(b) *If so, which of the following points should, in your opinion, be excluded from the Convention and included in a Recommendation?*

II. Scope

3. (a) *Do you consider that the international regulations should apply to—*

- (i) *remuneration or earnings, however designated or calculated, capable of being expressed in terms of money, which are payable by the employer to the worker in virtue of a written or unwritten contract of employment; and*
- (ii) *allowances or supplementary payments, such as bonuses and severance pay or dismissal wages, which are payable*

by the employer to the worker in virtue of a contract of employment or national law ?

(b) Do you consider that the international regulations should provide for the possibility of excluding employed persons whose remuneration exceeds an amount prescribed by law ?

(c) Do you further consider that the international regulations should provide for the possibility of excluding any other categories of employed persons, and if so, which ?

(d) Have you any further suggestions to make concerning the scope of the international regulations ?

III. Medium of Wage Payments

A. PAYMENT IN KIND

4. Do you consider that the international regulations should provide that the partial payment of remuneration in the form of allowances in kind may be authorised by law only in industries or occupations in which such payments are customary or necessary by reason of the nature of the industry or occupation concerned ?

5. (a) Do you consider that the international regulations should provide that, in cases in which the law authorises part payment of wages in kind, appropriate measures should be taken to ensure that—

- (i) such allowances in kind are restricted to those which are necessary for the personal use of the worker and his family ;*
- (ii) the value attributed to such allowances should not exceed their real value ; and*
- (iii) such allowances are of adequate quality and quantity ?*

(b) Are there any other provisions which you consider should be included in the international regulations concerning the partial payment of wages in kind, and if so, which ?

B. PAYMENT IN CASH

6. (a) Do you consider that the international regulations should provide that wages should be paid only in legal tender and that payment in the form of promissory notes, vouchers, coupons or any other token alleged to represent legal currency should be prohibited ?

(b) *Do you consider that wages may, with the consent of the worker, be paid by bank draft or cheque ?*

7. *Do you consider that the international regulations should provide that, except as otherwise specified by the worker, wages should be paid directly to the worker concerned ?*

C. FREE DISPOSAL OF WAGES AND REGULATION OF COMPANY STORES

8. *Do you consider that the international regulations should provide that the employer should be prohibited from limiting in any manner the freedom of the worker to dispose of his wages ?*

9. (a) *Do you consider that the international regulations should provide that in appropriate cases works stores or similar services may be established for the sale of merchandise to the workers subject to conditions to be prescribed by national laws or regulations ?*

(b) *If so, do you consider that such conditions should include the following :*

- (i) *that the workers concerned should be free from any coercion to make use of such services ;*
- (ii) *that no financial profit should accrue to the employer from the operation of such services ;*
- (iii) *that the appropriate measures should be taken to ensure the sale of goods at fair and reasonable prices ; and*
- (iv) *that representatives of the workers concerned, and more particularly members of works welfare committees or similar bodies, where such exist, should be associated in the administration of such services ?*

(c) *Are there any other provisions concerning the regulation of works stores and similar services which you consider should be included in the international regulations, and if so, which ?*

IV. Deductions from Wages

10. (a) *Do you consider that the international regulations should include provisions concerning deductions from wages ?*

(b) If so, do you consider that the conditions under which deductions may be made should be prescribed by national laws or regulations and notified to the workers concerned in the manner deemed most appropriate by the competent authority ?

11. Do you consider that the international regulations should provide that no deductions from wages may be made in the form of direct or indirect payments by a worker to an employer or his representative or to any intermediaries (such as subcontractors or labour recruiters) for the purpose of obtaining or retaining employment ?

12. (a) Do you consider that the international regulations should provide that the employer may not make any deductions from wages in order to reimburse himself for loss or damage to his products, goods or installations except under the following conditions :

- (i) that the damage or loss has been caused intentionally or through grave negligence on the part of the worker ; and*
- (ii) that the deduction is fair and does not exceed the real value of the damage or loss ?*

(b) Are there any other conditions which you consider should be prescribed, and if so, which ?

13. Do you consider that the international regulations should provide that the employer may not make any deductions from wages in the form of disciplinary fines except under the following conditions :

- (i) that the worker has committed a breach of legal regulations or of the provisions of works regulations previously established in conformity with national laws or regulations ;*
- (ii) that the worker concerned or representatives of the staff should be heard ; and*
- (iii) that the proceeds from disciplinary fines are used exclusively for the benefit of the staff of the undertaking concerned ?*

14. Do you consider that the international regulations should provide that deductions from wages in respect of tools, materials

or equipment supplied by the employer may be made only if such deductions—

- (i) are a recognised custom of the trade or occupation concerned ;
or*
- (ii) are provided for by collective agreements ; or*
- (iii) are authorised by a procedure recognised by national laws
or regulations ?*

V. Attachment and Seizure of Wages

15. (a) Do you consider that the international regulations should provide that wages should be subject to attachment or seizure only in a manner and within limits prescribed by law ?

(b) Do you consider that, to the extent deemed to be necessary for the maintenance of the worker and his family, wages should not be subject to attachment or seizure ?

VI. Wages as a Privileged Debt

16. (a) Do you consider that the international regulations should include provisions to declare wages a privileged debt ?

(b) If so, do you consider that the international regulations should provide that, in the event of the bankruptcy or judicial liquidation of an undertaking, workers in the employer's service should be treated as privileged creditors as regards wages due to them for services rendered prior to the bankruptcy or judicial liquidation ?

(c) Do you consider that the international regulations should include any provisions concerning the relationship between privileged wages debts and other types of privileged debts, and if so, what kind of provision would you regard as appropriate ?

(d) Do you consider that the international regulations should provide that the wages constituting a privileged debt should be paid in full before ordinary creditors may establish any claim to a share of the assets ?

VII. Periodicity, Time and Place of Wage Payments

A. PERIODICITY OF PAYMENTS

17. *Do you consider that the international regulations should prescribe maximum intervals for the payment of wages ?*

18. *If your reply is in the affirmative, do you consider that the international regulations should provide that payment should be made not less often than—*

(a) *twice a month in the case of workers whose remuneration is calculated—*

(i) *by the hour, day or week ; or*

(ii) *on a piece-work or output basis ; and*

(b) *once a month in the case of other employed persons ?*

19. *In the case of workers employed to perform a task the completion of which requires more than a fortnight, do you consider that the international regulations should provide that—*

(a) *payments should be made on account not less often than twice a month in proportion to the amount of work completed ; and*

(b) *final settlement should be made within a fortnight of the completion of the task ?*

20. *Are there any other categories of workers in respect of which the international regulations should include provisions concerning intervals for the payment of wages ? If so, what intervals do you suggest for such categories of workers ?*

B. TIME AND PLACE OF PAYMENTS

21. *Do you consider that the international regulations should provide that payment of wages should be made only on working days ?*

22. *Do you consider that the international regulations should provide that, when the contract of employment is terminated, a final settlement of wages should be effected within a period to be prescribed by national laws or regulations ?*

23. *Do you consider that the international regulations should provide that the payment of wages should be made at or near the workplace ?*

24. *Do you consider that the international regulations should prohibit the payment of wages in taverns, shops, places of amusement or other similar establishments except in the case of persons employed in such establishments ?*

VIII. Notification of Wage Conditions to Workers

A. NOTIFICATION OF WAGE RIGHTS

25. (a) *Do you consider that the international regulations should provide that workers should be informed, in a manner to be prescribed by national laws or regulations, of the conditions in respect of wages under which they are employed ?*

(b) *Do you further consider that the international regulations should specify the details of the conditions which should be brought to the knowledge of the workers, and that such details should, wherever appropriate, include particulars as to :*

- (i) *the rates of wages payable ;*
- (ii) *the method of calculation ;*
- (iii) *the intervals of payments ;*
- (iv) *the place of payment ; and*
- (v) *the conditions under which deductions may be made ?*

(c) *Are there any other provisions which you consider should be included in the international regulations concerning notification to workers of wage conditions, and, if so, what provisions would you suggest ?*

B. STATEMENTS OF EARNINGS

26. (a) *Do you consider that the international regulations should provide that workers should be informed, with each payment of wages, of the following particulars :*

- (i) *the gross amount of wages earned ;*
- (ii) *the method of calculation ;*
- (iii) *any deductions which may have been made ; and*
- (iv) *the net amount of wages paid ?*

(b) *Are there any categories of workers to which you consider that the foregoing provisions should not apply, and if so, which ?*

IX. Enforcement Measures

27. *Do you consider that the international regulations should provide that the laws and regulations concerning the protection of wages should—*

- (i) *be brought to the notice of all persons concerned ;*
- (ii) *define the persons responsible for compliance therewith ;*
- (iii) *prescribe adequate penalties for any violation thereof ; and*
- (iv) *provide for the maintenance of a system of inspection adequate to ensure effective enforcement ?*

28. (a) *Do you consider that the international regulations should provide for the maintenance of payroll records in a form and manner to be prescribed by national laws or regulations ?*

(b) *Do you further consider that such records should, in respect of each worker employed, include the following particulars, wherever appropriate :*

- (i) *the gross amount of wages earned in each pay period ;*
- (ii) *the method of calculation ;*
- (iii) *deductions from wages ; and*
- (iv) *the net amount of wages paid ?*

APPENDIX

SELECTED LIST OF LEGISLATION

ARGENTINA

- Act No. 11,278, respecting the payment of wages in national currency. Registered 5 August 1925 ;
- Act. No. 11,337, to amend Act No. 11,278 respecting the payment of wages in national currency. Registered 9 September 1926.

AUSTRALIA

Commonwealth Conciliation and Arbitration Act, 1904-1934.

New South Wales

Industrial Arbitration Acts, 1912-1926.

Queensland

- An Act to make better provision for the payment of wages due to workers and for other incidental purposes. Dated 23 November 1918 ;
- An Act relating to the attachment of wages. Dated 26 November 1936 ;
- Industrial Conciliation and Arbitration Acts, 1932-1936.

Victoria

- An Act to amend the Law relating to factories and shops. Dated 23 December 1936.

BELGIUM

- Act respecting the payment of wages to employees. Dated 16 August 1887 (supplemented by Acts issued in 1896, 1901 and 1934) ;
- Act relating to the contract of employment. Dated 7 August 1922.

BOLIVIA

Supreme Decree to issue the Labour Code. Dated 26 May 1939.

BRAZIL

- Legislative Decree No. 5452, to approve the consolidation of the labour laws. Dated 1 May 1943.

CANADA

British Columbia

An Act to prohibit the payment in certain trades of wages in goods or otherwise than in lawful money of Canada. *The British Statutes of British Columbia*, 1936, p. 4249 ;

An Act respecting the semi-monthly payment of wages. *The British Statutes of British Columbia*, 1936, p. 4373.

Ontario

An Act to amend the Industrial Standards Act, 1935. Dated 25 March 1937.

Saskatchewan

An Act to amend the Workmen's Wage Act. Dated 10 March 1937 ;

An Act respecting industrial standards. Dated 16 April 1937.

CHILE

Legislative Decree No. 178, to issue the Labour Code. Dated 13 May 1931.

COLOMBIA

Act No. 6 of 1945, to issue provisions respecting contracts of employment, industrial associations, collective disputes and special labour courts. Dated 19 February 1945.

COSTA RICA

Act No. 2, to promulgate the Labour Code. Dated 27 August 1943.

CUBA

Decree No. 798 to regulate contracts of employment. Dated 13 April 1938.

CZECHOSLOVAKIA

Industrial Code as promulgated by the Acts dated 8 March 1885 and 5 February 1907.

DENMARK

Act No. 343 concerning the legal relations between master and servant. Dated 6 May 1921 ;

Act No. 168 concerning the legal relations between employers and salaried employees in private undertakings. Dated 13 April 1938.

EGYPT

Act No. 41 of 1944, respecting individual contracts of employment. Dated 10 May 1944.

FRANCE

Code of Labour and Social Welfare :

Book I — Labour Agreements, Part III. Wages :

Chapter I. The fixing of wages.

Chapter II. The payment of wages.

Chapter III. Deductions from wages.

Chapter IV. Attachment and assignment of wages.

Chapter V. Family allowances.

Chapter VI. Company stores.

HUNGARY

Industrial Act embodied in Act No. XVII of 1884 ;

Act No. II of 1898, respecting the regulation of legal relations between employers and workers in agriculture ;

Act No. XXVIII of 1900, respecting forestry workers ;

Act No. XLV of 1907, respecting the regulation of legal relations between masters and farm servants.

INDIA

An Act to regulate the payment of wages to certain classes of persons employed in industry. No. IV of 1936. Assented to 23 April 1936.

IRAN

Regulations for factories and industrial establishments. Dated 10 August 1936.

MEXICO

Federal Labour Act. Dated 18 August 1931.

NEW ZEALAND

Wages Protection and Contractors' Liens Act, 1908 (No. 204).
Dated 4 August 1908 ;

Factories Act, 1921-1922 (No. 42). Dated 6 February 1922 ;

Shops and Offices Act, 1921-1922 (No. 46). Dated 6 February 1922 ;

Agricultural Workers' Act, 1936 (No. 30). Dated 18 September 1936.

NORWAY

Workers' Protection Act. Dated 19 June 1936.

POLAND

Orders respecting contract of employment. Dated 16 March 1928.

SWITZERLAND

Federal Act of 18 June 1914 relating to work in factories, as amended by the Act of 27 June 1919 ;

Code of Obligations.

TURKEY

Act No. 3008 respecting labour. Dated 8 June 1936.

UNION OF SOUTH AFRICA

Industrial Conciliation Act, 1937 (No. 36). Assented to 14 May 1937 ;
Wage Act, 1937 (No. 44). Assented to 18 May 1937.

UNITED KINGDOM

Agricultural Wages (Regulation) Amendment Act, 1940 (an Act to provide for the fixing of a national minimum wage for men employed in agriculture by the week or longer ; and for the duties of agricultural wages committees in connection therewith). Assented to 25 April 1940 ;

Truck Act, 1940 (an Act to restrain legal proceedings under the Truck Acts, 1831 to 1896, [etc.]). Assented to 10 July 1940 ;

Wages Councils Act, 1945 (an Act to provide for the establishment of wages councils, and otherwise for the regulation of the remuneration and conditions of employment of workers in certain circumstances). Assented to 28 March 1945.

UNITED STATES

Anti-Kick-Back Law ; Act of 13 June 1934.

California : Labor Code, 1939.

Illinois : Revised Statutes, 1941, ch. 48.

Massachusetts : General Laws, 1932, ch. 149.

New Jersey : Revised Statutes, 1937, sec. 34.

New York : Labor Law, sec. 196, as amended 1935 and 1937.

Wisconsin : Statutes, 1941, secs. 103.39 ff.

VENEZUELA

Labour Act. Dated 16 July 1936 ;

Act to amend the Labour Act in certain respects. Dated 4 May 1945.

लाल बहादुर शास्त्री राष्ट्रीय प्रशासन अकादमी, पुस्तकालय
Lal Bahadur Shastri National Academy of Administration, Library

मसुरी
MUSSOORIE.

यह पुस्तक निम्नांकित तारीख तक वापिस करनी है ।

This book is to be returned on the date last stamped.

[illegible]

लाल बहादुर शास्त्री प्रशासन अकादमी
Lal Bahadur Shastri Academy of Administration

मसूरी
MUSSOORIE

पुस्तकालय
LIBRARY

अवाप्ति संख्या

Accession No.....~~10590~~ 105903.....

वर्ग संख्या

Class No.....331.2.....

पुस्तक संख्या

Book No.....Int.....
C-1