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A SOCIAL HISTORY OF INDUSTRIAL
STRIKES AND THE LABOUR MOVEMENT
IN HONG KONG,
1946-1989

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**A SOCIAL HISTORY OF INDUSTRIAL STRIKES
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1. INTRODUCTION: A HISTORICAL PROFILE OF STRIKES IN HONG KONG, 1946-89

Despite its rapid socio-economic development and the concomitant glaring social inequality, Hong Kong has been remarkably free from social conflict and instability. A major factor underlying this paradox is the acquiescent workforce and the ineffective labour movement in Hong Kong. A number of writers (e.g. England 1979, 1989; Turner 1980; Levin and Jao 1988) have offered explanations for Hong Kong's peaceful industrial relations. The aim of our paper is to complement the by and large analytic accounts of previous writers through a detailed historical survey of industrial strikes and the labour movement in Hong Kong since the end of the Second World War. We hope to describe vividly and in detail the conditions and atmosphere in which strikes and the labour movement developed. In the process, we also contribute our contextual explanations of the development of events. We draw heavily on primary sources of information such as press reports and official publications, but where appropriate, we also rely on secondary sources.¹ To highlight the contours of development, we organize our presentation into seven periods, each in our view characterized by relatively distinctive socio-economic and political features which in turn impacted on the development of the labour movement and strikes.

Strikes, generally understood as stoppages of work by groups of workers in protest to management, are a relatively extreme form of industrial action. As a collective endeavour to confront and wrestle concessions from management, strikes are an expression of the unity and strength of working people, and of their determination to defend and advance their interests and rights. They not only reflect the social and economic discontents of workers, but are also their political statements. Strikes (or

their absence) are therefore an important indication of the strength and nature of the labour movement.

A history of strikes is thus a history of the political strength and ideology of workers, and also a history of the major socio-economic and political changes in our community in so far as they impinge on the well-being, organization, and political consciousness of working people. In constructing this history we shall identify and explain the fluctuations in the frequency of strikes and the changes in their magnitude and nature over time.

The Level of Strikes, 1946-89: A Historical Profile

The level of strikes for a specified period can be measured by the frequency of their occurrences, the number of strikers involved, and the number of man-days lost due to the stoppages. Each measure provides information on some particular aspects of strikes and does not necessarily vary in the same direction as the other measures. But the number of man-days lost, obtained by multiplying the number of days lost through stoppage and the number of strikers involved, is generally used as a summary indication of the level of a strike, and by extension, the level of strikes in a particular period. A detailed analysis of strikes, however, would involve a separate inquiry into each of the above dimensions. Table 1 presents the basic information on the level of strikes for various years. The accompanying diagrams are graphic illustrations of the historical trend.

From the information presented in Table 1 and diagrams 1-3, we can make the following general observations about the long-term movement of strikes. The level of strikes, as indicated by the number of man-days lost, is high (by Hong Kong standards) in the period 1946-9.² A downward trend begins from 1950 and thereafter the level remains low on the whole and fluctuates within a narrow range to 1989. The frequency of strikes, however, exhibits a very different trend, generally low from 1946 to 1965, followed by an upward movement in 1966-1982, and then going down again from 1983. The number of strikers shows relatively the most fluctuating trend but if we consider those years with around 10,000 or more strikers to be peaks, then 1947, 1959, 1971-1973, and 1979 qualify as such.

The Propensity to Strike: A Historical Profile

In Table 2 and diagrams 4-6, we control the three measures of the level of strikes by the number of employed workers to derive the propensity to strike.

The data indicate a generally declining trend with minor fluctuations for all three measures of strikes since 1949. This decline is most consistent and dramatic in the case of the number of man-days lost per 1,000 workers, which is the best overall indicator of the workers' propensity to strike. A similar, though less consistent, pattern can be seen in the other two measures. We can thus conclude, bearing in mind some minor counter-trends, that the workers were becoming less inclined to strike after 1949. It is further worth pointing out, as a note of contemporary interest, that this downward trend has been most consistent and conspicuous in the 1980s.

We present in summary Tables 3 and 4 a comparison of the annual averages of the strike indices for the seven periods in this study. The annual averages are obtained through dividing the total strike statistics for each period by the number of years in that period. These annual averages thus give us an idea of the level of strikes and its propensity to strike for each period in comparison to other periods. As we go through each period later in our discussion, we shall keep referring back to these two summary tables for the purpose of comparison.

Table 1: The Level of Strikes 1946-89

Year	No. of Strikes	No. of Workers involved (00s)	No. of man-days lost (00s)
1946 - 47	14	66	1,192
1947 - 48	10	142	2,787
1948 - 49	12	18	262
1949 - 50	12	72	1,824
1950 - 51	3	3	43
1951 - 52	11	20	530
1952 - 53	1	1	2
1953 - 54	2	45	1,485
1954 - 55	4	26	31
1955 - 56	11	18	325
1956 - 57	9	17	96
1957 - 58	3	8	134
1958 - 59	5	9	22
1959 - 60	12	120	300
1960 - 61	8	40	290
1961 - 62	10	27	176
1962 - 63	12	34	272
1963 - 64	17	58	734
1964 - 65	13	21	433
1965 - 66	7	39	653
1966 - 67	17	38	375
1967 - 68	-	-	-
1968 - 69	28	40	139
1969 - 70	32	40	371
1970 - 71	47	140	537
1971 - 72	40	70	212
1972 - 73	43	150	428
1973 - 74	40	160	471
1974 - 75	17	50	100
1975	15	40	157
1976	14	30	47
1977	36	41	106
1978	50	83	300
1979	44	99	392
1980	36	61	200
1981	49	61	153
1982	32	73	177
1983	11	11	25
1984	11	23	31
1985	3	4	12
1986	9	21	49
1987	15	18	30
1988	8	9	23
1989	10	42	33

Notes to this table are on page **.

Table 2: The Propensity to Strike 1946-89

Year	No. of strikes per 100,000 workers	No. of strikers per 1,000 workers	No. of man-days lost per 1,000 workers
1946 - 47	28	132	2,385
1947 - 48	19	277	5,429
1948 - 49	20	30	433
1949 - 50	19	111	2,814
1950 - 51	3	4	48
1951 - 52	12	21	566
1952 - 53	1	1	2
1953 - 54	2	45	1,470
1954 - 55	4	25	30
1955 - 56	9	16	335
1956 - 57	6	12	69
1957 - 58	2	5	90
1958 - 59	3	5	13
1959 - 60	6	63	159
1960 - 61	3	17	127
1961 - 62	4	12	77
1962 - 63	4	12	98
1963 - 64	6	19	243
1964 - 65	4	6	123
1965 - 66	2	11	183
1966 - 67	5	10	99
1967 - 68	-	-	-
1968 - 69	5	9	33
1969 - 70	7	8	76
1970 - 71	9	26	101
1971 - 72	7	13	40
1972 - 73	8	29	77
1973 - 74	7	28	82
1974 - 75	3	9	18
1975	2	6	23
1976	2	4	6
1977	5	5	14
1978	6	10	37
1979	5	11	45
1980	4	7	22
1981	5	7	17
1982	4	9	21
1983	1	2	3
1984	1	3	3
1985	0.4	0.5	1
1986	1	2	6
1987	2	2	3
1988	1	1	3
1989	1	0.05	0.04

Notes to this table are on page **,

Notes to Tables 1 and 2*Table 1*

Source: *Annual Reports*, Labour Department.

Note: The Labour Department did not provide information on the 'political' strikes of 1967-8. Data before 1975 cover financial years (1 April-31 March). Data from 1975 cover calendar years. The above historical profile gives us a general picture of the level of strikes in various periods but does not provide sufficient information on the workers' propensity to strike. All other things being equal, the number of employed workers obviously bears directly on the level of strikes. In other words, a high level of strikes may simply be due to a larger number of workers in the economy and does not necessarily indicate a greater readiness to strike on the part of the workers. To have an account of the workers' propensity to strike, we must therefore match the level of strikes with employment figures.

Table 2

Source: *Annual Reports*, Labour Department.

Note: 'Workers' refers to employees in registered establishments.

Table 3: A Summary of Total Strike Activity, Annual Averages by Period

Year	No. of strikes	No. of workers involved (00s)	No. of man- days lost (00s)
1946-49	12	75	1,516
1950-59	6	27	297
1960-66	12	37	419
1968-73	38	100 360	
1974-81	33	58	182
1982-89	12	25	48

Table 4: A Summary of Propensity to Strike, Annual Averages by Period*

Year	No. of strikes per 100,000 workers	No. of strikers per 1,000 workers	No. of man- days lost per 1,000 workers
1946-49	22	138	2,765
1950-59	5	20	278
1960-66	4	12	136
1968-73*	7 (3)	19 (8)	68 (28)
1974-81	4 (2)	7 (3)	23 (10)
1982-89	1.4(0.6)	2.4(1)	5 (2)

* Two sets of figures are given from this period on. The first set is based on workers in registered establishments. The figures in brackets are based on all employees, which are available from 1968 onwards.

Diagram 1: The Trend in Number of Strikes 1946-89 (Period averages excluding 1967)

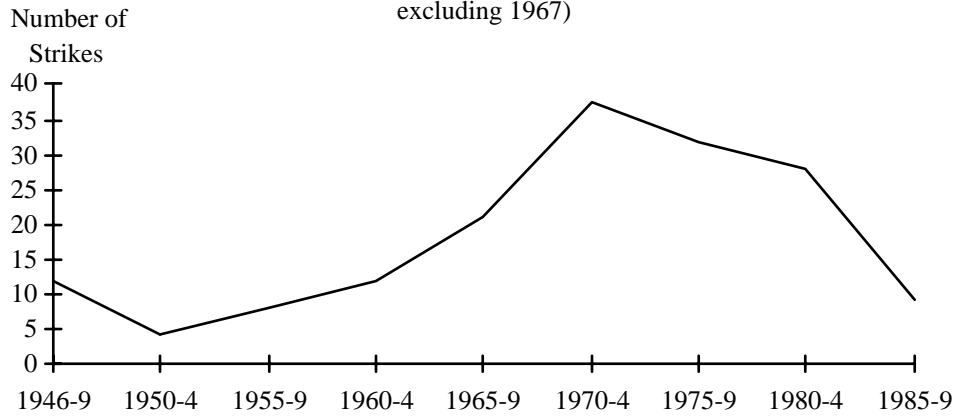


Diagram 2: The Trend in Number of Strikes 1946-89 (Period averages excluding 1967)

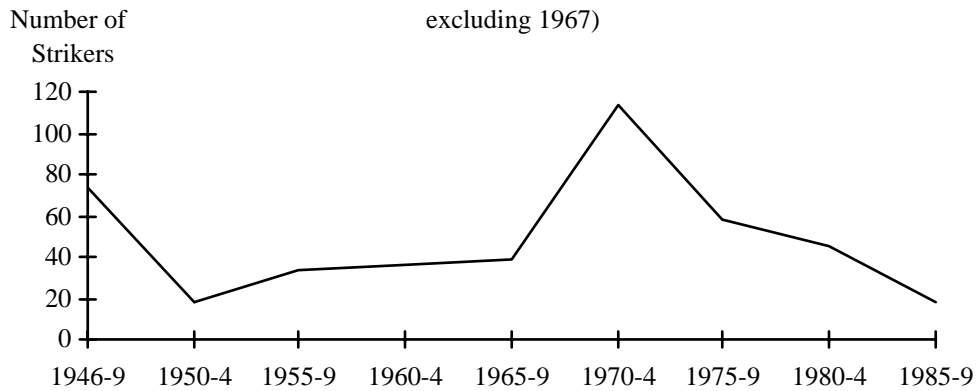


Diagram 3: The Trend in Number of Man-days lost (Period averages excluding 1967)

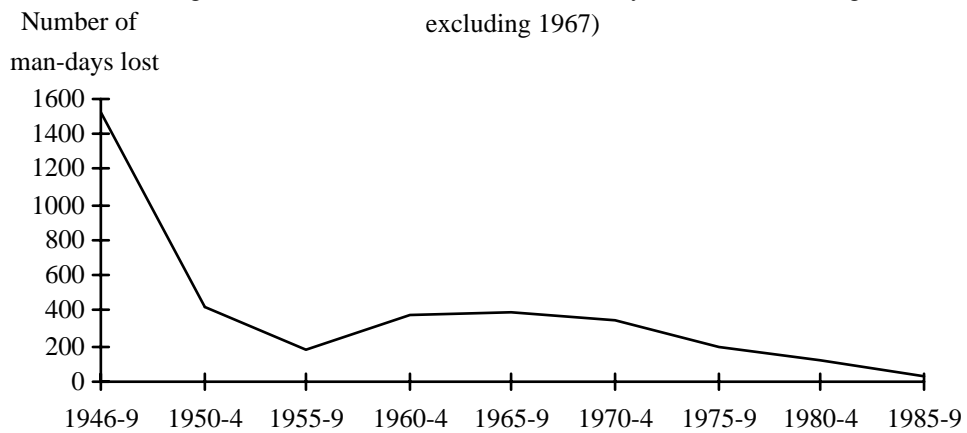


Diagram 4: The Trend in Number of Strikes per 100,000 workers 1946-89 (Period averages excluding 1967)

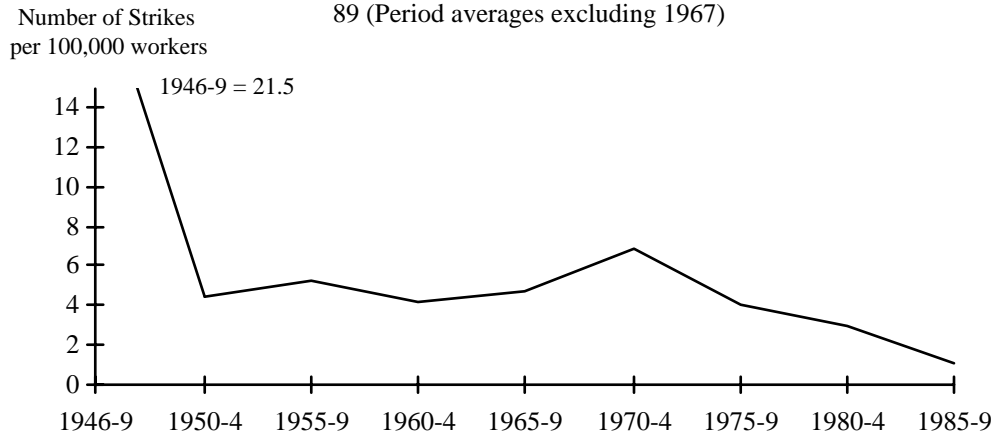


Diagram 5: The Trend in Number of Strikers per 1,000 workers 1946-89 (Period averages excluding 1967)

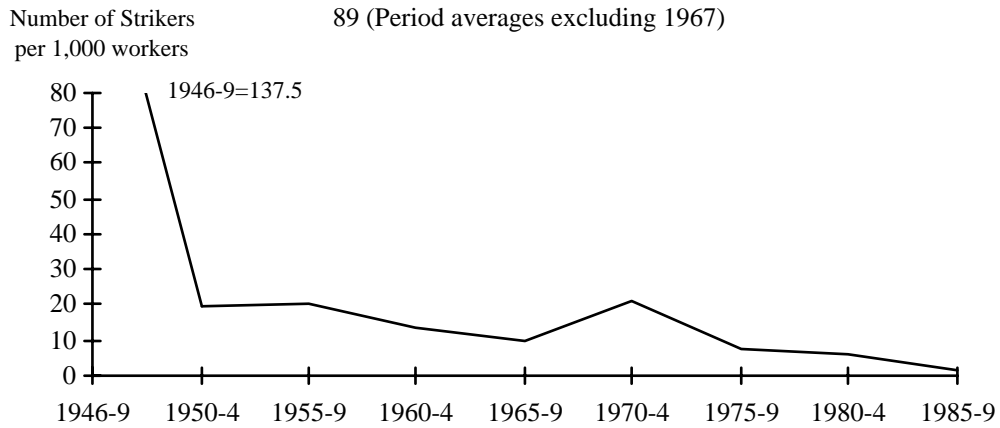
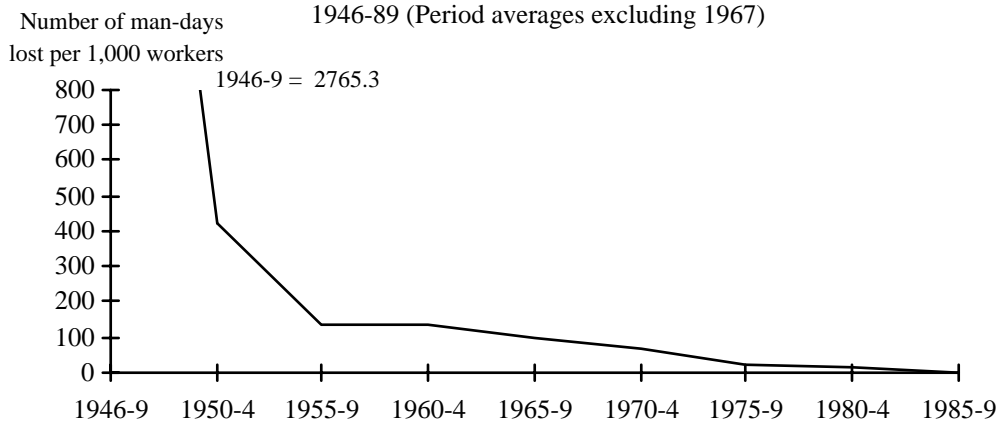


Diagram 6: The Trend in Number of man-days lost per 1,000 workers 1946-89 (Period averages excluding 1967)



2. THE POST-WAR YEARS OF HIGH INDUSTRIAL CONFLICT: 1946-9

It is ironical that the end of the Second World War should be followed immediately by a period of high industrial conflict, the highest in fact of the post-war years with the exception of 1967. One is tempted to explain this in terms of the general social and economic disruptions and deprivations in the aftermath of war. But this explanation does not apply at least in the case of Britain, the United States, and Australia, where the level of strikes in the immediate post-war years was either low (Britain) or about average (the US and Australia) in comparison with the rest of the post-war period.³ It is therefore probable that the high level of strikes in Hong Kong in the few years after the war was due to special conditions in the industrial structure and industrial relations that distinguish this period from subsequent years.

The Overall Pattern of Strike Activity

As can be seen from the summary Tables 3 and 4, the level of strike activity for the period is high only in terms of numbers of workers involved and man-days lost. The number of strikes is in fact low in comparison with the rest of the post-war period. This suggests that compared with later years, strikers in the immediate post-war period were more collectively and centrally mobilized and able to engage in protracted struggles with managements. The lower number of strikes thus reflects greater unity and strength among the strikers as a collectivity, in contrast to the higher number of small short, strikes in later years.

Tables 3 and 4 indicate unambiguously that the workers in the immediate post-war years were far more ready to strike than in subsequent years. What conditions and factors then contributed to the high level of strikes and high strike propensity in these years?

The Background

Like other forms of collective action, strikes are primarily the outcome of a combination of two conditions: the participants' discontents and grievances, and their ability to mobilize for collective action. Economic hardship in the aftermath of war generated the former; the rapid revival of trade unionism upon the British reoccupation of the territory facilitated the latter. Such

conditions are unique in the history of post-war industrial conflict and contributed to the exceptionally high level of strikes in the immediate post-war period.

A brief reference to reports on the social and economic conditions of the time will give us a general picture of the deprivations the working people were facing and protesting about. Quoting government sources, the *Wah Kiu Yat Po* (26 May 1946) described the Colony as facing 'a rapid rise in the cost of living', 'a shortage of rice, building materials, housing, clothing and many other basic necessities'. England and Rear (1981:134), in accounting for the high level of industrial conflict in the period, mentioned the scarcity of food, and 'the increase in the cost of free market rice from 30 cents per catty in February 1946 to over \$2 in May'.

A *Wah Kiu Yat Po* editorial (25 May 1946) directly attributed the industrial disputes of the time to economic hardship and carried an implicit explanation for the workers' protracted struggles to improve their livelihood:

'Social and economic deprivations are the main cause of the current industrial conflict. ... There are at present no easy ways to overcome these difficulties. We believe that wage increases are not effective solutions, for such increases simply cannot catch up with the rise in the cost of living. ... Only when daily necessities are in plentiful supply, when the basic requirements of life are satisfied, can we have a solution to the present problems'.

Such reports were consonant with the professed objectives of the strikers, who emphasized in their statements to the press and the public that their motives were solely economic and not political. Indeed the two powerful workers' organizations with clear political affiliations, the pro-communist Federation of Trade Unions (FTU), and the pro-Kuomintang Trade Union Council (TUC), were not established until 1947 and 1948 respectively. Before that time, a politically independent workers' union, the Chinese Engineers' Institute, played the roles of labour's spokesman, co-ordinator, and negotiator with government and management in many of the industrial disputes of the immediate post-war years. Its decline after 1949 and the subsequent ascendancy and dominance of the FTU and the TUC substantially changed the nature of industrial relations and industrial conflict in later years. But in the few years after the war, its leadership helped to mobilize the workers in their struggles.

Founded in 1909, the Chinese Engineers' Institute was a trade union composed mainly of mechanics from various occupations. It first came to prominence in the mechanics' strike of 1920, when it successfully organized and led some 6,000 mechanics from 26 establishments in an 18-day strike against managements. It is noteworthy that despite the nationalist and anti-

imperialist fervour generated by the May 4 movement of the previous year in China, the mechanics' strike was not politically motivated. It was prompted, as Pauline Chow (1986) noted, by the economic hardship afflicting the Colony in the aftermath of the First World War. The strike won for the mechanics a general wage increase of 30 per cent and consolidated the position of the Chinese Engineers' Institute as the representative and leader of the local mechanics. At the same time the union's political non-affiliation, and its orderly and disciplined handling of the strike established it as a responsible trade union in the eyes of the colonial government. This paved the way for the Institute's later role as mediator and negotiator between labour, and government and management.

A couple of subsequent events further helped to improve the image and status of the Institute in industrial relations. During the 1930s, a decade of industrial peace, the Institute assisted the government in recruiting students for the government-sponsored training classes for mechanics. And in 1941, the Institute through the assistance of government again successfully negotiated with the employers for a wage increase for the mechanics. By the end of the Second World War, the Institute had thus established itself as a responsible and effective representative, and spokesman, for labour. With its members now numbering about 4,500 and many more supporters among mechanics and other workers, it had the resources, the experience and connections to take up an influential position in labour's confrontation with management.

But while the Institute undoubtedly made a significant contribution in organizing and coordinating industrial actions, the unity of the workers was in the first place facilitated by the structure of employment in the second half of the 1940s.

Before 1950, Hong Kong's economy was characterized by slow technological change, the prevalence of traditional methods of learning a trade, and comparatively little industrial diversification. Most technical skills and crafts were learned in the workplace from experienced workers. As England (1979:85) describes it, 'each method involved a process of socialization lasting over a number of years into the norms not only of the craft but of a particular workplace'. This lengthy period of learning on the job, together with the plentiful supply of labour from neighbouring Kwantung, meant that workers tended to hold onto a job for as long as possible. Labour turnover was therefore low and employment stable. At the same time, the lack of industrial diversification led to the concentration of the labour force in the strategic sectors such as docks, transport and shipping, printing and the public utilities. The continuity of employment and the concentration of labour facilitated the communication and hence the unity and organization of the workers. It is further worth noting that mechanics accounted for a substantial

number of the work force of the time. In 1947, out of a total of some 50,000 workers in registered employments, around 15,000 were mechanics in various industries and occupations.⁴ This enhanced both the influence of the Chinese Engineers' Institute among workers as well as its legitimacy and capacity to co-ordinate and mobilize workers in their struggles against management. It is in these economic and organizational contexts that the strikes in the immediate post-war years occurred.

The Main Events

1946 began with a series of strikes aimed primarily at wage increases. The Labour Office Report of the time attributed the cause of the majority of these disputes to 'economic difficulties due to high cost of living'. The scale and the rapid succession of industrial actions in the year, however, have to be understood also in terms of the organizational nexus of the workers. It is perhaps natural that with the concentration of workers in the dockyards, the first and largest strikes of 1946 occurred among the dockers of the Taikoo Dock and the HM Naval yard, respectively in February and March and involving 2,000 and 9,000 strikers. But the social networks and co-operative efforts of the workers in collective action are best demonstrated in the several industrial disputes in public utility companies between May and the end of July.

The public utility strikes started in May among gas workers. A rapid succession of strikes followed: the Hong Kong Electric Company workers' strike in the same month, the China Light and Power Company workers' strike in June, and the Star Ferry and Hong Kong and Yaumati Ferry workers' strike in July. The rapport among the workers and the leading position of the Chinese Engineers' Institute during these months of struggle are evident from the following excerpts of a letter from the Institute, addressed to the general public and fellow workers during the height of the electrical workers' strike. Describing striking as 'a most unfortunate and regrettable event', the letter continues:

'Dear workers, the unfortunate has now happened. We must sympathize with and support our fellow workers involved in the struggle. ... On the request of the Labour Office, our Institute has taken part in negotiations. The Institute will carry out its tasks in an undaunted spirit, and we hope that all fellow workers will give us their unanimous moral support.' (Letter published in *Wah Kiu Yat Po*, 22 May 1946).

And support the strikers of the public utility companies did receive in plenty from labour unions

and the public. Apart from offering monetary and rice donations, a number of labour unions also sent representatives to work with the Institute in negotiating with the Labour Office and managements for settlement of the disputes. The co-operative spirit among workers in further demonstrated in two joint letters from 31 labour unions to government urging for a speedy resolution of the strikes in the China Light and Power Company and the two Ferry Companies.

If the unity of workers is best illustrated in the case of the public utility strikes, the pervasiveness of the impact of economic hardship on the working class in general is evidenced by the wide variety of occupational groups (e.g. cinema mechanics, paint and lacquer company workers, the fire brigade) which resorted to strikes to bargain for wage increases. Indeed, economic hardship was to continue to be the main cause of industrial disputes well into 1947. After that the growth of the textile industry and the rise of politicized labour unions were to gradually alter the pattern and nature of industrial conflicts.

In terms of industrial relations, 1947 is remembered primarily for the mechanics' strike, also referred to as the Chinese Engineers' Institute strike. The *Annual Report* of the Commissioner of Labour, 1948, carries this analysis of the causes of the strike:

It is very difficult to separate clearly the various causes which led to this strike. They were by no means entirely economic, though the demand made by the union (the Chinese Engineers' Institute) was a straight-forward demand for an increase in basic wages. The main difficulty in the early stages was that the union would not apply its demand to specific groups of employers, but persisted in putting forward a claim for 150 per cent increase in basic wages for all skilled craftsmen throughout the Colony. There was no doubt that this vagueness was largely the result of the fact that the union itself was seeking to re-establish its position as the representative of all skilled artisans, a position which had apparently been weakened by the growth of various industrial unions whose claim to represent all workers in a particular undertaking cut across the jurisdiction of the Chinese Engineers' Institute ... '.

What is noteworthy in this account, apart from the economic hardship which prompted the strike, is the challenge generated by emergent developments in trade unionism to the Institute's claim to representativeness. It was on such grounds that representatives from government and from employers disputed the status of the Institute as the spokesman of the workers during the strike, and insisted on separate bargaining with individual labour unions. This event signified the rupturing of the co-operative relationship between the Institute and the government in the settlement of industrial disputes and contributed to the decline of the Institute's influence in industrial relations in subsequent years.

But for the time being the Institute had the fervent support of the workers, as evidenced in the meeting called by the Institute on 10 August, a few days before the outbreak of the strike. Some 400 labour representatives from various occupations attended the meeting to discuss actions to be taken against managements. The unity of the workers is reflected in the following excerpts from the representatives' statements at the meeting (reported in *Wah Kiu Yat Po*, 11 August 1947):

'Though some of the dockyard mechanics have received wage increases, we must yet consider the living conditions of all the mechanics as a whole. We should follow the instructions of our mother union and be ready to take action when required.' (representative from dockyards)

'Irrespective of rank and position, all mechanics should be united to strive for success in our present demand for wage increases under the leadership of our mother union.' (representative from Kowloon-Canton Railway)

'Mechanics in the Chinese factories should try their best to support their mother union in its demands, through direct action and financial assistance if necessary. ... Furthermore we must firmly bear in mind the importance of acting in unity with the mother union and not allowing ourselves to be divided and defeated.' (representative from Hong Kong Chinese Factories)

It was in this spirit of co-operation and unity that the Chinese Engineers' Institute was able to call a general strike involving some 11,000 mechanics (over 20 per cent of the workforce in registered employments) from 13 occupational groups which included dockers, public utility workers, civil servants in water works, dairy farm employees, and hotel workers. The strike lasted from 15 August to 11 September, and won for the workers a 50 per cent increase in basic wages. However such concerted industrial action of the labouring class in a non-political struggle to pursue their goals did not occur again in subsequent years.

The 1940s ended with two important developments in the industrial scene, both related to the Civil War in China. The political strife between the Nationalists (i.e. Kuomintang) and the Communists in the Mainland led on the one hand to the influx of industrial entrepreneurs and capital across the border, and on the other, the formation and consolidation in the Colony of two politically-oriented trade union councils, the pro-Communist Federation of Trade Unions (established in 1947), and the pro-Kuomintang Trade Union Council (established in 1948). The *Annual Report* of the Commissioner of Labour (for the year ending 31 March 1950) thus commented on the impact and implications of these developments:

'Many manufacturers from China have transferred their industries to the Colony, and in some instances have also brought skilled or unskilled personnel with them. Most of the new-comers are ignorant of Hong Kong laws and procedure ... [Even] the more modern factory proprietor from China ... is apt to look upon regulations and restrictions as unnecessary or unfair.' (pp. 5-6)

'The political orientation of the majority of unions, particularly those which are members of the Hong Kong Federation of Trade Unions, is far too obtrusive. This attitude militated against co-operation with the department in a number of instances. ... The Federation has inevitably during the year gained considerably in local influence owing to its affinity with the party now in power in China. ... On the other hand the current political situation in China has had the effect of curtailing the activities and diminishing the influence of the Trade Union Council.' (pp. 19-20)

These comments indeed reflected well the major changes in the nature and pattern of industrial conflict in the last two years of the 1940s. The 1948-9 *Annual Report* of the Commissioner of Labour, for instance, remarked that 'the greatest degree of unrest characterized the spinning industry, which is largely in the hands of employers from Shanghai who make use of skilled and semi-skilled labour brought from that city' (p. 44). The same report attributed the main causes of the unrest to the employers' fierce distrust of all forms of workers' unions, excessive bonus demands from workers newly engaged from Shanghai, differences of language and incompatibility of temperament between indigenous Cantonese workers and Shanghai managements. These factors together with the more conventional disputes over wages, laying off of workers, and working conditions gave rise to 11 strikes in the textile industry in 1948 and 1949 out of a total of 25 for all industries. But this predominance of 'textile' strikes has to be accounted for also in the background of the rapid growth of the industry in the last few years of the decade. As of 31 March 1947, the textile industry had a registered workforce of 9,328, constituting 15 per cent of a total registered workforce of 61,714. By 31 March 1950, it had a registered workforce of 24,818, 28 per cent of a total registered workforce of 89,512 (Table 1 of the relevant *Annual Reports* of the Commissioner of Labour). While the whole registered working population increased by 45 per cent between the years, that for the textile industry grew by 166 per cent. It is also noteworthy that there were no 'textile' strikes in 1946 and 1947. It seems obvious that at least for the period concerned, as the textile industry was growing in significance in Hong Kong's industrial development, so was its share in industrial conflict.

The 'textile' strikes appear to reflect genuine difficulties in the labour-management relationship. The same cannot be said without reservations about those other strikes which involved member-

unions of the Federation of Trade Unions. The Commissioner of Labour described these strikes as 'labour disputes where politics dominates economics' (*Annual Report* ending 31 March 1950: p. 50) and stated that many of the behind-the-scenes advisers in these strikes 'were suspected to have been in close touch as to policy with labour bodies in Canton and on the Chinese mainland generally' (p. 49). For the year ending 31 March 1950, such strikes led to an estimated loss of 159,730 man-days, around 88 per cent of the year's total. The Hong Kong Tramway workers' strike, the largest of the year, gives an idea of the extent of influence of the Federation of Trade Unions.

The strike originated in the Tramway workers' demand for an increase of \$3 a day in the cost of living allowance around the beginning of December 1949. After fruitless negotiations with the management, the workers, under the auspices of the Tramways Union (a member of the Federation of Trade Unions), started a 'go slow' strike on Christmas Day. Cars were run to normal schedule but conductors did not collect any fares. This sparked off a series of industrial disputes in several companies where the workers' unions were affiliated to the FTU. These included the Hong Kong Telephone Company, the Hong Kong Electric Company, China Light and Power Company, Hong Kong and China Gas Company, the two bus companies, and the Dairy Farm Company. Some 3,000 workers of these companies held a joint meeting with the Tramways workers on 28 December in which they declared their unity of purpose and announced their demand for an increase of \$3 a day in the cost of living allowance from their companies. Calling themselves the 'six tigers and one cow' (to symbolize the six utility industries and the Dairy Farm Company), they pledged to take collective action if the companies did not give in to their demands. The Tramway Company management reacted by refusing to allow any cars to leave the depot after the Christmas holidays, and dismissing some 600 conductors who had taken part in the 'go slow'. At the same time, the management posted notices offering re-employment to any of the traffic staff who came forward to register their names. The Tramway workers thereupon announced their decision to stop all tramway traffic by placing themselves on the tracks should the management re-employ staff to run the cars. In any case no worker turned up for registration with the company, and tramway traffic came to a standstill, with around 1,750 Tramway workers participating in the strike. The confrontation came to a climax when in the evening of 30 January 1950 a violent clash occurred when the police attempted to break up a meeting of the strikers and the supporters, numbering over 1,000, outside the premises of the Tramways Union. In the estimate of the Union (reported in the 31 January issue of the *Wah Kiu Yat Po*), some 100 workers were injured, and around a dozen arrested, during the clash. Several leaders of the Tramways Union, including the Chairman, were subsequently deported for breaches of peace and order.

Meanwhile, the other utility and the Dairy Farm workers were continuing their negotiations with managements and threatening to strike. A breakthrough came when the Dairy Farm workers and the management agreed to settle the dispute through the arbitration of a tribunal to be set up by the Governor of Hong Kong. In early February the tribunal announced its decision to offer the workers an additional cost of living allowance of \$30 a month. This offer was accepted by the workers and the management of the Dairy Farm Company, and later by those of the utility companies. The Tramway workers returned to work on 10 February.

3. UNION RIVALRIES AND INDUSTRIAL PEACE: 1950-9

Overview

As indicated in the summary Tables 3 and 4, the 1950s were a period of industrial peace. All the strike indices reflect a dramatic decline in the level of strikes and the propensity to strike. The decline is best summarized in the 'number of man-days lost per 1,000 workers'. The annual average for 1950-9 (278) is only about one-tenth the figure for 1946-9 (2,765).

Given the high level of industrial conflict in the immediate post-war years, and the militant attitude of the left-wing Federation of Trade Unions towards the end of the 1940s, the reverse trend is puzzling. Explanations have been offered in a number of authoritative studies of industrial relations in Hong Kong (e.g. England 1979, England and Rear 1981, Turner *et al.* 1980). While these explanations provide useful guidelines for an interpretation of industrial relations in the 1950s, they have not been substantiated with a detailed analysis of the relevant empirical data. In the following discussion, we shall examine these explanations against the empirical background, and identify the major factors that contributed to industrial peace in the decade.

Change in the tactics of the FTU is one central explanation in both England's (1979) and Turner's (1980) studies. England thus writes:

'With the post-revolutionary peace, British recognition of the People's Republic in 1950, and a tacit understanding between Britain and China over the status of Hong Kong, a period of trade union calm followed. The Communist unions in the Colony largely concentrated upon providing welfare benefits for their members rather than collective bargaining' (1979:94).

Turner, on the other hand, attributes the change in tactics to the left-wing unions' lack of success in attaining the basic objectives of strikes in the late 1940s. The subsequent disaffection among the strikers and breakaways from the leadership of the FTU made it imperative for the Federation 'to concentrate on replenishing its strength by building up its educational, cultural and welfare services to members' (1980:91).

Both writers thus suggest that the tactics of the FTU and of the left-wing unions was guided largely by political considerations - political events in Mainland China and the political strength of the FTU in Hong Kong. Later events show that such considerations have been important

determining factors in the development of the trade union movement and of industrial relations in Hong Kong. The 1950s were a period of intense rivalry between the FTU and the ring-wing Trade Union Council in their competition for membership and support. The primary objective of both organizations was image building and their target group was not just the working class but the whole community. Other measures than militant industrial action were deemed more effective in winning over the public. Industrial action thus receded into the background and was supported only insofar as it helped to boost the organization's public image and political status.

Changes in the economy and the structure of employment in the 1950s contributed further to the decline of industrial action. The first half of the decade was a period of high unemployment due to a combination of factors. Restrictions imposed by the Government of the United States on the export of raw materials to Hong Kong, and keen competition from Japan and other Asian countries for international markets, forced many local factories to close down or reduce their staff. The employment situation was also aggravated by the influx of refugees from Mainland China in the late 1940s and the early 1950s. Surplus labour weakened the bargaining power of workers and had the effect of dampening industrial action. From the mid-1950s, however, local manufacturers were able to secure the import of raw materials from new sources and were competing successfully in international markets. The economy revived, with many new industries emerging and expanding rapidly, to the extent that towards the end of the decade the Colony was facing a shortage of labour. But now the speed of industrial growth and the diversification of employment outstripped the organizational capacities of workers' unions.

Further, employment in the public utility companies and the shipbuilding industry - the strongholds of the FTU - was increasing at a much lower rate than in the fast growing textile and plastic goods industries. As shown in Table 5, the growth of employment in the public utility companies and the shipbuilding industry between 1955 and 1960 was only 2 per cent, while that in the textile industry was 173 per cent, and in the plastic goods industry 1,666 per cent. By the end of the decade, the public utility and shipbuilding industries were employing 13,844 workers, 6 per cent of a total registered labour force of 228,929; the textile and plastic goods industries together had 123,677 employees, 54 per cent of the registered labour force. With this drastic change in employment, recruiting members from the rapidly expanding industrial sectors through welfare services and educational programmes became the top priority of the FTU, especially when its rival the TUC was making a similar move.

In the 1950s as in later years, the orientations of the FTU and TUC had an immense influence on the development of the trade union movement and of industrial relations in Hong Kong. The

predominance of small workers' unions make it difficult for a strong politically independent labour movement to develop in juxtaposition to the FTU and TUC which had material and ideological support from their political patrons. In 1953, for instance, there were 226 registered workers' unions, around 60 per cent of which had a registered membership of below 251, and close to 90 per cent had a registered membership of below 1,001 (*Annual Report*, Labour Department, 1953-4:115-27, Table 10). The Commissioner of Labour thus commented on the consequences of this for trade unionism in Hong Kong:

'The number of workers' organizations on the register is far in excess of the real needs of the Colony and is in no way indicative of progressive trade unionism, but may to some extent be explained by political, demographic and lingual differences. ... During the year a number of new so-called "free" unions were organized, most of them by breakaway elements in unions affiliated to the Federation of Trade Unions. At first there were indications that a "centre force" free of political domination might emerge, but this has failed to materialize. By the end of the year most of the new unions were affiliated to or otherwise closely associated with the Trade Union Council, the right-wing KMT-influenced federation. It is not difficult to understand why this should be so: most of the new unions are weak in membership and therefore poor financially; under pressure they have allied themselves with the organization which can offer the most acceptable protection.' (*Annual Report* 1952-3:31-2)

Table 5: Number of Persons Employed in Registered Industrial Establishments (Number of establishments in brackets)

	31 March 1955	31 March 1960
Public utilities (including electricity, gas, steam, motor buses, tramways, and telephone)	4,175 (9)	5,135 (9)
Shipbuilding and repairing	7,217 (21)	8,709 (30)
Textiles	39,880 (693)	108,770 (1,456)
Plastic toys and flowers		844 (43) 14,907 (363)

Source: *Hong Kong Statistics 1947-67:56-62*, Table 4.3 (Census and Statistics Department,

Hong Kong 1969)

This pattern of breaking away from one political wing and joining the other continued through the 1950s. By 31 March 1956, about 70 per cent of the workers' unions were affiliated to either one of the two federations. At the end of the decade, of the 245 workers' unions, 90 (38 per cent) were affiliated or friendly to the FTU, and 118 (48 per cent) to the TUC. The rivalry between the two federations and their affiliates sapped the strength of the labour movement and eclipsed to some extent the confrontation between labour and management. But the lapse of industrial action has to be explained also against the background of Hong Kong's industrialization.

The 1950s were a period of industrial adjustment and take-off in Hong Kong. The United Nations' embargo on the entry of strategic goods to China seriously jeopardized the Colony's entrepot trade, and local entrepreneurs were forced to divert their resources to manufacture. By the mid-50s the Commissioner of Labour was reporting that 'local industry continued to expand at a high and sustained rate' (1955-6 *Annual Report*:7). Further, most of the burgeoning industries required a low level of skills and thus provided workers with plenty of opportunities for alternative employment should they be dissatisfied with the incumbent one.⁵ This easy mobility of labour across industries acted as the safety valve for industrial relations, and through neutralizing workers' discontents, was one crucial underlying factor in industrial peace in the 1950s. In addition, the fifties were a period of stable and declining prices with wage rates fluctuating within a narrow range through much of the decade.⁶ This also contributed to the acquiescence among the labour force.

The Main Events

Most of the strikes in the first three years of the decade involved few workers and were of a short duration. Only two of the 15 strikes had more than 200 participants, and only two lasted longer than 20 days. At a time of economic recession, the strikes arose typically from the workers' protests against reduction in wages and hours of work. None of the disputes involved public utility workers, and this suggests that the left-wing unions were recuperating and reconsidering its tactics after their confrontation with management at the end of the previous decade. Two strikes warrant a closer examination for the magnitude of the dispute and the information they provide on the general situation of workers' unions at the time.

The strike in the I-Feng Enamel Factory (lasting from 16-25 February 1952 and involving 692 workers) originated from workers' demands on a wage increase and improvement on working conditions. The management reacted by dismissing eight worker representatives who were members of the left-wing Hong Kong and Kowloon Enamel Workers General Union. A partial strike followed and the management declared a lock-out and closed the factory. While this was going on, a section of the workers who were dissatisfied with the leadership of the Enamel Workers General Union decided to form a new union and were negotiating a return to work with the management. A propaganda campaign in the left-wing newspapers immediately followed, accusing the management and some 'traitors of the working class' as conspiring to form a fake labour union in the hope of destroying the solidarity of workers. The following quotation from a lengthy commentary entitled 'How were fake labour unions formed?' in the *Man Wui Po* illustrates the typical rhetoric used by left-wing factions against the alleged renegades and their supporters:

'Capitalist employers in various enterprises ... now realize that in order to apply new exploitative measures against workers, they must first instigate fake labour organizations as a foundation. These employers can then make use of these organizations as representatives of "all workers" to accept the new measures, thus depriving the original labour unions of their legal status and rights. For this reason, capitalist employers have recently bought off a minority of labour thieves to set up fake unions, which are applying for registration with the Labour Department. The Labour Department not only accepts their application, but also recognizes their status as labour unions. Yet all workers are of the opinion that this deed of the Labour Department is in violation of the law, a deed which no worker will tolerate' (17 February 1952).

The commentary then continued to describe the composition of these fake unions as consisting mainly of the following categories of people: traitors who had collaborated with the Japanese army during the war, remnants and running dogs of the Kuomintang, and heads and members of triad societies. Side by side with this and other similar commentaries were reports on monetary donations from workers in China in support of the struggle against capitalist exploitation and colonial oppression in Hong Kong.⁷ The political messages are obvious. The left-wing factions had larger objectives than just confronting management in industrial disputes. Meanwhile, amidst the intense propaganda in the left-wing press, a new labour union was formed in the I-Feng Enamel Factory, which reopened after a few days of stoppage of work.

A similar course of events happened in the labour dispute in the Wah Keong Rubber Factory (24 November 1951-25 March 1952, with 360 strikers). In this case, wage demands from the left-wing Rubber and Plastic Workers' Union led to a stoppage of work. When workers belonging to

the right-wing Rubber Shoe Workers Union returned to work after a successful negotiation with the management, confrontations between the two rival labour factions took place outside the factory premises. The Commissioner of Labour described the confrontations as follows:

'The Rubber and Plastic Workers' Union ... picketed the factory with over 100 pickets, a number of whom, it was later discovered, were not members of the union or connected with the trade but were specially hired for these duties. The picketing was intense and police supervision was necessary to prevent serious breaches of the peace, but the returning workers refused to be intimidated and countered the picketing by entering and leaving the factory in a body' (*Annual Report 1951-2:39-40*).

The picketing continued for about two months, during which time the Federation of Trade Unions organized extensive 'Comfort Missions' which supplied food, clothing, umbrellas and stools to the pickets, and the left-wing press carried on an intensive campaign against the adversaries.

The pattern of small, short strikes in the first three years of the decade was followed by the occurrence of two large-scale strikes in 1953-4, a year which is conspicuous in having the second lowest number of strikes but the largest number of man-days lost in the decade. This anomaly was due to the fact that both strikes - one involving crews of the fishing junks, the other involving rattan workers - originated from disputes over wage agreements which applied to the whole industry. The rattan workers' strike is noteworthy in that it was initiated by a right-wing labour union whose destructive tactics entailed action by the police. The left-wing union, in contrast, adopted a moderate attitude and negotiated a settlement with the management, and the left-wing press urged the workers to accept the employers' offers, 'in the interests of all parties concerned'.⁸

With industrial revival and changes in the structure of employment from the mid-50s, dismissals of union representatives and of redundant workers in certain declining industries replaced wage demands as the main cause of industrial disputes. The rival unions continued to vie for leadership and public support by discrediting the industrial action of the other as irresponsible and detrimental to the interests of the community. Such tactics apparently had the effect of curtailing strikes, as demonstrated in the Tramway workers' dispute of 1954. In July the Tramways Company dismissed on grounds of redundancy 31 employees, amongst whom several were leaders of the left-wing Tramways Workers Union. After unsuccessful negotiations with the management and the Labour Department, the Union called a token strike of two hours on 31 August, which was ignored by workers belonging to the right-wing Victoria Tramways Free

Workers Union. Failing to achieve their objective in the first attempt, the left-wing faction called a second strike on 10 October (the national day of Nationalist China), a symbolic challenge to the pro-Kuomintang unions. On the same day a partial token strike of 15 minutes' duration was staged by left-wing workers of the China Motor Bus Company in support of the Tramway strikers. The right-wing workers refused to join in the strikes and returned to work amidst intense picketing. At the same time the two factions escalated their propaganda campaign in the press. The following press report in the pro-Kuomintang *Wah Kiu Yat Po* is illustrative of the counter measures used by the right-wing faction against its rival. Captioned 'Statement from free Tramway workers', the report says:

'Key members [of the left-wing Tramway Workers Union] have in their open letters to all workers maliciously attacked our union through lies and extortion, attempting thereby to intimidate us in our just and free action. ... We know well that in calling a strike, these people are trying to safeguard the position of a few so-called union leaders and not serving the interests of workers. Since 1952, the Tramways Company has dismissed several batches of workers on different occasions, but no action was taken by the Tramway Workers Union. By contrast, therefore, this union's recent industrial action reflects clearly its sole concern with upholding the privileges of a minority to the neglect of the rights of the majority of workers. ... We are determined to stand firm in our dedication to lead the just and free Tramway workers to perform their duties responsibly. We will not take part in any action that for selfish motives would jeopardize the workers' employment' (20 October 1954).

That the Tramway workers' strikes did not develop into protracted labour disputes was probably attributable to the lack of support among workers and the unwillingness of the FTU to alienate the public. A press report in the 11 October issue of the *Man Wui Po* carried this captioned announcement: 'In the interests of the public, tramway workers have decided to resume work from today'.

In this situation in which rival unions refused to co-operate in industrial action and used the rhetoric of 'public interests' to discredit the other, strikes on the whole remained localized and small-scale for the next few years.⁹ The latter part of the decade, however, was characterized by a number of new developments in industrial conflict. The changeover in several factories from a system of two shifts to one of three shifts in order to increase production gave rise to minor labour disputes leading to strikes. Towards the end of the decade, the phenomenal growth of the textile industry, over which the FTU was gaining an increasing influence, made this industry the most strike-prone sector in local industries. Ten of the 17 strikes that occurred between 1958 and 1960 were in the textile industry, causing a loss of 25,822 man-days (85 per cent of the total).

Finally, wage increases granted to civil servants on the recommendations of the 1959 Civil Service Salaries Commission led to widespread demands for comparable increases in the private sector. Such demands gave rise to an upsurge of strikes in the last year of the decade. It appears that industrialization and a rapidly growing economy were generating higher expectations and greater demands among the workforce. The 1960s began with this new challenge in industrial relations.

4. STAGNATION IN UNION GROWTH AND INDUSTRIAL PEACE: 1960-6

The Hong Kong economy in 1960-6 was characterized by a labour shortage and a steady rise in the cost of living, both of which were the results of rapid economic growth in the previous decade. Labour scarcity enhances the bargaining power of workers. Rising prices generate discontents. These are factors that threaten the stability of industrial relations. Yet the period under review was one of remarkable industrial peace. Though the absolute level of strikes (see the summary Tables 3 and 4) is higher than that in the 1950s, the increase was due to the expansion of the workforce. The decline in the propensity to strike indicates that the workers were less inclined to strike than in the previous decade. Obviously there were conditions that offset the two aforementioned contributing factors to strikes.

The weakness of the trade union movement became more pronounced from the early 1960s. In addition to the political opposition and rivalry between the two labour federations, there was a noticeable drop in union membership, and more significantly, in the proportion of the workforce who belonged to labour unions (see Table 6). The reasons for this decline are not clear, though an explanation has been offered that at a time of full employment and increasing wages the workers did not feel they needed the help of unions.¹⁰ It is also possible that the workers were dissatisfied with the political manoeuvres of the labour organizations. Thus, instead of pursuing their goals through collective action, many workers attempted individualist solutions to their problems.

Industrial peace was also very much the result of the continuing non-militant policies of the two labour federations. The FTU, in particular, often refrained from direct involvement in industrial disputes. Joe England attributed this to the left-wing faction's 'desire to maintain the economic stability of Hong Kong from which China derived a substantial proportion of her foreign exchange' (1979:30). As shown in Table 7, the involvement of labour organizations in strikes declined from the mid-1950s and continued to remain at a low level in the first half of the 1960s.

Table 6: Trade Union Membership and Density 1960-6

Year ending	Number of Unions	Declared Membership (approximate figures)	Union Density* _____
1960	239	217300	94.9
1961	237	165000	71.8
1962	241	159500	57.3
1963	238	142480	47.1

1964	239	149680	42.3
1965	242	166900	46.7
1966	240	171620	45.6

* Declared membership as a percentage of all workers employed in registered establishments.

Source: Chiu (1987:203)

**Table 7: Strikes With Labour Union Involvement, 1946-66
(in percentages)**

1946-50	57
1951-55	57
1956-60	32
1961-66	36

Source: Chiu (1987:220).

Wage increases and the easy availability of employment opportunities also contributed to industrial peace. Between March 1958 and March 1967, average wages for the industrial workforce increased by 102 per cent.¹¹ In many cases the increases were made by employers unilaterally or in prompt response to the demands of workers. The 'credit', as England observed (1979:91-2), thus went to the employers and to the existing economic system, not to the labour unions. This must have contributed significantly to the stagnation in union growth and to the compliant and collaborationist orientations of the workforce. Further, the rapidly expanding economy and the resourcefulness and adaptability of the workforce meant that alternative employment opportunities could easily be found to accommodate the retrenched or dissatisfied

workers. The following excerpts from the *Wah Kiu Yat Po* provide illustrations of the coping efforts and orientations of the workers under such circumstances. A report captioned 'Retrenched workers make a living through their own efforts' observes:

'Through the assistance of their former employers, these workers borrowed some sewing machines which they operated at home, in the alleys, or on roof-tops. ... They manufactured mainly shirts, clothes for children and pyjamas, catering to local markets. At the same time they made arrangements with street-side stalls to have their products sold there. Their commodities are of good quality and low prices, and they are thus doing good business. ... Co-operative arrangements of this kind are now spreading among retrenched workers.' (26 May 1961)

Another report states:

'Newly opened hotels, restaurants, cafes and shops of various sizes are absorbing a large number of workers. Industrial workers with personal connections could easily find employment in these business organizations. ... There are also small shops operated under the joint capital and efforts of retrenched workers, or run with financial assistance from former employers. Through such means, the workers manage to live through difficult times.' (13 June 1961)

The Main Events

The decade started in the wake of salary increases granted to civil servants on the recommendations of the 1959 Salaries Commission. For a time, industrial disputes in the private sector seemed imminent as wide-spread demands for wage increases of equivalent proportions to those granted to government officers spread to most industries and trades. The co-operative efforts of the labour unions, and economic prosperity, which enabled many employers to satisfy promptly the demands of the workers, averted a general eruption of industrial conflict. The Commissioner of Labour wrote:

'Management and labour, generally, made genuine efforts to reach settlements by negotiation. ... An extensive upward adjustment in the whole wage structure of Hong Kong occurred in 1960 involving an average increase in pay of approximately 15 per cent. This change was made in a period of prosperity and took place with a negligible loss of man-days through strikes and lock-outs. ... Several unions made considerable contributions to the amicable settlement of wage negotiations.' (*Annual Report 1960-1:6-7*)

The resolution of disputes in some cases, however, was obstructed by the existence of rival

unions in the same industry, and their insistence on separate negotiations with management complicated and prolonged the process of negotiation. This was well exemplified in the strike in the carved furniture industry. The left-wing Hong Kong and Kowloon Woodwork Carvers Union resorted to strike action in mid-May 1960 when negotiations on wage increases broke down. The dispute was settled 10 days later with the management agreeing to increases of 20 per cent in piece rates and \$1 for daily rates. These terms, however, were not acceptable to the right-wing Hong Kong and Kowloon Camphor Wood Trunk Workers Union, who called a strike in early June. After a further 32 days' stoppage of work, the union succeeded in getting increases of 22 per cent in piece rates and \$1 for daily rates. Together the two strikes led to a loss of 19,750 man-days, almost 70 per cent of the year's total. A similar situation occurred in the dispute in the Fung Keong Rubber Manufactory Ltd., where the management and the Labour Department had to negotiate separately with one left-wing and two right-wing unions in the industry. The strike lasted for only one day, but a total of 25 meetings took place in the Labour Department over the dispute. This pattern of multiple negotiations and revisions with different unions, which inevitably increased the time and effort in conflict resolution, was to repeat itself through the rest of the period.

After the general wage increases of 1960, the following year was one of remarkable industrial peace, though residual wage demands generated a few isolated small-scale strikes. Signs of unrest among the workforce, however, began to show towards the end of 1962 and in early 1963, when the *Report on the Survey of Government Wages and Salaries* was in preparation. There was a general feeling among workers that they were experiencing a decline in the standards of living owing to an increase in living costs - principally uncontrolled rents - which had outstripped the wage increases at the start of the decade. The Survey, apparently, heightened their awareness and gave them the occasion to convey the message. The Commissioner of Labour reported 'a wave of wage demands which, by the end of the year (1962), had spread to shipyards, Government Departments, port work (stevedores, tallyclerks and ship painters), ship-breaking and building construction' (*Annual Report 1962-3:29*). Awards of pay increases to the staff of the Star Ferry and the Hong Kong and Yaumati Ferry Companies and the announcement of substantial increases in pay for police rank and file towards the end of the year gave further impetus to wage demands from labour unions. The right-wing Hong Kong Stevedores Union led the way by demanding a number of improvements in the terms of employment, including an increase of \$3 in the daily pay, in January 1963. The move was motivated by economic as well as political considerations, as the Chairman of the union was concurrently the Chairman of the TUC; the Council would enhance its prestige if one of its affiliates succeeded in securing a substantial wage increase for its members. The dispute and strike which eventually won a 37.5

per cent wage increase had the anticipated demonstration effect. Wage demands and strikes from right-wing unions followed in February in the ship-breaking, and the ship-painting and scraping industries. In March, the left-wing Hong Kong Ship Paint-Scrapers and Painters Union also put forth their wage demands of a 37.5 per cent increase. Despite similar demands, the management held separate negotiations with the unions, and accepted their demands in full by the end of March.

The *Report on the Survey of Government Wages and Salaries* was published on 1 April 1963. Its controversial conclusions, which estimated the increase in the cost of living between 1958 and 1962 to be 3.5-5 per cent for labourers and artisans, and between 1959 and 1962 to be 5-9 per cent for white-collar staff, were considered by the workers to have grossly under-represented the actual increase. In view of the fact that there had been a 15 per cent wage increase for most industries in 1960 alone, the Report gave no justification for the workforce to press for further wage increases. Contesting the validity of the Report, the workers presented their own estimates. The following excerpts from the *Wah Kiu Yat Po* show the huge discrepancies between the official estimates and theirs.

'The Report on the increase in the cost of living since 1959 has become the daily talk of the working class. They were disappointed that after months of investigation, the Report produced such unrealistic, factually incorrect, findings. ... An employee of the bus company, Mr. Lai, indicated that in 1959 his income could just meet expenses. But now he has to work extra shifts on top of his normal work. Fatigue is his cost for making a living. ... Mr. Lai then listed examples of the substantial rise in the cost of living:

Since 1959, (1) rent has gone up ... by 40 per cent, (2) the cost of rice ... by 10 per cent, (3) school fees ... by 43 per cent, ... (4) daily necessities for the family by 30 per cent, ... and (5) clothing by at least 20 per cent. ...

To cope with the rising costs, many of his fellow workers have been forced to terminate their children's education. Their hardship is more than words can describe.' (*Wah Kiu Yat Po*, 4 April 1963).

The 12 April issue of the *Wah Kiu Yat Po* published the survey findings of the staff association of the Urban Services Department, with the following conclusion from the association's chairman:

'The association's careful survey on the livelihood of its members reveals that the minimum monthly expenditure for a family of five is \$311. ... Yet the average low-income civil servant is earning less than \$200 a month. How can they live on such meagre income?'

This general dissatisfaction with wage levels, and the sense of being let down by the government's report on wages and salaries, made 1963 the most strike-prone year of the period. Twelve of the year's 17 strikes, or 89 per cent of the man-days lost through strikes, were connected with demands for wage increases. The Labour Department's *Annual Report* described the effect of these strikes on wage levels as 'far-reaching', affecting a wide variety of workers in both the public and private sectors. The Department estimated the subsequent general increase in wages in industry at about 13.5 per cent over the previous year's wage level (*Annual Report* 1963-4:15).

A period of industrial calm followed in 1964-5, with a substantial reduction in the number of strikes connected with wage demands. The year would have been one of the most peaceful in industrial relations if not for the strikes in the artistic woodwork trade, which accounted for 90 per cent of the year's total man-days lost due to stoppages.

Demands for wage increases were the cause of the artistic woodworkers' strikes. Negotiations between the management and the workers were complicated and time-consuming because three labour unions (from two rival factions), and a fourth group of dissidents who broke away from union leadership, were involved. The demands were first raised by one union on 24 June; the final settlement was reached on 29 September. In the interim, the management had to deal with different demands (20, 35, 37, and 40 per cent increases in piece rates, and also varying increases in daily rates) from different groups of workers on different dates. Except for the dissidents, who had a speedy settlement with the management, each union resorted to strike action at its own appointed time. The trade had only about 1,800 workers. The disunity of workers could hardly be more pronounced than in this incident.

By the beginning of 1965, the rise in the cost of living had apparently caught up with wage increases gained in previous years. Awards of pay increases to employees of several government departments, including the police force and the Ministry of Public Building and Public Works, around the end of 1964 precipitated another wave of wage demands in the private sector. Most of the disputes were settled within a short time, with the management agreeing to the workers' wage demands. The one exception is the ship painters and scrapers' strikes, which caused a loss of 54,600 man-days or 84 per cent of the year's total loss due to strikes. The dispute lasted from the beginning of April till the end of June, with two rival unions negotiating separately with the management and accusing each other of betraying the interests of workers.

The pattern of small-scale, sporadic strikes continued through the end of the period. And though 17 strikes were recorded for 1966-7, the number of workers involved and the number of man-days lost were just around the average for the whole period; the propensity to strike, moreover, was below average. The only two noteworthy industrial actions of the year were the strike in the East Asia Textiles Ltd. (117 strikers, 42 days), and that in the Green Island Cement Co. Ltd. (455 strikers, 24.5 days). There was no foreboding, in the industrial scene or in the *Annual Report* of the Labour Department, that the most pervasive and violent industrial conflict and civil disturbances in Hong Kong's post-war history were to follow in 1967.

5. POLITICS AND STRIKES: 1967

Introduction

The traumatic disturbances in 1967 are a poignant illustration of the susceptibility of the labour movement, and indeed of the Hong Kong Chinese community, to the influence of political events in Mainland China. Indigenous developments in Hong Kong in the first half of the 1960s gave no signs that minor labour disputes would rapidly escalate into a territory-wide conflict in 1967. Between 1961 and 1965 the average annual growth rates in gross domestic products and gross domestic products per capital were 13 and 9 per cent respectively.¹² Real wage increased by 56 per cent from a base index of 100 in 1958 to 156 in 1965.¹³ The period was one of rapid economic growth, increasing affluence, and general improvement in the earnings of the working population.

But the cost of living rose dramatically from 1966. By the beginning of 1967, it was possible that there was a slight decline in real wage for workers in the communication and public utilities sectors, where wage increases over the past few years had lagged behind those in the manufacturing industries. It was in this context that the riots in April 1966 in protest against the Star Ferry fare increases occurred. It would, however, be misleading to interpret the 1967 disturbances in the light of the previous year's experiences. The Star Ferry riots were economically motivated, poorly organized with no trade union involvement, and short-lived. In contrast, the 1967 riots were, except in the initial phase, politically oriented protracted struggles promoted and engineered by left-wing trade unions. Whatever economic hardship and grievances there were among the working class in 1967, they were not of a magnitude that could generate and sustain widespread and prolonged confrontations with the management and their alleged protectors the colonial government. Nor did developments in industrial relations in the first half of the 1960s suggest possibilities of an imminent pervasive rupture between labour and management. The left-wing unions had followed a non-militant policy since the early 1950s, and their share in total union membership had dropped from 65 per cent in 1961 to 57 per cent by 1967,¹⁴ suggesting a decline in the influence of the Federation of Trade Unions among the working class. For more than a decade and a half before 1967, the level of strikes had remained low, and the propensity to strike had been declining.¹⁵ Indigenous developments indeed offered no signs of a drastic and dramatic change in 1967. Across the border in Mainland China, however, the Great Proletarian Cultural Revolution was gathering momentum in the first few months of 1967. In the same way as the Civil War and the Communist Revolution in China precipitated the industrial disputes in Hong Kong in the late 1940s, the Cultural Revolution

sparked off nationalist sentiments which fueled and escalated the conflict in the Colony in 1967.

Though the Cultural Revolution was a domestic struggle with the ostensible aim of purging the society of recurrent bourgeois, bureaucratic consciousness and practices, it had political overtones for international relations. Slogans such as 'The East Wind is stronger than the West Wind', attacks by Chinese leaders on 'Soviet revisionism' and 'US imperialism', and descriptions of western capitalist regimes as 'paper tigers', carried the implication that Chinese compatriots overseas, especially those under colonial rule, should follow the model of their motherland and bring the capitalist imperialists to their knees. It was in this context that what started as localized industrial disputes rapidly escalated into a territory-wide confrontation between the left-wing unions and the symbols of imperialist and capitalist authorities in Hong Kong.

The Initial Phase

The influence of the Cultural Revolution was obvious even in the two minor labour disputes around the end of April which started the traumatic disturbances continuing through the end of the year. The usual labour-oriented grievances - problems over bonus payments and an alleged assault on workers by two European engineers in the Green Island Cement Factory in Hung Hom, and disputes over hours of work, wages, and the dismissal of workers in the Hong Kong Artificial Flower Works at San Po Kong and in Western District - led to demonstrations by the affected workers at the factory sites. It was evident in the ensuing confrontation between labour and management in the next few days that the protesting workers, many of whom members of left-wing unions, were backing up their demands with larger political forces. John Cooper in his detailed account of the 1967 disturbances thus describes the responses of the protesters outside the Artificial Flower Works at San Po Kong when the police intervened:

'As they were led away to police vehicles the arrested men hurled abuse, shouted communist slogans, and a few of their number banished aloft copies of Mao Tse-tung's quotations ... ' (1970:6).

The demonstrators at the Green Island Cement Factory, meanwhile, had their morale boosted by the visit of a left-wing organized 'Comfort Mission', with a supporting cast of three local film stars.

The presence of the police at the sites of disorder apparently speeded up the politicization of the labour disputes. Strikers at the Artificial Flower Works soon put up 'big character' posters at the

factory gates condemning the British authorities in Hong Kong for using force to suppress the workers and advising the Hong Kong Government to desist from becoming the 'stooge of the American imperialists'.

Meanwhile the left-wing press voiced their support for the strikers, condemned the intervention of the British authorities in the labour disputes, and accused management of using pro-Kuomintang elements against workers. On 12 May, the disturbances spread beyond the sites of the original disputes as crowds of people took to the street in many parts of Kowloon in defiance of the police and the colonial authorities. Protests and rioting followed in the next few days on Hong Kong Island. By the middle of May, it had become obvious that a major political disturbance was imminent.

The Formation of Struggle Organizations

As the unrest mounted, the Federation of Trade Unions acted promptly to establish the organizational framework to co-ordinate the struggle. On its initiative, representatives from twelve leftist groups met on 12 May to establish the All Trades Struggle Committee (ATSC). The Committee urged all Federation affiliates to form struggle units to 'struggle against Hong Kong British persecution, to strengthen unity, to call denunciation meetings, to denounce Hong Kong British bloody atrocity, and to start extensive money raising' (*Ta Kung Pao*, 13 May 1967). Within a few days, the original 12 ATSC member groups expanded to approximately 40, and the left-wing press reported the formation of struggle committees in schools, trade unions, banks and other enterprises.¹⁶ On 15 May, China's Foreign Ministry issued the first of its statements expressing support for the Hong Kong Compatriots and denouncing the 'fascist measures' of the Hong Kong Government. Hopes of the leftists in Hong Kong for assistance from the motherland were further raised by the Vice-Foreign Minister's declaration on 18 May that China's domestic concern with the Cultural Revolution did not prevent 'Chinese care for the righteous struggle of the Chinese compatriots in Hong Kong'.¹⁷ It was in the midst of such encouraging statements from China that a second, more encompassing struggle organization, the All Circles Struggle Committee (ACSC), was established in Hong Kong on 16 May.¹⁸ Within two days, 126 struggle committees were formed under the auspices of the ACSC,¹⁹ which then proceeded to arrange meetings for representatives from these groups to share their struggle experiences, to study the words of Chairman Mao, and to plan for future action.

The formation of struggle committees was soon followed by a wave of strikes, some of which occurred in government departments. Between 23 May and the end of the month, some 18 short strikes took place. The establishments involved included transport and public utility companies (the two bus companies, Star Ferry, Yaumati Ferry, China Light and Power), dockyards (Whampoa Docks, Taikoo Dockyard), government departments (Post Office, Marine Department, Water Works Department) textile factories (Nam Fung Textiles, Central Textiles, Wyler Textiles) and a number of other enterprises. By the beginning of June, the left-wing press in Hong Kong were proclaiming 'a widespread mass movement to oppose national oppression and defend national honour'.²⁰

In China, the *People's Daily* in an important editorial on 3 June called upon the Hong Kong compatriots to form a broad revolutionary front and 'be ready at any time to respond to the call of the motherland, and smash the reactionary rule of British imperialism'. In response to the editorial, widespread rallies were held on the Mainland; the People's Liberation Army border garrisons vowed to 'take our place in the forefront of the struggle against British imperialism' as soon as the motherland issued instructions.²¹ Meanwhile the disturbances in Hong Kong escalated. By 10 June, strikes had spread to the Hong Kong Electric Company, the China Gas Company, Kowloon Wharf, the Government Garage, and the Public Works Department, while many of the workers who had resorted to strikes in May intensified their industrial action in a new series of strikes in their respective enterprises. As there were yet no signs that the colonial authorities and the management were succumbing, the struggle committees now decided to increase the pressure through joint efforts.

Joint Strike, General Strike, and Trade Suspension

The purpose of the joint strike, which began on 10 June, was to restrict local administration and to curtail food supplies to the Colony. On that day it was announced in the left-wing newspapers that, in response to the call to strike by four left-wing Government workers' unions, workers in various Government Departments would stop work as a protest against Government persecution. To the dismay of the struggle committees, almost all Government workers reported for duty. The strike at the Dairy Farm in Pokfulam on the same day, however, achieved a least a temporary success, as all work was suspended for most of the day. Still, many workers promptly returned to work when the company threatened to dismiss those who persisted in their strike action. Another strike was to be staged among the 60,000 strong hawker community, but as Cooper observed, the instigators 'had in fact chosen a bad day, since 12 June was Dragon Festival time, commonly

accepted as an exceedingly good revenue period for all hawkers who were certainly not going to strike just to let their families starve' (1970:40). The next attempt was a food strike on the following day, when fresh pork, fresh water fish and poultry supplies from the Mainland were halted. But the effect was negligible as local supplies and the non-compliance of many meat stall-holders enabled sufficient food to be on sale in the market. In the meantime, counter-actions from the management such as the dismissal of striking workers and daily bonus for the non-strikers were seriously thwarting the efforts of the struggle committees. By 15 June, it was obvious that the joint strike had lost its momentum and failed to achieve its objectives. But the struggle was to continue. On 24 June, the All Circles Struggle Committee and the All Trades Struggle Committee launched the more ambitious 'General Strike'.

The transport workers (Star Ferry, China Motor Bus Company, Kowloon Motor Bus Company, and Hong Kong Tramways) led the action by stopping work for several days. But services provided by licensed taxis and unlicensed taxis and minibuses, and offers from the right-wing Trade Union Council to assist in maintaining transport services, reduced the disruptive effects of the transport strikes. Other strikes followed in quick succession in the next few days, when demonstrations and work stoppages occurred in the Hong Kong Electric Company, the Hong Kong-Kowloon Wharf and Godown Company, the Hong Kong Telephone Company, Taikoo Sugar Refinery, the dockyards and textile factories. At the height of the struggle, the New China News Agency in Hong Kong proclaimed a total of 500,000 industrial workers on strike,²² and asserted that 'politically, the arrogance of British colonial rulers in Hong Kong has been deflated and their real nature, that of a paper tiger, has been completely exposed'.²³ Reports from independent and right-wing sources, however, presented a different account. An article entitled 'Failure of Maoists' so-called General Strike' in the right-wing newspaper *Hong Kong Times* attributed the alleged defeat of the leftists to their lack of financial resources, the violence adopted in their struggles, and the declining support of the workers for a cause which had little to do with labour related issues.²⁴

The last large-scale effort launched by the struggle committees was a four-day trade suspension beginning from 29 June. In preparation, 59 struggle committees made a joint appeal for support:²⁵

'We want to display the heroic spirit of the Chinese nation. We hope that the Chinese compatriots in industrial and commercial circles ... will act in coordination with us in all respects so that we can be completely victorious in the trade suspension ... '.

The trade suspension, however, fell far short of having full support. The Government Information Services reported on 29 June that 50 to 60 per cent of the hawkers were doing business as usual; market stalls on Hong Kong Island and in Kowloon were operating at levels of 90 and 70 per cent respectively; use of local pork and beef supplies was temporarily compensating for shortages in Chinese arrivals; vegetable prices had doubled from normal rates but rice was in plentiful supply and the price was relatively stable. On 2 July, food supplies from China resumed. The next day the markets were full, prices had dropped to their customary level and the strike was over.

The trade suspension was followed by a number of sporadic strikes, the most significant of which was the one called by the sizeable Seamen's Union on 16 July in an attempt to disrupt the delivery of goods in Hong Kong. The strike, however, did not secure extensive backing. By late July as the strike faded, the period of unrest in which industrial action played a prominent role also came to a close. Thereafter, the leftists relied mainly on other struggle tactics.²⁶ Towards the end of the year, when there were signs of improvement in Sino-British relations, the left-wing organizations in Hong Kong followed the policy of the motherland and replaced struggle with a 'smile campaign'.

Why the Strikes Failed

The left-wing organizations had used strikes as a means to challenge the legitimacy of the colonial government and to cripple its administrative capability in the hope of forcing the authorities to yield to their demands. The impetus and momentum of the struggle were derived from the Cultural Revolution in China rather than from a realistic assessment of the conditions of labour in Hong Kong. In 1967 the left-wing forces had neither a hegemonic position among workers nor the general population. While labour grievances undoubtedly existed, they were not of a magnitude and scope that could generate and sustain industrial actions sufficiently widespread to paralyze the economy. The leftists had conducted their struggle on a further miscalculation that the colonial authorities would capitulate when local efforts were reinforced by pressures from the Chinese Government. When it became obvious that China would offer little more than moral support, the left-wing organizations realized that they lacked the political and material resources to continue using strikes as the main struggle tactic. In the latter phase of the struggle, strikes were increasingly replaced by terrorist actions which relied not on mass support but guerilla tactics.

Marx's explanation for the failure of the proletarian revolution in Paris a little more than a century ago applies here: 'Men make their own history, but they do not make it just as they please. They do not make it under circumstances chosen by themselves ... ' (Marx 1852). The circumstances in 1967 did not constitute a solid basis for a successful Communist revolution.

In 1967 the strongholds of left-wing labour unions were in the transport and public utilities (gas, electricity, and water) sectors, where union densities²⁷ were as high as 77.6 and 66.3 per cent respectively. However, workers from these sectors, totalling about 79,000, constituted only around 12 per cent of Hong Kong's industrial labour force. Even within these sectors, the left-wing forces were reduced by the presence of right-wing unions, who did not collaborate in the strike efforts. The manufacturing industries, in 1967 Hong Kong's most important industrial sector employing some 44 per cent of the industrial labour force, had only a union density of 12.4 per cent and were hardly touched by leftist influences. In addition, the overwhelming majority of the non-manual workers both within and outside the government boycotted the strike calls. The political split within labour, the lack of sympathy and support among workers for industrial actions not based on genuine labour grievances, and the aversion of the population to the disruptive tactics of the struggle committees, combined to render the strikes a futile effort to mobilize the masses against the colonial authorities. What the struggle generated was not mass support, but anxiety and fear among a community many of whom had fled communist rule in the recent past. Indeed the circumstances in 1967 were such that the leftists in Hong Kong could only succeed by force, but without the solid support of China, that narrowly based force soon disintegrated. The political winds were not there in Hong Kong to enable 'a tiny spark to ignite a prairie fire'.²⁸

The Impact on Industrial Relations

The 1967 strikes had been a test of the strength of the Pro-China labour unions. While the strikes failed in their larger objectives, they demonstrated the susceptibility of the working class to the call of the 'motherland' where workers were held to be the masters. They shattered the complacency of the government and management about labour relations and revealed that ideology could escalate apparently trivial labour disputes into a major political confrontation. Thereafter the government adopted a more positive and interventionist role in industrial relations, and management softened their opposition to pro-labour legislation. In industrial relations, 1967 was a watershed. But 1967 was also a stern lesson for the leftists in Hong Kong. Turner commented: '1967 represented a damaging experience for the FTU unions, and in the

following years they retreated to a subdued position' (1980:93).

In Britain, the Parliament reacted to the turmoil with proposals for 'urgent action in the field of social and labour reform'²⁹ in Hong Kong, and suggested the development of a strong labour office to provide redress of long-standing inequities and to provide an environment conducive to the development of a stronger and more unified labour movement seeking to advance its own interests. A number of major reforms were promptly introduced by the Hong Kong Government. In March 1968, a new Labour Relations Division was formed within the Labour Department 'to assist in the settlement of trade disputes and other complaints or differences arising between employers and employees out of contracts of service' and 'to offer advice on, and encourage the development of, better labour-management relations and personnel management practices' (Commissioner of Labour, *Annual Report 1967-8:2*).³⁰ In 1968-9, the Department was strengthened with a 30 per cent increase in its approved staff establishment over the previous year. Thirty-three items of legislation were proposed by the Commissioner of Labour in February 1968, and eight items, including the important Employment Ordinance, became law later in the year. Described as 'the primary source of legislative protection for Hong Kong workers generally',³¹ the Employment Ordinance was designed to regulate the duration and termination of contracts, to provide for the protection of wages of employees and to control the operation of fee-charging employment agencies.³² It served as the basis for extending the rights and benefits of the workers, and in the next few years amendments to the Ordinance included requirement for employers to grant maternity leave and not less than four rest days per month, provisions for holidays with pay, annual paid leave, sickness allowances, severance payments, and protection against anti-union discrimination.³³

Enterprises, especially those which had been most affected by the 1967 strikes, such as the dockyards and the public utilities companies, now saw the need to resolve management - labour disagreements through established procedures. Responding to the initiative of the Labour Department, some fifteen enterprises instituted joint consultative committees in 1968-9,³⁴ and by March 1972 49 establishments were known to have introduced some form of joint consultation more advanced than mere periodic informal discussions between management and workers.³⁵

The legacy of the 1967 strikes was succinctly captured by England and Rear:

'The Government had always labelled itself the protector of labour ... but now it took on the role in earnest, seeing its function to discover what was needed, formulate proposals and then to convince the Unofficials (of the Legislative Council) and the business community that they were necessary and could be

adopted without damaging the economy The Unofficials and the leaders of the business community slowly embraced the new orthodoxy, which in 1976 was articulated as an aim to make wages and conditions in Hong Kong second to none in Asia, bar Japan' (1981:20-1).

6. THE AFTERMATH OF 1967: 1968-1973

The few years after 1967 were characterized by a significant change in the pattern of strikes. The frequency of strikes remained high throughout the period, reaching an annual average of 38 (see the summary Tables 3 and 4), which is the highest of the post-war periods so far with the exception of 1967. This upsurge cannot be accounted for solely in terms of the increase in the working population. The relevant data in the summary Tables 3 and 4 (i.e. number of strikes per 100,000 workers) indicate a relatively high strike frequency, with an annual average higher than that of 1950-9 and 1960-6. The number of strikes also exceeded by far the corresponding figures for 1950-9 and 1960-6, though the difference dwindles when the size of the working population has been taken into account. The large number of strikes and strikers may lead us into thinking that the aftermath of 1967 is a period of high industrial conflict. But the data on man-days lost tell us otherwise: the average annual figure dropped even below that of 1960-6, which is an industrially peaceful period. And when the number of man-days lost is controlled by the size of the working population (i.e. number of man-days lost per 1,000 workers), the annual average is the lowest of the hitherto post-war periods. What we see in this period is thus: more strikes and a large number of participants which however resulted in fewer working days lost. The strikes had become shorter.³⁶ What are the explanations for this syndrome?

The 1967 upheavals and the subsequent increased concern of the government and the public for labour related issues had apparently raised the awareness of the workers about the conditions of their work and employment. Under the demonstration effect of 1967, the working class also became more ready to use industrial action as a means to voice and redress their grievances, and to seek improvements in their livelihood. This explains the high frequency of strikes. But the temporary retreat of the leftists in the aftermath of 1967, and the concentration of the right-wing unions on membership recruitment and enhancing their public image at this opportune moment, meant that most of the strikes lacked central leadership and strong organizational backing. In fact labour unions were involved in only around 18 per cent of the strikes in this period.³⁷ This explains the predominance of localized small-scale strikes.³⁸

Another explanation for the short duration of the strikes probably lies in the Labour Department's more active role in industrial relations after 1967. England and Rear thus describe the change in the orientation of the Department:

(They) no longer wait for an invitation to intervene but take the initiative by going to the scene of trouble. They arrange meetings, conduct on-the-spot

investigations and - often an effective mechanism by itself - explain the law to the parties' (1981:319).

The greater involvement of the Labour Department in the settlement of disputes, as shown in Table 8, must have contributed to the speedy resolution of industrial conflict.

Table 8: Trade Disputes Handled By the Labour Department

Year	Number
1956 - 66	29
1966 - 67	40
1967 - 68	68
1968 - 69	78
1969 - 70	127
1970 - 71	140
1971 - 72	130
1972 - 73	115

Source: Labour Department Report; cited in England and Rear (1981:313), Table 23.

Another factor with important repercussions on industrial relations in Hong Kong was China's improved relations with the West in the few years after 1967. In 1969 the United States relaxed travel and trading restrictions with China, and in 1970 full ambassadorial meetings resumed between the two countries. China's international status advanced further with its entry into the United Nations in 1971 and President Nixon's visit to China in 1972. For the leftists in Hong Kong, these events implied the need for a change in their relation with the colonial authorities, from one of antagonism to one of mutual cordiality. This new orientation had an important influence on the development of industrial relations in subsequent years.

The Re-emergence of the Third Force in the Labour Movement

The events of 1967 raised the awareness of labour and of concerned members of the public that the workers' interests had for long been eclipsed by the political objectives of the two rival

labour factions in Hong Kong. The 'political' strikes of 1967 also poignantly demonstrated the vulnerability of the community to a labour movement which took its inspiration from political developments across the border. Obviously the labour movement needed a new direction, which soon developed among politically independent social groups, the so-called 'Third Force', in the aftermath of 1967. The Christian Industrial Committee (CIC) was the most important pro-labour organization that emerged at this stage.

The Christian Industrial Committee was founded in 1967 under the auspices of the Hong Kong Christian Council, a fraternity confederation of Protestant denomination in Hong Kong. In 1969, it was made an auxiliary organization of the Council with full autonomous administrative jurisdiction and independent staff. Under its first director, Miss Margaret Kane,³⁹ the CIC took on the role of a go-between between labour, management, government and other related social institutions. To acquire first-hand knowledge of the working conditions of labour, the CIC organized 'work-in-industry' seminars for theological students in the Chung Chi Seminary. These students worked during the day in factories under similar conditions as ordinary manual workers did, and reflected on their shopfloor experiences in seminar discussions in the evening. The Committee also held, as part of its educational programme, seminars on various industrial issues such as industrial conciliation, management and trade unions, and industrialization and the church in England and Asia. At the same time, in order to cultivate better communication and understanding with management, the CIC staff made frequent visits to factories and held discussions with managers on labour legislation and management - labour joint consultation. But the plight of the working class remained the primary concern of CIC. Among its many efforts to promote the welfare of labour was its proposal to the government, in 1968, for improvements in labour laws in the areas of job security, sick pay, paid holidays, minimum wages and protection of outworkers. The policy of the CIC in its first few years was summarized in the following statement in the director's report:

'Although we have decided to give priority to work with workers, we value the relationship with management and wish to deepen it wherever possible' (Kane 1969:11).

CIC changed to confrontational strategies in its dealings with management under its new director Mr. Raymond Fung, who succeeded Kane in 1969. The most prominent feature of CIC's new approach was the publication, from May 1970, of the *Workers' Weekly*, a weekly newspaper which formed the basis of the Committee's pro-labour activities. The main contents of the *Weekly* were comments on the conditions of the working class, advocacy for labour reforms, and reports on major labour disputes in Hong Kong. But its activities extended far beyond mere

verbal communication. When a Correspondence Club (later re-named the Readers' Club) was set up in August 1970, with its members drawn mainly from labour, the *Weekly* developed into an important agency for promoting the solidarity of the working class. With the help of the editorial staff of the *Weekly*, members of the club organized themselves into several interest groups, which later expanded into larger labour organizations striving to advance the interests of workers.⁴⁰

Assistance to workers involved in labour disputes was another important contribution of the *Workers' Weekly*. The staff of the *Weekly* helped the workers in formulating their demands and strategies, and made arrangements for them to meet with other supporting bodies such as university students. The CIC soon earned the reputation the 'Robin Hood of labour', and it is noteworthy that in the two major industrial disputes of the early 1970s, the Cross-Harbour Tunnel Welders' Dispute (1970) and the Cable and Wireless Labour Dispute (1973), the workers turned to the CIC for advice and assistance.

To raise the workers' social consciousness, the *Weekly* also launched a labour education programme, with graduates from universities offering courses in political science, sociology, economics, psychology, labour law and other subjects. When the *Weekly* suspended its publication in November 1973 - its work to be superseded by the CIC's new Labour Education Centre - its main objectives had been achieved, as the following report indicates:

'Working men and women are now increasingly willing to fight for their rights. There has been a marked increase in the number of occasions when workers confronted management. There are more workers participating in significant social movements. Unionism, once feared and shunned even by workers, is now openly talked about in industrial plants' (*Change* 1973, No. 22:2).

With its emphasis on leadership training for workers, the Labour Education Centre continued in the tradition of the *Workers Weekly*. By 1980, CIC's labour education programmes were offered in all the major working-class areas in Hong Kong,⁴¹ and local labour organizations with close affiliation to CIC soon developed on the basis of these programmes. In this way CIC established a widespread and penetrating network of support for its major campaigns. Further, through its ardent support of pro-labour activities and its active involvement in social issues,⁴² CIC established close working relationships with many pressure groups, trade unions and community organizations. Having thus consolidated its position in the labour world, CIC boldly attempted a new venture which in effect altered the power structure within the labour movement in Hong Kong.

In 1980, in a call for joint efforts to campaign for improvement in industrial safety, it founded the 'Joint Secretariat of Hong Kong Trade Unions' whose members consisted of left-wing, right-wing, as well as independent unions. In March the Secretariat issued a joint proposal for reforms, the first time when unions of different political persuasions in Hong Kong co-operated in an effort to advance the interests of labour. In the 1980s, when Hong Kong was beset with the problems of political reform and political future, the CIC accordingly concentrated its efforts in building the political consciousness and power of labour. By the end of the decade, CIC, under its current director Mr. Lau Chin-shek, had established itself as the leader of the 'Third Force' in the labour movement.

7. THE UPSURGE OF WHITE-COLLAR UNIONISM: 1974-81

General Features

The period under consideration is conspicuous in the sharp drop in strike activities in the first three years, and then, from 1977, a reversal to the trend of the previous period. The decline coincided with the economic recession of 1974 and 1975, when the annual growth rate of real gross domestic products dropped from 14 per cent in 1973 to a record low of around 2.5 per cent, and unemployment rose to very high levels compared with the past. The index of real average daily wages for industrial workers (excluding fringe benefits) which stood at 156 in 1972 and 159 in 1973 fell to 141 and 137 in 1974 and 1975 respectively.⁴³

There are several explanations for this downward shift in strikes in a period of economic hardship. Levin (1979) attributes it mainly to the lack of resources on the part of the workers to mount and sustain strike action during a recession. He also acknowledges the contributions of the Department of Labour in the enforcement of redundancy and severance payments, as well as the public assistance scheme of the Social Welfare Department, all of which helped to mitigate the immediate economic impact of unemployment. England and Rear offer an informed explanation:

'Trade union leaders from both left and right, as well as government officials at the highest level, told us that the message from China during this period, as before and since, was that the unions should avoid confrontation' (1981:167).

The Governor in his 1975 address to the Legislative Council made a similar observation:⁴⁴

'I am sure that the excellent state of Anglo-Chinese relations and the friendly and practical way in which it has been possible to deal with any matters affecting Hong Kong have contributed to stability and confidence here during the year.'

The resourcefulness and resilience of Hong Kong workers, we think, is an additional explanation. It is characteristic of the Hong Kong workforce to put up with hard times and, if necessary, make a living through alternative economic activities during periods of economic recession.⁴⁵ Thus many redundant workers survived the economic hardship of 1974 and 1975 through hawking activities.⁴⁶ It was only from 1977, when there were clear signs that the economy was recovering, that the workers' aspirations and demands rose, leading to a climb in strike activities to a level similar to that in the early 1970s. For the period as a whole, however,

the propensity to strike (see summary Tables 3 and 4) falls even below that of the preceding period. The overall picture suggests that despite the high frequency of strikes compared to the years before 1967, strikes since that important turning point had been increasingly characterized by their small size in terms of number of participants and duration. Spontaneous wild-cat strikes predominated in this period as they did in the previous. Among the manual workers within the private sector, labour unions were keeping a low profile in confrontations against management.

A different trend, however, was emerging among the non-manual white-collar workers, especially those within the Civil Service.⁴⁷ As Table 9 below indicates, the number of civil service unions and their membership more than trebled between 1970 and 1981, while for the same period, the number and membership of all trade unions increased only by 35 and 76 per cent respectively. The difference is even more striking if we focus on the changes in membership and union density for the period 1974-81. The civil service unions grew by more than 100 per cent in membership, and union density increased from 33.3 to 51.3 per cent; total trade union membership grew by a mere nine per cent, and union density dropped from 22 to 16.9 per cent. A comparison of the civil service unions and the politically affiliated unions in Table 10 reveals a similar picture. Most noteworthy is the phenomenal growth in civil service union membership in contrast to the decline in membership of the left-wing unions.

Table 9: Changes in Union Membership and Density - A Comparison Between Civil Service Unions and All Employee Trade Unions, 1970-81

Year	<u>Civil Service Trade Unions</u>			<u>All Employee Trade Unions</u>		
	Number	Declared Membership	Density	Number	Declared Membership	Density
1970	46	23,215	28.5	272	196,299	15.5
1971	49	25,692	30.4	376	221,619	17.4
1972	56	26,468	30.0	280	251,729	18.6
1973	60	30,348	32.1	283	295,735	21.2
1974	66	31,681	33.3	293	317,041	22.0
1975	77	35,755	34.3	302	361,458	23.9
1975	85	41,702	40.0	311	388,077	25.2
1977	93	44,424	41.0	313	404,325	23.8
1978	111	51,146	44.2	327	399,995	22.6

1979	122	60,727	49.4	340	399,392	20.7
1980	134	63,218	49.0	357	384,282	19.0
1981	142	71,439	51.3	366	345,156	16.9

Sources: data on civil service unions based on Arn (1984:238-9), Table 10.5. Data on employee trade unions based on Registrar of Trade Unions, *Annual Reports*, and Chiu (1987:203), Table 6.1.

Table 10: Changes in Union Membership - A Comparison Between Civil Service Unions, Left-wing Unions, and Right-wing Unions, 1974, and 1981.

Year	Civil Service Unions		Federation of Trade Unions		Trade Union Council	
	Number of affiliated unions	Declared Membership	Number of affiliated unions	Declared Membership	Number of affiliated unions	Declared Membership
1974	66	31,681	67	184,440	85	32,099
1981	134	63,218	69	169,647	70	25,927

Sources: data on civil service unions based on Arn (1984:238-9), Table 10.5. Other data based on Levin and Jao *et al.* (1988:3), Table 1.

Concomitant with the expansion of public sector unionism was the upsurge of industrial actions within the civil service. Between 1974 and 1981, some 23 incidents of industrial action occurred among civil servants⁴⁸ who hitherto had seldom resorted to militant action against their employer.⁴⁹ Further, if we examine changes in trade unionism in terms of industrial divisions in both the public and private sectors, the rapid growth of unionism among white-collar groups (employed mainly in community, social and personal services) stands out as a prominent feature of the 1970s, especially the second half of the decade. Table 11 below compares the changes in trade unionism in the community, social and personal services division with those in two other major industrial divisions. Several salient features emerge from this comparison. Union membership in the predominantly white-collar division, which had been below those in the two other divisions in 1974 and before, vastly exceeded them by 1981. Between 1974 and 1981, union membership declined in the manufacturing and transport, storage and communication divisions, but that in the services division more than doubled. Finally, between 1961 and 1981, union density in the services division rose by more than 100 per cent, while that in the other two divisions either remained stagnant or was on the decline. The significance of these developments among white-collar workers, and within the civil service is summarized by Levin and Jao:

'These changes have altered the social character of the labour movement. Up to the early 1970s, the trade union movement could be characterized as a movement mainly of manual workers and the lower-level stratum of workers in the commercial sector. Now, however, with the spread of unionization among the non-manual, white collar groups in the civil service and in the fields of health, education and welfare, the labour movement embraces employees across a much wider spectrum of occupational groups.' (1988:5)

Table 11: Number of Unions and Declared Union Membership, Selected Industrial Divisions 1961, 1971, 1974 and 1981

Year	Manufacturing			Transport, storage and communication			Community, social and personal services		
	Number of Unions	Declared Membership	Union Density	Number of Unions	Declared Membership	Union Density	Number of Unions	Declared Membership	Union Density
1961	99	39,309	10	38	57,304	78.3	44	37,973	15.7
1971	92	52,554	6.2	41	62,028	60.7	71	34,058	19.1
1974	90	74,996	-	43	82,840	-	84	50,131	-
1981	87	63,615	7.2	51	79,924	50.7	163	116,259	33.1

Sources: information on union density based on Chiu (1987:205-7), Tables 6.2a-c (data on union density for 1974 not available). All other information based on Registrar of Trade Unions, *Annual Reports*.

The Upsurge of Unionism in the Public Sector and among White-Collar Groups: Explanations

The rapid expansion of trade unionism in the civil service and among white-collar groups is to some extent a reflection of the increase in the number of employees in the relevant sectors. Between 1971 and 1981, the strength of the civil service increased by 59 per cent, from 81,511 to 129,217,⁵⁰ while the core of the white-collar component (i.e. professional/technical,

administrative/managerial, clerical and sales categories) of the working population grew by 83 per cent, from 410,007 to 749,635.⁵¹ A reference to Tables 9 and 11, however, indicates that proportionally the growth in union membership by far exceeds the growth in working population in these sectors. In the previous section, we also noted the upsurge of industrial actions in the public sector in the second half of the 1970s. What factors explain the increased militancy among civil servants and union expansion among the white-collar groups when unionism and militancy among manual workers were on the decline?

The impetus of change in public sector unionism came from the 1967 disturbances. In an attempt to foster joint consultative structures in the private sector, the government set an example in June 1968 by establishing a joint consultative mechanism, the Senior Civil Service Council, to deal with its own labour matters. The Council comprised representatives from the government (with the Deputy Colonial Secretary as chairman) and from the three main staff associations: the Hong Kong Chinese Civil Servants' Association, the Association of Expatriate Civil Servants and the Senior Non-Expatriate Officers' Association. Civil servants' pay and job-related matters were the main concerns of the Council, and the agreements reached in this body were to be binding throughout the civil service, including unrepresented staff associations and non-unionized workers. Apart from this consultative body at the central level, the government also encouraged the formation of consultative committees on a voluntary basis at the departmental level. These committees were intended to provide a formal forum for consultation between departmental management and staff on matters which relate to the internal administration of the department. It is ironical that the setting up of these consultative mechanisms was shortly followed by an upsurge of trade unionism and militancy among civil servants. This can be explained in terms of the inherent problems in the Senior Civil Service Council and the departmental consultative committees, and of the recommendations of the 1971 Civil Service Salaries Commission.

The Senior Civil Service Council was intended to be strictly a consultative body, not a collective bargaining forum. Although negotiations may take place between the staff and official sides in the Council's meetings, management is under no formal obligation to bargain. Above all, the government has the right, in 'the public interest', to overturn the recommendations of the Council. The arrangement thus remains, in the words of England and Rear, 'an unequal treaty' (1981:270).

Further, staff representation in the Council was uneven and inadequate. The Hong Kong Chinese Civil Servants' Association had most of its members drawn from staff in the middle salary range. The Association of Expatriate Civil Servants catered only to expatriate and by implication,

senior staff. And the Senior Non-Expatriate Officers' Association comprised only Chinese senior civil servants. The so-called minor staff, mainly manual workers, and the lower echelons of staff, who together constituted the bulk of the civil service, were not represented by any of the above three associations. In addition, the most representative of the three staff associations in the council, the Hong Kong Chinese Civil Servants' Association (with a membership of 2,802 in 1968, 28 per cent of total union membership in the civil service) had a highly diversified organizational basis and could hardly cope in detail with the grievances of particular occupational groups. In 1974, when discontents within the civil service were beginning to surface in staff-management disputes, the three 'representative' associations together had a membership of 6,302, 20 per cent of the total civil service union membership. The remaining 63 departmental or grade associations, some with a membership larger than any one of the three staff bodies in the Senior Civil Service Council, did not participate in its formal consultation process. On the other hand, the constitutions of the departmental consultative committees excluded deliberation on matters which were the prerogative of the Senior Civil Service Council. In particular, decisions on pay could only be made at the central level of government. It was against such background that many civil servants sought to redress their grievances outside the formal consultative bodies through industrial actions. The precipitating factor for these events was the Report of the 1971 Salaries Commission.

The Report recommended radical changes in the civil service salary scales.⁵² After its publication in July 1971, numerous grades in the civil service expressed to the government their dissatisfactions over the recommendations but to no avail. In the words of a prominent civil service union leader of the time, 'this sowed the seeds of antagonism between the civil service unions and the Government ...'.⁵³ The upsurge of unionism and militancy in the civil service in the following years represented the staff's attempts to safeguard and advance their positions in the new pay structure. Labour disputes first emerged in 1973 among the clerical workers, who after a lengthy period of fruitless negotiation with the government, resorted to a '70 per cent work' industrial action in 1975. In the next few years, a succession of disputes and collective actions followed - the demarcators' dispute over pay structure and duty list (1974) and subsequent work-to-rule (1976), the air traffic controllers' pay dispute and work-to-rule (1976), the surveying officers' dispute over pay structure and title and 'no field work' industrial action (1977), the shorthand audio-typists' pay dispute and work-to-rule (1977), and the police interpreters' dispute over pay and grade structure and industrial actions (1977). Labour disputes and industrial actions in the civil service reached their height in 1978, involving employees of the Social Welfare Department, postal workers, nursing staff, dental technicians, dispensers, tax inspectors, and hospital workers. At the same time, foremen of the Urban Services Department,

estate caretakers of the Housing Department, executive officers of the Government Secretariat and clerical grades of various departments were also contemplating industrial action. As one civil service union leader puts it, 'industrial actions ... in the Civil Service rolled on with the momentum of an avalanche'.⁵⁴

It was in this atmosphere of general dissatisfaction within the civil service that two of the largest and most influential white-collar unions were formed, with members drawn from employees in the government and in government-subsidized institutions. The Professional Teachers' Union, currently the largest trade union in Hong Kong, was established in the aftermath of the Certificate Teachers' dispute over a 1972 government resolution to reduce the salary of newly graduated Certificate Teachers by 20 per cent. Though the government subsequently withdrew the resolution, the incident was seen by teachers in general as the foreboding of a difficult time ahead for the teaching profession. The Professional Teachers' Union was thus formed in 1974 to strengthen the bargaining power of teachers in their future confrontations with the government.

The founding of the Social Workers' General Union in 1980 was prompted by two events, both happening at around the same time in 1979. When some social workers were arrested and convicted for petitioning with the boat people of Yaumatei, members of the profession saw the urgent need for protection through the formation of a general union against what they perceived as unjust treatment from the government. This incident coincided with the Social Welfare Department Review which recommended improved promotion prospects for employees in the government, but not for those in the voluntary welfare agencies. Objection to this bifurcation was the additional factor conducive to the formation of the Social Workers' General Union, who subsequently won their demand for equal treatment for the voluntary agencies.

Meanwhile, the government was introducing measures to curb unrest in the civil service and to improve staff-management relations. Civil Service Regulation 611 was introduced in 1977, giving the Secretary for the Civil Service the power to suspend without pay any officer who omits to perform any of his duties in connection with a trade dispute. In 1978, the Staff Relations Division was created within the Civil Service Branch. The division was given the task of mediating between management and staff associations in the departments, and building up communication and trust between the two sides. In January 1979, the government set up the independent Standing Commission on Civil Service Salaries and Conditions of Service, comprising nine part-time unofficial members from a cross-section of the community. Its terms of reference are, among other things, to advise on the principles determining civil service grade and salary structures, to review regularly and systematically the salary and grade structures, and

to advise on suitable consultative procedures. The established consultative bodies at the central and departmental levels would continue to operate with regard to the role of the Standing Commission.

The Standing Commission's reports on civil service salary structure in the next few years occasioned further disputes and industrial actions, though under the impact of CSR611, most of these did not escalate into strikes. Despite the efforts of the government at improving staff-management relations, militancy among civil servants remained rampant towards the end of the decade. The expansion within the civil service of professionals and people with specialized training laid the foundation for the growth of occupational groups keen on defending and advancing their rights and interests. With the rapid growth of civil service unions, a younger generation of change-oriented leaders were emerging, gradually replacing the more conservative compliant leaders of the past. In addition, many civil servants realized from the experiences of the 1970s that collective action would be an effective way to wrestle concessions from the government. Industrial peace in the civil service did not seem to be on the horizon with the approach of the new decade.

8. POLITICAL CHANGE AND THE LABOUR MOVEMENT: 1982-9

Negotiations between China and Britain on the future of Hong Kong began with Mrs. Thatcher's visit to Beijing in September 1982. The progress of the negotiations and the status of Hong Kong after 1997 since then became the focal concerns of the community. In industrial relations, such concerns were reflected in the change in the emphasis of the trade unions in the private sector, from safeguarding the interests of workers vis-a-vis management, to developing and advancing the political leverage of labour in the political reforms that were to occur in the transition to 1997 and the years after. This re-orientation was the main reason for the sharp decline in strike activities, making this period industrially the most peaceful since the end of the Second World War. In the civil service, despite the Standing Commission's efforts to improve staff-management relations, unrest continued. The following section examines the problems in joint consultation in the public sector and the related industrial disputes. This will be followed by a discussion of recent developments in the labour movement in the private sector.

The Public Sector: Continuing Unrest

In contrast to the industrial peace in the private sector, the civil service in the 1980s experienced another wave of industrial disputes. The period in fact began with improvements in joint consultation introduced on the recommendations of the Standing Commission. In December 1982, a Model Scale 1 Staff Consultative Council was set up for the lower rank staff who previously had been excluded from joint consultation at the central level. At the departmental level, departmental consultative committees were now made mandatory for all departments with 100 staff or more. Yet attitudes of cynicism towards the consultative machinery prevailed among civil servants who, according to civil service union leaders,⁵⁵ regarded the departmental consultative committees as 'window-dressing', 'just a forum for communication on the small issues', and 'not a place in which to resolve the important issues'. The consultative bodies soon proved to be inadequate in curbing the mounting unrest in the civil service generated initially by discontents over the Standing Commission's pay recommendations, and later aggravated by the 'brain drain' and staff shortage.

Right from the beginning, the Standing Commission encountered the op-position of the staff side to its pay recommendations. Its *Report No. 8*, published in June 1982, which recommended the lowering of the start-ing salary point of certain civil service grades, led to a series of protest actions including a two-day strike with some 2,000 participants and a one-month go-slow action

by members of four civil service unions. A period of industrial peace followed in the next few years when attention was focused on the Sino-British negotiations on the future of Hong Kong after 1997. But signs of unrest surfaced towards the end of 1985 when government announced that directorate salaries would be increased by between 6.4 and 13.5 per cent, effective from August 1985, on the grounds that they had fallen behind those in the private sector. Non-directorate civil servants demanded similar increases to make up for the shortfall between 1979/80 to 1984/5. Discrepancies between the staff's demands and the Standing Commission's recommendation for a 2 per cent increase led to a series of protests. The first large-scale protest rally occurred on 30 January 1986, with around 1,000 civil servants from 27 unions marching to demand a 6.4 per cent pay increase effective from 1 August 1985. On 25 February, representatives from 95 civil service unions with a total membership of around 60,000 met to elect a 17 member committee to pursue negotiations with the government. Two further mass demonstrations, each with around 2,000 civil servants participating, followed on 28 February and 23 March. Despite the staff's opposition, the government finally decided on a 2.7 per cent increase with effect from 1 January 1986, but promised a full pay-level survey in the financial year 1986/7 for necessary pay adjustments. This survey was the cause of another wave of protests in the civil service.

The pay-level survey was undertaken in the months of August to October 1986 by Hay Management Consultants (Hong Kong) Ltd., which was selected by the Standing Commission without consultation with the staff side. Among other things, the findings of the survey indicated that the total pay package for upper non-Directorate civil servants was at least 30 to 46 per cent better than that received by three-quarters of their private sector counterparts. The affected civil servants contested the findings on the grounds that the survey was based on a flawed methodology which led to erroneous assessments of the benefits received by civil servants, and to the application of inappropriate criteria for job evaluation.⁵⁶ The staff were also discontented with the fact that the survey data were not available for the staff associations' scrutiny, and that the survey had been undertaken in haste without prior consultation with the unions. In protest, staff representatives of the police force withdrew from the Pay Level Survey Advisory Committee in November 1986. This was followed by the withdrawal of the staff representatives of the Senior Civil Service Council the following month. The government, however, remained adamant in its decision to use the survey results as a reference in awarding future pay rises. Staff-management relations deteriorated, cumulating in a further confrontation early in 1988 over the findings of the 1987-8 pay-trend survey which, unlike the pay-level survey, was undertaken annually to determine the level of increase in civil service pay for the particular year.⁵⁷ Again the staff side contested the methodology of the survey and refused to endorse its

results. Faced with this crisis, the government set up an Independent Review Committee on Disciplined Services Pay and Conditions of Service, and an Independent Committee of Inquiry to advise on civil service pay. The latter committee was charged with the responsibilities of reviewing the methodology used in the 1987-8 pay-trend survey, interpreting its findings and advising on the 1988 pay adjustments accordingly; and considering the methodology and findings of the 1986 pay-level survey and their validity as a basis for making adjustments to civil service pay.

Meanwhile the brain drain generated by uncertainties over Hong Kong's future led to staff shortage in the civil service. This exacerbated the civil servants' discontents. In the last few months of 1988, petitions and protests were rampant among the most affected occupational groups - the medical doctors, the nurses, and the surveyors. Pay increases and improvements in conditions of employment were the major proposals from these groups to attract more people to enter these occupations and to compensate for the additional volume of work. When negotiations with the government reached a deadlock, the petitions escalated into industrial actions. In November 1988, the surveyors began a partial boycott of their official duties. The doctors followed suit in March 1989. In the same month, the nurses launched their work-to-rule industrial action.

In the midst of these disputes, protests of a different nature were gathering storm subsequent on the release in December 1988 of the report of the Independent Review Committee on Disciplined Services Pay and Conditions of Service. As usual, dissatisfaction over the recommended amount of pay increase was the underlying cause of the discontent. In addition the report's recommendation to award different pay increases for different disciplined forces and for different grades encountered the opposition of those who were to receive less preferential treatment. Thus while the staff of the police force protested against their meager pay increases relative to those of other disciplined forces, the middle and lower rank police officers opposed their lower pay increases within the police force. Similar discontents were voiced among the staff of the Fire Services Department who marched in protest and threatened industrial action. The non-disciplinary civil service employees, for the time being, were placated by the government's announcement of a pay increase of 9.6 per cent, which was a significant improvement over the Standing Commission's recommendation earlier in the year. Then early in 1989, the Independent Committee of Inquiry released its report declaring the invalidity of the 1986 Hay Pay-level Survey and its inappropriateness as a basis for civil service pay adjustments. The government further announced, in April, its plan to carry out a large-scale grade-level survey of the non-disciplinary staff in the near future. Apparently as the decade was drawing to a

close, the government was making concessions in an effort to lift the commitment and morale of the civil service which would be essential in ensuring a smooth transition to 1997. But dissatisfaction over pay, brain drain and the concomitant problem of under-staffing will continue to plague the civil service. The challenge ahead of the civil service in the 1990s is aptly summarized by England:

'Government has the resources to allay immediate civil service grievances but it must not give the impression that in the 1990s it has no option other than to concede demands made by the staff associations. Doubtless it will try to ensure that no other contentious issue emerges to unite the majority of its employees against it. ... For their part, the civil service unions should be wary of overplaying their hand in a society that through political change will increasingly call them to account' (1989:95).

The Private Sector: The Realignment of Political Forces Within the Labour Movement

Of all the factors that helped to erode the entrenched political rivalries within the labour movement, China's sovereignty over Hong Kong after 1997 must count as the most crucial. In light of the political realities of the future, the political allegiance of the Trade Union Council and its affiliates seemed ill-fated. To continue in their antagonisms against the Pro-China Federation of Trade Unions would be fighting a lost battle, and in any case, not congenial to the community whose dominant concerns were now consensus and order. The FTU saw the situation in a similar light and promptly call upon all trade unions to work in unity towards the following goals: 'to promote political democratization', 'to participate positively in the drafting of the Basic Law', 'to build up good relations with every sector on a new basis', and 'to fight for legitimate rights for the workers and seek greater welfare'.⁵⁸ Its stance in the 1980s was described in its chairman, Mr. Cheng Yiu-tong's speech at the 1988 General Meeting:⁵⁹

'We are willing to foster closer unity and co-operation with all workers, trade unions, labour organizations and people from other strata of the society and make common contributions to the prosperity and stability of Hong Kong.'

This call for unity from the FTU met with a mixed reception. On the one hand, trade unions on numerous occasions in the 1980s set aside their political differences and joined together with other community activists to petition government on a range of issues, including a central provident fund and taxation. And since the implementation in 1985 of the system of indirect election to the Legislative Council, labour as a functional constituency has elected two representatives,

one each from the rival union factions. On many general labour issues, these representatives have acted together. With the entry of labour representatives into the Basic Law Drafting and Consultative Committees following the signing of the Sino-British Joint Declaration in 1984, the interests and welfare of labour as a whole in the future Special Administrative Region became the paramount common concern of the workers.

But the erosion of the entrenched division between the left and the right factions was succeeded by the emergency of a new rivalry. To the Christian Industrial Committee,⁶⁰ the FTU's new emphasis on peaceful co-existence under the capitalist system was a continuation of its practice of aligning the labour movement to the policies of China. Criticizing the FTU for sacrificing the interests of labour, the CIC in the 1980s took up the role of organizer and leader of an independent labour movement. With its staff serving as advisers and organizers, the CIC promoted the formation of trade unions by placing its premises and secretarial resources at the disposal of the interested workers.⁶¹ Its leadership was consolidated when in 1984 it founded the Hong Kong Trade Union Education Centre which provided a forum where various independent unions from both the public and private sectors could meet and discuss labour issues. In 1988, in a move to establish a centre of independent unions to strengthen the autonomy and power of the labour movement, the CIC convened a conference which was attended by representatives of international trade union secretariats as well as representatives of local independent unions and organizations. By the end of the 1980s the CIC's task of building an independent labour movement in juxtaposition to the FTU - dominated movement was near completion. In an interview in connection with the China Motor Bus Drivers' industrial dispute in November 1989, the CIC's chairman Mr. Lau Chin-shek spoke of the prospects and implications of the realignment of union forces in the labour movement:

'...The dispute reflects that the welfare of workers has long been neglected. The China Motor Bus Company is just one of numerous examples. The response of trade unions to the incident has been slow ... the force of labour is weak. To remedy the situation, Hong Kong is in urgent need of an alliance of politically independent trade unions. ... We are now in the final stages of building The Hong Kong Confederation of Trade Unions ... and hope to formally establish this organization around the beginning of next year. ... The objectives of this Confederation are to foster solidarity among independent trade unions, to safeguard their independence, and to promote the labour movement and the rights, welfare and social status of workers ... Some thirty unions are expected to join the organization, and the estimated membership will exceed 100,000. The Confederation will be a non-political organization and will have no connections with the left-wing and right-wing factions. But it will advance the cause of democratization. ... In the current political process, both in the drafting of the Basic Law and political reforms, the working class has been relegated to the status

of a minority among various social groups while business has emerged as the privileged sector. In view of this, we hope that the Confederation can mobilize the forces of labour to check and balance future political development. ... With regard to political participation, the Confederation will discuss with its member unions whether to elect its own representative to the labour functional constituency in the Legislative Council ... ' (*Sing Tao Daily*, 19 November).

With the CIC gradually superceding the TUC as the counter-balance to the domination of the FTU, the labour movement in the 1990s will again be beset with the problem of internal disunity. The extent to which labour will be able to exert its influence on the sweeping changes destined for the 1990s will depend significantly on its ability to reconcile its internal differences. One thing, however, is evident. The working class is becoming increasingly conscious of its rights and political status in the future society. The development of labour as a political force - the legacy of the 1980s - will continue to be the dominant goal of the labour movement in the 1990s.

9. CONCLUSION: POLITICS, STRIKES AND THE LABOUR MOVEMENT IN HONG KONG

We observed at the start of this paper that despite its gross social inequality, Hong Kong has been on the whole an industrially peaceful society. The low level of industrial conflict and the weakness of the labour movement in Hong Kong cast doubt on the commonsense notion that social inequality generates frustration and discontents among the under-privileged workers on the basis of which labour unrest develops. Our above historical survey suggests that the level of industrial conflict is contingent on the strength of labour organizations and on the development of major political events locally and in Mainland China. The decline of the Chinese Engineers' Institute and the subsequent emergence and dominance of the two politically affiliated labour federations weakened the unity and strength of labour, and rendered the labour movement increasingly susceptible to the influence of political events, especially those in Mainland China.

Finally, in order to summarize the role of politics and of labour organizations in the development of strikes and the labour movement in Hong Kong, we present on the following pages a chart based on the periodization proposed in this paper.

<i>Period</i>	<i>Political Development</i>	<i>Labour Organization</i>	<i>Strikes and the Labour Movement</i>
1946-49	The Civil War in China, and the founding of People's Republic of China in 1949.	The Chinese Engineers' Institute played the role of leadership for labour until around the end of 1947. The Institute's leadership was gradually superseded by politically-oriented labour federations established in 1947 and 1948.	High labour solidarity under the leadership of the Chinese Engineers' Institute, contributing to effective mobilization of labour and high level of strikes in 1946 and 1947. Left-wing unions were mainly responsible for another upsurge of strikes around the end of the 1940s. The Commissioner of Labour described these strikes as 'labour disputes where politics dominates economics'.
1950-59	Britain's recognition of the PRC in 1950. The two countries reached a tacit understanding over the status of Hong Kong.	Competition between the FTU and the TUC for membership and public support.	Following the policy of the PRC, the left-wing unions in Hong Kong kept a low profile in industrial conflict, and concentrated on welfare benefits for their members. The left-wing unions followed suit. As a result, the period was one of low industrial conflict.
1960-66	China keen on upholding stability and prosperity of Hong Kong's economy because of her economic stake in Hong Kong.	Dissatisfied with the political stance of the two labour federations, many workers left the unions and opted for individualist solutions to their problems. Union membership declined through this period.	The trade unions continued to refrain from confrontational action against management.

- 1967 The start of the Cultural Revolution.
- Under the impact of the Cultural Revolution, the left-wing unions mobilized their members to struggle against capitalist management and the colonial government.
- Labour disputes escalated into a territory-wide political confrontation against the government.
- 1968-73 China's entry into the United Nations in 1971. Nixon's visit to China in 1972. China's relations with the West significantly improved.
- Left-wing unions recuperating after their 1967 defeat. They also followed China's policy of peaceful co-existence.
- Devoid of union support, strikes were localized and small-scale.
- 1974-81 Relations between China and Britain remained cordial and friendly.
- Socio-economic changes in Hong Kong led to the upsurge of white-collar unionism.
- Spontaneous wild-cat strikes predominated in this period as in the previous.
- 1982-89 1997 became the prevailing political concern of the local community. The Hong Kong government embarked on a number of important political reforms.
- Labour moved towards greater unity and co-operation in advancing their political rights and interests in preparation for 1997.
- Low level of strikes because trade unions concentrated on developing the political leverage of labour in the political reforms of the 1980s.

Notes

1. The local newspapers include *Wah Kiu Yat Po*, *Hong Kong Times*, *Man Wui Po*, and *Ta Kung Po*. The first two were pro-Kuomintang papers; the other two were pro-Communist. Before 1970, *Wah Kiu Yat Po* had the most detailed accounts of industrial relations in Hong Kong among local newspapers. We therefore make frequent quotations from it for the period before 1970. In an attempt to offer a politically more balanced view, we also use information from *Man Wui Po* and *Ta Kung Po* and *Annual Reports* of the Labour Department. In our account of the 1967 events, we quote from the journal *Survey of China Mainland Press* which gave excerpts from newspapers published in Mainland China. Where the texts are originally in Chinese, we have translated our quotations into English.
2. Hong Kong is one of the most industrially peaceful countries among modern capitalist societies. By international standards, the level of strikes for the period 1946-9 cannot be considered high. In commenting on industrial conflict in Hong Kong, England writes: 'An outstanding characteristic of labour-management relations in Hong Kong is the very low level of conflict, as measured by disputes and stoppages of work' (1989:216).
3. See Jackson (1987), chapter 3.
4. Source of data: Chow (1986:116-26) (text in Chinese), and *Labour Office Report* (Hong Kong Government 1946-7).
5. The Labour Department's 1953-4 *Annual Report* (p. 10) thus observed: '...a large number of industrial workers are as much at home in a weaving shed as they are in a rubber shoe factory or assembling torches, wristwatch straps or hurricane lanterns in a metalware factory, and with the large variety of local industries there is usually one or more with sufficient work to absorb workers laid off from another'.
6. See various *Annual Reports* of the Labour Department.
7. For instance, one article reported on monetary donation from workers in Canton. Another article is entitled 'The Monetary Donation Movement Proceeds with Great Enthusiasm'.

8. See the Labour Department's 1953-4 *Annual Report*, pp. 45-6, for a detailed description of the incident.
9. Forty strikes occurred between 1 April 1955 and 31 March 1960. Of these, only two involved more than 1,000 workers but both were short strikes lasting for less than eight days. Another two lasted for more than thirty days but involved only few workers. These four strikes were (a) The Mayar Silk Mills strike of 1955-6 (306 strikers, 60 days), (b) The Lai Sun Garment Factory strike of 1956-7 (1,100 strikers, 4 days), (c) The Lin Ma Hang Mines strike of 1956-7 (61 strikers, 202 days), and (d) The weavers' strike of 1959-60 (8,500 strikers, 7 days).
10. See, for instance, England (1979:78-104).
11. Based on Labour Department's 1966-7 *Annual Report*, p.16, para. 48.
12. See Youngson (1982:8), Table 1.1.
13. Source: Census and Statistics Department (1969).
14. See Waldron (1976:45).
15. See Tables 5, 6, 8, and 9.
16. Reported in the article entitled 'Crush Thoroughly Hong Kong British Authorities' Big Anti-Chinese Plot', *Man Wui Po*, 15 May 1967.
17. Source: 'Peking Rally', United States Information Service, *Hong Kong Press Summary*, 19 May 1967, cited in Waldron (1976:212).
18. The leadership of the ACSC was constituted by major figures from existing leftist organizations in Hong Kong. They included the director and deputy director of the New China New Agency, the retired managing director of the Bank of China, the chairman of FTU, the editor and deputy editor of *Man Wui Po*, and the publisher of *Ta Kung Po*.
19. Reported in *Man Wui Po*, 18 May 1967.
20. See *Man Wui Po*, 6 June 1967.

21. Reported in *Survey of China Mainland Press* No. 3959 (14 June 1967), p. 29.
22. Reported in *Survey of China Mainland Press* No. 3971 (30 June 1967), p. 22.
23. Reported in *Survey of China Mainland-Press*.No. 3969 (28 June 1967), p. 18.
24. See the *Hong Kong Times*, 27 June 1967.
25. Reported in *Survey of China Mainland Press* No. 3972 (3 July 1967), p. 23.
26. These included bomb terrorism, assaults on supporters of the government, propaganda campaigns, and mobilization of students in leftist schools.
27. Union density =
$$\frac{\text{Number of union members in a sector} \times 100\%}{\text{Number of employees in the sector}}$$
28. This is Chairman Mao's favourite quotation from an ancient Chinese poem to paraphrase how a small revolutionary force can generate a widespread revolutionary movement.
29. Great Britain, Parliament, *Parliamentary Debates* (House of Lords), 5th series, Vol. 296:579. Cited in Waldron (1976:287).
30. Before 1967, the Labour Department adopted a passive approach in the settlement of industrial disputes, as the following statement from the Commissioner of Labour illustrates: 'We do not go into disputes simply because they are disputes but because we are called in. ... To interfere right from the beginning of negotiations between management and labour would be the negation of unionism and management responsibilities.' (*Far Eastern Economic Review*, 22 June 1967, p. 687, cited in England (1989:218). The change in the Labour Department's practice since 1967 is thus described by England (1989:219) : 'There was a shift away from the "casualty department" concept of conciliation towards a more active role. Conciliation officers no longer waited for an invitation to intervene, but took the initiative by going to the scene of trouble'.

31. England and Rear (1981:205).
32. See England and Rear (1981:205-21) for a detailed discussion of the Employment Ordinance.
33. As in note 21.
34. See Labour Department 1968-9 *Annual Report*, p.60, Appendix 6.
35. See England and Rear (1981:317).
36. The conclusion is obvious since number of working days lost is obtained through multiplying the duration (in number of days) of strikes by the number of strikes and the number of strikers.
37. Based on 'Summaries of Concluded Trade Disputes', unpublished internal records, Labour Department.
38. Of the 230 strikes occurring between 1968 and 1973, only 9 (4 per cent) lasted for more than 15 days. None of these 9 strikes involved more than 1,000 workers. There were 17 strikes (7 per cent) which involved 1,000 or more workers, but only one of these lasted for more than seven days. Significantly, 92 per cent of the strikes in this period were of a duration of less than five days. Based on *Annual Reports* of the Labour Department.
39. An expert in labour evangelism, Margaret Kane had worked with the Sheffield Industrial Mission in Britain before she joined the CIC.
40. Examples are the Workers' Credit Union, the Hong Kong Workers' Alliance, and the May Day Action Committee. The campaign for more paid holidays for workers was one of the main efforts of these groups. For details, see Cheung Hui-Kwan (1988:39-40).
41. These areas include: Tsuen Wan, Kwun Tong, Sham Shui Po, Hung Hom, Wong Tai Sin, Tse Wan Shan, Ngau Tau Kok, Chai Wan, Wong Chuk Hang, and Shatin. See Cheung Hui-Kwan (1988:45).
42. Examples are: protests against a proposed 100 per cent rate increase by the Hong Kong Telephone Company (1974); coordinating protest activities in connection with the Golden Jubilee Secondary School issue (1978); campaign against a proposed 100 per cent increase in bus fares (1980).

43. Source: *Annual Reports*, Labour Department.
44. Cited in England and Rear (1981:167).
45. See page 36 for further examples of the adaptive efforts of the workers in economic hardship.
46. For a detailed discussion, see Ribiero (1976).
47. Since a substantial number of white-collar workers were employed in the Civil Service, much of the change in white-collar trade unionism was the consequence of the change in trade unionism in the Civil Service.
48. Strikes in the Civil Service were not reported in the Labour Department's Annual Reports. Since the tables on strikes in the Present work are based on the Annual Reports, Civil Service strikes have not been included in these tables.
49. Employees of several government departments participated in the Mechanics' Strike of 1947. The strikes of 1967 also involved civil servants. Otherwise the Civil Service before the 1970s was noted for its industrial peace.
50. Source of data: Lam Wah-Hui (1988:158), Table 1.
51. Source of data: Ng and Levin (1983:14), Table 7.
52. For a detailed discussion of these changes, see Morris and Quinlan (1968:166-9).
53. Source of quotation: Wong Wai-Hung (1988:151).
54. As in note 42, page 152.
55. See Cheek-Milby (1984:214).
56. See Cheek-Milby (1988:111).
57. For a more detailed discussion of the differences between these surveys, see England (1989), 2nd ed., pp. 91-3.
58. See Cheng Yiu-Tong (1988:114).

59. Quoted in England (1989:134).
60. See pp. 55-8 of this paper for a detailed discussion of the CIC.
61. Among the unions promoted by the CIC were the Mass Transit Railway Train Operators (1980), the Swire Bottlers Ltd. Staff Union (1984), the Clothing Industry Workers General Union (1985), the Royal Hong Kong Jockey Club Horse Training Staff Association (1986), and the Hong Kong Fire Services Model Scale One Staff Union (1987). In 1986-7, the CIC encouraged seven transport unions to form the Federation of Hong Kong Transport Workers Organizations. Source of information: England (1989:133).

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