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OF INDUSTRIAL
DEVELOPMENT IN JAPAN**

BY

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CONTENTS

| | PAGE |
|---|------|
| INTRODUCTION - - - - - | 5 |
| I. <i>Visits to Establishments</i> - - - - - | 9 |
| A. Establishments Visited : | |
| Spinning and Weaving - - - - - | 10 |
| Iron Foundries - - - - - | 12 |
| Glass Works - - - - - | 13 |
| Manufacture of Matches - - - - - | 13 |
| Porcelain and Pottery - - - - - | 14 |
| Electric Insulators - - - - - | 16 |
| Manufacture of Electric Bulbs - - - - - | 17 |
| Watches and Clocks - - - - - | 18 |
| Manufacture of Bicycles - - - - - | 18 |
| Manufacture of Fountain Pens - - - - - | 19 |
| India-rubber Goods - - - - - | 20 |
| Breweries - - - - - | 21 |
| Printing - - - - - | 21 |
| Lacquer - - - - - | 21 |
| B. Working Conditions in Establishments Visited : | |
| Length of Working Hours and Holidays - - - - - | 24 |
| Remuneration of Labour - - - - - | 26 |
| General Standard of Living in Japan - - - - - | 28 |
| Additions to Actual Wages - - - - - | 29 |
| Cost of Living and Manner of Living - - - - - | 31 |
| Output of the Workers - - - - - | 33 |
| II. <i>Opinions</i> - - - - - | 36 |
| A. Government Views - - - - - | 36 |
| B. Employers' Views - - - - - | 38 |
| C. Workers' Views - - - - - | 42 |
| D. Various Views : | |
| Economists and Sociologists - - - - - | 47 |
| Press Opinions - - - - - | 53 |
| III. <i>Conclusions</i> - - - - - | 58 |



INTRODUCTION

THIS small volume is the outcome of a three weeks' sojourn on a research mission in Japan in the spring of 1934 (from 3 to 21 April).

In origin, this mission to Japan, with which I was entrusted by the Director of the International Labour Office, is linked up with a mission to China, carried out on behalf of the International Committee on Intellectual Co-operation. This Committee of the League of Nations was asked by the Chinese Government to send an expert to advise it on certain problems of national education, some of which concerned technical education while all of them had an economic and a social background. It was no doubt for these reasons that the Committee selected for this task the official of the International Labour Office who had represented the Office at the meetings of the Committee for the past ten years.

The Director of the International Labour Office, having agreed to this proposal, thought that this mission might well be combined with another mission, falling more directly within the scope of the Office, to the other important Far Eastern country—Japan. This view was shared by the chief of the Permanent Delegation of Japan to the International Labour Organisation, and everyone who had the interests of the Office and the universality of its activities at heart agreed that the mission would be opportune.

Japan is one of the eight States of chief industrial importance among the States Members of the Organisation which, having permanent seats on the Governing Body, play a leading part in its activities. It was therefore natural that it should be among the first to receive one of the visits of higher officials of the Office to oversea countries which the representatives of those countries have demanded with growing urgency and which have been most favourably regarded both by the present Director of the International Labour Office and by his predecessor.

But Japan is not merely one of the most important industrial States; it is also the one whose industry has made the most rapid and striking progress in recent years. It was therefore most advantageous for an official of the International Labour Office to have an opportunity of seeing Japanese industry, even if only rapidly and superficially, of forming an approximate idea of its objects and methods, of getting into touch with its employers and workers, and of studying the conditions of labour which

prevail in that country. Many times in the course of my journey friends quoted to me the old Japanese proverb, which I had already met in its Chinese form : " Better see a thing once than be told about it a hundred times."

It was specially important to obtain an idea of the position, however superficial and rapid, because in the last few months it has been suggested in various quarters that the success recently obtained by Japanese export trade in certain markets was largely due to costs of production, which were strongly influenced by unsatisfactory conditions of labour in the exporting industries. The term " social dumping " was often used, although those who used it did not always attempt to form an exact idea of the realities which underlay it. It would no doubt be too much to speak of a general trend of opinion ; during the last few months certain ideas have nevertheless been expressed which, as is well known, have been of serious concern both to the Japanese Government and to the employers and workers of Japan.

There might have been a risk that these considerations would endanger the success of my mission, and distort its object, if it had not been for the efforts of the Tokyo Branch Office, the Permanent Delegation of Japan to the International Labour Organisation and Mr. Ayusawa, the senior Japanese official of the Office, who did excellent work in preparing for the mission in the country itself. There had been announcements in some papers that I was going to Japan to make an enquiry into conditions of labour in that country and into what has been called " social dumping." The preparatory work to which allusion has been made readily showed, and finally convinced public opinion, that even if I had desired to do so, and even if I had been entrusted with that mission with the consent of the Japanese Government, I could not, in less than three weeks, make a complete enquiry into conditions of labour in so great an industrial country.

The mission was, however, of a more modest and reasonable character. It consisted in conveying the greetings of the Director of the International Labour Office to the Government of Japan, which has always been a faithful Member of the Organisation, as well as to the employers' and workers' organisations ; in getting into touch both with the Government and with the organisations in question ; and in studying, in full co-operation between the Japanese world of labour and the Office, the special problems to which that co-operation may give rise, with a view to obtaining a general impression of living and working conditions in Japan

and so enabling me in future to direct more effectively the studies which the Office may have to carry out on conditions in Japan.

The work of informing Japanese public opinion regarding the real object of the visit was excellently done, and any success which may have been achieved is primarily due to that work.

I received a cordial welcome from the Japanese authorities and the various organisations interested in the mission, and I hope they will accept this expression of my very sincere gratitude. I would thank more especially the Minister of the Interior, under whose direction is placed the Bureau of Social Affairs in Japan; the Director of that Bureau, Mr. Niwa, to-day Deputy Minister of the Interior, as well as all the heads of the services of that great department; the Ministers of Foreign Affairs, of Commerce and Industry, and of Communications, who were kind enough to arrange helpful interviews both with themselves and with the chief members of their staff; the Governors of prefectures and local administrations; the organisations of employers and workers, and the numerous institutions for economic and social study, which, as will be seen from the present Report, gave valuable assistance in my investigations.

Lastly, thanks are especially due to the managements of establishments who, at the request of the Bureau of Social Affairs, were kind enough to allow me access to their factories, to explain their operations and reply to questions.

Nor can I forget that in these long and exacting visits I had the advantage of the company of my colleague, Mr. Ayusawa, of Mr. Sakurai, of the Factory Inspection Service of the Bureau of Social Affairs, whose devoted help and experience had been placed at my disposal by the Director of the Bureau, and of Mr. Himuro, member of the staff of the Tokyo Branch Office. My cordial thanks are due to them all.

I

VISITS TO ESTABLISHMENTS

Owing to lack of time, it was impossible to visit more than the chief industrial districts of Japan, i.e. the Tokyo, Nagoya and Ichinomiya areas and the wide industrial district of Osaka, which extends as far as Kobe and Kyoto. In selecting the factories to be visited, in agreement with the Japanese Government, which had prepared the programme of visits, I was principally interested in seeing the large factories manufacturing goods for export and equipped with modern machinery. As far as possible, however, in order to have a standard of comparison, I desired to see some of the smaller workshops which have retained their original form and the output of which depends more on labour and traditional methods than on the use of up-to-date machinery, since, as will be seen, such workshops also play a part in Japanese export trade, at any rate in the case of certain industries. I also endeavoured to obtain information, at least by word of mouth and from competent witnesses, on the conditions of family industry, the produce of which, assembled by a remarkable organisation of manufacturers and dealers, has also a place in the export of certain products.

Twenty-two establishments were visited, in which the following industries were carried on : wool spinning, weaving and knitting (four); cotton spinning, weaving and dyeing (three); an iron foundry, a glass works, and factories manufacturing matches, porcelain and pottery, porcelain electric insulators, electric bulbs, bicycles, watches and clocks, fountain pens, india-rubber goods (one each), together with a brewery and printing works. In addition, three workshops representing old Japanese art industries were visited at Kyoto; these were engaged in the weaving of fine silks and embroideries, the manufacture of painted and embroidered material for kimonos, and lacquer work.

The twenty-two establishments visited represent sixteen different industrial groups. They employ rather less than 11,000 workers, slightly more than 6,000 men and 4,000 women. Japan possesses some 75,000 factories and workshops coming under the Factory Act, employing about 1,666,000 persons. If the small workshops falling outside the Act are included, together with family workshops, which are also outside the Act, a figure of four or five million persons might be reached. It would be presumptuous in the extreme to conclude from an examination of the

conditions of work of 11,000 workers that a general and final idea has been obtained of the conditions of work of four or five millions. The question has only been probed in certain places, and I am only describing here what I have seen with my own eyes. At the same time, if the choice of the establishments visited was well made, they were sufficiently representative of the industries under consideration, and generally speaking of Japanese industry as a whole, to enable me at the conclusion of my Report to formulate, with due prudence, certain observations of a more general character.

A.—ESTABLISHMENTS VISITED

Before analysing the conditions of work observed in the establishments visited, I shall give a brief description of the latter, as well as of the industry to which they belong, with a view to showing precisely how far each of them is representative of that industry.

(a) *Spinning and Weaving*

The importance of the various textile industries in Japan is well known. They employ 926,278 workers, 170,158 of whom are men and 756,120 women.

Of these industries the most important is the *cotton* trade. Cotton spinning and weaving is the occupation of some 350,000 workers, 50,000 men and 300,000 women. In 1933 the export of cotton goods was the second largest export of the country, and amounted to 20 per cent. of the total exports, coming immediately after raw silk. It is also the most concentrated of all the textile trades, both commercially by the well-organised concentration of the output of the smaller workshops, and industrially by the erection of large factories with the latest machinery which play the principal part in the present export of cotton yarn and material. Three of the larger factories were visited.

In Tokyo a visit was paid to the Hashiba Works belonging to the Dai-Nihon Cotton Spinning Company, which has a paid-up capital of 52,000,000 yen, and a reserve of 41,470,000 yen, and which possesses twenty-three factories in various places in Japan representing 1,052,000 spindles and more than 11,000 looms, employing 12,223 workers, 970 of whom are men and 11,253 women (the figures refer to the end of 1933). The factory visited is one of the largest. It employs 2,000 workers, 20 per cent. of whom are men and 80 per cent. women. It contains 97,736

spindles and 8,000 looms. Mechanisation is here highly developed. The equipment, which formerly came from abroad, is tending to become exclusively Japanese. Mechanical rationalisation is carried to the extreme. I saw girls supervising eight ordinary looms or from thirty to forty automatic looms. Some workshops appeared to be almost empty of workers. This consideration should not be neglected when the part played by conditions of work in cost prices and export possibilities is being considered.

At Ichinomiya, near Nagoya, a similar spinning factory was visited, belonging to the Toyo Spinning Company, the capital of which is 64,975,000 yen and the reserves 62,965,000 yen. It is the largest company belonging to the powerful association of Japanese cotton spinners. This factory possesses 27,650 spindles and 1,028 looms, and employs 790 workers, 133 of whom are men and 657 women.

The last of these factories visited was that belonging to the Kanegafuchi Cotton Spinning Company on the outskirts of Osaka, in the Yodogawa district. This factory employs 1,800 workers—1,440 men and 360 women—and appeared to me to be an extreme example of export factories, as 90 per cent. of its output is intended for export. Only part of its output is spun and woven in the factory itself (the small proportion of women on the staff indicates this fact), but it dyes, prepares and finishes for sale not only its own yarn and cloth, but those which are received from other factories and workshops of the company. There was no opportunity to visit any of these subsidiary workshops.

In the *wool* trade, which forms every year a larger part of Japan's export trade (21,175,000 yen in 1931, 42,047,000 yen in 1933), I visited three spinning and weaving factories of average size at Ichinomiya—the Showa Woollen Mill, the Hasegawa Woollen Goods Factory and the Moririn Woollen Mill—and considerable time in particular was spent at the Renown Knitted Goods Factory in Tokyo (knitted goods and hosiery). It is true that this factory, which employs no fewer than 151 workers (82 men and 69 women), a considerable number for this kind of trade, is not entirely representative of conditions of work in the Japanese hosiery trade, which is carried on principally in small workshops. Out of 1,354 workshops and factories engaged in this trade in 1932, 939 had less than ten workers, 144 had ten to fourteen, and 162 had fifteen to twenty-nine. However, out of 18,383 workers employed in the trade, 8,303 or 45 per cent. worked in the 109 factories and workshops which had at least thirty

workers, and 4,429 or 24 per cent. in the twenty-six factories and workshops which had 100 or more. Here, again, there is a movement towards concentration.¹

The factory visited in Tokyo belongs to a company with a capital of 500,000 yen. Its output is valued at about 1,500,000 yen per annum. The whole of its output is not manufactured in the factory, however; it employs home workers whose output is between 40 and 60 per cent. of the total, varying from year to year, the remainder being produced in the factory. Conditions of work in the factory are fixed by a compact entered into by agreement with and under the auspices of the General Federation of Labour. It may be said that at present this factory represents the best, as regards conditions of work, to be found in the wool industry in Japan.

As regards the *silk* trade, which as a matter of fact plays a secondary part in Japanese export trade—the export mostly consists of raw silk, i.e. a raw material—I visited two workshops at Kyoto producing luxury goods. One of these, the Kawashima Nishijin Brocade Manufacturing Plant, manufactures magnificent embroidered silks, brocades, etc., and the other, the Mitsukoshi Yuzen Dyeing Shop, is engaged in manufacturing painted and embroidered silks for kimonos. These are luxury trades in which the artisan is an artist rather than a workman, where wages are sometimes higher than the salary of a medium-grade official and where the general conditions of work depend on personal labour (hand-woven and painted goods) and not on mass production.

(b) *Iron Foundries*

The manufacture of iron tubing has received an impetus in Japan from urban development (Tokyo, entirely rebuilt after the 1923 catastrophe, has now more than 5,000,000 inhabitants, while Osaka has more than 3,000,000, Nagoya, Kyoto and Kobe more than 1,000,000), and from the necessity of installing numerous water and gas conduits. The Kurimoto factory, founded in 1906 on the outskirts of Osaka, which I visited, is one of those which have rendered most effective aid in freeing Japan from the necessity of importing goods from abroad. Further, the factory to-day exports not only to Korea and Formosa, but also to the Dutch East Indies and across the

¹ It should however be noted that in the Osaka prefecture, which is the principal centre of the textile industry, out of 1,190 knitted goods and hosiery factories, 822 or 70 per cent. employed less than five workers in 1932.

Pacific to Mexico. The capital of the company is 5,500,000 yen, 3,625,000 of which is paid up. It produces annually more than 75,000 tons of iron tubing of all dimensions. It employs 850 workers and 70 salaried employees.

The special technical characteristic of this factory is the highly developed rationalisation and the detailed organisation of the division of work, the result of which is that no minute of the time of any worker is lost, and that the rhythm of the work, without being exaggerated, produces the highest output. The social characteristic of the factory is found in the conclusion of a collective agreement with the workers, providing for conditions of work (hours, weekly rest, etc.) comparable with those of all the great industrial countries of Europe and America.

(c) *Glass Works*

The glass industry is of recent creation in Japan. So lately as 1909 Japan produced only one-ninety-sixth part of the sheet glass required in the country. To-day it occupies the third place in world sheet-glass production, accounting for more than one-seventh of the production of the whole world; and, not content with supplying its own needs, it exports sheet glass to British India, the Dutch East Indies, China, the Philippines and elsewhere. Eighty-eight per cent. of this enormous output is provided by a single company, the Asahi Glass Works Company, which has three large factories only. The industry is thus highly concentrated, and, having visited one of the large factories of the Asahi Company—the Amagasaki factory near Kobe—I am justified in thinking that I obtained an adequate idea of the Japanese glass industry.

This factory employs 238 workers, all males. The minimum age for employment is fourteen years. The "Fourcauld" system is employed. Work is continuous and is organised on the three-shift system.

(d) *Manufacture of Matches*

Japanese production of matches, after having passed through a period of great prosperity from 1925 to 1927 (1925 : production, 16,232,000 yen; exports, 8,733,000 yen; 1927 : production, 12,535,000 yen; exports, 8,156,000 yen), slumped considerably after 1929 : in 1932 production was valued at no more than 6,921,000 yen, and exports fell to 938,000 yen. In 1933, however, exports had already risen to 3,248,000 yen. A fresh period of prosperity is in view; exports are increasing considerably to all

countries touching the Pacific Ocean, to the Philippines, to the Dutch East Indies, and even to America.

I visited the Iriye factory in the Osaka district, which belongs to the Daido Match Manufacturing Company. This company has a capital of 4,000,000 yen. The factory visited, which is one of the largest in Japan, employs 550 workers : 196 males and 354 females. As 80 per cent. of the 7,300 workers in 143 match factories are employed in the larger factories having more than fifty workers, the industry is of a concentrated nature, and it would seem that the Iriye factory is fairly representative of present conditions of work in this trade.

The most striking feature of this factory is its high degree of mechanisation and, in the few hand operations still performed, e.g. making up boxes into packets, the extraordinary rapidity of work, which almost resembles the manipulations of a conjurer. There are very few factories in Japan where I noticed these three qualities of modern industry so closely associated and simultaneously so highly developed—mechanical development, ingenious machinery, and rapidity of hand work—although the association of these qualities is frequently met with in that country.

(e) *Porcelain and Pottery*

Porcelain is one of the products the export of which has risen most rapidly during recent years : 19,307,000 yen in 1931, 22,937,000 yen in 1932, 35,134,000 yen in 1933. At Nagoya, I visited the important works of the Nihon Porcelain and Pottery Company, one of the largest porcelain factories in Japan, and one of the two largest in the Nagoya district, which has been the centre of the industry for centuries. The factory manufactures both articles of current use and fancy articles or artistic objects. In the showroom may be seen patterns of articles for the home market, both ordinary and high-grade goods, as well as patterns of articles for export in the Chinese, English, German, American, Australian and South African tastes. The factory possesses a body of decorators numbering about twenty, who are not ordinary workmen, but artists, and side by side with whom a body of apprentices work and learn the trade. The general body of workpeople are some 500 in number ; these workers, two-fifths of whom are females, are employed on the various operations which transform the clay, kaolin, and the raw colours into tea-services, saké cups, plates and vases.

The factory is highly mechanised, although the management was careful to point out on several occasions that the equipment and installation were about to undergo rearrangement and improvement. As it is, the organisation already appears to have reached a high degree of perfection. Conditions of work are modern and European in character, and though there are no collective agreements, the factory nevertheless possesses a works council, to which representatives of the workers belong.

It should be mentioned, however—and the Nagoya Porcelain Workers' Union specially drew my attention to the point—that all the porcelain manufactured does not come from factories such as the one visited, which is a kind of model factory, more representative of the future than of the present as regards the manufacture of porcelain. Actually, a company such as that which owns the factory I visited supplies itself with goods by two methods :

- (1) The large works itself manufactures objects of the best quality, from the actual forming of the articles with the clay of the country to the firing, the decoration and the painting. These goods are chiefly intended for export. The methods in use for this manufacture are by far the best to be found in Japan.
- (2) It collects, assembles, and sells objects of lower quality manufactured in small workshops, which are principally intended for the home market. There are two centres of manufacture in small workshops, the one in the Higashi Mino district (prefecture of Gifu), which has some 10,000 workers, and the second in the prefecture of Aichi, which has 10,840 workers, 5,863 of whom are at Nagoya itself, including the workers in the large factory. It is here that the majority of porcelain decorators are found.

Conditions of work in the home workshops are as follows. The central factory derives its supply through orders addressed to a middleman, who divides the work among the various small workshops in the district. The price is fixed in advance between the factory and the middleman, not on the basis of the cost of production, but on the basis of a predetermined selling price. The middleman retains part of this price as his own profit. The remainder goes to the workshop to which the order is given. There is thus a fixed sum for that workshop. When the price of raw materials furnished by the middleman rises, the amount available for the wages in the small workshop falls. The consequence is

that at certain times and in certain small workshops, wages are much lower than in the large factory where, owing to mechanised mass production, the price of raw materials plays a smaller part. In order to produce a sufficient quantity of articles to earn their living, the workers in these workshops are obliged to work long hours, and a working day of 12 hours for adult males in certain cases was mentioned.

In these circumstances, it would be injudicious to conclude that the conditions in the smaller workshops resemble the conditions of work seen in the large factory visited. All that can be said is that the conditions of work are the best in the large export factory, and that in proportion as exports grow, new factories of its kind will doubtless spring up and conditions of work will consequently benefit.

(f) *Electric Insulators*

At Nagoya again, I visited a factory manufacturing porcelain insulators—the Nihon Insulator Company.

The rapid strides made by the electrical industry in Japan are well known. The country, rich as it is in hydro-electric possibilities, has already utilised 60 per cent. of its capacity. As regards the quantity of electric power distributed it exceeds Germany and France, is more or less on the same level as Great Britain, Canada and the U.S.S.R., and is only exceeded by the United States. This is the cause of the vigorous development of the insulator trade, and also (as in all the great Japanese industries) of the rapid transition from the period of working solely for the home market (which is very considerable) to the period of export. The factory visited exports to Manchuria, the Philippines, India, Canada and elsewhere. In 1931, out of a total production of 1,400,000 yen, exports amounted to 150,000 yen, i.e. slightly over 10 per cent. In 1933, out of a total production of 2,900,000 yen (double the previous figure), exports amounted to 430,000 yen (treble the previous figure), i.e. nearly 15 per cent.

In addition to 60 salaried employees of both sexes, and 60 engineers and technical workers, the factory employs 530 workers—370 men and 160 women. There is no doubt that from the technical standpoint it represents the highest degree of perfection possible at the present time. It is exactly representative of the conditions of organisation, production and output, as well as of labour conditions, which a new exporting industry can realise in Japan.

(g) *Manufacture of Electric Bulbs*

The manufacture of electric bulbs has made enormous strides during the last ten years as a result of the hydro-electric development referred to above. I did not see a single village which had not electricity in all the houses, even the poorest. Here also, as elsewhere, manufacture for export is rapidly being added to manufacture for the home market. The following figures will show how exports have increased between 1923 and 1932 (the figures were supplied by the Osaka Industrial Association) :

| Year | Number of bulbs exported (in thousands) | Value (in thousands of yen) | Selling price per bulb (in yen) |
|-------------|---|-----------------------------|---------------------------------|
| 1923 | 13,395 | 1,334 | 0·100 |
| 1926 | 30,403 | 2,955 | 0·097 |
| 1929 | 96,804 | 5,399 | 0·056 |
| 1930 | 101,664 | 5,316 | 0·052 |
| 1931 | 151,488 | 5,875 | 0·039 |
| 1932 | 273,456 | 10,187 | 0·037 |

It will be seen that the number of bulbs exported has increased in ten years in the proportion of 1 to 21, while the price of the exported bulbs has fallen by nearly two-thirds.

I visited the Osaki Works at Tokyo, which belongs to the Tokyo Electric Light Company. This is a large concern with a capital of 2,000,000 yen, 500,000 yen being paid up. The annual output of the factory is to-day valued at 6,000,000 yen, so that this factory alone could supply three-fifths of the Japanese export trade if—which is not entirely the case—it manufactured only for export. From the technical standpoint, although the buildings are of wood and modest in appearance, the factory is well organised and the conditions of work of its 223 workers (50 men and 173 women) are equal to Western conditions.

Precisely, however, because it possesses so large a staff and complete an equipment, I cannot say that the factory is entirely representative of the conditions of manufacture and work in this branch of Japanese industry; for owing to the simplicity and cheapness of the equipment necessary for manufacturing electric bulbs, production can be undertaken almost without the need for capital. There is consequently a multitude of small workshops, even on a family scale, engaged in the industry. I was informed that the articles produced in these workshops were frequently of inferior quality. It is thus inevitable that sooner or later such

goods, if they do not improve in quality, will be driven off the foreign market (to the extent to which they are intended for it to-day) by competition and replaced on that market by the output of the large factories similar to the one visited.

My conclusion as to the extent to which the factory visited may be considered representative is thus similar to that reached in the case of the porcelain factory, to which reference may be made.

(h) *Watches and Clocks*

A visit was paid to the Seikosha Watch and Clockmaking Factory founded by the late Mr. K. Hattori in the industrial district of Honjo, the eastern part of Tokyo. The Hattori Company to-day has a capital of 10,000,000 yen, and its annual output amounts to 3,000,000 yen. The factory visited is extremely well organised from the technical standpoint; the machines and appliances were originally all of foreign origin : to-day the equipment is entirely Japanese. It is a large factory employing 2,196 workers, of whom 1,552 are men and 644 women. The average age of the latter is not more than twenty, and as a rule they only remain in the factory for six or seven years until they marry. Their conditions of employment consequently resemble those found in the cotton-spinning factories. There is a growing tendency here to engage girls, particularly in the watch assembling shops, where they show greater skill than men. Many workers are boys of 13 to 15. It is considered that the workshop serves them as a technical school. The goods manufactured by the Seikosha Works are exported to the whole of the Asiatic coast, the Malay Archipelagos, Africa, Australia and even further afield.

The conditions of manufacture and work in this factory are thought to be fairly representative of the general conditions in the industry, or at least of that part of it which exports high-grade goods.

(i) *Manufacture of Bicycles*

This industry has begun to export largely during recent years : 3,296,000 yen in 1931, 6,028,000, in 1932, 12,144,000, in 1933.

A visit was paid to the Miyata Bicycle Works in Isurumi, a district of Tokyo. This is one of the largest bicycle factories in Japan. It is highly mechanised, and employs no fewer than 360 workers, 200 of whom are men and 160 women. Conditions of work in the factory are comparable with those prevailing in Western countries.

Most of the bicycle parts, of which there are more than seventy, are manufactured in the factory itself, where they are assembled, set up, packed and despatched. Even in so large a factory as this, however, there are parts which are not manufactured, but are supplied by small specialised workshops, certain of which are even fitted out to provide a subsidiary occupation for peasants. This is the first reason which inclines me not to consider the conditions of work in this large factory as entirely representative. A second reason is found in the following table, which classifies factories according to the number of workers employed.

| Size of the factory | Number of factories | Number of workers | Value of output (in thousands of yen) |
|-------------------------|---------------------|-------------------|---------------------------------------|
| From 5 to 9 workers ... | 195 | 1,211 | 2,742 |
| „ 10 „ 14 „ ... | 58 | 738 | 1,401 |
| „ 15 „ 29 „ ... | 74 | 1,610 | 4,408 |
| „ 30 „ 49 „ ... | 35 | 1,384 | 3,188 |
| „ 50 „ 99 „ ... | 13 | 1,130 | 2,354 |
| „ 100 „ 199 „ ... | 7 | 1,024 | 2,600 |
| Over 200 workers ... | 3 | 992 | 3,192 |
| | 385 | 8,089 | 19,885 |

Thus, ten large factories of 100 hands and more employ 25 per cent. of the labour, while the forty-eight medium factories of thirty to ninety-nine workers employ 31 per cent. If it may be considered that the conditions of work in these factories resemble those in the factory visited, there remains the fact that 44 per cent. of the labour occupied in the industry is employed in the 327 workshops with less than thirty hands, and of the conditions of work in those establishments I have no knowledge.

(j) *Manufacture of Fountain Pens*

This industry has also become one of the large export trades of Japan. The factory visited at Tokyo—the Namiki Fountain Pen Factory—was founded some thirty years ago by Mr. Namiki, a retired naval officer (hence the name of his well-known fountain pen “the Pilot”), at first on a very small scale, only two workers being employed. To-day the company has a capital of 500,000 yen, and an annual output valued at 870,000 yen. The factory employs 179 workers (145 men and 34 women). It is in relations with the Japanese Labour Federation (*Nihon Rodo Sodomei*) for the purpose of fixing conditions of work. Labour questions

are dealt with by a works committee, including representatives of the company, the workers, and the Labour Federation. Conditions of work are comparable with those found in Western countries. The factory appeared to me to be fairly representative of all those producing fountain pens for export.

(k) *India-rubber Goods*

Although an exporting industry for several years, this trade experienced severe depression as regards exports in 1930, but has made a good recovery since 1932, as is shown by the following figures of exports supplied by the Ministry of Commerce and Industry (in thousands of yen) :

| Year | Shoes | Tyres | Toys |
|-------------|-------|-------|-------|
| 1929 | 7,445 | 6,301 | 2,161 |
| 1930 | 6,593 | 5,274 | 2,049 |
| 1931 | 4,394 | 3,858 | 2,199 |
| 1932 | 4,890 | 4,377 | 5,507 |
| 1933 | 8,213 | 8,839 | 8,633 |

Thus, in three years, exports of shoes have almost doubled, and exports of toys quadrupled. To-day Japan has passed from the fourth place to the second in this group of industries, coming after the United States and before Great Britain and France. Apart from the three large factories at Fukuoka (rubber soles), Kobe (Dunlop tyres) and Yokohama (miscellaneous goods), most of the rubber trade is carried on in small workshops. Notwithstanding this the industry has been highly rationalised both in manufacturing processes and in commercial methods.

The factory visited was the Union Rubber Goods Factory in the Honjo district of Tokyo. This is a very small factory with a limited amount of capital; mechanisation is not highly developed; and only twenty-seven workers, including five women, are employed. It is fairly representative of the conditions of numerous rubber workshops, with this difference, however, that the owner of the factory having gone bankrupt a few years ago, it was taken over by a workers' union belonging to the General Federation of Labour. It will be understood that conditions of work are the best, or the least bad, to be found in workshops of this category which do not want to work at a loss, a result which this workers' workshop has succeeded in reaching. These conditions, therefore, are the best which may be found in Japan at present by the workers in the trade, apart from rare "model

factories" like Nihon Tabi Kojo, which was mentioned to me, but which I did not visit. Such factories give a picture of the situation towards which the Japanese rubber industry is tending rather than of the present situation.

(l) *Breweries*

Brewing, or at least brewing on a large scale for export, is a recent industry in Japan. Its progress has been rapid, however. Beer exports rose from 3,034,000 yen in 1931 to 4,835,000 in 1932 and 7,684,000 in 1933. Beer is exported particularly to Manchuria, Kwan-Tung, China, and the Dutch East Indies.

The Asahi Brewery, which I visited, is situated at Nishinomiya, near Kobe. It is a large establishment with the most modern equipment both for the manufacture of beer and for bottling, packing and despatch. It employs 127 workers—54 men and 73 women. It is typical of the few fairly large breweries brewing for export.

(m) *Printing*

A visit was paid to the large printing works of the newspaper *Asahi* in Tokyo. This works closely resembles the large European or American newspaper printing works, except in one respect. As the Japanese newspapers are printed in characters of Chinese origin, they require a remarkably large number of compositors, who, when setting type, move feverishly about, copy in hand, along enormous vertical cases which hold a sufficient number of each of the 3,000 characters and more, which are the minimum required for printing a newspaper. It follows that a much larger staff of compositors is required than for the composition of a newspaper in a European language, and the wage-bill is consequently particularly heavy, whatever the rate of wages may be.

(n) *Lacquer*

I also visited the celebrated lacquer factory at Kyoto, the Zohiko Lacquer Goods Shop. I only mention it in passing, as the work is of a highly artistic nature and the persons employed are artists rather than artisans. Some of them are in receipt of a daily wage which, if they worked only 300 days a year, would mean that their annual income equalled the minimum salary of a chief of division in a prefecture, the maximum salary of the secretary of a Ministry, or the salary of a Member of Parliament.

LENGTH OF WORKING HOURS AND HOLIDAYS IN ESTABLISHMENTS VISITED

| Industry | Establishment | Number of workpeople | | Hours of attendance | Time for meals (minutes) | Rest periods (minutes) | Actual working hours | Nature of holidays | Observations |
|------------|---|----------------------|-------|------------------------|--------------------------|------------------------|-----------------------|--------------------|--|
| | | Men | Women | | | | | | |
| Textile | Hashiba factory of the Dai-Nihon Company (Tokyo) | 400 | 1,600 | 9 | 30 | — | 8½ | Weekly rest | 2 shifts from 5 a.m. to 2 p.m., from 2 p.m. to 11 p.m. Day work : from 7 a.m. to 5 p.m. = 9½ hours |
| | Toyo Cotton Spinning Company (Ichinomiya) | 133 | 657 | 9 | 30 | — | 8½ | „ | |
| | Yodogawa factory of the Kanogafuchi Company (Osaka) | 1,440 | 360 | 10 | 30 | 30 | 9 | Fortnightly | |
| | Spinning and weaving woollen mills of Ichinomiya | — | — | Men : 11 Women : 10 | 30 | 30 | Men : 10 Women : 9 | „ | |
| | Renown Knitted Goods factory (Tokyo) | 82 | 69 | 10½ | 60 | 15 | 9½ | „ | |
| Ironworks | Kurimoto Iron Tube Manufactory (Osaka) | 850 | — | 8 | — | — | 8 | Weekly rest | 3 shifts |
| Glassworks | Asahi Glass Works Company (Osaka) | 238 | — | 8 | — | — | 8 | Fortnightly | 3 shifts. Day work : 10 hours |
| Matches | Daido Match Manufacturing Company (Osaka) | 196 | 354 | 9 | 60 | — | 8 | Weekly rest | 2 shifts. Enginemen : 10 minus 1 = 9 hours. |
| Porcelain | Nihon Porcelain and Pottery Company (Nagoya) | 300 | 200 | 9 | 30 | 30 | 8 | Fortnightly | |

| | | | | | | | | | |
|--------------------|--|-------|-----|----|----|----|----|-------------|---|
| Insulators ... | Nihon Insulator Company (Nagoya) | 370 | 160 | 9 | 30 | 30 | 8 | Weekly rest | |
| Electric bulbs ... | Osaki Man. (Tokyo) Electric Light Company | 50 | 173 | 9½ | 30 | — | 9 | „ | Summer hours. In winter, ½ hour less : 8½ hours. |
| Clocks and watches | Seikosha Watch and Clockfactory (Tokyo) | 1,552 | 644 | 9½ | 30 | 30 | 8½ | Fortnightly | |
| Bicycles ... | Miyata Bicycle factory (Tokyo) | 260 | 100 | 8½ | 30 | — | 8 | Weekly rest | |
| Fountain pens... | Namiki Fountain Pen factory (Tokyo) | 145 | 34 | 9½ | 30 | 60 | 8 | „ | Summer hours. In winter, ½ hour less attendance and rest. |
| Rubber... .. | Union Rubber Goods factory (Tokyo) | 22 | 5 | 10 | 60 | — | 9 | „ | Workers' factory |
| Breweries ... | Asahi Brewery (Nishinomiya, near Kobe) | 54 | 73 | 10 | 60 | — | 9 | „ | |
| Printing ... | Asahi newspaper (Tokyo) | — | — | 8 | — | — | 8 | „ | |

B.—WORKING CONDITIONS IN ESTABLISHMENTS VISITED

(a) *Length of Working Hours and Holidays*

A table is given on pages 22 and 23, indicating the length of working hours and holidays noted in the establishments which were visited, except the three establishments in Kyoto manufacturing luxury goods (embroidered silk, silk for kimonos, lacquer work), and putting on one line the three woollen factories in Ichinomiya (Showa Woollen Mill, Hasegawa Woollen Goods Factory and Moririn Woollen Mill) where the conditions are identical.

The length of working hours and holidays are given in the same table because in Article 9 of the Washington Convention, in the special conditions applying to Japan, the two questions are treated together, as follows : a maximum period of fifty-seven working hours per week for workers over fifteen years of age and the observance of a weekly rest period of twenty-four consecutive hours.

In addition to the periodical holidays, at whatever intervals they are given, four days should be added in the case of every establishment for national holidays, together with New Year's Day, and, for Buddhists, All Souls' Day, in summer.

If a comparison is drawn between the system of hours of work and rest periods in the establishments visited, and the provisions of Article 9 of the Washington Convention, it will be seen that the majority of those establishments already enjoy more favourable conditions than those provided for in that Article. The only two exceptions are, first, that some undertakings still observe the fortnightly rest day, which is the only one laid down, it is true, by the Factory Act of June 1929, and, secondly, that the ten-hour day, at least for men, remains in force in a certain number of weaving factories (nine or nine-and-a-quarter hours in certain others), although in spinning sheds the eight-and-a-half hour day is already in force. Of the twelve factories and workshops not engaged in textile or luxury trades which I visited, however, three have an effective working day of nine hours, one an eight-and-a-half hour day, and eight an eight hour day. Of these twelve factories and workshops, three practise the fortnightly rest and nine the weekly rest.

I repeat that these are mostly particularly progressive establishments, both technically and socially. Here, as elsewhere, technical progress is followed by social progress. It was

several times pointed out to me that in medium and smaller workshops, the working day was much longer (days of twelve hours were mentioned) while holidays were shorter and less regular. As, however, most of these workshops have much less than ten workers, they will never come under the Washington rule¹. Further, from the standpoint of competition in the foreign market, it should be noted that, while Japan has exported cotton goods to the value of 323,000,000 yen annually on the average during the last few years, the export of yarn produced in small workshops did not exceed 1,000,000 yen, so that it may be said, first, that cotton exports do not depend upon inferior conditions of work, and, secondly, that if conditions of work were improved in the smaller workshops, Japanese exports would not suffer. Lastly, it may be expected that the more favourable system of hours of work and holidays will spread in proportion as industry, with a view to increasing export, is mechanised and concentrated or is even rationalised and linked up without being concentrated. I cannot of course say that Japan can ratify and apply the Washington Convention until further action has been taken, but I am convinced, from what I have seen and heard regarding the system of work in the large factories, and even the smaller workshops co-ordinated for export, that if that system were generalised it would put Japan in a position to ratify the Convention without difficulty. Thus the upward curve of exports, and the organisation of industry with a view to export, far from taking place at the expense of the system of hours of work, and making it worse, would result in its improvement in the future, as they have undoubtedly done in the recent past.

Japan should be encouraged to continue without hesitation on its present lines by the remarkable results as regards output which are obtained from a shortened working day with, no doubt, improved mechanisation. The comparative table given on page 26 of hours of work and output in certain great Japanese industries between 1922 and 1932 illustrates these results. The figures are taken from the statistics published by the Factory Inspection Section of the Labour Division of the Bureau of Social Affairs in the Ministry of the Interior.

¹ According to the 1930 census, out of 5,291,000 persons working in Japan in industrial undertakings, 3,179,000, i.e. 60 per cent., are employed in undertakings which have not more than five workers.

HOURS OF WORK AND OUTPUT PER WORKER IN THE PRINCIPAL
JAPANESE INDUSTRIES BETWEEN 1922 AND 1932

| Year | Weaving | | Cotton spinning | | Silk spinning | | Coal mines | |
|-----------|----------------------------|---------------------------------|----------------------------|---|----------------------------|--|---------------|---------------------|
| | Hours of work ¹ | Production per head (100 yards) | Hours of work ¹ | Production per head (bales ²) | Hours of work ¹ | Production per head (kwan ³) | Hours of work | Production per head |
| 1922 ... | 11 | 18 | 11 | 12 | 12 | 18 | — | 111 |
| 1923 ... | 11 | 20 | 11 | 13 | 12 | 19 | — | 104 |
| 1924 ... | 11 | 20 | 11 | 13 | 12 | 22 | — | 120 |
| 1925 ... | 11 | 21 | 11 | 14 | 12 | 23 | — | 124 |
| 1926 ... | 11 | 22 | 11 | 14 | 12 | 23 | — | 134 |
| July 1926 | 10 | — | 10 | — | 11 | — | — | — |
| 1927 ... | 10 | 25 | 10 | 15 | 11 | 24 | — | 140 |
| 1928 ... | 10 | 31 | 10 | 16 | 11 | 24 | — | 142 |
| 1929 ... | 10 | 35 | 10 | 17 | 11 | 24 | — | 150 |
| 1930 ... | 10 | 39 | 10 | 18 | 11 | 26 | — | 153 |
| July 1930 | 8½ | — | 8½ | — | Sep.: 10 | — | Sep.: 10 | — |
| 1931 ... | 8½ | 49 | 8½ | 20 | 10 | 27 | 10 | 181 |
| 1932 ... | 8½ | 50 | 8½ | 22 | 10 | 31 | 10 | 218 |

¹ The average number of hours of work for each year is arrived at by taking the maximum daily hours allowed by the Factory Act and deducting the working time represented by the length of the legal rest period.

² A bale is 226 kg. 996 gm.

³ A kwan is 3,750 gm.

(b) *Remuneration of Labour*

I was, of course, aware long before I undertook my mission in the Far East and got into touch with Japanese industry that it is an extremely difficult matter to form an accurate estimate of wage rates, the total amount of earnings and, more generally, the total value of the remuneration of a worker's labour. In dealing with this matter, even more than in the case of hours of work and holidays, I was only able to collect information on a few representative cases. The information which is given below, and the comments which are made upon it, are merely intended to provide a few suggestions as regards the investigation and interpretation of the facts for the benefit of those persons who may in the future undertake a systematic study of the problem.

The first observation, which presents no difficulty and has been made frequently by other observers, is the low level of wages and *nominal* earnings in Japanese industry as compared with the great industrial countries of the West.

In the textile works which I visited (leaving out of account, of course, the undertakings at Kyoto which produce luxury goods), the earnings appeared to vary slightly in the different undertakings. It would, however, seem that the Japan Cotton

Spinners' Association is right in stating that the average daily earnings in large undertakings are 1·50 yen for men and 0·80 yen for women. It must be remembered that most, if not all, of the women workers are girls between fifteen and twenty-one who work under a system which will be described in a subsequent passage of the present Report.

In the other factories which I visited, wage rates appeared to be, generally speaking, rather higher for men and rather lower for women (with one or two exceptions). The average daily earnings in the clock and watch factory in Tokyo are 1·60 yen for men and 0·80 yen for women; in the brewery 2·30 yen and 0·77 yen; in the insulator factory 2·40 yen and 0·60 yen; in the electric bulb factory 2·68 and 1·10 yen; in the fountain pen factory 64·30 yen and 24 yen *per month*, and in the glass factory 74·65 yen *per month*.

It should not be forgotten that the above figures are averages, and that wage rates, and consequently earnings, vary considerably according to the age, skill and duties of the workers. In the rubber goods factory, for which no average figures are available, wages vary from 0·60 yen to 2 yen for men and 0·35 yen to 0·50 yen for women. In the watch and clock factory they range from 0·50 yen to 3 yen or more for men and from 0·50 yen to 2 yen for women; in the match factory from 0·70 yen to 3·50 yen and from 0·60 yen to 1·10 yen; in the brewery from 1·37 yen to 3·72 yen and from 0·66 to 0·92 yen; in the insulator factory from 1·40 yen to 3·90 yen, and from 0·60 yen to 1·90 yen; in the electric bulb factory from 0·50 yen to 3 yen and from 0·50 yen to 2 yen; in the fountain pen factory from 15 yen to 150 yen and from 15 yen to 50 yen *per month*; and in the glass factory from 51 yen to 122·26 yen *per month*. In many factories, wages rise by six-monthly increments (of from 7 to 10 sen per day); thus the wages increase according to seniority provided that the work is satisfactory. It must, however, be remembered that the highest nominal wage of 150 yen per month, paid to the oldest and most highly skilled workers of the factories which I visited, represents no more than 150 Swiss francs per month, and the lowest is equivalent to 35 Swiss centimes per day at the present rate of exchange.

In addition to these regular wages, allowance must be made for bonuses of various kinds. For example, in the Hashiba Spinning Mills at Tokyo, every male worker receives a bonus of 55 yen and every female worker a bonus of 13·50 yen at the end of the year. In the glass works which I

visited at Osaka, each worker who has been employed for one month without interruption receives an additional allowance of 2 to 4 yen, while an annual bonus of 112 yen is paid in two half-yearly instalments. In the brewery which I visited near Kobe, a bonus of 1·30 yen for men and 0·80 yen for women, plus two days' pay, is given for a month's uninterrupted work, while there is also an annual bonus of 15 to 100 yen for men (in the case of women the bonus is only 1 to 8 yen).

In spite of these minor advantages, it is quite clear that nominal wages in Japan are generally low. If, however, this observation were not supplemented by others, it might lead to conclusions concerning the position of workers in large-scale industry which would be very much open to dispute.

(c) *General Standard of Living in Japan*

The general standard of living in Japan is very low because Japan is a poor country. The great masses of the population are still rural and agricultural workers. As a consequence of this, the standard of living of the agricultural worker serves as a comparative basis for the standard of living of the other classes of the population. The standard of living of the agricultural worker is, however, considerably lower than that of the industrial worker. Agricultural properties are generally very small, and the price of agricultural products did not rise when the yen fell. The standard of living of the agricultural classes has therefore remained lower than that of the industrial working classes.

Moreover, the standard of living of what may be called the upper classes (liberal professions, civil servants, etc.) is not very much higher. This will be seen from the following table, which gives the annual nominal salaries of various grades of officials and other persons holding public posts (not including supplementary allowances and allowances for the upkeep of a house or car, which may be regarded as necessitated by the duties of the official in question and as being wholly expended for that purpose).

| | Yen |
|------------------------------------|-------|
| Prime Minister | 9,600 |
| Ministers | 6,800 |
| Vice-Ministers | 5,800 |
| Members of the Privy Council : | |
| President | 6,600 |
| Vice-President | 6,200 |
| Members | 5,800 |
| Governors of Prefectures : | |
| Maximum | 5,350 |
| Minimum | 4,920 |
| Divisional Chiefs of Prefectures : | |
| Maximum | 4,050 |
| Minimum | 3,040 |

| | |
|--|-------|
| Director of Bureau of Social Affairs : | Yen |
| Maximum | 5,800 |
| Minimum | 5,100 |
| Chiefs of Division of the Bureau | 4,650 |
| Secretaries of the Bureau : | |
| Maximum | 3,400 |
| Minimum | 1,050 |
| Members of Parliament | 3,000 |
| Presidents of the Upper and Lower Chamber ... | 7,500 |
| Vice-Presidents | 4,500 |
| Monthly salaries of clerks of the Bureau of Social Affairs : | |
| Maximum | 145 |
| Minimum | 40 |
| Police officers : | |
| Maximum | 85 |
| Minimum | 40 |
| Policemen : | |
| Maximum | 80 |
| Minimum | 30 |

The average monthly wages of workers in the fountain pen factory which I visited (64·30 yen) were calculated on the basis of the average salaries of subordinate officials in the prefectures.

(d) *Additions to Actual Wages*

In most of the large undertakings which I visited, my attention was drawn to various advantages granted to the workers which, in the view of the employers, represent an actual addition to wages, either because they enable the workers to obtain some of the ordinary necessities of life free of charge, or because they enable them to obtain them at a reduced price. Below are mentioned, by way of example, the advantages which the Japan Cotton Spinners' Association mentions as being granted to workers in all large- and medium-scale Japanese cotton spinning mills.

- (1) Expenditure on food.—The expenditure on food, which is a very considerable item in every working-class budget, has not been affected by the fall of the yen, as most of the foodstuffs on which the people live (rice, fish, vegetables, tea, sugar) are produced in Japan and have not become more expensive since the fall of the yen. In addition, many foodstuffs are supplied to the workers by the undertaking at a still lower price. Further, many workers take their meals in the factory. I visited undertakings where three sufficiently substantial meals a day are supplied to the workers at a total price of 20 sen (about 20 Swiss centimes).
- (2) Most workers in the cotton spinning mills either live with their families in workers' dwellings or, in the case of young men, and still more of young women, are accommodated in

dormitories. Much has been written on the dormitory system in factories, and the question was discussed in the study published by the Office entitled *Industrial Labour in Japan*¹. It is not necessary to add much to what was said in that study. I need only state that I inspected the dormitories in one-half the undertakings which I visited, and that all of them appeared to be equipped in a clean and sanitary way and not without artistic taste. The fees charged for dormitory accommodation are extremely small. The rents for workers' dwellings are also very low.

- (3) Other material advantages: hygienic facilities and free baths for workers, whether or not they are provided with accommodation by the factory; free medical treatment.
- (4) Other free advantages of a social and intellectual kind: general and technical education; household education for girls (including the art of arranging flowers and the "tea ceremony"); reading and recreation rooms; gardening; sports; cinema performances.

The arrangements were very similar in large undertakings other than cotton mills. Mention may also be made of the organisation of mutual benefit associations, particularly in the Namiki Works for the manufacture of fountain pens, which has established a mutual benefit society known as Yukiwa Kai to which all the worker members pay 0·75 per cent. of their wages (it should be remembered that in this factory wages are paid by the month), while the company contributes twice the amount, and a sickness insurance fund to which the workers contribute 0·11 per cent. of their basic wage and the employers 0·14 per cent. The Asahi brewery has a mutual benefit association, membership of which is compulsory for the workers, the monthly contribution being 20 sen for men and 10 sen for women.

It cannot be denied that most of these advantages represent a substantial saving on the workers' budget and a considerable reduction of expenditure. The management of the Hashiba Spinning Mills, of the Dai Nihon Cotton Spinning Company at Tokyo, says that one of its workers who receives a daily cash wage of 1·50 yen is given at least half as much again in the form of an annual bonus, cheap accommodation in a dormitory and cheap food supply. In the case of a woman worker receiving a daily wage of 60 sen, these additional advantages would almost double

¹ Studies and Reports, Series A (Industrial Relations), No. 37. Geneva, 1933. xvi + 416 pp.

her earnings, as the total amount received in cash and in kind would represent more than 1 yen. In the weaving mills of the same company the additional allowances are stated to represent 90 sen per day for a man and 55 sen per day for a woman.

The figures given in the following table were supplied to me.

DAILY COST OF A DAY'S WORK TO THE EMPLOYING COMPANY
(IN YEN)

| | Average cash wage | Cost of dwellings, dormitory, etc. | Cost of bonus, various facilities, and welfare | Total |
|------------------|-------------------|------------------------------------|--|-------|
| Spinning mills : | | | | |
| Men | 1.44 | 0.20 | 0.65 | 2.29 |
| Women | 0.62 | 0.18 | 0.40 | 1.20 |
| Weaving mills : | | | | |
| Men | 1.25 | 0.20 | 0.72 | 2.17 |
| Women | 0.61 | 0.18 | 0.39 | 1.18 |

(e) *Cost of Living and Manner of Living*

It is true that even with these additions, if the amounts mentioned may be regarded as accurate (which after examination I believe to be the case), the remuneration of industrial work is still very low, especially if it is remembered that the figures given relate to large undertakings where labour conditions are the best to be found in Japan.

Account must, however, be taken of two important factors. The first of these is the very low cost of living. The manufactured goods exported by Japan are regarded in competing countries as being extremely cheap. The manufactured goods sold on the home market in Japan are still cheaper, for Japan does not practise commercial dumping (indeed, how could it do so when the majority of the consumers are so poor ?), and a considerable proportion of the cheapest quality goods is generally reserved for the home market. A seat in the theatre or the cinema may be had for a few sen. Six pairs of cotton socks cost 1.20 yen. A complete meal in the dining car of a train costs 50 sen. An indefinite number of such examples could be given. The price of foodstuffs has not noticeably increased since the yen fell. At the present time the Government is taking strong action, as the result of which the cost of rice is the same as it was three years ago when the yen was at par, although it has now fallen to one-third of its previous value. The burden of this vigorous policy falls on the peasant,

while the industrial worker, the trader and the civil servant benefit by it. The newspaper *Osaka Asahi* recently published figures showing the monthly changes in real wages and the cost of living, derived from an official source. Below will be found the figures for 1932 and 1933, i.e. from the time at which the yen was devaluated, wages and the cost of living at that time being represented by the figure 100.

| Date | Real wages | Cost of living | Date | Real wages | Cost of living |
|---------------|------------|----------------|---------------|------------|----------------|
| 1932 : | | | 1933 : | | |
| January ... | 100·0 | 100·0 | January ... | 102·1 | 103·9 |
| February ... | 102·0 | 100·9 | February ... | 103·8 | 102·4 |
| March ... | 102·9 | 100·7 | March ... | 104·5 | 101·8 |
| April ... | 99·5 | 100·0 | April ... | 101·0 | 101·7 |
| May ... | 99·3 | 99·5 | May ... | 100·5 | 101·5 |
| June ... | 99·0 | 98·2 | June ... | 100·9 | 101·5 |
| July ... | 98·4 | 98·2 | July ... | 99·7 | 101·3 |
| August ... | 98·2 | 98·1 | August ... | 99·3 | 101·3 |
| September ... | 98·7 | 99·2 | September ... | 101·1 | 101·7 |
| October ... | 101·3 | 98·4 | October ... | 101·8 | 102·4 |
| November ... | 101·2 | 99·2 | November ... | 102·1 | 103·3 |
| December ... | 105·1 | 102·3 | December ... | 104·5 | 102·6 |

Thus, in the course of the past two years, the cost of living has shown a slight tendency to increase, while the purchasing power of the workers has not fallen but has even slightly risen.

The second point which should be borne in mind is that the manner of life of the Japanese people is extremely simple. This applies to the nation as a whole and not merely to the workers. Traders, intellectuals, magistrates and civil servants, even of the highest rank, live in a simple way. It is obviously a matter for the Japanese themselves if they prefer houses which are almost without furniture (which is by no means the same thing as houses furnished without taste) to houses which are full of furniture, if they would rather sleep on a mat than on a bed with a mattress, and live on fish, rice and vegetables rather than on a heavy diet including plenty of meat and sugar. The manner of life of a nation is due to the climate, the nature of the soil and the customs of the country. The two former characteristics are unchangeable. Surely the latter also is unchangeable in the case of a nation which is obliged by circumstances over which it has no control to live for the most part on the territory of its own country, without any possibility of emigration and, consequently, of contact with foreign civilisations.

The simple way in which the Japanese people live is adapted to the organisation of industry on family lines which has always prevailed in Japan, and which there is no difficulty in maintaining in small undertakings, where the employer lives amongst his workers and in a similar way. It may even be said, without straining the truth, that the conditions of work in such undertakings, somewhat hard as they are, merely reflect the hard conditions under which the employer and his family themselves live. Underlying the paternalistic conception which appeared to prevail in most of the large undertakings that I visited, there is obviously a tendency—sometimes successful—to adapt the family idea to a community of some hundreds or even thousands of persons and to achieve some measure of unity, and indeed of unanimity, under the leadership of the head of the undertaking. From that point of view there was a symbolical importance in one sight which I saw : all the workers of a factory (the Isurumi Bicycle Works), without exception, performing a series of rhythmic exercises to music around the Japanese flag under the eye of the manager during the morning break of a quarter of an hour. It must, however, be admitted that as undertakings grow larger and employ a more numerous staff it becomes more difficult to maintain the family conception, based on direct personal relations between the employer and workers, as a living reality. It can be maintained in Japan longer than would be possible in other countries because the average age of the workers is low, and because a large proportion of them are young unmarried girls who only remain in the factory as long as they are young and unmarried. It is, however, impossible not to wonder whether, as large-scale industry develops, and perhaps also as the idea of trade unionism spreads, a change will not come about in the manner of life and conditions of labour of Japanese workers. I shall return to this question in the concluding pages of the present Report.

(f) *Output of the Workers*

During my visits to factories and workshops I was constantly struck by the rapid and indeed brisk way in which the employees worked, with the result that the output per worker is high. A weaving mill and a match factory which I visited have been mentioned by way of example, and other instances could be given. A table showing the progress of average output in recent years, prepared by the Labour Inspection Section of the Bureau of Social Affairs, has also been given. Some years ago it was stated

in a report of the Manchester Cotton Yarn Association that in 1926 five Japanese workers were needed to work the same number of looms as were operated by two British workers. I do not think that that remark would be repeated in a report drawn up in 1934. The output of the Japanese worker in large undertakings has undoubtedly made great progress. This is, of course, partly due to the improvement of equipment and mechanical methods. It is also partly due to the general and thorough application of carefully studied methods of organising work in such a way as to produce the maximum output with the minimum expenditure of effort, and of strengthening the muscles and general health of the worker by means of a well-balanced diet. I made two visits which enabled me to form an idea of the intelligent and sustained way in which work is carried on in these two directions on thoroughly scientific lines.

I visited the Institute for the Science of Labour at Kurashiki in the Osaka district, which was founded some twelve years ago by Mr. Magosaburo Ohara, who owns a large cotton-spinning mill in that city and is one of the most progressive employers of Japan. The Ohara Institutes (there are several of these and another of them is mentioned in a later passage of the present Report), were originally set up on account of the critical position in which Japanese industry was placed during the years which followed the war, after its abnormal expansion during the years 1914 to 1918, when no European manufactured goods reached the Pacific. When the war was over, Japanese industry was unable to compete with the exports from the West, either in quality or in cost of production. A certain number of thoughtful men, including Mr. Ohara, considered that the whole situation must be thoroughly reviewed, and that the organisation of labour must be scientifically studied with a view to producing the maximum of efficiency. The Institute for the Science of Labour was accordingly set up, with Dr. Teruoka at its head. There is also an Agricultural Research Institute attached to it. The Institute carries out researches on four subjects : environmental conditions in relation to the health and efficiency of the worker, the rationalisation of processes of work, the problem of fatigue in its various aspects, and occupational diseases. It is extremely well equipped from the scientific point of view and possesses forty laboratories and experiment rooms. It publishes a "Year Book on Social Hygiene" (*Shakai Eisei Nenkan*) and a half-yearly collection of memoranda entitled "Studies of the Science of Labour" (*Rodo Kagaku Kenkyu*), as well as pamphlets on particular subjects.

The Institute has a high reputation throughout the industrial world of Japan, which attaches great importance to its studies and tries to put its conclusions into practice.

At Tokyo I visited the Institute for the Study of Nutrition in company with its Director, Dr. S. Saiki, who has often taken part in the work of the Health Committee of the League of Nations. The problem of nutrition is one of the utmost importance for a country like Japan, which is very densely populated and possesses very little cultivable land. It is essential to use such land as there is for the production of cheap but highly nourishing foodstuffs which suit the tastes of the Japanese. This is the work in which the Institute is engaged. As regards rice, which is the staple food of the Japanese, it has succeeded in working out a method of husking and glazing which preserves the full nutritive value of the rice and deprives it of all harmful qualities, and thus prevents it from giving rise to diseases such as beri-beri. The Institute has drawn up recipes and menus for cheap, wholesome and nourishing meals. Work of this kind is of the utmost importance for a poor country, where wages are low and where there was for many years a very high death-rate from tuberculosis, intestinal diseases and infantile diseases, which were partly due to the inadequacy of the feeding of the population as regards quantity and quality alike. Dr. Saiki has made careful studies, both theoretical and practical, and has been able to compose a series of menus for factory workers, school children, etc. I was informed that these menus are regularly served to the workers in many factories and to the children in all schools. I had so many opportunities of appreciating the methodical ways and the belief in science which prevail in Japan that this information caused me no surprise.

II

OPINIONS

During my visit to Japan I naturally heard the views of as many people as possible, as well as making personal observations. I had numerous interviews, discussions and indeed actual conferences with individuals or bodies belonging to Government, employers', workers' and other circles. I also followed the very numerous articles relating to my visit which appeared in newspapers and reviews.

These interviews and articles, considered in the light of the observations of the actual facts which I was able to make, were very useful in enabling me to form an idea not merely of the real situation, but of the state of Japanese opinion concerning conditions of industrial labour. I refer to the state of Japanese opinion because, although different opinions on points of detail were held by different individuals and bodies, some laying special stress on one aspect of the problem and others on another, there was no difference of opinion on fundamental questions.

This fundamental unanimity was largely due to the fact that everyone was deeply concerned with the reply to a question which personally I never asked, but which has been frequently discussed in Press articles and elsewhere throughout the world—"Is there social dumping in Japan?" All the different views which were expressed were primarily intended to reply to that implicit question. Incidentally, however, they threw light on many other aspects of conditions of labour and of the economic and social situation in Japan. I shall therefore give as detailed and accurate a summary of them as possible.

A.—GOVERNMENT VIEWS

I had a number of interviews with various persons in the different Government departments. In the following passages of this Report I shall deal mainly with the particularly full discussions which I had with Dr. Matsumoto, Minister of Commerce and Industry, and Mr. Niwa, Director of the Bureau of Social Affairs in the Ministry of the Interior. It should be noted that the Bureau of Social Affairs has as many departments and as big a staff as a large Ministry of Labour. Both these gentlemen invited me to what may be called round-table conferences, at which the principal members of their staff were present. I shall

also refer to the authoritative statements made by Mr. Kitaoko, a high official of the Bureau of Social Affairs, who was Japanese Government delegate at the Eighteenth Session of the International Labour Conference. In the latter capacity Mr. Kitaoko made a public speech while I was in Japan, after a luncheon which was given on 10 April to the whole Japanese delegation to the Conference (including Government, employers' and workers' delegates) by the National Federation of Industrial Associations and the Japanese Chamber of Commerce and Industry.

The opinions expressed on the above-mentioned occasions may be summarised as follows :

The whole economic system of Japan may be explained by the poverty of the country in natural resources and by the fact that it is over-populated (there are $7\frac{1}{2}$ ares of cultivable land per person, the smallest proportion to be found in the world). The only possible solution for the problem of over-population is either emigration or the industrialisation of the country. In almost all countries there are restrictions on Japanese immigration and, consequently, the future of the country is exclusively dependent on industry.

Japan is, however, poor in raw materials, and is therefore dependent on foreign countries in the industrial sphere. This makes it necessary to improve technical methods so that output may be increased and costs of production reduced, in order to pay the cost of raw materials purchased abroad, and to enable the country to compete on the world market on equal terms. Technical improvements have been the object of education and research ever since the restoration of the Meiji era, but the efforts made in this direction have been intensified since the industrial and export crisis from which Japan suffered immediately after the war. The improvements which have been introduced are the fundamental cause of the present success of Japanese industry on the foreign market; the depreciation of the yen is merely the direct and incidental cause. The two developments—the completion of the technical reorganisation of industry with a view to export and the devaluation of the yen (a result of the devaluation of the currency of other countries)—happened at the same time, and the latter, which was more evident to foreign observers, at first masked the former.

These are, in any case, the two causes of the present success of Japanese export trade. There is a tendency to attribute to the wages paid in industry an importance which they do not possess in this connection. In the first place, it is not correct to

compare the nominal wage rates paid in Japan, or the wage rates converted into gold, with those paid in competing countries. The rapid fall of the yen has not been accompanied by an equivalent rise, or indeed any rise at all, in the price of home produce on the internal market; and the Japanese worker lives almost entirely on home produce—rice, fish, vegetables, tea, etc. This means that real wages in Japan are much less different from wages in Western countries than nominal wages. Besides, the manner of life of the whole Japanese population, including peasants, industrial workers and others, is extremely simple. This is due to the climate and soil of the country, as well as to custom. It must be remembered that simple conditions of life are not necessarily miserable conditions; in practice they cannot be harmful to the individual, for the Japanese to-day is not inferior to the Western man either in energy or in mental or physical ability. As to hours of work, they vary between eight and nine hours per day in large undertakings.

The Japanese Government fully realises that it is still both possible and desirable to improve the living and working conditions of the workers. It has expressed its agreement with the principles on which the International Labour Organisation is based. Moreover, it is in the real interests of the nation to improve conditions of labour, partly in order to increase the purchasing power of the masses and the capacity of the home market, and partly to remove even the appearance of justification from certain foreign campaigns against Japanese goods by showing that progress in Japanese industry and trade will in the future, as in the past, always be followed by an improvement in the conditions of the workers.

In conclusion, the Japanese Government protests against the policy of high tariffs from which Japan, which is inevitably a large exporting country, suffers more than any other country, since its export trade in manufactured goods is endangered, while it still has to import plant and machinery and will always have to import raw materials. These two facts explain why, even during the present period of comparative prosperity of Japanese export trade, the trade balance of Japan still showed a deficit up to and including 1933.

B.—EMPLOYERS' VIEWS

I had a number of interviews and conferences with prominent persons or organisations representing employers. Always I was

most sympathetically received. Even those who were unwilling to contemplate the ratification of International Labour Conventions in the near future sincerely recognised the principles on which the Organisation is based, and the value of relations and the exchange of information with the Office. At Tokyo, Nagoya and Osaka I was received by the National Federation of Industrial Associations and the various Chambers of Commerce. I take this opportunity of expressing my thanks to all the members of these organisations with whom I had interviews, and in particular Baron S. Go and Mr. G. Fujiwara, who are respectively the President and one of the Directors of the National Federation of Industrial Associations; Mr. Inabata, President of the Osaka Chamber of Commerce and Industry; Mr. F. Abe, President of the Japan Cotton Spinners' Association; Mr. S. Okaya, President of the Chamber of Commerce and Industry of Nagoya; and Mr. T. Miyajima, head of the Japanese Employers' Delegation to the International Labour Organisation.

A large number of arguments were put forward in the course of these numerous conversations, and also at a conference lasting several hours which took place at Tokyo on 6 April after a luncheon given to me by the National Federation of Industrial Associations. I cannot summarise them better than by reproducing almost *in extenso* the introductory statement made at that conference by Mr. Keinosuke Zen, Director of the Corporation Insurance Company. Mr. Zen made the following speech :

“ We regret that from certain European quarters there have come criticisms against the advance of Japanese trade abroad, on the ground that it is based on unjust competition. One of the most important causes of the recent rapid advance of Japanese goods in world markets is the fall in the exchange value of the yen, but this fall is common to the currencies of all the countries which have left the gold standard, and Japan has never deliberately adopted any policy to bring about such a condition. Moreover, it is a temporary phenomenon which may soon disappear.

“ We believe that the increase of the export of Japanese goods is due to the low cost of production and the superior quality of goods now produced, the outcome of strenuous efforts on the part of Japanese enterprises to meet economic depression by improving industrial organisation, management and technical skill, and by increasing efficiency. They have no intention whatever of lowering the selling prices of goods abroad below those prevailing at home.

“ It is reported that some people, who infer that the low cost of production means low wages, are trying to compare the nominal wages prevailing in Japan with those in European or American countries in terms of the currencies of those countries, concluding thereby that Japanese industry is taking advantage of inferior labour conditions, and for the sake of human justice they advocate the raising of Japanese

labour conditions to the level in Europe. This is a mistaken argument, due to lack of understanding of the relation between employers and employees, the mode of living, and the social conditions of Japan. The average earnings of Japanese male workers in industrial undertakings are lower than those of officials in the central Government or municipal services, but are higher than those of officials in local governments, and far higher than those of farmers, who constitute the greater part of the nation. Most women workers in industrial undertakings, especially those in the textile industry, work for only three or four years, from the time of finishing compulsory education until the time of marriage. They generally live in dormitories attached to the factories, and are paid sufficient wages to cover board and lodging and incidental expenses, leaving a margin to supplement the income of their families or for their marriage.

“Many cotton-spinning mills provide facilities for their women employees to receive supplementary education, training in cookery, sewing, tea ceremony, Japanese flower arrangement, etc., during their spare time. The dormitories in which they live are better equipped than those attached to local girls' schools, while the standard of living of such women workers is far higher than that of their sisters in farming villages. This will indicate the standard of living of industrial workers in general.

“Wages prevailing in Japan do not strictly represent the value equivalent of the labour offered. In addition to paying wages, employers usually spend generously for the promotion of the welfare of their workers, though they are not compelled to do so by any law or collective agreement. According to an investigation conducted by the Japan Industrial Club two years ago, the total amount spent for the promotion of the welfare of workers by the 128 companies affiliated to it corresponded to 24 per cent. of the total wages paid by those companies.

“Although there is no unemployment insurance in Japan, dismissed workers are legally entitled to a sum equivalent to their wages for two weeks, and this is given usually together with a dismissal allowance varying in amount in proportion to the length of continuous service. For instance, a sum equal to from fifteen days' to one month's wages is given for one year in continuous service, and 4,000 yen or even 5,000 yen for those who have been in continuous service for twenty-five or thirty years. Even workers who voluntarily retire from work usually receive from 50 to 70 per cent. of the amount of the dismissal allowance referred to. In calculating wages in Japan, these allowances should be added to the nominal earnings. Furthermore, it is customary also to give bonuses at the end of the year or half year in proportion to the amount of profit of the company for the period concerned.

“Labour is not bought in Japan. On the contrary, the employment of workers has a moral significance for the employer, involving a certain guarantee of their livelihood and the enrichment of their cultural life.

“Japanese workers, for their part, do not work in accordance with the amount of wages they receive or the length of hours on duty. They take pride in improving their technical skill and in producing goods of superior quality, and are happy when their factories or companies are prosperous. Several years ago, when business depression was severe, many workers voluntarily offered to have their wages reduced or postponed, in order to save the factory they worked in from failure. Japanese workers do not necessarily resort to strikes for the maintenance or improvement of their labour conditions, though there have been many cases of dispute originating in the non-confidence of workers in their foremen or other supervisors, demands for improvement in their treatment, recognition of labour unions, etc. No collective agreements have been concluded in Japan in respect

of wages or hours of work, but merely to express the faith of workers in the sincerity of their employers or the leaders of labour unions to which they belong. These facts will reveal the sentiment of the Japanese workers.

“The most important factors in determining wages in Japan are not those of labour legislation concerning hours of work, wages, etc., but population, and the living expenses of farmers.

“Japan is an over-populated country of small area and poor natural resources, to which the freedom of emigration is severely restricted. Its workers therefore inevitably have to work harder than those of other nations in order to maintain a living for themselves and their families, even at a great sacrifice in comfort, for they are placed in a situation where they are forced to choose between living in such a way or dying. Two-thirds of the Japanese people are engaged in agriculture, cultivating small patches of land; their earnings in monetary terms are very small, far lower than those of industrial workers in cities. Moreover, as the supply of labour in farming districts is greater than the demand, wages prevailing there are always taken as the national standard, and it is therefore impossible to raise artificially the labour conditions of industrial workers. At the same time, however, the fact that the nominal earnings or wages of farmers or other workers are low does not necessarily mean a low standard of living, for the Japanese are accustomed to simple life and food, and commodities and materials are exceedingly cheap in price. Ninety-eight per cent. of the population in Japan have been able to receive the benefits of compulsory education, and electric light, radio and other modern facilities are available even in the remote rural districts, in spite of the fact that the nominal earnings of the people are small. . . .

“Legislation for the welfare of workers has actually been introduced in proportion to the development of industries, and labour legislation once in force is strictly observed. Employers are endeavouring to promote the welfare of workers to an even greater extent than is demanded by laws and regulations, and as instances of this may be mentioned the custom of giving bonuses and retirement allowances, and such facilities for the welfare of workers as mutual-aid societies, established in many factories and mines. It should be remembered that half the expenses of such societies is borne by the employers. Though there exist no statutory provisions concerning the hours of adult male workers, these have been steadily decreasing and are now on an average about 9 hours 40 minutes per day, including overtime work.

“It should be noted that only accident compensation and health insurance are legally provided in Japan, and the system of retirement allowance from mutual-aid societies is the outcome of the efforts of employers themselves to relieve workers in disablement, old age, and bereavement. The National Confederation of Industrial Associations is preparing to put into operation from next month (May 1934) a group life insurance, with a view to rationalising and popularising such relief systems in the interest of the general public.

“Rights and responsibilities as statutorily provided alone do not dictate social activities in Japan. For instance, although there is no unemployment insurance, the unemployment situation among general workers, excepting intellectual and seasonal casual workers, has not been so serious as in other countries. Freedom in changing trade owing to under-development of trade unions may be one factor contributing to this, but the fundamental reason is the custom of mutual relief among relatives and friends which prevails in Japan. . . .

“ At the present time, when freedom of trade and migration are restricted and nationalist tendencies are growing, Japan, with poor natural resources, small area, and over-population, is handicapped in every respect, with the possible exception of her labour conditions, and it will therefore be difficult to adapt these to European standards. We are endeavouring to promote harmonious co-operation between employers and employees in accordance with the industrial and social conditions and the national characteristics of Japan.”

As regards international competition and “ social dumping,” the opinions and arguments put forward by the employers are similar to those which were expressed in Government circles. On the question of the living and working conditions of the workers, the employers’ attitude bears witness to their attachment to the family conception of industrial and, indeed, of national life. That conception is, in the view of those who expressed it to me, imposed by the facts of the situation and is capable of furnishing an adequate solution for all future problems, as in their opinion it has for all the problems of the past.

C.—WORKERS’ VIEWS

I had a number of opportunities of getting in touch with the workers’ organisations and their principal leaders. I had interviews with the representatives of the Japanese Trade Union Congress, the General Federation of Labour, the National Federation of Trade Unions, the Confederation of Trade Unions (I also attended a meeting of the Annual Congress of this organisation at Osaka on 15 April), and the Japanese Seamen’s Union. I should like to express my thanks to all these persons and, in particular, to Mr. K. Hamada, President of the Japanese Trade Union Congress and the Seamen’s Union; Mr. M. Yonekubo, General Secretary of the Trade Union Congress; Mr. K. Matsuoka, Vice-President of the Trade Union Congress and President of the General Federation of Labour; Mr. K. Kono and Mr. T. Kikukawa, who are respectively President and General Secretary of the National Federation of Trade Unions; and Mr. K. Sakamoto, President of the Confederation of Trade Unions. All of them showed the utmost comprehension of and the warmest interest in the work of the International Labour Office, and were anxious that it should be fully informed both of the conditions of labour prevailing in Japan and of the general economic and social situation of the country.

All the workers’ representatives whom I saw were, like the representatives of the Japanese Government and employers, anxious in the first place to explain their views on the question

of social dumping. It was quite clear that the controversies on this subject which have arisen in the West have been as keenly felt by the workers as by the employers and the responsible representatives of the nation. The best way of illustrating this fact is to reproduce somewhat fully the arguments contained in an "open letter" which was addressed to me in the April issue of *Rodo Keizai*, "An Economic Magazine for the Proletariat," published in Tokyo.

The letter begins with a cordial expression of welcome, and then continues as follows :

"It is very deplorable for the cause of the peace of the world as well as for the progress of mankind that a campaign against the expansion of Japanese oversea trade is being organised in various countries, especially in Europe and America. And the most regrettable thing in more than one sense for us is that, as one of the reasons for that agitation, the wages of Japanese workers are being cited as low wages."

The letter goes on to discuss the reasons for the extraordinarily cheap prices of Japanese export goods. Several reasons are given for this phenomenon. In some branches of Japanese industry, such as the cotton and artificial silk trades, it is attributable to the considerable reductions in the cost of production resulting from rationalisation, technical progress and scientific management. In other branches of industry, such as the smaller-scale factories for the production of sundry goods, the involuntary competition in underselling has gone to such lengths that the products are offered for sale at suicidally low prices. In addition, it must be admitted that the low exchange rate of the yen, and also low wages, are contributory causes.

It should, however, be noted that the process of rationalisation has its limits, while the anarchical conditions of competition amongst the small-scale factories are gradually being reformed by the action of the Government and by the results of the struggle itself. Again, the effect of the depreciation of the yen in favouring the export of manufactured goods is to a large extent offset by the results of the need of importing raw materials with a depreciated currency. As to the betterment of working conditions, "we expect that it could be secured by the workers' own efforts, as well as through the assistance of the Government. In short, we are convinced that the recent extraordinarily low prices of export goods are a temporary phenomenon which will gradually become less marked."

The trade unions in Japan, continues the *Rodo Keizai*, are demanding the improvement of working conditions on the basis of two distinct principles. One is the principle of justice of

distribution, which is applicable to the cotton and artificial silk industries (where there are high dividends there should be satisfactory conditions of labour). The second principle is that an end should be put to unbridled competition between small undertakings. But, it adds, even when an improvement of working conditions has been obtained, it is quite possible that the conditions of employment in Japan may still not be “nominally” the same as those prevailing in Europe and the United States. From that point of view, which is purely one of figures, Japanese wages will continue to be low. In order to understand this fact it is not sufficient to take into account the conditions of labour and industry. Allowance must also be made for the climatic, geographical and demographic conditions prevailing in Japan, its historical traditions, the racial traits of the Japanese people, their mode of living, the social order and also the international situation.

In the matter of food, housing and clothing, the Japanese are a people of simple and frugal life. It is true that their mode of living has to a certain extent been westernised, but “the Japanese people would rather dislike to live after a completely westernised fashion.” This, however, does not necessarily mean a low standard of living, but simply a qualitative difference between the life of the West and that of the East. The simple, frugal life of the Japanese means a comparatively cheap cost of living, and it is here that the real significance of the relatively low wage rates must be sought.

In Japan the majority of the nation consists of peasants. The industrial workers as a social class are of recent growth, and a great majority of them have been recruited from among the rural population. Even to-day all the female workers in the cotton and silk industries are recruited in rural districts, and they cannot really be said to belong to the working class in the modern sense. The strong bonds between members of a family which exist in Japan are particularly noticeable among the rural households. The return of unemployed urban workers to their native village and their absorption by their peasant family, which takes them back and maintains them while they are unemployed, together with the practice of selling daily necessaries on credit instead of for cash, which is prevalent in industrial districts, furnish a very wide range of elasticity in the economic life of Japanese workers. “This state of things must not be ignored if it is desired to arrive at a right understanding of the living conditions of Japanese workers.”

Another important problem is the growth of the population. Over-population exercises a far-reaching influence on the conditions of labour as on every sphere of national life. When the modern Government was established in Japan, the world was already dominated by the great Powers, and all the backward regions were divided among them, so that even the independence of Japan was imperilled. In order to resist the threat of absorption, the leaders of Japan concentrated all their energies on the development of capitalised industry.

“The result was that while the capitalist system gave rise to the evils from which we are now suffering, a system of State control was early established in every sphere of economic life, with a view to the general reduction of the price level for daily necessaries. Another result of the efforts of the Japanese Government is seen in the development of education, which fostered an intelligent, industrious nation and made the workers into men endowed with technical ability and skill and—since the progress of modern industry gradually eliminates the need for individual skill and talent—readily transferable from one industry to another. This was the only road towards progress open for Japan, which was in those days an economically backward nation without capital and without any outlet for emigration, even though it was suffering from over-population.”

These are the considerations which, in the view of the *Rodo Keizai*, explain the position of Japan, its industry and its working classes. The Japanese working classes are not imperialistic; they “will never want to invade other countries as a remedy for over-population, but they want reasonable freedom of emigration; they want reasonable freedom of trade.” The Japanese workers are afraid that campaigns have been carried on abroad against Japanese exports. “If their suspicions should not prove groundless, it would mean not only the further worsening of working-class life in Japan, but also a very deplorable thing for the peace of the world and the progress of mankind.”

“We cannot help sympathising with those foreign workers whose standards of living are menaced by the invasion of cheap Japanese goods and who are attempting, as an immediate measure, to check that invasion. At the same time, we must point out the urgency of serious investigation into why Japanese commodities are cheap. We find it difficult to endorse an attitude which, after a mere comparison of wage rates in different countries, only condemns the recent expansion of markets for Japanese goods as social dumping based on low wages. We recognise the lowness of wages in Japan, but we cannot think that the difference in real wages is so wide as that between nominal wages in Japan and other countries. We would also call attention to the fact that during the years when cheap, good quality, foreign articles were flooding Japanese markets, we never attempted to exclude them. On the contrary, for the past sixty years, the Japanese people welcomed foreign goods and highly appreciated the skill and talent of foreign workers, and tried to learn lessons from their products. Our Japanese workers would like to tell the workers of the world that we

are desirous that they should enquire into the real causes of the cheapness of Japanese goods, and that any attempt to prevent or restrict the expansion of Japanese oversea trade would result in further reductions of our wages, thereby contributing to check the progress of world civilisation by enabling the present irrational industrial system to continue. . . .

“In conclusion, let it be noted that efforts are being made by the trade unions of Japan, in co-operation with the progressive elements of the country, for the ratification of the Washington Hours Convention.”

It cannot be said that the arguments set forth above are in all respects similar to those which were advanced by the employers. On many points, however, the conclusions reached are the same. In particular, it is agreed by both that there is no social dumping in Japan, and that the real wages and standard of living of the Japanese workers cannot be correctly estimated unless allowance is made for the manner of living and the structure of society in Japan.

On the question of what is to happen in the future, however, the employers and workers are not in agreement. Although the employers do not refuse to contemplate the improvement of conditions of work in the future, they seem to think that it will come about by a natural development of the present situation and a sort of natural compensation, which will almost automatically raise the standard of living of the workers in proportion as the position of industry and trade improves. The workers, on the other hand, begin by stating that the progress of Japanese export trade has not been achieved at their expense, and that indeed they will be the first to suffer from a stoppage of that export trade. They go on to say, however, that conditions of labour—which are by no means so unsatisfactory as is said abroad—could and should be improved at once. These two views are expressed in the declaration drawn up by the Executive Committee of the Japanese Trade Union Congress, after prolonged discussion, at a special session held on 18 April 1934. The principal passages of that declaration are given below.

“The low exchange value of the yen, low wages and long working hours, the industry of the workers, their technical skill, Government subsidies to the export trade and unfair methods of competition, such as the use of false trade marks, are mentioned as factors contributing to the progress of Japanese export trade. The low exchange value of the yen and inferior labour conditions are especially attracting attention. As regards the low exchange value of the yen, it is in reality of little benefit to Japan, which has to import raw materials. The most important factor contributing to the progress of the Japanese export trade is, therefore, the low cost of production, but this cannot be attributed only to low wages and long working hours. Superior technical skill and good work also count. The assertion

that the Japanese trade advance is the result of social dumping is, therefore, open to question.

“ But even if the charge of social dumping can be refuted, the exceedingly inferior labour conditions in Japan, in comparison with those of European and American countries, are among the most important factors contributing to the rapid advance of Japanese trade. This is conclusively proved by the fact that most of these goods are produced in small-scale factories or workshops. . . .

“ When the question of the improvement of labour conditions was a purely domestic one, the employers used to say that such action would be disadvantageous to Japan in maintaining the competitive power of its goods abroad and, consequently, for the growth of its trade. But, as it is actually making rapid advances, threatening the trade of other countries, the improvement now of labour conditions at home will result in saving labour power and industry, preventing the lowering of efficiency, which might otherwise occur in the future, promoting co-operation between employers and workers, and contributing to the realisation of industrial peace. At the same time, this will prove to other countries that Japanese goods are not the product of sweated labour and will show to cultural and workers' organisations, if not to all those who regard Japanese labour conditions as inferior, that Japan does not adopt a selfish or unreasonable attitude.

“ In consideration of these reasons, the Japanese Trade Union Congress, composed of almost all the organised workers of Japan, and a champion of a sound labour movement under the banner of trade unionism, demands in the name of the working classes of Japan that the Government authorities and employers should regard the following measures as urgently necessary in order to solve the question at issue to the satisfaction of those concerned at home and abroad :

- “ (1) Control of industries relating to the export trade and establishment of a minimum wage in such industries.
- “ (2) Enactment of a labour union law giving legal recognition to the right of workers to associate.
- “ (3) Immediate ratification of four International Labour Conventions concerning hours of work (industry), prohibition of night work of young persons and women, and weekly rest.”

Similar ideas are expressed in an article by Mr. Matsuoka which appeared in *Rodo*, the organ of the Federation of which he is President, in January 1934, and in an article by Mr. Yonekubo which appeared in May, after I had left Japan, in the *Shakai Seisaku Jiho* (“ Review of Social Reform ”). They were also expressed in all the interviews which I had with representatives of the working classes.

D.—VARIOUS VIEWS

(a) *Economists and Sociologists*

During the course of my visit I did not neglect the numerous opportunities offered me of getting in touch with persons and bodies which are interested in economic and social problems, though they are not responsible for taking public action with regard to them. I had interviews with representatives of the

International Association of Japan (formerly the Japanese League of Nations Association) of which Viscount Ishii is President; the Japanese group of the Institute of Pacific Relations; the Ohara Institute of Social Research, a foundation of the Ohara Institute which has its headquarters at Osaka and studies all problems relating to social organisation and labour under two eminent economists—Mr. I. Takano, Director, and Mr. T. Morito, Assistant Director; and the *Kyocho Kai* (Society for Harmonious Co-operation). This organisation was founded in 1919; its President is Prince Iyesato Tokugawa, and its Director Mr. S. Yoshida. It has branches at Tokyo, Osaka, Nagoya and Fukuoka, and its Managing Board includes statesmen, professors and publicists. It deals theoretically, and sometimes practically, with all labour problems such as vocational training, conditions of labour, placing of workers, labour disputes, etc. In addition to these important institutions, I may mention the Japanese Association for Social Legislation and the *Mokuyo Kai* or “Thursday Club,” so called because it holds meetings on that day, attended by economists, sociologists, publicists and professors, for the discussion of social questions. I had the privilege of attending one of these meetings which was called specially in honour of my visit.

As it is impossible for me to give a full account of all that was said in the numerous interviews which I had, I shall give a somewhat full summary of what was said at two meetings of these two organisations. This will give an idea of enlightened opinion in Japan concerning the questions which I discussed with representatives of the Government, employers and workers.

In the first place, Mr. Kamekichi Takahashi, a very well-known economist, made a statement at the meeting of the *Mokuyo Kai*, in which he summarised the views which he had previously set forth in a number of articles and statements. The problem with which he was mainly concerned was the method which would have to be fully applied before it would be possible to come to authoritative and impartial conclusions concerning conditions of labour in Japanese industry. In his view this cannot be done unless allowance is made for the following six elements on which conditions of labour depend :

1. The elements which affect the living conditions of farmers and consequently help to determine the level of wages in Japanese industry, namely, agricultural production per person, difficulties of rendering agricultural work really productive, over-population in rural districts,

protective tariffs and other forms of protection of agricultural produce, rents, taxes and other charges on farmers.

2. General living conditions, not only of wage earners but also of handicraftsmen and small traders. These conditions exercise an influence on the general level of wages.

3. The cost of raw materials, industrial power, machinery and money (rate of interest).

4. The tariffs and other customs barriers placed by foreign countries in the way of Japanese manufactured goods; their influence on conditions of labour in Japan.

5. Other elements such as the proportion of skilled to unskilled workers, balance of power between capital and labour as it affects the drawing up of collective agreements, etc.

6. The international situation, and in particular the conditions of labour in the neighbouring countries, especially China.

In the course of our discussion, Mr. Kamekichi Takahashi laid stress on two fundamental considerations relating to conditions of labour, and especially wages, as seen from Japan itself and from other countries.

He expressed the following views as regards the standard of living and wages in Japan as seen from Japan itself.

1. The cost of production in the various countries is dependent on various elements. For example, some countries have abundant natural resources, while others have few. In some, the interest charged on borrowed capital is low, while in others it is high. In Europe and America these two elements are generally favourable, while in the Far East they are not. This gives rise to differences in the cost of production in the various countries due to causes which are predominant under a capitalist system. They give rise to differences in conditions of work. It is inevitable that there should be such differences in the various countries if they do not stand on the same footing as regards natural resources and the cost of borrowing capital. In such cases, the low-wage countries are not necessarily countries which under-sell the high-wage countries.

2. In every country there is a sort of national standard of wages which serves as a basis for all wage scales in the various industries. This is an expression of the productive capacity of the country as a whole. It is not fair to compare a particular industry in one country with the same industry in another country and to conclude that one is founded on cheap labour while the other is not, and that one and not the other lowers the standard of living of the country. The comparison must be effected on the basis of the national standard of wages in the two countries. From that point of view, it is important to note that the national standard of wages in Japan is based on the income of the peasant. Peasants constitute the majority of the working population of Japan. When industrial workers become unemployed, they return to their native village and engage in agricultural work. The basis of the wage is thus to be found in agriculture. As agriculture in Japan is not very profitable, the whole scale of industrial wages starts from a low starting point and therefore cannot rise very high.

Mr. Kamekichi Takahashi's views on Japanese standards of living and wages as seen and criticised in foreign countries are as follows :

1. In order to refute the assertion that Japanese labour is cheap, Japanese capitalists say that the scale of wages in their country is not low

in comparison with the conditions of living of the nation as a whole. They compare the standard of living of the factory worker with that of the peasant, and use that comparison as an argument to prove that, since the income of the industrial worker is higher than that of the agricultural worker or other sections of the working population, the question of cheap labour does not arise. That explanation could be accepted if it were simply a question of conditions of labour within the country. As, however, that is not the case, the statement of Japanese capitalists that they do not employ cheap labour is not sound. Foreign countries do not complain that Japanese factory workers earn wages which are *comparatively* high, but that the wages paid are lower than those in their own countries.

2. The statement made by the British cotton spinners that Japan dumps its goods on foreign markets because Japanese workers are less highly paid than British workers is equally unsound. Even supposing that the output of labour and its organisation were the same in every country, there would still be many other conditions affecting the cost of production which would vary between one country and another, e.g. natural resources, the cost of raw materials, interest on borrowed money, etc. Under the capitalist system, the only means of adjusting those differences is to be found in different conditions of labour. A country where the conditions mentioned above are particularly onerous can only restore the balance in its own favour by paying specially low wages. Thus, the conditions of labour in any particular country are necessarily determined by the other elements affecting costs of production. To say that all countries should pay the same wages is to assume that all the other elements in the cost of production are everywhere the same.

3. In every country there are one or more key industries, and conditions in all other industries are dependent on these. In Japan, the key industry is, and will long continue to be, agriculture. For example, foreign countries criticise the conditions of labour of the women employed in cotton-spinning mills; yet the wages of two such women are equal to the income of an agricultural family of three persons. It is stated that Japanese miners' wages are low, yet it may be observed that miners' children are much better fed and clothed than farmers' children, and so on. Generally speaking, it may be said that conditions of work, standards of living and also the output of the worker are in Japan much higher in industry than in agriculture. It may be asked what is the reason for the very low standard of agriculture in Japan. It is not due to bad agricultural methods. The Japanese farmer is quite as industrious and intelligent as the American or European farmer. The population is, however, so large that each farmer only has a very small plot of land. This is the reason for their low standard of living, which involves a low standard of living in industry. This will continue to be the case as long as the Japanese are unable to emigrate.

As long as the capitalist system persists, the only means of solving the question of low wages in industry will be to solve the question of the still lower incomes prevailing in agriculture. The solution of the latter problem depends on the solution of a third problem, that of over-population. As long as no solution can be found for that problem, Japan will be obliged to export large quantities of goods, and consequently its industry will have to produce abundantly and cheaply. The higher the Western nations raise their customs barriers, the more will Japan be obliged, under the capitalist system, to lower the cost of industrial work.

The above views expressed by Mr. Kamekichi Takahashi appear to be shared by many Japanese economists. This does

not, however, mean that students of political and social science believe that nothing can be done to maintain and extend the efforts to improve conditions of labour in Japan which, as I myself saw, have been made in many factories. This is illustrated by a memorandum published in February 1934, before my arrival in Japan, by the Japanese Association for Social Legislation. Many of the persons with whom I had conversations expressed similar views. A summary of certain parts of the memorandum is given below.

The main portion of the memorandum deals with the possibility and desirability of improving conditions of labour in Japan. The authors state quite definitely that in their view "the real motive of those who demand the exclusion of Japanese goods lies in the fear inspired by the sudden expansion of Japanese export trade". They go on to state that four pretexts are generally put forward instead of that reason: the fall in the value of the Japanese currency, the alleged subsidising of export trade by the Japanese Government, low wages and long working hours. The deflation of the currency is not peculiar to Japan, and moreover, if it is a weapon, it is a double-edged one for a country which has to import so many raw materials. As to Government subsidies, the references which are made to them are based on a misunderstanding. The argument relating to low wages is calculated to produce a strong impression on the average reader, but in many other countries which would enter a possible joint front against Japan, the workers do not receive such wages as in Great Britain. There remains the question of long working hours. Could not something be done to improve the position of Japan in this respect?

Three principal arguments are put forward by those who oppose the improvement of conditions as regards hours of work. The first argument relates to foreign countries. Those countries wish to have conditions of labour in Japan improved in order to decrease the exporting capacity of that country. If Japan improved conditions and at the same time lost its exporting capacity, the movement against it in foreign countries would come to an end. If, however, in spite of the improvement of conditions, Japan retained its exporting power, the movement would continue. Thus the improvement of conditions of labour will have no effect as regards foreign competition.

In the second place, Japan is placed in a position of inferiority to its industrial competitors as regards raw materials, and even to-day as regards technical methods, whereas the advantage

which it derives from the fall of the currency is temporary and limited. That handicap is made up for by the high output of the worker. If Japan were to lose this, its only weapon, it would be doomed to defeat.

In the third place, economic competition is in the last resort a state of conflict. If foreign countries raise customs barriers, Japan can only resist by lowering wages and increasing hours of work, or by seeking other markets, for the ultimate victory will be won by those who have the lowest costs of production.

The memorandum replies to these three arguments by eight others.

1. The depression of conditions of labour is an ineffective weapon against customs barriers. Low wages and long hours of work do not play a very important part in costs of production, particularly in the case of the cotton industry, where the main factor is the price of the raw material. Besides, customs barriers can be increased ten- and twenty-fold. Is it proposed to reduce wages to one-tenth or one-twentieth of their present level and to multiply hours of work by ten or twenty?

2. Tactics of this kind would result in making the Japanese worker a slave to the tariffs fixed by foreign countries. Some Japanese workers (in small undertakings) are already receiving starvation wages.

3. If all countries form a joint common front, it will no longer be possible to seek other markets.

4. It is possible that the argument that Japanese goods should be excluded because of the inferior conditions of labour in that country is nothing more than a pretext. It is nevertheless true that modern democratic States can be influenced by the argument, and that they might contemplate common action in a noble cause. If Japan improves its conditions of labour, this moral element in the situation will disappear.

5. It is impossible to say to what extent an improvement in conditions of labour would affect the competitive capacity of Japanese industry, but it is improbable that the application of a Convention such as the Washington Convention, for example, would seriously endanger it. Similar arguments were put forward in the past against measures such as the limitation of hours of work, the prohibition of night work, etc. Experience has shown that none of these measures has injured Japanese industry; on the contrary, they have increased its output and diminished its costs of production.

6. It is of course impossible to raise wages to the level of those paid in Great Britain or America. Real wages in Japan are, however, not much lower than those paid in many countries on the continent of Europe. Some control over wages in the exporting industries would be useful as a weapon against the possible formation of a joint front, and would involve no danger.

7. The low prices of Japanese export goods are the result of excessive competition between manufacturers for export. It would be wiser to extend the markets for the Japanese export trade gradually by selling good-quality products at slightly lower prices than other countries. Although the principal argument brought forward against the improvement of conditions of labour is that Japanese competitive power must be maintained, it may well be said that at the present time that competitive power is too great, and it is its excessive strength which is arousing ill-feeling in foreign countries. Has not Japan now reached a point at which

it may consider that the most important thing is to avoid foreign hostility, while at the same time improving the living conditions of its working population ?

8. The improvement of conditions of labour is also a national problem. If hours of work are shortened there will be more employment, and unemployment will decrease. Wages, which continue to be low owing to over-population and the poverty of the agricultural class, might be raised during the present period of renewed trade activity, when companies are beginning to pay better dividends and the price of stocks has risen.

The memorandum concludes by calling on the Government to establish legislation on hours of work and the weekly rest, which should be sufficiently elastic to meet the needs of the various industries, but sufficiently definite to allow of the ratification of the International Labour Conventions dealing with these subjects. It also calls on the Government to revise the legislation concerning associations of exporters and industrial associations in such a way that such associations should have to agree not merely on certain conditions concerning prices and conditions of sale but also on wages, hours of work and conditions of production.

Some stress has been laid on the opinions expressed by organisations and individuals who are not directly responsible for the conduct of public affairs, in order to show how deeply—and this is entirely to its credit—public opinion in Japan is interested in economic and social conditions in the country. It may also serve to support the conclusion which, as will be seen, I reached, namely, that while there are certain points on which there are hesitations and differences of opinion amongst the various sections of Japanese opinion (whether interested or impartial), there are others on which public opinion is definite and unanimous.

(b) *Press Opinions*

The same conclusion may be drawn from the very numerous Press articles which appeared before and during my visit. It may well be a matter of satisfaction to the International Labour Office that the mission carried out by its representative was given much space in the Japanese Press for several weeks. Before I arrived there was for a time a mistaken impression that I was coming in order to carry out a full enquiry on one definite point : to discover whether or not, and if so to what extent, social dumping exists in Japan. This led to a crop of articles in the daily Press which cannot be reproduced or even summarised here. Moreover, many arguments were naturally repeated in the different articles. In order to give an idea of the

arguments used and to show how far they agree with the opinions which I have already quoted, it will be sufficient to summarise three articles published in two of the most important Japanese journals.

On 5 April, the day after my arrival, the *Tokyo Nichi Nichi Shimbun* published a "message" written by Professor T. Takagi, in which I was warned against over-estimating the relative extent of Japanese export trade. I should in any case have been on my guard against such an over-estimation, in view of the fact that during the past year the gold value of Japanese foreign trade was equal to less than one-quarter of that of Great Britain, was one-quarter of that of the United States, one-third of that of Germany, three-eighths of that of France, and was slightly higher than that of Italy.

The author goes on to analyse the causes of the success of Japanese export trade, one of the chief of which he considers to be rationalisation. He lays stress on the frugal mode of living of the entire Japanese population (not only industrial workers), on the poverty prevailing in rural districts, and on the benefits of the family system during periods of depression. He concludes by mentioning the advantages which Japan derives from the fact that industrially it is a new country, with the result that it has new machinery, while its workers are still content with a relatively moderate standard of living and are enthusiastic in their work.

On 18 April, the *Osaka Mainichi*, an edition of the above-mentioned journal which is intended for the West, dealt with other aspects of the same problem. The fundamental cause of the comparatively low standard of conditions of labour, it says, is the prohibition of the emigration of the Yellow race to White countries. As a result of this, Japan is obliged to maintain itself by producing goods, and by producing them at a low price, since it cannot do so by supplying human labour to other countries. Moreover, the paper says that, if allowance is made not merely for the remuneration of labour but for the cost of living in Japan and the way of life of the Japanese, it will be seen that, "as is shown by statistics relating to sixteen countries in 1920 to 1929, which were prepared by an American workers' organisation", the Japanese workers devote a smaller proportion of their budget to expenditure on food than the workers of all other countries except the Americans.

I may be permitted to point out here, as an aside, that the American workers' organisation here mentioned, for which

no further reference is given, must certainly have taken its figures from an article which appeared in the *International Labour Review*, November 1933 (p. 635), from which the above conclusion can be drawn. The table accompanying that article (p. 654) is reproduced here on the following page.

It will be seen from this table that when the Japanese workers have paid for their food, they still have a larger amount of money to spend on clothing, housing and amusements than those of all other countries except the United States. Thus, the question of social dumping demands serious investigation from the international point of view before a conclusion is reached. It cannot be settled simply by a study of the prices of goods and wage rates. Allowance must be made for a number of other elements, and an accurate idea of the standard of living in any particular country can never be formed unless the manner of life of the population of that country is also studied.

In the articles which appeared in the Press, as well as in the writings and conversations of the economists and sociologists, the explanation of existing facts is followed by definite suggestions for the future. On 5 April, the date on which the article mentioned above appeared in the *Tokyo Nichi Nichi Shimbun*, another very important Tokyo journal, the *Tokyo Asahi*, published an article in which it endeavoured to show that the early stages of the great policy of industrial expansion were accompanied not by social dumping but by social progress, and that this must continue. Never since Japan became a great exporting Power, said the article, has it depressed the conditions of the industrial worker. On the contrary, those conditions have steadily improved; hours of work have been reduced, the night work of women has been prohibited, and in certain respects more has been done for the welfare of the workers in Japan than in Europe. The wages paid in large undertakings are sufficient to support the worker in a country where food is cheap and the manner of living simple. Public opinion is deeply interested in the well-being of the workers, and much attention is paid to the subject by certain institutions which deal more particularly with the living conditions of the Japanese worker. At the same time, the article goes on to state, there is no reason why conditions of labour in Japan should remain the same as they are now. Industries are at the present time subjected to control with the sole object of increasing the manufacturers' profits; social considerations do not enter into that control. In present circumstances, it would be reasonable for the workers to demand and obtain some share in the

**ANALYSIS OF TOTAL YEARLY EXPENDITURE PER FAMILY IN
CERTAIN COUNTRIES***

| Country and currency unit | Food | Housing | Heating and lighting | Clothing | Miscellaneous | Total |
|-----------------------------------|--------|---------------------|----------------------|-------------------|---------------|---------|
| Amounts in national currency | | | | | | |
| Germany (R.M.) ... | 1,507 | 461 | 121 | 423 | 743 | 3,255 |
| China (Chinese \$) ... | 146 | 16 | 23 | 14 | 4 | 203 |
| Denmark ¹ (Kr.) ... | 1,748 | 627 | 267 | 580 | 1,098 | 4,320 |
| Estonia (E.M.) ... | 68,645 | 16,420 ² | — | 20,867 | 8,478 | 114,410 |
| United States (U.S.\$) | 575 | 478 | 103 | 215 | 349 | 1,720 |
| Finland (F.M.) ... | 10,892 | 1,123 | 858 | 2,713 | 1,842 | 17,428 |
| India (Re.) ... | 273 | 61 | 33 | 45 | 60 | 472 |
| Irish Free State ³ ... | — | — | — | — | — | — |
| Japan (Yen) ... | 436 | 173 | 50 | 143 | 295 | 1,097 |
| Norway (Kr.) ... | 1,864 | 606 | 203 | 574 | 961 | 4,208 |
| Netherlands ⁴ (Fl.)... | 867 | 349 | 125 | 186 | 469 | 1,996 |
| Poland (Zl.) ... | 1,894 | 199 | 136 | 386 ⁵ | 380 | 2,995 |
| Russia ³ ... | — | — | — | — | — | — |
| Sweden (Kr.) ... | 1,578 | 475 | 154 | 475 | 805 | 3,487 |
| Switzerland (Fr.) ... | 2,645 | 868 | 367 | 576 | 882 | 5,338 |
| Czechoslovakia (Kč.) | 14,803 | 1,862 | 1,316 | 3,459 | 5,197 | 26,637 |
| Percentages of total expenditure | | | | | | |
| Germany ... | 46.3 | 14.2 | 3.7 | 13.0 | 22.8 | 100 |
| China ... | 72.2 | 8.0 | 11.3 | 6.8 | 1.7 | 100 |
| Denmark ¹ ... | 40.5 | 14.9 | 6.2 | 13.4 | 25.0 | 100 |
| Estonia ... | 57.9 | 14.3 ² | — | 18.2 | 9.6 | 100 |
| United States ... | 33.4 | 27.8 | 6.0 | 12.5 | 20.3 | 100 |
| Finland ... | 62.5 | 6.4 | 4.9 | 15.6 | 10.6 | 100 |
| India ... | 57.9 | 12.9 | 7.0 | 9.5 | 12.7 | 100 |
| Irish Free State ³ ... | 57.1 | 5.4 | 7.0 | 17.5 | 13.0 | 100 |
| Japan ... | 39.8 | 15.8 | 4.5 | 13.0 | 26.9 | 100 |
| Norway ... | 44.3 | 14.4 | 4.8 | 13.6 | 22.9 | 100 |
| Netherlands ⁴ ... | 43.4 | 17.5 | 6.3 | 9.3 | 23.5 | 100 |
| Poland ... | 63.2 | 6.6 | 4.6 | 12.9 ⁵ | 12.7 | 100 |
| Russia ³ ... | 49.2 | 10.4 | 5.1 | 20.2 | 15.1 | 100 |
| Sweden ... | 45.3 | 13.6 | 4.4 | 13.6 | 23.1 | 100 |
| Switzerland ... | 49.5 | 16.3 | 6.9 | 10.8 | 16.5 | 100 |
| Czechoslovakia ... | 55.6 | 7.0 | 4.9 | 13.0 | 19.5 | 100 |

¹ Figures for the lowest income group covered by the enquiry (with a yearly expenditure of less than Kr. 1,600 per unit of consumption) and relating to the budget of 144 families: 49 workmen's families, 56 families of civil servants, teachers, and employees of local authorities, the postal, telegraph, and telephone services, railways, and private undertakings, and 39 families in other occupations or professions. They are therefore not strictly comparable with figures for other countries given in this table.

² Heating and lighting included.

³ In the absence of detailed particulars it is not possible to know whether the classification of expenditure is the same as that adopted in other countries.

⁴ Weighted average between: (a) 21 workers' families in the income class below Fl. 1,800, and (b) 50 workers' and 16 officials' families in the income class Fl. 1,800—Fl. 2,400.

⁵ Excluding laundry.

* From *International Labour Review*, Nov. 1933, p. 654.

profits which industry is deriving from its progress in foreign markets, and in particular from inflation. Up to the present, nothing has been done to expedite ratification of the Washington Convention, although that Convention lays down a limit of fifty-seven hours per week for Japan. The night work of women is prohibited in Japan, yet the International Labour Convention on that subject has not been ratified. Such an attitude may give the outside world the impression that conditions of labour in Japan are inferior to those in all other countries, which is by no means admitted, and that they are lower than is really the case. Ratification of the Conventions in question would disarm criticism of this kind.

III CONCLUSIONS

In the final section of the present Report I shall attempt to draw certain conclusions from what I saw and the interviews which I had. It will be realised, of course, that my stay in Japan was very brief, and that although the very full programme, which had been carefully prepared and was carried out in full, enabled me to visit a number of institutions and to hold a number of interviews, I am obliged to confine myself in my conclusions to defining questions with some degree of precision rather than replying to them.

(1) *The question of social dumping.*—There is one question to which I do not hesitate to take the responsibility of giving a definite and positive reply—the question of social dumping. It has been shown that on this point at any rate all the Japanese whom I saw, or whose writings I read, are unanimous. I am in agreement with them. If, by analogy with commercial dumping (an operation which consists in exporting goods at less than the cost of production plus a fair profit, and at the same time selling the same goods on the home market at a higher price than the cost of production plus a fair profit), social dumping is defined as the operation of promoting the export of national products by decreasing their cost of production as the result of depressing conditions of labour in the undertakings which produce them, or keeping those conditions at a low level if they are already at such a level, it may be stated that social dumping, defined in that way, does not exist in Japan.

Conditions of labour have not been depressed in the large undertakings working for export in order to decrease costs of production. Indeed, in proportion as production has been rationalised and technical improvements introduced, and in proportion as the sale of those products has increased, conditions of labour have been improved. There is no reason to suppose that the improvement will not continue, and that as production, export trade and prosperity increase, their progress will not be accompanied by an improvement in conditions of labour. The rate at which that improvement takes place, and the possibility of an acceleration in that rate, depend in a large measure on the Japanese Government and on the relations between organisations of employers and workers, as well as on their strength and activity.

Conditions of labour may perhaps have been temporarily depressed (I did not myself see this, but many credible witnesses admitted it to me) in certain small undertakings where they were already less advanced than in large undertakings, as the result of unbridled competition and the desire to sell goods at any price. The reason is, however, that the undertakings in question were unsound and were not organised in a way which corresponds to the principles of modern society. The Government has taken serious measures to supervise such undertakings. There is every reason to believe that their number will diminish, and that they will finally disappear and be replaced by large undertakings where satisfactory conditions of labour prevail as a natural consequence of centralisation, rationalisation and mechanical progress, and where the normal working of the undertaking indeed depends on proper conditions of labour.

It may thus be observed that as Japanese export trade expands, conditions of labour are not depressed, but have either been improved or show a tendency towards improvement. Japan is, of course, not the first country in which, in the history of industry, such a phenomenon may be noted. It is perhaps the expression of a social law.

(2) *Characteristic features of Japanese exporting industries.*— In dealing with this question and those which follow, I shall not attempt to make categorical statements, but shall define some of the questions which arise.

The first question is whether those who express alarm and disquietude regarding Japanese export trade should not first define and measure that trade accurately. Its sudden appearance, the variety of forms which it has assumed, and its world-wide extent, have no doubt caused astonishment. At the same time, it would be well to estimate its absolute and relative extent. If the value of the foreign trade of the principal industrial countries in 1933 is calculated in the same currency, the American gold dollar, it will be found that the foreign trade of Japan represents 3 per cent. of world trade, whereas the foreign trade of Great Britain represents 13 per cent., that of the United States 12 per cent., that of Germany rather less than 9 per cent., that of France rather less than 8 per cent., and that of Italy approximately the same as that of Japan. A calculation of the value of the exports of every large exporting country per head of the population shows that the value is \$5·45 in Japan, whereas it is \$26·10 for Great Britain, \$10·65 for the United States, \$17·70 for Germany,

\$16·10 for France, and \$7·65 for Italy. It is true that the trade balance of Japan approached a favourable situation in 1933 (the deficit was only \$13,800,000); but, though the deficit of Great Britain was infinitely larger (\$860,400,000), while that of France was \$392,500,000, and that of Italy \$75,400,000, it must be remembered that two of the six important countries mentioned above, namely, Germany and the United States, had a favourable trade balance for that year (Germany a surplus of \$158,300,000, and the United States a surplus of \$67,500,000).

In so far as Japan's trade balance is more favourable than that of certain countries, it would be desirable to consider what are the reasons for that phenomenon. The following table shows the foreign trade of Japan, according to the figures given in Monthly Bulletin No. 124 of *Mitsubishi*, the Tokyo Bureau of Economic Research (February 1934).

| | Exports (1,000 yen) | Imports (1,000 yen) |
|-------------------------------------|------------------------|------------------------|
| Europe : | | |
| Great Britain ¹ | 87,849 | 82,558 |
| France ¹ | 38,736 | 21,745 |
| Germany | 12,411 | 95,797 |
| Belgium | 7,739 | 14,693 |
| Italy ¹ | 6,167 | 6,035 |
| Switzerland | 323 | 9,185 |
| Austria | 93 | 2,473 |
| Czechoslovakia | 26 | 1,702 |
| Netherlands ¹ | 12,325 | 3,717 |
| Sweden | 3,259 | 16,085 |
| Norway | 1,608 | 11,624 |
| Russia | 1,575 | 5,717 |
| Poland | 44 | 947 |
| Spain | 1,844 | 3,629 |
| Denmark ¹ | 1,412 | 504 |
| Greece ¹ | 1,095 | 215 |
| Turkey ¹ | 2,431 | 976 |
| Portugal... .. | 529 | 1,515 |
| Other countries... .. | 2,605 | 3,685 |
| Total | 182,071 | 282,802 |
| Asia ¹ | 930,636 | 688,557 |
| North America | 499,156 | 667,701 |
| Central America ¹ | 16,175 | 438 |
| South America ¹ | 30,379 | 12,872 |
| Africa ¹ | 137,238 | 48,406 |
| Oceania | 65,380 | 211,311 |
| Grand total | 1,861,035 | 1,912,087 |

¹ Countries where imports from Japan exceed exports to Japan.

A detailed analysis might perhaps show that in the case of certain countries to which it exports more than it imports from them, Japan owes its favourable trade balance not merely to the export of manufactured goods, but to exports of raw materials, such as silk and perhaps even foodstuffs. It may even be that

some of those countries supply Japan with more manufactured goods than they receive from it. It will be noted that there is an immense deficit in Japan's trade with North America, where the United States, of course, plays the largest part. This deficit is due to the large purchases of raw materials, such as cotton, oil, metals, etc., which Japan has to make from the United States.

It may also be desirable to consider to what extent Japan is completely dependent on foreign countries for the raw materials which it requires for some of its principal industries, such as the cotton industry. The following figures, which are only given by way of example, show the imports and exports of cotton goods to and from Japan during the last five years. They are taken from a pamphlet by Mr. Seitaro Kamisaka, General Secretary of the Japan Cotton Spinners' Association—*The Cotton Industry of Japan* (Osaka, 1934), pp. 10–11.

| Year | Imports of raw cotton, cotton yarn and cotton fabrics | Export of the same goods | Excess of imports over exports |
|--------------|---|--------------------------|--------------------------------|
| | Yen | Yen | Yen |
| 1929 | 584,618,661 | 510,485,485 | 74,133,176 |
| 1930 | 369,780,465 | 343,262,058 | 26,518,407 |
| 1931 | 316,800,741 | 245,755,257 | 71,045,484 |
| 1932 | 458,065,227 | 375,256,487 | 82,808,740 |
| 1933 | 622,721,935 | 432,974,637 | 189,747,298 |
| Total | 2,351,987,029 | 1,907,733,924 | 444,253,105 |

It should be observed that, although the total imports are still higher than the exports, the proportion of exports to imports is higher in the five years under consideration than in the last thirty years. Between 1903 and 1933 the percentage of exports of cotton goods to imports was 73·25, whereas in the five years from 1929 to 1933 it rose to 81·11 per cent. The deficit is, however, still very large.

Another point which should be clearly realised is the economic position in which Japan is placed owing to the fact that it can only be a manufacturing country and cannot develop industries producing raw materials or those partly-manufactured goods which can only be produced in countries that are rich in fuel and raw materials. In 1933 Japan's coal production represented 3·2 per cent. of the world production, its oil production 0·10 per cent. and its cast-iron production 3 per cent.

The real characteristics of the Japanese exporting industries and their comparative dependence on the import of foreign products having thus been established, it is necessary to consider *all* the

causes which have encouraged the expansion of Japanese export trade.

The first cause was admitted by all the organisations and individuals whom I consulted to be the fall in the value of the yen. This, however, is an accidental and temporary factor. Moreover, though it may encourage exports, it bears heavily on imports, which also have to be paid for in depreciated yen. This fact is illustrated by the figures given above concerning imports in the cotton industry.

The ultimate cause is undoubtedly to be found in commercial and technical organisation. Commercial organisation enables small undertakings to have recourse to central bodies for orders, raw materials, the centralisation of the goods manufactured, in some cases the final stages of their manufacture, and their export. Industrial organisation consists in reducing costs of production by mechanisation and by the use of the most modern and improved methods of manufacture. This is the result of the fact that many of the large Japanese undertakings are of recent establishment and therefore have neither old premises which they hesitate to rebuild, nor old machinery which they hesitate to replace. Figures have already been given to show the development of output in certain industries in relation to the reduction in hours of work. The following additional figures are taken from a publication of the Nagoya Chamber of Commerce (*A Survey of Industrial and Labor Conditions in Nagoya* (1934), p. 13). They were, however, prepared by the Bureau of Economic Research of the Commercial College of Nagoya, which had already published them in its Bulletin No. 14.

OUTPUT OF INDUSTRY
(Basic Year: 1919)

| Year | Volume of production | Number of workers | Consumption of horse-power | Production per person |
|-------------|----------------------|-------------------|----------------------------|-----------------------|
| 1919 | 100·0 | 100·0 | 100·0 | 100·0 |
| 1920 | 100·8 | 96·5 | 112·3 | 104·5 |
| 1921 | 95·5 | 101·5 | 117·2 | 94·1 |
| 1922 | 112·8 | 104·9 | 126·2 | 107·5 |
| 1923 | 118·7 | 109·5 | 146·3 | 108·4 |
| 1924 | 128·9 | 111·0 | 156·0 | 116·1 |
| 1925 | 128·9 | 112·2 | 162·7 | 115·0 |
| 1926 | 155·0 | 116·3 | 199·5 | 133·3 |
| 1927 | 158·1 | 117·8 | 246·7 | 134·2 |
| 1928 | 175·0 | 120·1 | 274·0 | 145·7 |
| 1929 | 189·0 | 113·2 | 362·8 | 167·0 |
| 1930 | 173·0 | 104·5 | 312·9 | 165·6 |
| 1931 | 169·6 | 103·0 | 310·8 | 164·6 |

In a study of this kind allowance must also be made for the output of the worker in the strict sense. In describing my visits to factories I have already said how much I was impressed by the working capacity of the Japanese worker, who is full of enthusiasm, better fed than in the past, and well educated. During my stay in Japan I was obliged to give a certain number of interviews to journalists. I think I can say that I never departed from the reserve which befits an official of one of the international institutions; but if I did so, it was only to express my sincere admiration for the zealous way in which the Japanese worker performs his duties.

Only after these other elements which favour the Japanese exporting industry have been carefully defined, is it possible to consider and measure the part played by conditions of labour.

(3) *The demographic problem.*—In studying the problem just mentioned, allowance must be made for the demographic position of the country. It cannot be doubted that the position of Japan in this respect is unusual. Since the great Meiji revolution, the population of Japan has doubled. There were 33,000,000 inhabitants in 1872, 35,000,000 in 1878, 44,000,000 in 1888, 50,000,000 in 1908, 56,000,000 in 1918, 64,000,000 in 1930 and 67,000,000 in 1934. This population is crowded into a very small area; there are on an average 169 persons per square kilometre. As the area of arable land in the mountainous archipelago of Japan is very small (50,000 square kilometres) the cultivable area per inhabitant is extremely small, namely, $7\frac{1}{2}$ ares. This is less than in Great Britain, where only 7 per cent. of the population lives by agriculture, whereas in Japan more than half the population is agricultural.

In view of this problem, and its possible future developments if the population of Japan continues to rise by nearly 1,000,000 a year, it is necessary to consider the problem of emigration. It has been seen that many of those persons with whom I talked, including representatives of all sections of public opinion, drew attention to the fact that the Japanese cannot emigrate at the present time. Even during those periods when countries practised a more liberal immigration policy, the Japanese do not appear to have taken much advantage of it. Not many Japanese emigrated during the last fifty years. To-day it is safe to say there are not as many as 1,000,000 Japanese outside Japan. As has been pointed out, this does not even represent one year's increase in the Japanese population. At the present time immigration, except

on a small scale, is closed to the Japanese on the whole of the "white fringe" of the Pacific except in the countries of Latin America. In 1931 there were only 10,384 Japanese emigrants—rather more than one-hundredth of the excess of births over deaths. When the Japanese had a certain degree of freedom to emigrate they did not do so to any large extent. To-day, when emigration is almost everywhere difficult, they say that they would willingly emigrate in large numbers if they were allowed to do so. It is possible that the pressure of the increase in the population, due to the number of births, has changed their views on this point.

In any case, the question of emigration ought to be carefully studied. An increased outlet for Japanese emigration would affect the problem with which we are here concerned—that of conditions of labour—in one way and perhaps two. It would decrease the number of mouths to be fed and the number of workers in search of employment, and would thus probably tend to raise the standard of living and increase the remuneration of labour, while, at the same time, the money which the emigrants would send their families would increase the purchasing power of the population, thus making it possible to absorb a larger proportion of Japanese production and correspondingly reducing the amount available for export. Possibly also, if it is true that low wages can be maintained without hardship because of the extremely simple and frugal mode of life of the Japanese, the contact of the emigrants with the outside world might in the long run give them more expensive tastes which they would bring back to Japan and which would increase their consumption of goods.

(4) *Standard of living, cost of living, and manner of living.*—It is recognised that a thorough study of conditions of labour in Japan should deal with all the points mentioned by the economist Mr. Kamekichi Takahashi, to which reference was made above. In any case, it is clear that real wages and the standard of living cannot properly be estimated without a study of the cost of living (which, in a country where almost all the food is home-produced, leads to a study of the economic position of agricultural producers) and the manner of life of the country.

The latter element is closely connected with the family conception which predominates throughout Japanese life. That conception was transplanted from the small undertaking to the

large factory when large-scale industry began to play a certain part in the economic life of Japan. It would be interesting to ascertain whether the family conception has not already undergone some degree of modification in its application to large factories. Is it possible for the "paternalism" of the employer of thousands of workers to be conceived or practised in the same way as that of the owner of a workshop employing from five to ten persons? Moreover, if the comparatively small numerical development of trade unionism in Japan (there are 380,000 trade union members out of a total of 5,000,000 workers, and these include the whole body of seamen, numbering 120,000, all of whom are organised) is due to the family conception, which means that the idea of class interests can develop only with difficulty if at all, it would be useful to find out to what extent the development of large undertakings tends to give rise to the idea of class interests or gradually to promote it, and thus modify (though not necessarily destroy) the family conception. Among the large undertakings which I visited there were some where collective agreements are concluded in complete agreement with the trade unions, and others where trade unions are unknown. Which of these tendencies is destined to prevail, which of them is growing in strength? That is a problem that should be studied, for on its solution depends to some extent the future development of the manner of living and conditions of labour in industrial undertakings.

A special feature of the family conception is the treatment accorded to young girls employed in large undertakings, especially cotton-spinning and weaving mills. That treatment is in accordance with Japanese custom. In the circumstances, if one can accept the principle—not always an easy matter for some Western minds—the system is not open to criticism, provided that it applies only during adolescence and is restricted to young girls, who enter the factory at fifteen or sixteen and leave at about twenty, when they marry. A similar system applied to older girls or women would be open to objection; but there never has been any question of applying it to them.

It will be seen from this fact that there is one problem the solution of which will affect the likelihood of certain large exporting industries, particularly the cotton industry, developing on their present lines.

If they are to continue to exist in their present form, they must be able to engage every year a contingent of young girls of fifteen equal in number to the contingent of girls of twenty whom they discharge. It does not seem likely that they will

encounter any difficulty in this respect for a long time to come (provided that the customs of the population remain unchanged) in view of the present birth-rate.

If, however, they are to expand still further, they will have to engage every year a larger number of girls of fifteen than the number of girls of twenty whom they discharge, on the assumption that the technical organisation of the undertaking remains the same. Will they be able to do so, to what extent and for how long? That is another problem which deserves careful study.

(5) *Small undertakings.*—By small undertakings are meant family workshops and those small workshops, employing less than ten workers to which the Factory Act does not apply, i.e. all undertakings of that size which do not carry out work classified as dangerous or unhealthy and where power is not used for spinning and weaving.

I did not visit any small undertakings except one rubber goods works managed by the workers. Small undertakings, however, still play a certain part in manufacture for export, although their importance is declining.

Small undertakings should not be neglected in any full study of industrial and labour conditions in Japan, because it is undoubtedly in those undertakings—as is the case in many other countries—that conditions of labour are most unfavourable and most difficult to supervise. Moreover, I was informed that the small undertakings are still at the present time practising unrestrained competition, in spite of the efforts made by the Government. For that purpose they are making extreme efforts to reduce costs of production, and they can scarcely do this except at the expense of conditions of labour, whereas the large undertakings can achieve an appreciable yet reasonable reduction by means of technical improvements and increased output per worker.

The Japanese Government has already made considerable efforts to rationalise the organisation of these undertakings, and impose a minimum selling price which eliminates the more unsound undertakings and enables all of them to avoid depressing conditions of labour excessively. It also appears inclined to take more direct action for the improvement of conditions of labour in small undertakings, which the workers, and also a number of economists, demand.

A thorough study of small undertakings in Japan would be valuable. It would be interesting to discover how they are developing, at what rate and in what direction, how their production competes with that of the large undertakings or how, in some cases, e.g. the porcelain industry and some branches of the cotton industry, the two are co-ordinated.

Even an analysis of the changes in the numbers of such undertakings and the absolute or comparative increase or decrease in the number of workers whom they employ would make it possible to foresee in what direction and with what speed general conditions of labour are likely to develop. It has been shown that a very considerable proportion of workers in Japan are at present employed in very small undertakings. If the Japanese Government at some future time contemplates improving conditions of labour by applying as a general rule the system of the Washington Convention, which is already in force in many of the large undertakings, all these small undertakings will be excluded from the law, and not quite half the Japanese workers will benefit by it. Even if, apart from the Washington Convention, legislation applying to all factories and workshops of whatever size is adopted, it is easy to see what extensive machinery for supervision will be necessary in order to render it effective.

It is thus of great interest to study in what direction the structure of industry in Japan is developing and at what rate it is moving towards concentration, since such a study will make it possible to foresee whether there is any likelihood that conditions of labour will in a more or less distant future approximate to those existing in certain Western countries.

(6) *Questions for future study.*—It will be seen from what has been said above that in my view the various problems which came under my notice in the course of my mission, apart from that of social dumping, namely, the actual characteristics of Japanese exporting industries, the demographic aspects of the problem of industry and conditions of labour, the problems of the standard of living, the cost of living and manner of living of the population, and the problem of small undertakings, involve a number of questions which require careful study. The same applies, of course, to the problem of the large undertakings, which I cannot claim to have studied exhaustively by visiting some fifteen factories and taking part in some twelve conferences and conversations.

If the International Labour Office should at some future time undertake a study of this kind in relation to Japan, it

should, it is thought, make a similar study in relation to other countries of recent industrial development. There are at the present time in all parts of the world countries which are developing large-scale industry, although not at present so extensively or so successfully as regards export. All the questions which have been mentioned above arise in those countries too, though naturally in a different form.

A general study of this kind would be in accordance with the terms of the resolution adopted by the Governing Body of the International Labour Office at its Sixty-fourth Session, on 25 October 1933, which reads as follows: "Among the studies which the Economic Group, recently constituted in the Office, should undertake, there is one of the greatest importance—that of the development of industry in certain new countries, the resulting changes in the social structure of those countries, and the competition which may result with the older industrial countries as a consequence of differences in standards of living." Until I visited Japan I had never so fully realised the value which the application of that resolution would have in promoting mutual comprehension between nations.

(7) *Continued improvement of conditions of work.*—On all the points with which I have dealt up to the present in the conclusions to this Report, the views and information which I collected from all quarters were in agreement. Individuals and organisations in Government, employers', workers', scientific and journalistic circles, all made statements which differed in form and were based on different preoccupations, but which did not differ in substance.

The position is not quite the same as regards the question whether conditions of labour, even in the large undertakings where they are most satisfactory, can be improved in the near future, and whether Japan, which has up to the present ratified twelve International Labour Conventions, could not consider ratifying certain others such as the Washington Convention concerning hours of work, the Convention concerning the weekly rest, and those concerning the prohibition of night work, minimum wage-fixing machinery, etc.

The workers' organisations, as well as a number of economists and publicists, considered that such action was possible and desirable and would improve the internal and external situation of Japan. Their arguments have already been explained. Some of the employers' organisations, however, thought that it would

be impossible, or at any rate dangerous, to take action of this kind. The representatives of the Government with whom I discussed these possibilities naturally showed a certain reserve, but their attitude was not discouraging and gave evidence of a spirit of good will.

In any case, all that I saw in Japan and all that I heard there seemed to me to be a fresh confirmation of the great truth that all economic and technical progress must necessarily, sooner or later, be accompanied by social progress, and that social progress, once it has been realised, does not impede economic and technical progress, but rather promotes it.

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