1929

After the breakdown of the First United Front in April 1927, the regime of the Nationalist Party (Guomindang, or GMD) unleashed a wave of terror that eliminated almost all labour activism in the cities under its control. As the Communists fled to the countryside and guerrilla bases and were no longer viable opponents in labour politics, gangster-controlled unions took over. At the same time, the Nationalist administration proposed a raft of progressive labour and industrial legislation, including the eight-hour working day, the prohibition on employing children under fourteen, and guidelines for safety in the workplace and welfare facilities. The expectation was that workers, placated by these concessions, would swear absolute political allegiance to the GMD. Despite this wager, Chinese industrial workers did not lose their penchant for activism. Although not politically militant as before, labour protests kept occurring in Chinese factories—in particular, around issues related to food prices and subsidies, as Shanghai would discover in 1929, in the wake of an intolerable increase in rice prices.

Striking for Rice: The Struggle for the 'Rice Allowance' in Republican China

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Chiang Kai-shek's military coup in April 1927 was a turning point in Chinese labour history (see S.A. Smith's 1927 essay in the present volume). In the following decade, the regime of the Nationalist Party (Guomindang, or GMD) secured control over most of China's industrial heartland through the middle and lower Yangzi areas and, in the process, eliminated almost all of the labour activism in the cities. In Shanghai, the Communists were no longer meaningful political opponents of the regime, at least in the arena of labour politics, as they fled to the countryside and guerrilla bases. Gangster-controlled yellow unionism dominated labour politics in the city.[1] However, this is not to suggest that Chinese industrial workers lost their political presence and became subservient to regime-sponsored thugs. Labour unrest, if not militant, never ceased as the fluctuation of food prices constantly haunted the Chinese economy, situating food at the centre of labour politics in industrial China in the 1930s. Inflation and the subsequent rise in the cost of living were what united workers at the point of consumption, rather than production. While Chinese workers in the workplace were divided by skill, gender, and native place belonging, as consumers, they all suffered from highly volatile rice prices in the marketplace.

Food-related labour disputes were seemingly apolitical as they appeared to be limited to the domain of 'economic struggle', without developing into class consciousness and political militancy. For that very reason, however, the issue of food prices provided historical actors with more latitude to play a new game. For GMD authorities and 'yellow union' (黄色工会) leaders, offering food-related benefits was a comparatively straightforward measure to ameliorate worker discontent. However, the volatility of global food prices and its effect on domestic markets prevented GMD-style labour management from providing minimum benefits to the workers in the name of Sun Yat-sen's 'Principle of People's Livelihood' while eradicating Communist influences. Instead, the workers' growing distress provided an opportunity for the Communists to realise—if belatedly—the political potential of food issues.[2] Industrial workers ushered in a new phase of industrial food politics.

The Genesis of the 'Rice Allowance'

The labour policies advanced by the Nationalist Party entailed much more than violent suppression of labour activism. By initiating a series of labour and industry legislation that incorporated many progressive elements, the Nationalists demonstrated their eagerness to expedite state-led labour reform. The Factory Law that took effect in 1929, for example, stipulated working days of no more than eight hours, prohibited the employment of children under fourteen, and provided guidelines for safety in the workplace and welfare facilities, including dormitories, factory canteens, and clinics.[3] In return for these material benefits, the GMD demanded from workers absolute political allegiance. The GMD also took particular pride in the self-proclaimed success of labour-favoured arbitrations, at the centre of which was the unique presence of the 'rice allowance' or 'rice voucher' (米贴)—a compensation voucher that many industrial plants offered to their workers who could not afford to buy a minimum amount of staple food.

The GMD authorities preferred the rice allowance to wage increases for several reasons. They placed the rice allowance issue in the category of 'treatment' (待遇), separated from the category of wage, which was the most common cause of labour disputes at that time. The rice allowance was a temporary additional payment when rice prices rose over a certain amount and was supposed to cease when prices returned to normal levels. In keeping with the Party's paternalistic attitude promoted by its 'founding father', Sun Yat-sen, the rice allowance solved workers' immediate food security issues without constituting a large and permanent financial burden on employers. Having witnessed various 'rice strikes' in the 1920s, GMD leaders concluded that the granting of a rice allowance was an effective tool for ending labour disputes caused by the inflation of rice prices. However, if a deal was not reached, a broader mobilisation by the workers usually ensued.[4]

The authorities' dispensation of the rice allowance generally had a successful outcome for the workers. In 1930, for example, of eighty-seven labour disputes in which the Shanghai Municipal Bureau of Social Affairs intervened, approximately 10 percent fell under the category of 'treatment', including those related to the rice allowance. Unlike other controversies, all nine disputes in this category ended with complete or partial approval of workers' demands.[5] According to historian Peng Guizhen,

who researched sixteen labour disputes over the rice allowance in the Shanghai cotton textile industry during the Nanjing Decade (1927–37), only two cases were rejected by management, while in ten cases, management accepted the workers' rice allowance demands either entirely or partially.[6] Employers also preferred the rice allowance to wage increases. Paying the rice allowance for a designated period was much cheaper than installing new canteen facilities, which, given the perennial problem of lack of space caused by population density and the high price of land in Shanghai, would entail enormous costs. Furthermore, offering a rice allowance only when it was necessary effectively dampened the workers' outrage as much as spikes in food prices easily stoked it.

This is not to say that the rice allowance—a tiny benefit—was given to workers as a purely benevolent act. It was a concession born of a series of fierce contentions between the rapidly politicising workers and management. In other words, the rice allowance was the most notable consequence of the militant labour strikes that took place in the 1920s. This concession took numerous forms. Some companies offered it in cash—usually no more than a few coppers. In most cases, however, payment was through a type of voucher. Workers were given a small piece of paper on which was written 'rice allowance' when they left the factory at the end of the workday that they could redeem in small neighbouring shops. Although both the amount and the quality of rice hinged on workers' political leverage, many companies tried to define the standard grade and maximum amount of rice, granting an average of 'five *sheng* [升] of rice'.[7]

The British American Tobacco Company was the first business to introduce a set of rice allowances for its workers, in 1920.[8] Far from being moved by purely altruistic reasons, management carefully used the allowance to improve labour discipline in the workplace—for instance, by granting it to workers on the condition that the recipient would not be absent from work for more than two days in a month.[9] If the management of British American Tobacco first introduced the rice allowance as a managerial technique, the labour union at the Commercial Press (商务印书馆) elaborated it as a labour entitlement through a series of struggles. Organised largely by skilled male workers, such as typesetters, printers, and mechanics, this union played a pioneering role in framing the issue of rice subsidies on the grounds that constantly rising rice prices caused suffering for hardworking families.[10] Though it has been marginalised in the Chinese Communist Party's official narrative of the May Thirtieth

Movement for its purely 'economic' character, the Commercial Press union's first 'rice allowance' strike in 1925 had significant repercussions for labour politics in subsequent years.

In the summer of 1925, the employees of the Commercial Press complained about the mismanagement of rice subsidies, which amounted to two dollars a month for workers whose wages were no more than fifteen dollars. However, payment was not guaranteed: managers arbitrarily deducted the amount, for example, when workers were too sick to show up at work; factory supervisors often embezzled the allocated budget for workers' rice subsidies; and management, workers claimed, also discriminated against female workers by paying lower amounts for their subsidy.[11] When the Commercial Press workers went on strike in August 1925, the management's first response was intransigence. The riot police were called and arrested sixteen union leaders, three of whom were prosecuted. In response, 300 workers went on strike to demand the release of the union leaders. This time, the management took a more conciliatory stance and, once the negotiation began, settlements were achieved quickly, including an improved rice subsidy scheme, together with a wage increase and work-hour reduction.[12] Afterwards, the rice allowance deal the Commercial Press union made became something of a normative precedent in Shanghai's industrial scene.

The Fate of a Conciliatory Benefit

Having successfully dampened labour militancy by 1927, the Shanghai industrialists found plenty of ways to dilute their commitment to paying the rice allowances. Their strategies included manipulating the price and lowering the grade of standard rice, and limiting who was eligible for the allowance. Underneath the self-laudatory facade of the GMD labour arbitration system, some workers complained that the GMD-controlled labour unions took on only 'light issues, while eschewing heavy ones' (避重就轻), such as 'demands to improve life and treatment' (改善生活待遇的要求).[13] Whether the GMD-style yellow unionism would succeed hinged on the fluctuation of rice prices in the marketplace. The regime's early successes soon gave way to a backlash.

Shanghai saw an unusual increase in rice prices in 1929. Shanghai rice consumers—both the haves and the have-nots—knew they needed to provision themselves for the period of rice scarcity that usually spanned from rice planting time in early May to harvesting in September.[14]

As the market price showed no sign of descending even after autumn came, however, a panic occurred. Average prices continued to grow until the end of the year, when they reached a level nearly 75 percent higher than usual.[15] This pressure opened a crack in the GMD's dominance of labour politics. Even labour unions under GMD control petitioned the local authorities to devise mechanisms for price control, as many members complained they could not make end meets with the conventional level of the rice allowance granted through arbitration by the GMD authorities.[16] In October, the press workers' union publicly requested an increase in the rice allowance, and many other unions followed suit.[17] Demands for the rice allowance across industries turned into a tremendous financial and political burden for company management and the GMD authorities. This was the beginning of what the Communists retrospectively dubbed the 'struggle for the rice allowance' (米贴斗争).[18]

Yellow Unionism in Crisis

To make matters worse for the GMD, yellow unions turned into hotbeds of Communist subversion. Many yellow union leaders were not necessarily GMD loyalists but, as historian Brian Martin has argued, they preferred reformist tactics to secure a 'legitimate place for organized labour in the GMD polity'.[19] Underground Communist cadres seized the opportunity presented by popular discontent over rice allowances to infiltrate the Nationalist-led union movement. An underground cadre named Ren Bishi argued that the revolutionary cause should not abandon yellow unions, as 'many yellow unions were organised by workers themselves to protect their economic interests'.[20] A series of strikes over the rice allowance that culminated in 1930 constituted a profound crisis for the yellow unionism of the GMD.

It all started with a strike related to the rice allowance at the French Tramways Union in the summer of 1930—an event that lasted 54 days and became the focal point for labour politics in Shanghai's French Concession and beyond.[21] This mobilisation also shook the dominance in the French Concession of the Green Gang—the secret society that had played a fundamental role in supporting Chiang Kai-shek's crackdown on red unions in Shanghai in 1927. Contemporaries dubbed Du Yuesheng, the Green Gang boss, the 'Al Capone of the French Concession', describing his ability to manipulate labour as 'a combination of Al Capone and Rockefeller'.[22] The leader of this strike, Xu Amei, was one of the few

Communist labour activists who insisted on the need to promote the workers' economic interests to broaden support for the Communist cause among the Chinese working class, regardless of whether the workers were Communist sympathisers or scabs. Xu opted for a slowdown rather than an immediate strike—a tactic that enticed a broader number of workers into the mobilisation while not giving the management an excuse to call the riot police.[23] To end the prolonged stalemate, Du had no choice but to yield his private money to pay off significant portions of the $300,000 settlement, although nobody knows how his money was utilised.[24]

The French Tramways Union struggle ignited a series of strikes over the rice allowance across industries, genders, and skill levels. A few weeks afterwards, workers at the Wing On Textile No. 2 Factory—mostly female and unskilled—demanded payment of the allowance. Although the management refused on the grounds that there was no precedent in a textile business owned by Chinese, before tensions could escalate to an explosive point, the Municipal Bureau of Social Affairs intervened in arbitration. After arbitration, the management agreed to purchase rice at thirteen dollars per dan—five dollars less than the market price at that time—to provide a 'rice allowance' to the workers.[25] The rule was that those who worked at least four days at the factory could claim a rice voucher equivalent to one dollar; those who worked more than nine days could claim two vouchers; and those who worked more than a month could claim four vouchers. There was no stipulated agreement on the grade of rice, and workers had no choice but to purchase rice as arranged by the management. Furthermore, this was in-kind aid, and was therefore not very helpful for those who did not cook their own meals.[26]

This partial victory for management is not the end of the story. Like a chain reaction, shortly afterwards, workers in Japanese-owned textile companies in Pudong, an industrial district notorious for being a Green Gang stronghold, began a series of disputes over the rice allowance.[27] Although such strikes might seem trivial, they nonetheless cast a portentous shadow over the fragile labour regime imposed by the GMD, reliant as it was on yellow unionism and the informal alliance with gangsters.