

(I) PRICES AND WAGES

1. PRICES

The increase in consumer prices in 1972, as reflected by the Colombo Consumers' Price Index¹, was 6.3 per cent compared to an increase of 2.7 per cent in 1971. The average increase in this price index for the last five years had been 5.6 per cent.

The upward pressure on prices which began in the last quarter of 1971 continued throughout the year in 1972. The increase in price was due to many factors. In certain cases the higher prices of imported goods due mainly to currency re-alignments and higher freight charges tended to increase local prices. The shortages in the supply of domestically produced agricultural goods due to adverse weather conditions added further pressure on prices. In order to offer price incentives for increased production and thus ease the supply shortages that had developed due to the banning or restriction of some of the imports, prices of a number of goods were de-controlled. The main items that were de-controlled were red onions, chillies, matches, toothpaste, shirts, synthetic textiles, transistor and torchlight batteries and 10 varieties of drugs. In a situation where supply was limited, demand pressures had the immediate effect of pushing up prices of most of these de-controlled items.

In order to moderate the impact on prices, whilst maintaining the equitable distribution of essential commodities, price control and rationing of a number of items were continued in 1972. However, prices of a few controlled items were revised upwards to take account of the higher import costs or rise in production costs or both.

(a) The Colombo Consumers' Price Index

The all items index increased by 6.3 per cent in 1972 in comparison with an increase of 2.7 per cent in 1971. The sub indices in respect of food increased by 6.0 per cent, clothing by 12.8 per cent, fuel and light by 3.6 per cent and miscellaneous items by 6.2 per cent. The corresponding increases in 1971 were 1.8 per cent, 5.6 per cent, 3.5 per cent and 4.1 per cent. As in previous years the sub index for rent remained unchanged.

The sub index for food which has 61.9 per cent of the weightage in the overall index increased steadily after the first quarter of the year. The sub index which stood at 145.5 per cent in January dropped in February and March mainly

1. The main short-comings in the use of this index to measure the changes in retail prices have been discussed in the previous Annual Reports.

The main drawbacks are:

- (i) the inadequacy of the index to measure the changes in the general level of prices as it is designed to measure changes in the cost of living of an average working class family in Colombo town;
- (ii) the out of date weights which have not been revised since 1952 despite substantial changes in the pattern of consumption of the working class itself; and
- (iii) the inadequate attention paid to the relative importance of prices prevailing in open and controlled markets due to fluctuations in the supply of commodities caused by shortages.

on account of the fall in the prices of vegetables, coconuts, and coconut oil. Thereafter the sub-index took an upward trend. The main factors that contributed to the rise in food items were the increase in the cost of imports due to the readjustments of currency rates, the removal of price controls and the banning the imports of such items as dried chillies and red onions and the consequent inability of the local producers to meet the shortages. The increase in the price of Foreign Exchange Entitlement Certificates and the broadening of the scope of business turnover tax also had some effect on prices during the last quarter. The items which recorded marked price increases during the year were limes, biscuits, fresh butter, pulses, dried ginger, jam, beef and dried fish.

Price decreases were recorded in tea, vegetables, fresh fish, eggs, potatoes and spices. The price decreases, however, had little effect over the sub index that continued to increase during all the four quarters of the year.

TABLE II (I) 1

Colombo Consumers' Price Index

1952 = 100

Year	All Items	Commodity-wise					Sector-wise		
		Food	Clothing	Fuel & Light	Rent	Miscellaneous	Domestic Group	Import Group	Export Group
Weights ..	100.0	61.9	9.4	4.3	5.7	18.7	60.0	35.0	5.0
1968 Average ..	121.5	121.2	120.1	103.2	102.5	133.6	123.2	117.3	142.4
1969 Average ..	130.5	127.9	130.9	124.9	108.4	147.1	134.2	123.6	148.2
1970 Average ..	138.2	136.6	137.3	136.1	109.8	153.2	142.9	129.3	157.3
1971 1st Quarter ..	139.1	136.4	140.9	139.3	109.8	155.8	143.9	129.2	166.2
2nd Quarter ..	140.4	137.3	144.3	141.3	109.8	158.1	146.9	128.6	160.7
3rd Quarter ..	141.5	138.1	146.1	141.3	109.8	160.1	149.1	128.8	152.1
4th Quarter ..	146.5	144.7	148.5	141.3	109.8	164.1	155.9	132.0	152.7
Average ..	141.9	139.1	145.0	140.8	109.8	159.5	148.9	129.7	157.9
Percentage change 1971 over 1970 ..	2.7	1.8	5.6	3.5	0.0	4.1	4.2	0.3	0.4
1972 1st Quarter ..	148.1	144.8	154.2	142.8	109.8	168.9	157.7	133.9	147.2
2nd Quarter ..	150.3	147.0	160.1	146.4	109.8	169.3	160.8	135.3	143.6
3rd Quarter ..	152.2	148.8	168.2	146.4	109.8	169.5	164.0	137.2	128.8
4th Quarter ..	153.0	149.4	171.4	148.0	109.8	170.2	164.0	137.8	143.0
Average ..	150.8	147.5	163.4	145.9	109.8	169.4	161.6	136.1	140.6
Percentage change 1972 over 1971 ..	6.3	6.0	12.8	3.6	0.0	6.2	8.5	4.9	-11.0

Source: Census & Statistics Dept. and Central Bank of Ceylon.

The increase of 12.8 per cent in the sub index of clothing was the largest increase recorded among the sub indices. The rise in the index is attributed mainly to higher wages paid to the local manufacturing workers and the increase in the landed costs of raw materials. The sub index stood at 152.0 in January and reached the highest figure of 171.4 in October and thereafter remained stationary. Almost all items of clothing showed substantial increases in price. The highest increases were recorded in sarongs, sarees and vetties.

The sub index for fuel and light rose by 3.6 per cent during the year. The increase is almost identical with that of the previous year. The increase is due to the upward revision in the price of kerosene oil in March, electricity charges in April and the price of matches in November 1972.

The increase in the sub index for miscellaneous items was 6.2 per cent as compared with 4.1 per cent in 1971. Transport expenditure increased on account of the revision of prices of tyres and tubes in July. The prices of tobacco and educational materials recorded increases in November and December respectively. The only item that had a fall in price in the year was betel and arecanuts.

(b) Prices not covered by the Consumers' Price Index

Price data for a limited number of items not covered by the Consumers' Price Index are obtained by direct inquiry from the retailers in the city of Colombo and from the published trade price lists. These items for purposes of detailed analysis are broadly classified into consumer, intermediate and investment goods.

TABLE II (I) 2

Prices outside the Consumers' Price Index*

Type of Article	Percentage change 1972/1971
Consumer Goods (including consumer durables)	
Par boiled rice	11 to 17
Tinned fish	+ 8
Jam, Jellies, Sauce & Cordials	3 to 23
Toothpastes	28 to 43
Talcum powder	6 to 25
Eau de Cologne	5 to 29
Shirts	14 to 50
Candles	+ 11
Leather products assorted	13 to 35
Torch & Transistor batteries	25 to 27
Electric fans	+ 40
Sewing machines	+ 13
Electric Bulbs	9 to 16
Electrical fittings	9 to 12
Motor Spares	4 to 37
Car batteries	+ 20
Intermediate Goods	
Paper	24 to 36
Petrol	+ 16
Copper wire	5 + 9
Soda ash	10 to 20
Caustic Soda	+ 12
Investment Goods	
Building materials	4 to 28
1. Wash basin with stand (22" x 16") local	+ 16
-do- without stand (-do-)	+ 2
2. Low level suite - local	+ 3
3. Earthenware pipes 2" x 4" (English)	+ 27
4. Cast iron pipes 6' x 4" local	+ 5
Machinery	9 to 31
Lanka loha axes	24 to 40
Knives	+ 1
Hinges	28 to 73
Motice door locks	+ 1
Rim locks	+ 74
Copper wire	5 to 10
Auto cables	5 to 9
Flat twin	1 to 66

* The range of percentage change shown against the types of articles indicates the lowest and the highest percentage changes of representative items.

Table II (I) 2 shows the percentage changes in the prices of selected items from the end of year 1971 to the end of year 1972. These figures may be treated as rough indicators of the extent of price movement of similar class of goods.

Consumer Goods

The prices of all items of consumer goods considered above have increased. This is mainly attributed to the increase in prices of raw materials, wages and increase in world market prices of imports. Higher rates of freight, Foreign Exchange Entitlement Certificates and Business Turnover Tax also contributed to the price increases. The scarcity of some items in the open market too tended to increase the prices of such items.

The scarcity created in motor spare parts and removal of controls on prices of such items as shirts, torch batteries, toothpaste were the other factors that led to price increases in these consumer items.

The increase in price of par boiled rice fluctuated between 11 per cent and 17 per cent over that of last year.

Intermediate goods

The prices of locally manufactured intermediate goods have increased mainly due to higher production costs. The price of petrol was revised twice during the course of the year. In February, the prices of super petrol was raised to Rs. 5/- per gallon and ordinary petrol was raised to Rs. 4/80 per gallon. These prices were again revised in December to Rs. 5/75 per gallon and Rs. 5/30 per gallon respectively. High cost of crude oil and freight rate increases have been the main causes for these revisions in the price of petrol.

Investment Goods

The prices of many of the finished products of the State Steel Corporation have been increased during the year. However, the price increases were not substantial. The controlled price of mammoties was revised upwards. Apart from increase in production costs, scarcity of cement, asbestos sheets and other investment goods caused price fluctuations in this category of articles.

Price Control

Some of the items that were brought under price control during the year were lamp mantles, formic acid and seven varieties of drugs.

The controlled prices of the following articles were revised: asbestos sheets, sustagen, imported textiles, refined white sugar, lakspray, condensed milk, exercise books, and some varieties of pulses.

The control of prices on the following items was removed during the course of the year: red onions, dried chillies, barbed wire, synthetic textiles, paper; cardboard, bicycle tyres and tubes, torch and transistor batteries, toothpaste, matches and ten varieties of drugs.

(c) Wholesale prices of locally manufactured commodities

Table II (1) 3 gives a few representative items of locally manufactured commodities under each broad category. The prices do not refer to prices charged by bulk distributors at various points of distributive trade, but refer to those quoted by the manufacturers themselves or their sole agents.

The wholesale prices of a large number of goods in the categories of Textile and Apparel, Industrial, Commercial and Agricultural Machinery and Equipment have shown considerable increases. The stability in the wholesale prices of most of the items in the Textile and Apparel category that prevailed last year did not continue during the year due to the removal of controls on synthetic textile.

The high prices that prevailed earlier in construction materials attained a certain degree of stabilization during the year. The wholesale prices of fertilisers increased slightly during the course of the year.

Wholesale prices of Selected Locally

	Unit	Factory price Rs. 1971	Factory price Rs. 1972	% change 1972/71
1. Food, Beverages & Tobacco				
Chocolate (Milk)	per doz.	10.40	12.85	+ 24
Chocolate Biscuit	per tin	2.50	2.50	—
Mineral Waters (portello)	per bot.	0.40	0.40	—
Mineral Waters (soda)	per bot.	0.20	0.20	—
Cordials (passiona)	per bot.	5.00	5.00	—
Cordials (black currant)	per bot.	6.00	6.00	—
Island Pride Tobacco	lb.	58.80	61.10	+ 4
Three Rose Cigarettes	1000	139.55	148.85	+ 7
2. Textile and Apparel				
Cloth (L.D.M.) white	yd.	2.20	2.40	+ 9
Cloth (L.D.M.) coloured	yd.	2.40	2.40	—
Poplin - white	yd.	2.50	2.75	+ 10
Voile-Printed Fancy	yd.	2.80	2.80	—
Yarn 30s carded	yd.	4.95	5.20	+ 5
Saree Fabric (Printed) 44"/45"	yd.	6.70	11.00	+ 64
Shirting (Tetrolene cotton) 35"/36"	yd.	8.95	15.00	+ 68
Dress Fabric (Nylon satin) 35"/36"	yd.	6.27	10.25	+ 63
Saree (Ceysilk Butter Nylon)	yd.	10.00	10.00	—
Shirting (Ceysilk Silverline)	yd.	9.55	12.50	+ 31
Suiting (Ceysilk trend)	yd.	18.40	21.50	+ 17
3. Drugs & Toilet Preparations				
Aspirin Tablets	1000s	6.75	6.75	—
Vitamin B complex Tablets	1000s	5.90	5.90	—
Teramycin Capsules	16 cap. bot.	11.75	11.88	+ 1
Obron Capsules (Multivitamin)	30 cap. bot.	6.61	6.61	—
DuroI	1 bot.	4.05	4.05	—
Pennicilin V Dumex	500 tab. bot.	69.33	64.00	- 8
Caustic Soda	per metric ton	1,720.00	2,000.00	+ 16
Chlorin Liquid	per long ton	2,500.00	2,500.00	—
Calcium Chloride	per long ton	700.00	1,500.00	+144
4. Furniture & Home Furnishing				
Office Cupboard (Steel)	1	635.40	760.00	+ 20
Wardrobes (Steel)	1	795.00	955.00	+ 20
Filing Cabinets (Steel)	1	600.00	720.00	+ 20
5. Hardware & Electrical Goods				
Steel M.S. Rounds ½"	metric ton	1,930.00	1,930.00	—
Steel M.S. Equal Angles 1" x 1" x ½"	"	1,980.00	1,980.00	—
Binding wire black (Galvanized Gauge 5. 6. m.m.)	"	2,345.00	2,135.00	- 9
Barbed Wire (Gauge 2. 0. m.m.)	56 lbs.	57.25	38.50	- 33

Table II (I) 3

Manufactured Commodities (as at December)

	Unit	Factory price Rs. 1971	Factory price Rs. 1972	% change 1972/71
5. Hardware & Electrical Goods				
Lankaloha Mammoties (7" x 10") ..	1	7.90	12.00	+ 52
Wire nail ..	cwt.	155.00	165.50	+ 7
P.V.C. Insulated and sheathed cables 1/044 ..	100 yds.	35.00	36.00	+ 3
Auto Cables 35/012 ..	"	25.50	28.00	+ 10
General lighting service lamps (25 W) ..	1	1.93	2.07	+ 7
Special lamps (15 W) ..	1	2.00	2.15	+ 8
Daylight bulbs (60 W) ..	1	2.15	2.30	+ 7
6. Industrial, Commercial and Agricultural Machinery and Equipment and Tyres and Tubes				
Lotus Bicycle Tyres 28 x 1½" ..	1	5.35	7.15	+ 34
Lotus Heavy Duty Tyres 28 x 1½" ..	1	7.15	8.85	+ 24
Lotus Seamless Tubes 26 x 1½" ..	1	3.25	3.60	+ 11
Sewing Machine 266H/55 (Singer) ..	1	805.00	805.00	—
Sewing Machine 237M/1W (Singer) ..	1	1150.00	1380.00	+ 20
Centric Domestic Pump ¾" (Type 75/1) ..	1	630.00	747.00	+ 19
Centric Industrial Pump 1½" (Type 140/3) ..	1	1237.50	1417.50	+ 15
Centric Agricultural Pump 2" (200/EK) ..	1	1440.00	1665.00	+ 16
7. Agricultural raw materials				
Special Vegetable Fertilizer (No. 1) ..	per ton	470.00	505.00	+ 7
Special paddy mixture ..	"	545.00	620.00	+ 14
Muriate of potash (60 %) ..	"	610.00	665.00	+ 9
Urea ..	"	745.00	805.00	+ 8
Blood Meal ..	"	955.00	960.00	+ 1
Sulphate of Ammonia ..	"	525.00	550.00	+ 5
Saphos Phosphate ..	"	395.00	420.00	+ 6
8. Lumber & Construction Materials				
Corrugated Sheets ..	per sq. ft.	0.88	1.09	+ 24
Flat Sheets ..	per sq. ft.	0.55	0.66	+ 20
Cement (Kankesan) ..	Cwt.	10.50	10.50	—
Cement (Ruhunu) ..	Cwt.	12.00	12.00	—
Cement (Puttalam) ..	Cwt.	11.25	11.25	—
9. Miscellaneous				
Flashlight batteries ..	1	0.58	0.71	+ 22
Transistor batteries ..	1	0.60	0.75	+ 25
Radio batteries ..	1	31.50	31.50	—
Writing Paper in Ream Packets Creamlaid ..	500 sheets (type-A 4)	9.40	9.40	—
Typewriter Carbons 8½" x 13" ..	1 Box	13.75	13.75	—

2. WAGES

The wage rate indices are prepared by the Central Bank for technical and clerical employees, minor employees and school teachers in the Government Sector. They are based on the minimum salaries and wages and allowances payable to workers in the representative scales. Overtime and incremental payments, however, are not included in this calculation. Wage rate indices for workers in Agriculture and Industry and Commerce covered by Wages Boards in the private sector are published by the Labour Department. These indices are based on minimum wage rates fixed by Wages Boards and from December 1967 include devaluation allowances. The base period for these indices is 1952.

These indices referred to above do not represent actual earnings which would include overtime and in the case of the private sector, incentives or special payments such as bonuses. Indices of real wage rates are calculated by the Central Bank by deflating the wage rates indices by the Cost of Living Index (The Colombo Consumers' Price Index).

TABLE II (I) 4
Wage Rate Index Numbers for Government Employees
1952=100

	Technical and Clerical Employees		Minor Employees		Central Government Employees (a)		Government School Teachers	
	Wage Rate Index	Real Wage Rate Index	Wage Rate Index	Real Wage Rate Index	Wage Rate Index	Real Wage Rate Index	Wage Rate Index	Real Wage Rate Index
1971								
1st Quarter	157.2	113.0	182.9	131.5	171.3	123.2	141.1	101.5
2nd Quarter	157.2	112.0	182.9	130.3	171.3	122.0	141.1	100.5
3rd Quarter	157.2	111.1	182.9	129.3	171.3	121.1	141.1	99.7
4th Quarter	157.2	107.3	182.9	124.8	171.3	116.9	141.1	96.3
Average	157.2	110.9	182.9	129.0	171.3	120.8	141.1	99.5
1972								
1st Quarter	157.2	106.2	182.9	123.5	171.3	115.7	141.1	95.3
2nd Quarter	157.2	104.6	182.9	121.7	171.3	114.0	141.1	93.9
3rd Quarter	157.2	103.3	182.9	120.2	171.3	112.6	141.1	92.7
4th Quarter	158.2	103.4	185.2	121.0	173.0	113.1	141.5	93.5
Average	157.4	104.4	183.4	121.6	171.7	113.8	141.2	93.6
Percentage change 1972 over 1971	+ 0.1	- 5.9	+ 0.3	- 5.7	+ 0.2	- 5.8	+ 0.1	- 5.9

Source: Central Bank of Ceylon.

(a) Combined index for clerical and technical employees, and minor employees.

Note The index numbers are calculated on fixed weights, based on the numbers employed as at September 30, 1959. The wage rate used in the calculations of index numbers are the initial salaries and wages and allowances in each representative scale.

Table II (I) 4 shows the annual and quarterly indices of wage rates and real wage rates of Government employees for 1971 and 1972.

The wage rates of technical and clerical employees, minor employees and school teachers remained unchanged during 1971, and up to November 1972. In December 1972, however, there was a rise in wage rates of Government employees as a result of the payment of a special allowance to monthly paid employees drawing less than Rs. 250/- a month in accordance with the Budget proposals.

The indices of wage rates for the last quarter of 1972 for all Government employees covered by this index showed an increase over any of the previous three quarters. On the other hand, the annual average indices of wage rates of all categories of workers, were slightly more in 1972 than the average for 1971.

In the case of Government school teachers and clerical employees the indices rose by 0.1 per cent while for minor employees it rose by 0.3 per cent.

The quarterly indices of real wage rates for technical and clerical employees, minor employees and school teachers were less in 1972 than the respective quarterly indices for 1971.

The annual average indices of real wages of all categories of workers were less in 1972 than in 1971. In the case of government school teachers and clerical employees the indices declined by 5.9 per cent while for minor employees the decline was by 5.7 per cent.

The following table shows the annual and quarterly indices of minimum wage rates for workers covered by certain Wages Boards in the private sector for 1971 and 1972.

TABLE II (I) 5
Minimum Wage Rate Index Numbers for Workers in
Wages Boards Trades (1952=100)

	Workers in Agriculture (a)		Workers in Industry and Commerce (b)		Workers in Wages Boards Trades (c)	
	Minimum Wage Rate Index	Real Wage rate Index	Minimum Wage Rate Index	Real Wage rate Index	Minimum Wage Rate Index	Real Wage rate Index
1971						
1st Quarter	140.7	101.1	175.2	126.0	144.3	103.8
2nd Quarter	140.8	100.3	175.6	125.1	144.6	103.0
3rd Quarter	141.3	99.9	175.7	124.2	145.1	102.1
4th Quarter	143.5	98.0	178.1	121.5	147.2	100.5
Average	141.9	99.8	176.1	124.2	145.3	102.0
1972						
1st Quarter	145.6	98.3	180.5	121.9	149.2	100.8
2nd Quarter	146.3	97.3	181.1	120.5	149.8	99.7
3rd Quarter	148.5	97.6	181.9	119.5	152.0	99.9
4th Quarter	153.6	100.3	182.5	119.3	156.5	102.3
Average	148.5	98.4	181.4	120.3	156.9	100.7
Percentage change 1972 over 1971	+ 4.7	- 1.4	+ 3.0	- 3.1	+ 8.0	- 1.3

Source: Department of Labour and Central Bank of Ceylon.

- (a) Covers tea growing and manufacturing, rubber growing and manufacturing and coconut growing trades only.
- (b) Covers coconut manufacturing, engineering, printing, match manufacturing, motor transport, dock, harbour, port transport, tea export, rubber export, cinema and building trades only.
- (c) Combined index for workers in Agriculture and workers in Industry and Commerce.

In 1972 the quarterly and annual average wage rate indices of private sector employees were higher than the indices for the previous year. The annual average index for workers in Agriculture recorded an increase of 4.7 per cent over the annual average for 1971; the average for 1972 is 148.5. The average wage rate index for workers in Industry and Commerce rose from 176.1 in 1971 to 181.4 in 1972 recording an increase of 3.0 per cent.

The rise in the indices particularly during the third quarter of 1972 for workers in Agriculture, Industry and Commerce and workers in Wages Boards Trades is also due to the payment of higher allowances in accordance with Section 4 (1) of the Interim Devaluation Allowance of Employees Act No. 40 of 1968¹.

The annual average real wage rate index for workers in Agriculture and Industry and Commerce, and Wages Boards Trader decreased by 1.4 per cent, 3.1 per cent and 1.3 per cent respectively in 1972.

The terms of the Collective Agreements signed in July 1971 in respect of workers in manual and labouring capacities in the Rubber Export, Motor Transport, Engineering, Printing, Tea Exports and Coir Mattresses and Bristle Fibre Export Trades were extended by an Order made on 1.2.72 by the Minister of Labour under the provision of the Industrial Disputes Act to all the employers engaged in these trades employing not less than 25 workmen. The salient features of these Agreements are the provisions for monthly consolidated wages on incremental scales, payment of gratuity for the period prior to the inauguration of the E. P. F., union "check-off", settlement of bonus, disputes, disputes and disciplinary proceedings.

The minimum rates of wages applicable to workers in the Brick and Tile Manufacturing Trade were consolidated with the increase of Rs. 1.35 per day while the minimum piece rates of wages applicable to the Cigar Manufacturing Trade were also increased by Rs. 2.00 with effect from 1.4.1972.

The minimum consolidated wages payable to workers in the Hosiery Manufacturing Trade have been increased by 50 cents with effect from 1.7.1972, while for workers in the Tobacco Trade the increase was made on the following basis:

Male Worker	.. 90 cents per day
Female Worker	.. 70 cents per day
Child Worker	.. 50 cents per day

In addition to the above, the Wages Board for the Tobacco Trade has granted 9 Public Holidays to the workers with full remuneration.

1. Under this Act, employees are paid devaluation allowance plus cost of living or special allowance frozen at their December 1967 values. This Act also provides that whenever the cost of living or special allowance payable according to the cost of living index exceeds the aggregate allowances payable under this Act, employees are entitled to receive the amount of the excess.

The minimum wages applicable to young workers and watchers in the Match Manufacturing Trade have been consolidated and increased with effect from 1st November 1972 in terms of the Gazette Notification of 27th October, 1972.

The Wages Board for the Coconut Growing Trade has increased the number of public holidays with remuneration from two days to four days with effect from 1st November 1972.

In addition to the existing wages an Interim Special Allowance payable to workers in the Plantation Sector came into effect from 1st November 1972 in terms of Section 4 of the Emergency (Plantation Workers' Additional Special Allowance) Regulation No. 1 of 1972. The workers are paid on the following basis:-

Male Worker	..	18 cents per day
Female Worker	..	12 cents per day

A new wage structure has also been formulated for managers and assistant managers of cinemas by the Wages Board for the Cinema Trade with effect from 1st November 1972. Managers and assistant managers within the Municipal Areas are paid a minimum consolidated wage of Rs. 450.00 per month and Rs. 285.00 per month respectively, while those outside the Municipal areas are paid Rs. 300.00 per month and Rs. 225.00 per month respectively.

The Minister of Finance announced in his Budget Speech that all monthly paid employees in the Public Service, State Corporations and Statutory Boards, drawing less than Rs. 180/- per month (all inclusive) will receive with effect from 1st December 1972 a special allowance to bring their monthly wage or salary to Rs. 180/- per month subject to a minimum allowance of Rs. 7.50 per month. Similarly all monthly paid employees in the wage/salary group from Rs. 180/- per month to Rs. 250/- per month (all inclusive) will receive a special allowance of Rs. 7.50 per month with marginal adjustments between Rs. 250/- per month and Rs. 257.50 per month all inclusive. It is estimated that about 320,000 monthly paid workers will benefit by this arrangement.