

THE  
LABOUR MOVEMENT AND  
LABOUR LEGISLATION IN CHINA

By

LIN TUNG-HAI, PH.D., J.D.

*Adviser to the Ministry of Industry and formerly Professor of  
Social Legislation, Yenching University, Peiping.*

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THE LABOUR MOVEMENT AND LABOUR  
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## FOREWORD

The past two decades have witnessed a tremendous change in the public estimation of, and attitude towards, labour. This does not mean that labour had no rightful place in the past; in fact, labour was held in high esteem, constituting one of the four social classes in China and occupying the third place in the social hierarchy of intellectuals, farmers, labourers, and merchants. But the social philosophy implied in this hierarchy was never to any large extent actually translated into the social and political institutions of the country, with the result that the Chinese working classes occupied a generally inferior social position in the past.

The Revolution of 1911 brought about a radical change in the structure of Chinese society, causing the general public to modify its attitude towards the workers, more particularly so since the reorganisation of the Kuo-Min Tang in 1924. In point of fact, legal protection of labour was practically unknown in China until the adoption by Kuo-Ming Tang of a labour policy in that year. Labour protection in the real sense of the term is the fruit of the teachings and work of Dr. Sun Yat-Sen, the founder of the Kuo-Min Tang and the Father of the Chinese Republic.

This book of Professor Lin Tung-Hai (Jefferson D.H. Lamb) is the result of many years of research and of teaching in various leading universities in China. The first comprehensive book on Chinese Labour, written with real expert knowledge, Dr. Lin's book should be of great value and interest not only to the specialised student of Chinese labour conditions, but also to the general public.

Nanking, May 1933

CHEN KUNG-PO,  
*Minister of Industry.*

## AUTHOR'S PREFACE

This work is an attempt to give an account of the conditions under which the Chinese wage-earners lived during the period 1912-1931, taking into consideration not only the economic, but also the social and political aspects. The Revolutionary Movement which has given rise to all the recent social movements, is brought out in its proper perspective, but the major part of the book is devoted to the study and analysis of the legislative enactments of the last eighteen years, more especially the period between 1924 and 1931.

The present volume is the outcome of the series of lectures delivered at Yenching University, Peiping, during my occupancy of the Chair of Social Legislation and of the research work undertaken under the Princeton-Yenching Foundation. The whole has been thoroughly edited and revised by Mr. T'ang Leang-Li, Editor of *The People's Tribune* and the China United Press *Series*.

LIN TUNG-HAI (Jefferson D. H. Lamb).

Nanking, March 1933.

## TABLE OF CONTENTS

	<i>Page</i>
FOREWORD <i>by Minister Chen Kung-Po</i> . . . . .	v
AUTHOR'S PREFACE . . . . .	vi

### CHAPTER I

THE HISTORICAL AND INTERNATIONAL BACKGROUND. . . . .	1
A. THE INTERNATIONAL BACKGROUND, p.1; Effects of the Industrial Revolution, p.1; The Rise of Modern Labour Legislation, p.3;	
B. THE IMPACT OF THE WEST, p.7. The Nature of the Chinese Reform Movement, p.7; Foreign Capitalism in China, p.8; The Influence of the British Labour Movement, p.9; The Influence of the International Labour Movement, p.10; The Influence of the Soviet Union, p.13;	
C. DOMESTIC INFLUENCES, p.14. The Effects of the Republican Revolution, p.14; The Student Movement, p.14;	
TABLE: <i>China's Population and Her Main Industries</i> , p.23.	

### CHAPTER II

THE REVOLUTIONARY MOVEMENT . . . . .	25
A. THE SIGNIFICANCE OF THE KUO-MIN TANG, p.25. The Development of the Kuo-Min Tang, p.25; Chaos and Confusion, p.27; The Revival of the Kuo-Min Tang, p.29;	
B. THE ORIGIN OF THE REVOLUTION, p.30. The Pre-Republican Insurrections, p.30;	

## TABLE OF CONTENTS

Page

- Wang Ching-Wei's Attempt on the Prince Regent, p.36;  
The Seventy-two Martyrs, p.37;  
C. THE REPUBLICAN REVOLUTION, p.38.  
D. THE SECOND REVOLUTION, p.41.  
E. THE THIRD REVOLUTION, p.42.  
F. THE SOUTHERN GOVERNMENT, p.43.  
Dr. Sun as President of the Republic, p.43;  
The Reorganisation of the Kuo-Min Tang, p.43;

### CHAPTER III

#### INDUSTRIAL CONDITIONS AND POSITION OF THE WORKERS. . . 45

- A. GENERAL STATEMENT, p.45.  
The Supply of Labour, p.45;  
Low Wages and High Cost of Production, p.47;  
The Woman as a Wage Earner, p.48;  
The Exploitation of Child Labour, p.51;  
Relative Wages of Man, Woman and Child, 53;  
B. LABOUR STATISTICS, p.53.  
Sources of Information, p.53;  
The Wage-Earning Population, p.56;  
The Distribution of Workers, p.58;  
The Number of Industrial Establishments, p.61;  
The Size of the Industrial Establishments, p.65;  
C. SCALE OF WAGES, p.66.  
Analysis of Daily, Monthly and Yearly Wages, p.66;  
Average Daily Wages During Period 1915-1930, p.72;  
Wages in Government Establishments, p.74;  
D. HOURS OF LABOUR, 75.  
E. STANDARD OF LIVING, p.77.  
Family Incomes and Expenditures, p.77.  
Real Wages and Money Wages, p.82;

# TABLE OF CONTENTS

Page

F. LABOUR AS A SOCIAL FACTOR, p.82.

Trade Unions as an Established Institution, p.82;

The Settlement of Labour Disputes, p.84;

## TABLES:

- I. *Industrial Establishments and Workers in 1915*, p.55;
  - II. *Number of Wage-Earners in China*, p.57;
  - III. *Distribution of Workers (1915)*, p.59;
  - IV. *Number of Factory Workers in 30 Industrial Cities (1930)*, p.60;
  - V. *Number of Modern Factories*, p.61;
  - VI. *Number of Factories and Workshops*, p.62;
  - VII. *Labour and Production*, p.63;
  - VIII. *Distribution of Workers and Size of Establishment*, p.64;
  - IX.(A) *Daily Wages in the Various Industries (1919)*, p.67;
  - IX.(B) *Average Wages in the Textile Industry (1920)*, p.68;
  - IX.(C) *Daily Wages of Male and Female Workers (1919-1920)*, p.69;
  - X. *Average Monthly Wages in 30 Industrial Cities (1930)*, p.70;
  - XI. *Daily Wages in Government Establishment (1920)*, p.74;
  - XII. *Daily Hours of Labour in 1920 and in 1930*, p.76;
  - XIII. *Rest Days and Holidays (1930)*, p.78;
  - XIV. *Family Incomes and Expenditures (1926-1930)*, p.79;
  - XV. *Index Numbers of Wages and Prices*, p.81;
  - XVI. *Labour Unions and Organised Workers in BT Cities (1930)*, p.83;
- GRAPH: *Development of Average Wages During The Period of 1915-1930*, p.71.

# TABLE OF CONTENTS

*Page*

- Regulations Governing Railway Employees, p.203;
- The Fishery Law, p.205;
- Fishermen's Union Law, p.209;
- Law on Collective Agreements, p.211;

## CHAPTER XI

- THE ADMINISTRATION OF LABOUR LAWS** . . . . . 218
  - Difficulties of Enforcement, p.218;
  - The Experience of the West, p.218;
  - The Necessary Conditions, p.220.

## CHAPTER XII

- CONCLUSION** . . . . . 229
  - A. **THE DOMESTIC AND MACHINE INDUSTRIES**, p.229.
    - The Domestic System, p.229;
    - The Industrial Revolution and the Factory System, p.232;
  - B. **THE LABOUR MOVEMENT**, p.233.
  - C. **LABOUR LEGISLATION**, p.234.
    - The Underlying Principles, p.234;
    - Suggestions for the Future, p.244;

# THE LABOUR MOVEMENT AND LABOUR LEGISLATION IN CHINA

## CHAPTER I

### THE HISTORICAL AND INTERNATIONAL BACKGROUND

#### A. THE INTERNATIONAL BACKGROUND

##### EFFECTS OF THE INDUSTRIAL REVOLUTION

Prior to the Industrial Revolution trade or labour unions in the modern sense of the term did not exist; it was not until long after the rise of the factory system—which brought about so many glaring evils in industry—that the workers began to think of concerted action against industrial hazards. As a result of the Industrial Revolution, the handicraft system of industry gradually disappeared, for hand-made goods could not compete with machine-made goods, either in appearance or in price. Thus three great social changes took place. The first change was the shift of population from rural to urban districts, resulting in the concentration of population in the industrial centres. The second was the change from a simple rural community life to the complex urban life, which caused a good deal of confusion and dissatisfaction not only among the new-comers themselves but also in the community at large. The third change was the change from the relatively independent craftsman, or farmer, to the absolutely dependent wage-earner. These changes created new problems, there were housing difficulties and all kinds of health problems, and further the problem of crime and vice, and the increasing cost of living. In addition to all these unfavourable changes, there gradually developed an impersonal relation in modern industry, which subsequently created a great deal of

misunderstanding and antagonism. There arose a class-consciousness, which gradually developed into a class struggle. The capitalists, who controlled industry by virtue of their capital invested, desired greater profits; while the workers, who depended upon employers for a living, struggled for higher wages to improve their standard of life. The recognition of labour as one of the three indispensable and fundamental elements of modern economic life—capital, land, and labour—further intensified the struggle between capital and labour.

In addition, social hazards, such as industrial accidents, low wages, long hours of work, unsanitary conditions, occupational diseases, sickness, exploitation of female and child workers by unscrupulous employers, and so forth, became evils engrained in modern large-scale industry. The workers became conscious of the fact that they existed distinctly as a social class; they perceived the lack of social justice; they realised that social equality and economic liberty could not be secured unless they were organised; thus, a definite labour movement came into existence, especially after 1870 in England, 1884 in France, 1886 in the United States, 1890 in Germany, while after 1900 other countries followed suit one after another.

But before the labour movement became any factor at all, many attempts were made by the various Governments to improve the conditions of employment. Indeed, the regulation of labour was by no means a nineteenth century theory or practice. Solon, the Greek statesman who lived during the 7th and the 6th century, B.C., had conceived the idea of labour regulation long before the Romans ever thought of framing a system of law, but his idea was not developed into any law of any social significance. This was due to the fact that the society in which he lived was not complex enough to demand such social action, which was not really essential to the life and happiness of the simple Greek community. There is no doubt, however, that the idea of labour regulation originated



in Greece and in Rome, where slavery played a most important role in the economic life of the people. But labour legislation in the strictest sense of the term may be said to have only originated in England during the fourteenth century, when the first labour law was enacted in 1349 for the purpose of eliminating mendicancy and vagrancy. This law prohibited the able-bodied beggars from begging on the streets, and, at the same time, protected the employers from demands for unreasonably high wages. By the middle of the fourteenth century regulations dealing with wages were adopted with a view to establishing a uniform rate of wages and with the object of fixing a uniform scale of prices for the necessities of life. From this time onwards many labour laws were passed, such as the Act of 1388, which may be considered as the first child labour law, the Act of 1405-1406 dealing with apprenticeship, the Statute of Labourers of 1562, the Labour Laws of 1711, 1720, and 1747, which provided for money wages for workers, established a 14-hour working day, fixed a definite amount of wages, and empowered justices of the peace to settle disputes between employers and employees.

#### THE RISE OF MODERN LABOUR LEGISLATION

Modern labour legislation, however, did not begin until the dawn of the nineteenth century. The first and the most important piece of factory legislation is the Health and Morals of Apprentices Act of 1802, which is the most significant development in the field of labour legislation, being, strictly speaking, the first child labour law in the world. This Act provides for a 12-hour day instead of 16 or 18, as was the rule, and also provides for educational opportunities for the apprentices; it prohibits night work for children and institutes a system of government inspection. The Acts of 1825 and 1831 relating to the hours of labour are equally significant, but the most important period of the development of labour legislation in England is from 1834 onwards, in the United States from 1836, and particularly from 1844 onwards, in

France from 1841 onwards, in Germany from 1881 onwards, in Japan from 1911 onwards, and in China from 1923 onwards. In England, the formation of the Royal Commission of 1831 subsequently led to the establishment of a machinery for the administration of labour laws in 1834, while the Amending Act of 1841 led to the passage of the Law of 1844 dealing with the employment of women and fixing the 12-hours working day for young persons and women. More important still is the enactment of the Ten-Hour Act in 1847.

Many nations, principally European, benefited, in facing their social problems, from the English experience. This is particularly true with respect to industrial legislation and problems. For England was the birthplace of the Industrial Revolution and it was from England that this Industrial Revolution has spread all over the world. Thus it is also natural that from England came the great contributions to the world in the field of social legislation. In the movement for a shorter working day, for example, England passed the first Ten-Hour Act in 1847 after nearly thirty years of struggle. The first Ten-Hour Act was also enacted in New Hampshire, in the United States of America, in the same year. It was only then that other States followed suit. But even to-day there are many States which have still no ten-hour day law. More significant, however, is the Eight-Hour Day Movement which has resulted in the adoption of the eight-hour system by trade agreements in Great Britain and in Germany, and, in the passage of the Eight-Hour Law by New Zealand in 1908, Australia in 1912, Switzerland in 1914, Poland, Austria, Germany, and Czechoslovakia in 1918, Sweden, The Netherlands, and France in 1919, Norway in 1920, Belgium in 1921, Italy and Canada in 1923, etc., while several of the States in the American Union have for some years also been under the eight-hour system.

The same is true of the movement for a minimum wage which has resulted in the enactment of the minimum wage legislation in New Zealand as early as 1894 and in Victoria

in 1896. During the first decade of the present century minimum wage legislation was also passed in South Australia, New South Wales, Queensland, and Tasmania. In England, the Trade Boards Act of 1909 provided that wage boards might be established for the fixing of a minimum wage. In 1912 the first American minimum wage legislation was passed by the State of Massachusetts, after which other States followed suit one after another.

There is then the development of legislation relating to industrial conciliation and arbitration, which was first adopted by Switzerland as early as 1882, Belgium in 1887, the United States in 1888, Australia and France in 1892, the United Kingdom in 1896, Canada in 1900, Sweden in 1906, Denmark in 1910, Norway in 1916, Austria in 1919, Colombia in 1920, Spain in 1923, Italy in 1923, Germany in 1924, Finland in 1926 and so on.

The development of social insurance is another significant step in the history of social legislation. Social insurance dates back to 1884 when the first compensation act was passed by the Reichstag in Germany. Insurance against industrial accident, sickness, death, unemployment, and old age is a comparatively recent development, which is gradually superseding the system of charity or poor relief. The German system of social insurance adopted in 1883 and 1884 and put into operation in 1885 has repeatedly been modified and extended until it now covers practically every industry in the German Republic, while the Unemployment Insurance Acts of 1927 and 1929 complete the history of social insurance in that country.

By 1925 compulsory social insurance legislation was enacted in Sweden, Norway, Denmark, Switzerland, France, Austria, Hungary, Great Britain, the United States, Rumania, Russia, Poland, Bulgaria, and a number of other States. In other words, social insurance has practically been internationalized.

that, until 1926, it has never been sufficiently strong to cause the direct enactment of laws in the interest of the labouring classes. All successful social movements, however, are subject to a process of evolution, and to this our social movements are no exception, having their origin in some other movements of similar character.

#### INFLUENCE OF THE BRITISH LABOUR MOVEMENT

Western movements for social reform and betterment have had a profound influence on Chinese social thought. But the one that has had the greatest and most positive influence upon Chinese industrial life has been the British Labour Movement which, undoubtedly, is closely connected with the rise of a true democracy in England. England paid heavily for her democracy by reason of the feudalism that had held sway in that country for centuries, and did not really disappear until the end of the seventeenth century. Yet the decline of feudalism meant in no wise the dawn of democracy; it simply meant the end of villeinage: farm labourers were, in the eyes of the law, no longer regarded as bondmen but as free farmers. Indeed, the abolition of slavery in England was not accomplished in a single decade, but many centuries. By studying the English experience the Chinese Republic may thus richly profit in her own fighting for a true democracy.

The crowning success of the British Labour Movement is due to the practicable programme of the British Labour Party, a federation of trade unionists, socialists, and members of the co-operative societies. Many of the leading members of the party are intellectuals, such as Arthur Henderson, J. Ramsay MacDonald and Sidney Webb, and have exerted a dominant influence on the Party platform, the main points in which are (1) Universal Enforcement of the National Minimum, (2) Democratic Control of Industry, (3) Revolutionising National Finances; and (4) Redistribution of Surplus Wealth. The demand for a national minimum wage is significant, for a national minimum gives the workers unconditional pro-

movements for social reform gained in prestige and in power, giving rise to various mass movements, notably the labour movement. In all this, however, it is well to consider that the labour movement in China is by no means self sufficient, independent of foreign factors and influences. In this background, it may therefore be useful for us to dwell more in detail upon a few of the outstanding foreign influences upon the development of labour legislation in the Republic of China.

#### FOREIGN CAPITALISM IN CHINA

Foreign capitalism first succeeded in obtaining a foothold in China only as a result of the so-called Opium War of 1840, as a consequence of which the five treaty ports, Canton, Amoy, Foochow, Ningpo, and Shanghai, were opened to foreign trade. There can be no doubt that foreign capitalism in China has played a very important role in bringing about the various social movements, particularly the labour movement which, however, in spite of the early foreign influences, did not take hold of the workers' minds until comparatively recent years. As in the West, the labour movement in China was brought about by the factory system and is a direct result of the Industrial Revolution. But unlike in the West, the Chinese labour movement prior to 1925 had practically no political, social, and economic significance, differing from the labour movement in the West—Germany and England in particular—herein that this latter has always been political in nature and social as well as economic in form, inasmuch as the only way by which the Western people can accomplish their object has been by the action of the legislature, which necessitates having their own direct representatives in the Parliament, Reichstag, or Congress.

As in France, the Chinese labour movement is an outgrowth of the Political Revolution which is responsible for, and is the origin of, the majority of all recent movements in China. It differs from the French experience, however, in

tection against the insidious degradation of the workers' standard of life. The same is true of industrial democracy which the British workers have, to a large extent, succeeded in building up, and of which the inauguration of the Joint Industrial Council is a good example. The British workers have thus gone a long way in reaching their goal, especially in the fulfilment of their political wishes. In the solution of her own social problem—notably the problem of the people's livelihood and in the attempt to adopt the best possible method to improve her own conditions—which, in many respects, are similar to those which existed in the sixteenth, seventeenth and eighteenth centuries in England, English empiricism may therefore usefully serve China as guide.

#### INFLUENCE OF THE INTERNATIONAL LABOUR MOVEMENT

By the end of the nineteenth century some national problems and even some national movements became international. This is true particularly in respect to the labour movement which began to have international significance in 1864. Thus the International Labour Movement has a great deal to do with our own labour movement, despite the fact that China had no direct connection with the International Labour Movement until the first International Labour Conference held at Washington on October 19, 1919. It is not yet the time to evaluate the influence of the International Labour Movement on the national Labour Movement in China where there are only a million and a half factory workers out of a 450 million population. To have the co-operation of a million and a half workers is by no means to secure the support of the Chinese people, but the fact remains that the labour movement in China—perhaps partly due to Russian influence—has not only awakened the interest of the million and a half factory workers, but it has also aroused the attention of other working classes, of the domestic servants, the agricultural labourers, the ricksha coolies, and so on, thus creating a situation in China in which social or class conscious-

ness is so strong that it is impossible for the Government to ignore. Social consciousness is in no case brought about by a single incident, but is the result of an age long suffering and oppression—the effect of a series of events covering a period of many years.

One of the main objects of the International Labour Movement is the establishment of the international minimum standard. Thus the Organizing Committee of the First Session of the International Labour Conference prepared several printed reports dealing with the following five subjects specified in the Versailles Peace Treaty: (1) the application of the principle of the 8-hour day or the 48-hour week; (2) the provision for prevention of unemployment; (3) the prohibition of employment of women before and after childbirth, the question of maternity benefit, the prohibition of night and unhealthy work; (4) the employment of children with reference to the restriction of age and the prohibition of night and dangerous work; (5) the extension and application of the International Convention adopted at Berne in 1906 on the prohibition of night work for women, and the prohibition of the use of white phosphorus in the manufacture of matches.<sup>1</sup>

Since the inception of the International Labour Office fourteen conferences have been held in various places, many resolutions have been adopted and draft conventions passed with the object of standardizing labour conditions on an international scale. Apart from the restrictions on the employment of women just before and immediately after confinement, on night and dangerous work, the prohibition of child labour, and the eight-hour working day for men, practically all important questions concerning labour have been discussed. Among the noteworthy resolutions and draft conventions adopted during the past eleven years are the following:

(1) The Resolutions concerning Factory Inspection were adopted at the Fifth Session in Geneva on October 22-29, 1923. The entire Conference was devoted to the

<sup>1</sup> See American Labour Legislation Review, 1919, pp. 529-538.

## 12 LABOUR MOVEMENT AND LEGISLATION IN CHINA

question of factory inspection without which it is impossible to secure the enforcement of the laws and regulations for the protection of labour. The general principles relating to the organization of the system of factory inspection deals with (a) the scope of inspection; (b) the functions and powers of inspectors; (c) the organization of inspection; and (d) the inspectors' reports.<sup>1</sup>

(2) The Draft Convention relating to Workmen's Compensation for Accident was adopted at the Seventh Session in 1925.

(3) The Draft Convention concerning Sickness Insurance was adopted at the Tenth Session in 1927.

(4) The Draft Convention concerning the creation of a Minimum Wage Fixing Machinery was adopted at the Eleventh Session during May 30th and June 16th, 1928.

(5) The Draft Convention concerning the protection against Accidents of Workers in Loading or Unloading Ships was adopted at the Twelfth Session in June, 1929.

(6) The Draft Convention concerning Forced or Compulsory Labour was adopted at the Fourteenth Session in June, 1930.

Obviously, the chief purpose of the International Labour Office, of which China is a member, is to internationalize the conditions of work by the adoption of universal standards according to which national legislation should be made. The results and decisions of the successive conferences since the first International Labour Conference held in Washington, 1919, are rapidly constituting an international code of labour legislation, and this international code is now being enacted in the national legislation of many countries. Thus is China influenced by this movement for international standards.

However, before the first International Labour Conference was held the Americans had already conceived the idea for international labour protection. The following resolution was adopted by the American Association for Labour Legislation at its annual meeting held in Richmond, Virginia, on December 28, 1918.

<sup>1</sup> International Labour Review, 1932, pp. 804-809.



## A PROGRAMME OF MINIMUM STANDARDS\*

WHEREAS, Maladjustments from which wage-earners suffer, such as inadequate wages, excessive hours of work, unemployment, and industrial accident and disease, are not confined to any one country; and

WHEREAS, These international evils know no frontiers, and national action against them needs to be supplemented and fortified by common agreement on minimum standards of labour conditions below which no person should be required or permitted to work; therefore, be it

RESOLVED. That the American Association for Labour Legislation urge that in international agreements there be incorporated minimum protective labour guarantees, including:

(1) The principle of the living wage; (2) Three-shift system in continuous industries and one day's rest in seven in all occupations; (3) Regulation of working hours for women and young persons, and prohibition of night work by them; (4) Prohibition of child labour; (5) Establishment of public employment offices and use of public work to prevent unemployment during the period of demobilization and other comparatively slack times; (6) Safety and sanitary devices in industry and in transportation by land and water, including interantional use of automatic couplers on railroad trains, and the extension of the Seamen's Art; (7) Comprehensive systems of social insurance against accident, sickness, unemployment, old age, invalidity, and death; (8) Provisions for collection and publication of comparative Labour statistics through the International Association for Labour Legislation and for the enforcement of international labour regulations through a League of Nations.

## THE INFLUENCE OF THE SOVIET UNION

The influence of Soviet Russia on the development movement in China did not begin with the coming of Michael Borodin to China in 1923, but with the Russian Revolution following the World War. The success of the Russian Revolution and the work of Lenin and Trotzky had a great influence on the working classes who were always ready to work for a higher standard of life. Only the influence of the Russian Revolution would have disappeared, had it

\*American Labour Legislation Review, 1924, p. 183.

not been for the work of Michael Borodin who was not only a master propagandist but who also thoroughly understood the aspirations of the Chinese people. His work in arousing the workers and farmers had a good deal to do with the demand for social legislation, for the protection of the working classes, and for the prevention of destitution in general.

These various foreign movements have, obviously, directly and indirectly, a tremendous influence on the Chinese movement for the due recognition of workers' social personality.

### C. DOMESTIC INFLUENCES

#### THE EFFECTS OF THE REPUBLICAN REVOLUTION

The Republican Revolution was a struggle for political liberty and personal freedom; it was also the turning point in Chinese history in the matter of social, political, and economic construction. The work has been slow indeed, but the effect of the Revolution cannot be overestimated, the general opinion since the first Revolution being that *revolution* holds the key to the solution of all existing social problems. The idea has been strengthened by the success of the Revolution of 1926, and has been proved true so far as social reconstruction is concerned. To talk about the freedom of speech, the right of assembly, the liberty of the press, the franchise or equality of citizenship alone will however not satisfy human wants. The hungry must first be fed before political liberty has any true meaning. The chief purpose of the first Revolution was to set all people free from their social, political, and economic bondage, and its apparent success had a profound psychological effect on the people as a whole. As a result, social movements for reform started one after another.

#### THE STUDENT MOVEMENT

The Student Movement of 1919 arose at Peking as a protest against the Versailles Peace Conference for handing over the control of a portion of the territory within the Republic of China to Japan. The movement spread with great rapidity all over the Republic, with every class of people parti-

icipating. From the social point of view this movement is of the greatest importance in that it gave an impetus to, and in fact originated, the Labour Movement in China which began to make itself felt about 1920, even if the National Labour Conference was not held until 1922 in the City of Canton—the birth-place of most of the modern movements for social reform through legislation.

Now, of all social movements in China the most effective and widespread is the Labour Movement. A movement for a living wage, a shorter working-day, and the democratic control of industry took place in the first year of the Republic (1912), but this movement did not take any root and disappeared as the years went by. It was not until about a decade after that it really took hold of the workers' minds, and it was only after the first National Labour Conference of 1922 that the Labour Movement spread so rapidly in China that it actually prepared the way for the National Revolution of 1925. The causes of industrial conflicts for the last five years are sufficient to justify the workers' struggle for recognition of their social personality, these causes being (1) low wages, (2) long hours, (3) summary dismissals, (4) absence of compensation for sickness, injury, and death, and (5) maltreatment of various kinds. Among the principal demands of over 1,000 strikes which took place in different parts of China ten are of great social significance—namely, (1) increase of wages, (2) shorter working day, (3) one day a week for rest besides the legal holidays, (4) New Year's vacation, (5) special vacation for women workers before and after childbirth (6) prohibition of child labour, (7) prohibition of night work, (8) compensation for sickness, injury, and death. (9) recognition of the workers' right to form unions, and (10) free education for the employees' children. These demands being by no means unreasonable, form the basis of the present Chinese labour laws.

## THE INFLUENCE OF DR. SUN AND THE KUO-MIN TANG

No serious study of the Chinese Labour Movement can ignore the important role which Dr. Sun Yat-Sen, the Father of the Chinese Republic, has played in the shaping and guiding of the Movement and whose doctrines—of equal opportunity for all—are embodied in the programme of the Kuo-Min Tang, the Party which now guides and controls the Chinese governmental institutions. These doctrines Dr. Sun expounded—in a popular way—in an address entitled “The Workers’ Way to Save the Country,” which he delivered on Labour Day, i.e. May 1, of 1924, at the invitation of the various labour organisations of Canton. On this occasion, Dr. Sun began by saying that May First—set aside as an International Labour Day—originated in the United States in 1885 when, on May 1 of that year, the American workers paraded in the streets of many principal cities, demanding an eight-hour working day and a better treatment, including rest days and educational privileges. This movement for a shorter working day and for fair treatment, subsequently spread to Europe, the European workers following the example of the American workers and demanding the same treatment and privileges as had been secured by the American workers. Gradually, all the workers in the countries of the world commemorated May First as their Labour Day!<sup>1</sup>

The Chinese workers of to-day also follow the example of the workers of other countries and co-operate with them in commemorating Labour Day. In Dr. Sun’s opinion this is significant, but more important is for the Chinese workers to be conscious of their own position: And, in order to understand their own position, they must first know the international position of China. Now China today is the poorest and weakest nation of the world, oppressed by the Great Powers, and in a condition of slavery similar to that of Korea and Annam. The Koreans are slaves to Japan and

<sup>1</sup> First Monday in September is now Labour Day in the United States.

the Annamese to France. But whether they are slaves to the Japanese or to the French, they are slaves only to one single and powerful nation; but we Chinese are slaves to many Great Powers. All the nations in treaty-relations with China were virtually her masters. They made loans to the Manchu Government who in return consented to all kinds of unequal treaties, thus disposing of China's sovereign rights, and selling, so to speak, the Chinese to the foreign Powers, the unequal treaties being in the nature of contracts of sale. The Revolution of 1911 released the Chinese from slavery to the Manchus, but the contracts of sale which the Manchus made with foreign Powers remained in force, with the result that the Chinese to-day are still the slaves to the foreign nations who have treaty-relations with China. The position of present-day China is, however, different from that of the pre-revolutionary period in that the Chinese were previously slaves to both the Manchus and the foreign nations, while now they are free from the bondage of the Manchus and are slaves only to the foreign Powers. But unlike the Koreans or the Annamese who have only one foreign master to serve, the Chinese have many masters to serve, all of whom are difficult to please. Obviously, our position is even weaker than that of the Koreans or the Annamese, and, if China's position is weak, the Chinese workers' position is naturally weaker.

The next important fact pointed out in Dr. Sun's lecture is the significance of organised effort and protective legislation. The Chinese workers, he says, are also following the example of Western workers in organising unions to promote and protect their interests. Henceforth Chinese workers should make up their mind and exert their energy to form labour organisations as the Western workers have done. Every civilised, well-governed, nation has big labour organisations and labour laws for the protection of the workers' interest. But this kind of protection can only be found in civilised countries, for despotic governments have not given the workers the privilege of organising unions, far less enacted legislation for their pro-

tection. The question now arises why should they organise unions. The principal object of the labour organisations is to obtain from the capitalists a higher status for the workers in the industrial world, who are, even in an enlightened country, still not treated on a basis of equality. On the whole, the capitalists are opposed to the interests of the wage-earners; hence the workers of the world must co-operate and be organised in order to force the capitalists to recognise their social personality.

As a result of the Industrial Revolution, large-scale industry has replaced everywhere the handicraft industries, requiring large capitals and bringing about, with the mass production, also all the evils and abuse of power inherent in unregulated, predatory, capitalism. But although the foreign wage-earners are in general oppressed by the capitalists, they are usually also protected by law. Government protection and intervention, however, cannot prevent the wage-earners from being maltreated and exploited, which is a direct result of capitalist machine-industry. But in China machine-industry has not yet been highly developed, and Chinese capitalists are not comparable to the capitalists in the highly industrialised countries; hence Chinese workers are not so much oppressed by the native capitalists, who are small and relatively powerless, as by the foreign capitalists. Hence the position of workers in China is not the same as that of workers in foreign countries.

How do we know that Chinese workers are oppressed by foreign capitalists? Ordinary workers in China, owing to their lack of insight, are usually not aware of the source of their sufferings, brought about by the introduction of foreign goods, which thus becomes a means of exploiting the Chinese workers. On the other hand, the Chinese Government not only neglects the workers, but, on the contrary, protects foreign goods. And this indirect protection of foreign products becomes the direct protection of foreign capitalists. And how do we know this? We can discern this from the Chinese Maritime Customs, the administration of which is in the hands

of foreigners as a direct result of the unequal treaties. Foreigners collect customs duties the amount of which we cannot question. As regards customs administration in foreign countries, they have generally a system of protective tariff which means duty free for all exported goods but high duties for all imported goods. Native industry and goods are so protected by this high tariff wall, and consequently native goods are sold everywhere at low prices, whereas imported products are extremely dear on account of heavy duties. This direct protection of native industry and native goods is, in reality, the indirect protection of the workers. Therefore, the loss of tariff autonomy is the loss of the right of protection of native industry and goods, inasmuch as once the doors are open, foreign goods will pour into all parts of the country, as people in general only care for low prices, irrespective of the place where the goods are made. Gradually the merchants do not sell native goods because they are not in such a great demand as the foreign goods, which so take the place of the native goods. As a result, native industry cannot be developed, with evil effects on the wage-earners.

Prior to the adoption of the Open-Door policy, Chinese workers could cultivate their lands, make their own clothes, and supply themselves with all the necessaries of life. Now since the tariff administration is in the hands of the foreigners, our door of protection is automatically destroyed, and we have not been able to supply our own needs. Moreover, not only have foreign goods flooded the market, but foreign banks have also been established with foreign bank notes circulating all over China. This means that our own bank notes are being replaced by foreign bank notes which automatically lower the value of our currency. Hence, speaking from the standpoint of earning a living, we are economically oppressed and exploited by foreign powers. Nominally, China is an independent country, but, in reality, she is a colony of the foreign Powers under the pressure of whose economic oppression Chinese workers have no way of earning a proper livelihood.

Commercial relations should be based on mutual interest. Now the fact is that, ever since China entered into commercial relations with the foreign Powers, imports have always exceeded exports. The annual excess of imports over exports now amounts to upwards of \$500,000,000, which amount may be regarded as the loss of 500 million dollars wages on the part of the workers. In point of fact, not only are our workers economically oppressed by foreign capital, but even educated people, farmers, and merchants are also affected by the economic domination of the foreign Powers.

Since we are under the economic bondage of foreign Powers, what have we to do to free ourselves from such a bondage? Chinese workers must, first of all, follow the example of workers in foreign countries to maintain and strengthen their position. Indeed, every civilised nation has enacted legislation for the protection of labour, and hence the workers do not have to worry about protection. As a result, the workers are in a strong position to secure what they want. Even in a less enlightened country, they can, if well organised, also elevate their position. For instance, the despotic Czar of Russia was defeated by organised labour a few years ago and, after the abdication of the Czar, a new form of government based on the dictatorship of the workers was established, making the Russian capitalists politically powerless.

The same is true of the British workers. The British Labour Party is now in control of the Government (1924). The Cabinet is composed of Labour leaders. Similarly, workers in other countries have acquired power and have elevated their position step by step, and hence they can all solve their own problems by themselves. If Chinese workers follow the example of foreign workers and form proper organizations with an object of solving the internal problems, and of defeating the capitalists at the inception of the Industrial Revolution, they can easily succeed. But after the internal



question is settled, we must co-operate and eliminate the economic exploitation of the foreign Powers.

Generally speaking, Chinese capitalists have not enough power to oppress the workers; hence what the workers do suffer from is really the foreign economic aggression and oppression. In order to put an end to foreign economic exploitation the first step is to recover tariff autonomy, but in order to recover our tariff autonomy we must first abolish the unequal treaties, and organise all our efforts to this end.

The last point in Dr. Sun's address concerns the duty of the workers as citizens of the Republic. The workers not only owe their duty to their own organisation, but they owe a greater duty to the country at large. After they are organised they must perform their duty as citizens of the Republic to elevate the position of China so that she may become one of the strong nations of the world. If this is done, the workers will not only be free and their position as strong as that of workers of any civilised country, but they will become first class citizens of the world. On the other hand, if China cannot become a leading nation, the Chinese workers will continue to be the slaves of the foreign Powers. They must therefore co-operate with the workers in the other foreign countries in a common struggle against foreign capitalist exploitation.

Dr. Sun's ideas, expounded in greater detail in the *San Min Chu I* (or *Three People's Principles*) and in the *Chien Kuo Fang Lueh* (or *Plans for National Reconstruction*), find their concrete expression in the Kuo-Min Tang programme which forms the basis of all present day Chinese legislation. This programme, first enunciated at the First National Congress of the Kuo-Min Tang, calls for the improvement of the conditions of farmers and labourers—for a 25 percent reduction of agricultural rents and the abolition of illegal taxes, the grant of loans to farmers at low rates of interest, the establishment of Government subsidised co-operative societies, the adoption of adequate measure for famine relief, the reclamation of waste

land, the formation of Farmers' Unions, the enactment of protective labour laws, the recognition of the right to form labour unions and the right to strike, the abolition of the contract system, the payment of higher wages with shorter hours of work and holidays with full pay, the establishment of a system of social insurance, the establishment of courts of industrial arbitration, the institution of an employers' responsibility for the education of employees, the improvement of housing and sanitary conditions, and so on. New laws have thus been recently drafted and promulgated in gradual fulfilment of the wishes of the masses of the people and in putting Dr. Sun's principles into actual practice.

But the machine-industry in China being still in its infancy, the question arises: What industrial potentialities are there? Is industrialization or agricultural development more urgent for China? How can a higher standard of life be made possible in view of her enormous population? Undoubtedly, there is only one answer to all these questions; China has great industrial potentialities and it is through industrialization—which is an important as agricultural development—that a much higher standard of life can be attained.

With the proper development and modernisation of her leading industries, as shown in the table on page 23, China should be able to raise the standard of life of her people, the majority of whom are living below the poverty standard. For China, with a population of over 450 millions, has a total area of 4,781,815 square miles, or on the average only 100 persons per square mile, and the simultaneous large-scale development of her industry and agriculture will enable her to overcome the periodic shortage of food supplies and increase the standard of life by lowering the cost of living.

But with the development of her leading domestic industries, China will undoubtedly experience similar industrial disputes as in other industrial countries, and unless proper measures of protective legislation are taken to cope with industrial evils at the very inception of the factory system, her in-

## CHINA'S POPULATION AND HER MAIN INDUSTRIES

PROVINCE	POPULATION	INDUSTRIES
Anhwei	21,715,396	Paper, rice and flour coal mining.
Chahar	2,014,858	Pastoral, and minerals.
Clekiang	20,715,231	Silk and cotton, copper ware, brewing.
Chinghai	4,599,364	Pastoral and mineral resources.
Fukien	16,942,144	Lacquer, paper, pottery, tea, sugar.
Heilungkiang	3,417,250	Bean oil, lumber, skins and furs, iron and coal, tobacco and flour.
Honan	31,470,988	Coal mining and brick making.
Hopei	31,242,050	Rugs, soap, matches, candles, pottery, wool, jute, skin-cleaning.
Hunan	31,532,712	Mining, paper, grass-cloth and bamboo goods, embroideries.
Hupeh	26,724,482	Iron and steel works; cotton, flour, oil, and cigarettes.
Jehol	5,450,109	Stock-raising, skins, furs, wool.
Kansu	5,762,109	Tobacco, stock-raising, and wool.
Kiangsi	26,048,824	Porcelain, briquettes, grass-cloth.
Kiangsu	35,510,882	Silks, matches, glass, paper, oil, cigarettes, soap, candles; electrical, chemical, shipbuilding and engineering works; rice and eggs.
Kirin	6,999,057	Minerals and forestry.
Kwangsi	10,970,343	Silks, leather-tanning.
Kwangtung	34,876,507	Silk and cotton, porcelain, paper, matting, hosiery, hardwood furniture, ivory, embroideries, medicines, lacquer, jade, fish.
Kweichow	11,331,431	Mining.
Liaoning	15,974,825	Coal mining, skins, furs, flour.
Ninghsia	704,884	Pastoral, and minerals.
Shansi	12,302,800	Coal mining, cast-iron products.
Shantung	32,500,218	Straw products, peanut and bean-oil, coal and iron mining.
Shensi	11,684,564	Flour milling and stock-raising.
Sikang	13,888,249	Oil and stock-raising.
Sinkiang	2,575,289	Stock-raising, skins, furs, carpets.
Suiyuan	2,162,100	Stock-raising, skins, furs.
Szechwan	45,552,814	Stock-raising, hides, wool, drugs.
Yunnan	10,659,502	Mining.
China Proper (28 provinces)	474,629,027	
Mongolia	5,300,000	Silk, wood-oil, wool, tobacco, paper.
Tibet	5,234,359	Hides, wool, lamb skins, carpets.
Greater China	485,163,386	

dustrial development may be greatly hampered as was the case in some Western countries. Under the despotic rule of the Manchus, and their militarist successors during the first years of the Republic, however, it was impossible for the Chinese people to obtain the recognition of their right to a proper livelihood. In order, therefore, to reach the goal of economic freedom and equality of opportunity, the people must first be delivered from their political bondage. It is in this light that the Chinese National-Revolutionary Movement must be regarded.

## CHAPTER II

### THE REVOLUTIONARY MOVEMENT

#### A. THE SIGNIFICANCE OF THE KUO-MIN TANG

##### THE DEVELOPMENT OF THE KUO-MIN TANG

The Kuo-Min Tang of China—variously known abroad as the Nationalist Party, National People's Party, National-Revolutionary Party of China—has had a stormy history of over forty years. It began as the Hsing-Chung Hui (Society for the Regeneration of China), which developed successively into the Tung-Meng Hui (United League), the Kuo-Min Tang (National People's Party), the Chung-Hwa Ke-Ming Tang, (Chinese Revolutionary Party) and the Chung-Kuo Kuo-Min Tang (National People's Party of China). These various organisations were in essence one and the same party under the same revolutionary leaders, existing only at different times but with the same purpose, that is, the overthrow of the prevailing autocracy and the establishment of a democratic republic on the basis of the *Three People's Principles* and the *Five-Power Constitution* of Dr. Sun Yat-Sen.

The Hsing-Chung Hui was organised by Dr. Sun Yat-Sen in 1892 in the city of Macao following his graduation from a medical college in Hongkong. In order to carry on the activities of this Society, Dr. Sun established drug stores in Canton City, and Macao. In these centres of revolutionary activities his colleagues and followers gathered together and formulated plans.

<sup>1</sup> See *The History of the Kuo-Min Tang of China* by Hu Han-Min and Tsou Lu, (in Chinese) vol. I, chapters 1-5. Further, the Manifestoes of the Kuo-Min Tang and the early revolutionary societies compiled by the Central Executive Committee of the Kuo-Min Tang; *The Inner History of the Chinese Revolution* (in English,) by T'ang Leang-Li.

The Tung-Meng Hui came into existence in 1905 as the result of a merger of the Hsin-Chung Hui with two other revolutionary organisations. It had its headquarters in Japan where there were numerous Chinese students who became followers of Dr. Sun Yat-Sen, and further branches all over the world in important centres of Chinese Colonists. Politically speaking, China was at that time in the process of being partitioned by the foreign Powers, and unless therefore the Manchu regime could be overthrown there would be no hope for the 400,000,000 people. Socially, the Chinese were regarded as inferior to the Manchus who made them suffer all kinds of disabilities. Economically, the Chinese were hundreds of years behind the Western nations, and because of the autocracy of the Manchu regime they had no economic freedom and no opportunity to develop industry as a means of improving their standard of life. Realising the impossibility of developing China under an autocratic ruler, this Society aimed at putting an end to the Manchu dynasty and establishing a democracy which would guarantee not only political liberty but also equality of opportunity and economic freedom for all citizens.

The Kuo-Min Tang (National People's Party) was organised during the first year of the Republic (1912) at Peking, at that time the National Capital. It was a combination of five parties, namely, the Tung-Meng Hui (United League), the Kung-Ho Tang (Republican Party), the Kuo-Min Kung-Chin Hui (National Progressive Society), the Kung-Ho Shih-Chin Hui (Republican-Progressive Society), and the Kuo-Min-Kung Tang (National Party).

The Chung-Hua Ke-Ming Tang (Revolutionary Party of China) was organised by the adherents of Dr. Sun Yat-Sen in Japan in 1914 in opposition to Yuan Shih-Kai and his underlings, who, aiming at the restoration of the monarchy, had proscribed the Kuo-Min Tang and assassinated many of its leaders. After the creation of the Revolutionary Party in Tokyo Dr. Sun was elected "Tsung-li", or Party Leader, in

order that he might more effectively direct the revolutionary activities.

The Chung-Kuo Kuo-Min Tang (National-Revolutionary Party of China), or simply the Kuo-Min Tang, as it is known to-day, dates back to 1919 as a result of a change in the name of the Revolutionary Party. Now in order to understand the significance of the Kuo-Min Tang it is necessary for us to review in greater detail its political history so as to throw more light on the subject under discussion.

#### CHAOS AND CONFUSION

Shortly after the proclamation of the Republic at Nanking, Yuan Shih-Kai, Viceroy of the Provinces of Hunan and Hupeh, and Commander-in-Chief of the Imperial forces, was elected Provisional President of the Republic in succession to Dr. Sun who had resigned the Provisional Presidency in his favour as a reward for his co-operation in securing the abdication of the Manchu Emperor. And with Yuan's assumption of office, the National Capital was transferred from Nanking to Peking. But, unfortunately, Yuan Shih-Kai, as provisional President of the Republic was in an ambiguous position, inasmuch as in reality he was opposed to the Republic and desired to restore the Monarchy with himself as Emperor. The Kuo-Min Tang, reorganised with the object of securing a democratic, constitutional, government, had become by 1913 the most powerful political party in China and so incurred the enmity of President Yuan, who succeeded in securing the so-called "Reorganisation Loan" of £25,000,000 from the Six-Power Banking Consortium. With this loan, Yuan was able to defy the Kuo-Min Tang and so assassinated one of its leaders, Mr. Sung Chiao-Jen, the Speaker-Elect of Parliament.

Immediately after this crime, many of the Kuo-Min Tang leaders fled from the Capital, and the so-called Second Revolution began in the southern and central provinces aiming at the overthrow of Yuan. A presidential mandate was issued expelling the Kuo-Min Tang members from Parliament on the

ground of conspiracy; but as over half of the members of both houses of the Parliament were members of the Kuo-Min Tang, the expulsion automatically brought Parliament to an end by reason of the lack of a parliamentary quorum. The failure of the second revolution strengthened Yuan's position and opened the way for him to become emperor.

Japan meanwhile took advantage of the situation arising as a result of the European war, by asserting not only her "special privileges" in China in driving out the Germans from Kiaochow, but also by forcing the "21 Demands" upon China. Yuan Shih-Kai's failure to prevent the Japanese intervention in Chinese affairs frustrated his imperial ambitions, the more so, as another revolution broke out in the South, commonly known as the "Yunnan Revolt" and led by the famous general Tsai Ao as a protest against the restoration of the monarchy. In 1916, the Kuo-Min Tang repudiated Yuan Shih-Kai and established a provisional Government in Canton. Li Yuan-Hung, the Vice-President, was elected to the Presidency. Meanwhile Yuan Shih-Kai died, making the chances of restoring the central government brighter than ever. The Kuo-Min Tang leaders returned once more again to power as members of Parliament; but, unfortunately there developed a dispute between the President and the Premier (Tuan Chi-Jui) chiefly because of party affiliations and differences of policy. The President's party was composed of many Kuo-Min Tang leaders, while the Premier's party, consisted mostly of northern military governors, who demanded the dissolution of Parliament. Instead of meeting the demand of these militarists the President dismissed Premier Tuan Chi-Jui, who secretly fled to Tientsin, where he and his adherents organised the so-called "Provisional Government" in direct opposition to President Li Yuan-Hung, who was finally forced to yield, and dissolve Parliament by presidential mandate in 1917. The Kuo-Min Tang leaders fled from the Capital to the South, principally to Shanghai and Canton, and in the same year they established a Military Government in Canton City, which subsequently,



in 1920, became known as a National Government. From 1917 down to the unification of China in 1928, there were thus two Governments in China, one in Peking, the other in Canton. The northern Government was under the control of the militarists, the southern Government, of the Kuo-Min Tang.

### THE REVIVAL OF THE KUO-MIN TANG

The sphere of influence of the Kuo-Min Tang, from its revival or restoration to power in 1917 to its reorganisation in 1924, was limited. The southern Republic was nominally composed of six provinces, but, in reality, its territorial jurisdiction did not extend beyond the province of Kwangtung. After its reorganisation, especially after the coming of Michael Borodin in 1923 and a group of Russian military advisers (40 in number), the Kuo-Min Tang began to grow in influence and prestige to some extent due to the new method of pro-Sun and other leaders of the Kuo-Min Tang to rely upon the co-operation of the peasants and workers for the ultimate success of the Revolution. With the adoption of a definite agrarian as well as a labour policy the influence of the Kuo-Min Tang almost immediately spread to over 20 provinces, and farmers' unions and, later, labour unions were organised in rapid succession.

The growth of influence and prestige of the Kuo-Min Tang may truly be said to have accounted for the success of the Revolution of 1926, inasmuch as the Revolutionary Army comprising eight army corps and numbering 50,000 men, could, in a purely military sense, hardly have defeated the combination of the northern armies over 200,000 strong. The National Revolutionary Army grew in size by the incorporation of volunteers (workers and farmers) and of the defeated soldiers of the Northern army. In short, the workers and the farmers played an important role in the last Revolution, particularly just before and immediately following the occupation of Hankow and Shanghai by the revolutionary forces.

Had it not been for its agrarian and the labour programmes, or had it refused to stand for the co-operation with the

farmers and workers and aroused their interest in the revolution, the Kuo-Min Tang would not have commanded over the public sympathy it did, and the Revolutionary Army, in spite of its discipline and the Russian advisers, notably Borodin and General Galen, might not have been able to defeat Marshals Wu Pei-Fu, Sun Chuan-Fang, and Chang Tso-Lin, who all also had a modern army with foreign advisers and with better equipment.

## B. THE ORIGIN OF THE REVOLUTION

### THE PRE-REPUBLICAN INSURRECTIONS

In order to thoroughly understand the Revolutionary Movement, it is necessary to mention in brief the subversive activities of Dr. Sun and his followers, the first of which took place the 15th day of the Eighth Moon in 1895 at Canton.

Previously, at the outbreak of the Sino-Japanese War (1894), Dr. Sun had gone to Honolulu where he organised the Hsing-Chung Hui for the purpose of soliciting contributions from the overseas Chinese in order to carry on his revolutionary activities. At this time Chinese officials were unspeakably corrupt. Extortions and bribery of all sorts were the chief sources of income of the imperial officials. Li Han-Chang, Viceroy of the Provinces of Kwangtung and Kwangsi and brother of Viceroy Li Hung-Chang, for instance, used to receive from his subordinate officials in the two provinces every year one million taels (about \$1,400,000 Chinese currency) as a birthday gift. Literary degrees were sold at two thousand taels (about \$2,800) each.<sup>1</sup> All these corruptions stirred up in the people a hatred of the Manchu officials and so hastened the revolutionary movement. Unfortunately, the first movement was suppressed by the government troops, and the revolutionists had to flee. Dr. Sun fled to Honolulu, while some of his followers escaped to Japan.

<sup>1</sup> According to the old system of education, degrees were granted to the successful candidates in the competitive examinations, and the degree holders were usually given government posts.

The second attempt took place also on the 15th of the Eighth Moon, 1899, in the district of Huichow, Kwangtung. The whole movement was directed by Dr. Sun who was assisted by two other revolutionists, Shih Chen-Yu and Cheng Hsi-Liang. The former was sent to the Yangtze Valley to prepare the way, while the latter remained at the Hongkong headquarters. Six months before the uprising Dr. Sun had returned to Hongkong but was prevented from landing as the Hongkong authorities had discovered his plans. He was, however, met secretly by a group of his followers who came to the boat to have a discussion with him. Knowing that it was impossible for him to proceed to Canton, he returned to Japan, whence he went to Shanghai. He then proceeded to Formosa where he found the Japanese Governor friendly to him and in favour of his revolutionary movement. Thus with the Governor's help he succeeded in reaching the port of Amoy, Fukien, from where he cabled to his followers in the South Sea Islands instructing them immediately to send ammunition to Amoy. Meanwhile all arrangements had been made to start the revolution with an army of between 5,000 to 6,000 men in the vicinity of Huichow against the Imperial forces of 20,000 men strong. Unfortunately, the change of Government in Japan affected the whole movement. The new Prime Minister prohibited the Governor of Formosa from rendering any assistance to the revolutionary party of China. He also prohibited the exportation of ammunition to China and the employment of Japanese military officers by the Chinese revolutionists. At the same time Dr. Sun's followers in the South Sea Islands failed to send the ammunition directly to Amoy. The revolutionary army, by this time increased to over 10,000, then completely collapsed after a month of struggle.

The third attempt was to have taken place on the last day of the same year also at Canton, led by Hung Chuan-Fu, the third brother of Hung Hsiu-Chuan, the well-known leader of the Tai-ping Rebellion, and Li Chi-Tang, a millionaire.

These men established headquarters in Hongkong under the cover of some bogus exporting and importing companies. Unfortunately, the Hongkong authorities discovered the plot a day before the revolt was to have been staged and informed to the Provincial authorities in Canton about it. With the failure of this attempt, the revolutionary movement went underground for nearly four years.

The fourth attempt was made at Changsha, Hunan, in the Tenth Moon, 1903, led by another well-known leader, General Huang Hsing. The leaders of this movement were mostly returned students from Japan, who had established a school, called Ming Teh School, as their headquarters. They had planned to start the revolution on the Empress's birthday, but their secrets were disclosed before they could take action, forcing them to flee the city for Hankow and Shanghai. However, one of them later returned to the city and was determined to carry on the revolutionary work, but was arrested and executed. Thus, the fourth attempt failed.

The fifth movement was initiated by two returned students from Japan, Liu Tao-I and Tsai Shou-Nan, who on the 19th of the Tenth Moon, 1905, with the aid of thousands of volunteers, including miners and labourers, proclaimed the independence of the provinces of Hunan, Hupeh, Kiangsi, and Kiangsu. But badly organised and ill-equipped this uprising also failed with the loss of many lives.<sup>1</sup>

The sixth attempt took place at Chaochow, Kwangtung, on the 11th of the 4th Moon, 1906. One of the leaders of this movement was a son of a Singapore merchant. The whole revolutionary force was estimated at only a little over one thousand volunteers. They fought fearlessly for a week with the imperial forces of many thousands, and it was not until Admiral Li Chen of the imperial navy arrived with his naval forces that the revolutionary army was defeated.

In the same year a group of revolutionists, including a teacher of a law school planned to assassinate Admiral Li with

<sup>1</sup> History of the Kuo-Min Tang, Vol. II, pp. 627-628.

a bomb, which, however, exploded before the attempt could be made.

Four days after the failure of the sixth attempt Dr. Sun ordered another attack to be made immediately, and the seventh revolutionary attempt was made on the 22nd of the 4th Moon, 1906, in Huichow, Kwangtung. At first the revolutionary forces were victorious, but they were finally driven back by the coming of re-enforcements for the imperial troops. After two weeks of struggle the movement again failed.

The year 1906 was one of the most important in Chinese revolutionary history. There were not less than eight attempts at insurrection in the course of eight months, one of the famous incidents prior to the Revolution of 1911 being the assassination of the Civil Governor of the Province of Anhwei by his own subordinate. The assassin was Hsu Shi-Lin, one of the bravest leaders of the time. Hsu had succeeded in securing an important position in the Provincial Government of Anhwei. The Civil Governor En Ming was then organising a police school of which Hsu became the principal. In the summer of 1906 the school had a student body of a little over one hundred with one graduating class. The Civil Governor, together with other higher officials, was invited to attend the commencement exercises when on that very day (26th of the 5th Moon) Governor En Ming was assassinated by Principal Hsu, aided by his students. Hsu had planned to start a general revolt and his arrest and execution only increased the agitation against the Manchus.

Exactly five months later (26 of the Tenth Moon) the ninth revolutionary attempt took place in the province of Kwangsi. This revolt was so well planned that the imperial forces under Lu Yung-Ting were, after seven days' bloodshed, completely routed. The commander, in spite of his high rank and comfortable income, was willing to surrender and join the revolutionary forces on condition that each of his 4,000 soldiers would be paid \$30 at the time of surrender. Upon receiving the letter of Commander Lu proposing the terms for surrender,

Dr. Sun immediately wrote to the overseas Chinese in Singapore asking for a sum of from \$100,000 to \$200,000 to meet the terms of the Imperial commander whose army, 4,000 strong, was fully equipped rifles and munitions. Meanwhile, a regiment was despatched to re-enforce the Imperial army and an Imperial order issued to Commander Lu simultaneously, ordering him to recapture the lost places on pain of death. Realising the impossibility of resisting the large Imperial forces, the revolutionary army withdrew, and the seemingly victorious movement collapsed.

In the winter of 1906 the well-known General Huang Hsing led a group of revolutionists from Annam to attack Kwangtung, as a demonstration against the agreement between the Imperial Government of China and the French Government to deport Dr. Sun on account of his revolutionary activities among the Chinese in Annam. General Huang failed in face of the overwhelming superiority of the Imperial army, but in spite of this, General Huang became recognized as one of the most able generals of the time.

The tenth revolutionary attempt took place in the province of Yunnan on the 29th of the Third Moon, 1907, with General Huang as leader. Dr. Sun was at that time still in the South Sea Islands, lecturing and soliciting funds for the revolution. Dr. Sun's scheme was to start the revolution in Yunnan. He had secured the promise of surrender from various important military commanders in the provinces of Kwangtung and Kwangsi and thought of being able, after having secured the control of these three provinces, to capture Fukien and three other southern provinces. Hokow, the most important strategic point of Yunnan, was captured by the revolutionary army, but with the arrival of re-enforcements the Imperial forces out-numbered the revolutionary forces by ten to one, and the latter were thus compelled to retreat and find safety in foreign countries.

In the winter of 1908 the eleventh revolutionary attempt took place in Anhwei, where in Anking and Wuhu modern

schools were established, and where in the Hunan Public School of Anking the revolution was germinated. Anking also had a modern military academy, the leaders of which were inclined to liberalism, some of them secretly carrying on revolutionary activities in the academy. At that time, a general inspection and drill of the modern army from the different provinces along the Yangtze River was being held in Anhwei, which the members of the revolutionary party in the province utilised to make connections with those military officers who were either members of the revolutionary party or, at least, in sympathy with the revolutionary movement. The civil governor of Anhwei, however, knowing the revolutionists to be active, prohibited all officers who were suspected of belonging to any secret society from participating in the general military drill so as to prevent any possible uprising. But shortly after, the news came to hand that, on the 22nd of the 12th Moon (January, 1909, the Emperor Kwang Hsu had passed away. This gave a new impetus to the revolutionary movement the leaders of which tried to take advantage of the situation to stage a revolt. The battalion commander, Hsiung Chen-Chi, of Anking was chosen leader of the revolt which broke out on the 3rd day after the Emperor's death. After three days' of military operations the revolutionary forces were defeated, the leader were forced to flee to the Three Eastern Provinces whence they escaped to Japan.

The next important event was the revolt of the revolutionarily-inclined cadets of the Canton Military Academy on the 3rd day of the First Moon, 1909. The Viceroy of the provinces of Kwangtung and Kwangsi had, in 1905, suddenly changed the regular military academy into a institute for military training, abolishing the regular four-year-course in favour of a short course. To this change the cadets were strongly opposed but could of course do nothing against it. This resentment was naturally exploited by the revolutionary leaders, notably by Mr. Hu Han-Min, who was to become, President of the Legislative *Yuan* in Nanking and Mr. Wang Ching-Wei,

the most outstanding leader at present of the Kuo-Min Tang and the responsible Head of the present Government of the day. These two had been making preparations for another revolt, and from their secret headquarters at Hongkong, despatched emissaries to Canton to make connections with the graduates of the military academy. The plot was however discovered by Admiral Li Chen of the Imperial Navy who ordered the army and navy to be ready to meet the attack of the revolutionary forces, which were crushed after a few hours' of battle.

#### WANG CHING-WEI'S ATTEMPT ON THE PRINCE REGENT

Shortly following this unsuccessful rising, took place the attempt on the life of the Prince Regent, the father of the Boy-Emperor, by Mr. Wang Ching-Wei, in the Second Moon of 1909—one of the most interesting and sensational episodes in the history of revolution.<sup>1</sup> Mr. Wang was assisted by two munition experts, Huang Fu-Sung and Yu Chi-Yun, by the young woman revolutionary Miss Chen Peh-Chun (now Mrs. Wang Ching-Wei), and by several others. Wang Ching-Wei and Yu Chi-Yun had gone to Peking during the winter of 1908 and taken a photographer's studio as their headquarters. The plan of the revolutionists was first to assassinate Prince Ching, the most powerful prince of the time, but being always closely guarded it was almost impossible to get close to him. Wang and his followers were thus compelled to change their plans. In the meantime, the princes Tsai Hsiun and Tsai Tao were returning from Europe where they had gone on a military and naval mission. Wang and his associates had planned to assassinate the princes at the station on their arrival, but they were not able to recognise them, and so had to abandon the plan. They finally decided upon a plan to assassinate the Prince Regent, Tsai Li. Again, they failed and Wang as well as two others were arrested and imprisoned. When brought before Prince Hsiao, Minister of Civil Affairs, for

<sup>1</sup> See *History of the Kuo-Min Tang*, pp. 719-132; *The Inner History of the Chinese Revolution*, pp. 63-71.



trial, Wang not only heroically admitted the plot against the Dynasty but refused a pardon on condition of his leaving the Revolutionary Party. He was to have been condemned to death, but ultimately his life was spared because of his age—he was still in his 20's—and the interference of General Wu Lu-Chen, a secret member of the Party, stationed near Peking.

#### THE SEVENTY-TWO MARTYRS

A year after this unsuccessful attempt on the life of Prince Tsai Li, another attempt at insurrection was made in Canton on the 10th of the 3rd Moon, 1910, when General Fu Chi was assassinated by Wen Seng-Tsai, a revolutionist from the South Sea Islands, where he was converted to the teachings of Dr. Sun Yat-Sen. Wen had originally planned to assassinate Admiral Li Chen of the imperial navy, whom he considered as the main obstacle to the revolutionary cause in Kwangtung, but acting single-handedly he only succeeded in assassinating General Fu Chi, and this by mistake. Brought before the Viceroy of Kwangtung for trial, Wen courageously admitted the act, but maintained that it was not a crime that he had committed, only an attempt to relieve the Chinese people from oppression and bondage.

The last and most important insurrection prior to the Revolution of October 10, 1911, took place at Canton on the 29th of the 3rd Moon, 1911, just 19 days after the assassination of General Fu Chi. Preparations for this rising had been made during the winter of 1910. It was led by General Huang Hsing, one of the most courageous and important generals of the Revolution. He and his associates had originally planned to revolt on the 15th of the 3rd Moon, but owing to the successful assassination of General Fu by Wen Seng-Tsai and the late arrival of a large quantity of ammunition, the revolt did not take place until the 29th, after the conspiracy against the Imperial Government had been discovered. Viceroy Chang Ming-Chi and Admiral Li Chen, who had just escaped death, had already ordered the Imperial Army and Navy to occupy

the strategic points and be ready for any attack on the part of the revolutionists. As a consequence, the movement was successfully suppressed by the Imperial forces, 72 revolutionists being killed in action and at the executioner's hands. The defeat of the revolutionists, however, led them to further activities and made them more determined to overthrow the Manchu Government and establish a government of the people, by the people, and for the people of China.

### C. THE REPUBLICAN REVOLUTION

The virtual failure of all these revolutionary attempts resulted in the centre of activities being shifted from Canton to Wuchang. Central China thus became the stormy centre. The people in the provinces of Kwangtung, Hunan, Hupeh, and Szechuen had, by this time, already been stirred up in a hostility to the Imperial Government, and the struggle between the people and the Government had become even more accentuated than ever before. The situation was aggravated by the new railway policy of the Imperial Government. The Canton-Hankow Railway had been virtually sold to American interests by the Manchu Government but subsequently redeemed with the money of the people of the four provinces mentioned above and thus become a private enterprise. But the Imperial Government was not in favour of the private ownership of the railway, and began negotiations with Great Britain, the United States, France, Germany, and Japan for a Five-Power Loan for the purpose of expropriating the railway and making it an imperial enterprise, a move which was regarded by the people as a deprivation of their natural rights. The Revolution thus took on a definitely social and economic aspect.

As a result of the spread of revolutionary teachings, there gradually developed so much discontent, resentment, and opposition, that the Imperial Government finally agreed to

\* See "History of the Chinese National Revolution", compiled by Tu Pin P'i (in Chinese), pp. 166-209.

effect a compromise in order to avert the incipient revolution by accepting the demand of the National Assembly for the reorganisation of the Government. The plan for the reorganisation was to form a responsible Cabinet in lieu of the existing Grand Council which was dominated by the Prince Regent. This attempt at constitutional reform had in 1911 divided the Imperial House into two groups each of which sought to control the Government. The Prince Regent represented the conservative group, while Empress Lung Yu, widow of Emperor Kwang Hsu, and Prince Tsai Tao represented the liberal group and favoured constitutional reform hoping that thereby political upheaval might be avoided.

But the propaganda work of the revolutionary emissaries in the southern provinces had, by this time, borne fruit, and the social force had become irresistible. Moreover, many military officers had either already been converted to the revolutionary teachings of Dr. Sun and others, or was at least in favour of a policy of constitutional reform. Dr. Sun's work in arousing the people to save the country from foreign aggressions and encroachments by a national revolution was now recognised by the intelligentsia, including many military officers and politicians, as the only way to recover the sovereign rights of the Chinese people and to put China upon a socially, economically, and politically sound basis. In the spring of 1911, with the soldiery, the gentry, and the literati stirred up, the revolutionary forces, military and social, had gone beyond the strength of the Manchu Government to suppress, and rendered all attempts at constitutional reform from above futile.

In the meantime the Viceroy of Hupeh had realised that the crisis was inevitable, and ordered the Imperial Army and Navy to be ready for defence. At the same time Brig. General Li Yuan-Hung was ordered to station himself at the arsenal in Hanyang (a city opposite Wuchang) to safeguard this chief source of military supplies. But now that the revolution was about to begin, the revolutionary army was still without a Commander-in-Chief. Finally the revolutionary leaders held

a meeting to decide on the generalissimo, as a result of which Gen. Li Yuan-Hung was elected to head the revolutionary army. Representatives were appointed to approach him with the instruction to assassinate him on the spot should he refuse the appointment. This was however unnecessary as Gen. Li gladly accepted the appointment. The Revolution broke out on the tenth of October. The Mint in Wuchang and the arsenal in Hanyang were captured soon after the outbreak and a military government was immediately established in Hupeh with Gen. Li Yuan-Hung at the head. Meanwhile Yuan Shih-Kai, the builder of the modern Chinese army, who had been dismissed from office in 1909, was recalled, to be Commander-in-Chief of the Imperial Army and Viceroy of Hunan and Hupeh provinces. Yuan took the supreme command at the end of October, returning after two weeks of fighting to the Capital (Peking) as Prime Minister. Two weeks later the position of the Imperial forces had become precarious by reason of fourteen provinces having declared their independence from the Imperial Government and joined the revolutionaries, forcing the Manchus to sue for peace.

The long struggle between a small group of revolutionists and the Manchu Government culminated in December, 1911, when formal negotiations between the victorious revolutionary leaders and the representatives of the Imperial Government began and resulted in the abdication of the Manchu Dynasty and the proclamation of the Republic at Nanking.

To the extent of the actual abdication of the Manchu Dynasty and the formal establishment of the Chinese Republic the Revolution may be said to have been a success, achieved by the revolutionary leaders in co-operation with the Commander-in-Chief of the Imperial forces, Yuan Shih-Kai. Dr. Sun Yat-Sen, the revolutionary leader, was elected first President of the Republic, but a few weeks later he resigned in favour of Yuan Shih-Kai who was actually responsible for bringing about the abdication of the Emperor. Unfortunately, Yuan was at heart an autocrat and monarchist, considering

that the Chinese people were not ready for, and the conditions not favourable to, a true democracy in the Western sense of the term. Thus, during the term of office, Yuan never made any attempt to co-operate with Kuo-Min Tang leaders who at first formed the majority in, and controlled, Parliament. Ever since he had become Provisional President of the Republic, in March 1911, Yuan was jealous of the Kuo-Min Tang, which he sought to defy and defeat by means of force. He aimed at becoming permanent President-Dictator, or Head of a new Dynasty, and so destroying the work of the Kuo-Min Tang and frustrating the purpose of the Revolution.

#### D. THE SECOND REVOLUTION

In view of Yuan's uncompromising attitude toward the Kuo-Min Tang members of the Parliament who were in an overwhelming majority, it was utterly impossible for them to co-operate with the President who, after having secured the Reorganisation Loan of 25 million pounds from the Five-Power Group in 1913, began to suppress the activities of the Kuo-Min Tang. Prior to the conclusion of this enormous loan, Mr. Sung Chiao-Jen, the Kuo-Min Tang Speaker-Elect of Parliament, had been assassinated by Yuan's agents in Shanghai. The Reorganisation Loan Agreement was signed without the approval of, and in violent opposition by, Parliament, which was totally disregarded by Yuan. This flagrant breach of the Constitution and Yuan's dictatorial tendencies left Dr. Sun no alternative but to raise the banner of revolt again, and so the Second Revolution<sup>1</sup> was started by Li Lieh-Chun in Kiangsi, Huang Hsing and Chen Chi-Mei in Kiangsu, Pai Wen-Wei in Anhwei, Chen Chiung-Ming in Kwangtung, and Hsu Tsung-Chi and Sun Tao-Jen in Fukien, between July 12th and 23th. After two months' struggle the Second Revolution was suppressed by three pro-Yuan generals, namely, Chang Hsun, Feng Kuo-Chang, and Lung Chi-Kwang; the Kuo-

<sup>1</sup> History of the Kuo-Min Tang, pp. 949-972.

Min Tang members of Parliament were expelled by Presidential Mandate.

The failure of the Second Revolution and the elimination of the Kuo-Min Tang gave Yuan Shih-Kai a free hand to reorganise the Government. He succeeded, by bribery and intimidation in getting himself, first elected permanent President of the Republic, and later on Life-President. Having succeeded in making himself President-Dictator in contravention of the Provisional Constitution, Yuan then proceeded to change the Constitution to suit his own wishes. As a result, a nation-wide movement took place against him at the instigation of the Kuo-Min Tang, which had always had a tremendous influence among the intellectuals—the moulders of public opinion, on which the strength of the Government depended in the last instance. But grave as was the situation, it was further aggravated in 1915 by Yuan's desire to become Emperor of China and by Japan's Twenty-One Demands which, if totally met, would make China virtually a dependency of Japan.

### E. THE THIRD REVOLUTION

Despite the agitation of the Kuo-Min Tang, Yuan was to have become Emperor on the 12th of December, 1916, and the 5th year of the Republic to become the First Year of the Hung Hsien Dynasty. Owing to the strong nation-wide opposition, however, Yuan had to postpone the date of his accession to the throne. This opposition developed into the Third Revolution which first broke out in the Province of Yunnan under the leadership of General Tsai Ao, governor of the province, who was affiliated to the Democratic Party. In the spring of 1916 the southern confederacy of five provinces<sup>1</sup> was formed with Canton as the centre of activities. In the meantime, Feng Kuo-Chang, one of Yuan's strongest supporters and most trusted generals who was largely instrumental in suppressing of the Second Revolution, suddenly turned against

<sup>1</sup> Kwangtung, Kwangsi, Yunnan, Kweichow, and Chekiang. Szechuen joined in later on.

Yuan. The South, West, Southeast, and part of the North thus revolted in vindication of the republican form of government. In the course of the campaign, however, General Tsai Ao died of over-exertion, but the Revolution continued until the death of Yuan Shih-Kai.

## F. THE SOUTHERN GOVERNMENT

### DR. SUN AS PRESIDENT OF THE REPUBLIC

After Yuan's death, Vice-President Li Yuan-Hung automatically became President of the Republic, his first act being to restore and convene the old Parliament. With the convocation of Parliament, the Kuo-Min Tang became again politically dominant. Their members, however, could not co-operate with the old-type militarists who objected to the Kuo-Min Tang's programme of national reconstruction. Thus a struggle developed between the Kuo-Min Tang and the northern militarists for the control of the Government. This struggle is commonly known as the struggle over Parliament, a fight for a constitutional government between the southern leaders and the northern militarists, which resulted in the establishment of an independent Constitutional Government in Canton and the election of Dr. Sun Yat-Sen to the Presidency of the Republic by the Parliamentary majority which had moved to Canton. Unfortunately, however, the revolutionary movement in the South was frequently hampered by betrayals of the militarists within the Kuo-Min Tang, and it was not until the Party was thoroughly reorganised in 1924 that the movement became significant and gained popular support.

### THE REORGANISATION OF THE KUO-MIN TANG

With the appointment of Michael Borodin from Russia as political adviser and General Galen as military adviser of the National Revolutionary Government, bringing with them a group of experts, the Kuo-Min Tang adopted a new platform which became responsible for the success of the Northern Punitive Expedition of 1926. The Kuo-Min Tang was completely reorganised, modelled after the Communist Party of

Russia. Soviet Russia had since 1923 abandoned her imperialistic policy with regard to China, and given up her special privileges, abrogating the unequal treaties concluded between the Czarist regime and China. Thus Dr. Sun began to advocate the fullest co-operation between China and Russia, in the hope that Soviet Russia would assist China in her struggle against imperialism and militarism and in her efforts to establish a socialistic government based on the *Three People's Principles* and the *Five-Power Constitution* and to put into execution his programme of national reconstruction.

Unfortunately, however, Dr. Sun died before he could accomplish his object, leaving behind a political testament as a guide for future conduct to his followers. In view of the great political significance national unification of this Last Will, it may perhaps be useful to reproduce its text in full below:

"For forty years I have devoted myself to the cause of the National Revolution with the sole object of winning for China national liberty and international equality. The accumulated experience of these forty years has fully convinced me that to attain this goal it is necessary to awaken the masses of the people and join hand with those nations of the world that treat us as equals in our struggle for the common cause.

"The Revolution is as yet unfinished. I thus exhort all Comrades to continue, until victory is won, the fight for the realisation of our aims, in accordance with the *Plans for National Reconstruction* (Chien Kuo Fang Lueh), the *Programme of National Reconstruction* (Chien Kuo Ta Kang), the *Three Principles of the People* (San Min Chu I), and the *Manifesto of the First National Congress*. Above all, the convocation of a National People's Convention and the abolition of the Unequal treaties, which I have recently advocated, should be accomplished within the shortest possible time.

"This is My Last Will."<sup>1</sup>

<sup>1</sup>Written on February 24, and signed on March 11, 1925.



# CHAPTER III

## INDUSTRIAL CONDITIONS AND POSITION OF THE WORKERS

### A. GENERAL STATEMENT

#### THE SUPPLY OF LABOUR

China is essentially an agricultural country where industry is still in its infancy but which has the advantage of a large supply of cheap and industrious labour. She has further such an enormous population that there is every reason to believe that the supply of labour is much greater than the demand. Now generally speaking there is an excessive supply of labour in some localities; but very often, an oversupply of labour alternates with a shortage of labour, especially in the large industrial centres, where skilled labour is in great demand.

It is therefore incorrect to say that there is a permanent oversupply of labour in China. The labour supply and demand is always variable in the industrial cities in China, depending on the seasonal fluctuations. And should it be possible for agriculture and industry to be developed simultaneously, as a result of government encouragement, the supply of skilled or even semi-skilled labour could not be materially augmented, for with encouragement and protection by the government, the farmers are bound to remain on the farm. They would prefer an independent life with a great deal of leisure, freedom, and fresh air—if such were possible—to the life of dependence in the cities, more or less at the mercy of their employers, without sufficient time for rest and with only meagre wages, hardly enough to keep body and soul together. The attitude of the Chinese farmers is quite understandable, in view of the fact that the prosperity of Western nations as

a result of the Industrial Revolution is always accompanied by many industrial evils, by long hours, low wages, unsanitary conditions, occupational diseases, and industrial accidents. And so long as there is no adequate legal protection of labour, there cannot be any steady employment, but frequent disputes between employers and workers with heavy losses to both.

With the development of machine industry, the home, or handicraft, industry may further be neglected, resulting in a great many of the master craftsmen and home-workers being compelled to give up their independence and freedom and becoming dependent workers in the modern factories with its many glaring evils. Labour disputes in recent years have attracted nation-wide attention and have necessitated the creation of a legal machinery for their satisfactory settlement. But as long as wages are low and hours of labour are long, the employers will undoubtedly experience greater labour troubles than they have thus far experienced, and as long as a large percentage of the people are engaged in agricultural pursuits, the supply of labour, particularly skilled labour, can not be greater than it is now. Modern industry is bound to develop, steadily, but low wages, and long hours and many other disadvantages will not easily and immediately attract the farmers and artisans to give up their independence and freedom for a change for the worse. Furthermore, the Chinese family is so firmly established that it takes a movement of great importance to break it up, and as long as the people in general, the rural population in particular, are unwilling to change their place of residence, the working class population in the industrial cities can not materially increase in the near future. Certain seasonal trades or industries may attract a certain number of farmers during their leisure months, who, however, usually return to their respective farms when sowing season comes. This constitutes what is commonly called "labour turnover" in China. And if small-scale industry is to be encouraged, in accordance with the declared policy of the Government, there will be little inducement for the farmers

to become factory workers. This may be a good sign for agriculture, inasmuch as agricultural improvement no less than industrial development is desirable in the national interest.

#### LOW WAGES AND HIGH COST OF PRODUCTION

On the other hand, the Chinese are manifesting administrative and organizing capacity in the utilization of labour for the development of modern industry, and, as soon as the working conditions in factories are fairly well ameliorated, there is a possibility of drawing a large number of home workers and artisans to modern industrial centres. But this can not take place on a large-scale until there is a certain degree of security of employment, or at least some kind of guarantee of steady employment for the chief wage-earner of the family. In these circumstances, there is reason to believe that the common assumption of an abundant supply of available cheap labour is over-rated. The term "cheap labour" is not necessarily efficient labour, and the seemingly low cost of labour may in the end result in a high cost of production. On the whole, wages in China are low when compared with those earned by workers engaged in the same industry in Western countries. But the fact remains that Chinese labour in general is not efficient, an inefficiency doubtless due to the low standard of life on which they are forced to live. Cheap labour and inefficiency are corollaries, and low wages does not always mean low cost of production.

Taking the total number of wage-earners into consideration (page 55), and comparing the highest paid workers in China with the lowest pay workers in highly industrialized countries as Great Britain, Germany, and the United States, we do not find Chinese workers as efficient as those in the aforementioned countries, because of the fact that even unskilled Western labourers, who constitute the low-paid class, can afford to live on a much higher plane of life than the skilled workers in China. Further a higher degree of efficiency cannot be attained unless the standard of living of the work-

ers is improved. But the improvement of the workers' standard of life is impossible as long as wages are low and stationary, while the cost of living is daily increasing, this rise in the cost of living tends to reduce the efficiency of the working population, while higher wages, shorter hours of labour, better conditions of work, lower cost of living, and higher standard of life will help to increase the working efficiency which, in the long run, will prove cheaper than the seemingly cheap labour of to-day. One who has studied the labour problem of China cannot further help but admit that the conditions under which the workers live are appalling, the meagre wages they earn hardly keeping body and soul together. The increase of wages in recent years does not correspond with the increase of the cost of living, now in many places by 30 to 40 per cent higher than before the pre-revolutionary time (1925). For this reason women and children have been drawn to the factories in order to help to support their families.

#### THE WOMAN AS A WAGE EARNER

The employment of women and children in modern factories is a real social problem in China, despite the fact that in recent years women have been given a certain status as a necessary and integral factor in industry. For in spite of this recognition, the opportunities afforded to women are limited and the wages paid are generally lower than those for men. This is of course, true of women in every country, the conditions under which women are employed being similar the world over. But the economic importance of the part played by the Chinese women in the industrial life of the nation is becoming an accepted fact, even by those who are not conversant with industrial conditions. The old theory that women are more home makers whose chief duty is to bear children, especially sons, to their husbands and to serve their mothers-in-law unconditionally and faithfully, is no longer regarded as socially significant or economically sound in China.

On the contrary, with the development of modern life and with the passing away of social taboos, more and more women in China have been given greater opportunity to become wage-earners, even if their activities in this new field have not, as yet, been recognized as having the same social significance as their home-making or child-bearing. The fact, however, remains that the Chinese woman is in many cases home-maker, child-bearer, and wage-earner at the same time. This means that she either has to neglect her home and her children in order to help support the family or she may be forced to take her young children with her to the factory where she works, and there looks after them the best she can. Thus in certain cotton mills or silk filatures nurseries are provided, where babies of the woman workers are kept, but in many mills and factories the babies are just left scattered about among the machines. The result of this practice cannot be but racial suicide.

Some people are inclined to think that the earnings of women are of only incidental importance to themselves and to their families, since men are the home-providers. In examining the situation more carefully, however, we shall find that the majority of these women wage-earners are contributing all their income to their families for the purpose of keeping body and soul together. This alone is sufficient to prove the economic importance of the employment of women in modern industry. But just as the average Chinese woman has never been economically independent, the wage-earning woman can hardly be regarded as an independent economic factor. In point of fact, her economic well-being is merged with the well-being and social significance of her family. The earnings of women are by no means incidental; they are necessary for raising the economic status of the family.

The three essential elements of modern economic life, namely, capital, land, and labour are universally recognized as having equal economic value, but from the standpoint of human welfare and happiness the most important factor in

industry is undoubtedly the human element. Unfortunately, capitalists, whether big or small, have often overlooked this truism, because of the fact that labour supply, except during certain abnormal periods, usually meets the demand. Labour shortage does not frequently and seasonally occur. In fact, the supply of woman workers at time exceeds the demand in large industrial centres, where the high cost of living compels women to become wage-earners. But this does not mean that the supply of skilled or efficient labour is abundant, semi-skilled and unskilled labour constituting the majority of the wage earning population. This apparent oversupply of labour has been partly responsible for the employers' arrogant attitude towards labour.

In cotton mills and in silk filatures women and children constitute the large majority of the working force. Women and child-workers are readily secured, lowly paid, and easily controlled; and, if the same work can be undertaken by women and children as by men with equal efficiency or with similar result, employers prefer to employ women and children, who are more abundant than men and who, by force of circumstances, agree to lower wages and longer hours of work. Since a vast number of women and children are compelled to earn a livelihood, the conditions of work are deplorable, especially when legal protection of labour was practically absent. Nursing mothers with infants employed in a factory where no nursery are provided for babies, are often working from ten to twelve hours a day with daily earning's of 40 cents, which just keep them from starvation. Those with two or three young children without a grandmother to take care of them are compelled either to take the children to the factory where they work or leave them at home to take care of themselves. For this reason mortality, particularly infant mortality, is abnormally high among the working class, and only the very fittest can survive.

The present tendency is, however, to pay a minimum wage sufficient to support a family of four or five on the lowest

possible standard so that the wife of a man who is the sole wage-earner may not have to leave home when her children are too young to take care of themselves. But, in view of the rising cost of living few men are capable of supporting a family of four or five without going into debt, and paying exorbitant rates of interest on loans, as, from 20, 30, or even 50 per cent interest are being charged by private money lenders. Usually a person who borrows money without good security pays 36 per cent annual interest.

In view of the important role that the present-day women play both in industry and the support of the family, the question of safeguarding the woman workers from industrial accident, from illness, and from contracting occupational diseases has become more imperative than ever. Statistics on industrial accidents and occupational diseases are not available, and reliable figures on accident, sickness, and disease of workers cannot be obtained; but judging from the unduly low wages that woman workers earn and the long hours they have to work, and considering the low standard of life that they can afford to maintain as well as the double responsibility which they bear as home-makers or mothers and wage-earners, we cannot overemphasize the importance of safeguarding the woman workers in the machine industry and of better treatment for the home-workers.

#### THE EXPLOITATION OF CHILD LABOUR

The employment of children in modern industry presents similar problems. Many children between the ages of eight and twelve are forced to work in factories in order to help to support the family. In silk filatures the majority of the workers are women and children, of whom not a few are undernourished and underdeveloped, and without any education. It is true, the employment of children under ten years of age, is comparatively infrequent, and from the author's personal investigation the majority of the children employed in factories are between ten and fifteen years of age, the common

belief that Chinese children should begin to work as soon as they are able to walk around, i.e. as young as three, four, five, and six years of age, being without a proper foundation in fact. But even the employment of children from eight to fifteen years of age is serious enough to engage our attention for the reason that many of the children are physically unfit for factory work, and that the majority of them can hardly read and write. No careful investigation has however been yet made to ascertain the exact age of the children and to learn of the actual conditions under which they work. But we have sufficient evidence to show that many of these children are illegally employed; that, because of the great difficulty of ascertaining the real age in the case of children under twelve and fourteen as required by the New Factory Law, there are not a few children given out as over twelve and fourteen who are really under the legal age. Owing to the absence of registration of birth and the low economic status many parents do not hesitate to swear falsely for the purposed securing employment for their children under the legal age of employment, while prior to the enforcement of the New Factory Law (August 1, 1931), children of any age could be employed in factories and workshops without affidavit or certificate of employment.

Children engaged in home industries and other occupations are not covered by the New Factory Law, and no attempt has been made to stamp out child labour in China except in the machine industry. In spite of the enforcement of the New Factory Law it remains a stupendous task to raise the age of employment, for while that children under fourteen can, to a certain extent, be excluded from modern industry, the children employed in the modern factories represent only a small portion of the wage-earning child population of the Republic. It is exceedingly difficult to ascertain the total number of children gainfully employed in China, but assuming that child workers constitute 10 per cent. of the wage-earning population, and taking the figures for 1915 as the basis of our study, the total



of infantile wage-earners should exceed the total number of factory workers. And in view of the fact that there is no compulsory system of education child labour creates a tremendous social problem. The low economic strata of the Chinese people being, to a large extent, responsible for the unconscious exploitation of child labour.

#### RELATIVE WAGES OF MAN, WOMAN, AND CHILD

The statistical tables in this chapter indicates the necessity for women and children to make some contribution to the family budget, and from one to two-thirds of the family expenditure is earned by the combined labour of mother and children. Generally speaking, the child wage-earner earns between one-fourth to one-third, the female wage-earner, about two-thirds of the wages of adult male worker, who is generally able to maintain a subsistence standard of life only because of the contributions of his dependents. Studies of labour conditions made in recent years reveal the fact that the earnings of an average wage-earner are scarcely sufficient to maintain two adults and that the income of two or three wage-earners of the same family is barely enough to maintain the lowest possible standard of life without the danger of starvation and the recourse to borrowing.

In using the statistical tables, however, one thing which must be borne in mind is that the figures for any given year indicate only the results of estimates made by various local authorities, inasmuch as no systematic survey in the strict sense of the term has ever been conducted by the Government.

### B. LABOUR STATISTICS

#### SOURCES OF INFORMATION

In the absence of a proper census and a scientific national survey we have three main sources of information on which we may base our study of the labour conditions in the Chinese Republic; namely, "The Statistical Annual Reports" of the Ministry of Agriculture and Commerce of the former Peking

Government, "The Labour Statistics Series", of the present Ministry of Industry,\* and "The Statistical Reports," published by Bureaus of Social Affairs of the various municipal governments. Apart from these sources, there are the other official publications, such as "The Statistical Monthly", "The Chinese Economic Journal", "The Chinese Economic Bulletin". These sources, from which our data are derived are the most reliable sources of information available at present.

The compilation of agricultural and labour statistics began in 1912, the first year of the Republic. The most complete reports ever made by the defunct Peking Government were, however, those for the years 1914 and 1915. The statistical reports made between 1916 and 1921 were not complete, for more than half of the provinces did not make any report owing to the interruption of the civil wars. No statistics were compiled during 1922 and 1926 by the Ministry of Agriculture and Commerce, and those for the years 1920 and 1921 were not published until 1924. The work of statistical compilation was resumed by the National Government in 1927, through the agency of the Ministry of Industry, Commerce, and Labour\*\* which published a series of labour statistics in five small volumes. The scope of investigation was limited to only 29 industrial cities in 9 provinces. The work of the various municipal Bureaus of Social Affairs, especially that of Shanghai, during the last four years is also of great value so far as labour statistics are concerned. Apart from official reports, individual studies are also of some value. Our present study is, however, based on official reports only, inasmuch as they cover a considerably wider scope, and fairly well represent the whole Republic. Very often the figures given are only in the nature of estimates, although sufficiently accurate for most purposes.

\*i.e. the old Ministry of Industry, Commerce, and Labour, amalgamated with the Ministry of Agriculture and Mining.

\*\*i.e. the present Ministry of Industry.

## INDUSTRIAL CONDITIONS AND POSITION OF WORKERS 55

TABLE I

## INDUSTRIAL ESTABLISHMENTS AND WORKERS IN 1915

INDUSTRY	Number of Establishments	Number of Workers			Percentage of Total Industrial Population
		Males	Females	Total	
Textiles:					21.5
Silk goods	36,806	122,489	56,247	278,736	
Cotton goods	581,871	1,157,944	954,848	2,112,792	
Linen goods	71,730	80,291	120,196	200,487	
Woollen goods	5,478	56,470	1,478	57,948	
Silk & Cotton Mixture	1,731	3,482	4,045	59,459	
Knitted goods	148,615	24,401	35,058	7,527	
Chemicals:					8.1
Soap	7,001	11,267	2,618	13,885	
Drugs	2,955	13,709	152	13,861	
Candle	43,911	151,984	7,968	159,952	
Cosmetics	1,631	5,176	1,166	6,342	
Paint	8,908	26,904	768	27,672	
Mint oil	286	887	100	987	
Wax	9,202	25,801	2,185	27,986	
Indigo	35,388	621,156	21,627	642,783	
Matches	482	77,412	14,273	91,685	
Bricks and Tiles	83,221	686,767	17,970	704,737	5.8
Glass	705	3,166	124	3,290	0.1
Paper	55,868	274,987	23,551	298,538	2.4
Fur and Leather	20,016	199,385	2,339	201,724	1.6
Pottery & China	141,607	509,155	38,891	548,046	4.5
Lacquer	23,730	107,656	2,449	110,105	1.0
Metal Wares	69,139	384,676	11,039	395,715	3.3
Furniture	16,700	93,674	1,119	94,793	0.7
Opticals	548	2,278	19	2,297	0.1
Clocks & Watches	192	1,240		1,240	0.1
Ivory and Jade	7,062	53,619	626	54,245	0.4
Oil (cooking)	247,774	1,204,310	146,073	1,350,383	11.1
Brewing and Distilling	147,144	748,052	23,792	771,844	6.3
Sugar Refining	27,908	913,139	19,899	933,038	7.7
Tobacco	64,811	281,660	63,765	345,425	2.8
Flour	212,961	913,468	122,220	1,035,688	8.5
Canning	30,038	88,333	7,300	95,633	0.8
Mining	5,437	468,264		468,264	3.8
Miscellaneous	295,614	741,113	400,868	1,141,981	9.4
<b>TOTAL</b>	<b>2,406,470</b>	<b>10,054,315</b>	<b>2,104,773</b>	<b>12,259,088</b>	<b>100%</b>

## THE WAGE-EARNING POPULATION

The figures shown in table I on page 55 are taken from the official report of 1915, the reports of subsequent years being incomplete owing to the interruption of internal strife. According to the figures given in Table I the total number of workers engaged in the textile industry is 2,716,949, of whom 1,171,872 are women; those engaged in the chemical industry are 985,153, of whom 50,857 are women; those in the other 17 industries number 6,946,741, of whom 481,176 are women; and those employed in miscellaneous industries constitute 1,141,981, of whom 400,868 are women. There are also 468,264 miners, who form only 3.8 per cent of the industrial population. The largest group is the textile workers, who constitute 21.5 per cent; second to this come the oil workers, with 11.1 per cent. The percentage of workers in flour mills is also large, being 8.5 per cent. Those engaged in chemical works form 8.1 per cent. Then come the workers engaged in the sugar refining industry with 7.7 per cent. The fifth largest group is workers employed in breweries and distilleries, constituting 6.3 per cent. Those engaged in brick and tile industry constitute 5.8 per cent; in chinaware and pottery industry, 4.5 per cent; in metal-ware manufacturing, 3.3 per cent; in tobacco manufacturing, 2.8 per cent; in paper manufacturing, 2.4; in the fur and leather industry, 1.6 per cent; in miscellaneous industries, 9.4 per cent; each of the rest is below 1 per cent of the total wage-earning population of 12,259,088 employed in 2,406,470 establishments. Of this total number reported 10,054,315 are males, 2,104,773 females.

These figures on the industrial population cover workers in the home and machine industries as well as those in the artisan shops. The wage-earning population of twelve millions may not represent the total number of workers, but they do represent the entire working force of the establishments reported. Domestic servants have been left out of account entirely. Neither have railway employees, seamen, and agricultural workers been included. Probably workers in some smaller

TABLE II  
NUMBER OF WAGE-EARNERS IN CHINA

Industry	No. of Workers	Industry	No. of Workers
Railways	100,000	Breweries & distilleries	100,000
Textile industry	160,000	Barber shops	200,000
Match factories	90,000	Domestic servants	400,000
Mining	420,000	Porcelain and pottery	200,000
Cigarette factories	100,000	Rattan & wicker ware	50,000
Navigation	60,000	Salt industry	300,000
Electrical works	100,000	Woollen industry	20,000
Metal workers (gold, silver, iron, etc.)	200,000	Dyeing industry	300,000
Silk industry	130,000	Tea industry	100,000
Printing shops	80,000	Bamboo ware industry	50,000
Cement works	25,000	Paper manufacturing	100,000
Egg factories	15,000	Chemical industry	30,000
Shipyards	25,000	Tailoring industry	300,000
Flour mills	15,000	Building trade	600,000
Tanneries	20,000	Ricksha coolies	20,000
		Postal workers	60,000

TOTAL 4,370,000

Of the above 4,370,000 wage-earners 281,000 were members of the various trade unions:

Building trade	30,000	Printing establishments	10,000
Barber assistants	14,000	Railway workers	42,000
•Salt industry	10,000	Miners	25,000
Domestic servants	8,000	Seamen	45,000
Dyeing industry	8,000	Metal Workers	50,000
Ricksha coolies	10,000	Cigarette workers	18,000
Cotton mills	10,000		
Tailoring industry	1,000	Total	281,000

domestic industries have not been reported. Workers in shops and stores are not mentioned, unless they may be included in the miscellaneous column, but their total number seems to be too small to include them, and later estimates do not furnish us any more accurate information concerning the actual number of wage-earners in the Republic than the earlier estimates.

Another survey\* was made in 1923 and reported in the *Shun Tien Times*. According to this the number of wage-earners in China was estimated to be only a little over four million, as shown in table II on page 57.

According to the figures in Table II out of an estimated total number of wage-earners of 4,370,000, 680,000, consisting of 20,000 ricksha coolies, 60,000 postal workers, 200,000 helpers in barber shops, and 400,000 domestic servants, are non-industrial, i.e. 15.6 per cent., the rest, or 84.4 per cent., are industrial workers. The accuracy of this estimate, is subject to grave suspicion, being in the light of Table I and Table VII (on page 63) probably only a partial, and very incomplete, list of the wage-earners in China. In spite of this fact, however, no attempt to ascertain the size of the wage-earning population, can be absolutely worthless.

#### THE DISTRIBUTION OF WORKERS

Table III shows the number of workers, i.e. 648,245, engaged in 1915 in the six groups of industries covering 20,754 establishments. In respect to the number of establishments the chemical industry represents the largest percentage, being 32.23%; textile and dyeing, 25.90%; manufacture of food and drinks, 24.61%; iron works, shipbuilding, and other metal ware manufacture, 8.20%; miscellaneous industries, 7.38%; gas and power plants, 1.68%. As regards the number of workers the textile and dyeing industries employed 46.69%; manufacture of food and drink, 23.39%; chemical

\*See the Report of the Ministry of Agriculture and Commerce of the Peking Government, Vol. 9, No. 12 (in Chinese).

TABLE III  
DISTRIBUTION OF WORKERS (1915)

Industry	Number of Establishments	Number of Workers	As Percentage of Total	
			Factories	Working
Chemicals	6,690	119,789	32.23	18.48
Manufacture of Food and Drinks	5,108	151,677	24.61	23.39
Iron and other Metal Works, Shipbuilding	1,701	25,965	8.20	4.01
Knitting, Weaving, and Dyeing	5,376	302,666	25.90	46.69
Gas and Power	348	13,063	1.68	2.92
Miscellaneous	1,531	35,085	7.38	5.41
Total	20,754	648,245	100%	100%

industry, 18.48%; miscellaneous industries, 5.41%; gas and power plants, 2.02%.

According to the statistical data collected and published by the Ministry of Industry, Commerce, and Labour, in 1930, the total number of factory workers in 30 industrial cities representing 9 provinces, may be seen from Table IV on page 60.

Table IV below shows the total number and the distribution of factory workers in twenty-nine industrial towns, the data collected by the Ministry of Industry, Commerce, and Labour covering only these places. Shanghai occupies the first and foremost place with a total number of 362,894 or 3.01% of the grand total. Canton and Hankow are the next largest industrial centres employing 239,365 or 1.98% and 169,992 or 1.41% respectively of the total number of workers in modern factories.

Tientsin regarded as the fourth largest industrial centre has been left out of the survey conducted by the Ministry of

TABLE IV  
NUMBER OF FACTORY WORKERS IN 30 INDUSTRIAL CITIES (1930)

City	Number of Workers	Percentage of Total
Amoy	4,767	0.03
Anking	5,243	0.04
Canton	239,365	1.98
Chaoan	10,538	0.08
Chinkiang	9,033	0.07
Foochow	16,032	0.13
Fushan	17,855	0.14
Hangchow	16,171	0.13
Hankow	169,992	1.41
Ihsing	12,570	0.10
Kahsing	7,080	0.05
Kiangtu	1,669	0.01
Kiukiang	2,113	0.01
Nanchang	6,882	0.05
Nanking	17,877	0.14
Nantung	12,627	0.10
Ningpo	4,477	0.03
Pengpu	7,678	0.06
Shanghai	362,894	3.01
Shunteh	54,449	0.45
Soochow	58,814	0.48
Swatow	6,871	0.05
Tayeh	3,936	0.03
Tientsin*	47,519*	0.39
Tsingtao	26,423	0.21
Wuchang	23,974	0.19
Wuchin	16,219	0.13
Wuchow	2,322	0.01
Wuhu	15,835	0.13
Wusih	70,685	0.58
TOTAL	1,251,915	100 %

\*Data incomplete.

Industry, Commerce, and Labour on account of incomplete data, and so according to the table Wusih becomes the fourth largest industrial city with 70,685 factory workers in modern factories, principally silk filatures. Soochow is ranked as the fifth largest city with 58,814 factory workers. Shunteh takes the sixth place with 54,449 workers. Tientsin takes only the seventh



TABLE V  
NUMBER OF MODERN FACTORIES

Year of Establishment	Total Number	Percentage of Total
Prior to 1912	171	8.66
1912	41	2.08
1913	33	1.67
1914	41	2.08
1915	37	1.87
1916	30	1.53
1917	56	2.83
1918	56	2.83
1919	103	5.21
1920	105	5.32
1921	88	4.46
1922	87	4.41
1923	83	4.20
1924	81	4.10
1925	87	4.40
1926	124	6.28
1927	124	6.28
1928	195	9.87
1929	205	10.38
1930	103	5.21
Unknown	125	6.33
TOTAL	1,975	100%

place with 47,519 factory workers, a number which is probably grossly under-estimated. There was no industrial city employing from 30,000 to 40,000 workers in 1930, and only two cities employing more than 20,000 and less than 30,000 workers were reported. Cities having more than 10,000 and less than 20,000 workers were eight in number, and those having between 1,000 and 10,000 constituted the rest of the 30 cities in ten provinces of the Republic. The total number of wage-earners in modern factories in thirty cities was only 1,251,915. The exact number of factory workers in the Republic is still unknown, but it may safely be said that the total number of industrial workers in the thirty cities as presented in Table IV may constitute between 75 and 85 per cent of workpeople in modern factories.

#### THE NUMBER OF INDUSTRIAL ESTABLISHMENTS

According to the Statistical Report of the Ministry of Industry, Commerce, and Labour for 1930, as shown in Table V,

TABLE VI  
NUMBER OF FACTORIES AND WORKSHOPS

Year of Establishment	Number of Factories
Prior to 1903	2,297
1904	225
1905	107
1906	147
1907	87
1908	134
1909	359
1910	210
1911	220
1912	496
1913	367
1914	308
1915	281
1916	242
1917	238
1918	218
1919	386
1920	202
TOTAL 6,524	

there were prior to the establishment of the Republic in 1912 only 171 factories in the whole country, or 8.66% of the total number of modern factories, while from 1912 to 1930 inclusive 1,804 factories have come into existence. While modern industry prior to 1912 was thus comparatively unimportant, its growth during the last eighteen years has been so unusually rapid that assumely a same degree of progress, China may become a fully industrial country within the next quarter of a century, with her industries so highly developed that she will not have to depend on other countries for her necessary machine-made goods.

According to the Annual Statistical Report for 1920-1921 of the Ministry of Agriculture and Commerce, the number of factories and workshops established up to that time was 6,524, of which 2,297 were established before 1903, and the remaining 4,227 between 1904 and 1920, as shown in Table VI. But the majority of these establishments were obviously small shops, for, as the figures in Table V indicate, modern factories

TABLE VII  
LABOUR AND PRODUCTION (1920)

Industry	Number of Establishments Reported	Number of Workers Employed		Total Number of Workers	Total Production (in silver dollars)
		Males	Females		
Tobacco*	64,811	281,660	63,765	345,425	39,409,511
Sugar*	27,908	913,139	19,899	933,038	43,462,679
Flour	315,977	1,398,257	6,394	1,404,651	200,486,452
Canning*	30,038	88,333	7,300	95,633	22,911,185
Silk*	36,806	122,489	56,247	178,736	40,123,016
Cotton	233,743	496,530	1,131,369	1,627,899	151,972,711
Linen*	71,730	80,291	120,196	200,487	10,611,424
Woolen	2,955	69,305	3,249	72,554	4,261,655
Knit Goods	18,649	13,288	29,018	42,306	8,901,502
Soap	1,210	5,266	1,435	6,701	9,923,469
Candle*	43,911	151,984	7,968	159,952	18,405,701
Paint*	8,908	26,904	768	27,672	2,130,387
Wax*	9,202	25,801	2,185	27,986	1,134,520
Indigo	19,725	55,455	4,346	59,801	43,619,318
Match	73	148,575	16,550	165,125	33,571,627
Glass	126	2,028	14	2,042	1,181,386
Bricks & Tiles*	83,221	686,767	17,970	704,737	62,150,732
Paper*	55,868	274,987	23,551	298,538	54,860,795
Leather*	20,016	199,385	2,339	201,724	63,132,713
Cosmetics	927	3,462	1,595	5,057	1,711,959
Drugs*	2,955	13,709	152	13,861	2,344,278
Pottery*	141,667	509,155	38,891	548,046	13,120,743
Lacquer*	23,730	107,656	2,449	110,105	15,667,176
Metal Wares	26,259	112,007	127	112,134	224,494,638
Furniture	13,953	62,673	43	62,716	27,368,121
Opticals	116	551	36	587	1,346,285
Clocks	192	1,240	.....	1,240	347,966
Jade & Ivory	7,062	53,619	626	54,245	2,806,141
Miscellaneous	318,511	230,932	151,319	382,251	136,321,392
<b>Total</b>	<b>1,580,389</b>	<b>6,135,448</b>	<b>1,698,901</b>	<b>7,834,349</b>	<b>\$1,237,779,476</b>

\* Statistics for 1915 are used because those for 1920 are incomplete to represent the industry concerned.

TABLE VIII  
DISTRIBUTION OF WORKERS AND SIZE OF ESTABLISHMENTS

Year	Establishments with 7-30 Workers		Establishments with 30-50 Workers		Establishments with 50-100 Workers		Establishments with 100-500 Workers		Establishments with 500-1000 Workers		Establishments with over 1000 Workers		Total	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
1912	18,212	87.77	990	4.77	798	3.85	514	2.48	181	0.87	54	0.26	20,749	100
1913	18,830	86.73	1,145	5.27	833	3.84	726	3.34	145	0.67	33	0.15	21,712	100
1914	17,447	85.99	1,187	5.86	869	4.28	548	2.70	191	0.94	47	0.23	20,289	100
1915	17,874	86.16	1,172	5.65	866	4.17	618	2.98	176	0.85	40	0.19	20,746	100
1916	14,408*	84.32	1,099*	6.44	768*	4.49	607*	3.55	160*	0.94	45*	0.26	17,087*	100
1917	13,076*	83.10	1,176*	7.47	667*	4.24	589*	3.74	179*	1.14	49*	0.31	15,736*	100
1918	11,945*	83.10	1,047*	7.28	720*	5.00	491*	3.43	122*	0.85	49*	0.34	14,374*	100
1919	8,813*	83.81	651*	6.19	464*	4.41	443*	4.22	115*	1.09	29*	0.28	10,515*	100
1920	5,212*	79.89	446*	6.84	367*	5.63	376*	5.76	98*	1.50	25*	0.38	6,524*	100
Total	125,817	84.53	8,913	6.20	6,352	4.43	4,912	3.58	1,367	0.98	371	0.28	147,732	100

\*Data Incomplete.

have largely sprung up since the Republic, the total number at the end of 1920 being only 673.

In Table VII is shown the number of establishments reported and the total number of workers employed in 1920. The total number of establishments reported was 1,580,188, the total number of workers 7,845,249, of whom 6,135,448 or 78.21 per cent. were males and 1,709,801 or 21.79 per cent. were females. The total production was estimated at \$1,237,779,476 or an average of \$157.77 per worker. The number of establishments reported was considerably lower for 1920 than for 1915, and the number of industrial workers correspondingly lower. There is however no reason why the actual number of establishments in 1920 should be lower than in 1915 nor why the actual number of industrial workers in 1920 should be less than in 1915, especially in view of the continual progress of modern Chinese industry. As a matter of fact, several entries in Table I (for 1915) were left out in Table VII (for 1920), notably Silk and Cotton Mixtures, Mint Oil, Oil for cooking, Brewing and Distilling, Mining, while the difference in the figures for Indigo and Miscellaneous for 1915 and 1920 is simply stupendous. The omission of these various items and the difference in the figures for Indigo and Miscellaneous alone account for 2,841,765 number of workers, bringing the total number of workers from 7,845,294 to 10,687,059.

#### THE SIZE OF THE INDUSTRIAL ESTABLISHMENTS

Apart from the number of wage-earners and industrial establishments, it is necessary to consider, the size of the factories and workshops and the proportion of the workers employed therein so as to ascertain the proportion between the small establishments and the large factories, and to obtain more light on the distribution of home-workers and factory workers. According to Table VIII, which covers the period from 1912 to 1920, industrial establishments employing from 7 to 30 workers constitute the highest percentage, being 84.53 per cent on the average; those employing from 30 to 50 workers form 6.20 per cent on the average; those employing from 50 to 100,

being 4.43 per cent; those employing from 100 to 500 workers, being 3.58 per cent; those employing from 500 workers and over being less than 1 per cent on the average.

\* \* \*

On the basis of foregoing tables we may form the conclusion that the wage-earning population in the Republic has probably never exceeded thirteen millions in any one year, although a substantial margin should be allowed for those establishments which were not reported by the local authorities. Allowing a margin of two millions to cover these unreported establishments, the total number of wage-earners could not be more than fifteen millions throughout the Republic. Factory workers in the narrower sense of the term number, in 1930, about one million and a quarter or about 10 per cent of the total number of men, women, and children gainfully employed. But in spite of the fact that this number constitutes a mere fraction of China's enormous population, the industrial workers have been given a great deal of consideration in recent years on the part of the Government and the public because of the deplorable conditions under which the factory people work and live, the unduly low wages they earn, the long hours they work, the rise of the cost of living, and the great family responsibility they bear. In considering the number of wage-earners in the Republic we are therefore bound to go a step further and find out the earnings of these wage-earners, the length of their working day, and the prevailing standard on which they live in order to determine the state of their economic welfare.

### C. SCALE OF WAGES

#### ANALYSIS OF DAILY, MONTHLY AND YEARLY WAGES

The following Tables and the graph show that earnings of industrial workers have been extremely low, even if nominal wages have been on the increase since 1915 (see Graph on p. 71). For wages have never kept pace with the prices of the daily necessities, especially in such growing cities, as Canton, Hankow, Shanghai, and Nanking. Table IX (A)

**TABLE IX (A)**  
**DAILY WAGES IN THE VARIOUS INDUSTRIES (1919)**

Industry	Wages With Food			Wages Without Food		
	Max.	Min.	Me- dium	Max.	Min.	Me- dium
Agricultural Labour	\$0.29	\$0.12	\$0.21			
Agricultural (Female)	0.23	0.08	0.15	—	—	—
Sericultural Labour	0.31	0.14	0.22	—	—	—
Sericultural (Female)	0.23	0.10	0.16	—	—	—
Silk Reeling	0.44	0.17	0.29	—	—	—
Silk Reeling (Female)	0.34	0.13	0.22	—	—	—
Fishing	0.34	0.15	0.17	—	—	—
Spinning & Weaving	0.33	0.15	0.22	0.45	0.25	0.33
Cotton Batting	0.39	0.20	0.28	0.46	0.28	0.38
Dyeing	0.30	0.15	0.22	—	—	—
Tailoring	0.40	0.20	0.28	—	—	—
Hat Making	0.34	0.16	0.24	—	—	—
Shoe Making	0.33	0.16	0.24	—	—	—
Rice Milling	0.27	0.13	0.18	0.39	0.23	0.31
Brewing & Distilling	0.32	0.15	0.22	0.42	0.27	0.32
Sauce Making	0.27	0.12	0.18	0.42	0.23	0.31
Tea Making	0.33	0.14	0.22	0.46	0.23	0.33
Tobacco Making	0.30	0.13	0.21	0.42	0.22	0.32
Carpentry	0.32	0.15	0.24	0.44	0.26	0.35
Tile Making	0.31	0.15	0.23	0.44	0.26	0.34
Sawing	0.45	0.24	0.34	—	—	—
Masonry	0.35	0.17	0.26	0.49	0.29	0.38
Brick Making	0.29	0.14	0.21	0.42	0.25	0.35
Furnitures and Fixtures	0.37	0.16	0.25	—	—	—
Vehicle Making	0.39	0.17	0.27	—	—	—
Gold & Silver Wares	0.43	0.19	0.30	—	—	—
Brass and Lead Wares	0.37	0.18	0.26	—	—	—
Iron Works	0.29	0.14	0.21	—	—	—
Barrel Making	0.31	0.13	0.21	—	—	—
Bomboo & Rattan Wares	0.33	0.15	0.23	—	—	—
Paper Manufacturing	0.28	0.14	0.21	0.40	0.23	0.32
Oil Manufacturing	0.31	0.14	0.23	0.45	0.25	0.35
Lacquered Ware	0.33	0.16	0.24	0.46	0.26	0.36
Engraving	0.39	0.17	0.28	0.54	0.31	0.42
Printing	0.34	0.14	0.24	0.48	0.27	0.38
Leather Tanning	0.35	0.16	0.25	0.49	0.28	0.37
Mat Making	0.26	0.12	0.19	0.38	0.31	0.24
Coolie Work	0.39	0.18	0.26	—	—	—
Grand Average	\$ 0.33	0.15	0.22	0.44	0.27	0.33

TABLE IX (B)  
AVERAGE WAGES IN THE TEXTILE INDUSTRY (1920)

LOCALITY	Average Daily Wages				Average Working Days per Year	Average Yearly Income			
	Males		Females			Males		Females	
	Max.	Min.	Max.	Min.		Max.	Min.	Max.	Min.
<i>Anhwei</i> Wuhu	\$0.80	\$0.20	\$0.50	\$0.16	320	\$256	\$64.00	\$150	\$51.20
<i>Hopei.</i> Paote	0.40	0.05	—	—	305	122	15.25	—	—
Tientsin	1.70	0.05	0.75	0.05	306	520	15.30	229	15.30
<i>Honan</i> Chenghsien	0.70	0.20	0.60	0.12	320	224	64.00	192	38.40
Anyang	1.00	0.12	0.80	0.12	300	300	36.00	240	36.00
Shenhsien	0.35	0.15	—	—	280	198	42.00	—	—
Mengtsin	0.50	0.20	—	—	240	120	48.00	—	—
Wuhsien	0.25	0.15	0.25	0.15	280	70	42.00	70	42.00
<i>Hupeh</i> Wuchang	0.30	0.12	—	—	270	81	34.00	—	—
<i>Kiangsu</i> Shanghai	1.80 0.98*	0.12 0.29*	0.75 0.54*	0.10 0.24*	303	297	63.57	164	72.72
Taitsang	0.30	0.24	0.32	0.10	270	81	64.80	86	27.00
Chungming	0.36	0.12	0.48	0.12	330	118	39.60	158	39.60
Wuhsien	0.38	0.25	0.28	0.20	286	108	96.50	80	57.20
Changshou	0.62	0.18	0.52	0.16	300	186	54.00	159	48.00
Wusih	2.50	0.25	0.55	0.15	250	625	62.50	138	37.50
Chiangying	1.40	0.10	0.50	0.10	260	364	26.00	130	26.00
Nantung	0.50	0.18	0.50	0.18	280	140	50.40	140	50.40
<i>Shantung</i> Jehhsien	0.40	0.20	0.50	0.25	280	112	56.00	140	70.00
Yiehhsien	0.20	0.15	—	—	340	68	51.00	—	—
<b>Grand Average \$</b>	<b>0.77</b>	<b>0.16</b>	<b>0.52</b>	<b>0.14</b>	<b>291</b>	<b>\$210</b>	<b>45.35</b>	<b>149</b>	<b>43.67</b>

\* Average maximum and minimum.

shows the scale of wages according to industry or occupation in 1919, Table IX (B) shows the daily and yearly wages of textile workers in 1920, Table IX (C) presents the daily earnings of the male and female workers in the representative industries during 1919 and 1920, while Table X on page 70 indicates the average monthly wages of factory workers in 1930.



TABLE IX (C)  
DAILY WAGES OF MALE AND FEMALE WORKERS (1919-1920)

INDUSTRY	Males (Daily Wages)			Females (Daily Wages)		
	Max.	Min.	Aver.	Max.	Min.	Aver.
Textiles, Dyeing & Tailoring	\$0.35	\$0.19	\$0.27	\$0.28	\$0.13	\$0.21
Machinery, Scientific Instruments, Farm Implements, Vehicles, Building Materials, etc.	0.38	0.19	0.29	0.22	0.13	0.18
Chemical Products	0.36	0.19	0.28	0.25	0.14	0.20
Food and Drinks	0.34	0.20	0.27	0.31	0.17	0.24
Gas and Power Plants	0.98	0.30	0.64	—	—	—
Miscellaneous	0.29	0.17	0.23	0.26	0.15	0.21
	\$0.45	\$0.21	\$0.33	\$0.26	\$0.14	\$0.20

A large proportion of the industrial workers in China do not earn an amount sufficient to maintain a family of four in reasonable comfort, and, in many cases a man can scarcely earn enough to support his wife. Consequently, husband and wife are both compelled to work in order to help maintain the home, particularly those who have children. And as soon as the children are old enough (or of legal age), they will also be employed in a factory so as to add to the family income. The wage rates for the decennial period 1920-1930 show certain fluctuations in earnings between 1920 and 1930, but they corroborate the salient points in the general findings with regard to the wage situation of the industrial workers, especially women and children.

The highest average monthly wages of male workers in 1920 were \$18.67 (computed on the basis of 291 days per

TABLE X<sup>1</sup>  
AVERAGE MONTHLY WAGES IN 30 INDUSTRIAL CITIES (1930)

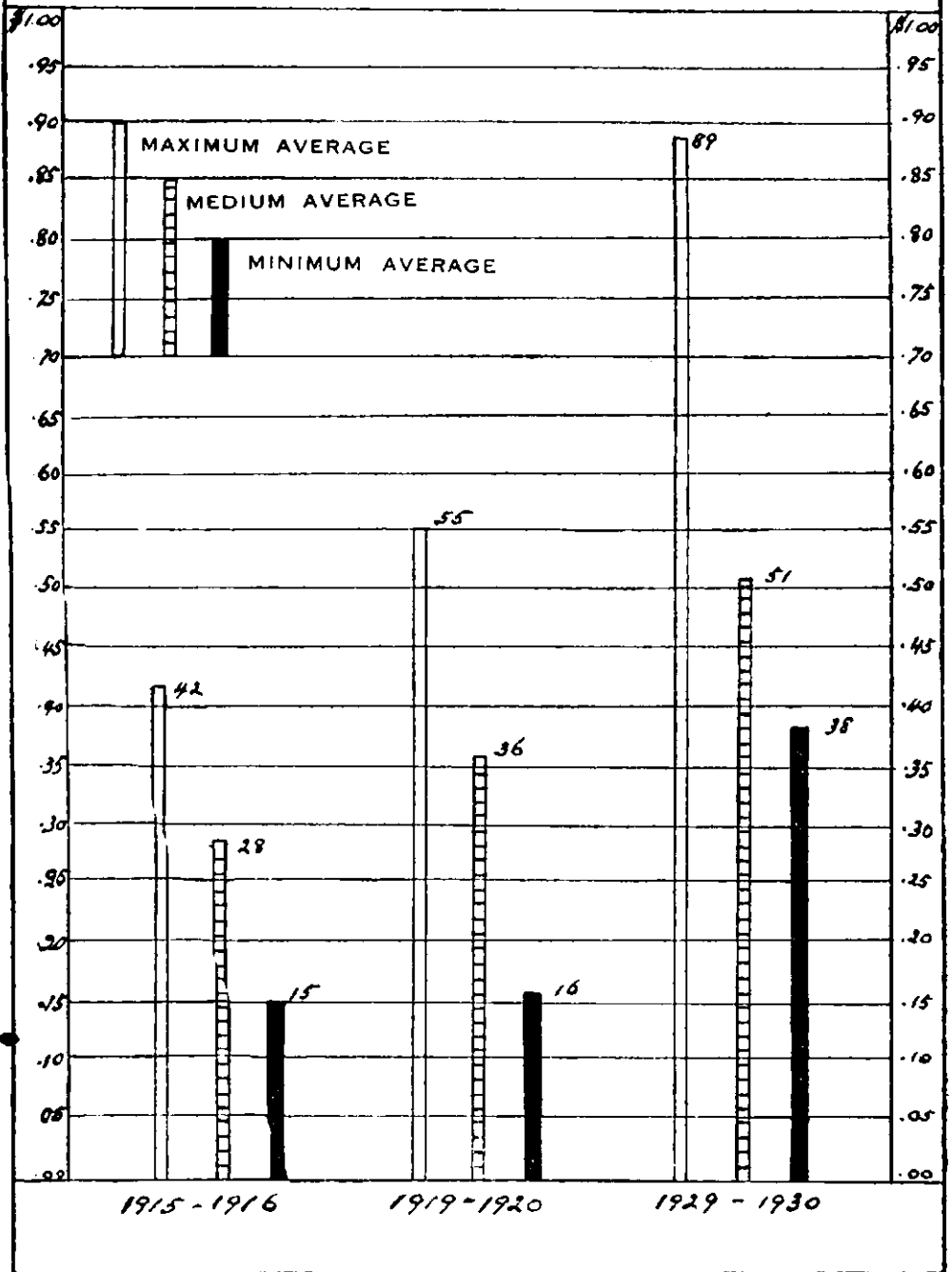
LOCALITY	Average Monthly Wages								
	Men			Women			Children		
	Max.	Medium	Min.	Max.	Medium	Min.	Max.	Medium	Min.
Amoy	\$40.00	\$24.00	\$18.00	20.00	\$20.00	\$10.50	\$10.00	\$8.00	—
Anking	26.00*	8.40	3.00	—	6.00	—	—	6.00	—
Canton	30.00	10.62	7.50	—	7.50	—	—	6.00*	—
Chaoan	—	27.50	—	—	—	—	—	—	—
Chinking	42.30	15.00*	6.00*	15.00*	15.00*	7.20*	10.50	10.50	\$2.00
Foochow	33.00	18.00	12.00	21.00	12.00	10.00	9.00	8.00	3.00
Fushan	48.12	12.50	6.67	—	6.00	—	—	3.75	—
Hangchow	38.00	13.50	7.20	20.40	12.33	8.00	—	5.10	—
Hankow	41.00	19.50	8.00	19.20	19.20	6.00*	9.00	4.50*	3.00*
Ishing	43.00	13.50	7.00	—	12.00	—	17.10	9.60	2.00*
Kashing	40.00*	22.20	4.00*	22.00	19.87	9.00	15.60	15.60	6.00*
Kiangtu	23.00	8.10*	4.00*	—	8.10*	—	—	2.00*	—
Kiukiang	29.66	15.00	6.00	—	15.00	—	—	6.50	—
Nanchang	22.88	13.00	5.50	—	—	—	—	—	—
Nanking	30.00*	10.80*	6.50*	—	—	—	—	—	7.50
Nantung	35.00	23.11	6.00*	13.47	13.47	5.00*	9.75*	8.59	4.39*
Ningpo	24.00	24.00	7.50	18.00	9.00	8.00	—	6.00	—
Pengpu	30.00	10.80	8.00*	24.00	8.90	8.90	—	9.00	—
Shanghai	50.00	15.28	8.00*	24.00	12.50	7.00*	21.00	8.07	5.00*
Shunteh	18.83	18.83	5.00	—	18.75	—	—	8.40	—
Soochow	35.00	16.00	7.00*	25.00	15.00	9.00	16.00	9.00	3.00*
Swatow	35.00	15.54	7.66	22.00	8.00	—	13.00	6.00	2.00*
Tayeh	—	16.00	—	—	—	—	—	6.00	—
Tientsin**	—	17.10	—	—	—	—	—	—	—
Tsingtao	24.00	15.00	8.00	—	15.00	—	—	10.00	—
Wuchang	30.25	18.00	9.00	17.00	12.93	—	9.00	8.46	—
Wuchow	29.16	22.50	4.56	—	10.50	—	—	4.00*	—
Wuchin	34.00	14.00	5.50*	13.97	11.50	7.50*	9.45	6.75	4.75*
Wuhu	35.60	16.00	4.00*	—	12.60	—	—	7.20	—
Wusih	30.00	20.00	7.77	21.00	17.10	15.00	13.50	10.50	9.00
Simple Average	33.25	16.46	7.01	19.73	12.73	8.55	12.53	7.44	4.30
Average Without Food	33.41	17.03	7.67	20.79	13.33	9.80	12.76	8.05	7.17

<sup>1</sup> See Survey of Labour Conditions (Table IV), compiled by the Ministry of Industry, Commerce, and Labour, 1930.

\* With food.

\*\*Based on the survey made by the Municipal Government of Tientsin, 1929.

GRAPH  
DEVELOPMENT OF AVERAGE WAGES  
DURING PERIOD OF 1915-1930



year, as shown in Table IX (B), or  $24\frac{1}{4}$  days per month), and of female workers, \$17.23. On the other hand, the lowest average monthly earnings of male workers were only \$3.88, and of female workers, \$3.39. There was no report on the wages of infantile workers, which no doubt have been included in the wages of the male and female workers respectively.

The maximum average monthly earnings of men in 1930 was estimated at \$33.25 in three cities where wages were calculated with food, and at \$33.41 without food, of women, at \$19.73 in one city where wages were estimated with food, and at \$20.79 without food, and of children, at \$12.53 in one city where wages calculated with food, and at \$12.76 without food. The minimum average monthly wages of male workers without food was \$7.67 of female workers \$9.80 and of infantile workers \$7.15. The average monthly earnings (wages most frequently paid) of men without food were \$17.03, of women, \$13.33, and of children, \$8.05. On the whole, wages paid in 1930 were higher than those paid in 1920, being based on the earnings of factory workers in 30 chief industrial cities; whereas those for 1920 were based mostly on earnings of home workers. Thus, wages paid at the beginning and end of the decennial period (1920-1930) varied greatly in many respects, although the minimum average wages was still low even in 1930, absolutely sufficient to maintain a family of say four. This appalling condition in industry is universal, and not until very recently did the Government devise means for the protection of labour and the improvement of the general social and economic conditions of the wage-earners.

#### AVERAGE DAILY WAGES DURING PERIOD 1915-1930

The Graph on page 71 represents three kinds of average daily wages during three different periods. The highest average daily wages for 1919-1920 was 55 cents; the medium average, 36 cents; and the lowest average, 16 cents. The highest

average daily wages for 1929-1930 was 89 cents; the medium average, 51 cents; and the lowest average, 38 cents. These figures are secured by combining the average earnings of men, women, and children. In the case of 1929-1930, only the figures of the monthly wages, are available, and the average daily wages are obtained by converting the monthly earnings into daily rates calculated on the basis of 300 days per year of 25 days per month. Wages for workers who were provided with food were usually lower, but food for a worker is estimated at six dollars per month based on the prevailing standard of living of workpeople; thus an average wage of \$25 with board is equal to \$31 without board. In finding the daily average the food allowance of six dollars must therefore be added to the average monthly wages with board. Thus, we have the figures as shown in the Graph on page 71.

As to the figures for 1919-1920, the average daily wages seem to be too small to represent the average wages earned by factory workers in large industrial centres, such as Shanghai, Hankow, Canton, Tientsin, and Wusih; and, since no report was made by many industrial provinces during 1919 and 1920, the figures as given in the Graph can represent only the average wages of home workers or the medium average wages of factory workers. The incomplete report for 1919, however, showed that the highest wage paid to male factory workers in that year was \$2.00 per day in one of the cotton mills in Shanghai, and \$1.73 in a cotton mill in Tientsin. This shows that wages of skilled factory workers were much higher than the average highest level. Based on the incomplete reports of six provinces; namely, Anhwei, Chihli (Hopei), Honan, Hupeh, Kiangsu, and Shantung, the average daily wages was only 60 cents. With the exclusion of Canton, Fushan, Amoy, Foochow, Hankow, and Tientsin, where wages have always been higher than many other industrial cities, the average daily wage stated above was not representative of the Republic.

The same is true of the figures for 1915-1916. The average maximum wages of male factory workers in 1916 was 81 cents a day. Wages of female factory workers averaged 51 cents. The results of the author's own investigation show that the average daily earnings of adult men and women are between 40 and 55 cents. The figures as shown in the Graph are not far from accurate, the author being convinced that the recent survey on labour conditions conducted by the Ministry of Industry, Commerce, and Labour is about the nearest approach to ascertaining actual wages earned by industrial workers in China.

## WAGES IN GOVERNMENT ESTABLISHMENTS

TABLE XI

## DAILY WAGES IN GOVERNMENT ESTABLISHMENTS (1920)

Ministry	Males		Females		Average Working Days per Year	Average Working Hours per Day
	Highest Average	Lowest Average	Highest Average	Lowest Average		
Cabinet	\$1.27	\$0.08			342	15
Interior	0.95	1.06			299	9
Finance	217	0.18	\$0.20	\$0.10	302	11
War	1.67	2.78	0.33	0.12	302	8
Navy	2.94	0.15			336	9
Communications	1.45	0.25			331	9
Total Average	\$1.74	\$0.75	\$0.26	\$0.11	319	10

Wages paid in Government-owned enterprises, however, were a great deal higher than those paid in privately owned industries. Table XI shows the average daily wages of male and female workers in Government-owned enterprises in 1920. The highest average daily wages paid to male workers was \$1.74; to female workers, 26 cents. The lowest average daily earnings of male workers was 75 cents; of female workers

were only 11 cents. Women were only employed in establishments under the Ministry of Finance and the Ministry of War on light work, and this accounted for the unreasonably low wages they earned as compared with those earned by men. The average number of days actually worked was 319, and the average number of hours per day 10 which is shorter than in privately owned establishments. It is perfectly obvious that, with steady employment, male workers employed in Government-owned establishments could earn sufficient wages to maintain a reasonable standard of life impossible for the industrial workers in privately-owned enterprises.

#### D. HOURS OF LABOUR

China is now going through the same process as the Western countries during the Industrial Revolution of the nineteenth century. Wages are low, hours of work long, while the general conditions under which men, women, and children are employed and the standard of living, deplorable. Women and children are forced to work practically the same number of hours per day as men. With a few exceptions, women and children have not been given special consideration as to their health, family responsibility, and education. There were no restrictions in the hours of labour until the adoption of the first set of factory regulations in 1923; but these regulations were not enforced, the power of regulating the hours of labour remaining vested in the employers themselves. The growth of the Labour Movement in the southern provinces, however, enabled the workers, by means of the strike, to fix their own hours of work resulting in the general recognition on the part of employers of the important role that the workers play in modern industry, and the gradual raise of wages and reduction of hours of work, which are now a considerable improvement on a decade ago, as shown in Table XII on page 76.

Table XII referring to 17 industrial cities in 6 provinces in 1920 and to 30 industrial cities in 10 provinces

TABLE XII<sup>1</sup>  
DAILY HOURS OF LABOUR IN 1920 AND IN 1930

LOCALITY	Daily Hours, 1920			Daily Hours, 1930			Provincial Average	
	Max.	Min.	Medium	Max.	Min.	Medium	1920	1930
<i>Anhui</i> : Anking	—	—	—	12	8	10	} 12	10
Pengpu	—	—	12	14	8	12		
Wuhu	—	—	—	11	8	9		
<i>Hopei</i> : Paoteh	12	10	—	—	—	—	} 11	12¾
Tientsin	—	—	11	—	—	12¾*		
<i>Fukien</i> : Amoy	—	—	—	15	8	8	} 9	9
Foochow	—	—	—	10	6	10		
<i>Honan</i> : Chenghsien	—	—	14	—	—	—	} 11½	11½
Mengtsin	—	—	10	—	—	—		
Wushieh	—	—	11	—	—	—		
<i>Hupeh</i> : Hankow	—	—	—	14	8	10	} 10	10
Tayeh	—	—	—	—	—	8		
Wuchang	—	—	10	12	9	12		
<i>Chekiang</i> : Hangchow	—	—	—	12	7	11	} 9½	9½
Kashing	—	—	—	12	8	10		
Ningpo	—	—	—	10	8	8		
<i>Kiangsi</i> : Kiukiang	—	—	—	10	7	9	} 11½	11½
Nanchang	—	—	—	14	8	14		
<i>Kiangsu</i> : Changshu	—	—	12	—	—	—	} 11¾	9¼
Chinkiang	—	—	—	12	7	9		
Ishing	—	—	—	10	6	6		
Kiangtu	—	—	—	13	8	10		
Kiangyin	—	—	12	—	—	—		
Nanking	—	—	—	12	6	10		
Nantung	—	—	12	12	6	8		
Shanghai	12	10	—	12	8	11		
Taichuang	—	—	10	—	—	—		
Tsungming	—	—	12	—	—	—		
Soochow	—	—	12	14	7	10		
Wuchin	—	—	—	12	7	10		
Wusih	12	10	—	12	7	10		
<i>Kwangsi</i> : Wuchow	—	—	—	12	7	9	} 9	9
<i>Kwangtung</i> : Canton	—	—	—	14	8	9		
Chaoan	—	—	—	12	9	12	} 10	10
Fushan	—	—	—	14	8	10		
Shunteh	—	—	—	15	9	10		
Swatow	—	—	—	12	8	8		
<i>Shantung</i> : Liehchen	—	—	12	—	—	—	} 11	12
Tsingtao	—	—	—	12	8	12		
Yih sien	—	—	10	—	—	—		
Average	12	10	11	11	7	10	11¼	10¼

<sup>1</sup> See Statistical Report No. 9 of the Ministry of Agriculture and Commerce, pp. 272-274 and Labour Statistics compiled by the Ministry of Industry, Labour and Commerce, Table IV.

\* Report of the Bureau of Social Affairs, Tientsin, Hopei.



in 1930—indicates a general reduction of hours during the decennial period 1920-1930 by an average of one hour per day or perhaps more if more complete and accurate data could be obtained. This reduction of working hours is undoubtedly due to the Labour Movement, the Revolution of 1926, and the Labour Policy of the Kuo-Min Tang. Unfortunately, the data available do not show any special consideration given to women and children in respect to the hours of labour. The same is true with regard to rest days and holidays.

Table XIII on page 78 shows that 439 out of 542 branches of industry, including duplicates, in 20 industrial cities, have no weekly rest days, 27 grant half a day per week, and 76 have weekly rest days. The maximum average number of holidays per year was 52; the minimum, 7; and medium, 21. The number of hours actually worked in all industries of the cities reported were 67 calculated on the basis of 10 hours per day (see Table XII). As a customary practice some establishments grant a special New Year Vacation of from 10 to 15 days. Often the workers are given a bonus in the form of a gift at the end of each year, which annual bonus or New Year gift takes the place of the special vacation mentioned above.

## E. STANDARD OF LIVING

### FAMILY INCOMES AND EXPENDITURES

The present economic status of the wage-earners does not permit them to maintain a reasonable standard of life, and the rise in the cost of living makes it difficult, if not impossible, for ordinary wage-earners in spite of the nominal raise in wages to make both ends meet. Not infrequently a worker's family is rendered destitute in the event of accident, sickness, and death. In the absence of workers' insurance, the worker's life is not worth much and his family is not protected. The worker's standard of living is determined by his wages, the hours of labour, and the prices of daily necessities. With the help of the prices of commodities we can easily discover what budget is necessary for a working class family to maintain itself in health and efficiency.

TABLE XIII<sup>1</sup>

## REST DAYS AND HOLIDAYS, (1930)\*

Locality	Industries Without Weekly Rest Days	Industries With Weekly Rest Days		Number of Holidays per Year			Average Number of Hours per Week
		½ day	1 day	Min.	Max.	Medium	
Amoy	11	—	2	69	7	18	55
Anking	14	—	—	16	7	7	70
Canton	13	—	1	36	5	36	62
Chaoan	9	—	—	—	—	3	84
Chinkiang	28	1	4	60	5	4	62
Foochow	18	2	7	63	8	15	67
Fushan	17	—	2	64	3	10	59
Hangchow	35	—	3	65	3	3	76
Hankow	16	1	5	60	4	31	68
Ihsing	26	—	—	60	3	12	42
Kahsing	17	—	—	60	30	60	70
Kiangtu	17	—	1	60	5	15	69
Kiukiang	3	—	1	55	12	12	61
Nanchang	18	—	—	10	5	7	98
Nanking	18	—	—	14	5	10	70
Nantung	17	—	7	62	20	61	54
Ningpo	8	1	2	22	7	10	54
Pengpu	4	—	1	60	5	15	61
Shanghai	7	20	13	67	7	33	71
Shunteh	8	—	—	40	3	40	70
Soochow	35	1	9	60	7	7	68
Swatow	13	—	2	65	3	13	55
Tayeh	2	—	—	—	—	12	56
Tientsin**	—	—	—	—	—	—	—
Tsingtao	9	1	3	62	10	62	81
Wuchang	2	—	4	52	—	46	76
Wuchin	27	—	6	60	8	8	68
Wuchow	17	—	—	40	7	16	63
Wuhu	22	—	—	50	5	6	84
Wusih	8	—	3	60	8	24	67
Average	439	27	76	52	7	21	67

<sup>1</sup> Based on Labour Statistics, No. I, compiled by the Ministry of Industry, Commerce, and Labour, 1930.

\* Men, Women, and children are treated alike.

\*\* Data unavailable.

TABLE XIV<sup>1</sup>  
FAMILY INCOMES AND EXPENDITURES (1926-1930)

PROVINCE	No. of Families Studied	Average Size	Average Monthly Earnings	Average Monthly Expenditure	Percentage to total Expenditure for					
					Food	Clothing	Rent	Fuel and Light	Miscellaneous	Total
Anhwei	197	2.2	\$28.20	\$3.71	50.40	9.31	19.05	9.8	11.37	100
Chekiang	137	3.3	25.75	31.99	53.42	8.22	10.77	8.4	19.16	100
Fukien	145	2.4	35.61	38.18	46.58	6.63	17.66	12.55	16.55	100
Hupeh	192	3.8	32.05	24.92	35.33	7.21	9.71	8.6	19.08	100
Kiangsi	22	4.2	26.03	31.79	50.66	7.22	15.88	13.82	12.41	100
Kiangsu	630	2.9	25.27	23.69	59.75	7.63	6.8	8.65	17.18	100
Kwangsi	13	3.9	31.94	30.76	54.66	4.95	14.25	9.51	16.67	100
Kwangtung	294	3.8	34.04	34.87	49.86	5.56	14.25	9.61	20.72	100
Shantung	8	4.66	35.69	33.75	51.83	14.00	6.85	8.0	19.20	100
Total Average	1,638	3.5	31.54	30.50	52.49	7.86	12.79	9.92	16.94	100

Table XIV shows the family income and expenditure for the period 1926-1930. The data are obtained from 30 industrial cities in 9 provinces representing South, Central, Southeast, and North China.

Column 2 indicates the number of families studied, 1,638; column 3 shows the average number of equivalent adult males per family, the total average being 3.5; column 4 shows the average monthly income, the total average being \$30.50, while column 5 presents the figures on average family expenditure, the total average being \$31.54. Here is thus an

<sup>1</sup> Based on the Labour Statistics Series, General Report, published by the Ministry of Industry, Commerce, and Labour, 1930.

\* Adult male is counted as 1; adult female, 0.8; child, 0.5; and infant, 0.3.

average monthly deficit of \$1.04 per family. Columns 6 to 10 show the percentage of family expenditure for food, the total average being 52.49 per cent; for clothing, 7.86 per cent; for rent, 12.79 per cent; and for miscellaneous, 16.94 per cent. In view of these figures it may be safely concluded that the average family expenditure must exceed the average net family income. For although the average earnings of fathers, mothers, and children are not specified, the combined earnings of the members of an average family can not be sufficient to defray its total expenses. The author's own investigations of working class family budgets, for instance, point to the fact that the average family of 3.5 equivalent adult males has generally only one regular wage-earner with one or two members irregularly employed on minimal wages, or it may have two or three wage-earners but all without steady employment, or two or three wage-earners with a stable employment but with very low wages which can not keep pace with prices. Seldom does the normal family possess two wage-earners who are regularly employed and whose combined wages would, under ordinary conditions, be sufficient to maintain a fair standard of the family.

Another factor that determines the standard of living of the wage-earners is the percentage of net family income and the percentage of family expenditure for food. According to Table XIV, the average family spent over 50 per cent of its net income on food or 52.49 per cent of total family expenditure. Next in importance and in expenditure to food comes rent, which is 12.79 per cent on the average. Clothing ranks next to rent in importance but second to food in expenditure, being 7.86 per cent. Fuel and light are regarded as important next to clothing but rank next to rent in expenditure, while miscellaneous items including social, education, medicine, and so forth represent 16.94 per cent. All this means poorer dwelling and clothing, and less decency and comfort. Again, this means that the wage-earners are constantly in

debt, without any chance to safeguard themselves against rainy days.

TABLE XV  
INDEX NUMBERS OF WAGES AND PRICES (1926=100)

LOCALITY	1927		1928		1929		1930	
	Wages	Prices	Wages	Prices	Wages	Prices	Wages	Prices
Anking	100	99	120	122	120	133	140	164
Canton	114	101	129	97	143	97	157	100
Chinkiang	100	106	152	123	152	144	152	175
Foochow	104	100	105	100	105	99	109	105
Hangchow	100	107	125	109	125	123	141	146
Hankow*	109	123	109	143	116	180	118	210
Ishing	125	98	149	103	150	115	175	144
Kashing	113	105	122	122	127	137	139	148
Kiangtu	100	109	117	125	133	144	133	162
Kiukiang	113	88	125	92	125	104	125	115
Nanchang	100	113	130	106	130	115	130	148
Nanking	100	119	122	122	144	136	167	138
Nantung	101	109	112	97	113	115	116	128
Ningpo	133	110	133	108	133	120	133	137
Shunteh*	102	101	104	97	108	97	109	100
Soochow	100	118	117	147	117	165	133	181
Tsingtao	100	110	108	119	108	131	125	127
Wuchang	104	123	102	143	103	180	107	210
Wuchin	112	94	117	87	128	101	128	121
Wuchow*	109	104	118	98	124	100	208	106
Wuhu*	103	101	116	97	118	97	122	100
Wusih*	100	99	114	122	114	133	114	164
Average	106	106	120	113	124	126	136	142

<sup>1</sup> See Labour Statistics, General Report, Table III.

\* Index number of prices for Hankow is based on that of Wuchang, for Shunteh and Wuchow is based on that of Canton, for Wuhu is based on that of Anking, and for Wusih is based on that of Shanghai.

## REAL WAGES AND MONEY WAGES

The relation between real wages and money wages may be gathered from the table XV containing figures relative to the increase of wages and of the cost of living in 22 industrial cities during 1927 and 1930, using 1926 as the base.

From the preceding table it will be seen that in 1927 the general increase of wages in the 22 industrial cities reported kept pace with the rise in prices of necessaries, the general index number being 106 for wages and prices alike. In 1928, the general increase of wages was faster than the rise of the cost of living, the general index number being 120 for wages and 113 for prices; whereas in 1929 the index numbers indicated the trend of wages and prices somewhat reversed, being 124 for wages and 126 for prices. From 1929 onwards, prices of commodities have risen more rapidly than wages, the general index number for 1930 being 136 for wages and 142 for prices. Great discrepancy between index numbers of wages and of prices was found in Canton, Hankow, Ishing, Kiangtu, Kiukiang, Nanchang, Nanking, Ningpo, Soochow, Wuchang, Wuhu, and Wusih. For instance, in 1927 wages increased more rapidly than prices in Canton, Ishing, Kiukiang, and Ningpo; whereas prices had gone up considerably faster than wages in Hankow, Nanchang, Nanking, Soochow, and Wuchang. Wages kept on climbing up in Canton, Ishing, and Wusih, culminating in 1930. Conversely, prices had risen enormously, between 1927 and 1930 in Hankow, Soochow, Wuchang, and Wuhu. But while wages as well as prices have varied greatly according to place and time, on the whole it may be said that prices have steadily risen between 1927 and 1930, while wages have declined.

## F. LABOUR AS A SOCIAL FACTOR

## TRADE UNIONS AS AN ESTABLISHED INSTITUTION

Shortlived as was the militant Labour Movement, it was instrumental in bringing about radical changes in the structure of Chinese Society. Modern labour unions are now an establish-

ed fact and are gradually replacing the old fashioned trade guilds. The workers' right to strike, as well as the lock-out, is regulated with a view to protect the workers' best interests and to ensure industrial peace, and the appearance of class consciousness goes hand in hand with the promulgation of protective legislation.

TABLE XVI<sup>(1)</sup>

## LABOUR UNION AND ORGANISED WORKERS IN 29 CITIES (1930)

Industry	No. of Unions	No. of Organised Workers	Percentage to Total	Date of Establishment	No. of Unions
Textiles	111	137,904	23.99	pre-1912	1
Chemicals	73	43,308	7.53	1912-20	7
Food & Drinks	115	67,020	10.62	1921	32
Tailoring	35	28,152	4.90	1922	11
Scientific Instruments	37	12,961	2.26	1923	6
Machinery	33	74,302	12.93	1924	7
Transport	111	105,773	18.40	1925	19
Building	45	31,374	5.46	1926	49
Public Utilities	13	6,213	1.08	1927	246
Educational	34	11,067	1.93	1928	114
Art	1	305	0.05	1929	190
Miscellaneous	133	62,387	10.85	1930	38
				Unknown	21
<b>Total</b>	<b>741</b>	<b>574,766</b>	<b>100%</b>	—	<b>741</b>

Table XVI above shows the number of labour unions in the various industries and trades organised since the establishment of the Republic in 1912, together with the number of organised workers in 1930.

According to this table, seven hundred and forty-one labour unions had been organised up to 1930. Of the total number, only eight were organised before the end of 1920; the rest, seven hundred and thirty-three in number, were organised during the decennial period 1921-1930. Unions covering the manufacturing of food and drinks were the most numerous, numbering 115; the textile and transport industries

(1) See Report No. 3, of the Labour Statistic Series, Compiled by the Ministry of Industry, Labour, and Commerce, 1930.

each had 111; the chemical industry had 73; the building trade, 45; the manufacturing of scientific instruments and implements, 37; the tailoring industry, 35; educational institutions, 34; the manufacturing of machinery, 33; public utilities, 13; art, 1; and miscellaneous, 133. The table also shows that the number of organised workers in 1930 was only 574,766 as against 1,240,000 reported in 1926 and 2,900,000 in 1927. The shrinkage in the membership of the labour unions was to a considerable extent due to the elimination of the Communists, but to some extent also to the tightening of the union rules for admission.

#### THE SETTLEMENT OF LABOUR DISPUTES

One of the most typical manifestations of the labour movement—and the recognised weapon of the labourer in the struggle against the capitalists—is the strike. The strike as a social institution was known in China ever since times immemorial, but strikes in the modern sense only made their appearance around 1916-1917. But while by 1920 over a hundred strikes had taken place, the first strike of importance only took place in May, 1920, at Hongkong affecting over 9,000 workers. Then came the Hongkong seamen's strike in January, 1922, involving over 50,000 workers, which for a time paralyzed the shipping industry and business in general. The third strike of some magnitude was the Ping-Hsiang miners' strike of September, 1922, affecting about 20,000 miners. The next big strike was the Peking-Hankow railway strike in February, 1923. The most important strike, however, was the Canton-Hongkong General Strike of 1926, which lasted four months and affected about 200,000 workers. Two general strikes, both of a political nature, took place in Shanghai, the one in February, 1927, involving about 65,000 workers, the other a month later and affected 112,000 work-people. The number of important strikes that occurred during the last fifteen years (1917-1931 inclusive) is upwards of two thousand. Apart from those mentioned above the majority of these strikes took place more as a protest against the social



and economic conditions rather than from any political motive. According to their causes, strikes may be roughly classified as (a) economic, (b) political and (c) social, although in general all these three elements enter, but in a varying degree. This is seen from the following demands and manifestations classified under their respective headings.

(a) Economic: i. increase of wages to meet the rise in cost of living, ii. shorter hours, iii. resting days and holidays with pay, iv. special privileges for women workers during confinement, v. compensation for accident, sickness, and death, vi. pay during period of strike, vii. no arbitrary dismissals, viii. reinstatement of workers arbitrarily discharged, ix. equal pay for equal work irrespective of sex, x. seniority of workers to be financially recognised.

(b) Political: i. participation in the National Revolution against foreign imperialism and domestic militarism, ii. recognition of the right of association, of assembly, the freedom of speech, of the press, and the right to strike, iii. non-interference with the workers' rights on the part of the management, iv. patriotic demonstrations, parades, and movements.

(c) Social: i. abolition of fines on late comers, ii. abolition of deductions from wages for short leaves, iii. establishment of vocational schools, iv. improvement in the dormitory system, v. adoption of the bonus or profit-sharing system, vi. inauguration of a social insurance system, vii. observance of rest during important festivals, viii. abolition of the contract system of employment, ix. prohibition of the child labour under 14, x. prohibition of night-work for women workers.

Other methods employed in the settlement of these labour disputes partake of the nature of (a) mediation, (b) conciliation, and (c) arbitration. Some disputes have been settled directly between workers and employers through the good offices of a mediator, others by means of conciliation between representatives of employers and workers either with or without the help of public authorities. Many cases have been arbitrated by the local authorities, by the local bureau

of Social Affairs or the local Kuo-Min Tang, especially after the promulgation of the Law on Conciliation and Arbitration in 1929. This Law may be said to have been successfully and effectively enforced since it came into operation, thus giving the workers the legal protection for which they have been struggling during the last two decades.

The majority of strikes have been caused by (1) the low wages and high cost of living, (2) the exhaustive hours of work, (3) ill-treatment in general, (4) interference with workers' right, and (5) the absence of a definite system of compensation. Before the introduction of protective legislation the workers are more or less at the mercy of their employers, even if it should be admitted that not all strikes that have taken place during the last fifteen years, particularly the past six, were justifiable. Not a few of the strikes were due to political agitation, and often the demands presented were patently absurd. While aggregate economic loss as the result of strike must have been tremendous, with consequent sufferings on both the workers and employers, on the whole, the workers have come out victoriously in their struggle for better conditions, both as the result of their own organised efforts, and of the moral assistance of the Government and the public.

## CHAPTER IV

### THE KUO-MIN TANG AND ITS LABOUR POLICY

#### THE RESOLUTIONS CONCERNING LABOUR

No political party in China has ever adopted a platform with a labour policy that is more attractive to the labouring class, more feasible and more adaptable to the needs of China, than the Kuo-Min Tang. This labour policy was enunciated in its various manifestoes issued since its reorganisation in 1924, when it officially adopted the positive labour policy and embodied in its political platform the principle of labour protection. Thus in the Manifesto issued by the First National Congress of January, 1924, the Kuo-Min Tang emphasised the need for labour legislation with a view to (i) improving the workers' standard of life; (ii) solving the problem of unemployment; (iii) instituting the system of old age and orphans' pension and of workmen's compensation; and (vi) promoting the workers education, so as to translate the *Principle of Livelihood* of Dr. Sun into a reality.

The Manifesto of the Second National Congress held in January, 1926, reiterated the need for labour protection, calling for (1) the promulgation of labour legislation, (2) the adoption of the eight-hour day and the prohibition of working hours beyond 10, (3) the fixation of a minimum wage, (4) the protection of woman and child workers, i.e. (a) the prohibition of the child labour under 14, (b) the regulation of the system of apprenticeship, (c) a special vacation of 60 days with pay for female workers before and after childbirth, (5) the improvement of sanitary conditions, (6) the establishment of a social insurance system, (7) the freedom of association, of the press, and of speech, and the legalisation of strikes, (8) the abolition of property and intellectual qualifications

with regard to the vote, (9) the promotion of workers' education, (10) the establishment of co-operative societies and enterprises, (11) the abolition of the contract system, (12) the institution of legal holidays with full pay.

The Joint Conference of the National and Provincial Governments held at Canton in October 1926 elaborated on the Manifesto of the Second National Congress of the Kuo-Min Tang and passed in addition resolutions with a view to encouraging native industry and protecting Chinese capital against undue foreign competition. These resolutions provided for (1) the adoption and enforcement of a protective tariff policy, (2) preferential treatment to native manufactures and dealers in the matter of Government contracts, (3) the granting of Government subsidies to vital industrial enterprises, (4) the reduction or exemption of duties, and the grant of bounties on native goods as a means of encouraging native industry, (5) the organisation of industrial associations, the calling of a national industrial conference, and the holding of a national exposition of native products in Canton or Wu-Han, (6) the abolition of the special privileges to foreign capitalists, (7) the establishment of industrial schools.

At its Third Plenary Session the Central Executive Committee of the Kuo-Min Tang again passed a resolution calling for (i) a better standard of living, (ii) the limitation of the hours of labour, (iii) the increase of the workers' productive efficiency; and (iv) the reform of the whole system of labour. As a just step in carrying out this resolution it decided on a survey of industrial conditions so that the workers' actual standard of life could be ascertained. It also decided that on the compilation of statistics relating to labour and production by the Ministry of Industry, Labour and Commerce, to be completed by September, 1929.

Another resolution called for the regulation of the mass associations with a view to eliminating irregular and illegal organisations. In order to form an industrial organisation—farmers' union or labour union or employers' association—the

promoters, at least 50 in number, must apply to the local Kuo-Min Tang organ, or Tangpu, for approval and registration. The Tangpu shall, after due investigation, give to the promoters a permit which requires that the organisation (i) must not contravene the *Three Principles of the People*; (ii) must obey the directions of the Kuo-Min Tang; (iii) must observe the law of the land and obey the orders of the Government; (iv) must not accept members who are not engaged in the same industry; (v) must not admit counter-revolutionaries and reactionaries and other undesirable persons; (vi) must not hold meetings not specified in the by-laws without the permission of the local Tangpu. A copy of the by-laws giving particulars concerning name, aim, location, election of officers, qualifications of members, meetings, financial resources, accounts, and dissolution, must be submitted. Organisations which are not registered are considered illegal.

#### LABOUR IN THE EDUCATIVE PERIOD

The principle which guides the Kuo-Min Tang in its Labour policy is that during the period of Educative Government\*—the second of the Three Stages of Dr. Sun—is that the productive efficiency of the workers must be increased, workers' education developed, and harmonious relations between workers and employers promoted, and that an independent labour movement, like that in England or the United States, cannot be successful until the workers have gone through a period of political education under the direction and leadership of the Kuo-Min Tang, just as a real democracy cannot be brought about unless the masses of the people are to a certain extent educated. During the period of a Military Government the labour policy of the Kuo-Min Tang was based on a close co-operation between the Kuo-Min Tang and the workers so as to ensure the speedy military success of the Revolution. During the period of Educative Government the workers should now develop their productive efficiency by proper and adequate education and guidance. So as to prepare themselves

\*Often referred to as period of Political Tutelage.

for the period of Constitutional Government, or true democracy, which must be based on the intelligence of the people, and make the return of monarchy or oligarchy impossible.

This was emphasised in a declaration issued by the Central Executive Committee of the Kuo-Min Tang on the 16th of October, 1928, in connection with the postal workers' strike at Shanghai. In declaring a strike, the declaration stated, the employees of the Post Office in Shanghai misunderstood their position and duty, and have worked into the hands of those who are against the Revolution, incidentally hindering the progress of the negotiations undertaken by the Government to recover the right of control and administration of the Post Office. The strike of the post office employees, caused by a misunderstanding, appeared to be only a small matter, but should it be indicative of a false ideal motivating the national labour movement, it would be a sad thing indeed for the nation. The Kuo-Min Tang, during the past ten years or more, had concentrated its attention on the military aspect of the revolution with the view to eliminating internal obstacles, always working in co-operation with the people to save the country. Unfortunately, for two years, the communists had taken advantage of the situation and, after stirring up the farmers and workers to acts of violence, just deserted them, thus destroying the work and weakening the strength of the Revolution, showing themselves the bitterest enemies of the National Revolution. They prostituted the Labour Unions in such a way that many of these unions have in fact become mere instruments of the Communist Party, no longer *bona-fide* mass-organisations.

In order therefore to avoid further confusion and misunderstandings, and to make the work of national reconstruction a success, the declaration calls on the workers to bear in mind in whatever action they take, that they are primarily citizens of the Republic, *that the continuity of a race and the progress of society depends on the unremitting efforts and spirit of co-operation of the people, that the present economic*

*conditions of China calls for the most loyal co-operation with the Government in carrying out the national reconstruction programme, that in comparison with the farmers, soldiers, and habitually under or un-employed people the industrial workers are much better off, that the railways, post office, telephone, telegraph, radio, and other enterprises connected with communications are public utilities, the employees of which are public servants who enjoy a much higher status than the ordinary workers, with correspondingly heavier duties, that therefore they should under no circumstance listen to instigators and go on strike without any valid reasons, that any attempt to paralyse the vital public services is essentially an act of rebellion against the Government and the Nation.*

As mentioned above, this declaration was issued as a result of the postal employees' strike in 1928 when the first campaign against the communists had just been completed and when the National Government was negotiating with foreign Powers for the abolition of unequal treaties. Prior to the unification in 1927 the workers as a whole had been greatly influenced by the Communists who, during the period of military operations, had carried on an intensive propaganda, and induced a large number of workers to subscribe to their doctrine of force to obtain economic ends. As a consequence, unnecessary strikes had taken place one after another, causing great losses both to employers and bona-fide workers and retarding industrial progress. The privileges granted to labour unions were so constantly abused that the Government had no choice but to interfere.

## CHAPTER V

### THE LABOUR MOVEMENT

#### A. ORIGIN AND IDEOLOGY: THE VARIOUS LABOUR CONFERENCES

Prior to the foundation of the Secretariat of Chinese Labour Organisations at Shanghai in 1920, there was in China no centralised organ of labour of any consequence. In the First Year of the Republic in 1912, there was some labour unrest at Changsha, the capital of Hunan province, and an attempt at organised effort, but this labour movement in miniature soon died down completely. Attempts at labour organisation were made in 1913 and 1916 at Peking and Shanghai, but without any avail, not any sign of labour unrest being recorded until 1917, the year of the outbreak of the Russian Revolution.

#### THE FIRST NATIONAL LABOUR CONFERENCE

Under the auspices of the Shanghai Labour Secretariat, then, the First National Labour Conference was held at Canton in 1922, lasting from May 1 to May 6, to commemorate Labour Day, to promote friendly relations among the workers throughout the Republic, and to devise ways and means of raising the general standard of life of the people. The Conference was attended by 162 representatives from 200 labour unions representing about 400,000 workers.

The majority of the representatives who attended the Conference had received some kind of training under the Secretariat. Among the resolutions passed those dealing with (i) the adoption of the eight-hour system; (ii) the organisation of a permanent national labour union; (iii) the organising of local labour unions on the basis of trade or



industry; (iv) the promotion of the economic status of the workers by social legislation, were of special importance.

### THE SECOND NATIONAL LABOUR CONFERENCE

A Second Labour Conference was held three years later, dating from May first to May seventh, 1925, also at Canton, then the seat of the National Government, attended by 277 representatives for 165 labour unions representing 540,000 workers, this time under the auspices of the All-China Federation of Labour which had meanwhile been formed.

The Conference adopted multifarious resolutions dealing with political action, economic emancipation, problems of organization, and the labourer-farmer co-operation which in view of their importance deserved a closer and more detailed study.

#### 1. *Political Action.*

With regard to political action, the Conference believed that the only way by which the workers could improve their economic status was by securing the control of the government, for the economic power of the capitalists was such that they could control the governmental machinery and abuse the army, police, and law courts to restrict the freedom of the workers in their struggle for economic equality. Furthermore, the interests of the working class being in conflict with those of the imperialists, militarists, and capitalists, a class struggle must necessarily ensue. The political struggle of the working class must therefore aim at improving the economic conditions of the workers and securing complete emancipation of the workers, by the overthrow of the capitalist class, and the capture of the governmental machinery. And to accomplish these objects the use of force was essential.

But the only way by which imperialism and militarism could be overthrown was by a national revolution in which the whole country must participate. The propertyless class in China especially should participate without reserve in the revolutionary movement so as to turn it into a great social movement for the betterment of the working class. The workers must however be well organised, otherwise the movement

would prove to be an entire failure. They must first of all secure the legal right to strike so as to obtain higher wages and shorter hours of work, the right of assembly and of association, the liberty of speech and of the press, for without these rights and liberties the ultimate goal of the working classes could never be attained.

## 2. *The Meaning of Economic Emancipation.*

In order to secure the social and economic emancipation of the labouring class it is necessary first to improve the workers' standard of life and increase their productive efficiency, by (a) the fixation of a Minimum Wage, (b) the adoption of the Eight-Hour Day, (c) the prohibition of all forms of ill-treatment, (d) the insistence on various safeguards with regard to woman and child workers; (e) the inauguration of a system of Social Insurance, and (f) the abolition of the Contract System of Employment.

The workers were not receiving wages equivalent to their contribution to industry, and only the adoption of a definite standard of wages could secure that they would not be exploited and would be able to earn a living wage. Wages should be paid in relation to the workers' share in production and the cost of living. In other words, in the fixing of wages the workers' contribution to industry and prices of necessities should be duly considered.

In addition to the fixation of a minimum wage, an eight-hour day for factory and general workers should be introduced, modified to six hours in the case of miners, and four hours in the case of firemen on the railways. The European workers had already secured a shorter working day, but Chinese workers were still working from 12 to 18 hours a day, making the movement for a shorter working day unaccompanied by a corresponding reduction of wages of the utmost urgency.

Very often, further, Chinese workers were oppressed and treated as if they were animals. Workers were not infrequently kicked, beaten, and even killed by cruel and inhuman employers who, because of their money-power, could

always escape their punishment. In some cases even, they had gone as far as to prevent workers from visiting toilets during the working hours, restricting this exercise of the natural functions to certain fixed times.

As to the woman and child workers, they were working under conditions which were akin to slavery, the employers taking advantage of them because of their weakness and helplessness. Their wages were not equal to those of men who were employed on the same type of work. The same was true of children, many of whom under six years of age were employed in factories working twelve hours a day for a mere pittance. In view of the special position of the women and child workers the Conference thus resolved: ♦

(a) that the employment of women and children under thirteen years of age in dangerous occupations, in mines and quarries, and any occupation that is considered as detrimental to health should be prohibited;

(b) that the employment of the pregnant woman workers and nursing mothers at night work and in excessively heated workrooms, should be forbidden;

(c) that a special vacation of eight weeks with pay for woman workers before and after confinement should be granted;

(d) that special rest periods for pregnant woman workers and nursing mothers, aside from ordinary rest periods, should be given;

(e) that a special privilege for nursing mothers employed in factories for feeding their babies should be granted, that is, nursing mothers should be allowed to feed their babies every three and a half hours, and the time for each feeding should not be less than half an hour;

(f) that the employment of children under thirteen years of age in any occupation should be strictly forbidden;

(g) that the working day for women and children should not exceed six hours and that they should be granted a continuous rest of forty-two hours a week;

(h) that wages should not be deducted without the workers' consent, and wages for woman and child workers should be the same as those paid men for the same type of work;

(i) that free schools should be established for child workers.

In highly industrialized countries, it may here be observed, these demands are by no means unreasonable, but in China allowance should be made for the fact that industry is still in its infancy. While everybody would agree that the conditions under which women and children work and live should gradually be improved, one could by no stretch of the imagination, expect that these demands could be met in full all at a sudden.

In view of the fact that industrial accidents are of almost daily occurrence, the problem of workers' compensation, and of social insurance in general, has become a matter of paramount importance. For example, in the great fire which destroyed the Hsiang Ching Cotton Mill at Shanghai, several hundred workers were burned to death. There are further the cases of sickness and occupational diseases as the result of the unsanitary conditions under which workpeople are compelled to work. And the consequence of all this—industrial accident, sickness, and occupational diseases—is that many a workingman's family has been rendered destitute. To remedy the situation and prevent the aggravation of the problem, the Conference thus demanded:

(a) that all industrial establishments should devise ways and means to eliminate or lessen such work as is injurious to health, and take the necessary precautions to prevent accidents and epidemics of diseases;

(b) that factories should furnish workers engaged in dangerous occupations with working uniforms, and install safety devices as well as machines for the elimination of smoke and poisonous gases;

(c) that a social insurance system should be adopted without delay providing for compensation in the event of death or loss of earning power as the result of industrial accident and for pensions in the case of invalidity and old age.

Here it may be well to point out that in many respects the platform of Chinese Labour is identical with the labour

programme of the Kuo-Min Tang after its reorganisation in 1924, one of the noteworthy features of which is this very principle of social insurance. With the influence of the Kuo-Min Tang and the National Government at Canton at their height—enjoying the confidence and support of the labour and peasant classes—it is but natural that a great deal of what constitutes the labour ideology is founded on the Manifestoes of the First and Second National Congress, of the Kuo-Min Tang.

### 3. *The Contract System.*

Unlike in Western countries, employment in factories in China is usually secured through a middleman or contractor who, after securing a definite understanding with the employers directly, makes an agreement with the workers to be employed by the employers for a certain amount of wages per month or even per year. The contractor has full freedom in respect of employment and is empowered to hire whomsoever he pleases at the lowest possible wages, the difference between what he receives from the employers and what he pays out in wages going to him as “commission.” His object of course is to make this commission as high as possible—usually at the expense of the workers, they being the economically weakest party. On the other hand, the contractor is responsible for everything pertaining to the work people, and is often under the obligation to send the workers back home at his expense either at the expiration of a stipulated time or at the workers’ own request. In foreign-owned factories this system of employment is specially serviceable, although experience shows that such a system of employment is very expensive to the factories concerned, apart from the fact that it enhances the opportunity of the contractor to exploit the workers. In recent years, it has also become a contributory factor of labour unrest, for as soon as the more class-conscious workers discover that they have agreed to work for a much smaller wage than their employers actually pay out to the contractors they begin to feel dissatisfied. Very often the employees, especially

the woman workers have to yield, but, only for fear of losing their jobs. The abolishment of the contract system of employment will enable workers to make contracts directly with their employers, or if the workers are organised, make collective agreements through their respective unions. The existence of labour unions is indeed a necessary pre-requisite to be elimination of the contractors and the abolition of the contract system of employment with its numerous attendant evils. For it would obviously be impossible for large factories employing hundreds or thousands of men to negotiate with every worker separately, but must enter into a collective agreement with some agency of the workers, be he contractor or labour union. This is of course without regard to the fact that from the employers point of view dealings with a subservient contractor are preferable to dealings with a militant labour organisation.

In calling for the abolition of the contract system the Conference fully realised that such could not be done without strong pressure and organised effort, and thus resolved:—

(a) that in order to carry on their struggle for existence they must have a unified and central organisation to direct their activities;

(b) that should a strike be undertaken in one locality the strikers must first have the expressed support of workers in other localities;

(c) that should a strike definitely take place in one locality, or industry, workers in other localities or industries should declare their wholehearted support or render financial assistance, and should conditions become grave, the All-China Federation of Labour should come to their rescue;

(d) that workers should not commit any act of violence, that they should properly utilize any opportunity to attain their goal, exploiting all the weak points of the capitalists and attacking them accordingly;

(e) that the All-China Federation of Labour, established for the purpose of co-operating with all workers, should have a reserve fund upon which the strikers could depend on for temporary relief in the event of strikes and should undertake the task of unemployment relief in the

case of workers losing their jobs as a result of strike.

(f) That workers should promote co-operative enterprises with a view to lowering the cost of living on the one hand, and promoting the spirit of organisation and co-operation on the other.

#### 4. *Problems of Organisation. The Craft Guilds and Labour Unions.*

A labour union is a voluntary, comprehensive, association of workers for the purpose of maintaining their rights, privileges, and interests in respect of wages, hours of work, conditions of employment, standard of life, social and economic efficiency, social insurance, and so forth.

In this there is a fundamental difference between the old and the new trade organisations. The old craft guilds (*hongs*) were organised for the sole purpose of promoting the trade in which master-craftsmen, apprentices, and journeymen were all interested. The guilds admitted masters, apprentices or learners, and journeymen, more or less on equal footing. All members enjoyed the same privileges and had equal rights in respect of holding offices and electing officers. The craft guilds were formed for certain common interests and aims of all men who were interested in the trade; hence there was no class distinction and no difference between master craftsmen and journeymen. Modern trade organisations are entirely different in that employers have their own associations and workers their own unions. These organisations represent conflicting interests, formed for the purpose of promoting and protecting these respective interests. This, with the advent of class consciousness, the workers in China engaged in the various occupations, trades, and industries began, especially from 1920 onwards, to organise their own separate unions, realising that success in the struggle against the capitalists depends on their ability to prevent a united front. The trouble however, is that the Chinese workers have not had yet the education and experience to lead an independent labour movement, with the result that the question of organisation presents

complicated problems. The success of the Labour Movement during the period from 1920 to 1927 should for instance be credited to the Kuo-Min Tang and the National Government rather than to the spontaneous efforts of the workers themselves, in spite of the fact that these latter had exerted themselves to the utmost. A further problem was present by the fact that conditions differed greatly from province to province. In provinces under the control of the militarists for instance, organisation of labour unions was prohibited, which meant that activities had to be carried on in secret, under the cover of schools and co-operative societies.

In attempting to solve the problem of organisation, the Conference passed a resolution to the effect that the basis of labour organisation should be the factory or workshop, especially in places where labour unions could not be formed openly. In small-scale industrial units, the first step in creating a labour organisation should be appointment of representatives with full powers to carry on the work in accordance with the programme laid down by the higher authorities. In large-scale industrial units, the first task was to be the formation of a branch union among a small group of workers, a kind of a trade union in miniature in the factory or workshop. As soon as the membership is of sufficient account a representative should be elected, with headquarters to enable the carrying on of activities in connection with the workers' conditions of life, including the work of visiting families, recruiting new members, disseminating information concerning the aims and objects of the union, convincing the workers of the importance of organised efforts. In other words, the basis of operation should be the factory or workshop, where a trade union in miniature might be formed, and, in due course, a representative chosen from among the members, whose duty it would be to establish a branch union and to direct the union activities, including welfare work, in the interest of the members.

Here the problem of democratic control with regard to the whole labour machinery should be considered. The



Conference favours the calling of a General Labour Conference or Conference of Representatives once a year to elect officers to the Executive Committee, and the organisation of a general labour union for each province or municipality in order to co-ordinate the activities of the local unions and their branches. In this way it would be possible to hold joint conferences from time to time with a view to presenting a united front against employers. This however does not solve the problem of democratic control of the unions, for only well-trained men are in a position to lead, and well-trained leaders are scarce. With the unions controlled by a third party or parties or an oligarchy the administration could hardly be regarded as democratic. The unpleasant truth to be faced is thus that democratic control is impossible until the workers are more adequately educated and capable of themselves shouldering responsibilities.

From the point of view of social justice, it is important to realise that the labour unions are not solely for the purpose of direct action in securing better treatment in general, higher wages, shorter hours of work, protection for woman and child workers, weekly rest and holidays with pay, but what is more important, to exert pressure on the Government with a view to hastening the enactment of protective legislation. It is of course essential that the unions should establish savings funds, strike funds, and other funds for the protection of workers, and further schools and short-course institutes for the education of the workers. But all these can be realised only when the workers are well organized, and protective legislation is rigidly enforced.

With regard to the maintenance of the unions and the carrying on of their various activities, the union members are to contribute a certain amount of their wages, the monthly fee being fixed at a minimum of an hour's average wage. But as an hour's pay at present is on the average only about five to six cents, the problem arises as to how the labour organisation can be maintained without resort to subsidies from third

deepened by the Shanghai May 30th Incident. This event also proved the turning point in the Labour Movement. The strategy of Chinese Labour turned from a primarily economic struggle aided by political support to primarily political agitation for economic ends. The result was that it gained so greatly in importance and in vigor as to equal any similar movement in the West at the time when the Third National Labour Conference was held.

#### THE THIRD NATIONAL LABOUR CONFERENCE

This took place at Canton in 1926, lasting from May first to May twelfth, attended by 502 delegates representing 699 labour unions and 1,241,000 workers, figures which show how greatly the Chinese Labour Movement was strengthened by the May 30th Incident and the co-operation between the labour and political leaders of the National Revolution. The labour leaders at that time were conscious of the fact that the realization of their aims depended upon the success of the Political Revolution, that the Labour Movement and the political national-revolutionary movement were interdependent for their ultimate success. The economic programme were on essential point identical. Both aimed at overthrowing imperialism and militarism; both advocated the equality of opportunity in the economic sphere; both emphasized the alleviation of the sufferings of the people, the workers and farmers in particular; both aimed at bringing about a true democracy. Thus the Manifesto issued by the Conference and the various resolutions passed laid not only emphasis on the importance of working class solidarity but described the Chinese working class as the forerunner of the Chinese Revolution, the workers as the vanguard of the Nationalist Movement against imperialism, and called upon the workers not only to co-operate with the farmers but also to support the National Government wholeheartedly by participating in the Northern Punitive Expedition with the object of eliminating the northern militarists and with the hope of securing for the workers the freedom of assembly, of association, of speech, and of the

press, as well as the legal fixation of a minimum wage and shorter hours of labour.

The fact, however, that in urging all wage-earners to join the unions with the view to creating a definite Labour Party so as to secure the control of the Government and facilitate the class-struggle the Conference recommended them to follow the leadership of the Communist Internationale, indicated that the Conference was dominated by the Communists.

#### THE FOURTH NATIONAL LABOUR CONFERENCE

Shortly after the close of this Conference, the Northern Punitive Expedition took place and with the capture of Han-yang, Hankow, and Wuchang by the revolutionary forces, the National Government moved to Wu-Han, where the Fourth National Labour Conference was held in 1927, lasting from June 19th to June 30th, and attended by over 400 delegates representing about 3,000,000 workers and also by fraternal delegates from the Kuo-Min Tang, the Communist Party of China, the Communist Internationale, and other organisations. Apart from various reports covering topics like the influence of the Labour Movement upon the development of the Revolutionary Movement, the participation of the petty capitalists, workers, and farmers in the political revolution, the various strikes that had taken place in Hongkong and in Shanghai, and certain proposals with regard to the confiscation of property held by counter-revolutionaries, the farmer-labour-petty bourgeoisie co-operation, the Conference passed several resolutions concerning labour organisation, female and infantile labour, the equality of the sexes in all spheres of life, and unemployment.

In ordinary circumstances unemployment is relatively unimportant, because China's problem is not so much as under-employment, for the whole factory population is estimated to be less than one million and a half, while those without regular employment comprise many tens of millions. But at that time many thousands of workers had taken part in the

Political Revolution, and, as a consequence, had lost their jobs. It was therefore imperative that collective action in co-operation with the Government be taken to remedy the situation, lest the situation be so accentuated that the unemployed workers turn undesirables. The Conference thus resolved:

(i) That factories, workshops, and commercial establishments employing more than ten workers shall not dismiss workers, unless such a dismissal is approved by the Government; that any establishment wishing to discharge its workers must first make an announcement publicly stating the causes for the dismissal a month beforehand; that any establishment having lost one-third of its capital originally invested may petition the Government for assistance or subsidy in order to continue its operations that those having lost one-half of the original capital may limit its scope of production or business, and those having lost more than one-half may suspend operation or business with the approval of the Government; that any establishment having suspended operation or business without sufficient reason shall be subject to confiscation; that establishments for the production of daily necessities shall not be permitted to suspend work or dismiss workers; that workers discharged on sufficient grounds shall be given travelling or such necessary expenses and from three to four months' wages, while those having been dismissed on sufficient grounds shall be given travelling or such necessary expense and from three to four months' wages, while those having been dismissed without the approval of the Government shall be paid twice the amount stated above; that the Government shall provide dispensaries or hospitals for the unemployed workers in case of sickness, build dormitories, and establish vocational schools for them.

(ii) That in the event of unemployment the labour unions shall petition the Government for unemployment relief funds and for forming relief committees to carry on relief work; that the Government shall issue orders to all factories, workshops, and commercial establishments requiring them to contribute a certain percentage of their income toward unemployment relief; that the Government shall temporarily increase all kinds of taxes, and the excess amount shall constitute an unemployment relief fund; that

beside special contributions from public and private organisations the labour unions shall contribute 3 per cent of their dues collected toward unemployment relief.

(iii) That the Government shall co-operate with labour unions to establish unemployment bureaus; that factories, workshops, and commercial establishments wishing to employ additional workers should apply to the employment bureaus for such workers; that the Government shall appropriate a certain sum of money for the development of industry in order to provide employment for the unemployed.

Judging from the topics dealt with, and the tone of the various proposals and resolutions of the Fourth National Labour Conference, it is plain that the Conference was dominated by the extreme radical elements and avowed communists who aimed at the violent overthrow of the existing social and economic order. Had for instance the resolution on unemployment been enforced, the death-knell of nascent Chinese industry would probably have been sounded.

#### THE RAILWAYWORKERS CONFERENCE

Apart from the four national labour conferences which were held during the period 1922-1927, there were four other conferences of great importance; namely, the First and Second National Railwayworkers Conference in 1924 and 1925, the National Postalworkers Conference in 1927, and the Pan-Pacific Labour Congress in 1927.

The First National Railwayworkers Conference was held in Peking on the 7th of February, 1924 in connection with the general strike on the Peking-Hankow Railway. The chief cause of this strike was the killing of the 44 workers by the troops of Wu Pei-Fu on February 7th of the previous year, (1923) during the Chengchow Labour Conference which was held from February 1st to 11th. As a consequence of this Railwayworkers Conference, the National Union of Railway Employees was formed.

A Second National Conference of Railwayworkers was held in Chengchow in 1925 lasting from February 7th to February 10th. Forty-six delegates representing the workers on

the various railways of China, including the Three Eastern Provinces. At this Conference resolutions were passed similar in nature to, if less comprehensive than, those passed by the National Labour Conferences, dealing mainly with political and organisational questions, such as a affiliation to the Communist Labour International, rather than with technical questions, as in the case of the Postalworkers.

#### THE POSTALWORKERS CONFERENCE

The National Postalworkers Union met in general Conference at Hankow in 1927 from March 7th to March 17, and passed resolutions dealing with several special questions, which, if not less immediately practicable, show at least a better appreciation of the workers' real needs than those passed by the Railwayworkers Conferences. The following are the most important ones:

##### *On Compensation*

"That in case of accident arising from banditry, famine, disaster or any dangerous unavoidable happening resulting either in injury or incapacity, the injured or disabled workers shall be entitled to reasonable compensation which shall be paid out of the post office's public funds, that in case of death as a result of illness, the deceased family shall receive compensation according to the rising scale, that is, two months' wages for employees having rendered service to the post office for one year, and double the amount for every additional year, besides funeral expenses, that in the event of death while at work or on duty, the deceased family shall receive regular compensation, as aforementioned, and a cash compensation of \$1,500; that compensation for incapacity shall be full wages or 100 per cent of basic wage; that compensation for sickness shall be one-half the amount of wages or 50 per cent of basic wage."

##### *On Hours of Labour*

"That the hours of labour shall not exceed eight per day; that overtime work shall be paid double the amount; that letter-carriers shall not walk more than sixty *li*<sup>1</sup> per day; that postmen shall not carry more than fifty catties<sup>2</sup> of mail; that for special delivery the postmen shall not carry more

<sup>1</sup> The *li* is about one-third of a mile.

<sup>2</sup> The *catty* is about 1-1/3 lb.

than ten *catties* of mail, and shall not travel more than fifty *li* per day; that under exceptional circumstances when postmen are required to carry a heavier load and travel a longer distance they shall be given a special allowance or bonus”.

#### *On Savings*

“That all bonuses that have hitherto been paid and saved in the Savings Department shall, from the first of March, be refunded; that the system of compulsory savings be abolished in favor of a voluntary system.”

#### *Relations between Workers and the Post Office*

“That the National Union of Post Office Employees shall co-operate with the Ministry of Communications of the National Government to revise the existing postal regulations concerning post office employees; that all those who are in the postal service shall have the right of initiative and referendum; that the unions of post office employees shall have the right to petition the Government to change or shift postmasters or staff members above the rank of clerk; that post office employees who are officers of an union shall not be transferred to another place during their term of office; that when any employee asks for a leave of absence in order to attend to some business for his union in the interest of all union members, such a leave of absence shall be granted with pay; that the general post office or first class post office shall establish school for the education of the employees; that members of the Standing Committee of the National Union of Post Office Employers shall be paid and promoted as usual as if they were regular members of the post office working force; that the unions of post office employees shall have the right to participate in the post service examination; that the General Post Office of the Republic shall co-operate with the Government to establish special training schools for the training of staff members.”

#### THE PAN-PACIFIC TRADE UNION CONGRESS

In the same year also, the Pan-Pacific Trade Union Congress was held in Hankow lasting from June 20th to June 26th, attended by delegates not only from all over China, but also from Soviet Russia, Japan, Korea, the United States, Great Britain, France, and Java. But as in the case of the National Labour Conferences held at Hankow, the Congress was over-

whelmingly dominated by the Communists, who turned what should be an epoch-making working-class conference into an auxiliary organ of the Communist International. Apart from the customary resolutions on the Eight-Hour Day, equality of sexes, social legislation, etc., the Congress also advocated the preparation of a world labour movement comprising all the trade unions of the world, the giving of assistance to India, Korea, Formosa and other oppressed races in their struggle for independence, and the creation of an international Secretariat in Shanghai.

#### THE SIGNIFICANCE OF THE CONFERENCES

The above labour conferences are indicative of the new class-consciousness and of the social unrest as the result of deplorably low wages, long hours of work, low standard and high cost of living. They do not, however, indicate that Chinese workers are capable of leading an independent labour movement, being in essence only signs of the workers' dissatisfaction over the existing order of things. They are so to speak safety valves through which a portion of the Chinese working-class could air their views and opinions to the world.

In advocating political action and the use of force to secure the control of industry, the leaders of the Labour Movement overlooked the fact that Chinese industry was still in its infancy, that the very attempt to capture the political machinery of the old militarists without the possession of adequate military force and to dispossess the capitalist without the backing of a strong political party, must be futile and irresponsible. Without the experience of the Russian working class leaders, and in the absence of the circumstances which made the Bolshevik Revolution possible in 1917, the Chinese *quasi*-labour leaders attempted to repeat in China, without any modifications, the Russian tactics, and instead of concentrating on domestic problems, looked to Moscow for guidance and directions. Thus, the whole movement collapsed in the summer of 1927, when the Wuhan government, a few months before its



dissolution, finally took action restraining, by force, their attempts to secure, by force, certain concessions at the expense of industry and to the detriment of the Government.

This short-lived Labour Movement was by no means worthless, in that it helped the workers to differentiate between the teaching on Livelihood of Dr. Sun Yat-Sen and communist propaganda. On the other hand, it virtually forced the Kuo-Min Tang to initiate the Party Purification Anti-Communist Movement in the late spring and summer of 1927, which resulted in the suspension of all labour unions and the cessation of all labour activities, which did not revive until after the promulgation of the Labour Union Law, in 1929, but now under the direct control and supervision of the Kuo-Min Tang.

#### PERIODS OF LABOUR DEVELOPMENT

Viewed historically, the Labour Movement has undergone five periods of development: the period of preparation (1912-1919), the period of organisation and agitation (1920-1924), the period of development (1924-1927), the period of retrenchment and inaction (1927-1929), and the period of reorganisation and reconstruction, from 1929 up to the present.

During the first period intermittent efforts were made on the part of the workers and their leaders to gain recognition of the validity of their claim to the better social and economic status but their efforts proved futile owing to the fact that during this period reactionary warlords were in control of the political machinery. Consequently, the people had absolutely no freedom; and, in spite of their desperate struggle for the right to life and to work, nothing noteworthy was accomplished. It was not until 1917, when the Kuo-Min Tang had set up a new Government in Canton that the workers enjoyed a certain degree of liberty in the South. Thus during the period of 1917 to 1919 the leaders of the labouring classes were able to make the necessary preparations for the labour movement. This period of preparation ended in 1919. The second period

began coincident with the Student Movement and the Washington Labour Conference, when during the summer of 1919, labour unions were organised one after another in rapid succession. Labour agitation became very serious, causing considerable excitement of public feeling, and partially paralyzing industry and business in Canton and Hongkong. But the most important period, of development, only began in 1924, after the reorganisation of the Kuo-Min Tang. Assisted by Michael Borodin, then political adviser of the National Government, the Labour Movement made rapid progress, reaching its zenith in the summer of 1927, when the communists were expelled from the Kuo-Min Tang into which they were admitted in 1924. The purifying of the Party from communistic influences resulted in the virtual suppression of the Labour Movement and of all union activities. It was not until 1929, after the promulgation of the Labour Union Law, that it reappeared in full force, but from that time on all labour activities are strictly supervised by the Kuo-Min Tang.

## CHAPTER VI

### THE DEVELOPMENT OF MINING LEGISLATION

#### THE MINES REGULATIONS OF 1914

The first example of labour legislation in China is the *Mines Regulations* promulgated by Presidential Mandate on March, 11, 1914, containing 111 articles, and the supplementary *Regulations for the Enforcement and Administration of the Mines Regulations*, containing 86 articles, promulgated on March 31, 1914. These Regulations, however, were never strictly enforced, being in fact, in many respects, unenforceable, as a cursory examination would show.

Article 72 of the Mines Regulations, for instance, provides for rules concerning the employment of miners to be formulated by the lessees (owners) and submitted to the Inspector General of Mines for approval. Mines shall keep records of all business transactions and set a definite day for the payment of wages to be paid in good money either once or twice a month. Article 75 provides that certificates of employment be issued on request, stating the length of service, the type of work, the ability of the miner, wages, and reasons for leaving or of dismissal from employment. Regulations are to be issued by the Minister of Agriculture and Commerce dealing with child labour, employment of women, and hours of work. Article 76 provides for compensation for sickness, injury, and death but makes such compensation dependent largely, if not entirely, on the generosity of the employers.

Article 68 of the second set of Regulations provides for rules to be formulated by the mine lessees within two months after establishment concerning the employment of miners in respect of i. the type of work, ii. the classes of workmen, iii.

contract of service, iv. wages for different classes of miners, v. days of payment, vi. hours of labour, vii. the shift system, viii. rest periods, rest days, and holidays, ix. employment of women and children; x. compensation for old age, sickness, injury, and death, and xi. penalties. These rules are to be submitted to the Inspector-General of Mines for approval.

Records must further be kept of all miners, including their names, age, birthplace, types of work, classes of work, date of employment and dismissal, and all accidents. Furthermore, Article 70 provides for rules with regard to compensation, such rules to be submitted to the Inspector-General of Mines for approval. These rules must provide for compensation for injury and medical expenses during sickness, for one-third of usual wages during a period of sickness or disablement, for a minimum of \$10 for funeral expenses in case of death from sickness or injury sustained while at work, etc. etc.

In the event of violation of these regulations on the part of the employers a fine of not less than \$25 shall be imposed. The point however is that these regulations are too loosely framed and can therefore never be effectively enforced. They are in fact not regulations or provisions of a mining law, but merely suggestions on the basis of which the mine lessees must formulate regulations at their own discretion. In the fact, further, that the Inspector-General of Mines is empowered to accept or refuse regulations drafted by the mine lessees lies a golden opportunity for corruption. Moreover, these two sets of Regulations can at best be local, not national, in character and application, the fact that they were promulgated by Presidential Decree notwithstanding as under their provisions mine lessees are to make their own rules and bye-laws, subject only to the sanction of the Inspector General of Mines, just like in pre-industrial England justices of the peace were given full power to fix wages for all classes of labourers. But that such an absolute power should be granted to a man in the twentieth century is more than ridiculous.

## THE REGULATIONS OF 1923

A new set of Mining Regulations were issued by the old Ministry of Agriculture and Commerce, May 12, 1923, containing 22 articles in all.

Article 1 requires the mine lessees to formulate rules determining the type of work, the scale and payment of wages, hours of work, dismissal, compensation, penalties, etc.

Article 2 dealing with labour contracts provides that, apart from short-time and special contracts, all contracts must be of unspecified duration, subject only to a 15 days' notice in case either party desires to terminate the contract. In addition, mine owners may dismiss mine workers for the commitment of criminal acts, for failure to comply with safety regulations, for misbehaviour or misdemeanor, for negligence, drunkenness, and other violations of regulations, while the termination of the mining concession or suspension of operations due to natural causes automatically puts an end to all contracts. Mine workers, on their part, have a just cause to leave work in the event of incapacity, of maltreatment and failure to pay wages on time on the part of mine owners or managers, of conditions inside and outside the shaft being too dangerous for work. Boys under twelve are prohibited from employment in mines, and women and children under 17 but above 12 are permitted only on light work outside the shaft. No workers with nervous disorders or contagious disease may be employed, nor women five weeks before and after childbirth. No contract may be made with foremen for any piece of work requiring over 200 miners.

As to the hours of labour, Article 9 provides for a working day of 10 hours, excluding rest periods, for adult workers, and of a maximum of 8 hours for boys under 17 and girls under 18. In case of emergency the working hours may be increased by special permit from the Mines Inspectorate. Whenever the temperature in the shaft is over 30 degrees centigrade the working day must not exceed 8 hours. A minimum of two rest days a month with pay is also provided by Article 11.

To safeguard the health and welfare of the miners, the mine owners must provide for dressing and bath-rooms at or near the entrance of the shaft, for dormitories or separate dwellings with suitable sanitary equipment for workers coming from long distance, for pure drinking water both inside and outside the shaft. No decaying matter shall be allowed to be thrown around or near the places of work, while strict measures must be taken to prevent any development of noxious odours or unsanitary conditions. Medical and surgical supplies must further be kept ready for use in the event of accident. Any mine employing more than 100 workers must have a sickroom, while mines employing over 1,000 miners must have a hospital with isolation rooms. Cases of hook-worm disease must be dealt with in accordance with the regulations governing this disease. Article 16 and 17 provide further that, with the approval of the miners, the mine owners shall secure daily necessities for them at the lowest possible cost, and also establish savings societies to encourage thrift among the workers.

Articles 19 and 20 provide that for minor injuries full wages shall be paid in addition to medical expenses, for partial permanent disability at least one year's usual wages, and for total permanent disability at least two years' usual wages. Any dispute in connection herewith may be referred to the Inspectorate for settlement.

No other mining regulations or laws providing for the protection of labour have been made since the promulgation of these Regulations. There were the *Oil Mining Regulations*, promulgated on August 23, 1928, by the old Ministry of Agriculture and Commerce governing the prospecting and working of oil wells in China. According to these Regulations, oil concessions are subject to nationalisation if deemed necessary after a period of ten years, but in this case the concessionaires shall be compensated for the capital invested. Only Chinese capital is allowed to be invested, and apart from technical experts, no foreigner is permitted to participate,

while on account of the lack of private capital in China, provision is made for Government subsidy. In view of the fact that these Regulations deal primarily with Capital, it is not necessary for us to consider this set of regulations in detail.

The same is true of the *Mines Law*, promulgated on May 26, 1930, which left the miners more or less at the mercy of the employers and the labour contractors, more especially the latter. As in the factories, labour in the mines is neither hired nor paid directly by the management, both through the contractor who is either a kind of secondary employer responsible both for the hiring of labour and for the operation of the mine concerned, or a professional middleman who is charged with the hiring and paying of the miners from whose wages he may deduct 10 to 20 per cent as commission. In the former case the contractor is an employer in the strict sense of the term. He contracts for a definite piece of work to be done for the mine owner who himself does not take part in the operations, and bears the full responsibility for everything. In the latter case, the contractor is only an agent with full powers in everything concerning labour but is not concerned with the general administration of the mine. The mining company retains the full right of operations and also the power of supervising labour. In either case, however, the contract system has proved detrimental to industry and labour. In order to protect the mining industry and the miners, effective legislation is urgently needed, with a view to changing the system of hiring labour and the method of exploiting mines which alone can improve our mining industry and ameliorate the conditions of life of the miners.

The following table shows that in 1920 there were 5,016 mining districts reported in operation, employing 14,141 administrative officers and clerks, 3,841 engineers, and about 1,006,593 miners. These figures are based on estimates for 1916 to 1920. During this period no statistics on the wage-earning population in the mines were available. What was reported was the number of days that the miners worked dur-

ing those five years. The basis of calculation is 300 days, the normal year's work of each miner.

TABLE  
MINING INDUSTRY AND MINING LABOUR, 1920

PROVINCE	Number of Mining Districts Reported	Total Working Force		
		Administrative Officials	Engineers	Miners
Anhwei	32	307	29	2,513
Chahar	9	52	6	280
Chekiang*	8	49	8	389
Chihli	63	785	53	6,163
Chingchao <sup>1</sup>	20	486	135	902
Fengtien	13	887	427	46,488
Fukien*	62	71	41	137
Heilungkiang	49	832	—	20
Honan	18	531	59	5,488
Hunan*	4	165	15	5,119
Hupei	7	194	3	6,517
Jehol*	38	167	10	952
Kansu*	57	180	29	1,787
Kiangsi*	180	755	116	5,822
Kiangsu	12	64	8	1,091
Kirin	15	22	10	205
Kwangsi*	116	366	70	1,636
Kwangtung*	27	173	29	921
Kweichow* . .	19	22	35	661
Shansi	1,441	3,347	1,199	13,338
Shantung	24	802	61	7,135
Shensi	80	225	106	265
Sinkiang*	99	131	135	2,294
Suiyuan*	22	18	142	229
Szechuen*	2,385	2,824	794	26,629
Yunnan*	216	686	321	869,612
<b>TOTAL</b>	<b>5,016</b>	<b>14,141</b>	<b>3,841</b>	<b>1,006,593</b>

\* Statistics compiled before 1920.

<sup>1</sup> Metropolitan District (Peking and environment).



## CHAPTER VII

### THE DEVELOPMENT OF FACTORY LEGISLATION

#### A. THE VARIOUS LAWS AND REGULATIONS

In spite of the various foreign influences and the movements for the betterment of the working class, no definite steps were taken, by way of national legislation, to cope with the general evils arising out of the factory system until 1923, when the first factory law was passed in China. This is in a way only natural, as the labour problem at that time was relatively insignificant in comparison with other, more pressing, problems confronting the country. For one thing, there were few factories employing large numbers of workers, while the total number of factory workers amounted to less than 500,000. But between the formation of the Republic in 1912 and the establishment of the National Government in Canton in 1917 conditions in China had changed beyond recognition, and the cry of the labouring classes for justice and protection had become so loud that it was impossible for the Government authorities to delay action longer. The *laissez-faire* policy was abandoned even by the old Government at Peking and a set of regulations entitled *Provisional General Factory Regulations* was promulgated by the old Ministry of Agriculture and Commerce on the March 29, 1923.

The next stage in the development of factory legislation is the adoption by the Hupeh Provincial Government, under the direct influence of the National Government at Wuhan, of the *Provisional Factory Regulations of Hupeh*. These regulations were passed by the Political Affairs Committee of the Kuo-Min Tang in the winter of 1926 shortly after the removal of the National Government from Canton. Conditions at that

time were such as to call for a definite policy, in accordance with the principles of the Kuo-Min Tang and in support of the labour movement, aiming at better working conditions, higher wages, a shorter working day, collective bargaining, compensation, and the like. This, and the necessities of political propaganda, necessitated a radical legislative programme and an approach towards industrial democracy. It is in this light that the above factory regulations must thus be regarded.

Another step taken toward the improvement of the conditions of the working classes was the issue of the *Shanghai Regulations for the Settlement of Industrial Disputes* by General Chiang Kai-Shih in the spring of 1927 at Shanghai. Even before the National Revolutionary Army captured the city of Shanghai, the Shanghai-Woosung Bureau of Industrial Welfare had already formulated plans for investigation of labour conditions in Shanghai and Woosung with a view to their improvement, but the capture of Shanghai provided a great incentive to the labour movement which was greatly strengthened by the promulgation of the Shanghai Regulations for the Settlement of Industrial Disputes.

There were further the *Provisional Labour Regulations for the Northwestern Provinces* (Shensi and Kansu) of General Feng Yu-Hsiang, more complete and detailed than any previous ones including the Shanghai Regulations for the Settlement of Industrial Disputes. The significance of these labour regulations cannot be over-estimated, for while the National Revolutionary Forces were fearlessly and assiduously pushing northward with Peking as their final goal, their successes were largely dependent on the co-operation of the labouring classes. In this connection these Provisional Labour Regulations had not only a socio-economic but also a political significance, the same as with those issued previously by the Hupeh Provincial Government and with the factory regulations issued by April 1927 by the Bureau of Agriculture and Labour of the Kwangtung Provincial Government.

A new set of factory regulations was drafted a few months later by the old Ministry of Agriculture and Labour of the Peking Government and promulgated by Presidential Mandate on October 27, 1927, being a distinct improvement on those of 1923, which they automatically replaced. The regulations were supplemented by a set of regulations governing factory inspection, promulgated by Presidential Mandate on November 2, 1927.

With the establishment of the National Government at Nanking a new National Factory Law was in contemplation, but prior to its passage by the Legislative Yuan another set factory regulations known as *Provisional Factory Regulations of the Wuhan Municipality*, designed to ensure industrial peace, were issued in April, 1929, replacing those of 1926.

The passing of the long anticipated *National Factory Law* and its promulgation by the National Government on December 30, 1929, marks a new period in Chinese social legislation in that it consolidates all the various laws and regulations concerning labour and sets up a uniform standard for the whole of China.

## B. THE FEATURES OF THESE LAWS AND REGULATIONS

All these regulations and laws contain certain features which deserve our attention and a detailed discussion, such as the question of applicability, registration, hours of work, wages, child labour, employment of women, contracts of employment, factory equipment and supplies, sanitation, health, safety, holidays, workers' compensation, welfare, apprenticeship, enforcement, administration, penalties, etc.

### APPLICABILITY OF REGULATIONS

In general every factory is required to register with the local authorities. The applicability of the various Regulations or Laws, then depends on whether they are municipal, provincial, or national, in character. If they are municipal regulations, they are only applicable to factories within the limit of the

municipality; if provincial, to factories established within the province, if national, to all factories established within the territory of the Republic of China including all foreign Settlements and Concessions. From the legal point of view, therefore, all foreign-owned factories in the Concessions are subject to the National Factory Law and under the control of the present Ministry of Industry, just as are the Chinese-owned under the direct territorial jurisdiction of the Chinese Government—the existence of extraterritoriality notwithstanding. The fact that none of the foreign factories have registered with the Chinese authorities or complied with the various factory regulations, is purely a case of abuse, and a violation of the law of the land.

According to the Provisional General Factory Regulations of March 29, 1923, the regulations are applicable to all factories established within the Republic of China employing over 100 workers, irrespective of the nationality of owners, and to any factory where the nature of the work is dangerous to life and injurious to health. The Hupeh Provisional Factory Regulations are applicable to mills and factories established within the province of Hupeh, employing more than 20 workers or any mill or factory where the nature of the work is dangerous to life and injurious to health. *The Regulations of the Woosung-Shanghai Bureau for Industrial Welfare* are applicable to all mills and factories, whether owned by corporations or by individuals, regardless of the owners' nationality. In other words, these regulations apply to mills and factories of all sizes, irrespective of the amount of capital invested.

The *Provisional Labour Regulations for the Northwestern Provinces* did not mention anything about the type of factories, but presumably it applied to all factories within that region. The *Kwangtung Factory Regulations* applied to all factories within the territories under the control of the Government at Canton, regardless of size and ownership. The *Peking Government Factory Regulations* promulgated on October 27, 1927, were applicable to mills and factories em-

ploying over 15 workers or any mills and factories where the nature of the work is regarded as dangerous to life and injurious to health. The *Wuhan Provisional Factory Regulations* were applicable to all mills and factories employing over thirty workers and to any mill and factory using steam and oil for producing motive power. The *New National Factory Law* of December 30, 1929, is applicable to all factories in the Republic of China using steam, electricity, and water-power for operation, and employing over 30 workers. The last two are almost identical.

### THE HOURS OF LABOUR

The general policy of the Government and of the Labour Unions has been to reduce the hours of labour to a certain minimum per day or per week with a view to securing for the workers more time for rest and recreation and to establishing a uniform normal working day or week for all industrial workers in the Republic. The early regulations provided for a working day of ten hours, which under exceptional circumstances may be extended to twelve. The result was that wages were generally insufficient even to maintain the lowest possible standard of life.

The *New National Factory Law* of 1929 is therefore a distinct improvement in providing for an eight-hour day for all industrial workers, with an extension, under special circumstances, of two more hours. One day a week, in addition to all other holidays are legally allowed to the workers for rest. No workers shall be required to work more than 48 hours a week, except in case of urgent necessity, when temporary exemptions may be granted to the factories concerned by the district inspector of factories. Overtime employment is legally permitted only on the ground of unusual pressure of orders occasioned by unforeseen circumstances, or when the raw material is liable to rapid deterioration.

According to the *Provisional General Factory Regulations* of 1923, the maximum working hours must not exceed eight

for juvenile workers and ten for adult workers. Juvenile workers are prohibited from night work, that is, between 8 p.m. and 4 a.m., but no mention is made of the time when adult workers may and may not work. The *Hupeh Provisional Factory Regulations* provide for a uniform ten-hour working day as maximum requirement, without any provision for a shorter working day for minors. The *Provisional Labour Regulations of the Northwest* of 1927, fixes the working day at nine hours for adult workers, and seven hours for juvenile workers between 14 and 16, women under special conditions (such as before and after childbirth) and brain-workers. According to the *Kwangtung Factory Regulations* the working day for adult workers must not exceed eight hours, or 48 hours a week, and for juvenile workers six hours, or 36 hours a week. The *Provisional Factory Regulations of the Wuhan Municipality* provide a ten-hour day for adults and an eight-hour day for children between 12 and 15, but if special conditions require, the working day for adult workers may be extended to 12 hours. The *New National Factory Law* of 1929 provides an 8-hour working day for adult workers, but in exceptional circumstances the working day may be extended to 10 or even 12, but no extension shall exceed 36 hours a month.

#### EMPLOYMENT OF WOMEN AND CHILDREN

Women workers have generally been granted a vacation varying from four to sixteen weeks, before and after childbirth, by all the Laws and Regulations that have been promulgated by the various Governments in China, while boys and girls under the age of 12 or 14 are prohibited from employment in any factory, juvenile workers being only allowed between 14 and 18, as the case may be. No women and children may be engaged in any dangerous occupation and heavy work.

Employers have found both women and children in industry quite efficient workers, frequently excelling men in the same type or class of work and in steadiness. But the wages paid to women are usually from 20% to 30% lower than those

paid to men, while children are customarily paid only half the amount. Hence, the demand for female and child workers is as a rule much greater than that for male workers, who are only indispensable for skilled-work, such as foremen, engineers, mechanics, machine operators, etc. Women and children are not so easily tempted to go on strike as men, who responsible for the family support, are often not satisfied with their wages, particularly at a time when the cost of living is rising. Being more helpless than the male workers, legislative protection is thus all the more urgent for them.

The *Provisional General Factory Regulations* of 1923 prohibit the employment in factories of boys under 10 and girls under 12. Boys under 17 and girls under 18, i.e. juvenile workers, are permitted on light work only. They are not allowed to do dangerous work and to work in a place infested with dust, powder, or poisonous gases, nor to do any kind of work between 8 p.m. and 4 a.m. juvenile and female workers must not be required to clean, oil, inspect or repair machinery when in motion (Art. 21). Female workers must be given five weeks vacation before and after a confinement, together with a special allowance to defray the expenses incurred during childbirth.

According to the *Hupeh Provisional Factory Regulations* of 1926 no children under twelve are allowed to be employed in any factory. Boys and girls under 15 are prohibited from work between 9 p.m. and 5 a.m. Women and children irrespective of age are not permitted on dangerous work, such as operating electrical machinery, refuelling, cleaning, and oiling machinery while in motion, handling explosives, etc. They are also prohibited from work that is detrimental to health, such as work in connection with poisonous phosphorus in match factories, transportation of coal, chemical work where the material used contains poisonous elements, manufacture or preparations of composition in which dangerous or poisonous acids are used, manufacture of any composition in which lead

is used, or in workrooms where extremes of temperature are found.

The *Provisional Labour Regulations of the Northwest* prohibit the employment of children under 14 entirely, and of children between 14 and 16 at night work and underground work. A woman worker must be given a vacation of 8 weeks before and after a confinement with full pay, in addition to a month's wages as a special grant and an increase of wages of 20% for 9 months subsequent to childbirth. Pregnant women are not allowed to be engaged in night work and heavy work. Female workers who are nursing mothers are permitted to leave the factory for at most 30 minutes every three and a half hours in order to nurse their babies, without suffering any reduction of wages.

The *Kwangtung Factory Regulations* prohibit the employment of boys under 12 and girls under 14. Boys under 16 and girls under 18 are termed juvenile workers. They must have completed the elementary school as required by the Bureau of Education before they are permitted to be employed in a factory on light work only. Neither women and children are permitted to work between 6 p.m. and 6 a.m.; nor are children allowed to work overtime under any condition.

The *Peking Factory Regulations* of 1927 prohibit the employment of boys under 12 and girls under 14. Boys under 10 and girls under 12, who are already employed, are permitted to continue. Juvenile workers, i.e. boys between 12 and 17 and girls between 14 and 18, are allowed on light work only. Boys over 17 and girls over 18 are regarded as adult workers, and must be paid accordingly.

The *Provisional Factory Regulations of the Wuhan Municipal Government* of 1929 prohibit the employment of children under 9, and limit the employment of children between 9 and 12 to five hours a day in order that they may attend school, which is to be provided by the factory concerned.



Juvenile workers between 12 and 15 are not permitted to work between 6 p.m. and 5 a.m. Factory owners may not ill-treat or threaten young persons to secure a greater amount of work. Female workers may not work, except in cases of emergency, between 9 p.m. and 6 a.m., their normal working day being fixed at 10 hours, with a possible extension, under special circumstances, to a maximum of 12 hours. Any deviation from the normal must be previously sanctioned by the Bureau of Social Affairs. In the event of childbirth, the female workers shall be given a month's leave of absence before and after confinement, with full pay. Nursing mothers are permitted to leave their work to nurse their babies. Those who have babies under four months old are permitted to nurse their babies at least four times during the working hours; under six months, three times; under nine months, twice; and from one to two years, once. Such regulations are necessary in view of the prevailing poverty in China.

The original *Draft of the National Factory Law* of the old Ministry of Industry, Commerce and Labour at Nanking limited the working day for juvenile workers to 8 hours and prohibited their employment at night under any circumstance. Overtime for adult women workers is permitted under special conditions subject to the approval of the local authorities, but it must not exceed two hours a day or 20 hours a month. Juvenile and female workers are not permitted to work over three hours consecutively without a rest. Juvenile workers may not work between 7 p.m. and 6 a.m.; female workers between 9 p.m. and 6 a.m. Factories wishing to adopt the shift system must first petition to the local authorities for approval. There are the same customary prohibitions with regard to dangerous and hazardous work.

The *New National Factory Law* of 1929 prohibits the employment in factories of all children under 14 years, allowing, however, as a transitory measure, the continuation of employment of those above 12 and under 14, employed before the promulgation of this Law. Boys and girls above 14 and

under 16, i.e. juvenile workers, are permitted to be employed on light and easy work only. They are however prohibited from employment in places where explosives are manufactured, compounded, or stored, or which are infested with dust, powder, or poisonous gases. They are also prohibited from dangerous work, such as cleaning, oiling, inspecting, repairing machinery in motion, adjusting belts or ropes, or work in connection with high pressure switchboard, transmission of power, melting lead or zinc, blast furnaces, and other dangerous and hazardous work. The normal working day for juvenile workers is fixed at a maximum of 8 hours, and not between the hours of 7 p.m. and 6 a.m. Female workers are prohibited from employment during the hours of 10 p.m. and 6 a.m. Any factory adopting the shift system must make an interchange of shift at least once a week. Overtime is permitted only in the case of women but not of children.

Irrespective of sex, however, adult workers are allowed to work overtime only, (i) when the manufacturing material is liable to be spoiled by the weather; (ii) when there is pressure of work caused by seasonal fluctuations, (iii) when the pressure of orders as a result of unforeseen circumstances is such that these orders must either be filled at once, or lost to the owner, (iv) when it is necessary to prevent any possible damage as a result of combustion or extraordinary atmospheric influences, (v) when there is a state of war, famine, or other similar emergencies. But under whatever circumstance overtime is permitted, it is restricted to a certain number of hours a day or a month and a certain number of days in a year. In no case is overtime for children allowed (Article 11 of the new National Factory Law).

#### SCALE AND PAYMENT OF WAGES

From the point of view of the worker, the regulation of rates of wages is just as important as, if not more so than the regulation of the hours of labour because his standard of life is based on, his happiness conditioned by, his wages. Money

wages in China have risen some twenty percent as compared to six years ago but the increase is not sufficient to offset, in many places, the rise in the prices of commodities, which reached its climax at the end of 1929. There has been a slight decline in the prices of necessities in the provinces where civil warfare has ceased, it is true, but another factor has entered in the determination of the standard of life of the working classes, namely the problem of fluctuating exchange rates. In these circumstances a legal minimum wage in a strict sense of the term is difficult to fix. A uniform rate would at once create a situation of great complexity, on account of the wide differences of the modes and costs of living in the different parts of the Republic. A uniform standard of wages is acknowledgedly unattainable, only provisions for a fair and reasonable scale of wages based on the local cost of necessities, varying according to time and place, is possible.

The *Provisional General Factory Regulations* of 1923 do not fix the amount of wages to be paid to workers but require that wages must be paid regularly at least once a month in money of legal tender, and that extra-wages must be paid for overtime.

The *Hupei Provisional Factory Regulations* of 1926 provides for a minimum wage of \$13 per month, regardless of age or sex, thus establishing a uniform wage for all workers engaged in the same kind of work. Apprentices, however, are exempted from this provision. Over-time work is paid double pay, but is permitted only under extraordinary conditions. Wages are to be increased whenever the cost of commodities rises, so as to enable the workers to maintain their standard of living. In the actual determination of wages, an important place is given to the Labour Union concerned.

The Shanghai-Woosung Bureau of Industrial Welfare does not fix any amount of wages but proposes a reduction of the cost of living by co-operative effort. The *Labour Regulations of the Greater Shanghai* under the National Government provides for a minimum wage to be fixed in accordance

with the cost of the necessities of life, and to be revised every year in accordance with the cost of living. Double pay is further required for work done on rest days and holidays, the workers being already entitled to regular wages on these days.

The *Provisional Factory Regulations of the Northwest* recognise two kinds of wages: (i) according to the hours of work, and (ii) according to the amount of output. Both time and piece rates are fixed on the basis of the minimum standard of living for a family of four, the magistrate of the district in which the factories in question are located being empowered in collaboration with the Factory Inspection Committee to determine the amount of wages for the various types of workers. On the other hand, the employers are also protected. Any worker who neglects his employer is liable to a fine, but not exceeding one-third of his month's wages. These Regulations were undoubtedly intended to encourage punctuality and industriousness, self-respect and responsibility on the one hand and to raise the standard of life of the wage-earners by means of hard work and efficiency on the other.

According to Articles 14 to 16 of the *Kwangtung Factory Regulations*, wages must be paid in good money or silver instead of goods at least twice a month, that is, on the first and the fifteenth of every month. In case of work on rest days, permitted only when the nature of the work and extraordinary conditions require, wages must be doubled. No deductions from wages for breakage and damage done, are allowed. In order to encourage thrift among the workers, wages may, with the approval of the workers themselves, be kept back as a savings fund, but savings must be returned to the workers on leaving employment or paid to their respective beneficiaries in the case of death. Provision is also made for a voluntary insurance system. The Peking Factory Regulations of 1927 prescribe that wages be based on the cost of the necessities of life, and paid at least once a month in money of universally recognised value and not in kind. The actual scale of wages must be based on the recommendations of the factory

inspector whose duty it is to investigate the conditions of life of the workers and the cost of living in various localities.

According to the *Provisional Factory Regulations of the Wuhan Special Municipality* of 1929 all factories within the limits of the municipality must pay their workers a minimum sufficient to maintain their families, taking into consideration the cost of living. Wages must be paid in money of legal tender, at least once a month. Payment in kind is not allowed. Any deductions from wages for breakage or damage must not exceed one-fourth of the usual wages. Article 24 provides that wages of juvenile workers be paid to their parents or guardians unless these latter agree to the wages being paid to their charge directly. This provision seems to be logical by reason of the fact that the majority of these juvenile workers are working in support of the family.

The original *Draft of the Factory Law* prepared by the old Ministry of Industry, Commerce and Labour, proposes a minimum wage on the basis of the cost of living in the various localities in which the factories are located. Wages for monthly workers are payable in good money twice a month, on the first and the fifteenth of each month. For overtime wages are to be increased by 25% to 50%. Factories are not permitted to deduct from any wages as fines or compensation for damage done. Provision is further made for the encouragement of thrift and co-operative societies and the establishment of a voluntary insurance system.

The *New National Factory Law* of 1929 embodies most of these provisions. Wages must be paid at least twice a month in money of legal tender. Overtime work must be paid from one-third to two-thirds of the usual wages extra. The Law further incorporates the principle of economic equality between the sexes, Article 24 prescribing that men and women engaged in the same kind of work and producing the same results should receive the same amount of wages—a provision which is yet sadly lacking in most of the advanced industrial countries where the struggle between the capitalists

and labourers is much more tense and has a good deal longer history.

#### CONTRACTS OF EMPLOYMENT

The *Provisional General Factory Regulations* of 1923 ignored the problem of labour contracts being, perhaps, unimportant in the eyes of those who drew up these Regulations. In fact, however, contracts of employment are just as important as the hours of work and wages on account of the protection they give both to the workers and the employers. No labour code can therefore be satisfactory unless it also deals with contracts of employment.

In contradistinction to the Peking Regulations of 1923, the *Hupeh Provisional Factory Regulations* of 1926 saw in the labour contract an effective means of protecting the interests of labour Article 13 prohibits the dismissal of workers without the previous approval of the Labour Union concerned which thus becomes more powerful than any employers. This one-sided protection may of course lead to the exploitation of the capitalist, and perhaps also lower the productive power of the nation, and create other industrial problems and evils in addition to the existing ones. No mention is made in the Regulations of individual bargaining, Article 3 only recognizing the right of group contracts, or collective agreements and seemingly favouring collective bargaining.

The *Shanghai Regulations for the Settlement of Industrial Disputes* of 1927 did not explicitly deal with labour contracts, as these Regulations were intended to be temporary in nature, and the National Government at that time was already contemplating a new labour law. But Article 8 prescribes that employers must not dismiss employees on account of strike, and if this is interpreted to the effect that workers are protected either by their Unions or by the Government from dismissal without sufficient cause or reasons, then this provision is just as effective as any regulation dealing explicitly with contracts of employment. Article 9 further declares that

employers must not ill-treat employees either by assault or by deductions from wages as fines, thus strengthening the effects of Article 8. On the whole, these Regulations aim at raising the general standard of the workers by providing for favourable conditions of work, sufficient wages, and steady employment. But as they are only temporary in character there is no definite provision for the protection of the employers who were in the more advantageous bargaining position by virtue of the over-supply of labour.

The *Provisional Labour Regulations of the Northwest*, on the other hand, recognises collective bargaining, differing from the above-mentioned Regulations in the fact that here labour organisations or unions may conclude contracts for and on behalf of any of its members who may prefer collective agreement to individual contract. As a matter of fact, past experience has taught the majority of the industrial workers the advantages of collective bargaining. According to Article 6, any contract made between the unions and the employers must not exceed one year and must be in accordance with the labour regulations. Contracts are not transferrable without the consent of the employers, although labour unions may if necessary transfer their members to other industries. (Article 10).

Article 11 allows employees to terminate their contracts with their employers on the following grounds: (i) failure of payment of wages in time, (ii) maltreatment, (iii) violation of the labour regulations on the part of the employers, (iv) insanitary conditions of work. The contracts of employment liable of being cancelled at any time on any one of the above-mentioned grounds, the workers are therefore protected from abuse on the part of the employers.

On the other hand, the employers themselves are protected against the unreasonable demands of the workers. Article 12 allows employers to terminate their contracts with employees on any of the following grounds: (i) entire or partial suspension of operations over a month, (ii.) incompet-

ence on the part of the employee, (iii.) persistent violation of regulations and bye-laws on the part of the employee, (iv.) refusal to work for over three days consecutively without sufficient reason, (v.) inability to work on account of illness for over a month, and, in the case of woman workers, failure to resume work three months after childbirth.

The *Kwangtung Factory Regulations* do not mention as to how contracts should be made, but prescribe, in Article 32, that any contract or agreement made should be certified or sanctioned by the Labour Union and the Chamber of Commerce. Article 30 further provides that should trade depression necessitate any reduction of the working staff the dismissed workers must be paid one month's wages and given certain food allowances. However imperfect these Regulations seem in the matter of contracts of employment, the very requirement of the Labour Union's sanction to any contract concluded either individually or collectively is sufficient guarantee against any contract being disadvantageous to the worker, prejudicial to the principle of collective bargaining, and contrary to the regulations of the Union. On the other hand, it may be argued, the Union's sanction of labour contract may be harmful to the wage earners in that it takes away the freedom of the individual to sell his labour as he thinks fit.

Chapter VIII of the 1927 *Peking Factory Regulations*, dealing with the contract of service, provides in Article 29 that factories must draft regulations dealing with fines, breaches of contract, negligence on the part of the workers, and so on, to be submitted to the local authorities concerned for approval and sanction. Article 32 provides that in case factory owners desire to cancel any contract before its expiration, the worker concerned should, except in extraordinary circumstances, be notified two weeks in advance and a suitable compensation for faithfulness and service, amounting to not less than a month's wages, granted. Should a worker on his part wish to terminate his contract, he must notify the employ-



er a week in advance to allow time for securing another suitable person.

The *Wuhan Provisional Factory Regulations*, in Chapter IV, lay special emphasis on contracts of employment. Labour contracts are to be entered fully between employers and workers, but they are subject to very strict rules. Article 14 prohibits factory owners to terminate any contract before its expiry except on the ground of (i) the worker concerned having obtained employment under a false certificate and by misrepresentation (ii) offenses against the law on the part of the worker, such as stealing and cheating, (iii) violations of the factory regulations and of the contract of employment on the part of the worker, (iv) failure or refusal to comply with the safety regulations, (v) wilful destruction of property, (vi) permanent disability on account of ill-health, (vii) gross insubordination, (viii) necessity for limitation of production, reduction of staff, or suspension of operations due to a general trade depression and other unforeseen circumstances. In the event of a permanent suspension of operations, the factory management concerned must notify the Bureau of Social Affairs two months in advance, in order that proper and satisfactory arrangements can be made with regard to wages and compensation. Any dismissal of workmen before the expiry of the contract except on any of the grounds mentioned above makes the factory owner liable to a fine amounting from five to twenty-five dollars for every worker discharged and calls for the reinstatement of the dismissed workers.

The worker, on his part, must not leave his or her work before the expiry of the contract, except on any one of the following grounds, (i) physical inability to continue the work; (ii) ill-treatment and lack of restraint in language and attempt, on the part of the employer, to induce the worker to commit improper or immoral acts, (iii) failure on the part of the management to pay wages on time (iv) excessively low wages to piece-rate workers, (v) the work being dangerous to life and injurious to health.

Article 16 further states that any contract without a time limit is regarded as to run for a year and to be automatically renewed on its expiration unless specially terminated. No provision for the payment of wages, however, is made in case of summary dismissal.

According to Chapter III, Article 13, of the original *Draft of the Factory Law* prepared by the old Ministry of Industry, Commerce and Labour individual contracts may be renewed by mutual consent on the expiry of the stipulated time, while according to Article 14 individual contracts for which no stipulation of time is made may be terminated by either party provided at least 15 days' notice is given. Factories failing to comply with this regulation are required to pay to the dismissed workers an extra sum of money equal to half a month's wages. Workers who fail to give the necessary notice are not entitled to a certificate of employment. The Labour contract may be further terminated by the employers on any of the following grounds, (i.) entire or partial suspension of operations, (ii.) temporary suspension of operations for over a month due to *force majeure*, (iii.) incompetence on the part of the worker or unsuitability of the nature of the work, (iv.) leave of absence without sufficient reason for over 3 days on the part of the worker, (v.) the worker being imprisoned for a period of over one month, (vi.) temporary disablement on the part of the worker, (vii.) inability to work on account of illness for over two months, (viii.) failure to resume work two months after childbirth in the case of female workers. On the other hand, workers may terminate their contract with their employers on any one of the following grounds: (i.) violation of the Labour Contract and of the Factory Law by the employer, (ii.), failure to pay wages on time on the part of the employer, (iii.) ill-treatment and assault on the part of the management, (iv.) failure on the part of the management to provide for good sanitary conditions in the places of work and to install the necessary safety devices.

The *National Factory Law* of 1929, in Chapter IV dealing with labour contract, mentions nothing definitely about the making of contracts, but it is clear that contracts are to be concluded between the workers and the employers directly. Contracts may be limited by a time stipulation, or may be unlimited. The former may be renewed by mutual agreement, upon the expiration of the stipulated time, while the latter may be terminated by the employer by a notice in advance and a payment of 50% of extra wages from the time when the notice is served until the actual leaving of the employee. The notice required varies according to the period the worker has been employed: (i.) a continuous employment of between three months and a year requires ten days' notice, (ii.) between one and three years, twenty days notice, (iii.) over three years, thirty days. Upon receiving such a notice the worker is entitled to a special leave of absence for the purpose of seeking other employment, but such leave of absence must not exceed three working days a week. This grant of three days per week for finding new employment is certainly a great advance from the workers' point of view, for even in advanced industrial countries no such provisions in law are made, being merely a case of mutual agreement between employers and employees.

According to this new law, employers may terminate the labour contract on any of the following five grounds: (i.) suspension of operations in whole or in part, (ii.) temporary suspension of operations for a period over one month, (iii.) inefficiency or incompetence on the part of the worker, (iv.) repeated violation of the Factory Law on the part of the worker (v.) the taking of leave of absence for more than three days consecutively or six days within a month on the part of the worker.

Employees may by Article 33 terminate limited contracts at any time without notice on the ground of (i.) violation of the terms of the contract or the provisions of the Factory Law on the part of the factory owners, (ii.) failure to pay

wages in time without reason on the part of the employers, (iii) maltreatment on the part of the employers.

Any dispute concerning the interpretation of the law on labour contract must be settled by the Factory Council in which workers and employers enjoy equal representation. When a contract is cancelled through no fault of the workers, the latter are legally entitled to certificates of employment from the factory management.

The certificate of employment is of great importance in China where a man cannot, as a rule, secure any employment without proper recommendations, it is just as essential to the worker in China as a diploma is to the teacher in the West. The system of granting employment certificates is thus likely to result in the improvement and stabilisation of Chinese industrial life, gradually reducing meaningless and unnecessary strikes which, instead of promoting the welfare of the workers, can only weaken the productive power of the nation. And any measure taken by the Government with a view to promoting industrial peace will undoubtedly prove beneficial to capital and labour alike.

#### REST, HOLIDAYS, AND VACATION

Article 9 of the *Provisional General Factory Regulations* of 1923 prescribes that the worker be given one or more rest periods of at least one hour a day, while Article 8 allows for 2 days a month rest in the case of adult workers and 3 days, in the case of juvenile workers but no mention is made as to Sunday rest, holidays, and special vacations except five weeks' rest to female workers before and after childbirth.

The *Hupeh Provisional Factory Regulations* mention one day's rest a week and a six weeks' vacation for any female worker before and after confinement. There is however no specified amount of rest or meal times during a day's labour. Such arrangement is left to the factories and the workers, but customarily one hour is always granted for rest and meals. There are no holidays, things depending entirely on the workers' bargaining power and on the generosity of the employers.

The *Labour Regulations of Greater Shanghai* provide for rest on Sundays and Holidays for all workers, and six weeks' vacation before and after childbirth in the case of female workers are given. No mention is made of daily rest periods and time allowed for meals, these being individual factory regulations rather than Government requirements.

Chapter V of the *Provisional Labour Regulations of the Northwest* dealing with rest, holidays and vacation, provides for three kinds of rest days, (i.) ordinary rest—at least half a day a week; (ii.) legal holidays—one full day during festival days and national holidays, and (iii.) ordinary vacation—at least ten whole days a year. Article 34 provides for a sick leave not exceeding two months, which is granted to any worker upon the production of a physician's certificate. There is also a special vacation for faithful workers. Anyone who has worked faithfully and continuously for a period of over six months is entitled to two weeks' vacation every year, and if engaged in underground work, two more weeks in addition to the two weeks granted to all industrial workers. Pregnant female workers are entitled to 8 weeks before, and 8 weeks after, childbirth.

The *Kwangtung Factory Regulations* provide for a Sunday rest and a special vacation of 14 days a year for all workers; they also provide for at least an hour a day for meals or several short periods of rest in the course of a working day. Article 13 further calls on the workers to take part in parades on the memorial days set aside by the Government and the Kuo-Min Tang. Whenever an announcement to this effect is made the Labour Union must notify the factories concerned in order that the workers may be granted a leave of absence for the purpose of participating in the parade; the work left behind by the paraders must be shared equally by those who remain. This kind of special leave of absence is not found in any set of regulations or laws that have hitherto been passed.

According to the *Wuhan Provisional Factory Regulations*, all workers are given at least half an hour for rest in the course

of a working day, and a minimum of two days a month for rest in addition to festival days and legal holidays, but no provision is made for a special yearly vacation.

Article 30 of the *Original Draft of the Factory Law* prepared by the old Ministry of Industry, Commerce, and Labour provides that all adult workers who work for five hours consecutively, or four hours in the case of juveniles, must get at least half an hour of rest. All workers must further have a continuous rest of at least 18 hours every seven days. In addition, the workers are entitled to such holidays as designated by the said Ministry, but no special vacation is provided for.

The *New National Factory Law* allows workers for every five hours of continuous labour a 30 minutes' interval for rest, and one day a week for rest in addition to the legal holidays to which they are naturally entitled. There is also a special vacation between three and five years, ten days a year; between five and ten years, fourteen days; over ten years, one additional day for every additional year, that is, 15 days for the eleventh year and 16 days for the twelfth, etc. Should the workers choose to forego their vacation, they are entitled to additional wages. In times of emergency, when it is in the national interest that certain factories run overtime, holidays may be cancelled.

Such a special vacation is in other countries usually enjoyed only by employees above the labourer class, and wage-earners in China may also not care for the vacation privilege so much as they do for the double pay during the vacation period should they choose to work. On the other hand, many of the industrial workers in China come from rural districts, where they have their permanent homes and to which they would like to return for at least a short period in order that they may have their family reunion, the Chinese family tie being so strong that it is impossible for the majority of people to leave their ancestral homes indefinitely and permanently. This special vacation for industrial workers is thus regarded as necessary, not only from the standpoint of home going

but also from the standpoint of encouraging the workers to stay in one place of work.

#### SANITATION, HEALTH, AND SAFETY

The regulations and laws that have hitherto been promulgated contain in general provisions for general sanitation—cleanliness, ventilation, light, drinking water, etc.—as well as safeguards to ensure the safety of the workers. The *Provisional Factory Regulations of the Northwest* and the *Kwangtung Factory Regulations* even go to the extent as to require the employers to provide dormitories and dining rooms for the workers. The original *Draft of the National Factory Law* provides in Articles 49-53 that factories must appoint special officers to take charge of general sanitation and provide safety devices for the protection of workers. In addition to proper ventilation, sanitary drinking water, cleanliness, and light, all factories must be equipped with the necessary supplies and devices in connection with the health and safety of the workers, such as medical and surgical supplies, safety appliances, fire prevention apparatus, wash room and rest room, and toilet facilities with a view to preventing the spread of contagious diseases. Emphasis is also laid on the proper construction of the factory buildings so as to avoid conflagration, sudden collapses and other similar calamities. The need of, safety instruction and health education by means of lectures, lantern slides, motion pictures, and printed matter, is also stressed, in addition to the importance of fire drill. There is however no specific provision for the enforcement of these rules, although Article 53 provides for the workers to appoint representatives for the purpose of co-operating with the factory management to consider schemes for the health and safety of the workers. With the exception of the provision relating to the appointment of special officers to take charge of sanitary affairs and of the representatives of workers referred to above, the *New National Factory Law* contains practically the same provisions as the original *Draft of the Ministry of Industry, Commerce and Labour*.

## APPRENTICESHIP

The system of apprenticeship is nothing new. It has been so common under the handicraft system of industry that everybody knows what it means. In Western countries apprenticeship is a special form of contract of labour, generally applying to young persons under the age of 21 who work and learn a trade at the same time. This type of labour contracts is of course different from the ordinary contract of employment in that the master craftsman undertakes to teach the apprentices his trade and is in many respects responsible for their morals, health, and future work. In China, apprenticeship has long been the only stepping-stone to any trade, and usually requires a long period of free service and hardship. It frequently covers from three to five years. In modern industry, however, this kind of apprenticeship has no place owing to the fact that division of labour and the use of machinery makes a long apprenticeship unnecessary. It is unnecessary to apprentice young persons for some three years when what they wish to learn is merely how to operate and handle machinery, and for this a few months' practice is sufficient to give all the necessary skill and dexterity. Apprenticeship in the modern sense is therefore not bondage, or free service for a substantial number of years during which period the apprentices are more or less slaves; it is a period of training during which the apprentices learn the skill of handling and operating machinery.

The problem of modern apprenticeship in China is first regulated by the *Peking Provisional Factory Regulations* of 1927, which in Chapter X deal with (i.) the type of training, (ii.) the hours of practice, (iii) moral discipline, and (iv.) age. Article 37 provides that any kind of training, should be based on the necessity of certain technical knowledge and dexterity required for the safe and skilful operation of machinery, and so forth. The hours of practice must be fixed, in accordance with the Factory Regulations, by the superintendent under whose direction the apprentices must learn their trade. The same is true of discipline for which the superintendent of the



factory concerned is also responsible. Apprentices must not be under 12 years of age in the case of boys, and under 14 in the case of girls in addition to these regulations, factory owners who wish to receive apprentices must also comply with the special regulations dealing with apprenticeship drawn up by the Inspector-General of Factories. These regulations differ greatly from the regulations in some Western countries by reason of the fact that the Government regulations are to be supplemented by the regulations of the Inspector-General of Factories. This system of regulating apprenticeship takes certainly into account the great varying local conditions in this country, but makes the problem of enforcement a most difficult one. The fact however that the system has never been put into actual operation, means that there are no real data to prove either its efficiency or inefficiency. Students of social legislation cannot deny the fact that two sets of regulations can co-exist without conflict and produce good results, but on condition that the law or regulations are effectively enforced.

According to Article 44 of the *Wuhan Provisional Factory Regulations* apprenticeship is permitted only when the technical work in a factory is of such a nature that only those workers that have had practical training and experience can be employed. The total number of apprentices must not exceed the number of regular workers. Factory owners who wish to employ apprentices must make contracts with their parents or guardians. The contract must state (i) the apprentice's name and age, (ii) the type of technical work, (iii) the time for practice, (iv) the safeguards against ill-treatment, and (v) the length of the contract. Three copies of the contract are required, one for each party and one for the Bureau of Social Affairs without whose approval no contract is valid. Apprenticeship must not exceed three years, and, in the case of simple technical work, three months or atmost one year is regarded as sufficient to give adequate dexterity. During the period of apprenticeship factory owners must be responsible for their apprentices' board, lodging, and medical attention.

The hours of work for apprentices must be the same as those fixed for juvenile workers, i.e. 8 hours a day. If apprentices, after a period of training and practice, have successfully learned the trade or the technique and can do the work properly, they should receive one half of ordinary wages paid to regular workers. These regulations no doubt answer the purpose and meet the demands of the time, although the maximum of three years for an apprenticeship seems rather excessive and unnecessary in modern factories where machinery takes the place of skill. There is also the danger of apprentices being abused and turned into unpaid juvenile labourers.

According to the original *Draft of the National Factory Law* factory owners intending to employ apprentices must first petition the local authorities concerned for permission, stating clearly the number of apprentices needed, the kinds of technical work, the hours for practice, treatment, and the length of apprenticeship. After such a permit is obtained the factory owners may proceed to conclude the necessary contracts with the parents or guardians of the prospective apprentices. These contracts must be in accordance with the Factory Law and specify the apprentice's age, the type of work, the hours of labour, the treatment, and the term of contract. A copy of each contract must be filed with the local authorities. The period of apprenticeship must not exceed four years during which period no work dangerous to life and injurious to health, is allowed, except in the case of those apprentices who are above the age of 16. The apprentices must be provided with board, lodging, medical attention, to be determined by the factory management taking into account the local conditions. Article 68 provides that after the apprentices have finished one half of the contracted period they must receive one fourth of the ordinary wages paid to regular workers, to be increased to one-third at the end of three fourths of the period.

Contracts may be terminated by employers according to the provisions contained in Article 16 dealing with contracts

of employment. In addition, the employers may cancel contracts on the ground of the apprentices refusing the proper instruction and discipline, and having committed theft, are unwilling to repent. Cancellation of contracts by the apprentices may take place in accordance with Article 17 dealing with contracts of service, and when the apprentices are forced to do any work contrary to the agreement or any work outside the factory, and when the factory concerned cannot provide the type of technical training it contracted. Should any apprentice leave his work before the contracts has expired, the parents or guardians may be required to refund the amount for his board, lodging, and other expenses incurred. But no definite provision is made for compensating the apprentices in the case of the factory concerned failing to live up to the agreement. This omission may be very serious as it would provide unscrupulous employers with the opportunity to engage as many young persons as possible nominally as apprentices, but in fact as unpaid juvenile labourer.

The *New Factory Law* in Chapter XI contains in many respects, provisions as in the original Draft. Article 57, for instance, provides that no children under 14 are allowed as apprentices, with the exception of those who had already been engaged before the promulgation of the law. The new Law, however, differs from the original Draft in that, in Article 56, it provides that any factory that wishes to engage apprentices must conclude contracts either directly with the apprentices themselves or with their parents or guardians, whereas according to the Draft only the parents or guardians have any right to make contracts. All contracts must contain (i) the apprentice's name, age, and home, (ii) the type of trade to be learned, (iii) the duration and method of termination of the contract, and (iv) the rights and obligations of both parties. In case the apprentice is required to pay for the learning of the trade, the contract must specify the amount and the date of payment. A similar specification must be made in case the apprentice is to receive wages so as to avoid future disputes. But any com-

pensation awarded to the apprentice does not restrict his freedom of occupation once the period of apprenticeship has expired. With regard to the hours of work the apprentices are on the same level as the regular juvenile workers and subject to the same maximum of 8 hours a day. In accordance with the recommendations of the Washington Labour Conference, apprentices, in common with the female and ordinary juvenile workers, are not allowed to work (i) in places where explosives are manufactured or stored or compounded or materials containing poisonous elements are stored, (ii) in places infested with dust, powder, and poisonous gases, (iii) on cleaning, dusting, oiling, inspecting, repairing hazardous machinery and adjusting belts while in motion, (iv) in connection with high pressure switchboards, (v) in places where the apprentices are liable to be splashed with any melted material, (vi) in connection with blast furnaces, (vii) on anything which is considered dangerous to the life or morals of the apprentices. In other words, apprentices are strictly prohibited from employment in dangerous places and on any type of work other than that specified in the contract of service, being subject to the same regulations as the juvenile workers. On the whole, the provisions in this law are fairly complete and adequate for the present especially when the national industry is not highly developed, factories few in number, and the types of work limited. Once industry gets more highly developed, as in Western countries, the law will probably have to be amended.

#### BONUS OR PROFIT-SHARING

It is a customary practice in China for employees in commercial concern to receive a cash bonus at the end of each year of profit. Generally speaking, however, the bonus system is not prevalent among the industrial concerns; certain factories have adopted it, but the amount of the bonus is too small to be of any consequence. Usually, however, the workers are given some special allowance for rice or other gifts instead of a bonus. The idea of profit-sharing is something entirely new,

first introduced by the old Ministry of Industry, Commerce, and Labour, in 1929, in its original *Draft* which, in Chapter VII, Articles 42 to 47, proposed that after due deduction for running expenses, 8% for legal interest and 20% for the reserve fund, the yearly surplus of any factory should be divided between the share-holders and employees. Of the surplus 40% must go to the share-holders, 40% to the workers, and 20% to the employees connected with the management of the factory concerned, 40% for the stock-holders shall be divided in proportion to the amount of capital invested, while of the 40% to be distributed among workers 30% shall be divided among workers who have served the factory concerned for a period of over six months (Art. 44), in proportion to wages they receive, the remaining 10% being reserved to promote the general welfare of the workers, a fund which is to be under the control of the workers' members of the proposed Factory Council. From this fund is part of such charges as compensation, special rewards, old age pensions, and insurance fees, if any, to be defrayed, the balance being borne by a special fund set aside for this purpose under the item of running expenses.

This scheme, however, was rejected by the National Government, and omitted in the *National Factory Law* which was promulgated on December 30th 1929. This New Factory Law thus does not provide for either bonus or profit-sharing. The objection of the Government to the plan is partly due to the conviction that in present state of industrial development the plan is infeasible and partly due to the opposition of the capitalists who severely criticised this proposed law when it was first announced to the public in the spring of 1929.

#### WORKER'S COMPENSATION AND WELFARE

The frequency of industrial accidents and other hazards of modern industrial life as the result of the introduction of modern machinery has in time made legislative action in the matter of workman's compensation and industrial welfare a case of the utmost urgency. Not only has the industrial life of the

Western nations been thoroughly revolutionized by the mechanical inventions of the last 75 years, but the industrial life of the Chinese is also being transformed by the introduction of power-driven machinery, of steam engines, electricity, and chemicals, by the concentration of large numbers of workmen, women, and children in the factory and mills, which all have added new sources of danger to the workers. While with the wages to unreasonably low and the cost of living daily increasing it is impossible for the workers to set aside part of their earnings for days of need.

Prior to the enactment of social legislation dealing with workmen's compensation, all risks resulting from accident or sickness had to be borne by the workers themselves. The principle of social justice by which any loss either due to accident or sickness in the course of employment is by the employers is only very recently employed in the legislation of the advanced industrial countries, and its first expression in China in the *Provisional Factory Regulations* of 1923 which, in Article 17, provide that factory owners must, according to the conditions of the factory concerned, draw up regulations providing for compensation for the family of any worker killed or injured in the course of his employment and for rewards and pensions for the employees. All these regulations must be submitted to the local authorities for approval. There is no definite, fixed amount provided and no penalties for violation. Further, Article 19 provides that any employee injured or ill while at work, or as a result of the work, is entitled to a sick leave with pay. Such a provision for compensation has little, if any, legal value, for the simple reason that whenever a scheme is not definite and is voluntary, no rigid enforcement can be expected.

In regard to the workers' welfare, Article 18 provides for a supplementary education for minors and uneducated workers at the expense of the factory concerned. At least ten hours a week are required of minors and six hours of uneducated adult employees. This provision is quite definite and may be said

to be a necessary and important step taken by the Government towards the improvement of the workers' conditions, even if no penalty is provided for violation.

The *Hupeh Provisional Factory Regulations* provide for compensation for injury, sickness, and death. According to Article 11, injury sustained by any worker in the course of employment should be compensated with usual wages and medical fees. A worker who is disabled as a result of injury sustained while at work must be paid the usual wages for life, and, in case the factory concerned should suspend operations the Government is made responsible for the payments to the disabled worker. In the event of death from injury the family of the deceased worker is granted a compensation by the factory concerned for a period varying between five and ten years according to the age of the deceased. In case of death from sickness, the family of the deceased employee is granted an indemnity according to years of service rendered to the factory concerned. The amount of compensation in both cases must be fixed jointly by the Labour Union and the employers. Also, a worker who contracts disease other than venereal disease is to receive half pay, and the medical expenses must be borne by the employers. During the period of illness a worker must not be dismissed without the approval of the Union.

The *Labour Regulations of Greater Shanghai* declare that the system of compensation for injury and death of workers should be adopted and that any worker who sustains an injury while at work in a factory must be paid half of his usual wages plus medical fees. These Regulations were drawn up shortly after the National Revolutionary Army had occupied Shanghai, and being temporary in nature, they were not intended to be a labour law, but were provisional regulations made with a view to forming a basis for a new labour law which was then under consideration, which explain the absence of any definite provisions for the injured worker and the deceased worker's family.

The *Kwangtung Draft Factory Regulations* provides in Article 21 that in case of injury or sickness—with the exception of venereal disease, tuberculosis, insanity, and wounds inflicted from a fight—all medical expenses must be borne by the employers, and wages must be paid in full for a period not exceeding two months. According to Article 22, any worker who sustains permanent disability as a result of an injury in the course of employment must receive a compensation in the form of a pension for life. The different kinds of compensation of enumerated in Article 23. In case of natural death a worker's family shall receive six months' usual wages as compensation, but if such a worker had served the factory concerned for six years or more prior to his death, the compensation for his family must be greater. If a worker is indefinitely confined to an isolation hospital or hospital for contagious diseases, his family shall receive one year's wages. In case of death either as a result of injury or disease contracted while at work, the deceased worker's wife shall be taken care of and his children shall be supported and educated by the factory concerned till they become of age. Besides, factories must draw up regulations providing for rewards and old age pension, such regulations to be presented to the Bureau of Agriculture and Labour for approval.

As regards the workers' general welfare, Article 26 provides that proper education must be provided by the employers for minors and uneducated adult workers—at least two hours a day for minors and one hour for uneducated adult workers. According to Article 32 workers may, with the approval of the Bureau of Agriculture and Labour, have their own representatives to help to supervise the work and to assist in maintaining good working conditions. The provisions contained in this proposed factory law seem much more adequate and reasonable than those contained in any previous statute. And while there is no definite penalty for violation of the law. Article 40 provides that any dispute arising in this connection must be referred to the Bureau of Agriculture and Labour for



settlement, in this way providing for the enforcement of the law.

Chapter VI of the *New Peking Factory Regulations* provides for a system of social insurance to be determined by the factories concerned, who are to draft their own regulations providing for compensation for their workers in case of injury, sickness, or death, for a system of old age pension and rewards for faithful service, for a supplementary education of juvenile and uneducated adult employees. The regulations providing for insurance or compensation, rewards, old age pension, and education must first be sanctioned by the local authorities concerned. Here again, the law is not definite and thus unable of rigid enforcement, even if the principle embodied is doubtlessly economically, sociologically, and morally sound—a proper foundation for future legislation.

While nothing definite is provided for in the *Hupeh Provisional Factory Regulations* with regard to compensation, insurance, rewards, and old-age pension, factory owners are, according to Article 32, charged with the responsibility of providing for a general or vocational education for workers in their respective factories. Any factory employing child workers and without schools of its own, must, according to Article 33 send its child workers to schools of neighbouring factories, bearing part of the expenses thereof. Article 33 further adds that the working hours must not be in conflict with school attendance.

The original *Draft of the New National Factory Law* lays special emphasis on the distribution of surplus profits rather than on compensation, insurance, or old age pension. In other words, the system of compensations is left to the discretion of employers who are to formulate regulations as they think best, with the approval of the local authorities concerned. There are, however, provisions in Chapter XI for a supplementary, suitable education for all juvenile workers and apprentices. Article 72 adds that at least 10 hours a week for attending school are required of all minors, and 6 hours for apprentices,

but no definite hours are fixed for illiterate adult workers. Article 73 further prescribes for factories within their scope and ability, to promote the social life of their workers by the creation of opportunities for proper recreation, while by Article 74 workers may elect their own representatives to co-operate with the factory management in the organisation and operation of workers' savings, insurance, and co-operative societies. All these provisions are doubtless helpful, but they are in fact more in the nature of suggestions than of regulations, leaving it entirely to the employers and employees to work out their own schemes as they think best for all concerned.

Thus the *National Factory Law* pays in Article 40, but a slight attention to bonus or profit-sharing. Factories at the end of each year must take stock of the year's business, and, after due deduction is made for the interest on capital invested and for the reserve fund, give to faithful and industrious workers rewards either in the form of a bonus or distribute a certain amount of surplus profit. Such a provision may mean a great deal and may not mean very much, being dependent entirely on the generosity of the employers. The real difference of this New Factory Law from the Draft Factory Law is, however, found in Chapter IX dealing with workmen's compensation. According to Article 45, (i) the injured or sick worker, apart from medical expenses, must be paid two-thirds of his or her usual wages during the period of temporary disablement, and if after six months he or she is still disabled, the allowance may be reduced to one-half, such a compensation being limited to a period of one year, (ii) a worker who suffers from permanent disability either partially or totally must be paid not less than one year's and not exceeding three years of his usual wages, (iii) in case of death from injury sustained, the deceased worker's beneficiary must be given \$50 as funeral expenses, \$300 as special grant, and two years' usual wages as compensation—the rate of these wages to be based on the last three months' wages.

Article 46 then specifies to whom the compensation must be paid in case of death of a worker. In the case of a female worker her husband is the natural beneficiary, and in the case of a male employee, his wife. If the deceased worker had no husband or wife, the children or parents or grand-children or brothers and sisters would be regarded as legal beneficiaries, unless a will was left, in which case the bequeathed would be recognized as the legatee. Article 47 goes so far as to provide that in case of urgent need or on account of marriage or funeral a worker may request the factory concerned to advance him or her a month's wages to meet the pressing need of his or her family. Such a provision is unknown in the Factory Acts of Western countries where the standard of living is considerably higher than that in this country. This provision here being aimed at preventing and eliminating the evil practices of money lenders who charge from 20% to as high as 50% monthly interest on loans.

With respect to general welfare work, Article 36 requires factories to provide facilities for a supplementary education for all child workers and apprentices for at least ten hours a week. There is however no fixed number of hours for adult workers for whom it is apparently optional. Article 38 declares that factories, within their scope and ability, should co-operate with their workers in organising savings' and co-operative societies, while according to Article 39 factories should provide proper recreation and amusement for their workers. The provisions contained in these two articles are by no means insignificant, because the former tends to encourage frugality and saving, whereas the latter aims at promoting and bettering social life and at bringing about higher social efficiency.

#### JOINT INDUSTRIAL COUNCILS OR WORKS COMMITTEES

The institution of Factory Councils or Works Committees is the latest development in the history of social legislation in China. Chapter X of the original *Draft* of the New National Factory Law provides for the establishment of a Joint Factory

Council or Works Committee in every factory employing regularly more than 30 workers. The Joint Factory Council or Works Committee shall be composed of an equal number of representatives chosen by both employers and employees to represent their respective interests. Article 54 provides that factories shall elect their representatives only from among those who thoroughly understand factory and working conditions, while workers shall choose their own comrades to represent them in the Council. The number of representatives depends on the size of the working force, each workroom or department to elect its own representatives. Article 56 then provides for the number of representatives for each workroom or department to be based on a sliding scale, for each workshop or department employing 15 workers one representative, employing from 15 to 30 workers two representatives, from 30 to 50 workers three representatives, from 50 to 100 workers five representatives, from 100 to 200 workers seven representatives, from 200 to 500 workers nine representatives, from 500 to 1000 workers eleven representatives, from 1000 to 5000 workers, eleven for the first 1000, and two additional representatives for every additional thousand, from 5,000 workers and up, in addition to the nineteen for the first 5,000 workers, an additional representative for every additional thousand workers. Workshops or department, with less than 15 workers, may combine and elect their representatives accordingly.

According to Article 57 the Factory Council shall deal with (i) disputes arising from the workers themselves involving either the whole department or the entire factory concerned, (ii) disputes between employers and employees, (iii) the improvement of working conditions, and (iv) workers' welfare in general. There shall be a chairman, a recording secretary, and an executive secretary, all of whom shall be elected by ballot. The chairman shall call a meeting of the representatives once a month, and, in case of urgent business two or more members of the Council may request the chairman to call a meeting at any time to discuss matters relating

to factory affairs that affect both the employers and employees. It is thus obvious that the chief object of the Factory Council or Works Committee is the promotion of better relations between employers and employees and the improvement of the conditions of labour in the interest of all concerned. This system may seem radical and infeasible, but in reality there is no element of radicalism embodied therein, and the question of feasibility is a matter of individual opinion rather than of proof, for the whole system has never been tried out, and hence no one is in a position to evaluate it intelligently and justly.

The provisions in the *National Factory Law* with respect to the Joint Factory Council differ from the original *Draft* in that the method for the election of representatives is not based on a sliding scale, laying emphasis on age and qualification rather than on numbers. On the whole, the aim and the spirit of the Factory Council is similar to that originally proposed by the old Ministry of Industry, Commerce, and Labour. The Factory Council is based on an equal representation of both capital and labour, its functions being (i) to study the results and efficiency of the work in the factory concerned, (ii) to improve the relations between employers and employees and to settle disputes between them, (iii) to assist in the enforcement of contracts and factory regulations, (iv) to assist in the fixing of the hours of labour and wages for overtime work, (v.) to improve and promote the health and general sanitary conditions in the factory concerned, (vi.) to make suggestions for improvement, (vii.) to adopt measures dealing with workers' welfare.

All questions in connection with the relations between employers and employees shall be solved by the Factory Council, but in case the Council fails to settle any dispute arising out of such relations, it shall be settled in accordance with the Regulations for Conciliation and Arbitration. As regards election of representatives, Articles 52-55 provide that workers above 18 years of age are eligible to vote, and those who have

reached the age of 24 and are citizens of the Republic of China and have served the factory concerned for over a period of six months are eligible to be candidates. Representatives of both employers and employees are limited to from five to nine, of whom one shall be chosen by them to serve as chairman in turns. There shall be a regular meeting once a month, but in case of urgency the Council shall be convened whenever necessary.

While there are no specific provisions for the enforcement of the Factory Council, it may be reasonably assumed that once the regulations are issued providing for the Joint Works Councils, it would be possible to make them operative by voluntary effort. The very fact that the sole object of the Factory Councils is the improvement of relations by co-operation means that the willingness of both employers and employees to co-operate is in itself enforcement of the Law.

#### FACTORY INSPECTION

The necessity for factory inspection is beyond any possible doubt, for without factory inspection labour laws cannot be rigidly enforced, and without enforcement any law enacted is simply a dead letter. The worker's life, from the humanitarian point of view, is recognised just as important as that of the wealthy employer. Thus, in view of the hazardous machinery of the modern factory system protective legislation has been passed with a view to eliminating or coping with the industrial evils arising out of the impersonal relationship of the various factors in the factory system, to raising the workers' general standard of life and of social and economic efficiency.

Government regulation of the hours of labour, wages, child labour, employment of women, conditions of work, health and safety of employees, workmen's compensation, apprenticeship, and so on, is thus essential if China is to keep abreast of the social statesmanship and progress of the West. Being so essential to the well-being of society and the nation, these regulations must therefore be effectively enforced, if they are

not to be rendered inoperative by evasion and sabotage. An industrial investigation by the National Government with a view to establishing standards of work, wages, sanitation and safety, housing, education, and a basis of compensation for injury, sickness, and death, is undoubtedly of benefit to every one concerned; especially if such a study of industrial conditions is conducted scientifically and includes detailed reports on the standards and cost of living of workers, housing, hours of work, wages, sanitary conditions, safety appliances, fire-escapes, effect of ventilation, dust, grass or fumes, steam, darkness, heat, cold, compressed air, and educational facilities. For only in this way can government inspection of factories ensure the operation of factories in conformity with the Factory Regulations. Now every set of regulations or law already provides some kind of government inspection, but few regulations or laws are as yet strictly enforced partly due to the lack of a stable Central Government, partly due to the unenforceable nature of the regulations, and to a great extent also due to the existence of extra-territorial jurisdiction in the foreign settlements and concessions where many of the modern factories are situated.

The *Provisional General Factory Regulations*, the first of the factory regulations, do not provide specifically for government inspection, except perhaps in Article 24 which provides that factories should provide the necessary and suitable equipment for the purpose of maintaining the health of their workers and preventing any danger that may arise therefrom, and that inspectors may be appointed at any time by the administrative authorities concerned to investigate the conditions of factories. But this provision has little, if any, legal value by reason of the fact that there are no specific regulations governing inspection, as in the event of non-compliance or violation of the law on the part of factory owners the local authorities are powerless because of the absence of penal provisions in the land. This omission of course, might be rectified by local regulations supplementary to the General Regulations.

Chapter IX of the *Peking Factory Regulations of 1924* deals with Government inspection. Article 34 declares that the local administrative authorities may at any time send inspectors to investigate factories under their jurisdiction, acting upon the instructions of the Division of Factory Inspection of the Ministry of Agriculture and Labour. Anything dangerous to life and injurious to health and morals or anything that is considered as detrimental to the general welfare and common interest, must, in accordance with the order of the local authorities, be properly adjusted and improved. Failure to comply to the orders of the administrative authorities or factory inspector concerned renders the factory liable to the penalty of suspension of operations, either in part or in whole. These provisions are doubtlessly an improvement on those of the Provisional General Factory Regulations; but again, they have never been tested, and hence this set of regulations is also a dead letter.

On November 2, 1927, the Peking Government promulgated, by Presidential Mandate, *the Regulations governing Factory Inspection*, which as the name implies, exclusively deal with factory inspection. Owing to the fact that shortly after the promulgation of these Regulations the Peking Government fell into the hands of the National Revolutionary Party, these Regulations have never been put into effect, but its provisions are nevertheless worth considering. There are 27 articles in all, dealing with factory inspection in detail. The primary purpose of these Regulations is to protect both capital and labour by enforcing the new Factory Regulations of the same Ministry.

In Article 3, the Regulations provide for the establishment of an inspectorate in every industrial district, with one or more inspectors varying according to the size and needs of the various districts, who shall be charged with (i) the enforcement of the protective clauses in the general Factory Regulations, (ii) the inspection of the existing organisation of every factory, (iii) measures relating to the installation of safety appliances, the improvement of conditions of work and the promotion of the



general welfare of employees, the educational facilities for workers and general sanitation, (iv.) questions relating to social insurance and savings, the prevention of unemployment, relief work and workmen's compensation, (v.) questions relating to labour organisations, the co-operation between capital and labour and schemes for promoting industrial harmony, (vi.) the enforcement of the Regulations regarding the hours of labour, the restriction and prohibition from dangerous work, of women and children (vii) the limitation of picketing, (viii) questions relating to the fixation of a minimum wage and the regulation of apprenticeship, and all other matters concerning labour.

All factories must be inspected at least once a year, which inspection may be repeated at frequent intervals should any requirements provided for by the Factory Regulations, relating to dangerous work, and insanitary conditions not have been complied with. All factories, irrespective of the nationality of the owners, are according to Article 8 subject to inspection. Owners and managers obstructing an inspector in the execution of his duties shall first be given a warning. Refusal to allow the inspection to take place or repeated, wilful obstruction renders the responsible person liable to fines in accordance with Article 44 of the Factory Regulations. Article 13 further provides that if any of the following conditions is found by an inspector, and after due notice is given, no improvement has been effected, part, or the whole of the factory concerned may be ordered to suspend operation: (i.) conditions injurious to health, and affecting the general welfare of the workers, (ii.) general violation of regulations, (iii.) unlawful installation of machinery and arrangement of place of work in such a way as to be against the Factory Regulations, (iv.) the presence of anything so dangerous as to cause immediate or probable disaster.

As regards the duty and power of inspectors, Article 15 declares that an inspector, in performance of his duties, has the power to examine a factory's books and documents. If in the execution of his duties he should discover any industrial secret

exclusively the property of the factory concerned, he is to treat such secrets as official secrets, not to be utilized, directly or indirectly, for any purpose. He is also prohibited from demanding, or receiving, any personal benefit from factories under his control. He has certain powers granted to him, but he cannot exercise his powers for any selfish ends. He is for instance, empowered to take a constable with him to any factory where he has reasonable cause to believe that there will be serious obstructions in the execution of his duty (Article 23), but he is not empowered to exact fines on his own lest he should abuse his powers for the purposes of extortion.

Chapter XIV of the original *Draft of the National Factory Law* deals solely with factory inspection. Article 78 provides that the Ministry of Industry, Commerce and Labour shall establish an inspectorate and shall from time to time appoint inspectors for the purpose of investigating conditions in factories. Such inspectors are empowered to enter any factory at any time to inspect conditions therein, and such a factory must not obstruct or delay the inspectors in the performance of his duties. If any workshop or department of any factory is not properly equipped in accordance with the Factory Law, the inspectors shall notify and order the management concerned to make the proper adjustments and improvements within a certain specific time, and should such a management ignore the order of the inspector, a proper penalty shall be imposed on it. Article 91 is interesting, laying emphasis on young persons' age which is to be determined, should there be any reasonable doubt, by the inspector with a special physician appointed by the inspectorate for this purpose. In the case of repeated violation of any article of the Factory Law on the part of factory owners, and disregard of the due warnings to effect improvements they are liable to a fine in accordance with the Factory Regulations. On the other hand, should any inspector abuse his power in the performance of his duty, either in the form of extortion or otherwise, he shall be punished according-

ly. Factory owners may make complaint to local administrative authorities concerned about any misconduct and misdemeanor on the part of any inspector therein stationed.

The *New National Factory Law* does not expressly and definitely provide for factory inspection, the regulations of which are to be formulated either by the Ministry of Industry, Commerce and Labour as a set of supplementary regulations to the Factory Law or by the Legislative Yuan, and violation of the Factory Law on the part of factories shall be punished in accordance with the regulations governing penalty therein contained.

#### ENFORCEMENT, ADMINISTRATION, AND PENALTIES

It is a commonly recognised fact that law without a proper machinery for strict enforcement is a dead letter in so far as its application to the facts of reality is concerned. The enforcement of any factory law is now primarily based on the willingness of the employers to co-operate with the Government and the efficiency of the factory inspectorate. Early social legislation in Western countries was, to a great extent, ineffective, inasmuch as the early laws were unenforced and unenforceable, owing to the unwillingness on the one hand on the part of the employers to observe the law and the inefficiency of factory inspection on the other. No less than in the West the enforcement of the Factory law in China thus depends on the extent of the co-operation of the factory owners and the degree of efficiency of the system of inspection.

The administration of the Factory law is legally in the hands of the Minister in charge of the Ministry having jurisdiction over the factories. In the case of provincial regulations, however, the administration is in the hands of the commissioner of the bureau dealing with industries, while with the municipal regulations, the administration is in the hands of the Director of the Bureau of Social Affairs. The promulgation of the *National Factory Law* automatically consolidated and extended all regulations and laws that had been made prior to its

adoption. But in practice the Chief Inspector of Factories has the power to enforce the law in any way he sees fit taking due consideration of local conditions.

With regard to penalties, nearly every set of regulations proposed or promulgated subsequent to the National Revolution of 1926, for the purpose of bringing all factories into conformity with the regulations or law, has provisions for penalties to be imposed on factories found guilty of violating the factory regulations. The enforcement of the law through local inspectorates in co-operation with the local authorities is theoretically the most reasonable and feasible, and preferable to its administration by the local authorities alone, since the local governments may be composed of persons whose interests may be in conflict with their duties even if the local authorities really have the workers' interests at heart and there is nothing to prevent them from exercising their powers and discharging their duties. With the assurance of full co-operation of the local authorities, an inspector should have no difficulty in inspecting any part of any factory with regard to sanitary conditions and equipment, and in examining any document or book with regard to the accuracy of its financial report, or in examining the age and health of young persons. Furthermore, with the co-operation of the local authorities factory inspectors shall be able to recommend to the factories a fair scale of wages which are to be fixed in accordance with the cost of living as provided by law.

In short, the enforcement of the law is possible only when the co-operation of the employers and the local authorities is secured and the efficiency of the sub-inspectorates is ensured; but penalties are indispensable to the proper enforcement of the law. The *Provisional General Factory Regulations* failed simply because there are no specific regulations providing for the punishment of violators, while their enforcement and administration was in the hands of local authorities. In consequence they were never complied with; factory owners frequently committing offences with perfect impunity; and they

remained a dead letter in so far as the law courts were concerned.

Neither are there specific penal provisions in the *Regulations of the Woosung-Shanghai Bureau of Industrial Welfare*, in the *Provisional Factory Regulations of Hupeh*, in the *Labour Regulations of Great Shanghai*, in the *Provisional Labour Regulations of the Northwest*, nor in the *Kwangtung Factory Regulations*. But apparently the local authorities concerned are empowered to draw up such regulations for the enforcement of the said regulations as they think best in the light of local conditions; and penalties for violation vary according to the nature of offences and the places where they are committed.

Articles 44 and 45 of the *Peking Factory Regulations* provide for a penalty not exceeding \$300 to be imposed on any factory owner for the violation of the law or for refusal to comply with any order issued by the local administrative authorities concerned or the factory inspector. These regulations are enforced through the local court which imposes the fines on the violators in accordance with the Factory Regulations.

The *Provisional Factory Regulations of the Wuhan Municipal Government* do not provide any penalty for violation, but the Bureau of Social Affairs is empowered to deal with the violators. Being provisional in character these Regulations are by no means complete, but they are considered as reasonable and feasible, pending the passage and promulgation of a national factory law.

The original *Draft of the National Factory Law* drafted by the Ministry of Industry, Commerce, and Labour provides penalties for violation in detail. Chapter XV deals with penalties and fines exclusively and definitely, the following penalties and fines being imposed on violators of the Law:

(i) Factory promoters who, in contravention of Article 3 of this Law, recruit workers and prepare for operation without first having the factory registered with the local authorities con-

cerned, and, in the course of such a preparation for operation cause damage to others, are responsible for any damage done (Article 24).

(ii) Factories which, in violation of Articles 7 and 8, employ children under the age of 12 and use minors for heavy work both of whom are prohibited by this Law are liable to a fine not less than \$50 and not exceeding \$300 for each offence (Article 96).

(iii) Factories which violate Article 20 in refusing certificates of employment to faithful workers, who are discharged as a result of natural causes or who leave employment in a proper way, are liable to a fine of from \$5 to \$10 for each offence without prejudice to their obligation of granting such certificates to their employees (Article 97).

(iv) Factories violating any article contained in Chapter IV by extending the hours of labour shall be fined from \$50 to \$300 (Article 98).

(v) Factories which, in violation of Chapter V of this Law, refuse to pay wages for work on rest days and holidays are liable to a fine not less than \$5 and not more than \$20 for each offence, with the obligation to grant any such rest days or holidays to which the workers are entitled, (Article 99).

(vi) Factories which violate Article 39 of this Law by not paying wages to their employees at a proper time without reason are liable to a fine of 1% of the amount of the wages due (Article 100).

(vii) Factories which violate Articles 40 and 41 by deducting a certain amount in advance from wages of their employees for breach of contract and for fines, and by deducting in advance a sum of money from wages for savings, insurance, or co-operative society enterprises without the consent of the workers, are liable to refund three times the amount deducted therefrom (Article 101).

(viii) Factories which, in violation of the articles contained in Chapter VII, conceal the annual profit or make a false report in regard to the yearly net profit the surplus of which is legally

to be distributed among all concerned, are liable to prosecution for fraud in accordance with the Penal Code, but such legal proceedings shall not take place until after the account has been examined by public accountants (Article 102).

(ix) Factories which violate any article contained in Chapter X by engaging apprentices below the legal age are liable to a fine of not less than \$50 and not exceeding \$300 (Article 103).

(x) Factories which, in violation of Articles 77 and 78, refuse to pay wages and medical fees to workers for three months during the time of injury sustained while at work and to grant six weeks' leave of absence before and after childbirth in the case of women workers, are liable to prosecution in accordance with the law on compensation for damages and injury (Article 104).

(xi) Factories which, in violation of Articles 79, 80, and 81, employ women and children for work that is dangerous to life and injurious to health, are liable to a fine not less than \$50 and not exceeding \$300 for each offence (Article 105).

(xii) Factories which violate Articles 83, 84, and 85 by failing to report or making false reports on the workers and the conditions of work, as required by the Law, shall be fined from \$50 to \$300 for each offence (Article 106 and 107).

(xiii) Factories failing to comply with the regulations in regard to registration, report, inspection, etc., and ignore the orders of the competent government organ or local authorities shall be fined from \$50 to \$200 (Article 108).

(xiv) Factories which fail to comply with any order issued by the local authorities in pursuance of the Law are liable to a fine of not less than \$50 and not more than \$300 (Article 109).

The *New National Factory Law* deals in chapter XII with penalties and fines exclusively, in the following manner:

(i) A factory which violates Articles 7, 11, 12, and 13 relating to dangerous occupations, child labour, and the hours of work respectively, is punishable by a fine of not less than \$100 and not exceeding \$500 (Article 68).

(ii) A factory which violates Articles 5, 8, 9, 10, 37, and 63 relating to registration, hours of labour for adult workers, leave of absence for female workers before and after confinement, and apprenticeship, is liable to a fine of not less than \$50 and not exceeding \$300 (Article 69).

(iii) A factory which violates Article 45 relating to compensation is liable to be fined from \$50 to \$200 (Article 70).

(iv) A factory which violates Articles, 3, 4, 14-19, and 36 relating to the keeping of records, the making of reports, rest days and holidays, and the education of workers respectively is punishable by a fine of not more than \$100 (Article 71).

(v) A foreman in any factory who, because of corruption or negligence or otherwise, causes a dispute or intensifies an already existing dispute, is liable to one year's imprisonment with hard labour, or a fine of not more than \$500 (Article 72).

(vi) Workers who use force to interfere with the work of any factory or destroy material or machinery therein shall be punished in accordance with the Penal Code (Article 73).

(vii) Workers who force others to go on strike are liable to dismissal at any time and be sent to the local authorities concerned for punishment (Article 74).

In many respects the New National Factory Law is thus similar to its original Draft, differing on the whole only in that its penalties and fines are simpler and more reasonable and in making the foreman and other workers also criminally responsible in the event of their violating the principles of industrial peace.

### C. ADMINISTRATION OF THE NEW FACTORY LAW

The *Regulations for the Administration of the New Factory Law* were promulgated on the 16th of December, 1930, in 38 articles. These Regulations were originally intended to make it possible for the *National Factory Law* to come into force on February, 1931, but owing to certain obstacles in the way of administration, the date for the enforcement of the New Factory Law was postponed to August. At that time the



progress of the negotiations for the abolition of Extraterritoriality in China was such that there was some hope for the application of the Factory Law both to foreign-owned factories in China and Chinese-owned factories in the Concessions—a fact of supreme importance because most of the modern factories and mills are located in the Concessions. For unless either Extraterritoriality is abrogated or the voluntary co-operation of factory owners is secured, the administration of the Factory Law will, at this stage of political and economic development, be practically impossible. The essential features of this set of Regulations are as follows:

1. ADMINISTRATIVE ORGANS.—The competent organs for the administration and enforcement of the Factory Law are the local authorities and municipal governments under the direction and supervision of the Ministry of Industry. The local authorities are empowered to register all factories and keep record of all workpeople in respect of age, nativity, date and conditions of employment, types of work, remuneration, workers' skill and moral character, conditions of work, causes of accident, causes for dismissal, and so forth.

2. AGE LIMITATION.—Article 5 expressly provides that children under 14 but above 12 who have already been employed prior to the operation of the New Factory Law must be reported to the local authorities concerned within the first two months after the Factory Law shall have come into force in order that special exemption may be granted to them, inasmuch as the Factory Law forbids the employment of children under 14 years of age.

3. HOURS OF LABOUR.—According to Articles 6 and 7, the factory management concerned is given the right to fix the working hours, rest periods, rest days, and meal times in accordance with the provisions contained in the Factory Law, but, whatever the hours for commencement, closing, rest and meals may be, the factory management is required to report to the administrative authorities concerned. Should a factory

further adopt the shift system, the workers employed therein must also be duly reported to the local authorities for file.

4. **LEGAL HOLIDAYS.**—According to Article 9, the term “legal holidays” mean the following national holidays:

(i) New Year’s Day, (ii) March 12th, Commemoration of Dr. Sun’s Death, (iii) March 29th, Commemoration of the Death of the 72 Martyrs, (iv) May 5th, Commemoration of the Establishment of the Revolutionary Government at Canton, (v.) July 9th, Commemoration of the Northern Punitive Expedition of 1926, (vi) October 10th, Commemoration of the Establishment of the Republic, (vii) November 12th, Dr. Sun’s Birthday, (viii) and other Legal Holidays that may be set aside by the National Government when occasion arises.

Apart from the legal holidays mentioned above, May First, set aside as the International Labour Day, should also be observed as a legal holiday. Furthermore, special vacation may be granted to workers in accordance with Article 17 of the New Factory Law.

5. **WORKERS’ WELFARE.**—Article 13 requires all factories covered by the New Factory Law to make semi-annual reports to the administrative authorities concerned on workers’ education (including education for the apprentices) as provided by the Factory Law. In the case of female workers, Article 14 requires a physician’s certificate before returning to work after a period of confinement as provided by Article 37 of the Factory Law. This immediately raises the question of its feasibility on account of the fact that few of the workers can afford to engage a licensed physician with modern medical training for delivery, unless such a physician is provided by the factory concerned or by the government.

As regards profit-sharing, Articles 15-16 state that factory owners may choose either of the provisions contained in Article 40 of the Factory Law, that is, either a bonus in the form of a gift or a certain amount of the net profits, after legal interest or dividends and reserve funds are deducted, to be distributed

among the workers. But both the provisions contained in Article 40 are ambiguous, meaning little from the legal point of view as being dependent on the generosity of the employers. And experience in the highly industrialized countries has shown that employers are never over-generous with the distribution of their surplus profits. In view of the experience of western nations therefore the profit-sharing clause in the New Factory Law is bound to be a dead letter if profit-sharing in the true sense of the term is expected. Furthermore, Article 40 of the New Factory Law clearly states that "surplus profit" may be divided among the workers if the employers so desired; but is there any such thing as surplus profit if the employers do not wish to distribute any amount of the net profit gained among the workers? If not, the profit-sharing clause has little, if any, social value.

In regard to the provisions for health and sanitation as contained in the New Factory Law, Article 17 of these Regulations requires factories employing more than 300 workers to provide dispensaries within the confines of their premises and to engage physicians to look after the health of the workers employed therein as well as to give advice in matters of sanitation. Further, the types of work for child and woman workers as well as workers over 50 years of age shall be determined after a thorough medical examination and upon the recommendation of the physician-in-charge. Article 19 prohibits the admission of children to places of work that are dangerous to life and injurious to health, Article 20 states that factories should provide nurseries for babies of women workers who, in many places, are compelled to place their children under the machinery, and should hire nurses (the term nurses is loosely used here) to look after them for their women employees.

6. STANDARD OF SAFETY.—All factories must be constructed in accordance with the provisions contained in Articles 41-42 of the New Factory Law and the work of construction must be done under the supervision of

registered engineers (Article 21), while the machinery should from time to time be inspected by experts (Article 22). Should repairs be considered as necessary and imperative, such repairs must be done immediately so as to ensure safety of operations and to avoid accidents. Furthermore, fire escapes and exits should be well provided for, and in the course of any working day no door of any workshop or factory should be locked. Smoking inside the factory should be strictly prohibited; poisonous gases should be eliminated, poisonous elements are not permitted to be thrown into rivers or wells; factories using materials that are dangerous to life and injurious to health are permitted to be located in a given area according to local government regulations governing factory construction.

7. ACCIDENT, SICKNESS, AND COMPENSATION.—Article 28 provides for immediate medical treatment for the workers who are injured or sick in the course of work, and in case of death from injury or sickness it requires the factories to report to the administrative authorities as well as to communicate with members of the family of the deceased worker. The amount of benefit is to be paid in accordance with Article 45 of the New Factory Law, and the only beneficiaries are those stated in Article 46. Apart from this there is no detailed schedule provided for compensation for different kinds of injury and disability.

8. FACTORY COUNCIL.—According to Article 54 of New Factory Law, the number of representatives to the Factory Council is not less than five and not more than nine for each party. Those representing the workers are elected by a majority vote of at least over one half of the members of the working force present at a meeting called for this purpose. Apart from the regular representatives, an equal number of candidates should also be nominated to substitute any representative by reason of sickness, injury, resignation or death. The term of office is one year.

## D. THE FACTORY INSPECTION LAW

The *Law relating to Factory Inspection* was promulgated on the February, 1931, and contains 20 articles, the salient points of which may be summarised as follows:

1. **AUTHORITIES.**—According to Article 2, the authorities on whom the power of carrying out the work of factory inspection are (1) the Municipal Governments, and (2) the Hsien (District) Governments, unless otherwise expressly stated.

2. **CENTRALISATION.**—Article 3 provides for the appointment of factory inspectors by the Central Labour Commission. (The power of appointing inspectors is now vested in the Ministry of Industry, and prior to the establishment of the Central Labour Commission the Minister of Industry shall continue to have the power of appointing inspectors).

3. **SCOPE OF INSPECTION.**—According to Article 4, the matters to be inspected are those relating to—(i) the age of male and female workers; (ii) the nature of work; (iii) the hours of work, rest days, and holidays; (iv) special leave of absence for woman workers before and after childbirth; (v) safety and sanitary conditions; (vi) industrial accidents; (vii) the record book and registration of workers; (viii) apprenticeship—the age, number, and treatment of apprentices.

4. **QUALIFICATIONS OF INSPECTORS.**—According to Article 5, inspectors shall be chosen from two groups of candidates: (1) Graduates of technical schools of high standing; in China or in foreign countries and (2) workers who have had over ten years' experience in factories with sufficient knowledge and skill for the task.

5. **DUTY.**—The duty of inspectors may be stated briefly as follows:

(i) To make periodic or constant inspections of all factories within their respective jurisdiction (Art. 6).

(ii) To make quarterly reports to the administrative authorities on (a) the number and types of factories located within their respective districts; (b) the number and occupations of workers employed therein; (c) child labour; (d) the length of employment and unemployment;

(e) the hours of work; rest periods and holidays; (f) industrial accidents; (g) safety and sanitary conditions; (h) sickness and occupational diseases (Art. 11).

(iii) To report on violations of the Factory Law to the Administrative Authorities for action (Art 12).

6. POWER OF INSPECTORS.—The inspectors are empowered to perform the following functions:

(i) To ask workers and labour union officers for desired information,

(ii) To examine books, records, and documents of any factory within their respective districts.

(iii) To issue orders to factories for improvement.

7. CONDUCT OF INSPECTORS.—According to Article 14, factory inspectors are strictly prohibited from (a) extorting or receiving bribes; (b) making false reports; (c) disclosing secrets of industrial processes; (d) alienating friendly relations between employers and workers; (e) acceding to demands by employers or workers; (f) holding concurrent posts. Any violation of the above-mentioned provisions on the part of factory inspectors makes them liable to punishment in accordance with the provisions of the Criminal Code.

8. PENALTIES.—Any factory management that obstructs the inspector from executing his duty shall be liable to a fine not exceeding \$200, and any employee or officer of a labour union who refuses to answer questions put forth by a factory inspector or who prevents the inspector from examining books and documents without sufficient reasons shall be liable to a fine not exceeding \$100.

Obviously, the different sets of regulations and laws enumerated above clearly indicate the unremitting efforts of the Government to (i) improve the relation between employers and employees, (ii) ameliorate working and living conditions, (iii) shorten the hours of work of factory workers, (iv) eliminate child labour, (v) prohibit the employment of women at night, (vi) introduce the system of workmen's compensation for accident, sickness, and death, (vii) settle labour disputes by peaceful means, by conciliation and arbitration, (viii) fix a

wage that the workers really deserve in consideration of their contribution to industry, and (ix) protect the workers from inhuman exploitation in every possible way, while at the same time safeguarding industry from being ruined by unnecessary strikes. But in order to appreciate fully the Government's efforts to harmonise the interests of employers and employees and to elevate the position of the workers we must now turn our attention to the development of labour union law, which covers even a wider scope than factory legislation.

## CHAPTER VIII

### THE DEVELOPMENT OF LABOUR UNION LAWS

As a result of the Labour Movement the workers in China have become gradually organised, Labour Unions being formed one after another. According to the Constitution of 1912 of the Republic of China citizens have right to organise associations in the interest of the common good. It is due to this constitutional right of association that the class consciousness on the part of the workers had been brought about, resulting in the formation of labour unions from which the workers expect protection and through which they hope to work out their own programme for the betterment of the working classes. The whole history of trade unionism, in the broadest sense of the term, covers a period of not more than twelve years. In point of fact, the trade union movement did not actually attract public attention until 1922 when the First National Labour Conference was held in Canton, at which multifarious resolutions were passed with a view to raising the workers' general standards by means of collective action on the part of the labourers and of legislative action on the part of the government. Among the important resolutions adopted two are of foremost significance; namely, the eight-hour day and the establishment of a national labour organisation. The Second National Labour Conference was held three years later (1925) in the same city, and, by this time the trade unions were officially supported for the first time, although they were already officially recognised in 1924 by virtue of the first Trade Union Regulations. The Third National Labour Conference was called in 1926 also in Canton, the seat of the new Government, and at this Conference many important proposals were made and resolutions were passed, including a programme



for economic struggle, workers' education, and labour legislation.

Prior to this, however, several attempts had been made to introduce a labour union law governing the organisation and activities of labour unions, and, as a result, three draft laws were proposed by the Peking Government, but none of them was promulgated. They are the draft of Labour Union Regulations issued by the Ministry of Agriculture and Commerce in 1925, the draft of Regulations concerning the Formation of Labour Unions proposed by the Ministry of Communications in 1925, and the draft of Labour Union Law proposed by the Ministry of Agriculture and Labour in 1927, which, however, owing to the changes of Government, were never promulgated. There are, however, five other sets of regulations that have been passed, two of which promulgated by the Nationalist Government, which deserve our close attention.

#### THE TRADE UNION REGULATIONS OF 1924

These regulations were promulgated by the National Government of Canton on the first of October, 1924. There are 21 articles in all, recognising the right of employees to form unions and imposing certain restrictions on them. Article 1 states that workers above the age of 16 belonging to the same occupation or industry or trade may organise unions or form organisations of similar nature. The word "employees" applies to industrial workers, teachers, and other government employees. Any one group over 50 in number may in accordance with the Regulations form an organisation for the promotion of their common interests. Trade unions or employees' organisations are not held responsible for any individual action not in connection with the organisation concerned, inasmuch as they are established solely for the purpose of promoting the general welfare and not for encouraging individual indulgence or personal ambitions.

Article 3 provides that trade unions or employees' organisations may hold conferences from time to time for the purpose

of improving their conditions and of devising adequate and better means for settling disputes of whatever nature that may arise from their relations with employers. The trade union or employees' organisation has, within its scope of activities, freedom of speech, freedom of the press, and liberty for educational enterprises. Such an organisation is, however, under the control and supervision of the local authorities concerned.

More important however are the provisions contained in Article 6 stating that trade unions already organised and exceeding two in number may form themselves into a federation of trade unions for the purpose of effecting the unification of efforts or with an object of reorganisation in the interest of all members. Furthermore, trade unions and the federation of trade unions are permitted by this legislation to be connected or affiliated with trade unions of the same occupation or trade or federation of trade unions of the same character in other provinces or countries.

In order to organise a trade union promoters must be above 50 in number and of the same occupation or trade, and they must draw up regulations or by-laws stating the name, purpose, location, duty and power of officers, membership fees, qualification and benefit and duty of members, and submit same to the local court for registration (Articles 7 and 8).

The trade union must make reports from time to time to the administrative authorities concerned every six months on the following matters: (i) the names of all officers and their past experience; (ii.) the name and number of members, together with the conditions of work, change of occupation, change of places of employment, unemployment, death, injury, etc.; (iii.) its financial conditions; (iv.) occupational or business success; (v.) strikes or conflicts of any kind and results of same.

The purpose of requiring such reports is not very clear, but judging from the nature of the requirement and the

content of this Law, there can be no question that this requirement for the trade unions to make such reports is meant to supervise their activities so as to keep them properly within the scope of the law, and, at the same time to protect the wage-earners from ill-treatment and any form of exploitation by employers.

Article 10, defines the aims and activities of a trade union, as follows: (i.) to promote the welfare of all members; (ii.) to establish unemployment bureaux; (iii.) conclude contracts with employers (collective bargaining); (iv.) to establish co-operative societies, savings banks, and social insurance in the interest of its members, (v.) to organise all sorts of co-operative societies dealing with food supplies and real estate for the convenience and benefit of all members; (vi.) to provide amusements, recreation, and social relaxation for its members; (vii.) to enrich the knowledge of its members and enhance their opportunity for learning by providing a vocational education by means of regular schooling, special library, and printed matter; (viii.) to establish dispensaries and hospitals for the alleviation of suffering among its members; (ix.) to settle disputes arising from the relations of its members with their employers; (x.) to express its opinion on any industrial conflict or to call a meeting for formulating plans for settling disputes in case its members cannot settle them directly, and, if the trade union fails to effect a settlement with representatives of the employers, to call in an umpire or the local administrative authorities to act as arbitrator; (xi.) to assist in the formulation of labour laws and to take care of any legal proceedings, (xii.) to investigate and report on the economic conditions of its members; (xiii.) to improve the general welfare of its members, including a higher standard of life and better education.

As regards the election of officers, each trade union has its own system, officers to be elected in accordance with the organic regulations of the union concerned. The same is true

of fees. There is no fixed amount, but usual fees must not exceed 5% of the members' income. Members have the right to examine the books of the union and investigate its financial conditions.

Article 14 dealing with strikes go a great deal further than any set of regulations heretofore formulated inasmuch as strikes for a just cause are legalized. But such strikes must be approved by the majority, and violence against persons or property or sabotage that may endanger the public peace, is forbidden. With respect to the hours of labour, general welfare, sanitation, or any other kind of improvement, trade unions may send representatives to discuss the matters frankly with representatives of the employers with a view to bringing about a higher social and economic efficiency by means of better conditions of employment.

Article 16 declares that the administrative authorities concerned may interfere with any industrial dispute with an object of effecting an amicable settlement; but if after a careful investigation is made and a fair decision is rendered, and the parties concerned are still unwilling or refuse to give in, then the administrative authorities may employ force to settle it, if necessary, so as to avoid a prolonged strike.

According to Article 18 all property belonging to the union and other property, such as money invested in savings' societies, co-operative enterprises, or social insurance, or otherwise must not in any way be retained by union officers or any one in charge of such property or investment. In other words, in case the union goes into bankruptcy, the money invested in different co-operative enterprises by its members must be returned to the investors concerned; and, in the event of deficit those who are in control of such enterprises may be held responsible and may be liable to punishment in accordance with the Criminal Code, although no definite penalty is provided for violation of these regulations.

## THE PROVISIONAL REGULATIONS OF 1928

This set of regulations consisting of 30 articles was passed by the Standing Committee of the Central Executive Committee on the 9th of July, 1928. On the whole and in principle, these Regulations are not materially different from the Regulations of 1924, although in contents and in methods they differ greatly.

According to article 1, all workers, both manual labourers and train workers above the age of 16 irrespective of sex, and over 45 in number, belonging to the same industry or trade, are permitted to form a trade union to promote their common interests. As regards the organisation of a union, any factory or district is considered as a unit, and the smaller organisations (labour unions in miniature) will form the basis of a unit. As to the eligibility for membership, Article 3 declares that any worker who maltreats and deceives his or her fellow-workers or who is found to be reactionary is not eligible for membership of any union. In other words, any worker whose character is doubtful shall not be admitted to any union. Trade unions are allowed only within the administrative districts concerned, but under special conditions promoters may petition the Central Executive Committee for permission to organise unions in other places where such organisations are needed.

Trade unions are divided into different classes with the National General Trade Union as the highest official organ. Next to that is the Provincial or Special Municipal General Union, then the Hsien (equal to county) and City General Unions, then the District and Factory Unions, then the Branch Unions, and then the smaller organisations (trade unions in miniature) which form the basis of each district or factory union (Article 6). Each general or district or factory union has two permanent committee; namely, the executive committee and the supervisory committee. In short, every union must adopt the committee system which is regard as highly desirable for a thoroughly democratic administration. As to the methods of election, over two-thirds of the trade unions

of the hsien general union may call a general conference for union over one of half of the hsien and city unions must have been established before a general conference can be held for the purpose of electing officers for both the executive and the supervisory committees. After more than nine provincial and special municipal general unions are organised, a national conference may be convened for the same purpose as mentioned above (Articles 11-13).

With respect to the division of labour, Article 17 clearly states that the National Trade Union shall have five bureaus; namely, the Bureau of Organisation, the Bureau of Publicity, the Bureau of Training, the Bureau of Finance, and the Bureau of General Affairs. In the case of the Provincial General Union there shall be five departments in place of bureaus, and, in the case of a district or factory union there shall be three sections instead of departments, namely, organisation, publicity, and training.

As to the procedure of organising a union, the promoters, above 45 in number, must first submit the names and experience or qualifications of officers and the by-laws of the proposed union to the local Party Headquarters concerned for approval, and then register with the local authorities concerned, but the application must be in detail in respect to the name, the aim, the officers and their duties, as well as the members.

#### REGULATIONS CONCERNING SPECIAL TRADE UNIONS

These Regulations were passed by the Standing Committee of the Executive Committee on July 26, 1928, consisting of 15 articles and governing the organisation of five kinds of unions; namely, Railwayworkers' Unions, Seamen's Unions, Miner' Unions, Postal Employees' Unions, and Electric Workers' Unions.

According to Articles 3-7, there shall be a general labour union for each industry or trade and with branch unions wherever needed. All these unions above-mentioned must be

organised in accordance with the Provisional Regulations governing Trade Unions.

#### THE NEW LABOUR UNION LAW OF 1929

This is the first National Trade Union Law in the real senses of the term that has ever been passed in the history of social legislation in China. The Law, which was promulgated on October 26, 1929, and put into effect on November 1, consists of 53 articles regulating the organisation of trade unions, the protection of trade unions and their members, the dissolution of trade unions, the federation of trade unions, and providing for penalties in the event of violation of the Law.

(1) PROVISIONS RELATIVE TO ORGANISATION.—According to Article 1, the aim of any trade union is to promote and improve the welfare of the workers, and to enrich their knowledge and develop their skill with a view to bringing about a higher productive or economic efficiency. Workers who are above the age of 16 and are being employed in the same industry, numbering over 100, or workers who belong to the same trade numbering over 50, may form a union in pursuance of their object as mentioned above.

In other words, only those who are engaged in the same industry or trade are regarded as eligible to be members of any union, but this Law is not applicable to administrative officials employed in government-owned industries, national railroads, government educational institutions, public utilities, and other government organs. In fact, salaried employees in government institutions and industrial establishments on account of their special, privileged position do not need any union to promote their interest, hence only wage-earners in privately owned industrial establishments or private enterprises of some economic importance need to be organised. This, of course, does not preclude manual workers employed in government establishments or public utilities from organising unions to promote their own interests.

In order to organise a union promoters must appoint from five to nine representatives who are responsible for registration or for obtaining the permit from the local authorities concerned. In applying for registration a copy of the by-laws, together with the names and qualifications of the officers must be submitted to the local authorities for approval. The by-laws must be approved by three-fourths of the promoters and must contain (i) the name of the union; (ii) the aim; (iii) the address and district in which the union is located; (iv) the qualifications, benefits and duties of members; (v) provisions regulating the admission to and expulsion from the union; (vi) provisions regulating the duty and power of officers; (vii) provisions concerning meetings; (viii) fees to be charged and used, and accounts to be kept; (ix) welfare work; and (x) provisions dealing with amendments to the by-laws. The change of any provision therein contained must have the approval of the local authorities concerned before it becomes valid (Article 8).

Workers in the same industry or trade within a district are permitted to organise only one union which has the status of a juristic person or legal agency, but which cannot carry on business for profit.

A union must have a manager or director to manage all its affairs, such a manager or director to be selected from among the members of the union concerned. In case of necessity a non-union man may be chosen with the approval of the local authorities to conduct the business of the union and to represent the union whenever necessary. As regards his duty and responsibility, Article 12 clearly states that should in the execution of his duty the manager or director do any damage to others, the union must be responsible for any damage done or for any trouble that may arise therefrom. However, the union is, under no circumstance, responsible for the conduct or action of its officers and members when they are not on duty as representatives of the union.

Even the power of the manager or director or any other officer is limited. For instance, Article 13 declares that any of



the following matters must be decided upon at a general meeting of all members or their representatives: (i) change of any article of the by-laws; (ii) the making of a budget for the fiscal year; (iii) report on and approval of expenditure; (iv) maintenance or alteration of certain principles or demands of the workers; (v) establishment of a reserve fund and its control and use; (vi) co-operative enterprises in the interest of all members of the union; (vii) organisation of the federation of trade unions in respect of its admission to and withdrawal from it; (viii) dissolution or consolidation of trade unions or establishment of branch unions.

It is obvious that union officers are empowered to do certain things only, and apart from the authority vested in them they cannot do anything without further authorization and approval of the majority of the members.

Besides the provision for a manager or director, Article 14 provides for a supervisor who must be elected by the members of the union and whose duty is to supervise all the affairs of the union.

(2) **ACTIVITIES OF THE UNIONS.**—According to Article 15 trade unions may: (i) conclude, or alter, or terminate collective contracts with the approval of the local authorities concerned, (ii) establish employment bureaus; (iii) establish savings societies, social insurance, hospitals and dispensaries; (iv) establish vocational schools and to institute other educational agencies for the general education of members; (v) establish libraries or reading rooms; (vi) print all reading matter and circulate all publications in their behalf; (vii) provide for social amusement, and recreation, (viii) investigate disputes between capital and labour; (ix) investigate dispute among its own members; (x) express freely opinions of the unions in regard to the enactment of certain labour laws on the part of the legislature and with respect to certain decisions of the court on labour disputes; (xi) investigate the home and financial conditions of the members with emphasis on the length of employment and unemployment; (xii) improve the conditions of work and

to promote the general welfare of the members by co-operative effort.

As to membership fees, the law permits the collection of a dollar as entrance fee, and a special fee not exceeding two per cent of income from each member for current expenses, and, under exceptional circumstances, every special contributions. But trade unions must make reports on financial conditions of their unions.

(3) PROVISIONS RELATING TO SUPERVISION.—In order to avoid violence and improper conduct on the part of trade union officers, this law, though recognizing the right of employees to form unions, forbids the use of violence or intimidation in connection with strikes which, under ordinary circumstances and on sufficient grounds are legalized. Article 20 provides that trade unions must not force the workers to join them and must not, under any circumstance, prevent members from withdrawing their membership from the unions concerned. On the other hand, trade unions can not refuse to admit those who are legally recognized as eligible for membership, inasmuch as Article 19 states that workers who are engaged in the same industry or trade and who wish to join a union must join the one of their own industry or trade. In other words, workers belonging to one industry are not admitted to the union of another industry. Furthermore, trade unions are strictly prohibited from interfering with the work of non-union men who choose to be independent of any labour organisation.

Members of any trade union are permitted by this law to withdraw their membership from the union if they choose to do so, but if the by-laws require a notice in advance, such a notice must not exceed one month. As regards the amount of money required of each member to be deposited with the union for fines in case of violation of union regulations. Article 22 states that such a sum must not exceed 3 days' wages. Members of any trade union are also protected by this Law from dismissal or expulsion without sufficient ground. In other

words, labour unions cannot dismiss or expel any member except for sufficient reasons recognized by the majority of members.

Strikes, as mentioned above, are legalized, but no strike is legally permitted until all efforts made to settle the dispute in question in accordance with the regulations governing conciliation and arbitration, have failed, and until at least two-thirds of the members have voted in favour. During the course of a strike the public peace and order must be maintained, public safety not in any way endangered and the property and lives of the employers safeguarded against any molestation. Trade unions are not permitted to demand from the employers an increase of wages higher than the standard rate which is officially fixed according to costs of living in the various localities. Should any strike be brought about in consequence of such a demand, the strike is regarded as illegal. Meaningless and unnecessary strikes are therefore minimised, if not entirely eliminated.

Trade unions are not only controlled by the Kuo-Min Tang but also by the proper authorities concerned; for unless they are under the control of some public authority, supervision is not only unnecessary but fruitless. Article 24 expressly states that any changes in the by-laws or the management of any union must be reported to the local authorities concerned, who within two weeks must make due public announcement to this effect, and before such an announcement is made no third party is allowed to conduct the affairs of the union. By so doing unscrupulous persons are denied the opportunity to stir up trouble among the workers.

Further, the membership and account books of the unions are subject to censorship; they must be viséd by the local authorities. Detailed reports on all the affairs of the unions, including its financial conditions and the working conditions of its members, must be made twice a year, in June and in December of each year. According to Article 27, trade unions and union officers and members are also prohibited from the

following activities: (i) to lock up shops or factories; (ii) to loot or destroy goods and machinery in shops and factories; (iii) to arrest or attack workmen and employers; (iv) to restrict employers in their employment of workers or to coerce employers into accepting persons whom they (trade unions or union officers or members) recommend; (v) to carry weapons during the course of any meeting or parade; (vi) to commit any act of extortion; (vii) to order or advise union members during the course of employment to be negligent or to commit sabotage; (viii) to deduct wages by force or to compel members to contribute.

If trade unions in the course of electing of officers or during a meeting refuse to comply with Government orders or violate the by-laws, the local authorities may interfere with such election and meeting. The same may take place in regard to regulations or by-laws in contravention of Government Ordinances. Such by-laws are considered *ultra vires* and it falls on the competent authorities to modify them in accordance with the Law.

(4) PROVISIONS RELATING TO PROTECTION.—According to Article 31, employers or their agents are not allowed to dismiss workers or refuse to employ workers because of their union connections. In other words, no discrimination must be made against either union or non-union workers. During any dispute between employers and employees in the course of settlement, no workers are allowed to be dismissed by employers or their agents. Union members are also protected by this law from confiscation and exploitation by unscrupulous union officers. Thus, Article 36 explicitly declares that none of the following things shall be taken away, or sold, or confiscated or destroyed: (a) buildings, schools, libraries, reading rooms, clubs, dispensaries, hospitals, research laboratories, co-operative enterprises, removable property and real estate belonging to the union, (b) reserve funds and social insurance funds.

In short, the members of any union are the legal owners of all these things enumerated above; no union officers have

any right to dispose of them unless they are authorized to do so by the majority of the members.

(5) PROVISIONS RELATING TO DISSOLUTION.—Since all trade unions are, during the period of Educative Government, under the control of the Government and the Kuo-Min Tang, any union may be dissolved on either of the two grounds: (i) violation of law; (ii) being a public nuisance or an impediment to the public welfare. Apart from these two grounds, there are five natural causes for which a union may also be dissolved: (i) decision made by the majority of its members at a general meeting with the approval of the local authorities; (ii) suspension of activities in accordance with the by-laws; (iii) financial difficulties or bankruptcy; (iv) insufficient members to meet the legal requirement; and (v) the consolidation of unions or the establishment of branch unions. But neither the consolidation of existing unions nor the organisation of new branch unions can be accomplished by a few union officers nor a minority membership, for Article 39 of this Law requires the vote of one-half of the members and the approval of competent authorities. The procedure for consolidating old unions or establishing branch unions is virtually the same as organising an entirely new one, with an exception that in case the unions are in debt, such a debt must be settled and liquidation must be made at the time of consolidation. In this respect a trade union is treated as more or less a commercial concern, and hence the procedure for dissolving a trade union is similar to that for bankruptcy in the case of a commercial establishment, protecting the public as well as the union members from being defrauded by union officers or directors.

(6) PROVISIONS RELATING TO FEDERATION.—The federation of trade union of the same industry or trade is permitted, provided that the chief purpose of a federation is to promote mutual interests, such as co-operative enterprises, and to enhance the opportunities for intellectual and social advance. Here again, the procedure for forming a federation is practically the same as for organising a new union, that is, new regulations

or by-laws must be drawn up and presented to the local authorities concerned for approval. Furthermore, Article 46 declares that without approval of the Chinese Government no trade union is permitted to be affiliated with that of a foreign country.

(7) PROVISIONS RELATING TO PENALTIES.—Section VII of this Law deals exclusively with penalties which are considered as indispensable to the effective enforcement of law. Article 47 expressly declares that any officer or member of any trade union who consciously violates Article 27 (the use of violence in order to bring about certain desired results) is liable to a fine not exceeding \$200, and, in addition to a fine—if violence is really committed either by union officers or members or by both—they shall be punished in accordance with the Criminal Code. On the other hand, Article 48 provides that in case of violation of Articles 31 and 32 (refusal to employ workers because of their union connection) on the part of any employer or his agent a fine not more than \$300 shall be imposed on him. Furthermore, Article 49 explicitly states that any employer or his agent who, in contravention of Article 33, dismisses the workers on the ground of strike is liable to a fine not less than \$10 and not exceeding \$100 for each worker dismissed, a reasonable provision because strikes with sufficient reason are legalized. Article 50 provides a penalty also in the form of a fine not exceeding \$100 to be imposed on the manager or director of any union who, in violation of Articles 24, 25, 26, 29, 41, and 51, fails to report and submit the union's books to the local authorities or fails to register in case of consolidation.

Obviously, with the exception of the violation of Article 27, the penalties for violation of any other article are in the form of a fine which does not seem to be heavy enough to prevent the violation of the Law.

#### THE LABOUR UNION LAW OF 1930

This Law was promulgated on the 6th of June, 1930, and consists of 25 articles with special provisions for the enforce-

ment of the Labour Union Law above. Articles 1 and 2 explicitly state that trade unions should be named after the place in which they are located, and should be followed by the trade concerned, such as Shanghai Silk Factory Workers' Union, Wusih Flour Mill Workers' Union, Canton Carpenters' Union, Hankow Cotton Mill Workers' Union, Tientsin Commercial Employees' Union, and so on. Labour unions are to be divided into two main groups, namely, trade unions and industrial unions. The former are to be organised by workers engaged in the same industry or belonging to the same occupation; whereas the latter are to be organised by workers of different industries or occupations. The eligibility of membership in a labour union is based on the employment certificate or some kind of official statement certifying such persons to be employees of a factory or an industrial establishment, or if they have already been members of other labour unions, the membership cards of such unions, or evidence of having been officials of labour unions.

All labour unions are under the supervision of the Government, i.e. district labour unions are under the supervision of the district government concerned and provincial labour unions are under the provincial authorities. All unions must be duly registered with the administrative authorities concerned; and, since a labour union is a juristic person, the union officials are responsible for the activities of their respective unions which in turn are responsible for the action and conduct of their officials. In order to be eligible candidates for any official position, whether a director or a supervisor, union members must have reached the age of 25 (Article 15). A union is permitted to have from 5 to 9 directors and from 3 to 5 supervisors, who must be elected by the general conference of all members which should be held at least once a year. The term of office is one year with the privilege of re-election (Article 16-17).

## CHAPTER IX

### CONCILIATION AND ARBITRATION OF LABOUR DISPUTES

Regulations concerning industrial or labour conciliation and arbitration is of very recent origin. Prior to the Revolution of 1926 there were no government regulations for the settling of disputes between capital and labour, and it was not until August 26, 1926 that the first set of regulations was promulgated by the National Government in Canton. Since then the law on Conciliation and Arbitration has entered a period of rapid progress.

#### THE CANTON REGULATIONS

The first set of regulations relating to arbitration is that of the National Government at Canton entitled *Regulations respecting the Formation of an Arbitration Commission for the Settlement of Disputes between Capital and Labour*. These Regulations consisting of 9 articles were promulgated on August, 16, 1926, by the National Government. A second set of regulations of 10 articles was promulgated on the same day entitled *Regulations for Labour Arbitration* dealing with the procedure of arbitration. The main purpose of forming a commission of arbitration is to settle all disputes arising from the relations between employers and employees. The Commission of Arbitration is to be composed of a representative of the Government and two representatives from each of the disputing parties, and, should the dispute involve more than two parties, the other parties may also send representatives to participate in settling the said dispute. The Commission of Arbitration to be formed only when the employers and employees have failed to reach an agreement on questions concerning wages, hours of work, compensation, treatment, and



so on. In other words, after the interested parties have exhausted their efforts for an amicable settlement of differences, either or both of the parties may petition the Bureau of Agriculture, Industry, and Labour for the setting up of such a commission to settle the disputes. The first duty of the commissioners is to investigate the living conditions and the economic status of the workers as well as the financial conditions of the industrial or commercial establishment concerned. In short, the economic conditions of both the employers and the employees must first be investigated in order to ascertain the causes of dispute and to devise adequate means for a fair settlement. Should after the decision is made, either or both of the parties not be satisfied with the decision of the Commission of Arbitration, they may appeal to the National Government for further adjustment.

Apart from these Government regulations which are national in character, there are other sets of provincial and municipal regulations, such as the *Provisional Regulations relating to the Settlement of Disputes between Employees and Shopkeepers*, promulgated by the Provincial Government of Kwangtung on January 5, 1927, the *Procedure for Settling Disputes between Employees and Shopkeepers* adopted by the Central Political Council in Canton on March 25, 1927, and the *Provisional Regulations pertaining to the Settlement of Disputes between Employees and Shopkeepers of Kwangtung* passed by the Provincial Government in June, 1927. All these regulations may be said to be a combination of labour, factory, trade union, and arbitration regulations, the general purpose of which is to promote harmony between employers and employees, to recognize the need for better conditions of living and of work, to settle disputes fairly and sympathetically so as to protect employers from economic bankruptcy and safeguard employees from inhuman exploitation. Being temporary in nature these regulations have very little permanent social value; hence we shall not discuss them in detail. Let us now turn our attention to Wuhan, the second seat of the National Government.

## THE WUHAN REGULATIONS

There are two sets of regulations, one of which was passed by the Political Council in December, 1926, shortly after the National-Revolutionary Army occupied the Wuhan Cities, and the other adopted and put into effect in 1928. The first set does not deal with arbitration in the real sense of the term, but are regulations governing the Provisional Committee for the Settlement of Disputes between Capital and Labour, which was organised in December, 1926, through the efforts of the Political Council with the co-operation of the Labour Union, the Chamber of Commerce, and the Kuo-Min Tang. There are ten articles in all. The primary purpose of this Committee was to settle all disputes between employers and employees in the Province of Hupeh, Hankow having always been one of the most important industrial centres of China. According to Articles 2 and 3, should any dispute arise that cannot be settled by the conflicting parties, the Committee shall, upon request, call a meeting of all members of the Committee within three days, and, after thorough investigation is made and due consideration given, it shall make the final decision by which both parties must abide. This Committee is composed of all disinterested parties outside of whom no one is allowed to participate as arbitrator.

*The Provisional Regulations concerning Arbitration of the Wuhan Municipal Government* deal in detail with the amicable settlement of disputes. These Regulations, consisting of 24 articles, are applicable to workers in all industrial and commercial undertakings and to all labour organisations. In the case of any dispute arising from the relations of workers or labour organisations with employers within the municipality, the Bureau of Social Affairs shall, upon request, call a meeting of the Arbitration Commission to settle the dispute involved. The Commission must be composed of two representatives from each disputing party and a representative from the Bureau of Social Affairs. These representatives must select two more fair-minded and disinterested persons, making the total

of seven commissioners with the government representative as chairman. The commissioners must not under any circumstance resign without sufficient reason, but in case of urgent necessity a commissioner shall be excused, and another person shall be chosen to take his place (Article 3).

In forming the Commission of Arbitration the Bureau of Social Affairs must first notify the parties concerned to choose their representatives whose names and addresses must be sent in within two days so as to enable the Bureau officially to summon them for the purpose of choosing two disinterested persons to act as umpires. In case either or both sides failing to send representatives the Bureau of Social Affairs may appoint suitable persons to represent them. After the Commission is formed, the work of the commissioners begins by investigating the following matters: (i) the causes and circumstances of the dispute; (ii) matters relating to both employers and employees; (iii) the nature and notable features of the dispute; (iv) the reasonableness of demands of both parties; (v) the effect on public opinion in regard to such demands.

Should in the course of investigation the commissioners discover any secret they are prohibited from disclosing it. After a careful inquiry into the causes and circumstances of the difference is made, the commissioners must meet and devise adequate means available for a peaceful settlement of the dispute. Article 11 declares that at least one representative from each interested party and one independent commissioner must be present, apart from the representative of the Bureau of Social Affairs, in order that a fair decision may be reached; but in case the representatives of one interested party fail to meet twice as scheduled, the rest of the commissioners must render a decision which is final. Time allotted for the settlement of the difference is usually fourteen days, but under exceptional circumstances another seven days may be granted. On receiving the decision of the commissioners the Bureau of Social Affairs must notify both parties to the effect, and, if one or both of the parties are not satisfied with the decision,

they may appeal to the Municipal Government for reconsideration and readjustment. On receiving the application for reconsideration the Municipal Government must form another commission excluding the Bureau of Social Affairs from further participation and appoint another commissioner as chairman to represent the municipality. The decision of this commission is final and binding, and must be enforced within three days, regardless of the approval or disapproval of the interested parties (Article 22).

### THE SHANGHAI REGULATIONS

Before the passage of the National Legislation dealing with Conciliation and Arbitration between Labour and Capital of June 9, 1928, there were at least two sets of regulations adopted by the Shanghai Political Council and the Special Municipality of Shanghai respectively. The first set of regulations entitled *Provisional Regulations governing the Commission of Arbitration of Shanghai* consisting of 10 articles was passed on May 4, 1927, but later amended and put into operation on August 1, 1927, by the Municipal Government under the title of *The Principles governing the Organisation of a Commission of Conciliation for Shanghai*, consisting of 9 articles. The other set of regulations consisting of 20 articles was adopted by the Shanghai Political Council on May 13, 1927, entitled *Regulations for the Settlement of Disputes between Employees and Shopkeepers*. These regulations were later modified and put into effect on August 18 of the same year by Order of the Municipal Government of Shanghai with a new title of *The Provisional Regulations concerning Conciliation of Disputes between Capital and Labour*.

(1) PURPOSE AND APPLICATION.—The purpose of these Regulations and the Commission of Conciliation or Arbitration is to give effect to the principles of the Kuo-Min Tang, i.e., to promote the welfare of the workers, to enhance the opportunity for higher productive efficiency, to settle all disputes arising from the relation between employees and employers of any

commercial or industrial establishment located within the Special Municipality, to foster better relations between capital and labour with a view to improving the general welfare of society. They are applicable to all business enterprises and industrial concerns established within the International Settlement and the French Concession as well as those in and around Woosung area for the purpose of bringing about social harmony.

(2) **FORMATION OF THE CONCILIATION AND ARBITRATION COMMISSION.**—The Commission is composed of thirteen members,—(11 members according to another regulation)—five chosen from the Labour Union to represent the workers, five from the industrial or commercial establishment concerned, and three from the Governments to act as disinterested party and arbitrators, of whom one must be sent by the Special District Kuo-Min Tang. One of the Government representatives acts as Chairman. Two-thirds of the members representing the three parties shall form a quorum which renders a decision binding and final. Apart from the 13 commissioners there is a chief secretary, two other secretaries, a number of investigators and recorders, and an accountant and treasurer.

(3) **THE DUTIES OF COMMISSIONERS.**—Upon the application of either or both of the contending parties the Special Municipal Government shall call a meeting of the commissioners whose duty is to hear and determine the matters under dispute. They are to consider all sides of the question and, after a thorough investigation is made and due consideration to all acts given, the commissioners shall make a decision which is binding on all interested parties. Should however the contending parties disagree on the verdict they may appeal to the Special Municipal Government for reconsideration and readjustment; and, upon the recommendation of the Municipal Government a second hearing must be given either to uphold or to reverse the decision. Any verdict arrived at as a result of the appeal is final and must be executed regardless of opposition, if any, on the part of the interested parties.

(4) PROCEDURE.—The Committee which drafted these Regulations had first made an extensive study of the working of the labour laws, especially the industrial arbitration laws, of the various Western countries with the object of adopting certain parts that are applicable to the conditions in China, in the hope that Dr. Sun Yat-Sen's *Three Principles of the People* may eventually be realized and the labour programme of the Kuo-Min Tang be effectively carried out. According to the aforesaid regulations, compulsory arbitration is therefore necessary for the settlement of disputes which, of course, are to be conciliated or arbitrated only when the employees and employers have failed to reach a settlement among themselves. The first step that the Commission of Arbitration must take is to give hearing to the representatives chosen by the contending parties to represent their respective interests. After both sides have presented their case, the commissioners then decide and draw up the terms for an amicable settlement, inasmuch as the Commission of Arbitration is, in the strictest sense of the term, a legal machinery for the compulsory settlement of all trade disputes arising between employers and employees. Any decision made by the commissioners is to be communicated to the Special Municipality for enforcement within three days, but the contending parties are entitled to an appeal to the Municipal Government and to a second hearing from the Commission, should they disagree with the terms of settlement. The decision of the second hearing is, like the decision of a higher court, final and binding on all parties, the Commission itself being immediately dissolved, after the second verdict is given.

(5) ENFORCEMENT.—Since trade disputes are to be settled by compulsion, the enforcement of the Commission's decision is absolutely essential; but, unfortunately, there is no penalty provided for either the refusal to obey Government Orders or for the violation of the Regulations. This is one of the greatest defects of these Regulations. In case one of the interested parties chooses to ignore the Government Order, the Municipal Gov-

ernment will find it difficult to enforce the Regulations, thus prolonging the strike, which is legal even if no violence is allowed.

#### ARBITRATION IN OTHER PROVINCES

Before the enactment of the national *Law on Conciliation and Arbitration*, some of the provinces had already inaugurated Commissions of Arbitration for the amicable settlement of trade disputes, such as in Fukien, in Chekiang, in Hupeh, in Hunan, Kiangsi, and Kiangsu. Generally, according to the regulations governing the organisation of the aforesaid commissions, the arbitration commission must be composed of public bodies, such as the Labour Union, the Chamber of Commerce, the Bureau of Social Affairs and the Bureau of Public Safety (Police), representing employees, employers, the Government, and the Kuo-Min Tang respectively. The regulations generally provide for an equal representation of employers and employees and a number of Government and Party representatives as referees. The salient points of these regulations are (i) the settlement of disputes by compulsory arbitration; (ii) strikes are legalized but sabotage or violence is prohibited by the commission; (iii) the decision of the commission is final and binding; (iv) the enforcement of the decision is rested with the local authorities concerned; (v) the privilege of appeal is usually granted to the disputants.

#### THE LAW ON CONCILIATION AND ARBITRATION OF LABOUR DISPUTES

This piece of national legislation was adopted and promulgated by the National Government on June 9, 1928. The original intention was to allow it one year of experiment, but on July 12, 1929, it was extended by Order of the Central Government for another six months. It has since been amended and incorporated into a permanent national law of 47 articles on March 17, 1930 under the title of *The Law on Conciliation and of Labour Dispute*.

(1) APPLICATION AND FUNCTION.—This Law is applicable to disputes arising between employees, involving over 30 people in number or labour organisations having more than 30 members, and employers. The administrative authorities through which this law may be enforced and disputes brought forth for settlement, are the special municipalities, the hsien (district) governments and city governments unless otherwise specified. At the request of one or both of the contending parties the administrative authorities concerned must call a meeting of the Committee of Conciliation for the purpose of settling the difference by peaceful means in accordance with this Law and according to the terms of the contract of labour, but the decision of this Committee is not final (Article 3). Article 4 expressly states that any dispute arising from the relation between employers and employees in such establishments as (a) military establishments or munition factories; (b) public utility undertakings, such as water works, electric plants or power houses and gas companies; and (c) public utility services, such as post offices, telegraph offices, railroad, tram car, bus, and steamship companies, must first be dealt with by the Committee of Conciliation, should the Committee fail to bring the contending parties to terms, the case must be immediately referred to the Commission of Arbitration for final settlement. The same is true of disputes between workers and capitalists of other industrial and commercial concerns. The final authority is the Commission of Arbitration, to which only difficult cases involving over a month of loss of time may be referred for a hearing. Generally, disputes are settled by the Committee of Conciliation rather than by the Commission of Arbitration which, in reality, is a court of referees for arbitration between capital and labour.

(2) AGENCIES FOR SETTLEMENT OF DISPUTES.—This law provides two distinctive agencies for the settlement of all disputes between the employers and the employees in all industrial or commercial establishments, namely, the Committee



of Conciliation and the Commission of Arbitration. The former is to settle differences by means of mediation, whereas the latter by means of arbitration.

### *The Committee of Conciliation*

This Committee may be composed of five or seven members chosen from (a) the administrative authorities concerned and (b) the interested parties. The government authorities may choose either one or three representatives, while each contending party must appoint two so as to form a committee of five or seven. In either case the government representative or representatives must act as umpire or umpires. The first step for forming this Committee is for the interested parties to send the names and addresses of their respective representatives with the application for conciliation directly to the administrative authorities concerned which, upon receiving the same, shall call a meeting of the representatives within three days. The representative of the local authorities is to preside over all meetings, but in case the dispute arises in a place outside the jurisdiction of the administrative area, a delegate may be chosen from the Ministry of Industry, to preside over all meetings and act as referee.

### *The Commission of Arbitration*

Unlike the Committee of Conciliation, this Commission is composed of only five members, one from the administrative authorities, one from the provincial or special municipal government, one from the provincial or special municipal Kuo-Min Tang, the president of the district court or his representative, and one independent or disinterested person to represent each of the interested parties. According to Article 16 of this Law, each Provincial Government must, in June of each year, fix a panel of 30 to 50 persons from among whom two independent commissioners must be chosen to represent the contending parties respectively. Article 17 prohibits a person who has served as conciliator from being a

commissioner for arbitrating in the same case. In other words, the Committee of Conciliation is, like the lower court, to make settlement of any case presented, but if one of the contending parties is not satisfied with the decision, he can appeal to the Commission of Arbitration which, like the higher court, reviews the case and makes a final decision which is binding and must be enforced.

(3) PROCEDURE FOR THE SETTLEMENT OF DISPUTES.—Since there are two agencies as mentioned above for the peaceful settlement of disputes, the procedure for mediation is different from that for arbitration, especially when most disputes are expected to be settled by the conciliators rather than by the arbitrators. For apart from the fact that a settlement by the Committee of Conciliation will save time, energy and expense, both conflicting parties are directly and equally represented in this Committee, whereas in the Commission of Arbitration they have no direct representation.

#### A. PROCEDURE FOR CONCILIATION

The interested party or parties who fail to reach any settlement of the dispute in question by direct negotiation should apply to the administrative authorities for conciliation, and the application should contain (a) names, occupations, and addresses of the contending parties, (b) the number of employees involved in the dispute, and (c) the special and important points of the dispute. On receiving all necessary information concerning the dispute the Committee of Conciliation must within two days make inquiry into (a) the nature and circumstances of the dispute, (b) the demands and proposals of the conflicting parties and the proceedings of the dispute, (c) the present situation of both parties in respect to their attitude towards amicable settlement, and (d) other matters of some social and economic importance relating to the dispute.

Under ordinary conditions the investigation must be done within seven days, but should owing to some unforeseen

circumstances the investigation not be completed within the specified period, the preliminary work must be done as soon as possible so as to enable the conciliators to subpoena witnesses or parties involved to appear before the Committee. The Committee is empowered to question all parties concerned and to inspect any factory or shop where the dispute originates, in order to ascertain the causes and to devise adequate means for the purpose of effecting a settlement and of preventing any future occurrence. Should in the course of the investigation or inspection any secret be discovered, the conciliators are strictly prohibited from revealing it to any one outside the Conciliation Committee. Within two days, unless otherwise agreed upon by both parties—after the investigation is made, the Committee must draw up terms for a settlement in accordance with the decision of the majority members. The parties concerned shall be furnished with a copy of the decision, and the administrative authorities shall be instructed to enforce it. Should the negotiation prove fruitless the case would be referred to the Commission of Arbitration.

## B. PROCEDURE FOR ARBITRATION

If one or both of the interested parties desire an arbitration they should make application to the competent administrative authorities. The power of arbitration is, however, vested in the provincial and special municipal governments only. Any application made to the *Hsien* (district) government or the city government, must therefore be referred to the provincial government or the special municipality. The application for arbitration must contain (a) the names, occupations, and addresses of the interested party or parties; (b) the decision of the Conciliation Committee and the disagreement of the parties concerned, (c) the reasons against the decision of the Conciliators, and (d) suggestions for reversing the decision or changing its terms. On receiving all the information needed, the Commission then sets to work immediately, and the decision

of the Commission is final and binding on all parties concerned.

(4) **THE CONDUCT OF DISPUTANTS.**—According to Article 35, no strike or lock-out, or dismissal of workers is allowed during the progress of conciliation or arbitration. Article 36 strengthens this restriction by declaring that pending the proceedings of the Arbitration Commission workers or labour unions are strictly forbidden to lock up shops or factories, to loot or destroy goods or machinery therein, and to coerce other workers to go on strike. As regards the problem of wages during the period of strike, it must be settled either by the Committee of Conciliation or by the Commission of Arbitration as the case may be.

(5) **PENALTIES.**—The penalty for the violation of Article 3 (failure to request for conciliation) and Article 7 (failure to apply for arbitration) on the part of the contending parties is in the form of a fine not exceeding \$200. or imprisonment not exceeding 40 days (Article 38). Interested parties who violate Articles 35 and 36 (strike, lock-out, dismissal of employees, sabotage or act of violence, etc.) are liable to a fine not exceeding \$200. or imprisonment not exceeding 40 days, but in the event of violence causing damage to the employers, they are liable to a punishment in accordance with the Criminal Code. Article 40 declares that violation of Article 25 (failure to appear before the Committee of Conciliation when subpoenaed) shall be fined a sum not exceeding \$100, and the violation of Article 27 (disclosing secret by the Conciliators) shall be regarded as a criminal case and must be punished according to the Criminal Code. Finally, any of the interested parties committing perjury or refusing to answer questions is liable to a fine of not more than \$100.

## CHAPTER X

### MISCELLANEOUS LEGISLATION

#### REGULATIONS GOVERNING RAILWAY EMPLOYEES

The first attempt made on the part of the defunct Peking Government to enact a law governing railway workers employed in Government-owned railways was the drafting of a set of regulations by the Ministry of Communication in 1925 entitled *General Regulations Governing Railway Employees in Government-owned Railways* and consisting of 32 articles.

(1) EMPLOYMENT.—According to Article 3, no workers shall be employed unless they have satisfactorily passed an examination. The legal minimum age is fixed fourteen, and no children shall be received as apprentices (Article 4). Young people between fourteen and eighteen shall be regarded as juvenile workers. In case of dismissal due to the employee's own fault, he shall be given a week's notice in advance to the effect, but in the event of minor mistakes, a fine may be imposed on him for demerit. In case of competence he shall be promoted in accordance with the regulations governing promotions and demotions.

(2) HOURS OF LABOUR AND REST DAYS.—According to Articles 8-9, juvenile workers are permitted to be employed only on light work, and in no wise are they allowed to undertake any kind of work that is dangerous to life and injurious to health. In case of sickness or disablement as a result of accident, the amount of work may be reduced or the worker may be granted a leave of absence with pay. The working day shall not exceed ten hours, but in exceptional circumstances overtime allowance may be permitted. Workers shall be given at least two full days a month for rest, and are entitled to all

legal holidays and festival days, but under special conditions special holidays may not be granted.

(3) **WAGES.**—Article 15 states clearly that wages shall be paid in money of legal tender and must be paid in full on the pay day decided upon by the management. The workers are entitled to full wages on all rest days and holidays designed by the Government, and, in case of work on legal holidays wages shall be double the amount of ordinary wages. Overtime shall be paid on the rates agreed upon between the two parties concerned or fixed by the management to the satisfaction of the workers. In the interest of the employees the management may deduct a certain amount of wages for the purpose of promoting savings or social insurance.

(4) **COMPENSATION AND WELFARE.**—According to Articles 20-22, all regular railway employees are entitled to old-age pension and to the surplus profit of the company, which shall be paid in a form of a bonus. In addition to these, a worker may be awarded a prize or a special sum of money in consideration of his extraordinary merits. Apart from cash reward, a faithful and exceptionally good worker may be given a certificate of recognition. Furthermore, the management shall provide facilities or establish schools for a suitable education of its employees; and shall promote sanitary conditions in places of work or rest. Above all, compensation for incapacity or death resulting from an accident shall be paid to the injured workers or to the deceased family. However, the amount of compensation is not stated, and the basis on which compensation may be paid is not given.

(5) **RESPONSIBILITY AND DUTY.**—Railway employees must observe all regulations of the railway concerned, and shall be faithful to their work. In case of negligence resulting in any loss to the management, the responsible person shall be required to pay for the damage done, and, in the event of gross negligence resulting in the death of person or persons or any damage done to the management's property the responsible

person or persons shall be punished in accordance with the Criminal Code.

### THE FISHERY LAW

The *Fishery Law* was promulgated by the National Government on the 11th of November, 1929, and contains 49 articles with important provisions dealing with (i) the right of fishing and the fishing industry, (ii) control and administration, (iii) protection and encouragement; and (iv) penalties.

(1) THE RIGHT OF FISHING AND FISHERY.—The right of fishing in China can only be exercised by a small portion of China's population, but to the Chinese fishermen this right of fishing is a natural right which belongs to them. They have been living on the water and nearby the seas from which they have been earning their livelihood; they feel that they have the right to life and to a livelihood; they have probably never thought of changing their occupation in favour of other kind of work. In point of fact, under the present circumstances they prefer to be fishermen rather than miserable agriculturalists. Now the chief object of the Fishery Law is not to eliminate or reduce the number of fishermen, but to promote fishery. The Law, therefore, aims at assisting the fishermen, at encouraging the fishing industry, at protecting both the fishermen and the industry in which they are engaged.

According to Article 3, the right of fishery may be granted to any person who is a citizen of the Republic of China. This right is, of course, limited to the waters within the jurisdiction of the Republic and the high seas regulated by international conventions. The exclusive right of fishing and of developing fishery is to be confined to a limited area within a limited period of time, and such a right is regarded as a property right (Articles 5 and 9). This right may be granted to an individual or a group of individuals for a period of not more than 20 years; but the lease may be renewed on its expiration (Article 9).

The right of fishing must, however, be distinguished from the right of fishery. The former is the right which is to be

obtained from the person or persons who possess the right of fishery within a certain limited area of fishing ground. The right of fishing is not transferable without the consent of the lessor and is perpetual so long as the fisherman lives or has a successor. There is an exception, however, in so far as if local custom does not require the consent of the person who possesses the fishery right, the fisherman is exempt from this rule (Article 12). But this clause may render the Fishery Law unenforceable by virtue of the fact that local custom should not be above the law. For local customs are subject to change in modern society in which customary practices must not be confused with legislation, the enactment of which is for the sole purpose of eliminating evil practices. In other words, laws must be above customs or must be made in accordance with the wishes of the people rather than with old social customs, although local conditions should be taken into consideration.

According to Article 15, the right of fishing is considered forfeited if the fisherman has neglected or refused to pay rent to the lessor as agreed upon for more than two years. To go from place to place without paying rent is not allowed, although in times past it has been customary for the northerners to confine themselves to the north and southerners did likewise; but northern fishermen might go to other fishing grounds belonging to other northern provinces, and the southern fishermen followed the same customary practice. For instance, the Fukien fishermen may come up to Ningpo to catch a certain kind of fish in the summer of the Chihli (Now Hopei) fishermen may freely go down to Shantung to fish at certain seasons. But in order to protect the right of fishery, the fishery districts must be clearly divided so as to avoid future disputes. If such customs are allowed to continue, the Fishery Law is difficult to enforce, owing to the fact that law can rigidly be enforced only when the work of enforcement is not interfered with by local customs. Indeed, some consideration should be given to local customs in minor affairs which probably will not lead to



conflict, or which will help to avoid dispute. Apart from this consideration, the law should be placed above any tradition or custom.

(2) ADMINISTRATION AND CONTROL.—Articles 17-32 deal with the administration and control which is in the hands of the local authorities as well as the Provincial Bureaus of Agriculture and Mining. Any person who wishing to acquire the right of fishing or that of pisciculture must therefore apply to the local authorities, who in turn present the petition to the Provincial Bureau for a permit or lease, and, such a permit or lease is granted to the applicant after the fishery zones are surveyed and divided, according to law. But such a right is granted only on the understanding that the lessee is to develop fishery in accordance with the terms agreed upon and the regulations of the Government, with a view to promoting fishery and protecting the fishery zones from the danger of being overfished. Apart from this, the fishermen or lessees of fishery grounds are not permitted to carry on any illegal business which may hamper the normal development of the fishing industry or may affect the morals of the people. Hence the the fishery right may be withdrawn on the ground of (i) forfeiture of the fishery right by not commencing work during the first 12 months from the date when the right was granted, or stoppage of work for more than two years, and (ii) errors in the lease granted (Article 21). Furthermore, the local authorities are empowered to restrict or even withdraw the permit given to the holder for four causes: (i) the necessity of protecting pisciculture and fishery; (ii) the need of the fishery ground for the construction of a wharf or a similar purpose; (iii) the use of the fishery zone for national defense or for laying submarine cables; and (iv) the violation of law by carrying on unlawful activities which are considered as injurious to public interest. Apart from these exceptions and restrictions, the holder of the fishery permit has exclusive right to develop and promote the fishing industry within the limited zone or district agreed upon, and any dispute

arising therefrom shall be settled by local authorities concerned.

(3) PROTECTION AND ENCOURAGEMENT.—For the purpose of protecting and encouraging fishery, the local authorities are empowered to (i) restrict or prohibit fishing when any fishery zone is threatened with the danger of being over-fished; (ii) restrict or prohibit the selling of marine products when such a sale is liable to endanger the fishing industry, (iii) restrict or prohibit the use of certain types of trawlers; (iv) restrict or prohibit the rearing of certain kinds of fish or similar species that may be injurious to the fishing industry; and (v) restrict or prohibit fishing in order to improve certain piscicultural methods or in order to eliminate certain species of fish so as to encourage the breeding of certain kinds of fish as a means of increasing the superior types of fish (Article 23).

In order to give full and adequate protection to the promoters of the fishing industry and fishery in general, Article 24 provides that the local authorities concerned may, at any time whenever necessitated by circumstances, request the Provincial Government or even the Central Government to despatch an armed cutter or a gunboat to the fishery zone for protection. Moreover, the Government, realizing that the existing system of taxation hampered the normal development of fishery, passed the law with a specific provision prohibiting all provincial and other local authorities from imposing exorbitant taxes on fish caught, the fish tax not to exceed 5 per cent of the actual value of the fish and to be levied only once. Furthermore, the salt used for storing or smoking fish, or used in other connections with the fishing industry, must not exceed 20 cents per hundred catties, so as to enable the fishermen or lessees of fishery grounds to promote their industry. Article 38 even goes further and provides that rewards or cash prizes should be given to those who (i) use steam yachts or trawlers for fishing or transporting fish across the ocean, (ii) provide guard ships for the purpose of protecting the fishing interests as well as the fishermen, (iii) improve

trawlers and the methods of fishing, (iv) establish fishery schools with success; (v) establish workshops for manufacturing fishing instruments, (vi) build cold storages or devise special means of transportation of marine products, (vii) exploit harbours for the development of fishery, (viii) construct docks, (ix) build marine or fish hatcheries, ponds, or similar construction for piscicultural purposes, and (x) other types of activities that tend to promote the fisheries.

(4) PENALTIES.—Articles 40 to 54 deal with penalties exclusively. The violation of the Fishery Law is punishable by a fine of from not less than \$50 to \$200 and a term of imprisonment of not less than one year. Violation of Article 45, that is, wilful destruction of the fishing industry by means of poisonous drug or explosives, is punishable by both a fine of not less than \$100 and a term of imprisonment not exceeding one year.

The Fishery Law, being the first piece of national legislation of its kind ever enacted by the Legislation Yuan, does not specify the different types of fisheries which are necessary to be distinguished when the fishing industry is highly developed, such as for instance, sea-fishery, river-fishery, and, more specific still, cod-fishery, carp-fishery, yellow-fish-fishery, and so forth. Furthermore, the regulations for the enforcement of this Law have not as yet been passed and promulgated, and hence not until such a set of regulations has been adopted, is it possible to determine as to whether this Law can be enforced.

#### FISHERMEN'S UNION LAW

The *Fishermen's Union Law* was promulgated on the same day as the Fishery Law (November 11, 1929) and contains 29 articles dealing with (i) improvement of the fishing industry, (ii) building of fishermen's model villages, (iii) construction of model markets for promoting the fishing industry, (iv) government loan to fishermen for the development of fishery, (v) building of modern vessels by the government and renting them to fishermen, (vi) fishermen's education, (vii) exhibition

of marine products, (vii) organisation of credit, marketing, purchasing, and other kinds of co-operative societies, (ix) establishment of savings societies, dispensaries, and social insurance, (x) protection of fishing, (xi) survey of the fishing industry, (xii) formation of committees on conciliation of disputes.

With an exception of the duties of the union, there is little difference between the provisions contained in the Labour Union Law and those contained in the Fishermen's Union Law, which aims at promoting the welfare of the fishermen, at increasing their general knowledge and skill, at improving their standard of life and at developing and increasing their power of productivity. The legal status of the union is also the same as that of the labour union, that is of a juristic person.

In other words, the Fishermen's Union is a legal person whose duty is to look after the welfare and interest of all members of the Union. This is the first time in the history of social legislation in China that the right of the fishermen is recognised by law, and given their rightful place in modern economic society. It marks the beginning of a period of great importance for the development of fishery, which has hitherto been neglected either due to the lack of insight or of a definite economic policy on the part of the Government. During this period of economic reconstruction the Government cannot afford to overlook the fact that the development of fishery is just as important as the development of any other industry, and the promulgation of this Law may be regarded as the first step taken by the Government towards the development of the fishing industry on a large scale.

While it is too early to decide as to the practicability of this Law, the action taken by the Legislative Yuan to improve the life of the fishermen and the fishing industry, hitherto neglected and unprotected, deserves our careful consideration.

## LAW ON COLLECTIVE AGREEMENTS

The latest development in the field of labour legislation in China which incidentally shows the sincerity of the National Government in respect of labour protection, is the passage, in 31 articles, on October 11, 1930, by the Legislative Yuan of the Law on Collective Agreement, which, if effectively enforced, will place Chinese workers automatically on an equal footing with the workers in western countries in so far as legal protection of labour in the matter of collective bargaining is concerned.

(1) THE LEGAL RELATION BETWEEN THE EMPLOYERS AND EMPLOYEES.—According to Article 1, collective agreements may be made between the employers or employers' associations and the labour unions. A collective contract concluded between the employers' association and the labour union concerned is just as effective and binding as an individual contract directly made between the individual parties concerned. Collective agreements may deal with not only one type, or even a few groups, of workers but with all classes of work-people and their organisations as well: they may govern the relations between apprentices and employers, between labour organisations and employers, between employment agencies and employers, between agencies for conciliation and arbitration of disputes and the interested parties concerned. Obviously, a contract, whether made collectively or individually, has the same legal meaning and effect; and, in the light of the experience in advanced industrial countries, collective contracts are usually more effective than individual contracts. The right of union officials to conclude contract on behalf of their union members provided they have such authority according to the regulations of the union concerned, and are especially authorised by a conference of representatives of the union is conferred in Article 3 of the law.

In all this matter of collective bargaining the following points must be observed:

(i) The terms of the contract must be agreed upon by both the employers or their representatives (such as officials of the employers' association) and the officials of the labour union;

(ii) The terms of the contract agreed upon must be submitted to the administrative authorities concerned for approval. If they are made in conformity with the customs in respect of the standard of living in accordance with the provisions of the Law, they must be automatically sanctioned by the administrative authorities upon which collective agreement will at once become operative. Should the provisions therein contained however be in contravention of the Law—whether they are in conflict with the employers' interests or injurious to the life of the workers they must be modified so as to do justice to all parties concerned;

(iii) The agreement concluded shall not become effective until the following day.

Employers party to the collective agreement are by Article 7, required to exhibit the provisions of the contract in a conspicuous place in their establishment, and any infringement of this provision is punishable by a fine not exceeding \$50.

(2) LIMITATION AND RESTRICTION.—According to Article 8, a collective agreement binds the employers to employ only the members of that particular labour union with which they concluded the contract. They are however free from any restriction:

(i) when the union party to the collective contract is subsequently dissolved; (ii) when the union cannot supply the type of technical or skilled workers called for by the contract; (iii) when the union cannot supply the number of workers required or when the workers are unwilling to be employed under certain conditions; (iv) when employers employ apprentices or domestic servants; (v) when employers engage clerks to take charge of important documents and accounts; (vi) when employers employ non-union men after the union concerned to had supplied all their available mem-

bers; (vii) when apart from (v) and (vi) the union workers do still not exceed 20 per cent of the total working force.

Article 9 limits the power of the unions by regarding as null and void any provision in the contract requiring the employers to use in turn only those workers listed according to order. In other words, the union shall not force the employers to employ only certain types of workers because they are listed in a certain order, such a restriction being construed as a kind of coercion on the part of the labour union, which violates the principle of collective agreement of the Law.

Article 10 explicitly states that collective contracts imply the principle of employing union labour, i.e. workers required by the employers must be recommended by the union, without prejudice however to the employers' freedom to accept or refuse. A contract restricting this freedom is regarded as null and void. The acceptance of the principle of recommendation of workers by the union must necessarily mean that the union must be in a position to supply the workers within the definite time agreed upon by both parties. Should the union fail to recommend the workers required within ten days after a notice is served by the employers to that effect, then the employers are no longer obliged to abide by the agreement concluded, inasmuch as the union's failure to recommend workers as agreed upon may be construed as a breach of contract. In this case the employers are free to engage non-union workers.

The hours of labour fixed by collective agreement shall stand, and workers shall be paid for overtime work, but wages for overtime work must be higher than the ordinary wages, but not more than double the amount. Workers who are concurrently union officials, may further be allowed to take leave of absence for the purpose of attending to affairs of their union, but the average hours allotted to them must not exceed 30 per month (Article 12). Any provision contained in the agreement restricting the employers from installing new

machinery, from improving production, from buying finished materials or materials which will increase the amount of work, will render the contract illegal, and hence null and void (Article 13).

(3) EFFECTIVENESS OF COLLECTIVE AGREEMENTS.—According to Article 14, apart from the special restrictions within the scope of the Law, the following persons who are parties or may be parties to the agreement, must observe the provisions therein contained:

- (i) the interested party to the agreement who are employers,
- (ii) the interested party to the agreement who are do not exceed 20 per cent of the total working force.
- (iii) those who join the interests of the employers or the labour union at or subsequent to, the time when the agreement is made.

All collective contracts so made shall remain in force until the expiry of the stipulated term; and all persons, whether employers or employees, shall be under the obligation to perform their duties, irrespective of their subsequent plans or affiliations with other organisations. Apart from the collective agreement made between the interested parties, there may be other, individual, labour contracts between the same employers and workers who are members of the same union and hence party to the collective agreement but those individual contracts may not be in conflict with the provisions of the collective agreement. Should the terms of the individual labour contracts be different from those of the collective agreement, such terms must be modified so as to harmonise with the collective agreement. (Article 16). In other words, a collective agreement shall become the general rule for all conditions of employment, and the provisions of such a collective agreement are considered as an integral part of every contract to be concluded between individual employers and workers in the same place and during the same period covered by the agreement.



During the interval between the expiration of the collective agreement and the renewal of the same, all contracts concluded between employers and employees must be based on the provisions of the old agreement which is regarded as still operative as long as the parties to the agreement have not expressly relinquished their rights conferred by the agreement, such a relinquishment of right being regarded as incompatible with the principle of collective agreement. But should after the expiry of three months after the termination of its currency, the parties to the collective agreement have ceased to carry out its provisions during that period, the said agreement becomes automatically invalid. The various parties to the agreement will then be deprived of all the privileges and rights once conferred on them.

Should the employers party to the collective agreement cancel an individual contract of employment on the ground of the workers' indifference to the privileges and rights of the agreement, the action of the employers is to be construed as a violation of the underlying principle of collective agreement, which should be binding on both the contracting employers, or their association, and the labour union. Employers, party to the agreement, are not free to terminate contracts concluded between them and the workers who belong to the union which is also party to the agreement.

Any employer who violates this provision of the collective agreement shall according to Article 19 be punishable by a fine of not more than \$500, while a fine of not more than \$50 shall be imposed on any worker who belongs to the union party to the agreement for the violation of the same, unless express provisions in the agreement forbid the imposition of fines as mentioned above.

Employers or their association and the labour union, parties to the collective agreement, are under obligation to enforce the provisions therein. Thus Article 20 embodies the principle that individual members of either the association or the union parties to the agreement shall neither dispute the

provisions, nor doubt the validity, of the agreement concluded by their respective organisations, after such an agreement has already come into force. Any party to the agreement who fails to enforce the provisions therein contained is liable to pay damage to the party who has the right to claim such damages as are considered lawful.

(4) **TERMINATION OF COLLECTIVE AGREEMENTS.**—All collective agreements whether they be limited, by a stipulation of time, or unlimited without any stipulation of time, or concluded for the execution of the particular piece of work, are subject to certain limitations and restrictions. According to Article 24, the unlimited contract (without the stipulation of time) may be terminated by any party after one year, from the date it comes into force, provided a three-month's notice be given to the other party concerned. The term of limited contract must not be longer than three years: any contract of employment concluded for a longer period than three years with a stipulated time is considered as only a three-year contract (Article 25). Any contract made for a definite piece of work is definite, and is terminated on the completion of the work. Should such a piece of work however require more than three years to complete, the contract of labour shall nevertheless not be concluded for a term of more than three years.

A collective agreement with a stipulated time limit shall remain in force, regardless of any changes in the organisations which are parties to the agreement, such as combination of interests or dissolution, both of the employers' association and labours union parties to the agreement. Unlimited collective agreement may however be terminated following the dissolution of the employers' association or labour union party to the agreement, upon a written notice being given (Article 27).

There is however an exception to the rule in respect of restriction on the parties to the agreement. According to Article 28, if the economic conditions were favourable at the time when the agreement was made but have since greatly changed, and the continuation of the agreement is deemed

detrimental to the employers' interests or contrary to the wishes of the workers in respect to their desired standard of living, the parties responsible for concluding such agreement may petition the administrative authorities concerned for permission for cancellation unless there are express provisions prohibiting the termination of agreement in this way (Article 29).

## CHAPTER XI

### THE ADMINISTRATION OF LABOUR LAWS

#### DIFFICULTIES OF ENFORCEMENT

The proper drafting of protective labour laws is a difficult task, but their enforcement is still more difficult, owing to the numerous obstacles in the way of administration.

There are at least three things in connection with the making of labour laws that may render the law ineffective and unenforceable: (i) careless drafting, (ii) ambiguous clauses or terms, and (iii) considerations of sentiment rather than of actual needs and conditions. Should a law be carelessly drafted, certain clauses thereof ambiguous and not be in accordance with the social and economic needs of the people, that law would be bound to be a dead letter. Any of these three defects will make the law difficult, if not impossible, of enforcement.

The effectiveness of any law depends largely on the efficiency and the machinery for its enforcement. If the law is rigidly enforced, it is effective; if it is loosely administered, no beneficial effects can be expected. This is specially true of the labour laws in China, where labour legislation is unknown until comparatively recent years. It further means that labour legislation in China needs a special administrative machinery to ensure its effective operation as is indicated by the experience of the European countries and the United States in the administration of the labour laws.

#### THE EXPERIENCE OF THE WEST

The early factory laws in England, such as the Acts of 1802, 1819, 1825, and 1831, for instance, were admittedly ineffective and unenforceable. It was not until 1833 when the system of factory inspection was instituted that the factory

legislation could be effectively enforced. The same was true of France, where attempts at protection of labour began as early as 1806, and where between 1813 and 1866 many labour laws were promulgated, particularly those of 1814, 1841, 1848, 1851, and 1866. It was however not until 1874 when the system of labour inspection was adopted that the enforcement of those laws was made possible. Similar situation existed in Germany. In Prussia and in the German States labour legislation began in 1839. Numerous labour laws were enacted between 1845 and 1869; but again, it was not until 1878 that the Government made any special efforts to put the laws into effect by means of a special Administrative Commission. Other European countries have had similar experience, attempts at labour protection in Austria, Switzerland, and Belgium being made at practically the same time as in England, France, and Germany and being equally unenforceable until a special administrative machinery was created for their administration.

The early attempts at enforcement of factory laws by means of factory inspection in England were based on moral persuasion rather than on police coercion, being made particularly difficult owing to the lack of experience in the administration of the labour laws on the one hand and the lack of knowledge of industrial conditions on the other. Fortunately, the first inspectors were absolutely honest, unquestionably impartial, tactful, diplomatic and understanding. They were intensely interested in their work, and made a profound study of industrial conditions, a thorough knowledge of which was absolutely essential to efficient administration of factory laws. Despite their qualifications however the difficulties of enforcement were well-nigh insurmountable. There was the inexperience of the inspectors, the ambiguous provisions of the law, the lack of safeguards and definite provisions in the law against the evasions of the law. The provisions dealing with the employment of children and young persons required further special efforts which were beyond the capacity of

the inspectors to exert. The territory which each of the few inspectors had to cover was further immense while their lack of detailed knowledge of industrial conditions was a great stumbling block to the enforcement of factory law.

In the administration of labour laws in the United States three methods have been employed (a) the old method which requires the enforcement of specific statutes by authorized officials, (b) the special method of administration which was adopted by the State of Wisconsin in 1911, and (c) the new method of enforcement which was adopted by the State of New York in 1913. The old method is now discarded as being ineffective to enforce labour laws. The Wisconsin system is very efficient. Here the administration of the labour laws is in the hands of the Industrial Commission which is empowered to investigate, ascertain, declare, and prescribe the conditions that shall be required for the protection of workpeople in respect of their safety and welfare. The Industrial Commission is thus vested with all the powers to enforce the law. Under the New York system, the law provides for the creation of a factory investigating commission and an industrial board. The Factory Investigating Commission is empowered to make a preliminary investigation to be referred to the Industrial Board for execution. This Industrial Board is also vested with the authority to formulate supplementary regulations or rules which may become part of the labour code. The second and the third method have been adopted by many other States, being regarded on the whole as quite effective.

#### THE NECESSARY CONDITIONS

On account of the entirely different social and economic conditions and the lack of relative stable Government, however, China cannot as yet expect the same results from the introduction of the systems in force in the highly developed Western countries. For obviously, labour laws can be enforced only under certain conditions, being dependent for their efficiency on (i) a stable Central Government, (ii) favourable

social and economic conditions, (iii) a high degree of intelligence of the people, (iv) fair standard of public morality, (v) an efficient system of investigation and inspection, and (vi) the employment of experts.

The most important condition is the existence of a stable government, which is especially true in such dynamic countries like China and Mexico where political instability and the absence of an established civil service makes the efficient administration of law practically impossible. The governments of the six European countries mentioned above during the first part of the nineteenth century were comparatively stable, thus rendering the enforcement of labour laws a much easier task than is possible in countries in transition.

Another condition for the effective enforcement of labour laws is a favourable state of the social and the economic conditions of the people. The early labour laws could not be enforced in European countries, not because the European governments were unstable but because social and economic conditions of the time were distinctly unfavourable to rigid enforcement of such laws. The prevailing poverty of the time greatly hampered the working of the law, being in fact one of the chief causes of the failure of early labour laws. But that poverty was but the results of the undeveloped state of European industry, which soon developed by leaps and bounds. And once the social and economic conditions of the country became favourable, the enforcement of labour laws became comparatively easy.

A fair general intelligence of the common people is a further requisite for the effective enforcement of the law which in final analysis is dependent on the intelligent co-operation of the masses. No true political democracy can exist without a fairly high degree of general intelligence on the part of the people. No less is this the case with an industrial democracy which demands intelligent and educated workers to co-operate on equal terms with their employers either in the management of an industry or concern, or successfully to struggle for an

equitable share of the profit as a reward for their contribution to industry.

A higher standard of public morality is no less important, as the enforcement of any law depends either directly or indirectly on the working of the political as well as the judicial machinery. If the standard of public morality is low, the effective enforcement or efficient administration of the law is not only difficult but may be impossible. Social justice is an impossibility so long as there is corruption in the government and in the courts. For where the standard of public morality is low, the poor cannot secure justice, which can only be bought by the rich.

Again, no labour or factory law can be enforced without an efficient machinery for investigation and inspection, for the extent of protection given to the labouring class by any country does not depend upon the enactment or existence of laws, but upon the rigidity of enforcement and the efficiency of administration, inasmuch as factory laws may be rendered entirely inoperative by recalcitrant employers. In this light the system of factory inspection has so far proved an indispensable means of effective labour law administration.

Finally, the enforcement and administration of the factory laws demands highly-trained experts. In fact, the drafting of regulations and laws should be done by experts only. In western countries regulations are drawn and laws are drafted by men of wide industrial knowledge and experience, but in China the expert generally does not yet have the opportunity of rendering to his country the services he is capable of. As a result of the traditional, evil practice of reserving the important positions for relatives of the man in power, competent experts as have no political influence are generally left out. The result is that laws are drafted and passed haphazardly and often incapable of enforcement.

The future however, holds great hopes for young China. Dr. Sun's theory of careful selection of experts for the service of the country provides an effective solution of the problem,



even if we must not be too optimistic about the immediate elimination of abuses and too soon expect the selection of the proper men for the proper posts. For even in the highly developed western countries such abuses still exist in spite of the fact that experts there are usually in their right place.

The enforcement of the new laws recently promulgated can be made effective by two methods: (i) by the creation of a special administrative machinery, and (ii) by employing competent experts to operate that machinery. By so doing labour legislation in China can be made operative and effective without waiting for a perfectly stable government or for ideally favourable social and economic conditions of the country. A stable government in an English or American sense of the term may not be brought about for many years, and the creation of favourable social as well as economic conditions also require time. In the meantime, however, the laws that have been passed must immediately be put into operation. The people whose welfare the object of this legislation cannot wait until the Government and the social and economic conditions have become ideal, they must live as human well-beings while the government and conditions are being stabilised.

On the other hand, we must recognize the fact that strict enforcement of labour laws is a very difficult task at present. There are four reasons for this assumption: (i) the workers are not strongly organised and are absolutely dependent upon the factory or workshop for their bare subsistence, (ii) there is not as yet any efficient administrative machinery to enforce the law throughout the country, (iii) owing to the scarcity of capital in China a very high rate of interest prevails, investors and capitalists expecting nothing lower than 8 or 10 per cent as the standard rate, and (iv) the traditional idea of "face" hinders the enforcement and administration of the law, especially in the interior where conservatism dies hard.

As an instance of the difficulties confronted by the Government authorities in the enforcement of the law, the problems

arising out of the enforcement of the New Factory Law, promulgated on December 30, 1929, are perhaps the most typical. This law is the most advanced factory law ever enacted in Asia, being in fact one of the most advanced types of labour legislation in any part of the world. It is based on the principles of labour laws of advanced industrial countries of Europe and the provisions of the Draft Convention of the First International Labour Conference held in Washington in 1919. It is further in conformity with the principles of the National Revolution, being the legislative embodiment of the labour policy of the Kuo-Min Tang. The question that arises here therefore is not whether the law should have been passed, but how it can be effectively enforced. How for instance an eight-hour system can be adopted in China while it cannot be adopted in Japan? How further the legal age of employment can be raised to 14 in China, when it is only 12 in our advanced industrial neighbour—Japan? How in the absence of an established civil service the provisions relating to contracts of employment, sanitation and health, workmen's compensation, factory inspection, etc., can be strictly enforced?

These questions, however, cannot be definitely answered at the present time. In the first place, the law has not had time for a fair trial. In the second place, the political, social and economic conditions in China are not the same as those in Japan, even if there is some similarity in both countries. In the third place, the Chinese are essentially liberal and democratic by training and inclination, whereas in Japan the people owe absolute obedience to their Emperor whom they are bound to treat as a kind of God. In pointing out these differences, however, it is not meant to evade the question raised, but rather to facilitate their solution.

With regard to the eight-hour working day, for instance, China has adopted this system in accordance with the Draft Convention adopted by the International Labour Conference at Washington and in fulfilment of its requirements. But while the normal working day is fixed at eight hours, overtime

employment to the maximum of two hours per day is permitted. In other words, the working day in China may be 8 or 10 hours as the case may be, while in Japan the minimum working hours is fixed at 10. In practice, China will therefore have to be satisfied with the ten-hour day for sometime to come, but since the ten-hour working day works well in Japan there is no reason why it cannot be so in China too. The law itself does not need any change, in view of the fact that overtime employment of 2 hours per day is permissible. The eight-hour day, except for minors, is difficult to enforce in China at present, for wages are unduly low and the cost of living abnormally high, with the result that workers prefer to work longer hours for more pay than shorter hours for lower wages. The same is of course true Japan which, dominated by the capitalist class, refused to adopt the eight-hour system as recommended by the Washington Labour Conference even as a standard for gradual enforcement.

At this juncture, however, it may be profitable to point out that similar conditions existed in England about the middle of the nineteenth century, where on account of the lack of co-operation on the part of the industrial workers the ten-hour system at first failed. In view of the unfavourable economic conditions of the Republic it may be inexpedient for China to enforce on a nation-wide scale the eight-hour working day without overtime allowance. On the other hand, should the eight-hour day be adopted with two hours overtime allowance for each working day, the New Factory Law will not be too difficult of enforcement inasmuch as workers are paid higher for overtime than for ordinary working hours. And with the assurance of co-operation of the employers and the workpeople, no labour law is really impossible to put into effect.

With respect to the enforcement of the provisions dealing with general sanitation and health of the workers, strict and efficient inspection is essential. It has been stated that in six European countries factory laws could not be enforced until

an adequate administrative machinery was created. The same is true of the New Factory Law which cannot be enforced until a nation-wide system of factory inspection is instituted.

Now it is at once admitted that the establishment of a factory inspection on any adequate scale would present the most difficult problems. In the first place, we do not have many well-trained and experienced inspectors to undertake the herculean task and nothing can really be accomplished by untrained and inexperienced persons, particularly those who do not know the full meaning of the provisions of the law.

In the second place, the provisions relating to child labour is particularly difficult to enforce. The legal minimum age is fixed at 14, but in the absence of registration of births the ages of children are difficult and sometimes impossible to determine. The law provides that a physician should be appointed by the Government to assist the inspectors in determining the age of every child employed in a factory, but no physician, however capable, can really properly ascertain this. The result is that inspectors generally take the parents' word for granted, knowing fully well that on account of the general poverty prevailing in China parents may be compelled to lie in order to find jobs for their children in the factories. The opposition on the part of the employers may further be so strong that the work of the inspectors may be seriously obstructed. For wages for child workers are usually 50 per cent, or more, lower than those paid to adult workers, and for certain types of work children can accomplish just as much in a day as adults.

In the third place, the work of inspection and enforcement requires constant and frequent investigations as well as careful study of industrial conditions, involving a great expense on the part of the Government. Furthermore, inspectors must be paid a living salary so as to eliminate corruption. The experience of western nations in enforcing factory laws has taught us a valuable lesson. The enforcement or administration of factory laws is solely based on efficient inspection which

requires intelligence, impartiality, and honesty on the part of inspectors, and, unless we can supply this type of men and women for the work, no rigid enforcement can be expected. Above all, the Government must be sincere enough to carry out its programme, otherwise a high standard of inspectorial work is unattainable. When for instance Great Britain,—and the same was true of other European nations—first adopted the system of factory inspection, the Government was not sincere enough in its attempt to cope with industrial evils, and consequently the inspectors were in many ways powerless. They had to deal with the factory proprietors very tactfully, leniently, and diplomatically; they endeavoured to convince them of the beneficence of the law by moral persuasion rather than by prosecution. In China to-day, we may thus, in the enforcement of the law, have to employ both the method of moral persuasion and of legal prosecution.

In regard to the selection of experts, so long as the family tie is still strong and favouritism exists, Dr. Sun's theory of careful selection of experts or specialist can hardly be put into full practice. But as long as experts are not employed in the service of the Government there is little hope for the improvement of social and economic conditions in the Republic.

The only law among the recent legislative enactments that has been effectively enforced is the Conciliation and Arbitration Law which was promulgated on June 9, 1928. This law is based on the principles of European labour legislation and has been successfully tried out in different parts of the Republic. The reason that this law has been effectively enforced is because any dispute between employers and workpeople that arises, is to be conciliated directly between representatives of both interested parties. Only in case of failure to reach an agreement is the case submitted to the Arbitration Commission, composed of five members, one from the administrative authorities concerned, one from the provincial or special municipal government, one from the provincial or special municipal Kuo-Min Tang, the president of the district court, and

one independent and disinterested person to represent each of the interested parties. With the full co-operation of these different bodies the enforcement of the law has been a comparatively easy task.

In brief, the enforcement of the law, especially of labour laws, requires a comparatively stable government, favourable social and economic conditions, a higher degree of intelligence of the people, a higher standard of public morality, a special administrative machinery, and a number of honest experts to assist the Government. Besides, the full co-operation of the public is essential, otherwise no social legislation can be made operative and effective.

## CHAPTER XII

### CONCLUSION

#### A. THE DOMESTIC AND MACHINE INDUSTRIES

##### THE DOMESTIC SYSTEM.

In the foregoing chapters an attempt has been made, first, to describe the labour conditions in the home as well as the machine industry with a view to ascertaining the social and economic effects of the Revolution of 1911, and, second, to give an account of the politico-economic activities and policies of the Kuo-Min Tang and the influence of the teachings of Dr. Sun Yat-Sen in regard to the betterment of the conditions of the workers. Thus the recent legislative enactments concerning labour have been reviewed and interpreted from the standpoint of their social, economic, and moral value and of their feasibility in respect to the protection of labour and industry. For it is the object of this study to find out the extent of industrial evils and the actual conditions under which the wage-earners work and live, as well as the degree of progress of the factory system that requires government action.

In all this however we should not lose sight of the fact that essentially China is predominantly still an agricultural country. She has a rural population of over four hundred millions but an industrial population of only less than fifteen millions. In the production of food, three-fourths of her population are engaged, but have hardly produced sufficient to support themselves and the rest of the people. In the multifarious industries and trades we find only a fraction of China's population employed. On the other hand, the smallness of her industrial population does not mean that her home industries are insignificant or have been neglected. Prior to the Industrial Revolution, western countries were not better

off. It was the Industrial Revolution that brought about far-reaching social and economic changes in modern society. The handicraft and domestic systems of industry had existed for centuries before the Industrial Revolution of the latter part of the eighteenth and the early part of the nineteenth century. The handicraft and domestic systems of industry still co-exist with the factory system in China. The majority of the wage-earners are still engaged either in the artisan shops or in home work, and the modern factories have not, as yet, drawn very many workers from the domestic industries.

Undoubtedly, the small as well as the large scale industry will remain equally important for some years to come. At present the government and the people seem to pay equal attention to the development of both as the first step towards industrialisation in this vast country. In the author's opinion, China may thus well follow the example of France and develop her home and factory industries simultaneously without hampering the economic development of the Republic at large. In so doing China may be able to avoid many glaring evils in modern industry as found in industrial countries of the West. And judging from the present economic status of the Chinese people the domestic industries will not disappear altogether for a long time to come, and will continue to co-exist with the factory system for another century before they are superseded by the latter.

From the standpoint of social as well as economic importance, small-scale industry should therefore be promoted along with machine industry, so as to enhance the opportunity for earning a livelihood for workers without being wholly dependent on the hazards of modern industrial life. From the standpoint of population, it is doubtless unwise to encourage wage-earners to flock to the already overcrowded cities. From the point of view of a higher standard of life, the encouragement and improvement of home industries will enhance the opportunity of the wage-earners to improve their conditions of life. They would be far better off to remain



in the village and small cities which are free from the noise of modern machinery and the smoke of modern factories, and where, in general, the cost of living is much lower than in the big industrial centers. All this however, does not alter the fact that the occupations in both the domestic and machine industries are equally monotonous and dull, unless labour legislation will improve the conditions of factory workers to such an extent as to prove the new system to be immeasurably superior to the domestic system.

But the home industry, as it is to-day, has not induced the wage-earners to remain in their home towns or cities. Generally speaking, as soon as better opportunity is afforded them, they will leave their villages for the big cities in the hope of bettering their conditions of life. For conditions in the domestic industries are, on the whole, extremely bad—wages, especially those of women and children, are appallingly low and, hours of labour abnormally long. The domestic workers being wretchedly paid, the earnings of a whole family are generally inadequate to meet the ordinary needs of life. In addition, there is the fear of unemployment and frequent cases of sickness due to unsanitary conditions in workrooms. With the regulation and official encouragement of the domestic industries, as has been the case in France, however, some change can be effected which would render the future prospects of the wage-earners more bright.

In the author's opinion, the following industries should be immediately improved and, if possible, developed with government subsidy, the textile industry, the oil manufacturing industry, the pottery, porcelain industry, the lacquer industry, bamboo, rattan, and wicker ware manufacturing, brick and tile making, sauce making, the flour industry, etc. For only the application of scientific methods to these industries can make possible the chances for a lower cost, an increase in the standard of living, the industrialisation of the country on a nation-wide scale. As an agricultural country, China was in the past never seriously concerned with the

development of industry with respect of the improvement of conditions of life affecting the masses, both the farmers and the wage-earners. It was only in recent years, especially during the last decade, that modern and semi-modern factories have sprung up with unexampled rapidity.

#### THE INDUSTRIAL REVOLUTION AND THE FACTORY SYSTEM

The industrialisation of China has been going on all the time during the last 30 years, especially since the establishment of the Republic in 1912. Large, modern factories have sprung up with great rapidity since 1920. Among the most important factories that have been established in various industrial centres are cotton knitting mills, cotton and silk weaving mills, silk filatures, match factories, soap, drug, and other chemical factories, glass factories, rice and flour mills, machine shops, tanneries, brick and tile factories, shoe factories, factories for the manufacture of food and drinks, paper and tobacco factories. Civil War has arrested and retarded to some extent, China's industrial progress, but, on the whole, the industrialisation of China has proceeded without serious impediments in the southeastern and central parts of China. With the assurance of permanent peace and order as a result of the Reorganisation of the National Government in December 1931 and the outlawry of civil war as an instrument of internal consolidation, the political foundation are being laid for a steady development of modern large-scale industry in China. But, unfortunately, industrialisation is accompanied by the concentration of population into small and limited areas, rendering the enforcement of sanitary and health regulations difficult. And so far, modern industry in China is always accompanied by an increase of poverty because of the insecurity of employment, low wages, high cost of living, accidents, sickness and occupational diseases. Consequently, women and children are forced to become wage-earners instead of home-makers and pupils in schools. With an increasing number of women and children going into remunerative oc-

cupations, keen competition for jobs has developed, although this does not necessarily mean that skilled labour is abundant. The employment of women and children is recognized as an inevitable result of the factory system, particularly in view of the fact that the earnings of women and children is of great economic significance, a matter of urgent necessity owing to the conditions mentioned above. Unfortunately, however, female and child labour presents two great social problems; namely, the neglect of the home on the part of women, and the arrest of development, both physical and intellectual, in the case of children. Consequently, there has developed a good deal of dissatisfaction among the working population, the most important contributory factor of the growth of the Labour Movement during the period of 1920 to 1927.

#### B. THE LABOUR MOVEMENT

The Labour Movement took shape during the decade following the Revolution of 1911 but began to be of consequence only during and after the National Revolution of 1926. Regarded in a proper historical perspective the movement is but the inevitable response to fundamental conditions—social, economic, political, and psychological. Unfortunately, the movement was unnaturally stimulated by irresponsible propaganda, but even then it had an indelible effect on the development of modern labour legislation. It was both the forerunner and concomitant of the Revolution of 1926, aiming at the overthrow of foreign domination, militarism, and predatory capitalism, resulting in the formation of several hundred labour unions with a membership of nearly 3,000,000 in 1927. At the height of its power and influence—to which its communist connection had greatly contributed—it underwent, in the summer of 1927, a sudden collapse, as a consequence of the Party Purification Movement which in turn was the result of the Nanking Incident of March 24th, 1927. Since that time the movement has never regained its original poise and influence, for with the extermination of the com-

munists from the political arena, the whole movement was automatically repressed. It was not until 1929 that the legal status of labour was restored, and the promulgation of the Law on Conciliation and Arbitration, the Labour Union Law, the Factory Law, the Law on Collective Agreement, and so forth, only strengthened the legal position of labour. Extreme violence was restrained and unnecessary strikes reduced. In fact, with the application of the Law on Conciliation and Arbitration, many industrial and other labour disputes have been satisfactorily settled by peaceful means, and in no case had it been necessary on the part of labour, actually or directly to resort to violence as a means of securing social justice. This proves that protective legislation is indispensable to industrial peace and is an effective means of improving the relations between capital and labour.

### C. LABOUR LEGISLATION

#### THE UNDERLYING PRINCIPLES

The protection of labour by legislation is one of the most recent and laudable undertakings of the National Government. The whole history of industrial legislation in China covers a period of only eighteen years. The first set of regulations dealt with the employment of miners and was promulgated in 1914, but the first factory law was not enacted until 1923. As a whole, these regulations spoke of the good intentions of the Government to improve the relation between employers and employees. In practice, however, they were probably never complied with for their enforcement was never efficient and rigid enough to bring about results of any social significance. The Provisional General Factory Regulations did attempt to carry out some of the provisions of the Washington Labour Conference, and elastic though the provisions of these factory regulations have been, they represent a noble attempt on the part of the Government to regulate and meliorate the relation between capital and labour. This attempt created a great sensation in the industrial world, especially at the time of the

promulgation inasmuch as before there had virtually been no legal protection of labour. Although they were difficult to enforce due to the social, economic, and political conditions of the time, a foundation for future legislation was laid, and the early efforts of the Government to protect labour as well as capital were by no means fruitless. In fact, the attempt to protect labour by legislation was at least in accordance with the spirit of the Washington Labour Conference, the chief object of which has been to promote the general welfare of the working classes throughout the world as a means to end industrial unrest and to bring about social harmony.

To promote industrial peace by means of social legislation is one of the most important functions of the Government, particularly in this period of reconstruction, the task of which must resolutely be accomplished before real progress and prosperity can be expected. The different steps taken by the Government from the Peking to the Canton, Wuhan and the National Government at Nanking to improve the social as well as the economic conditions of our people should not be discredited by merely affirming that the regulations or laws have never been effectively enforced. For any attempt made with the intent and purpose of ameliorating social conditions deserves some consideration and credit. Early industrial laws in Western countries, England and the United States in particular, were not only not rigidly enforced but some of them were unenforceable because of the peculiarly difficult situations that rendered the enforcement of laws impossible. This is still true in present-day China where the peculiar social, economic, and political conditions have combined to hamper the working of the laws. But the principles laid down in the early regulations and laws have formed a basis of the new, more workable, laws which have recently been adopted by the National Government.

Nearly all factory regulations and laws that have heretofore been promulgated, emphasize the improvement of the fundamental working conditions, such as the hours of labour,

the minimum wage, the employment of women and children, rest and holidays, the contract of service, workers' welfare, the system of compensation, health and safety, apprenticeship, government supervision and inspection. The Draft Factory Law even goes so far as to introduce the profit-sharing system. As regards the hours of work, the legal working day is fixed at 8, 9, and 10, with overtime allowance. Overtime work is permitted only in exceptional circumstances but not exceeding two hours per day for six days a week. The first set of regulations fixed the working day at 10 and, in addition to this, overtime work to the maximum of two hours was permitted making the total working hours per week at 72. According to the New Factory Law, the hours of labour are limited to eight per day or forty-eight per week. In fact, for the most part this legislative enactment is based on the principle of the eight-hour day or forty-eight-hour week as recommended by the Washington Labour Conference, but overtime is permitted under special conditions not exceeding two hours per day or twelve hours per week.

With respect to a minimum wage, no definite amount is fixed by any of the regulations and laws, but wages are determined according to the cost of living in various localities. By so doing unduly low wages shall not be paid to workers who are usually in the most disadvantageous position to bargain and who, in the absence of regulations, are absolutely powerless to secure for themselves a living wage. Indeed, a living or minimum wage is difficult to fix, but the remuneration must be sufficient to support the worker's family in reasonable and frugal comfort. To this end, State intervention is intended, and the law that requires a lowest possible standard to be maintained justifies the purpose. The most arresting manifestations of recent years are the frequent strikes in main industrial centres, such as Shanghai, Hankow, Tientsin, and Canton, where the cost of living is abnormally high. Unless therefore the wage problem can be satisfactorily solved,

the prospects of a substantial improvement in the position of the wage-earner are rather remote.

To improve conditions of society by the avoidance of industrial unrest is probably one of the best and most effective means to bring about general prosperity and progress. Hence, legislative recognition to the principle that workers should be paid a wage adequate to maintain a minimum standard of life is the first step taken by the Government toward the proper solution of the wage problem. Among the most important provisions of all factory regulations and laws that have been studied are those for a minimum wage. Indeed, it would be difficult to over-estimate the significance of such provisions, and the experience of advanced industrial countries has shown that once such a standard is established by legislative action, it can never be lowered, except in times of war or disaster over which men have no control. On the other hand, government regulation of wages may result in the rise of the prices of commodities, and, in this case government regulation of prices of necessities is equally urgent and important, lest the masses of the consumers will become the sufferers.

The provisions contained in the different regulations and laws respecting the employment of women and children differ both in content and in value. There are however three elements common to all these regulations and law, namely, the prohibition of the employment of children under the age of 12 or 14, the prohibition of night work for women and children, and the prohibition of employment of women and children in dangerous occupations, (such as dusting, cleaning, oiling, inspecting, and repairing machinery when in motion; adjusting belts or ropes, manufacturing explosives; work with dust, powder, poisonous gases; work in connection with high pressure switchboards; work in connection with lead or blast furnaces, etc.) On the whole, the prohibition of child labour, night work, and dangerous work is in conformity to the Draft Conventions of the International Labour Conference, although the early regulations permitting the extension of the working

day for women to 10 p.m. may be said to be a departure from the policy of protection against industrial hazards. Any kind of work commencing as early as 5 a.m. has serious implications for the welfare of women workers, excepting during summer months when long rest periods are granted during the extremely hot hours of the day. The New Factory Law, however, prohibits night work for children between 7 p.m. and 6 a.m., and for women between 10 p.m. and 6 a.m., and if it can be effectively enforced, the conditions of work so far as women and children are concerned will undoubtedly be improved.

While it is too early to know the working of this law, we are fearful that the prohibition of child labour may prove a failure, because of the fact that the age limit set at 14 can hardly be attained at the present time, unless the compulsory school attendance law can be strictly enforced throughout the Republic. Besides, should parents make false statements as to the age of their child employed in a factory it would be difficult to decide as to whether the child is over or under 14, inasmuch as there is absolutely no evidence as to the date of his or her birth. Furthermore, the child's share in family support for the majority of wage-earners is almost an absolute necessity; hence to set the age limit at 14 is too ideal to be immediately realized. An age limit of 12 would probably be much easier to enforce. There is, of course, an exemption from this rule for those who had already been employed before the enforcement of this law. In other words, children already employed under 14 and above 12, or below the legal requirement, are permitted to continue, and are exempt from the law.

As regards contracts of service, some regulations and laws are in favour of collective agreement, some provide for both individual contract as well as collective bargaining, and some are silent on this question. The New Factory Law is in favour of both, thus recognizing the right of the trade union to conclude contracts for their members.



With regard to rest days and holidays, all regulations and laws provide rest periods in the course of a working day and one day in a week for rest besides legal holidays. The Provisional Labour Regulations of the Northwest even provides special vacation for faithful workers, especially miners. Nearly all these regulations and laws grant sick leave to all workers and special leave of absence to female workers before and after a confinement with full pay. Such a provision is not only in accordance with the recommendations of the International Labour Conference as aforementioned, but it represent the latest development of social legislation in safeguarding the health of female workers. The most interesting provision in most of the regulations and laws is that for permitting nursing mothers to leave their work at any time during the working day for the purpose of nursing their babies according to needs. In view of the prevailing poverty in China where the women's share in family support is considered as essential, such a provision speaks of the human view of the law.

As to the system of compensation and workers' welfare, all the regulations and laws provide some kind of compassionate grant for injury, sickness, and death occurring in the course of employment. With the exception of the Shanghai Provisional Labour Regulations and the Provisional Labour Regulations of the North-West, all other regulations and laws provide further for a supplementary education (continuation of school education) for child workers and uneducated adult workers, in the form of regular classroom instruction, lectures, moving picture shows, lantern slides, newspapers, etc. In the absence of state regulations the wage-earner's life may be worth only \$50 or \$100 or \$200 the amount paid out as a compassionate grant to families of workers killed. The New Factory Law provides for a statutory compensation for death in the course of employment in the form of a special allowance of \$300 besides \$50 for funeral expenses and two years' ordinary wages to the family of the deceased.

In regard to the health and safety of workers, all the regulations and laws emphasize the installation of safety appliances and the provision for sanitary facilities, such as toilets, washrooms, dressing rooms, rest rooms, drinking water, and so forth. Some even emphasize that dining rooms and dormitories as well as houses should be provided for workers who come from a long distance. In actual practice, not a few factories had already done so before the passage of the laws.

As regards apprenticeship, apart from the 1927 Peking Provisional Factory Regulations, the Provisional Factory Regulations of the Wuhan Municipal Government, the original Draft of the New Factory Law and the New Factory Law of the National Government, other regulations and laws are silent on this point. On the whole, the period of apprenticeship is fixed from three to four years. Long apprenticeship is, in fact, absolutely unnecessary in view of the efficiency of modern machinery which displaces human skill, and, in view of the prevailing poverty there are very few parents who can afford to apprentice their boys for a period of three or four years without pay. The Draft Factory Law, thus requires the payment of wages to the amount of one-fourth and one-third of ordinary wages during the last part of apprenticeship, but the New Factory Law leaves this arrangement to the employers and apprentices concerned. The latter provisions in respect of the payment of wages to apprentices have no legal value, for in law everything must be definitely stated, otherwise rigid enforcement is not only difficult but hopeless.

The Draft Factory Law introduced the profit-sharing system for the first time, but the provisions therein contained were radically modified by the New Factory Law. Indeed, there are good and bad points of the Draft Factory Law regarding profit-sharing. The good points are (i) that running expenses must first be taken into account, that is, must first be deducted from the gross profit, (ii) that the 8 per cent legal interest on investment and 20 per cent for reserve fund must be taken from the net profit; and (iii) that the surplus profit

must be divided among stockholders, workers and the staff members. Of the surplus profit 40 per cent must be divided among shareholders in proportion to the amount of capital invested, 40 per cent must be awarded to workers, and 20 per cent to staff members. According to another version, of the surplus profit 45 per cent to the capitalists, 45 per cent to the labourers, and only 10 per cent to the staff members should be awarded. On the other hand, this provision is bound to cause misunderstanding among the capitalists, and is misleading the workers and the public by declaring that 40 or 45 per cent of the surplus profit should be divided among the workers. For the workers being uneducated, take it at its face value to mean that they are entitled to 40% or 45% of the net profit. The same is true of a great number of employers who unable to discern the technical points of the law take it for granted that the net profit is to be divided among them all. In point of fact, after due deduction is made for current expenses, for legal interest and for reserve fund, there is little, if any, for the workers, inasmuch as there are few industrial concerns which earn more than 28 per cent net profit. Granted that the majority can derive a net profit of 33 per cent from their investment, and, after 28 per cent is taken off, the remaining 5 per cent is to be divided among capitalists, labourers, and staff members. Of the 5 per cent net profit 2 per cent will go to the shareholders, and only 2 per cent for the workers. Hence, instead of providing a surplus profit of 40 or 45 per cent for the workers, the law should have been written in such a way as to provide 1 or 2 or 3 per cent of the net profit as a reward for the workers' contribution to production. By so doing any possible misunderstanding can easily be avoided, and the public will not be misled. However, the New Factory Law is somewhat indifferent to the system of profit-sharing which may be adopted or rejected by employers.

Finally, inspection is the most important factor in the application of any factory law. For no factory law can be enforced unless accompanied by a most rigid and careful system

of factory inspection. The task of enforcing the law is far more difficult than that of drafting it. Herein lies the real task of the Central Government in carrying out its policy of legal protection of capital and labour.

The development of trade union laws is of even more recent origin than factory legislation. The first labour union regulations were not passed until 1924 when the workers' right to form unions was officially recognized by the National Government in Canton. Between 1925 and 1927 many attempts were made to introduce a trade union law by the Peking Government, but none of the three drafts proposed by the Ministry of Agriculture and Commerce and the Ministry of Communications was promulgated. There were two other sets of regulations passed by the Central Executive Committee in 1928, but it was not until June, 1929, that the National Trade Union Law was promulgated.

There are similarities and dissimilarities in these regulations and the new law, but all of them aim at promoting the welfare of the workers through a labour organisation. The main difference between the Canton Trade Union Regulations and the new Trade Union Law is that the former recognizes the right of brain workers, such as teachers and government salaried employees to organise unions, while the latter does not. According to the Canton Regulations, trade unions are empowered to improve the workers' conditions of life in any way they think fit, whereas the new Trade Unions Law limits the power of the unions and places them under the control and supervision of the Kuo-Min Tang and the Government. Trade unions are permitted to undertake the task to improve the social and economic status of their members within certain limits, but all their activities are strictly under the supervision of the local Kuo-Min Tang and the local authorities concerned. Despite the fact that strikes are tolerated and legalized, acts of violence are strictly prohibited. In short, trade unions are not the organs for creating meaningless strikes and other

forms of industrial unrest, but they are agencies for fostering better relations between employers and employees and for promoting the general welfare of the workers in their respective industries and trades. Unlike England and the United States, trade unions are not independent of party and government control. Like all Western countries, trade unions are empowered to establish savings banks, co-operative societies, and numerous other activities with a view to bringing about greater social and economic efficiency and securing for their members a higher standard of life.

The development of legislation relating to conciliation and arbitration of disputes between employers and employees is interesting and simple, and is an outgrowth of the Labour Movement as well as the Revolution of 1926. Being so recent in origin, the principles of the conciliation and arbitration laws are based on those of European countries. According to the National Conciliation and Arbitration Law of 1928, disputes between capital and labour are settled by two government agencies, namely, the Committee of Conciliation and the Commission of Arbitration. The former is composed of representatives of both contending parties and one or more government delegates who act as umpires, while the latter is composed of independent members representing the local government authorities, the provincial or special municipal government, the provincial or special municipal Kuo-Min Tang, the local court, and two disinterested persons representing the conflicting parties. This new machinery for settling disputes respecting labour is the newest and most efficient organ that has ever been invented in China.

Nearly all the recent laws promulgated by the National Government in Nanking have come into force. The first was the Conciliation and Arbitration Law which became operative on the day of promulgation in June, 1928, and in July, 1929. The Labour Union Law came into force on June 6th, 1930, and the Factory Law became effective on the first of August, 1931. Theoretically speaking, protective legislation in a modern

sense of the term has begun and is being enforced in China. The question as to how much protection the working class will enjoy as a result of legislation is difficult to answer, but judging from the success of the Law on Conciliation and Arbitration, the author is inclined to think that if labour laws are made elastic enough, they can be enforced in China just as efficiently as in other countries, although he believes that there will be insurmountable difficulties of enforcing the Factory Law.

In the first place, most of the modern factories are located in Concessions, and unless extra-territorial jurisdiction is abolished or the co-operation of the foreign municipal authorities is secured, it is difficult to apply the Factory Law to factories in the Concessions. As further the system of labour inspection has only been recently established, the inspectors have had no previous experience in factory inspection, and the fact that the Law, in many respects, is rather vague and general, makes it difficult for the inspectors to establish definite violations. There is also the unwillingness on the part of the employers to co-operate in factory inspection, and, in the absence of their whole-hearted co-operation the inspectors will have all kinds of obstacles placed before them in their efforts to enforce the Law, especially with respect to the hours of labour clause. And strange as it may seem, some obstruction may also be encountered from the side of the workers who in the present unfavourable economic conditions are afraid of losing their jobs, and may be forced to lie in order to retain their jobs. Without the sincere co-operation on the part of the workers it is further almost impossible to find out the age of child workers owing to the absence of a system of registration of births.

#### SUGGESTIONS FOR THE FUTURE

On the whole the Factory Law has many noteworthy features, such as the minimum wage provision, the eight-hour working day provision, the child labour clause, the prohibition of night-work clause, the compensation provision, the rest days

clause, etc. On the other hand, these clauses are not sufficiently clear as to enable the factory inspectors to establish violations on the part of unscrupulous employers. The Law appears to have been enacted without taking into account the significance of technical phrasing, which usually helps the inspectors in their inspection. At present, however, the Law should remain as it is and be enforced, for it has not yet been given a fair trial. The following suggestions are made for consideration by the competent authorities, should any amendment to the law be decided on in the future:

I. ADOPTION OF THE EIGHT-HOUR PRINCIPLE WITH AN ALLOWANCE OF TWO HOURS FOR OVERTIME.—No further extension of hours shall be granted except by special order of the Ministry of Industry. Overtime rates shall be fixed by a special committee or a minimum wage board. By this modification the working day is either eight or ten hours, for the eight-hour legislation in European countries can hardly be said to be greatly successful or widely enforced because overtime, in most cases, is still permitted. The eight-hour working day is not universal in the United States, and the work day varies widely from State to State or from as short as eight to as long as eleven hours. Furthermore, an eight-hour day may mean forty-eight or fifty-two or fifty-six hour week. Wage-earners still work from ten to twelve hours per day in India and Japan, especially in Japan, where industry is highly developed and the economic conditions are infinitely better. China, being a member of the International Labour Organisation, should enact her legislation in the spirit of the Washington Labour Conference by adopting the eight-hour system with overtime allowance of not more than two hours per day.

2. REDUCTION OF THE AGE-LIMIT FROM 14 TO 12.—China should follow the example of India by asking the International Labour Organisation for special permission to lower the age of employment for the time being, because (i) the economic status of the masses is still low, (ii) age deter-

mination is difficult, and, in some cases impossible, (iii) compulsory education is not yet realized. It should be realised that for a long time in European and American countries, the age limit was set at 9 and then gradually raised to 12 it was not until the compulsory system of education was adopted and the economic conditions became more favourable that the age of employment was raised to 14.

3. THE MODIFICATION OF ARTICLE 45 (*relating to compensation for injuries and death*).—A definite schedule for compensation is needed, while the amount and the length of benefit should be definite according to the nature of incapacity. The Law should expressly provide that such a schedule or the duration of compensation should be fixed by the local authorities in agreement with the Ministry of Industry, thus eliminating a great deal of future trouble.

4. THE ADOPTION OF A DEFINITE STANDARD FOR ARTICLE 41 (*relating to safety*), for without a definite standard of safety the factory inspectors will never be able to establish violations of the Law.

5. THE MODIFICATION OF ARTICLE 20 TO PROVIDE FOR A MINIMUM WAGE BOARD.—A special administrative organ is needed for the fixation of a minimum wage sufficient to support a family of 3, 4, or 5, and the following factors should be taken into consideration in the fixation of this minimum, (i) the necessary sum to maintain a subsistence standard of life, (ii) a wage that the trade can bear, (iii) the price of daily necessaries, and (iv) the general cost of production. The principle of the minimum wage must be applied with elasticity, otherwise the term "minimum wage" becomes meaningless.

6. THE MODIFICATION OF ARTICLE 27.—A longer notice to workers to look for another job is required and a special allowance of from one month's to three months' wages.

7. THE ELIMINATION OF ARTICLE 62.—There are two reasons for this: (i) unscrupulous employers may employ as many apprentices as possible for economic gain, and (ii) the



economic pressure in China is too great to permit such a practice.

8. THE ADDITION OF AN ARTICLE TO CHAPTER II (*relating to apprenticeship*).—In view of the great poverty in China it is necessary to require employers to pay one-third or one-half usual wages to apprentices during the last part of their training.

\* \* \*

In addition to the foregoing suggestions, the Factory Law should be regarded as a set of general rules, to be administered by the Ministry of Industry which should be vested with the authority to issue special orders when ever expedient, and to formulate regulations concerning the fixation of a minimum wage, hours of labour, overtime rates, and compensation rates. In this way the strict enforcement of the labour laws would be made possible, and the workers given the degree of protection which, at present unknown, they have been striving to secure during the last decade.

The legal protection of the workers, especially women and children, employed in modern industry, is of very recent origin, and it is therefore imperative that industrial evils should be sufficiently realized in their first crudity. This alone could secure their ultimate eradication and prevent the workers from sinking very far below the poverty line and that the glaring evils—the deplorable working conditions, child labour, insufficient and precarious employment, low wages, exhaustive hours of work, bad housing, lack of education, absence of a social insurance system against accident, sickness, and invalidity, be reduced to a minimum.

China, at this stage of social progress, should be able to profit by the hard won experience of Europe and America and avoid much of the suffering to which the earlier European and American wage-earners had been subject. And in this, the technical phrasing of the labour laws, of the factory law in particular, and the institution of an efficient system of labour inspection is of the greatest importance. For in proper admin-

istration and enforcement of these various laws lies the hope of the working class to attain social justice and the possibility of industrialising China without at the same time introducing those evils which afflicted early industrialism in the West.

# I N D E X

- Accidents:**  
Washington Draft Convention, 12; compensation, 15, 147; prevention, 96, 116, 141, 169.
- All-China Federation of Labour,** 93, 98.
- American Association for Labour Legislation,** 12.
- Apprentices:**  
Health & Moral of Apprentices Act of 1802, 3; conditions of contract, 142, 143, 144, 145; wage, 144, 247; protection, 146, 246; education, 151.
- Arbitration, See Conciliation and Arbitration.**
- Bonus, or Profit-sharing,** 146, 151, 152, 168.
- Borodin, Michael,** 13, 14, 43, 103, 112.
- Canton:**  
Birth-place of modern movements, 15.
- Capitalism:**  
Control of industry, 2, 20; exploitation of workers, 8, 19, 21; political power, 20, 93.
- Chen Peh-Chun (Madame Wang Ching-Wei),** 36.
- Chiang Kai-Shih,** 120.
- Chien Kuo Fang Lueh (Plans for National Reconstruction),** 21.
- Child-birth:**  
Maternity benefit, 11; special vacation, 15, 139.
- Child labour:**  
Early legislations, 3; hours of labour, 3, 13, 140; restrictions, 13, 15; protection, 6, 7, 95, 124; exploitation, 51; age limit, 52, 167, 245.
- Chinese Maritime Customs,** 18.
- Chinese Reform Movement,** 7.
- Citizenship,** 14.
- Chung-Hwa Ke-Ming Tang (Chinese Revolutionary Party),** 25, 26.
- Communist Party,** 43, 90, 103, 105.
- Compensation,** 12, 15, 147, 148, 149, 152, 170, 246.
- Conciliation and Arbitration of Labour Disputes,** 84, 86, 155, 190, 202.
- Conferences:**  
National, 15, 92, 93, 107, 174; international, 10, 12; significance, 110.
- Contracts of Employment:**  
Collective agreements, 7, 133, 211-217; significance, 132, 135, 138; evils of contract system, 22, 97.
- Dismissal:**  
Conditions, 132, 134; notice, 246.
- Disputes, Settlement of. See Conciliation and Arbitration.**
- Earnings of workers,** 53, 79 (*Table: Family Income and Expenditure, 1926-1930*).
- Economic emancipation:**  
Meaning, 94.
- Education:**  
Child workers, 3, 53; employees' children, 15, 22, 151.
- Eight-hour Day Movement,** 4, 11, 16.
- Enactments (see also Laws):**  
Mines Regulations of 1914, 113; Mining Regulations of 1923, 115; Oil Mining Regulations of 1928, 116; Mines Law of 1930, 117; Provisional General Factory Regulations of 1923, 119, 123, 125, 129, 132, 138, 148, 157, 162;

- Provisional Factory Regulations of Hupeh (1926), 119, 124, 125, 129, 132, 138, 149, 151, 163;  
 Shanghai Regulations for Settlement of Industrial Disputes (1927), 120;  
 Provisional Labour Regulations for the Northwestern Provinces (1927), 120, 124, 126, 130, 133, 139, 141, 163;  
 Provisional Factory Regulations of the Wuhan Municipality (1926), 121, 123, 124, 126, 131, 135, 139, 143, 163, 192;  
 Labour Regulations of Greater Shanghai, 122, 129, 139, 149, 163;  
 Kwangtung Factory Regulations, 122, 124, 126, 130, 134, 139, 141, 150, 163;  
 National Factory Law (New) of 1929, 121, 123, 124, 127, 131, 137, 140, 141, 145, 147, 152, 155, 161, 166-169, 170;  
 National Factory Law (Original Draft), 131, 136, 140, 144, 151, 153, 160, 163;  
 Peking Government Factory Regulations of 1927, 122, 126, 134, 142, 158, 163;  
 Regulations Governing Factory Inspection, 158;  
 Factory Inspection Law of 1931, 171;  
 Trade Union Regulations of 1924, 175-178;  
 Provisional Regulations of 1928, 179;  
 Labour Union Law of 1929, 181, of 1930, 188;  
 Regulations Governing Railway Employees, 203.  
 English Empiricism, 10.
- Factories:**  
 Number, 61 (*Table: Number of Modern Factories, 1912-1930*), 62 (*Table: Number of Factories and Workshops, 1904-1920*), 63.  
 Factory Council. See *Joint Industrial Council*.
- Factory System, 8, 232.  
**Farmers:**  
 Position, 102.  
**Female Workers:**  
 Protection, 6, 11, 13, 95; status, 48; earnings, 49.  
 Fishermen's Union Law, 209.  
 Fishery Law, 205-209.  
 Five-Power Constitution, 25, 44.  
**Foreign Activities in China:**  
 Result of Opium War, 8; exploitation of market and labour, 18-21; loans, 27, 38, 41.  
 Great War of 1914, 6.  
 Health of workers (see also *Sanitation*), 141.  
 Henderson, Arthur, 9.  
 Holidays. See *Rest Days*.  
 Hours of Labour, 76 (*Table: Daily Hours of Labour in 1920 and in 1930*), 167.  
*Hsing-Chung Hui* (Society for the Regeneration of China), 25, 26.  
 Hu Han-Min, 25*n.*, 35.  
 Huang Hsing, 32, 34, 41.  
 Import of Foreign Goods, 18, 20.  
**Industry:**  
 Democratic control, 9; protection of domestic market, 19; conditions, 45; domestic system, 229.  
**Industrial Establishments:**  
 Number, 55 (*Table: Industrial Establishments and Workers in 1915*), 61, 65; size, 64 (*Table: Distribution of Workers and Size of Establishments*), 65.  
**Industrial Revolution:**  
 Effects, 1, 232, sequel to factory system, 8.  
 Infantile Mortality, 50.  
 Injuries at Work. See *Accidents*.  
 Inspection of Factories, 11, 12, 156, 157, 158, 160, 161, 171, 172; inspectors, 12, 159, 160, 162, 171, 172.  
 Insurance of Workers 5, 12, 13, 22, 151.  
 International Labour Office:  
 Inception, 11; purpose, 12.

- International Association for Labour Legislation, 13.
- Joint Industrial Council, 10, 153, 154, 155, 156, 170.
- Kuo-Min Kung-Chin Hui* (National Progressive Society), 26.
- Kuo-Min Tang* (National People's Party):
- Influence, 16, 86, 90, 97, 100, 185; significance, 21, 25; policy, 87, 89; national congress, 21, 87, 88; history, 25, 29, 41, 43, 103; manifestoes and declarations, 88, 91.
- Kung-Ho Shih Chin Hui* (Republican Progressive Society), 26.
- Labour Conferences, National:
- First, 15, 92; Second, 93, 174; Third, 104; Fourth, 105; significance, 110.
- Labour Day, 16.
- Labour Movement:
- Origin, 92, history, 23, 103, 110, 233; foreign influence, 9, 10, 13, 14; domestic influence, 8, 14, 15; periods of labour development, 111.
- Labour:
- Supply, 45, 50, 133; educative period, 89-91.
- Labour Unions. See *Trade and Labour Unions*.
- Laws (see also *Enactments*):
- Enforcement and administration, 156, 161, 166, 167, 169, 218-228; development, 174, applicability in foreign settlements, 122.
- League of Nations, 13.
- Legislations (see also *Laws and Enactments*), 119, 203, 234-244.
- Legislative Yuan, 7.
- Lenin, 13.
- Li Yuan-Hung, 28, 39, 40.
- Loading or Unloading Ships, 12.
- Loans, 27, 38, 41.
- MacDonald, J. Ramsay, 9.
- May 30th Incident, 104.
- Medical Treatment, 170.
- Minimum Wage:
- Legislation, 4, 5; national standard, 9; fixing machinery, 12, 246.
- Mining:
- Legislative developments, 113.
- Night work:
- Prohibition, 11, 13, 15.
- Northern Punitive Expedition, 43.
- Nursing Mothers, 127.
- Open-Door Policy, 19.
- Opium War of 1840, 8.
- Overtime Work, 128, 245.
- Pan-Pacific Trade Union Congress, 109.
- Penalties, 161, 163-166, 172, 188.
- Phosphorus, White: Prohibition of use, 11.
- Population:
- 23 (*Table: Population and Main Industries*); wage-earning population, 57 (*Table: Number of Wage-Earners in China*), 66.
- Postalworkers' Conference, 108.
- Production, 63 (*Table: Labour and Production, 1920*).
- Profit-Sharing. See *Bonus, or Profit-Sharing*.
- Railwayworkers:
- Conference, 107; conditions of employment, 203-204.
- Reform Movement:
- Nature, 7.
- Reorganisation Loan of 1913, 27, 41.
- Rest Days, 13, 15, 16, 77 (*Table: Rest Days and Holidays, 1930*), 138, 139, 140, 168, 203.
- Revolution, of 1911:
- Dawn of new era, 7; influence, 14, 17; history, 25, 30; national, of 1925, 7, 14, 15, 29.
- Russia:
- Relations with, 10, 13, 43.
- Safety:
- Standards, 169, 246.
- San Min Chu I* (Three People's Principles), 21, 25, 44, 87, 89, 196.
- Sanitation, 13, 141.
- Secretariat of Chinese Labour Organisations, 92.

- Seventy-two Martyrs, the, 37.  
 Shift System, 13.  
 Sick Leave, 139.  
 Skilled Labour:  
   Supply, 50.  
 Southern Government, 43.  
 Standard of Living, 77.  
 Statistics:  
   Sources of information, 53.  
 Strikes:  
   Right to strike, 22, 178, 185; as  
   a weapon, 84, 98; causes, 85;  
   settlements, 90.  
 Student Movement of 1919, 14.  
 Sun Yat-Sen:  
   Work and influence, 16, 17, 21,  
   22, 25, 26, 30, 33, 34, 37, 39,  
   40, 41, 43, 87, 111, 196; Last  
   Will, 44.  
 Sung Chiao-Jen, 27, 41.  
 T'ang Leang-Li, 25*n*.  
 Tariff Autonomy, 21.  
 Ten-Hour Act of 1847, 4.  
 Trade and Labour Unions:  
   Formation and organisation, 1,  
   99, 175, 181-188; right of or-  
   ganisation, 15, 22, 176, 181;  
   number, 83 (*Table: Labour*  
   *Unions and Organised Work-*  
   *ers in 29 Cities, 1930*), 92, 93,  
   104, 233; control and registra-  
   tion, 88, 176, 177, 183-185;  
   special unions, 180; protection  
   of members, 186.  
 Treaty Ports, 8.  
 Three People's Principles. See  
   *San Min Chu I*.  
 Trotzky, 13.  
 Tsou Lu, 25*n*.  
 Tu Pin-Pi, 38*n*.  
 Tung-Meng Hui (United League)  
   25, 26.  
 Twenty-One Demands of 1915, 28.  
 Unemployment:  
   Insurance, 5; prevention, 11, 13,  
   105.  
 Unequal Treaties, 17, 19, 21.  
 Unions. See *Trade and Labour*  
   *Unions*.  
 Vacations. See *Rest Days*.  
 Versailles Peace Treaty, 11, 14.  
 Wages:  
   Struggle for higher rates, 2, 9,  
   15; relative scales, 53, 66, 77  
   (*Table: Average Wages in the*  
   *Textile Industry, 1920*), 69  
   (*Table: Daily Wages of Male*  
   *and Female Workers, 1919-*  
   *1920*), 70 (*Table: Average*  
   *Monthly Wages in 30 Indus-*  
   *trial Cities in 1930*), 71  
   (*Graph: Development of Aver-*  
   *age Wages during Period of*  
   *1915-1930*), 74 (*Table: Daily*  
   *Wages in Government Es-*  
   *tablishments, 1920*), 81 (*Table:*  
   *Index Numbers of Wages and*  
   *Prices, 1927-1930*); scale and  
   payment, 128, 129, 130, 131.  
 Wang Ching-Wei, 35, 36, 37.  
 Webb, Sydney (Lord Passfield), 9.  
 Welfare of Workers, 168.  
 Woman Workers. See *Female*  
   *Workers*.  
 Workers:  
   Number, 10, 55, 57 (*Table: Num-*  
   *ber of Wage-Earners in*  
   *China*), 63, 65, 92, 93, 104, 105,  
   233; distribution, 58, 59  
   (*Table: Distribution of Work-*  
   *ers, 1915*), 60 (*Table: Number*  
   *of Factory Workers in 30 In-*  
   *dustrial Cities, 1930*), 64  
   (*Table: Distribution of Work-*  
   *ers and Size of Establish-*  
   *ments*); position, 45; age limit,  
   52, 167, 169.  
 Workmen's Compensation. See *Com-*  
   *ensation*.  
 Works Committee. See *Joint In-*  
   *dustrial Committee*.