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CONTENTS

- Toward a Unified Theory of
Management: A Proposal** *Yasujiro YAMAMOTO* 1
- The Characteristics of
Labour-Management Relations
in Japan and Their Historical
Formation (1)** *Eitaro KISHIMOTO* 33
- The Land Struggles in
English Revolution (2)** *Yoshiharu OZAKI* 56
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THE CHARACTERISTICS OF LABOUR-MANAGEMENT RELATIONS IN JAPAN AND THEIR HISTORICAL FORMATION (1)

By Eitaro KISHIMOTO*

CONTENTS

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| I The Wage Structure and the System of Wages based on Seniority | 3 The Friendly Society and the Gradual Awakening of Labourers |
| 1 The Importance of the Problem of the Wage System in Japan | 4 The Development of the Union Movement and the Formation of the General Federation of Trade Unions of Japan |
| 2 The Wage Structure and Seniority Wages in Japan | 5 The Trade Union Movement and Managers' Counter-measures (<i>These items are contained in this issue</i>) |
| 3 Technical Skill and Seniority Wages | 6 The Intensification of the Class Struggle and Disregard of the Function of Unions |
| 4 Large Oligarchic Enterprises and Seniority Wages | 7 Opposition to Legal Control over Labour-management Relations and Paternalism |
| 5 Seniority Wages Represent a System of Low Wages | 8 The Formation of Seniority-based Labour-management Relations |
| 6 Seniority Wages Constitute the Foundation of Both Enterprise-consciousness and the Company Union | 9 Seniority-based Labour-management Relations and the Trade Unions (<i>These items will be contained in the next issue</i>) |
| 7 Seniority Wages and Labour Efficiency | |
| II The Formation of the Seniority Wage System and Trade Unions | |
| 1 Trade Unions in the Early Days and the Open Labour Market | |
| 2 Class Rivalry and the Budding of Labour Management | |

I The Wage Structure and the System of Wages based on Seniority¹⁾

1 The Importance of the Problem of the Wage System in Japan

Wages should always be understood within the context of the mutually-opposing relations between labour and management. The wage level, the wage system, which is a device for wage payment, and even the wage differentials and the type of labour market cannot be understood properly until they are grasped in the context of the antagonistic relations between labour and management.

Trade unions in Japan have long paid attention only to the low level of wages, and always exerted their efforts to raise it, but they have failed to notice that these low wages originate in a Japanese system of wages

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1) Wages determined by enterprise-wide seniority order.

based on seniority.

Recently, however, some of the trade unions have finally begun to take notice of this and have come to concentrate their efforts on rectifying or overthrowing the system of wages based on seniority. However, the General Council of Trade Unions of Japan (Sōhyō), still looking upon the problem of the wage system as a taboo, concerns itself only with large-scale wage increases.

Why is the problem of the wage system so important? It is because this is a device for wage payment which reflects the structure of determining wages and the wage level is settled through this system, and because the interests of labour and management sharply conflict with each other under this system. Capitalists as much as possible aim at minimizing the total sum of wages to be paid, by means of a wage system which will block the unification of labourers, while trade unions aim at protecting the wage level as far as they can, and at the realization of a wage system which will enable them to strengthen the unity of labourers.

One can see that the Japanese seniority wage system is suited to the objectives of capital, while horizontal wage rates, to wit, the principle of "equal pay for equal work" seen in Europe and America, are a wage system suited to the objectives of the trade unions. And, these wage systems were brought into being, respectively, in the course of rivalry between labour and management.

2 The Wage Structure and Seniority Wages in Japan

The wage structure is that of wage differentials so long as it reflects the mechanism of determining wages and a wage system, wages based on seniority are characteristic of the wage system in Japan.

Seniority wages in Japan are as follows, when viewed statistically from the angle of the wage structure.

Wage Differentials of Male Labourers both by Length of Continued Service and by Scale of Enterprise

(% with less than 1 year of service taken as 100)

Scale	Less than					
Labourers	1 year	2 yrs	5-9 yrs	10-14 yrs	20-29 yrs	Over 30yrs
Over 1,000 psns	100.0 (¥14,526)	112.0	176.2	232.9	305.5	349.8
500-999 "	100.0 (¥13,317)	123.0	186.1	245.1	304.6	307.0
100-499 "	100.0 (¥13,199)	125.1	185.0	221.6	266.6	255.1
30 - 99 "	100.0 (¥14,016)	119.6	161.1	184.6	204.1	188.6
10 - 29 "	100.0 (¥14,144)	110.0	139.9	152.9	164.6	151.4

Office Workers						
Over 1,000 psns	100.0 (¥16,863)	126.7	185.4	238.8	348.7	371.7
500-999 "	100.0 (¥17,078)	132.5	180.6	229.8	310.3	340.3
100-449 "	100.0 (¥17,843)	124.0	171.4	215.7	269.8	274.2
30 - 99 "	100.0 (¥19,045)	117.7	155.9	186.6	225.2	216.1
10 - 29 "	100.0 (¥18,294)	115.2	142.9	163.5	178.6	177.1

Notes: Ministry of Labour, *A General Survey of the Actual Wage Situation*, April, 1961.

The wage represents the average monthly wage paid in cash.

Apr. ¥1,000=£ 1.

When this is compared with the wage structures of Europe and America, one finds that the Japanese wage structure is characterized by big wage differentials both in relation to length of service and in relation to the size of enterprises. These differentials exist even among workers doing identical types of work. In other words, in Japan no wage rates extend beyond the framework of the enterprises. In contrast, horizontal wage rates are found in Europe and America and wage differentials among different sizes of enterprises are entirely out of the question.

In Europe today, under full employment, wage bargaining exists between labour and management within each enterprise²⁾. As a result, wages are "intra-enterprise wages"³⁾ (i.e., they vary from company to company) rather than "horizontal wages" (identical pay for identical work). Recently, intra-enterprise wages higher than the horizontal wage rate of the West have begun to be discussed in terms of the wage drift⁴⁾.

These intra-enterprise wage bargainings and the intra-enterprise wage system do have the effect of weakening the solidarity of trade unions. It is from this angle that the problem of wages must be studied.

As can be inferred, wages based on seniority are intra-enterprise personal wages. A worker first begins with a starting wage which guarantees him only a bare subsistence, modified somewhat by his educational background. His wage is increased on the basis of the length of his

2) Reference is made to the following literature: A. Ross, "The New Industrial Relation in Britain", *Labour Law Journal*, July 1962; do, "Prosperity and Labour Relations in Europe—The Case of West Germany", *The Quarterly Journal of Economics*, August 1962; do, "Prosperity and Labour Relations in Europe—Italy and France", *Industrial and Labour Relations Review*, October 1962; B. C. Roberts, *Industrial Relations*, 1962.

3) Reference is made to the following literature: S. W. Lerner, "Factory Agreement and National Bargaining in the British Engineering Industry", *International Labour Review*, January 1964; D. J. Robertson, *Factory Wage Structures and National Agreements*, 1960.

4) Reference is made to the following literature: E. H. Phelps Brown, "Wage Drift", *Economica*, November 1962.

service, the degree of his contribution to the enterprise and the appraisal of his job records. The statistical table given above wage shows only the wage increase curves, which were obtained by averaging the curves of wage increases according to educational backgrounds, types of employment (normal employment of new graduates, intermediate employment, regular or temporary employment, local employment or employment at head offices, etc.) and individual factors. Wages for those with the same educational background and length of service may differ according to merit appraisal, personal circumstances and so forth. They also may differ widely according to sex. In short, they are entirely personal wages.

Thus, seniority wages represent not only a wage system under which wages increase according to length of service, but also a discriminatory wage system centering on the unbroken service of normal employees on the premise of their permanent employment. This is an intra-enterprise personal and discriminatory wage system under which distinctions are made according to whether workers are in normal employment or in intermediate employment, whether they are regular employees or temporary ones, and also according to their sex. Moreover, distinctions are made more strictly through closer evaluation of those enumerated above.

In their original form in pre-war years, seniority wages were determined not through collective bargaining between labour and management, but one-sidedly by the capitalists who boycotted the trade unions. This has remained the same since the war. In the post-war period the capitalists have reorganized and strengthened the seniority wage system. The trade unions tacitly accept this system and fight only for wage increases rather than for a change in the wage system.

3 Technical Skills and Seniority Wages

Some deny that such seniority wages, which are personal ones involving an undue discrimination, exist in Japan. One is the view that considers seniority wages in Japan to reflect technical skills⁵⁾.

This view stresses that technical skills in Japan in pre-war years were secret and personal skills acquired by experience. Furthermore, since these technical skills were introduced into Japan from foreign countries by various individual enterprises, they were used only by one particular enterprise, and were not put into common use. Thus, because these secret skills were acquired through experience, wages in Japan were based on experience judged in terms of seniority. Also, because such technical skills were limited as much as possible to one enterprise, wages in Japan, in conformity with this, were intra-enterprise wages with no

5) Masumi Tsuda, "The Basic Structure of Japanese Labour Relations", *The Musashi University Journal*, May 1965.

horizontal character.

However, it is not just in Japan that skill is acquired by experience. This is also the case in Europe and America. It is widely known that Amalgamated Society of Engineers (ASE) in England provided for a five-year apprenticeship as the qualification for a "skilled labourer" and did not bestow the qualification for "skilled labourer" on those who had not completed this apprenticeship.

With the exception of those industries such as the spinning industry in which manual skill gave way at one stroke during the industrial revolution, in most large industries, such as the machine industries, the break-down of manual skills caused by technical development has been gradual and extended over a long period of time. In England, in those industries in which mass production was established in the twentieth century, manual skills finally disappeared. Even today manual skills are still needed in many machine industry factories and in these the number of all-round skilled workers is sometimes large. It was only because such manual skills were not completely absorbed by machines but retained in the hands of labourers that craft trade unions could continue to have strong organization and influence.

Next, in answer to the view that such technical skills are applicable only to particular enterprises and are not generally applicable in society, even the Japanese skill is no longer merely such manual skill as was applied in the industries of the manufacturing type. Such manual skill as was used in the industries of the manufacturing type or home industry was not applicable to the new industries placed under the mechanical system. It had to be reorganized through the "teaching of the Western industries".

And, even though individual enterprises introduced foreign techniques separately, these skills were always part of a general technical system and were objective in their technological character. Thus, they had social availability. The fact that the Japanese iron-workers moved so frequently during the period between the Meiji and Taisho eras (1890—1919) bears eloquent witness to that. According to a contemporary account, the movements of the iron-workers are slightly less than those of the spinning, textile and raw-silk workers, but, when compared with those in Europe and America, there seems to be a great amount of movement. Many went from one factory to another. When business was prosperous and there was a lack of workers, they frivolously moved to other factories merely because of slight differences in wages. When business became slack they moved back to bigger factories.

Summary of Factory Surveys (1902) corroborates the fact that skilled

workers moved frequently "both in urban areas and in local areas where factories are concentrated, workers move in and out very frequently, and there are very few factories which do not suffer from a difficulty in getting skilled workers".

It is contradictory that skilled workers who were supposed to be employable only within a particular enterprise and whose technical skills are supposed to have no general applicability should have moved so frequently. It follows that the very social applicability involved in their skill prompted them to move frequently in pursuit of higher wages.

Thus, seniority wages are in no sense wages commensurate with technical skill. They represent in all respects a system of undue discriminatory wages incommensurate with the quality of labour. Instead, they are based on educational backgrounds, number of years of continued service, type of employment, sex and other personal factors.

4 Large Oligarchic Enterprises and Seniority Wages

Another view contends that seniority wages in an intra-enterprise wage structure represent a general system of wages under monopoly capitalism. Kazuo Koike, who holds this view, states that the words "job" and "duty" need precise definitions. When a monopolistic enterprise has been formed, job types are analysed and subdivided into job duties and classified by enterprise. New job types are established for employees with new skills, who are then promoted. Skill is formed through long unbroken service with the same enterprise, and labour, in its quality, has come more or less to assume the character of the enterprise. In a word, the nature of this labour force has become enterprise minded and seniority centered.

I feel that this view is incorrect. Job types became more and more specialized because of increased mechanization. However, at the same time, the high degree of training of the traditional-type craftsman, such as a clock-maker or shoe-maker, came to be rendered unnecessary by machines and the assembly line. Thus, in modern capitalistic enterprises, although a machine-operator performs a highly specialized job, one mainly needs a generalized type of knowledge, and only a minimum amount of specialized training and skill for operating the machines. The training required is generally much less than that of the traditional craftsman. While a traditional craftsman had to go through a long period of apprenticeship on the job, the modern machine operator can receive in public schools much of the general knowledge needed for working in a factory. While in the Meiji period both general knowledge and specialized training for factory jobs was provided in the factory under the auspices of a labour union, this general knowledge increasingly came to be provided

by national education. This tended to lessen the need for labour unions.

Thus we can see that among the duties of an enterprise, labour generally not only came to be interchangeable, but even between oligarchical mass production enterprises as well, the scope for interchangeability expanded. What produces the stratified order of duties imprinted with the character of enterprise seniority route of promotion from the low to high positions is not the difference in the quality of labour and in technical skills, but job-site management and labour management based on a rank and order were created by each enterprise.

In a large oligarchic enterprise in which a small number of technical labourers and a large number of simple labourers are assembled, the simple labourers who can be interchanged are classified on the basis of the machines which they use and the extent of their contribution to the enterprise. Accordingly, there is no assurance anywhere that such a job will standardize itself beyond the framework of the enterprise, and, as a natural result, the job will inevitably bear the character of the enterprise.

Those employees who operate more costly machines, even though the labour involved is the same in quality as others, are rated by the enterprise as on a higher wage scale. Those jobs which have more workers classified under them are rated higher as ones whose contribution to the enterprise is greater. This is the case with whoever can perform the job. The quality of labour does not matter here. Those who climb up to the higher rank of job are the labourers who are more diligent and show higher fidelity to the enterprise than any other labourer. Here the enterprise evaluates and judges the labourers in terms of the employees to expend their labour competitively, thereby fostering their loyalty to the enterprise.

Owing to the absence of the horizontal wage control by the trade unions, the objectives of the enterprise are attained with relative ease. And if horizontal wage control did exist in an enterprise, the enterprise would try to destroy it, detach the members of the trade union from the union's control and change them into strongly enterprise-conscious employees. An "occupational" wage rate means a wage rate linked to a certain job. An occupational wage is nothing but that which is analysed and evaluated by the enterprise from the standpoint of the enterprise on the basis of its degree of contribution to the enterprise. The point at issue here is the enterprise's labour management under which those jobs which are little different in quality are organized into one group.

5 Seniority Wages Represent a System of Low Wages

The principle of "equal pay for equal work" is the basis of trade union solidarity, but the seniority wage system weakens this foundation

through undue discrimination in wages, by means of which the enterprise concentrates its workers in a company trade union of strongly enterprise-conscious employees, and cautiously keeps this company union from changing into an independent union by means of the union-shop, in which union membership is bestowed only on company employees.

In this sense, seniority wages represent a wage system under which the objectives of capital are attained to the full, and they also maintain a system of low wages. Thus it is a wage system which is most suited for the objectives of capital.

Seniority wages represent a system of low wages because a starting wage based on subsistence for a single person is the basis of determining wages. It is well known that in Europe and America, starting wages are meant to be sufficient to support a family. The core of the problem of low wages in Japan lies in whether wages are to be determined on the basis of a single person's subsistence or on that of subsistence for a family, not in the apparent lowness of a wage level in yen as compared with wage levels in the West.

Accordingly, the insistence by many trade unions today that Japanese wages parallel those in Europe would actually entail changing the basis of determining wages from a single person's wage to a family wage. This would necessitate broadening the wage determination structure beyond the framework of the enterprise, which in turn would entail staging continuous struggles against management in order to achieve this goal.

As already stated above, seniority wages represent a wage system under which the low starting wage for a single person, taken as the starting point, is appraised and increased little by little each year in proportion to the rise in the cost of living. If seniority wages represented a wage system under which all workers were under permanent employment and their wages started with low wages which were sure to be increased in proportion to the rise in the cost of living, then this could not necessarily be said to represent a low wage system. However, under the seniority wage system, the number of those whose wages are always increased in proportion to the rise in the cost of living has gradually decreased, and the constitution of the labour force by age has become pyramid-typed and this pyramid-type constitution of labour force has been maintained by each enterprise.

An increase in wages in proportion to the rise in the cost of living is, so to speak, to be regarded as a compensatory measure for the starting wage being a low single person's wage (in principle, an enterprise derives its labour force from new graduates). If wages represented subsistence for a family, there would be no need to increase them. Under the seni-

ority wage system, however, those who have been evaluated as "low", "intermediate", or "temporary" employees enjoy either none or only a little of this compensatory action for their low wages and, moreover, their number is very large. Therefore, seniority wages represent a low wage system.

Thus, the system of seniority wages, a system of unduly discriminatory wages, represents a system of low wages and is in its nature the most capitalistic wage system.

6 Seniority Wages Constitute the Foundation of Both Enterprise-consciousness and the Company Union

If seniority wages represented merely a system of low and discriminatory wages, labourers would strongly oppose and resist it. In reality, however, they constitute the basis of labourers' enterprise-consciousness. Seniority wages represent a system of low wages, but at the same time they also represent a system of relatively high wages among a wide range of low wages. Very few small enterprises before the war had wage systems based on seniority but all small enterprises had low wages. Since the total number of workers in small enterprises was very large, employees in medium and large enterprises were paid higher wages than those in small enterprises through wage increases under the generally-established system of seniority wages. Under the seniority wage system, higher wages were paid in larger enterprises, so that here occurred large wage differentials between enterprises of differing sizes.

Under the seniority wage system, "intermediate" employees have a lower status than "regular" employees, so they have virtually no opportunity to change jobs or company. It follows that it is best for them to remain employed for a long period by the enterprise in which they are now working. Moreover, their wages are increased in proportion to the rise in the cost of living. In any event wage increases are guaranteed to them which are rarely received either by workers in big enterprises. It follows that here is born a sense of security and the fate of the enterprise is their own fate—a consciousness that an enterprise must exist before there can be labourers. The longer they continue to be employed and the more their wages increase, the stronger will be their enterprise-consciousness. The stability of their employment (permanent employment) will strengthen their enterprise-consciousness. Thus, labourers whose enterprise-consciousness is low are those who are young and those who are discriminated against in employee merit rating or because of being classified as "intermediate" employees. However, there is still no change in the fact that they are paid higher wages than "temporary" workers or labourers in small enterprises.

In this way, seniority wages, while representing a system of low wages, produces employees who are strongly enterprise-conscious, and it stabilizes labour-management relations by virtue of their relatively high wages and permanent employment. In this respect as well, seniority wages represent a system of capitalistic wages which is suited to the objectives of capital. The wage-increase system, permanent employment and welfare facilities, which are all presupposed by the seniority system, are primarily concessions made by capitalists for changing their workers into employees and for stabilizing labour-management relations.

Before the war, in enterprises where seniority wages were established, trade unions either ceased to exist or changed into the company unions. After the war company unions became employee organizations.

An intra-enterprise union is a union subordinate to the enterprise and not an independent trade union. This is a trade union whose backbone has been extracted by the capitalists—namely, a non-independent union. It sometimes happens that from this union a second union will be born during a labour dispute in order to strengthen their unity, and even powerful unions are no exception.

7 Seniority Wages and Labour Efficiency

Under the seniority wage system which presupposes permanent employment and wage increases, the efficiency of labourers naturally drops. However, the efficiency of the Japanese labourers is not always low. As compared with that in advanced nations, their efficiency is not as low as the lowness of their wages. Their efficiency is high for their low wages. Then, what creates this high efficiency? It is the system of confidential personnel evaluation and appraisal of job records with discriminatory promotion—in other words, the Japanese system of wage control and labour management.

Seniority wages are discriminatory wages according to educational backgrounds, types of employment, length of unbroken service, sex and other personal factors and are not based on clear-cut duties or qualifications. In other words, they are not those in which specific duties (groups of them) are combined with specific wage rates. This suggests that the enterprise does not clearly grasp the duties at each job site; and that it also does not attempt to increase the efficiency of the labourers through management over duties. This further tells that the jobs of workers are not clarified in terms of their scope and quantity, in other words, their work is not prescribed.

The capitalistic method in Japan of guaranteeing and securing the efficiency of labour under such conditions was that of effecting discriminatory wage increases and discriminatory promotion by means of con-

fidential evaluation and personnel appraisal, thereby getting labourers to expend their labour competitively. Seeking greater wage increases and earlier promotion, labourers try to increase their individual output and, enduring evaluation and personnel appraisal, try to climb up the pyramid to higher posts. Those labourers who will not take part in a competitive expenditure of labour are not only evaluated low, but are also thrown out of the enterprise when an opportunity arises.

This was the capitalistic way of securing the efficiency of labour under the seniority wage system. These relatively high wages paid among generally low wages in Japan were recovered sufficiently by the enterprise by means of this capitalistic method of securing efficiency through competition.

However, there was naturally a limit to the control of efficiency through such discriminatory management. Managers in general could not but be incompetent. This was not because of their lack of abilities, but because for managers too educational backgrounds, seniority, obedience and diligence which were the prerequisites for higher wages.

We shall be able to understand better the substance and function of the seniority wage system through a historical review of how it was formed.

II The Formation of the Seniority Wage System and Trade Unions

1 Trade Unions in the Early Days and the Open Labour Market

The labour market in our country from the Meiji period to the middle of the First World War (1880-1918) was not a closed labour market like that of today but a horizontal one. There was so little permanent employment then that labourers, whether skilled or unskilled, moved. As a natural result, those trade unions in our country of skilled labourers who moved in a horizontal labour market, unlike the company unions of today, were all horizontal craft trade unions (the iron-workers' union, printers' union, etc.).

The Iron-workers' Union was organized in December, 1897 with 1,184 iron-workers moving on a horizontal labour market. In 1900 its members increased to 5,400. These members were mainly composed of workers in fundamental job types in army and navy arsenals and in big metal and machine industries, etc. They were reliable, first-class workers, who were advanced both in their techniques and in their experience and who were capable of performing many kinds of jobs. Iron-workers assembled in the Iron-workers' Union were the "Western iron-workers," who were skilled in the new techniques, so they had to be organized in a new manner. Those who were associated with conventional skills also had to be reor-

ganized in a new manner.

During the Meiji period, when the machine industry did not develop using workers who were already skilled but had to develop while nurturing the necessary skilled workers under difficult circumstances, skilled iron-workers were always in short supply, and so they moved in pursuit of higher wages. That is why they were called "migratory workmen". Such being the situation, there were many trainees who moved even before completing their apprenticeship. It is said that those who finished their apprenticeship accounted only for one-third of the total.

The Iron-workers' Union was a union of such migratory workers. It carried on activities such as mutual assistance; payment of allowances in case of disasters, diseases, death or fires; helping jobless members find employment; and mediating in disputes. But, unlike the Amalgamated Society of Engineers (ASE) in England, it had no power whatsoever to restrict the supply of skilled workers (apprenticeship control), nor did it have any intention or power directly or indirectly to control wages and working conditions.

The skilled labourers of the Iron-workers' Union brought about standardization of wages through this labour movement during a period of labour shortage. This was not a conscious direction adopted by the Iron-workers' Union for the purpose of maintaining or improving the wage level, but a spontaneous movement. The Iron-workers' Union was a "friendly society", a union organization devoted to harmony between capital and labour, and it had no conscious policy for wage standardization.

The situation of the printers and the Printers' Union (founded in 1899), was similar to that of the iron-workers and the Iron-workers' Union. Printers moved frequently and the activities of the Printers' Union exclusively involved mutual aid and "mediation in disputes". The Rectification Association (1898) organized by the locomotive engineers and firemen of the Japan Railway Company was the same. The Rectification Association was a craft union of the locomotive engineers and firemen of the Japan Railway Company, but it was far from an intra-enterprise union such as we find today.

These trade unions virtually collapsed under the Public Peace Police Law enacted in March 1900, but even after that there was no change seen in the moves of workers or the search for them. At this time wages were not based on seniority, but were paid "on the basis of technical skill", based on "wages commensurate with technical abilities". The shortage of the labour force was in no respect the result of the trade union's policy of restricting the supply of skilled workers.

To cope with the moves of skilled labourers and their critical shortage,

military arsenals and other industries as early as 1877 inaugurated various systems, such as those of "fixed-term workers" or "monthly-paid workers" for whom the period of contract was fixed and to whom retirement allowances were paid at the expiration of the period in unsuccessful efforts to keep skilled labourers. Such "fixed-term workers" also moved frequently. The system of compulsory workers' funds set up by each enterprise as a means of checking movements of the skilled labourers also proved of no avail.

Among the policies carried out by enterprises to prevent movements of labour were those of encouraging unbroken service, bonuses, retirement allowances, distribution of profits in proportion to the number of years continued service, and promotion to supervisory posts of those who had served continuously for many years. However, these also turned out to be of no effect.

2 Class Rivalry and the Budding of Labour Management

The sharp increase in the demand for skilled workers caused by the Russo-Japanese War (1904-1905) further aggravated the shortage of skilled workers and intensified their movements. However, some 800,000 workers lost their jobs due to the business depression after the war with the result that the supply of skilled labourers changed temporarily from shortage to excess for the first time. At the same time there were new trends toward excessive concentration of the capital, formation of oligarchy, class confrontation and formation of a new labour-management relationship.

Modern large-scale enterprises in Japan, with military arsenals and government factories as their nucleus, came to be operated by Japanese skilled labourers, engineers and managers who were gradually trained using Western machines and technical advisers. However, this was their first experience in managing a big enterprise and thus it took them a long time to acquire this ability. These military arsenals and big government factories trained, by themselves, the skilled workers which were needed. However, they could hardly meet the growing demand for skilled workers, and, as they had neither ability nor experience in managing job sites and labour, they were obliged to leave the training and procuring of skilled labourers, and their supervision and management to what were called the "master-workers" or workers of superior skill.

As the managers of the big enterprises in those days did not have the necessary skills for performing job-site management and labour management, they divided many phases of the process of production wherever possible and had "master-workers" do those jobs by contract under their indirect management. Meanwhile they concentrated their own efforts on the phases of funds and sales. This was the masters' system which charac-

terized the machine industry during the period from the middle to the latter part of the Meiji era (1890-1912). These master-workers functioned as general supervisors over all labour affairs including the employee management (the recruitment and training of workers), operational management (the planning and execution of production), and employee welfare management (taking care of the economic and mental lives of the workers). Labour conditions for probationary workers and unskilled labourers were left to the arbitrary decisions of the foremen and master-skilled workers under whom they worked.

These master-workers were those who had developed from traditional workmen, migratory workers who had previously been trainees in the big enterprises, or workers of superior ability who had improved their skill by moving from enterprise to enterprise. Such skilled workers as lathemen, assemblers and finishers had to be newly trained, but such skilled workers as blacksmiths, can-makers, casters, wood-workers and painters who were associated with the old craftsman's manual skill could be acquired by re-training already-existing workmen, in other words, by "instructing them in Western industrial methods", so that some had apprentices stemming from the traditional system of apprenticeship since the feudal age, though this "system of apprentices attached to workers" was found only rarely and virtually ceased to exist by 1910.

On the other hand, one can realize that as long as master-workers performed all labour management on behalf of the managers, including the procurement and training of labourers and supervision over them, the new relations between the master skilled-worker and his workers were similar to the traditional relations between a master and his followers.

As long as work was contracted for by the master skilled-workers, the apprentices were exploited by them. Probationary workers and ordinary workers were also not free from intermediate exploitation, resulting frequently in bribery and lax discipline at job-sites.

However, such a masters' system was swiftly eliminated by capitalists, and all of the employment management, job-site management and labour management which the master skilled-workers had heretofore controlled came to be managed by the capitalists. Capitalists were able to do this because of the mechanization and rationalization pushed before and after the Russo-Japanese War.

The foremen's system came to be formed under the direct control of the capitalists. While experiencing business depressions and the intensification of the class confrontation, many big enterprises began to train skilled workers who until then had been trained mainly in some of the big military and government factories. At the same time some companies worked to

improve the well-being of the workers, establishing facilities such as company houses in order to give security to the workers. Those disturbances and disputes which broke out in many military arsenals, at big mines and big enterprises in the years 1905-1907 were partly caused by a rise in commodity prices, but at the same time they also reflected the resistance of the master skilled-workers who had been deprived of their positions through such a rationalization of the management system by the capitalists and the resistance of those labourers who came to be more severely exploited by means of this new method of labour control.

The accumulation and concentration of capital after the Russo-Japanese War created oligarchical capital, but the resistance of the labourers aroused by the rationalization of the labour management and operational management pushed by these large oligarchic enterprises gradually became organized and came to be staged on a large scale. Finally it gradually began to pose a threat to the state and to oligarchical capital. A mutual assistance association centering around the company and other welfare facilities aimed at decreasing such rivalry between labour and management, at preventing labour disputes, and at securing skilled labourers on a stable basis. The Factories Act enacted in 1911 indicated nothing but the state's socio-political effort to decrease such antagonism between labour and management.

As to the wages, meanwhile, there was not yet such a system of wage increase as seen today. Wages were mostly paid "on the basis of skill in job performance", and because workers could move from job to job, there was no significant difference in the wage scales of enterprises. The differentials among the wage scales of the enterprises noted in government publications are as follows.

Scale of Factory	Average Wage per diem in 1909	
	Amount	Difference
Over 1,000 persons	¥0.34	100.0
500-999 "	0.32	94.1
100-499 "	0.33	97.1
50 - 99 "	0.32	94.1
30 - 49 "	0.32	94.1
10 - 29 "	0.33	97.1
4 - 9 "	0.34	100.0

The business depression after the Russo-Japanese War produced a great number of unemployed and decreased the movements of labourers, while the number workers trained by enterprises increased. Capitalists were thus more easily able to recruit workers with the necessary skills. However, such a tendency of workers to settle down ended as a result of the out-break of the First World War. Owing especially to business prosperity

after the advent of 1916, workers came to move frequently again.

3 The Friendly Society and the Gradual Awakening of Labourers

The trade union movement virtually collapsed following the enactment of the Public Peace Police Law in 1900. It was replaced by a socialist movement led by a few intellectuals which achieved little beyond publicizing socialist ideas. The anarchistic idea of direct action advocated by Shūsui Kōtoku and others was one of the products of this movement. In 1910, the socialist movement was completely wiped out as a result of its complete suppression after an unsuccessful plot to assassinate the Meiji Emperor attempted by several anarchists (the Great Treason Incident). After this the influence of socialism on the labouring class was very weak.

During the "Winter" of the socialist movement which followed the "Friendly Society" (Yūaikai) was organized (on 1st August, 1912) by Bunji Suzuki, a Christian, and fifteen others. Suzuki was the secretary of the United Christianity Propagation Society and had had no leading part in either the union movement or the socialist movement.

The Friendly Society, as indicated by its name, was formed after the pattern of the Friendly Society under the Combination Act in England. It was an organization having as its objects mutual aid, friendship, cultivation, improvement of skill, entertainment and so forth. In this respect, it was the same as the trade unions of the Meiji period.

Bunji Suzuki was a moderate and an advocate of labour-management cooperation who favoured social reform based on Christianity. He stressed the necessity of organizing trade unions as one means of improving the status of workers.

The Friendly Society published an organ titled the "Friendly Newspaper" (first published on 3rd November, 1912 and renamed "Labour and Industry" on November, 1914). Suzuki wrote for every issue of it, emphasizing the need for the enlightenment and unification of workers.

Suzuki wrote in his autobiography, I wanted to implant proper 'self-consciousness' in the labouring class in our country as early as possible. And, standing on this self-consciousness, I wanted to lead them in organizing solid, sound trade unions. This was the dearest wish of myself who was the president of the society as well as the editor of the newspaper a wish I never forgot even for a moment. The Friendly Society was to be the cradle, kindergarten and front-door for this. And it was enough for me to be the caretaker of the cradle, the dry-nurse of the kindergarten, and then the door-keeper⁶⁾.

This aim and intention of Suzuki's, supported also by the democratic movement in the Taisho period, was attained to the full, and the Friendly

6) Bunji Suzuki, *Twenty Years of the Labour Movement*, pp. 81-2.

Society gradually grew into a full-scale trade union, until its name was changed to the Friendly Society of the Great-Japan General Federation of Trade Unions in September, 1919 (the words 'Friendly Society' were deleted in 1920) and established, its position as a federation of craft trade unions.

A great influence on the development of the Friendly Society was that in the disputes at the Japan Gramophone Company in June, 1913 and in those at the Tokyo Muslin Spinning Mill in June, 1914, Suzuki successfully mediated, settling the disputes to the advantage of the labourers. With the help of advisers who were eminent scholars or councillors and of his friends who were the members of the Friendly Society, he adopted a method for mediation of having them stand between the companies and him, which proved to be a great reason for his successes. Since there were very few labour organizations, the membership of the Friendly Society steadily increased, and in April, 1917, at the time of its fifth congress, it totalled 27,000.

Branches of the Society were organized in various places, though these local branches were run by skilled workers of the foreman class and liberal intellectuals who helped them. Thus they were far from being run democratically by the average worker-members.

Under such circumstances, however, the self-consciousness of the common members gradually deepened, and disputes staged mainly by them began to arise. These disputes were conducted peacefully with firm solidarity, ending in the fulfilment of their demands.

After 1916 commodity prices rose sharply, with the result that spontaneous disputes increased and the Society's members who took part in them also increased. However, the Friendly Society was never an instigator of disputes. "The Friendly Society does not instigate strikes or assist in them without good reasons. Avoiding these means and employing peaceful methods wherever possible, the Society attempts to elevate the position of labourers and improve their living. Only in an unavoidable case, the Society will approve a strike as an inevitable means"⁷⁾.

Many of those disputes which thus took place were directed by office workers or by skilled labourers directly under them who belonged to the Society.

At the convention marking the 5th anniversary of its founding (held in April, 1917) against such a background, its constitution was revised to read in part that "this Society shall be a general national federation of various organizations (whose members belong to the same occupation); however, its branches shall be of two kinds; craft and regional". Thus the Society made clear its intention to create craft trade unions. It

7) Tetsu Nosaka, "The Noisy Beginning of the New Year", *Labour and Industry*, March 1912.

was decided at the same convention that women who were associate members of the Society would be made regular members, that conventions be held once a year and that only a regular member be entitled to be its president and that he be elected at a convention. It was further made clear there that its finances were to be based on members, dues thereby turning the Society which had thus far been under the virtual dictatorship of Bunji Suzuki into something like a trade union.

4 The Development of the Union Movement and the Formation of the General Federation of Trade Unions of Japan

Owing to the presence of both eminent scholars in the capacity of the advisers of the Society and councillors, Bunji Suzuki's stand in favour of moderate social reform based on Christianity and the great emphasis he placed on such activities as education, self-cultivation and mutual assistance, wherever there was an organization of the Society both managers and bureaucrats generally gave it positive support thus enabling the Society steadily to increase its influence. But, when strikes occurred frequently at big companies in Tokyo and in other places in 1916 and 1917, the situation suddenly changed. Factory managers alleged that these strikes were incited by the Friendly Society, while the government and police authorities tended to look coldly upon the behaviour of the leaders and the rank and file of the Society. In February, 1917, the factory managers formed their own organization in an attempt to oppose the workers. This tendency to regard the Friendly Society with hostility became decisive on the occasion of the large-scale strike at the Japan Steel Mill at Muroran (in March, 1917), especially after its branch there was suppressed.

In spite of Suzuki's statement that "we never stop urging the awakening of labourers both in writing and in speaking, but we never have raised any disturbance where everything was peaceful....."⁸⁾, the suppression of the Society spread to army and naval arsenals and even extended to the private enterprises, with the result that many members left the Society and a number of branches and sub-branches ceased to exist.

Closely following the large-scale strike at the Japan Steel Mill at Muroran in March, 1917, there occurred big strikes at the Nagasaki Shipyard in June and at the Yokohama Dockyard and Asano Shipyard at the end of the year, marking an epoch in the history of strikes. In coping with this, the government and police authorities further intensified their suppression of the Friendly Society and made greater efforts to

8) Bunji Suzuki, "Listen, the Capitalists!", *Labour and Industry*, June 1917.

undermine its solidarity, and the police carefully investigated into the background of the staff-members of the Friendly Society's headquarters and local branches. However, encouraged by such developments as Taisho period democracy, the Russian Revolution of 1917, and the Rice Riots of 1918, the Friendly Society developed sufficiently to be associated with the formation of a general labour federation.

The suppression of 1917 advanced the formation of craft union branches based upon the 1917 revised regulations. Meanwhile a great change took place inside the Society itself due to old members leaving the Society and new members joining it. Old members who were simple co-operativists or who lacked class-consciousness left the Society under the influence of the suppression, and self-conscious, militant labourers joined it, organizing new branches or maintaining those branches which already existed.

At the Friendly Society's Sixth Congress held in Osaka in April, 1919, new leaders from the skilled worker class were predominant. At this Congress bills were introduced by the branch unions in an attempt to transform these branches into the craft unions. This showed that the workers belonging to the branches had started to grapple with the problem of the improvement of workers' economic conditions.

The part the I. L. O. played in the awakening of the labourers was also important. From January, 1919, labour issues were among those taken up at the Paris Peace Conferences and in April it was decided that an International Labour Organization and a nine-article charter for labour be written into the peace treaty. Since the Friendly Society sent Bunji Suzuki to the Conference as a representative from Japan, it took a great interest in it, and the headquarters of the Friendly Society publicized this nine-point charter as the "Labourers' Magna Charta". After January, 1919 when labour issues were taken up in Paris, public opinion in Japan had seethed over the issues of official recognition of trade unions and the revision of Article 17 of the Public Peace Police Law which denied the right to unite. Against this background, the Friendly Society stressed that its nine-point charter listed the natural rights of workers. The demand for the freedom to unite was first initiated by the members of the Friendly Society in the Kansai district and then was spread to other districts.

During 1919, 71 trade unions were organized and disputes totaled 492, in which 63,137 persons participated. This showed a great increase compared with the number of disputes in previous years. The number of trade unions increased not only quantitatively, but also made qualitative strides as seen in the formation of the Kansai Allied Association. The

establishment of these independent unions as a substructure eliminated the system of unilateral leadership by a central headquarters. Independent workers' organizations now existed which guaranteed the independent operation of the system, and these could put forward demands such as freedom for trade unions, the right to strike, abolition of Article 17 of the Public Peace Police Law, an eight-hour day, a minimum wage system, labour insurance, and democratic factory organization. The nucleus of these organizations, whether in the Kansai or Kanto areas, were composed of union activists who were leading workers below the foremen class.

The Friendly Society of Great Japan General Federation of Trade Unions was formed in September, 1919 on the basis of such democratization and independence of the branches and the federation. At the Friendly Society's Seventh Congress from 31st August to 2nd September, 1919, it was decided to rename the Society the Friendly Society of General Federation of Trade Unions of Great Japan, that power be taken away from the president and given to a board of directors, and that branch organizations be changed gradually from a regional to a craft basis, thus completing the trend toward their transformation into craft unions. Also, a resolution was made on twenty items to be won. Based on the nine-point labour charter of the I. L. O., these were: (1) that labour is not a commodity, (2) freedom for trade unions, (3) prohibition of child labour, (4) establishment of a minimum wage system, (5) establishment of an equal wage system for both sexes for labour of the same quality, (6) no work on Sundays, (7) an eight-hour day and a six day week, (8) prohibition of night work, (9) installation of supervisors over women's labour, (10) enforcement of labour insurance, (11) promulgation of a dispute arbitration law, (12) prevention of unemployment, (13) the same treatment for labourers at home and abroad, (14) improving workers housing and placing them under public management, (15) establishment of a labour indemnity system, (16) improvement of part-time labour, (17) abolition of labour by contract, (18) universal suffrage, (19) revision of the Public Peace Police Law, and (20) democratization of the educational system.

5 The Trade Union Movement and Managers' Counter-measures

The successive occurrence of disputes and the development of the union movement not only incurred suppression by the capitalists, government and police authorities, but also activated a move on the part of capitalists to resist the movement by means of the establishment of more welfare facilities and the formation of company unions. "As strikes broke one after another in various places, intervention by the capitalist class and

by the government and police authorities gradually increased. Some tried to interfere with the labour movement by means of happiness-promoting facilities. Each factory tried to organize a workers' union in an attempt to cause its workers not to have their attention distracted elsewhere⁹⁾.

Bunji Suzuki also wrote about attempts by companies to prevent the development of true labour unions: "Among the many capitalists in the world there are some here and there who tried to be the first to improve their factory facilities, better the treatment of their workers, create an organization of their workers and labourers in a company or a factory at the proposition of the company itself, or organize an association of reservists with all the ex-soldiers of a company with which completely to replace the labourers, stating that 'as we are giving appropriate treatment to the labourers we are using here, we do not agree to the necessity for such an organization as the Friendly Society'¹⁰⁾.

It was the intention of the capitalists to get rid of the trade unions and replace them with company unions, and to make labour-management relations paternalistic ones and reorganize them on a managing-family basis.

Bunji Suzuki criticised the theory of the paternalistic treatment of the workers by capitalists as hampering the labour movement. He stressed the necessity for trade unions to bring about good treatment for all workers, instead of the good treatment towards the workers in certain individual enterprises¹¹⁾. This was an utterance worthy of note, indeed. For, paternalistic labour-management relations and the seniority wage system came into being through the individual enterprises' good treatment towards their workers and the exclusion of trade unions which attempted to improve the treatment of labourers as a whole. However, what was justly pointed out and criticised by Bunji Suzuki was not taken up and developed by the trade union movement.

Neither the paternalistic good treatment towards workers by individual capitalists nor the creation of company unions could settle in their own enterprises those migratory-worker-typed skilled labourers who moved so frequently in those prosperous days after the First World War or eliminate the trade unions.

The intensification of the union movement after the Rice Riots, with the year 1919 as a turning-point, made the order of the day not merely

9) *Labour and Industry*, December 1917.

10) Bunji Suzuki, *Labour Issues in Japan*, p. 154.

11) Bunji Suzuki, "Isn't It Necessary to Have Labour Organizations in the Companies and Factories Where the Workers are Well Treated?", *Labour and Industry*, August 1917.

paternalistic treatment towards workers by individual capitalists but also counter-measures against trade unions on the part of both the capitalists and the state. These were the establishment of the "Cooperative Association" in December, 1919 and the system of Labour Commissioners conceived by the Ministry of Home Affairs in the same year.

The Cooperative Association's "purpose represents remedial action against the Rice Riots. The awakening of the general public has been deeper and deeper year after year. It will be impossible to eradicate the labourers' unionism, however strictly it may be suppressed. Will it be impossible to arrange some movement of such a type as will be free from the danger of opposition to the capitalists while satisfying the social and collective desires of labourers.....? This was the first plan that was made for the Cooperative Association after they had considered several alternatives"¹²⁾.

Bunji Suzuki, who was asked by Eiichi Fukuzawa to join as a trade union representative, refused to take part, explaining that the Cooperative Association was being established to take the place of the trade unions. He wrote an article titled "My Criticism of the Labour-Management Cooperative Association" for the January, 1920 issue of *Labour and Industry*, in which he made known his opposition to the Cooperative Association. One reason for his opposition was that the capitalists would have much power and the workers would have little, therefore, real cooperation would be impossible. "When cooperation is mentioned, it presupposes that the other party also should have equal power. How is real cooperation to be realized under present circumstances in which capitalists look upon labourers as subordinate to them, hardly recognizing their individuality? Prior to talking of cooperation, we should first solve the problem of fostering such real power as will make cooperation possible. It is an urgent matter to enact a Trade Union Law for that purpose. No matter how vigorously the Cooperative Association may wield cooperativism, it will not attain results so long as it neglect this urgent matter..... Another reason he opposed it was that the funds of the Cooperative Association were all to be donated by capitalists. "I wonder if it will be possible for it to retain true fairness, when the Association depends on the capitalists for its funds..." Finally he opposed it as organization which would replace trade unions. "The founding of the Cooperative Association was motivated by their attempt to make it a substitute organ for the trade unions. In other words, they attempted to organize a paternalistic relief organization. "The promoters are repeat-

12) Bunji Suzuki, *Twenty Years of the Labour Movements*, p. 88.

edly explaining that it would never oppress trade unions, but they are not trustworthy. For example, concerning the problem of official recognition of trade unions, they look at it quite abstractly and thus avoid touching on it at all, don't they?"

Suzuki states that "he who attempts to judge labour issues in terms of moral relations like the paternalism between master and servant rather than in terms of rights will be mocked by men of intelligence. It is a great anachronism to try to deal with labour-management problems on the basis of [Japanese] ethics when the labour issues are going to be considered outside [Japan] on an international basis"¹³). We can say that this criticism by Suzuki was truly correct, when we think of the fact that the Cooperative Association was set up through inquiries made to the Japan Industrial Club by the then Home Minister, Takejiro Tokonami, who said, "so long as there are the time-honoured master-servant relations or paternalistic employment relations in Japan, we need not go to the trouble of licking the leavings of Europe and America if we make the clever use of that fine custom".

The Home Ministry's idea concerning the Labour Commission was also to get rid of the trade unions and substitute it for them.

(To be concluded in *The Kyoto University Economic Review*, Vol. 36, No. 1, April 1966.)

13) *Ibid.*, pp. 195-7.