

LABOR'S PLACE IN SOUTH KOREAN DEVELOPMENT:
SHIPBUILDING WORKERS, CAPITAL, AND THE STATE, 1960-79

Hwasook Bergquist Nam

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of the requirements for the degree of

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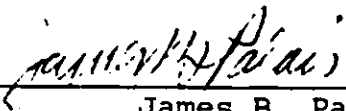
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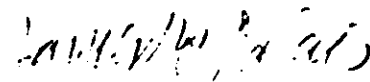
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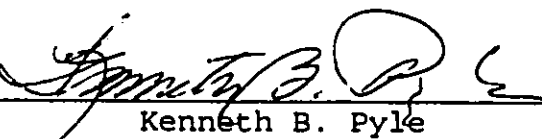


James B. Palais

Reading Committee:



James B. Palais



Kenneth B. Pyle



R. Kent Guy

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University of Washington

Abstract

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by Hwasook Bergquist Nam

Chairperson of the Supervisory Committee:
Professor James B. Palais
Department of History

This dissertation examines the nature of postwar South Korean labor activism, based on a case study of shipbuilding workers at the Korea Shipbuilding and Engineering Corporation (KSEC) in Pusan, South Korea. Within the broad context of South Korean nation-building in the postwar decades, it seeks, in particular, to reconstruct the ways values and attitudes formed during the colonial and the immediate postwar period influenced workers during the period of rapid economic development under the Park Chung Hee regime (1961-79).

The study of KSEC workers, based on hitherto seldom used primary materials preserved by the union, shows that at least a segment of heavy-industry skilled workers developed a militant and democratic union movement by the 1960s. Their aspirations and visions were quite radical, contrary to the conventional understanding that workers remained a passive and submissive "input" in South Korean economic development during the 1960s. Through militant collective actions, KSEC workers demanded a voice, equality, and a decent living, based on the argument that labor was as important an input to economic development as capital and management and that the new "modern" Korea they were

helping to build should be organized on the principles of democracy, which included labor rights.

This kind of labor activism was not ultimately compatible with the goals of the emerging "developmental state." After long and violent strikes in 1968-69, the KSEC union was crushed by the combined force of the company and the state and a period of "cooperative unionism" set in during the 1970s.

South Korean workers erupted in a massive wave of strikes in 1987, shattering the entrenched image of a "weak" South Korean labor movement. Was this new surge of labor militancy a complete departure from the previous labor movement, as most of the literature assumes? This study suggests that there is continuity between male heavy-industry workers' mentality, visions, and activism between the 1960s and the 1980s.

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Introduction

South Korea's successful economic development in the twentieth century was a rare achievement, not replicated many times among underdeveloped countries aspiring to become advanced industrialized nations. Doubly rare is the fact that South Korea is one of a handful of industrialized countries in the world today where a labor movement surged in recent decades, bucking the international trend of subsiding labor activism in an era of neo-liberal hegemony and the globalization of capital.¹

In the vast literature on South Korean economic development, South Korean workers were characterized as a "docile," "submissive," and well-disciplined labor force, providing cheap labor essential for the country's success in the world market. A huge strike wave across the country from July to August 1987 called this conventional view into question. Since then, the focus of studies on South Korean labor has been gradually shifting from the question of "why was South Korean labor so weak?" to that of "where did this new militancy among South Korean workers come from?" As we will see below, however, most new inquiries into the sources of South Korean workers' militancy stop short of digging into the past before the 1970s. Yet it is in the period before 1970 where, in my opinion, the crucial and

¹ Other examples of newly empowered labor movements can be found in Brazil and South Africa.

deeply-embedded sources of the strengths of the South Korean labor movement lie.

The massive strike wave of the summer of 1987, called the "Great Workers' Struggle of 1987," was not the first time Korean workers erupted in strikes on a national scale, encompassing many industries and regions. The immediate post-World War II years, as we shall see in Chapter 4, saw labor mobilization on a similar scale led by a leftist national labor organization, the National Council of Korean Labor Unions [*Chŏn'guk nodong chohap p'yŏng'ũihoe*; hereafter, *Chŏnp'yŏng*]. That postwar eruption of radical activism by industrial workers, which occurred simultaneously with farmers' struggles and the people's committee movement in the countryside, subsided by 1947 as it was repressed by the U.S. occupation forces and the right-wing South Korean elements the U.S. supported. Looking at these two cases of large-scale labor militancy, one cannot help but ask whether there could be any connection or continuity between the two peaks of the South Korean labor activism in the twentieth century.

The postwar explosion of labor militancy was not a uniquely Korean phenomenon, as the literature on the postwar labor history of United States, Japan, Europe, and Latin America well shows.²

² See David Brody, *Workers in Industrial America: Essays on the 20th Century Struggle*, 2nd edition (New York and Oxford: Oxford University Press, 1993); David Montgomery, *Workers' Control in America* (New York and Cambridge, UK: Cambridge University Press, 1979); David Gordon, Richard Edwards, and Michael Reich, *Segmented Work, Divided Workers* (New York and Cambridge, UK: Cambridge University Press, 1982); Melvyn Dubofsky, *The State and Labor in Modern America* (Chapel Hill and

The same literature suggests the ways each country succeeded in creating a particular kind of labor-capital compromise that stabilized the industrial relations of that country for the second half of the twentieth century. The particularity of the South Korean case is the fact that it generated a second peak in the 1980s while labor movements in most other countries did not. The reasons for the particular trajectory of industrial relations in South Korea can be found in the postwar history of the labor-capital-state relationship before the 1980s, which is the subject of this dissertation.

In other words, the 1987 surge of labor militancy in South Korea cannot be fully explained by looking at the nature of industrial relations in South Korea in and after the 1970s. Such studies can explain immediate structural and political causes for the development of a militant labor movement among mostly young women workers in the 1970s and the surge of labor militancy after the mid-1980s among heavy-industry male workers. But to understand the strengths and weaknesses of South Korean labor,

London: University of North Carolina Press, 1994); Nelson Lichtenstein, *Labor's War at Home: The CIO in World War II* (Cambridge, UK: Cambridge University Press, 1982) and *The Most Dangerous Man in Detroit: Walter Reuther and the Fate of American Labor* (New York: BasicBooks, 1995); Andrew Gordon, *The Evolution of Labor Relations in Japan: Heavy Industry, 1853-1955* (Cambridge: Harvard University Press, 1985) and *The Wages of Affluence: Labor and Management in Postwar Japan* (Cambridge: Harvard University Press, 1998); Charles Maier, "Two Postwar Eras and the Conditions for Stability in Twentieth-Century Western Europe," *American Historical Review*, vol. 86, no. 2 (April 1981): 327-52; Charles Bergquist, *Labor in Latin America: Comparative Essays on Chile, Argentina, Venezuela, and Colombia* (Stanford: Stanford University Press, 1986) and *Labor and the Course of American Democracy: US History in Latin American Perspective* (London: Verso, 1996), Ch. 5.

both in organizational and ideological terms, and to grasp the sources of workers' militancy and the characteristics of their attitudes and aspirations, we need to start from earlier periods, beginning with the era of Japanese colonial control over the Korean peninsula. An examination of the colonial situation in which the South Korean labor movement came into existence helps us better understand the large-scale mobilization of labor in the "revolutionary" situation of the immediate postwar years. And the post-WWII mobilization, in turn, had a tremendous impact on the labor movement in the following decades.

The existing literature on South Korean labor history usually jumps from the immediate postwar years to the 1970s. The standard view of the labor movement of the 1950s and 1960s is that it was submissive and quiescent and that there did not exist meaningful labor activism worthy of study. This dissertation looks at aspects of what was really going on during these presumably "dark years" of the South Korean labor movement. Contrary to the conventional view, at least in some crucial sectors a vibrant and radical unionism developed at the local level during the 1960s. The study of South Korean labor in the period before the great surge of labor militancy in the 1980s provides us with a missing link between the "sudden" explosion of labor militancy in the immediate postwar years and again in the 1980s. It reveals the almost forgotten history of workers'

activism in the decades in between these relatively more explored periods of labor militancy.

This history of workers' struggles is simultaneously the history of South Korea's industrialization and, from the 1960s on, it is the story of the phenomenal success of South Korea's overall economic development. The conventional view holds that labor was no more than a factor of comparative advantage, a passive victim of the Park Chung Hee [Pak Chŏnghŭi]³ regime (1961-79)'s historic decision to take the export-dependent high-growth path to modernization and development. This view makes the story of labor peripheral to the story of economic development, at least until organized labor appeared as a force in industrial relations after the mid-1980s. To a large extent this view colors scholarship on South Korean labor, and results in an emphasis on the top-down nature of the development of the industrial-relations system in postwar South Korea, beginning with promulgation of a fairly progressive set of labor laws in 1953. Simply put, the assumption is that because South Korean labor was weak and the state was strong, the state dictated what the nature of industrial relations and the union movement should

³ The order of Korean names follows the common rule used in Korea, with the last name coming before the first name. The Romanization of Korean names and other Korean words follows the McCune-Reischauer system of transcribing Korean into English. Exceptions are made to this principle when common usage or the individual's preference dictates otherwise. In that case, the Romanization based on the McCune-Reischauer system is provided in parenthesis when it first appears.

be in South Korea, and the workers remained acquiescent and submissive to the system.

But if that is true, where did the new militancy of workers that exploded in 1987 come from? If we subscribe to the conventional view of historically weak and submissive labor, the answer has to be that it came from outside, that is, from the stimulation and supports given to the labor movement by other social movements for the democratization of the authoritarian polity of South Korea. This is in fact the accepted argument, a position that has the effect of exalting the role played by radical students and church activists while downplaying the agency of workers themselves.

The case study of shipbuilding workers' activism at the Korea Shipbuilding and Engineering Corporation [*Taehan chosŏn kongsa*; KSEC] in Pusan in the 1960s and 1970s will serve to challenge that view and suggest that labor's place in South Korean development was still undecided at the end of the 1960s. Up to that point, at least part of the organized labor movement was developing a democratic and militant unionism based on a coherent and articulated vision of an alternative route to development which would ensure working people's rights, decent living conditions, equality, and democracy. A new perspective on workers' agency in this study will contradict the standard view of the labor politics of the Syngman Rhee [Yi Sŭngman; President, 1948-60] and Park Chung Hee regimes, a view that solely focuses

on repression and does not count significant differences in the political, social, and economic environment of the 1950s, 1960s and 1970s.

Existing Scholarship on South Korean Labor

In most of the literature on South Korean economic development, labor rarely is a focus of much interest.⁴ The weakness of South Korean labor is assumed as a given in virtually all of this literature, and when labor is mentioned at all, it is in terms of a "docile," well-educated, and disciplined labor force which gave a competitive edge to the South Korean economy and thus, contributed to the success of the export economy.

Some scholars, especially Frederick Deyo, take labor seriously and seek to answer the question of "why organized labor has been weak" in the four East-Asian Newly Industrializing Countries (NICs), including South Korea, in the process of

⁴ On the subject of South Korean economic development, see the works cited in the bibliography by Amsden, Cole and Lyman, Cumings, Deyo, Eun Mee Kim, Haggard, Hamilton, Jones and Sakong, Kuznets, Lim, Mason et al., Wade, Woo, and World Bank. For works which examine the South Korean case in comparison with other East Asian Newly Industrializing Countries, with the classic Japanese model of late development, or with less successful Latin American cases, see the works cited in the bibliography by Appelbaum and Henderson, Jong Gook Back, Balassa, Berger and Hsiao, Chowdhury and Islam, Chung, Cumings, Deyo, Evans, Frenkel, Gereffi and Wyman, Haggard, Byung Kook Kim, Kuznets, Lin, and Ranis. Some scholars have emphasized the context of regional political economy and geopolitics in the post-World War II period that made South Korean economic take-off a possibility, factors I agree were among the most crucial in South Korea's economic success. See especially Bruce Cumings, "The Origins and Development of the Northeast Asian Political Economy: Industrial Sectors, Product Cycles, and Political Consequences," Frederic C. Deyo ed., *The Political Economy of the New Asian Industrialism* (Ithaca: Cornell University Press, 1987).

economic development.⁵ Sociologist Hagen Koo succinctly summarizes the dominant themes in the study of East Asian labor: "its docility, its organizational weakness, and its exclusion from politics."⁶ Although there are some fine sociological studies of Korean labor control practices on the shop floor,⁷ labor is generally viewed more as an object of control and repression than as a subject with its own purpose and power.

There are two major works on the characteristics of organized labor in the context of South Korean politics of the 1960s and 1970s. One is a doctoral dissertation in the field of industrial relations, written by U.S.-trained Protestant minister

⁵ Frederic C. Deyo, *Beneath the Miracle: Labor Subordination in the New Asian Industrialization* (Berkeley: University of California Press, 1989); Deyo ed., *The Political Economy of the New Asian Industrialism*. For a criticism of Deyo's argument, see Stephen Frenkel ed., *Organized Labor in the Asia-Pacific Region: A Comparative Study of Trade Unionism in Nine Countries* (Ithaca, New York: ILR Press, 1993), pp. 11-12.

⁶ Hagen Koo, *Korean Workers: The Culture and Politics of Class Formation* (Ithaca: Cornell University Press, 2001), p. 6. Koo sums up three popular explanations of labor acquiescence in the East Asian countries as follows: Confucian culture; the substantially improved standard of living of ordinary workers and the expanding job market resulting from rapid economic growth; and the role of the state in maintaining political and social stability.

⁷ Eun-Jin Lee, "Changing Strategies of Labor Control in the Semiconductor Industry in a Peripheral Country, South Korea: A World System Perspective" (Ph.D. diss., University of California at Los Angeles, 1989); Ok-Jie Lee, "Labor Control and Labor Protest in the South Korean Textile Industry, 1945-1985" (Ph.D. diss., University of Wisconsin-Madison, 1990); Sung Hi Park [Pak Sünghŭi], "Taegiŏp ilgwan chorip kongjang ūi nodong t'ongje e kwanhan sarye yŏn'gu" [A case study on the labor control at the assembly line of the large-scale industry in Korea (sic)] (Ph.D. diss., Sŏnggyun'gwan University, 1989); No Chunggi, "Han'guk kukka ūi nodong t'ongje yuhyŏng e kwanhan pip'anjŏk yŏn'gu" [A critical study of the labor control patterns of the Korean state], *Kyŏngje wa sahoe* [Economy and society] no. 18 (Summer 1993): 212-48.

and scholar George Ogle.⁸ The other is a book on the corporatist nature of the labor-state relationship, published both in English and Korean, by South Korean political scientist Jang Jip Choi [Ch'oe Changjip].⁹ Both of these works are based on extensive research in primary data and interviews of unionists, and therefore, even though their main theme is explaining organized labor's weakness in South Korea in the 1960s and 1970s, a more complex and dynamic image of union movement comes through in them.

Ogle, influenced by the assumptions of modernization theory at the time of his writing in the early 1970s, emphasized the overwhelming power of "traditional" Korean values over industrial relations, especially that of the "father-son relationship" between managers and unionists, and between union leaders and rank-and-filers. Those traditional values contributed to the weakness of organized labor, according to him, especially in the context of the sheer power of military modernizers over labor after the military coup of May 1961.

⁸ George E. Ogle, "Labor Unions in Rapid Economic Development: Case of the Republic of Korea in the 1960s" (Ph.D. diss., University of Wisconsin-Madison, 1973). Ogle's dissertation is a product of his long participation in the scene of South Korean labor movement from 1960 to the early 1970s as co-director of the Urban Industrial Mission in Inchön. Case studies of labor movement he appended at the end of his dissertation are very useful material, considering the fact that not much primary material has been archived on the labor movement of the 1960s. He published an updated version of his work for wider audience in 1990, which is a summary overview of the South Korean labor movement from the colonial period up to the 1980s. George E. Ogle, *South Korea: Dissent within the Economic Miracle* (London: Zed Books, 1990).

⁹ Jang Jip Choi, *Labor and the Authoritarian State: Labor Unions in South Korean Manufacturing Industries, 1961-1980* (Seoul: Korea University Press, 1989); *Han'guk ūi nodong undong kwa kukka* [The Korean labor movement and the state] (Seoul: Yorūmsa, 1988).

Although Ogle chronicled cases of great labor militancy and autonomous unionism, such as the case of the KSEC union that is the primary focus of this dissertation, he treats them as exceptions that do not affect his overall understanding of "weak" labor in South Korea. My case study of the KSEC union calls into question some of Ogle's fundamental assumptions.

Choi's study is the only comprehensive study of the Federation of Korean Trade Unions [Han'guk nodong chohap ch'ongyŏnmaeng; FKTU] of the 1960s and 1970s. He analyzes the workings of three industrial unions -- textile, metal, and chemical industrial union federations -- from the perspective of corporatism, and views organized labor at the national level as a not-so-influential but active participant in the power politics of an authoritarian regime.¹⁰ But the focus of his work is national-level activities of three of the sixteen FKTU industrial unions rather than local-level activism. As in other countries, industrial unions have shown diverse patterns of behavior and politics in South Korea, and local unions, at least during the 1950s and 1960s, had much autonomy vis-à-vis industrial union federations. Historical case studies on various industrial unions and their locals are necessary before reaching general

¹⁰ His conclusion is that the relationship between three national-level unions and the state shows the characteristics of an exclusive variant of state corporatism, under which unions were not given positions of any influence. He argues that the state controlled and shaped union growth and that the state's ideological propaganda, including the Factory Saemaŭl Movement (see Chapter 12), exerted hegemonic power among workers to a degree.

conclusions about the nature of unionism in the period or the state-labor relationship in South Korea.

Many industrial unions under the FKTU in this period compiled their own history, and so did the FKTU itself.¹¹ A two-volume Korean labor history written by labor economists Kim Yunhwan and Kim Nakchung, which covers the labor movement from the colonial period to 1960, has been standard reading on the subject for a long time.¹² These books and union compilations are mostly devoid of analysis, but they provide valuable source materials for research in the pre-1980s labor movement. In addition, for women workers' activism from the colonial period to the 1990s, there is a two-volume work written by sociologists Ok-jie Lee and Kang Insun that came out in 2001.¹³

¹¹ FKTU, *Han'guk nodong chohap undongsa* [The history of the Korean labor union movement] (Seoul: FKTU, 1979); Korean Metal Workers' Union, *Kūmsok nodong undong samsimnyōnsa* [A thirty-year history of the metal union movement] (Seoul: KMWU, 1993); Korean Seamen's Union, *Chōn'guk haewōn nodong chohapsa che-1-jip* [The history of the Korea Seamen's Union, vol. 1] (Seoul: Tong'a Ch'ulp'ansa, 1973); Korean Dockworkers' Union, *Han'guk pudu nodong undong paengnyōnsa* [The 100-year history of the Korean dock workers' movement] (Seoul: KDU, 1979); Korean Railroad Workers' Union, *Ch'ōllo isimnyōnsa* [A 20-year history of the Railroad Union] (Seoul: KRWU, 1967) and *Ch'ōllo samsimnyōnsa* [A 30-year history of the Railroad Union] (Seoul: KRWU, 1976); Korean Mining Workers' Union, *Kwangno isibonyōnsa* [A 25-year history of the Mining Union] (Seoul: KMWU, 1974); Korean Electrical Workers' Union, *Ch'ōllo simnyōnsa* [A 20-year history of the Electrical Union] (Seoul: KEWU, 1972). On industrial union federations, a Korea Labor Institute [KLI] publication, *Han'guk ūi nodong chohap (I)* [Trade Unions in Korea, vol. I] (Seoul: KLI, 1989), written by economists Pak Tōkche and Pak Kisōng, is useful.

¹² Kim Yunhwan, *Han'guk nodong undongsa I: Ilcheha p'yōn* [The history of the Korean labor movement, vol. I: The colonial period] (Seoul: Ch'ōngsa, 1981); Kim Nakchung, *Han'guk nodong undongsa: Haebang hup'yōn* [The history of the Korean labor movement: The post-liberation period] (Seoul: Ch'ōngsa, 1982).

¹³ Ok-jie Lee, *Han'guk yōsōng nodongja undongsa, 1* [The history of the Korean women workers' movement, vol. 1] (Seoul: Hanul, 2001); Kang

From the 1980s on, a number of works on the contemporary South Korean labor movement have been produced by South Korean labor activists themselves and by outside observers. These works were written to support workers' struggles against the authoritarian regime.¹⁴ Some of these accounts are blatantly partisan, promoting socialist or other agendas rather than seriously analyzing the history of labor movement itself. Others provide rich accounts of workers' struggles and present workers' demands and aspirations in the political and economic contexts of the time. An example of the latter is historian James Palais' report on South Korean labor in 1985, done for an international human-rights monitoring group, Asia Watch. It provides over a dozen case studies of workers' resistance as well as a history and analysis of the structure of political repression in South Korea.¹⁵

Insun, *Han'guk yŏsŏng nodongja undongsa*, 2 [The history of the Korean women workers' movement, vol. 2] (Seoul: Hanul, 2001). This two-volume history of women workers' struggles was commissioned by Korean Women Workers' Association and cover the period from the colonial era to the 1990s. It is a good source of information on the subject, painstakingly collected from an extensive array of available primary materials and enriched by newly-conducted interviews with women workers.

¹⁴ This literature is too large to cite here. Examples of English language publications are Asia Watch Committee, *Retreat from Reform: Labor Rights and Freedom of Expression in South Korea* (Washington, D.C.: Asia Watch Committee, 1990); Asia Labor Monitor, *Min-ju Nojo: South Korea's New Trade Unions* (Hongkong: Asia Monitor Resource Center, 1988); Ogle, *South Korea*; Martin Hart-Landsberg, *The Rush to Development: Economic Change and Political Struggle in South Korea* (New York: Monthly Review Press, 1993). The bibliography in Koo, *Korean Workers* includes many Korean publications on labor in this period.

¹⁵ James B. Palais, "Labor," in Asia Watch Committee ed., *Human Rights in Korea: January 1986* (Washington, D.C.: Asia Watch Committee, 1986): 170-288.

In the field of Korean history, however, not much attention has been paid to either working-class history or to the history of the labor movement during the second half of the twentieth century. There are several important studies of Korean labor during the period of Japanese colonial rule, including the works by historians Kim Kyŏng'il, Kwak Kŏnhong, and Soon-Won Park.¹⁶ I depended on these and other studies of labor in the colonial period in the overview of the colonial labor movement presented in Chapter 3.

The labor movement of the immediate postwar period under the U.S. occupation (1945-1948) has also received some attention due in large part to the strength of the leftist labor movement in this period -- the first peak in labor militancy in South Korea. Among several studies on the leftist national center of organized labor -- Chŏnp'yŏng -- and the workers' self-management movement, which will be treated in Chapter 4, are a collaborative work by sociologist Cho Sun'gyŏng and Yi Sukchin of women's studies, and

¹⁶ Kim Kyŏng'il, *Ilcheha nodong undongsa* [The history of the labor movement under the Japanese colonial rule] (Seoul: Ch'angjak kwa pip'yŏngsa, 1992); Kwak Kŏnhong, *Ilche ūi nodong chŏngch'aek kwa Chosŏn nodongja, 1938-1945* [Japanese colonial labor policy and Korean workers, 1938-1945] (Seoul: Sinsŏwŏn, 2001); Soon-Won Park, *Colonial Industrialization and Labor in Korea: the Onoda Cement Factory* (Cambridge: Harvard University Asia Center, 1999); Kang Isu, "Kongjang ch'eje wa nodong kyuyul" [Factory system and labor rules] in Kim Chin'gyun and Chŏng Kŭnsik ed., *Kŭndae chuch'e wa singminji kyuyul kwŏllyŏk* [Modern subject and colonial disciplinary power] (Seoul: Munhwa kwahaksa, 1997). Kim Kyŏng'il, *Ilcheha nodong undongsa*, pp. 14-19 contains a list of dissertations, MA theses, and articles produced in South Korea and North Korea on the labor movement, working conditions, and labor control in the colonial period.

a new book on Chŏnp'yŏng by historian An T'aejŏng.¹⁷ In contrast, the labor history of the 1950s and 1960s has been left unexplored by historians and social scientists alike.

Recently, issues of working-class formation, worker identities, and cultures have emerged as the central arena of scholarly attention in social science studies of South Korean labor. Sociologist Hagen Koo published a major book on working-class formation in 2001.¹⁸ Anthropologist Seung-kyung Kim has explored the mentalities of women workers in South Korea's first Free-Trade Zone in Masan. And another anthropologist, Hyun Mee Kim, has traced the ways women workers in a multinational corporation in the late 1980s formed gender and class identities.¹⁹ These are promising areas of labor study which enrich our understanding of workers' attitudes and the sources of their activism. But so far attention has been limited to the period after the 1970s. Again, the history of labor activism in the 1950s and 1960s continues to be regarded as something of little relevance.

¹⁷ Cho Sun'gyŏng and Yi Sukchin, *Naengjŏn ch'eje wa saengsan ūi chŏngch'i: Mi kunjŏng ki ūi nodong chŏngch'aek kwa nodong undong* [The cold war system and the politics of production: Labor policy and labor movement during the period of the U.S. Military Government] (Seoul: Ehwa Women's University Press, 1995). An T'aejŏng, *Chosŏn nodong chohap chŏn'guk p'yŏng'ŭihoe* [The National Council of Korean Labor Unions] (Seoul: Hyŏnjang esŏ mirae rŭl, 2002). For other works, see footnotes in Chapter 4.

¹⁸ Koo, *Korean Workers*.

¹⁹ Seung-Kyung Kim, *Class Struggle of Family Struggle?: The Lives of Women Factory Workers in South Korea* (Cambridge: Cambridge University Press, 1997); Hyun Mee Kim, "Labor, Politics, and the Women Subject in Contemporary Korea." (Ph.D. diss., University of Washington, 1995).

The Focus of This Study

The focus of this study is the local-level activism of a shipbuilding union in the post-World War II decades before the 1987 explosion of labor militancy. I approach both the postwar nation-building history of South Korea and the history of its labor movement from the bottom up, from the point of production where workers formed their own understandings of the world around them and raised their voices to influence the way labor was involved in the project of building a strong and prosperous nation. In particular, the focus is on mentality, on the perceptions, attitudes, and discourses of workers and the sources of their ideologies and militancy. The major themes of each part of this dissertation can be summarized as follows.

Historical Legacies

Part I of the study, which sets the stage for the main body of analysis, deals with the legacies of colonialism (chapters 1 to 3) and postwar radicalism (chapters 4 to 5). The turbulent twentieth-century history of South Korea, especially the years when the country was a colony of Japan (1910-1945) and those of the radical postwar mobilization following liberation from Japan (1945-1948), was crucial in shaping labor politics of the society in general and the understandings of workers themselves during the 1950s and 1960s. The impact of colonialism or the colonial legacy can be analyzed from various angles. Recently, a school

of thought stressing the positive contributions of the colonial legacy to postwar South Korean development has been on the rise, especially in U.S. scholarship on South Korea. Atul Kohli is the most straightforward proponent of this view.²⁰ He regards "weak labor" as part of a set of state-society characteristics with colonial origins. These include a strong authoritarian state, production-oriented state-capital alliances, and weak lower classes under systematic control of the state and the dominant classes. Kohli argues that the persistence of these colonial legacies in postwar South Korea was "decisive in shaping a political economy that later evolved into the high-growth South Korean path to development."²¹

²⁰ Bruce Cumings, Jung-en Woo, Carter Eckert, Dennis McNamara, Atul Kohli and the "colonial modernization school" scholars cited in Chapter 1, footnote 9 argue for the crucial importance of the colonial legacies to the South Korean economic development after the 1960s. Bruce Cumings, "Legacy of Japanese Colonialism in Korea," in Ramon Myers and Mark Peattie eds., *The Japanese Colonial Empire, 1895-1945* (Princeton: Princeton University Press, 1984); Jung-en Woo, *Race to the Swift: State and Finance in Korean Industrialization* (New York: Columbia University Press, 1991); Carter Eckert, *Offspring of Empire: The Koch'ang Kims and the Colonial Origins of Korean Capitalism, 1876-1945* (Seattle: University of Washington Press, 1991); Dennis McNamara, *The Colonial Origins of Korean Enterprise, 1910-1945* (Cambridge, UK: Cambridge University Press, 1990); Atul Kohli, "Where Do High Growth Political Economies Come From? The Japanese Lineage of Korea's 'Developmental State'," *World Development* 22, 9 (1994) and "Japanese Colonialism and Korean Development: A Reply," *World Development* 25, 6 (1997).

²¹ Atul Kohli specifically notes three state-society characteristics of colonial origins, which, despite important discontinuities following WWII, remained as "grooves" into which "South Korea under Park Chung Hee fell back into" and then "traveled along them, well into the 1980s." First is the idea that the Korean state in the colonial period developed into a "highly authoritarian, penetrating organization, capable of simultaneously controlling and transforming Korean society." The second characteristic is the evolution of "production-oriented alliances involving the state and dominant classes" that led to

From labor history's point of view, however, the most important legacies of colonial experiences in South Korea appear to be in the realm of legitimacy and hegemony, rather than in what Kohli and even his opponents assume as "fact," i.e., that labor was systematically repressed during the colonial period and thus destined to be "weak" in the postwar period.

In contrast with such views, I emphasize the following aspects of the colonial legacy in this study. The trade union movement, which started in the colonial period following rapid capitalist industrialization on the Korean peninsula by Japanese colonialists, was from the start embraced by wider society as part of nationalist social movement. Various socialist ideologies and activism played an important role in the development of the Korean labor movement during the colonial period. On the other hand, the capitalist class, due to its extensive collaboration with the colonial state (in what Kohli calls "production-oriented alliances"), had little hegemony over

considerable expansion of manufacturing and exports. The third is the fact that the "lower classes in both the city and the countryside came to be systematically controlled by the state and dominant classes." Kohli, "High Growth Political Economies," p. 1269. In a critique of Kohli's argument, Stephan Haggard, David Kang, and Chung-in Moon emphasize, among other things, greater discontinuities between the colonial period and the postwar decades. Especially, they argue that political independence was an important factor in subsequent growth of the South Korean economy because it enabled the political elites to execute many reversals of Japanese policies, as in the case of land reform, and advance crucial policy reforms that made high-growth economy possible. Stephan Haggard, David Kang, and Chung-in Moon, "Japanese Colonialism and Korean Development: A Critique," *World Development* vol. 25, no. 6 (1997): 867-81. Haggard, Kang, and Moon, however, agree with Kohli that "labor repression" was a characteristic of colonial origin, which was not reversed in the postwar period. p. 868.

Korean society by the time of Korea's liberation from the Japanese empire. The colonial experiences generated a fierce conflict between left- and right-wing forces in Korea after the Liberation in August 1945, which culminated in a civil war, the Korean War (1950-53). Colonialism also produced a nationalist zeal to catch up with the developed world, especially with Japan, by building a modern, industrialized, and strong nation, which had great impact on the trajectory of the labor movement and that of the political and economic development in South Korea after 1945.

As the crucial legacy of the postwar mobilization, I argue that the scale and intensity of the radical mobilization of workers and farmers, the strength of the left, and the supremacy of nationalism in the immediate postwar period resulted in an overall radicalization of political discourses and understandings, including discourses and understandings on labor. This occurred in spite of the defeat of the left at the hands of the U.S. Occupation forces by 1947 and again during the Korean War. Reforms carried out in North Korea, which included a thorough land reform in 1946, also boosted popular expectations for reforms and narrowed the range of acceptable policy choices for right-wing political forces. In this milieu, even anti-Communist parties and politicians were forced to present themselves as representatives of "working people," advocates for labor rights and some form of land reform, and seekers of Western "democracy."

In this radical atmosphere, a distinctive pro-labor ideology of seeking a third way of development that would overcome the pitfalls of both Communism and capitalism emerged in the 1950s among anti-Communist union activists in South Korea. Some unions in the 1960s, as in the case of the KSEC union studied here, built further on these labor-centered ideas for nation-building and developed a radical discourse and understanding on labor's legitimate place in the process of the nation's economic development as equal partner of capital and the state.

Was South Korean labor "weak" or "strong" in the postwar decades? When we define a labor movement as "weak" or "strong," we must include measures of its physical or material power but also consider the strength or weakness of labor that comes from its standing in the eyes of the wider society in terms of the legitimacy of its demands vis-à-vis the influence or hegemony of the capitalist class. The militancy and strength of the KSEC unionists in the 1960s, as we will see in this dissertation, came partly from workers' beliefs in their alternative vision of nation-building, in which they held they should be entitled to labor and human rights as citizens of a modern, democratic nation. The union's leverage also partly came from the society's embrace and support of workers' claims and the lack of hegemony on the part of the capitalist class in South Korea during this period.

Voice, Democracy, and Equal Status

Part II and a portion of Part III are devoted to an analysis of the KSEC shipbuilding workers' mentality and activism in the context of the company's situation, management strategies, and labor policies of the state. During the 1960s shipbuilding workers at the KSEC yard developed a militant and democratic union movement, and their aspirations and visions were quite radical in that they challenged the capitalist logic of accumulation and growth. Arguments and visions of KSEC unionists in the 1960s involved three closely interconnected arguments, as I attempt to show in chapters 10 through 13.

First, workers, embracing the nationalist ideology of the time, saw that the construction of a modern, industrialized nation through capitalist economic development was the mission of all the Korean people, including themselves. The difference between their idea of economic development and that of most capitalists was that workers, while endorsing an overall capitalist path, placed labor as a main actor of this nation-building mission, an actor on a par with capitalists. According to labor ideologues like Chŏn Chinha in the 1950s and the KSEC unionists in the 1960s, labor, capital, and skill constituted three essential elements for economic development. KSEC unionists showed great pride in their skills and claimed that their contribution of skill and labor had been and would be the determining factor in South Korea's successful economic progress.

These unionists did not trust either the competency or the sincerity of management which, according to them, fell short of exhibiting sufficient commitment to social and nationalist missions as conscientious "Korean" capitalists. Union documents show that these unionists tended to assume a moral high ground vis-à-vis management, and were not ready to endorse any kind of management prerogatives in the running of the shipyard. This mentality of righteousness extended to their attitude toward state economic policies, because they were often skeptical of the government's capacity in promoting national interests.

Secondly, this claim of being an equal partner in nation-building was at the same time a demand to be treated as modern citizens of a democratic new Korea, not as people belonging to an inferior status group. Time and time again KSEC unionists argued that "democracy" should be a core value of the new modern Korean society. Democracy, to workers, meant protection of labor rights and basic human rights. These included the right to enjoy decent living wages based on an eight-hour workday, on the one hand, and the upholding of the democratic principle of equality of all the people in industrial relations, on the other. One of the persistent demands of the KSEC union in the 1960s was a call for equal status in industrial relations vis-à-vis management. Another distinctive characteristic of this union was its embrace of temporary workers in its union movement. The union fought hard to achieve union membership and contract coverage for

temporary workers, and temporary workers at the KSEC became a core force in the militant union movement by the late 1960s.

In day-to-day union operations, union leaders and members showed a strong commitment to democratic procedures and democratic principles. Rank-and-file workers' voices, including the voices of temporary workers and trainees, resonated powerfully in the union. How deeply KSEC unionists understood and were committed to the concept of democracy in general is difficult to measure, but there is no doubt that they were serious about following through on what they understood as democracy in union operations. It seems to me that these unionists were bent on proving their qualifications as full-fledged citizens of a democratic society by being democratic in their sphere of control. In that sense, their consistent references to democracy in their arguments and their claims concerning their democratic commitment ring true.

Thirdly, workers' commitment to democracy and a nationalist mission and their pride in their skills and contributions were simultaneously an expression of their deeply-rooted anxiety and frustration in being treated as lowly "workers." Reflecting the strong status consciousness of Koreans in general, which had historical roots in pre-modern Korean social systems, KSEC unionists exhibited extremely high sensitivity to any kind of status discrimination against manual production workers, be it discrimination of production workers in comparison to white-

collar employees and technicians or that of union officials vis-à-vis management personnel. The union repeatedly criticized managers of harboring a "pre-modern" view on industrial relations and treating the union and workers as a master dealing with his "farmhands" [*mōsūm*]. Democracy and modernity in this sense meant to these workers a right to equal status vis-à-vis all other status groups, including the managers. Resentment against strong status consciousness in Korean society and a zealous pursuit of equality were to be found at the deepest layer of these workers' arguments and demands and propelled the KSEC unionists' militant and democratic union movement in the 1960s.

The process by which KSEC workers developed an articulated vision of labor's role in South Korean industrial development was simultaneously a process in which an elite group of skilled male workers positioned themselves as the actors of the nation's modernization project. These shipbuilding workers' identities were clearly gendered ones. Their special status in labor market as skilled male heavy-industry workers eligible for relatively well-paid and stable jobs, the social recognition of the importance of their shipbuilding and metal-industry skills and their contribution to economic development, and the acknowledgement by management and state officials of their manhood in everyday contacts and negotiations distinguished them from other sectors of Korean labor. It made their experiences and mentality more easily reproducible among some workers (for

example, unionized, skilled, male metal workers), while hard to be reproduced among other workers such as light-industry young women workers in the extremely patriarchal society of South Korea.

After the state decisively turned toward an authoritarian labor repression policy in 1969, male heavy-industry workers were forced into quiescence during the 1970s. Meanwhile female workers waged a difficult struggle to democratize their pro-company unions or organize new unions in the same period. What caused such divergent trajectories of the labor movement among male and female workers in this period? Based on the experience of the KSEC shipbuilding workers, it appears that the sources of militancy among women and men workers in the twentieth-century South Korea will turn out to be quite different.

Nationalism and Status Consciousness

Part III deals with the nature and power of the nationalist sentiments the KSEC workers harbored in the 1960s (Chapter 10), the eventual clash between KSEC workers' militant unionism and the state's economic growth strategy at the end of the 1960s (Chapter 11), and the ensuing transformation of the KSEC union into a pro-company body in the 1970s (Chapter 12). Chapter 13 then examines the remarkable success of the shipbuilding industry now freed from labor activism, and the surge of labor militancy in the 1980s. Finally, an epilogue describes what happened to the KSEC union and other shipbuilding unions in the 1990s.

The heyday of the militant and democratic unionism of the KSEC workers was over by October 1969, when the state decided to step in and crush the union. The kind of militant labor activism that the KSEC union developed was not ultimately compatible with the goals of the emerging "developmental state" under President Park Chung Hee. By the end of the 1960s, the state changed its labor policies from a neutral stance of tolerating union activism within the limits of the labor laws to an aggressive labor control policy utilizing police and intelligence forces, in part to create a more favorable environment for foreign capital. The state privatized the KSEC shipyard and many other state-managed enterprises, which were the center of a strong union movement in the late 1960s. The new private owner of the KSEC yard began to exploit nationalist discourses actively to break the militant union at the yard. After long and violent strikes in 1968 and 1969, the union ranks began to split based on differing perceptions of the nationalist mission and labor's role in it. Finally, the KSEC union was crushed by the combined force of the company and the state in late 1969. A new union leadership espousing "cooperative unionism" took over the union and kept the shipbuilding workers of the KSEC quiescent during the 1970s, helped by the state-initiated nationalist campaign of the "Factory New Village Movement," which aimed at productivity increases and tight control over work life under the slogan of "the corporation as a family."

Seen from the case of the KSEC union, South Korean labor came out with both strengths and weaknesses from its embrace of nationalism. In the postwar society of South Korea and in workers' mentality, both radical egalitarian aspirations and tenacious status consciousness coexisted in competition. The former gained strength from the power of leftist political forces in the immediate postwar years, the supremacy of nationalist discourses in politics, and a national consensus on the pursuit of Western democracy for the new nation. The deep-rooted status consciousness pervasive in society and in politics, however, was a formidable obstacle for workers in their struggle to achieve agency in the project of modern nation-building. The reasons behind the state's relatively easy repression of labor activism at the end of 1960s are numerous, but the status-based discrimination against manual labor widely held in society was certainly a factor that facilitated Park Chung Hee regime's relegation of industrial workers to the position of voiceless "industrial fighters" in the 1970s.

Sources for the Study: The KSEC Archive, 1960-1979

The Korean steel shipbuilding industry has a long and relatively well-documented history, dating back to the colonial period. It was nurtured intensively by the state under the Heavy and Chemical Industrialization drive during the 1970s, and it

became a leading export industry by the 1980s.²² The shipbuilding industry unions emerged as the core of the organized labor movement both in the 1960s and in the 1980s. A study of the Korea Shipbuilding and Engineering Corporation within the shipbuilding industry is warranted both because of its long history (it was established in 1937) and because of the availability of a wealth of union records. The KSEC union has carefully kept a cabinet-full of faded union documents in its crowded office in Yŏngdo, Pusan, and, following the democratization of the union in 1990, it opened its archive to researchers. It was as if those KSEC unionists decades before who saved these records had been waiting to be heard one day.

The union archive contains records of everyday transactions of union affairs, membership statistics, member rolls, résumés, minutes, leaflets, and correspondence with government agencies and with the local's upper-level union from the year 1960 to the 1980s. These union documents, as well as company publications and remaining issues of company magazine, *Chogong* [the KSEC], constitute the primary source material for this dissertation. They are supplemented with an array of primary and secondary

²² South Korean steel ship production grew from 380 Gross Tonnage (G/T) in 1962 to 2.8 million G/T in 1985, and jumped to 5.6 million G/T in 1995. South Korea surpassed Japan, the number one ship exporter in the world, in total received orders in 1993 and again in 1999. Sin Wŏnch'ŏl, "Kiŏp naebu nodong sijang ūi hyŏngsŏng kwa chŏn'gae: Han'guk chosŏn sanŏp e kwanhan sarye yŏn'gu" [Formation and development of firm internal labor market: A case study on Korean shipbuilding industry] (Ph.D. diss., Seoul National University, 2001), pp. 145, 243, and 245.

sources on the South Korean labor movement during the postwar period. The KSEC case was previously researched by three sociologists whose focuses were different from my own, and I benefited from their records of interviews with participants of the KSEC union movement and managers in the 1960s.²³

On the Representativeness of This Case

One question that arises from the use of the KSEC case to explore workers' mentality, attitudes, and aspirations is how representative this particular union is in the broader context of the South Korean labor movement in the postwar decades. Was it an exception to the generally submissive and weak labor movement of the period, as Ogle sees it? Certainly in terms of its coherent vision, democratic pursuit, pride, militancy, and solidarity, the KSEC union represents an example of what unions could achieve in South Korea during this period -- or for that matter what unions could achieve in any country during the second half of the twentieth century. In that sense, the union's story,

²³ George Ogle included at the end of his dissertation the KSEC strike of 1969 as one of the examples of labor activism. It contains his interviews with the KSEC union president from 1964 to 1969, Hŏ Chaeŏp, and company managers. Ogle, "Labor Unions in Rapid Economic Development," pp. 366-85. Sin Wŏnch'ŏl and Kim Yonggi both utilized the same KSEC union archive to study the development of firm-internal labor market and the nature of South Korean management system in the 1950s, respectively. I benefited from their research and the interviews they conducted in writing chapters 6 and 8 in particular. Sin, "Kiŏp naebu nodong sijang"; Kim Yonggi, "1950-nendai kankoku kigyo no keiei kanri to rŏdŏsha" [Business management and workers in the 1950s South Korea]. *Ōhara shakai mondai kenkyūjo zasshi* [Journal of Ōhara Institute for Social Research] no. 469 (Dec. 1997).

told here for the first time in comprehensive detail, merits our attention for its own sake -- as an inspiration and also as an example showing weaknesses and pitfalls of the labor movement generally.

It is, however, also possible that the KSEC union was far more representative than most observers have been willing to admit. We will not know for sure how representative the KSEC union was until more case studies of other unions are conducted. But since there existed in the 1960s other unions, especially at state-managed large enterprises, which achieved wages, benefits, and contracts similar to or even better than the level the KSEC union was able to attain and, as we shall see in Chapter 10, these unions were active enough to form a coordinating body for joint struggles, I believe that the KSEC union will prove to be more than an isolated case of labor militancy during this crucial and long-neglected period in South Korean labor history.

Comparative Notes

In this dissertation, I have not done a comprehensive comparative study of postwar labor activism and the differing development of industrial-relations systems in other countries, especially Japan and the United States, although I have kept these comparative dimensions in mind, and would like to develop them in a future research project. I found many parallels in worker mentality and union visions of an alternative path to

economic development in the South Korean, Japanese, and U.S. cases. I think that different geopolitical positions, economic conditions and timing, and the strength and weakness of organized labor and capital in each country shaped different industrial-relations systems in each of these nations. In this sense, the 1987 explosion of South Korean labor militancy, which has no parallel in Japan or in the United States, could be understood in the distinctiveness of the South Korea's answer to the postwar challenge of capitalist development.

The answer the Park regime adopted in the arena of industrial relations in South Korea from the late 1960s excluded labor from any position of power, be it in industrial relations or in economic planning. There were a blanket imposition of militaristic control at work places, exploitation of young women workers as the source of disposable cheap labor, harsh repression of labor activism using police and KCIA, and an ideological and material cooptation aimed at skilled male workers. As a preliminary thought, I suggest that this labor control policy was buttressed by the unassailable status of nationalist "growth-first" discourse and the centuries-old status consciousness in Korean society which made the sacrifice of manual workers appear reasonable and acceptable to the general public.

The inherent problem in Park's solution was that it was devoid of any substantial compromise between capital and labor that would nourish long-term stability in industrial relations,

and that some South Korean workers had already developed strong aspirations for equality, voice, and democracy from 1945 to the end of the 1960s. The combined effects of a zealous nationalism and trickle-down benefits of economic growth could suppress this workers' penchant for equality and voice for a while, but they were not sufficient to quell these aspirations permanently. In my view, the second peak of labor militancy in South Korea can be seen as an expression of labor's still unsatisfied demand for a postwar deal between labor and capital. But answering this long put-off demand is far more complicated now, in an era of neo-liberal hegemony and the globalization of capital, than it was in the mid-twentieth century when the Japanese and U.S. cases were resolved through compromises. At the start of the twenty-first century, labor's place in development in South Korea's future still remains unresolved.

Part I. The Legacies of Colonialism and Postwar Radicalism

Part I deals with the legacies of colonialism (chapters 1 to 3) and postwar radicalism (chapters 4 and 5), which produced lasting impacts on the nature of labor activism of the Park Chung Hee era (1960-79). Chapter 1 examines the emergence of the first generation of industrial workers in Korea during the colonial period following the rapid industrialization under the Japanese colonial government (1910-45). Chapter 2 shows the development of the shipbuilding industry in colonial Korea, especially that of the KSEC shipyard, which was the most advanced and largest yard in Korea. Chapter 3 explores the general characteristics of the Korean labor movement that developed under colonial conditions.

Chapter 4 examines the militant explosion of labor activism in the immediate postwar period with a focus on the workers' self-management movement using the KSEC as a case study. Chapter 5 follows the evolution of the 1953 labor law system under the Syngman Rhee government (1948-60) and the rise of a pro-labor discourse on nation-building espoused by some anti-Communist labor activists like Chŏn Chinhan. Both of the developments were products of the radical mobilization of workers and the general populace during the immediate postwar years.

Part I, which sets the stage for the main body of the analysis in parts II and III, is based mostly on secondary works, complemented by some primary materials. It presents a different interpretation on this crucially important period of Korean history. It treats the sources of South Korean labor's strengths and weaknesses by focusing on the nature of colonial industrialization, social movements, and class dynamics. These chapters challenge the conventional view that emphasizes the discontinuity in the labor movement before and after the defeat of the left in 1947. It contradicts the standard view that the period from 1947 to the 1960s was a dark era of dictatorship in which nothing beyond repression occurred. Ideologically, politically, and socially, this postwar period was a much more dynamic era than previously described. It was an era in which capitalist hegemony was not yet certain and the residual fire of socialist radicalism and zeal for social reform and democratic ideals were still alive. In sum, Part I argues that instead of burdening the South Korean working class with negative legacies as most of the existing literature claims, the legacies of the colonial and postwar labor and social movements provided South Korean workers with valuable resources in building a democratic and militant movement in the second half of the twentieth century.

Chapter 1. Colonial Industrialization and Industrial Workers

The modernization of Korea and its tight integration into the world capitalist economy began in earnest with the establishment of the Japanese Government-General in Korea. The colonial administration became an effective and powerful agent for the creation of a modern colony for the Japanese empire. The pace of industrialization accelerated especially after the early 1930s when Japan engaged in war with China and sought to upgrade Korean industrial structure to support the war effort. Korea's modern shipbuilding industry and shipbuilding workers working at large-scale yards thus appeared in the late 1930s as a byproduct of Japanese imperial warfare.

Korea at the time of annexation by Japan in 1910 was an agrarian society, centered on intensive smallholder cultivation. Following annexation, the Japanese executed a sweeping modernization program in Korea. With the cadastral land survey of 1910-18, a modern registration system of landownership was established. By 1919, after the survey, the total area of registered cultivated land had increased 80 percent over the pre-colonial level, and total land tax revenue jumped 91 percent over the amount collected in 1910.¹ Modern political and

¹ Gi-Wook Shin, *Peasant Protest and Social Change in Colonial Korea* (Seattle and London: University of Washington Press, 1996), p. 42. Until the 1930s, the land tax constituted a major source -- about 30 percent -- of total colonial government revenue, according to Chŏng T'aehŏn, "Singminji sidae (1910-18) Chosŏn ūi chabonjejŏk chose chedo sŏngnip e kwanhan yŏn'gu" [A study of the establishment of the capitalist tax

administrative institutions replaced the *Chosŏn* bureaucracy and deprived the ruling elite (*yangban*) of the monopoly on office holding, which had been one of the pillars of its status. Elementary education was greatly expanded.² Modern infrastructure was built from the top down in order to transform an agrarian economy into a peripheral part of a vigorously growing Japanese empire.

In 1910, the number of households engaged in mining or manufacturing was 24,000 or 0.9 percent of the total number of Korean households (2,894,000).³ Korea at the time was definitely a pre-industrial society. Table 1 shows the changes in the number of factories and employees in Korea from 1911 to 1940, and provides a breakdown by ethnicity of the company ownership. As

system in colonial Korea, 1910-18], *Kyŏngje sahak* 11(1987): 1-79. On the cadastral land survey by the Japanese in Korea, see Edwin Harold Ragert, *Landownership under Colonial Rule: Korea's Japanese Experience, 1900-1935* (University of Hawaii Press, 1994); Miyajima Hiroshi, *Chōsen tochi chōsa jigyōshi no kenkyū* (Tokyo: Tokyo Daigaku Tojyo Banka Kenkyūjo, 1991); and Kim Hongsik et al., *Chosŏn t'oji chosa saŏp yŏn'gu* [Studies on the cadastral survey project in Korea] (Seoul: Minŭmsa, 1997).

² The rate of school-age children attending school increased from 4 percent in 1911 to 11 percent in 1922, 21.5 percent in 1934, 33.6 percent in 1938, and reached 47 percent in 1942. Yi Kyusu, "Ilche sidae sahoe t'onggye 2: Kyoyuk ch'ugye" [Social statistics during the colonial period 2, vol. 2: Estimation of education], *Han'guk hyŏndaesa yŏn'gu* [Studies of Korean modern history] vol. 1 no. 2(1998), p. 57. For English works on colonial education, see Wonmo Dong, "Japanese Colonial Policy and Practice in Korea, 1905-1945: A Study in Assimilation" (Ph.D. diss., Georgetown University, 1965); Hong Moon-Jong, "Japanese Colonial Education Policy in Korea" (Ph.D. diss., Harvard University, 1992); Mark Caprio, "Koreans into Japanese: Japan's Assimilation Policy" (Ph.D. diss., University of Washington, 2001), chapters 6 and 7.

³ Naebu Kyŏngmuguk, *Minjŏk t'onggyep'yo* [Census statistics], 1910. Quoted in Yi Yŏnghun, "Han'guksa e issŏso kŭndae roŭi ihaeng kwa t'ŭkchil" [The transition to the modern period and its characteristics in Korean history], *Kyŏngje sahak* no. 21 (Dec. 1996), p. 79. Six stations from Seoul and 29 townships with insufficient data are excluded from the statistics.

Table 1. Factories, Employees, and Output in Korea, 1911-40, select years

Year	Factories, owned by			Employees, in thousands				Output, in million yen
	Korean (A)	Japanese (B)	Total (C)	at (A)	at (B)	Total (D)	(D)/(C)	
1911	66	185	252	2.4	10.6	14.6	57.9	19.6
1915	205	564	782	3.4	20.4	24.5	31.3	45.9
1920	943	1125	2087	10.2	41.8	55.3	26.5	179.3
1925	2005	2085	4168	21.5	54.7	80.4	19.0	320.3
1928	2751	2425	5342	29.1	53.4	99.5	18.6	392.5
1930	2179	2092	4261			101.9	23.9	263.3
1935			5635			158.8	30.0	644.0
1937			6298			207.0	32.9	967.4
1938			6624			231.0	34.9	1167.1
1939			6953			270.4	38.9	1459.8
1940			7142			295.0	41.3	1645.0

Source: Adapted from Kim, *Ilcheha nodong undongsa.*, pp. 37, 44.

Original data came from Chōsen Sōtokufu, *Chōsen Sōtokufu tōkei nenpō* [Statistical Yearbook of the Government-General of Korea].⁴ (C) does not equal (A)+(B) because there were factories owned by people of other ethnic origins. Employees include non-manual workers and some Japanese and Chinese workers. The statistics of 1911 are for factories using 10 or more employees or those equipped with motors. The statistics of 1915-28 are for factories with average daily employment of 5 or more people, motors, or annual output of 5,000 yen or more. 1930-40 statistics are for factories having 5 or more employees or having facilities that required 5 or more employees.

⁴ Colonial statistical data mainly came from surveys done by the Chōsen Sōtokufu. For discussion of the accuracy of the Chōsen Sōtokufu data and the validity of the existing stochastic works on it, see Cho Sōngwōn, "Ilche sidae kyōngje t'onggye 1: Kyōngje sōngjang ch'ugye(saengsan myōn)" [Economic statistics during the colonial period, vol. 1: Estimation of economic growth (production side)] and Yi Chunsik, "Ilche sidae sahoe t'onggye 1: In'gu" [Social statistics during the colonial period 1: Population], both in Han'guk chōngsin munhwa yōn'guwōn ed., *Han'guk hyōndaesa yōn'gu* vol. 1, no. 2 (1998). Data from 1939 on are especially problematic. For that reason, the most comprehensive work to date on the statistics of Japanese colonies, Mizoguchi Toshiyuki and Umemura Mataji eds., *Kyunihon Shokuminchi Keizai Tōkei* [Economic Statistics on Former Japanese Colonies] (Tokyo: Tōyō Keizai Simposha, 1988) includes Korean statistics from 1911 up to 1938.

we see from the table, there were 14,575 workers⁵ employed at 252 factories, both Korean and Japanese owned, in 1911. The number increased to 55,300 in 1920, 101,900 in 1930, 207,000 in 1937, and reached 295,000 in 1940.⁶ Even though the numbers of Korean-owned and Japanese-owned factories remained at a similar level between 1911 and 1928,⁷ the latter employed 2 to 6 times more employees overall and 1.5 to 3.6 times more employees per factory than the former during the same period. Total output grew from about 20 million yen in 1911 to over 1.6 billion yen in 1940. Output from the Japanese-owned factories accounted for 70 percent to over 90 percent of the total output between 1911 and 1928.

According to Cumings, during the period between 1910 and 1940, colonial manufacturing growth in Korea averaged 10 percent per annum and overall GNP growth was in the 4 percent range.⁸ Many scholars agree that especially from the 1930s a rapid industrialization occurred in colonial Korea.⁹

⁵ Out of 14,575 workers in 1911, 12,180 were Koreans. FKTU, *Han'guk nodong chohap undongsa*, pp. 11-12.

⁶ There were estimated 13.8 to 16.4 million people in Korea in 1911, and around 17 million in 1920, 20 million in 1930, 22 million in 1937, and 23 million in 1940. Cho Sŏngwŏn, "Ilche sidae kyŏngje t'onggye 1," p. 7.

⁷ Statistics on the number of factories owned by Koreans, however, can be misleading. Korean capital accounted for around 10 percent of the total capital assets throughout the colonial period. Kim, *Ilcheha nodong undongsa*, p. 45 and Chŏn Uyong, "1930-yŏndae 'Chosŏn kong'ŏphwa' wa chungso kong'ŏp" ['Korean industrialization' in the 1930s and small-to-medium industry] (M.A. Thesis, Seoul National University, 1989), pp. 24-26.

⁸ Cumings, "Northeast Asian Political Economy," p. 45.

⁹ Cumings argues that in the period from 1935 to 1945 "Korea's industrial revolution began, with most of the usual characteristics," and by 1945, Korea had an industrial infrastructure that was "among the best developed in the Third World." Ibid., pp. 56-57. In Korea, scholars who emphasize a significant industrial development under the Japanese colonial rule are referred to as scholars of the "colonial modernization school" [*singminji*].

The industrial labor force grew slowly during the first two decades of colonial rule. During that period Japan saw Korea primarily as a source of cheap rice to keep wages down at home. Factories in this period were relatively small and around 40 percent of them were engaged in the processing of agricultural products, as can be seen in Table 2. According to a national census by the Government-General of Korea, 7.4 percent of all the workers employed in Korea in 1930 were Japanese.¹⁰ The share of female and child labor was relatively high, reflecting the weight of the light industries such as textiles and food processing. In

kūndaehwaron]. The Research Society for Korean Modern Economic History [Han'guk kūndae kyōngjesa yōn'guhoe], formed by eight Korean and eight Japanese scholars in 1987, has been active in joint research and has produced several edited volumes on colonial development issues: An Pyōngjik ed., *Han'guk kyōngje sōngjangsa: Yebijōk koch'al* [The history of economic growth in Korea: Preliminary studies] (Seoul: Seoul National University Press, 2001); Nakamura Tetsu, Hori Kazuo, An Pyōngjik, et al. eds., *Chōsen kindai no rekishizō* [The historical image of modern Korea] (Tokyo: Nihon Hyōronsha, 1988); An Pyōngjik, Yi Taegūn, Nakamura Tetsu et al. eds., *Kūndae Chosōn ūi kyōngje kujo* [The Economic structure of modern Korea] (Seoul: Pip'yōng ch'ulp'ansa, 1989); An Pyōngjik and Nakamura Tetsu eds., *Kūndae Chosōn kongōphwa ūi yōn'gu: 1930-1945-nyōn* [Studies of Korea's modern industrialization, 1930-1945] (Seoul: Ilchogak, 1993). For a summary and critique of their arguments, see Chōng Chaejōng, "1980-nyōndae ilche sigi kyōngjesa yōn'gu ūi sōnggwa wa kwaje" [Achievement and tasks in the 1980s of the studies of economic history of the colonial period] and Chōng T'aehōn, "Han'guk ūi singminjijōk kūndaehwa mosun kwa kū silch'e" [Contradictions of Korean colonial modernization and its substance], both in Yōksa munje yōn'guso ed., *Han'guk ūi 'kūndae' wa 'kūndaesōng' pip'an* [A critique of Korea's 'modern period' and 'modernity'] (Seoul: Yōksa pip'yōngsa, 1996). For an English summary of recent Korean and Japanese scholarship on the issue of "colonial, dependent development," see Soon-Won Park, "Colonial Industrial Growth and the Working Class," in Gi-Wook Shin and Michael Robinson eds., *Colonial Modernity in Korea* (Cambridge and London: Harvard University Asia Center, 1999), pp. 130-32. Among studies in English on Korean economic growth under colonial rule, Sang-Chul Suh, *Growth and Structural Changes in the Korean Economy, 1910-1940* (Cambridge: Harvard University Press, 1978) is representative.

¹⁰ Chōsen Sōtokufu, *Chōsen kokusei chōsa hōkoku* (1930), cited in Kim, *Ilcheha nodong undongsa*, pp. 47-48. The percentage was much higher in

Table 2. Manufacturing Output by Sector in Korea (in percent), 1914-40, select years

Year	Textile	Metal	Machinery	Ceramics	Chemical	Wood product	Printing	Food product	Other
1914	11.6	14.9	2.0	3.7	9.1	1.1	2.8	43.2	11.6
1920	16.0	6.0	3.6	4.1	11.5	3.8	3.8	38.0	16.9
1925	14.8	6.0	3.4	3.3	15.6	4.3	4.3	41.6	11.0
1930	16.1	6.2	2.0	3.4	15.1	1.7	1.7	46.2	11.0
1935	15.5	12.5	2.0	2.9	25.4	1.4	1.4	34.7	5.6
1940	18.6	8.0	4.0	3.7	33.7	1.9	1.9	25.0	5.0

Source: Kim, *Ilcheha nodong undongsa*, p. 39. Original data came from Mizoguchi and Umemura eds., *Kyunihon Shokuminchi Keizai Tōkei*, p. 48.

a 1931 survey,¹¹ workers under the age of 16 occupied 7.5 percent of manufacturing workers at factories employing ten or more people. Among them, 76 percent were female and 88 percent of female child labor was in the textile industry. Among adult factory workers, women comprised 31.8 percent, the majority of them in textile (53 percent) and food processing (25 percent). Male workers were employed in food processing (29 percent), chemical (17 percent), ceramics (9 percent), machinery (9 percent), and metal (6 percent) sectors. In the metal, machinery, wood product, printing, and gas and electricity sectors, the percentage of male workers was over 97 percent.

The above statistics are for manufacturing workers only and do not include workers in the mining, construction, transportation, communication, commerce, and service sectors, nor daily laborers. These non-manufacturing workers constituted the majority of the colonial industrial labor force, comprising 67

big cities: 27 percent in Seoul, 14 percent in P'yōngyang, 42 percent in Pusan, 18 percent in Taegu, and 27 percent in Mokp'o.

¹¹ Survey by Chōsen Sōtokufu Social Affairs Division, cited in Kim, *Ilcheha nodong undongsa*, p. 49, Table 2-6.

percent of the total non-agricultural workforce in Korea reported in the 1930 Census.¹² The total number of non-agricultural workers reached a little less than one million in 1922, and increased to 1.3 million in 1931.¹³

As Japan moved into a wartime economy after the incident at the Marco Polo Bridge outside Beijing in 1937, it began to see Korea as an advanced military supply base for the war effort in China and as an indispensable source for labor power. Japanese investment in heavy industries expanded greatly in Korea as well as in Manchuria. Some Korean capitalists, such as Kim Yönsu of Kyöngsöng Textile, seized the opportunity and expanded business operations into Manchuria.¹⁴ The number of industrial workers in colonial Korea increased significantly in the late 1930s and early 1940s. By 1943, there existed 1.75 million workers, including 390,000 factory workers, 280,000 miners, 170,000 transportation workers, and 380,000 construction workers.¹⁵ The share of factory workers to all workers grew to 22.3 percent by

¹² *Ibid.*, p. 57.

¹³ *Ibid.*, pp. 53-54. If we compare these figures to Table 1, we can see that the share of factory workers in the total industrial workforce was only about 6 to 8 percent in those years, not 33 percent. According to Kim, this difference is due to the fact that the 1930 census includes smaller facilities employing less than 5 workers and uses a broader definition of factory workers. *Ibid.*, p. 57.

¹⁴ For Kim Yönsu and the wartime expansion of Kyöngsöng Spinning and Weaving Company, see Eckert, *Offspring of Empire*, especially Chapter 6.

¹⁵ Kim, *Ilcheha nodong undongsa*, p. 52. Pak and Kim, et al. show significantly higher numbers for 1944: 591,000 factory workers, 438,000 construction workers, and 346,000 mine workers. Pak Hyöngch'ac, Kim Hyönggi, et al., *Han'guk chabonjuüi wa nodong munje* [Korean capitalism and the labor question] (Seoul: Tolbege, 1985), p. 51.

then and the number of workers in large-scale plants, mines, or construction sites also increased rapidly.¹⁶

In terms of the development of the capitalist relations of production and creation of a large number of wage laborers, there is no doubt that the stage was set for industrial working-class formation in the 1930s at the latest. As for the formation of working-class identity in society and at workplaces, the 1920s and 1930s provide us with ample evidence of irregular but clear progress in the direction of the perception of the incompatible interests of the laboring class and the capitalist class, and the development of class consciousness through the experience of labor organization and strikes. Those developments are detailed in chapter 3.

With the acceleration of the Pacific War, the Japanese colonial government in Korea imposed national conscription on the Korean populace to mobilize them for factory, construction, and mining both in Korea and in Japan. The statistics on the scale of wartime conscription are sketchy.¹⁷ In a study of Korean coal

¹⁶ Soon-Won Park, "Colonial Industrial Growth and the Emergence of the Korean Working Class" in Gi-Wook Shin and Michael Robinson eds., *Colonial Modernity in Korea* (Cambridge and London: Harvard University Asia Center, 1999), p. 141.

¹⁷ Japanese official data puts the number of conscripted Korean workers as 720,000, but estimates by scholars are about twice that much or more. Yi Chunsik, "Ilche sidae sahoe t'onggye 1," p. 9. If we add soldiers, Koreans conscripted for civilian service in the Japanese military, and women conscripted as sex slaves for Japanese military, the number of Koreans conscripted and sent to Japan or territories occupied by Japan reached at least 2 million, which was 10 percent of the population. Chŏng Chinsŏng, "In'gu pyŏndong kwa tosihwa" [Demographic changes and urbanization] in Sin Yongha, Pak Myŏnggyu, and Kim P'iltong eds., *Han'guk*

miners in Japan during the colonial period, William Donald Smith estimates that 667,684 Koreans were brought to Japan proper between 1939 and 1945.¹⁸ Of these, 59 percent were put to work in coal and metal mining, while 16 percent went to work in public construction works, and 25 percent provided unskilled factory labor. Many mobilized Korean miners in Japan fled the dangerous working conditions of underground mine work and often found work at construction sites or munitions factories.¹⁹ From 1943 to 1945, an additional 240,000 Koreans were mobilized as civilian workers for the military.²⁰ In addition to forcefully mobilized workers, roughly 700,000 additional workers voluntarily sought industrial employment in Japan and 600,000 workers did so in Manchuria from 1930 to 1940.²¹ In 1945, 2.1 million Koreans were in Japan, an increase from 780,528 in 1936, while 1.56 million Koreans lived in Manchuria in 1944, an increase from 1.04 million in 1938.²²

sahoesa ūi ihae [Understanding Korean social history] (Seoul: Munhak kwa chisŏngsa, 1995), pp. 375-82.

¹⁸ William Donald Smith, "Ethnicity, Class, and Gender in the Mines: Korean Workers in Japan's Chikuhō Coal Field, 1917-1945" (Ph.D. diss., University of Washington, 1999), pp. 258-59. Korean coal miners in Japan reached a peak of 136,825 in February 1945.

¹⁹ As of March 1945, 226,497 of the 604,429 mobilized Korean miners brought to Japan fled, evading tight surveillance and risking severe punishment when caught. Only 7.4 percent of them were captured and either returned to their employers or sent back to Korea. Smith, "Ethnicity, Class, and Gender," p. 278.

²⁰ Sŏn Chaewŏn, "Shokuminchi to koyō seidō: 1920, 30 nendai Chōsen to Nihon no hikakushiteki kōsatsu" [The colonial employment system: A comparative study of Korea and Japan in the 1920s and 1930s] (Ph.D. diss., Tokyo University, 1996), p. 57. Cited in Soon-Won Park, *Colonial Industrialization and Labor in Korea: the Onoda Cement Factory* (Cambridge: Harvard University Asia Center, 1999), p. 145.

²¹ Park, "Colonial Industrial Growth," p. 135.

²² Ibid., p. 145. While 53.6 percent of economically-active Korean residents in Japan were working in manufacturing, mining, or construction, only 5.3 percent were engaged in agriculture according to a 1940 census.

The effects of this massive mobilization of Korean labor during the war on the postwar explosion of radical activism in Korea has been a matter of some debate. Cumings argued that the exposure to the outside world radicalized and politicized the mobilized Korean workers. Upon returning to their home towns, they became ready recruits for radical movements.²³ Gi-Wook Shin criticized Cumings' claims about the impact of colonial social mobilization on postwar radicalism, and argued that postwar peasant radicalism was not a product of returnees because many Korean peasants were already active in politics during the colonial period.²⁴ The influence of returnees in local politics varied by region as well as by the existing local political settings of their home town. Therefore, without case studies of local politics at the time, it is not easy to conclude whether the locals or the returnees were more influential in radical activism.

South Kyōngsang Province, which is in close proximity to the Southwestern part of Japan, experienced a higher level of social mobilization of Korean workers than most other provinces of Korea. According to Smith's study,²⁵ Japanese mines during the war relied heavily on South and North Kyōngsang provinces for their Korean

In Manchuria, in contrast, a 1941 census shows that 69.9 percent of economically-active Koreans worked in agriculture. An Pyōngjik and Hori Kazuo, "Ch'ongnon" [A general summary], in An and Nakamura eds., *Kūndae Chosŏn kongŏphwa ŭi yŏn'gu*, p. 37.

²³ Bruce Cumings, *The Origins of the Korean War: Liberation and the Emergence of Separate Regimes, 1945-1947* (Princeton: Princeton University Press, 1981), pp. 61-62.

²⁴ Shin, *Peasant Protest*, p. 157.

labor supply. For example, around 50 percent of the Korean miners with known provincial origins at Kajima Oonoura No.7 mine between 1922 and 1942 came from South Kyōngsang province, and the two Kyōngsang provinces accounted for about 80 percent. The workers' résumés collected at the KSEC union contain many examples of union workers who had been employed in Japan before coming back to Korea after the Liberation (for further discussion, see Chapter 9 and Appendix C). The company, Chosŏn Heavy Industries [*Chosŏn chunggongŏp*], was located in Pusan, South Kyōngsang Province. Pusan was the principal port from which Korean workers were sent to Japan. There were daily ferry services from Pusan to Shimonoseki, Japan, and most people traveling between Korea and Japan used the ferry, which made the crossing in eight hours.²⁶

More research is needed on the issue of these Korean workers' experiences during their stay in Japan, but we know that these workers became acquainted with Japanese-style industrial relations, and suffered ethnic discrimination at work. We also know that they had some measure of exposure to labor activism, especially because from the 1920s on Koreans had played an important role in the organized labor movement and strikes in Japan.

²⁵ Smith, "Ethnicity, Class, and Gender," pp. 246-48.

²⁶ For example, in 1928, 98.5 percent of people traveling between Korea and Japan used the ferry service. Ibid., p. 73.

Another dimension of the effects of colonial industrialization in creating human capital is whether the working class that Korea inherited in 1945 was a "spurious" one, or if it provided a solid base for postcolonial industrialization, completed with skilled workers and technicians. Cumings called these workers "spurious" because they were "displaced peasants who hoped to return to agricultural cultivation"²⁷ and many left industry after the Liberation, causing a lack of continuity between the working class under colonial rule and that after the Liberation. Cho Sun'gyŏng and Yi Sukchin also argued that exploited workers fled from "prisons called factories" en masse after the Liberation and that new industrial workers in the postcolonial era were fresh from the countryside.²⁸ Undoubtedly wartime industrialization in Korea expanded the size of the Korean industrial workforce greatly, and the number of workers employed at large heavy-industry factories shot up, even without counting those workers forcefully mobilized to work abroad. What is at issue is whether those workers developed an identity as industrial workers and were able to accumulate enough skills and experience to contribute as valuable human capital to the postcolonial economic development, or whether as unskilled laborers without a clear identity as industrial workers, they were anxious to go back to the countryside and actually did so.

²⁷ Cumings, *Origins of the Korean War*, p. 27. He continued, "Thus they were not quite workers; but then they were not really peasants anymore

Moving beyond guesswork on this issue requires accumulated case studies of various colonial factories. There have been plenty of general-level studies on working-class composition, emphasizing ethnic discrimination against Korean workers and the concentration of Korean workers in unskilled, disposable jobs. Korean scholars have generally argued that Korean skilled workers were only a tiny minority in large mechanized factories, that the skills they acquired were low-level ones that could not replace the high-level skills that Japanese workers monopolized to the last day of the colonial rule, that large factories were increasingly dependent on unskilled and under-age labor, and that as a result, Korean workers there remained homogenous rather than differentiated into skilled and non-skilled segments.²⁹

Factory- or company-level case studies are infrequent, but growing in number. Historian Soon-Won Park's case study of a cement factory near P'yŏngyang demonstrates that many workers at the factory, especially those recruited before 1939 and trained for skilled positions, stayed on the job after 1945, playing an important role as Korea's first generation of skilled workers.³⁰ Economic historian An Pyŏngjik, in a case study on a huge chemical company, Japan Nitrogen Fertilizer Corporation [Nihon Chisso], came to a similar conclusion. He shows that within the limits of colonial division of labor, in which Japanese workers

either . . . they were hybrids, touched but not transformed by industrial circumstances."

²⁸ Cho and Yi, *Naengjŏn ch'eje*, pp. 195-96.

monopolized the higher-level skilled positions and Korean workers were hired for unskilled or semi-skilled jobs, some Korean workers were able to move into skilled jobs and low-level technician positions.³¹ Basing his analysis on what is left of the confidential data on the National Occupational Capacity Registration Order, material collected and then mostly destroyed by the Government General of Korea, An also argued that the qualitative development in the Korean skilled workforce after 1937 through expansion of industrial education and technical training was a conspicuous one.³² Historian Chŏng Chaejŏng analyzes data from the Railroad Bureau, which employed over 100,000 workers by 1945, and shows that around 1940 the Japanese monopoly on mid-level managerial positions was loosened by the conscription of Japanese employees for the war effort and that the promotion of Koreans occurred to fill the gap as a transitional measure.³³ Karl Moskowitz revealed the extent of Korean workers' progress into managerial and skilled positions at the Shokusan Bank.³⁴ As we will see in Chapter 9 and Appendix C,

²⁹ For example, see Kwak Kŏnhong, *Chosŏn nodongja*, pp. 346-48.

³⁰ Park, *Colonial Industrialization*.

³¹ An Pyŏngjik, "1930 nendai ni okeru Chŏsen rŏdŏsha kaikyū no tokusitsu-Nihon Chissō no jirei bunseki o tsūjite," *Chŏsen kindai no rekishizō* (Tokyo: Nihon Hyōronsha, 1988).

³² An Pyŏngjik, "'Kungmin chigŏp nŭngnyŏk sin'goryŏng' charyo ūi punsŏk," in An and Nakamura eds., *Kūndae Chosŏn kongŏphwa ūi yŏn'gu*, pp. 221-263. Soon-Won Park also makes essentially the same arguments in Park, "Colonial Industrial Growth," pp. 145-53.

³³ Chŏng Chaejŏng, "Chosŏn ch'ongdokpu ch'ŏltoguk ūi koyong kujo" [Employment structure of the Railroad Bureau of the Government-General of Korea], in An and Nakamura eds., *Kūndae Chosŏn kongŏphwa ūi yŏn'gu*.

³⁴ Karl Moskowitz, "Current Assets: The Employees of Japanese Banks in Colonial Korea" (Ph.D. diss., Harvard University, 1980).

the KSEC data after 1945 also adds weight to the argument for the continuity of skilled workforce between the colonial period and the postwar period.

Chapter 2. The Shipbuilding Industry during the Colonial Period

The modern shipbuilding industry in Korea was born during the colonial period. In Korea, shipbuilding techniques advanced through the Silla (668-935) and Koryŏ (918-1392) dynasties, because of trade with China by sea. Koryŏ shipwrights were capable of building 500 ships in 1274 and 900 in 1281 for the Mongols, who were attempting to invade Japan by sea. During the Chosŏn period, however, relative peace in international relations, a strict isolationist policy, the establishment of an inland tribute trade route with China, and the resulting decline in maritime transport all contributed to a stagnation in shipbuilding development.¹

In the late Chosŏn period, the Provincial Navy Commanders headquarters [*Suyŏng*] in the three southern provinces were in charge of naval shipbuilding until the Navy Commanders were abolished in 1895. The shipyards at Navy Commanders headquarters mostly built military ships, and the number of artisans who were working there at the time of their abolition is estimated to be over 500. There were also hundreds of small private yards

¹ For the history of pre-colonial shipbuilding written in English, see Gabriel Jonsson, *Shipbuilding in South Korea: A Comparative Study* (Stockholm: Stockholm University Institute of Oriental Languages, 1995), pp. 64-67; Horace H. Underwood, *Korean Boats and Ships* (Seoul: Yonsei University Press, 1979. Originally published in 1934). For Korean language works, Kim Chaegŭn, *Sok Han'guk sŏnbaksa yŏn'gu* [A study of the history of ships in Korea, a sequel] (Seoul: Seoul National University Press, 1993) is representative. See pp. 273-90.

building fishing boats and ferry boats.² By the time of the Japanese Annexation of Korea in 1910, there were 16,709 fishing boats in Korea, out of which 9,710 were Korean-style boats. The rest were Japanese- or Chinese-style boats.³

Steamships from Japan and Germany were introduced by the government beginning in 1886, and private shipping companies began to appear around that time.⁴ In 1901, a Korean-managed steamship company [*Hyōptong kisōn hoesa*] was established, and the Korean government transferred to it three steamships it had bought from Germany and had been renting to a Japanese company.⁵ The building of boats with motors started with the arrival of Japanese shipbuilders in the Korean peninsula at the end of the nineteenth century. By the time of the Annexation, thousands of Japanese fishermen were in Korea and as many as 5,000 Japanese fishing boats were fishing in Korean waters.

To repair these ships and to meet the growing demand for Japanese-style fishing ships, Japanese shipbuilders began to move into Korea. Pusan, which was the hub of Japanese fishing activities in Korean waters and one of the centers of maritime transport in Korea, saw the establishment of Tanaka Shipbuilding and Ironworks in 1887 and Nakamura Shipbuilding and Ironworks in 1902. A steamship repair facility, Mitsuda Shipyard, was

² Kim, *Sok Han'guk sōnbaksa*, pp. 220-29; Sin, "Kiōp naebu nodong sijang," p. 71.

³ KSEC, *Taehan chosōn kongsa samsimnyōnsa* [A 30-year history of the Korea Shipbuilding and Engineering Corporation] (Pusan: KSEC, 1968), p. 22.

⁴ Kim, *Sok Han'guk sōnbaksa*, p. 229.

⁵ KSEC, *Samsimnyōnsa*, pp. 10, 22.

established in Inch'ŏn, a port city near Seoul used by Japanese as a supply base during the Russo-Japanese War. In 1911, there were 33 Japanese shipyards and over 800 Korean shipyards, but most were small shipbuilding operations employing less than five workers.⁶

During the 1910s and 1920s, the number of shipyards in Korea which employed five or more workers (on a daily average) or were equipped with motored machinery or had an annual output of over 5,000 yen grew steadily. There were 15 such yards in 1918 employing 492 workers, while traditional small shipyards numbered 618. In 1930, the number for the former type grew to 33 yards with 664 workers, and in 1940, it jumped to 64 yards with 3,339 shipbuilding workers. The production of ships with motors occupied only a tiny proportion of total ship production, but it grew from 43 out of 26,199 ships produced in 1920 to 2,851 out of 56,034 ships produced in 1940.⁷ Between 1930 and 1938, however, Korean-owned shipyards, other than small shipbuilding operations that do not show up in statistics, declined from 2 to 1, while Japanese-owned ones grew from 36 to 57.⁸ So far there is little

⁶ Sin, "Kiŏp naebu nodong sijang," p. 72. For the list of shipyards from 1887 to 1941, their location, founding dates, and major products, see Kim, *Sok Han'guk sŏnbaksa*, pp. 238, 242, 253-54.

⁷ See Table 2-3, which shows the number of shipyards, number of employees, and output from 1912 to 1940 in Sin, "Kiŏp naebu nodong sijang," pp. 75-76. Original data came from Chōsen Sōtokufu, *Chōsen Sōtokufu tōkei nenpō*, each year.

⁸ An and Nakamura eds., *Kūndae Chosŏn kongŏphwa ūi yŏn'gu*, p. 141

evidence pointing to the transformation of traditional small shipbuilding operations into modern shipyards.⁹

During the 1920s, traditional Korean shipbuilding techniques were gradually replaced by Japanese techniques for wooden boat building. During the 1910s and 1920s, the Government-General of Korea promoted Japanese-style boat building through short shipwright training courses as well as by providing tools and financial support for builders of Japanese-style fishing boats.¹⁰ Some of the trainees from these training courses later became managers or technical staff members at shipyards.¹¹ Shipbuilding output grew during the 1920s, but it was heavily concentrated on the production and repair of fishing vessels.

Steel shipbuilding started in the 1930s by Japanese shipbuilders in Korea, but the focus was on repairs until the establishment of Chosŏn Heavy Industries [Chosŏn chunggong'ŏp] by Mitsubishi capital¹² in July 1937 in the midst of a wartime drive for heavy industry building in Korea.¹³ *Taehan chosŏn kongsa*

⁹ Sin, "Kiŏp naebu nodong sijang," p. 76.

¹⁰ The name "Japanese-style fishing boats" had to be changed to "Korean-style improved fishing boats" after 1924 because of the negative reaction from Koreans to the program. Sin, "Kiŏp naebu nodong sijang," pp. 72-73.

¹¹ Kim, *Sok Han'guk sŏnbaksa*, p. 251.

¹² The list of ten initial promoters includes the president and a managing director of the Chosŏn Mail Steamers Inc. [Chŏsen Yŏsen], which was a dominant player in the shipping business in the colony, a Mitsubishi Heavy Industries executive director, a director from Oriental Development Company, the head of the Chosŏn Commercial Bank, the president of the Tachiishi Steamship Company who is also the president of the Pusan Chamber of Commerce, and an Industrial Bank [Shokusan Ginkŏ] Pusan branch chief. For the list of Japanese zaibatsu invested in Korea between 1931-37 and the companies they created, see Kwak, *Chosŏn nodongja*, pp. 45-46. Mitsubishi also invested in mining and beer and flour factories in Korea during this period.

¹³ Jonsson, *Shipbuilding in South Korea*, p. 67.

samsimnyōnsa puts the initiative to establish the company in the hands of Korean capitalists by claiming that five Korean capitalists led by Pak Yōngch'ōl brought in Japanese zaibatsu capitalists "who were monopolizing the coastal shipping routes" to establish the company. Among the ten initial promoters of the company, however, only the head of the Commercial Bank, Pak Yōngch'ōl (1879-1939), appears to have been Korean.¹⁴ Fully 92 percent of the initial capital of 1.5 million won¹⁵ (42 stockholders bought 60,000 stocks at 25-won per stock) was Japanese capital, and only five Koreans -- Pak Yōngch'ōl, Chang Pyōngnyang, Choe Ch'anghak, Ha Chunsōk, and Kim Yōnsu¹⁶ --

¹⁴ KSEC, *Samsimnyōnsa*, p. 24.

¹⁵ Most of the companies founded with capital stock of over one million won in the 1930s were munitions-sector plants. Yi Sūngnyōl, "Ilcheha Chosōnin chabon'ga ūi kūndaesōng" [Korean capitalists' modernity under the Japanese colonial rule] in Yōksa munje yōn'guso ed., *Han'guk ūi 'kūndae' wa 'kūndaesōng' pip'an*, [A critique of Korea's 'modern period' and 'modernity'] (Seoul: Yōksa pip'yōngsa, 1996), p. 230.

¹⁶ Not much is known about the role of Korean capitalists in the process of founding Chosōn Heavy Industries. Except for Pak, these Korean capitalists appear to be just investors. Inter-corporate stockholdings as well as interlocking directorates were common practices of Korean as well as Japanese capitalists during the colonial period, especially among those who participated in the so-called "Kingdom of the Industrial Bank" [*Sigūn Wangguk* in Korean, *Shokugin Ōkoku* in Japanese]. Kim Yōnsu belonged to this "Kingdom" and benefited from the relationship by participating in profitable military-related businesses. Eckert, *Offspring of Empire*, pp. 87-152. He purchased stocks and assumed directorship of numerous companies, large and small, including Chosōn Heavy Industries. Yun Haedong, "Kim Yōnsu" in *Pan minjok munje yōn'guso* ed., *Ch'inilp'a 99-in* [99 pro-Japanese collaborators] vol. 2 (Seoul: Tolbege, 1993), pp. 178-80.

Choe Ch'anghak was a mining mogul and Japanese collaborator, who donated a hefty 190,000 won for the cause of the imperial war. Ha Chunsōk was a capitalist who founded a mining machinery manufacturing company, Chosōn Machinery [Chosōn kongjak], in 1938. Yi, "Ilcheha Chosōnin chabon'ga ūi kūndaesōng," p. 230. He also participated in the Chosōn Alliance of Total National Strength [Kungmin ch'ongnyōk Chosōn yōnmaeng], which brought together Korean notables such as Kim Yōnsu, Kim Sōngsu, and Choe Ch'anghak to help mobilize Koreans for the war effort. Kim Hangmin and Chōng Unhyōn eds., *Ch'inilp'a choesanggi* [Record of the

participated with a purchase of 1,000 shares each.¹⁷ The capital put in by those five Koreans was only 8.3 percent of the total initial investment, and Korean stockholding remained miniscule, fluctuating between 1,000 and 5,000 stocks until 1945.

Pak's role in the planning stage of Chosŏn Heavy Industries has yet to be clarified. He was a famous pro-Japanese bureaucrat, who became the governor of Kangwŏn and North Hamgyŏng provinces, the highest position held by a Korean in colonial government. He served as the vice-president of the Chosŏn Commercial Bank and as a director to several large companies in the 1930s.¹⁸ He assumed

crimes of Japanese collaborators] (Seoul: Hangminsa, 1993), pp. 39, 53, 84, 471.

¹⁷ Pae Sŏngman, "1950-nyŏndae Taehan chosŏn kongsa ūi chabon ch'ukchŏk sido wa silp'ae wŏnin: Chabon ch'ukchŏk kwajŏng esŏ kwisok kiŏpch'e ūi yŏkhal punsŏk" [The attempt for the capital accumulation and the causes of its failure at the Korea Shipbuilding and Engineering Corp. in the 1950s: An analysis of the role of the companies recovered from the Japanese in the process of the capital accumulation] (M.A. Thesis, Pusan University, 1993), pp. 6-7; KSEC, *Samsimnyŏnsa*, p. 24 and 26. According to the company chronology in *ibid.*, pp. 35-41, Kim Yŏnsu's initial holding of 1,000 stocks appears under his company name "Kyŏngsŏng Spinning and Weaving Company" in May, 1939, and was replaced by his Samyang Foundation in November of that year. The latter shrank to 100 shares in 1941 and disappeared from the list in 1942.

¹⁸ Kim Samung, *Ch'inilp'a 100-in 100-mun: Ch'inil ūi kwebyŏn, maeguk ūi nollŭ* [Pro-Japanese collaborators, 100 people 100 questions: Sophistry for collaboration, the logic of treason] (Seoul: Tolbege, 1995), pp. 32-33; Pan minjok munje yŏn'guso ed., *Ch'inilp'a 99-in*, vol. 2, pp. 152-158. Pak was a son of a wealthy grain merchant who accumulated enough land to become a big landlord in the 1920s in Chŏnju. He went to study in Japan in 1900, entered the Japanese Military Academy, and served Japan during the Russo-Japanese War. After coming back to Korea, he became an instructor at the Military School [Mugwan hakkyo]. When the Japanese forced the disbanding of Korean military, he cooperated with the Japanese and began his fast-track career in the military, and then in the Japanese colonial government. He was notorious for his public denunciation of the March First Movement in *Maeil sinbo* in 1919. After leaving government service in 1929, he pursued pro-Japanese activities and served as the vice-president of a pro-Japanese organization *Tongminhoe*. He served a variety of functions at the Chosŏn Railroad Corporation, the Chosŏn Beer Corporation, the Chosŏn Trust Corporation, the Chamber of Commerce, and the Oriental Development Company among others, and received a coveted

directorship [ch'ich'eyök] at Chosŏn Heavy Industries from 1937 until his death in 1939.

The company started off by purchasing a small shipyard, a foundry, and ship repair facilities in Pusan, then expanded, building new factories, slips, and a dock. The shipyard construction was done by Japanese technicians and all the machinery and tools came from Japan too. It was the first modern shipyard in Korea, aimed at steel shipbuilding with two 3,000-ton capacity slips, one 8,000-ton capacity dock, woodshop, a mold loft, and a metal shop,¹⁹ built in the industrial area of Mokto (currently Yŏngdo) Island off Pusan. Annual shipbuilding capacity was 10,000 gross tons (G/T).²⁰ The Mokto industrial area was created by a reclamation project in the 1930s and the construction of Tojin Bridge (now, Yŏngdo Bridge) between the

Councilor [chamŭi] position at the Central Advisory Council [Chungch'uwŏn]. He acquired the vice-presidentship of the Commercial Bank by merging his father's Samnam Bank with the Chosŏn Commercial Bank in 1930, and later became the president. He donated 10,000 won for the Japanese war efforts in 1937 and joined the founding of the "Kyŏnggi Province Kisŏnghoe for Donating Patriotic Planes" with pro-Japanese capitalists of the day, such as Kim Yŏnsu. He was decorated by the Japanese colonial government at his death in 1939. Pak wrote about nationalist issues in his memoir, *Osŏmnyŏn ŭi hoego* [Looking back fifty years of my life], published in 1929. Ironically, Song Kŏnho, a well-respected progressive South Korean intellectual, recalls how much the book impacted him in his middle-school years even though it was written by a famous collaborator, because of the "social environment at the time and the level of [his] consciousness" in the early 1940s. Song Kŏnho, "Pundan 42-nyŏn kwa na ŭi toksŏ p'yŏllyŏk" [42-years of division and my pilgrimage in reading], *Yŏksa pip'yŏng* 1 (Fall 1987: 331-340), p. 332.

¹⁹ Ch'ae Sujong, *Pae iyagi* [Stories of ships] (Seoul: Chiguch'on, 1993), p. 248.

²⁰ "Taehan chosŏn kongsa pyŏnchŏn yakto" in KSEC, *Samsimnyŏnsa*. Gross Tonnage measures the cubic capacity of enclosed spaces both below and above deck, including holds and deck houses, where one ton is taken to equal 100 cubic feet. Jonsson, *Shipbuilding in South Korea*, p. 6.

city of Pusan and Mokto Island from 1932-34.²¹ Soon various factories, shipyards, and lumber and coal companies moved onto the island and the area became the shipbuilding center of colonial Korea.

The company could count on shipbuilding orders from large shipping companies in the colony such as Chosŏn Mail Steamers, whose members participated in the founding of Chosŏn Heavy Industries, and also on the rising demand for new military ships and freight ships for military supply. The colonial government concentrated its military orders at certain large factories or associations of metal shops or yards geared for military production in this period. Chosŏn Heavy Industries, Chosŏn Machine Manufacturing, Chosŏn Leather, Showa Airplane Manufacturing P'yŏngyang factory, Metal Industry Association of Taegu, Pusan Shipbuilding and Ironworks Association, and Munitions Metal Industry Association of P'yongyang, among others, were the recipients of government's military orders.²² The full utilization of shipbuilding capacity in Japan signified a booming demand for repairs done at Chosŏn Heavy Industries.²³ The size of the shipyard expanded tenfold and the capital stock five to six

²¹ Han'guk minjok munhwa yŏn'guso at Pusan University ed., *Pusan ūi yŏksa wa munhwa* [History and culture of Pusan] (Pusan: Pusan University Press, 1998), pp. 152-55.

²² Korean names of these companies are: Chosŏn chunggong'ŏp, Chosŏn kikye chejakso, Chosŏn p'ihyŏk, Sohwa pihaenggi kong'ŏphoesa P'yŏngyang gongjang, Taegu ch'ŏlgong'ŏp chohap, Pusan chosŏn ch'ŏlgong'ŏp chohap, and Pyŏngyang kunsup'um ch'ŏlgong'ŏp chohap. Yi, "Ilcheha Chosŏnin chabon'ga ūi kŭndaesŏng," pp. 229-30, footnote 55.

²³ KSEC, *Samsimnyŏnso*, p. 27.

times by 1943.²⁴ Chosŏn Heavy Industries not only built and repaired ships, but also manufactured marine tools, ship components, and iron structures.

The number of employees at the company grew from 440 in 1938 to 1,038 in 1940. There are conflicting accounts of the size of its workforce by the time of Liberation in 1945, ranging from 1,500 to over 4,000.²⁵ Existing records show that between 1938 and 1944, 59 ships -- small cargo carriers, transport ships, specialty ships, and warships -- were constructed, while 818 vessels were repaired at the yard.²⁶ One reason for the limited number of newly constructed ships was the difficulty of obtaining shipbuilding materials after 1939.²⁷ By 1945, Chosŏn Heavy Industries accounted for 25 percent of new shipbuilding capacity, and 78 percent of ship repair capacity in colonial Korea.²⁸ As noted previously, it remained the largest and technologically most advanced shipbuilding operation in Korea until 1973, when the Ulsan shipyard of Hyundai Heavy Industries went into operation.

²⁴ Pae, "Taehan chosŏn kongsa," p. 7.

²⁵ Sin, "Kiŏp naebu nodong sijang," p. 77; Kim, *Sok Han'guk sŏnbaksa*, p. 255. Publication of the number of workers and the tonnage of new ships at Chosŏn Heavy Industries, which were deemed as military secret, was banned by the military after 1941. KSEC, *Samsimnyŏnsa*, p. 31.

²⁶ Jonsson, *Shipbuilding in South Korea*, p. 67. For the detailed list of orders for both new construction and repairs received by Chosŏn Heavy Industries and the buyers from 1937 to 1945, see Pae, "Taehan chosŏn kongsa," pp. 8-9 and KSEC, *Samsimnyŏnsa*, pp. 27-33. The total of new shipbuilding orders during this period was 112. The actual number could be higher, considering the fact that records between 1943 and 1945 are not complete. Pae, "Taehan chosŏn kongsa," p. 9.

²⁷ KSEC, *Samsimnyŏnsa*, p. 29.

²⁸ Pae, "Taehan chosŏn kongsa," p. 9.

After 1939, regional shipbuilding industry associations were created by law under the Japanese wartime shipbuilding control policy and integrated into the Chosŏn Shipbuilding Industry Association in 1942.²⁹ There were large shipyards other than Chosŏn Heavy Industries at the time, such as Chosŏn Machinery Manufacturing Ltd., Chinhae Naval Manufacturing Ltd., Ch'ŏngjin Shipbuilding and Ironworks, Pang'ŏjin Shipbuilding and Ironworks, Tanaka Shipbuilding and Ironworks, Chinnamp'o Shipbuilding and Ironworks, and Japan Diesel Korean branch office. Among them, only Chosŏn Machinery Manufacturing Ltd. [*Chosŏn kigye chejakso*],³⁰ founded at Inch'ŏn also in 1937, was comparable to Chosŏn Heavy Industries in size, both employing over 1,000 workers.³¹ It was capable of producing marine engines and even small submarines in the 1940s, and later, in the 1980s, became a part of Daewoo Heavy Industries. After 1942, the Japanese colonial government forced the merging and reorganization of smaller yards to streamline production for the war effort. Small

²⁹ Sin, "Kiŏp naebu nodong sijang," p. 76.

³⁰ This is where a pioneer Korean naval architect and the author of *Sok Han'guk sŏnbaksa yŏn'gu* started his career in 1943, shortly after graduating from the Department of Mechanical Engineering at the Keijo [Kyŏngsŏng] Imperial College (today's Seoul National University). He participated in building small submarine hulls there. Five to six submarines were completed up to 1945. Jonsson, *Shipbuilding in South Korea*, pp. 102-103. The company started as a mining machine manufacturing company, but switched to marine engine production and shipbuilding in the 1940s. Kim, *Sok Han'guk sŏnbaksa*, p. 255.

³¹ Sin, "Kiŏp naebu nodong sijang," pp. 76-77. In the early 1940s, there were only a handful of plants in the machinery industry in Korea which employed over 1,000 workers. *Inch'ŏn kigye konggo osimnyŏn* [A fifty year history of Inch'ŏn Machine Technology School] puts the number of workers at Chosŏn Machinery Manufacturing by the end of the Pacific War at 5,400.

shipyards in Pusan were greatly affected.³² These shipyards increased output of steel ships in Korea in the 1940s, reaching 8,400 tons in 1944.³³

Since the modern shipbuilding industry in Korea depended on newly imported shipbuilding technology from Japan, education and training were acknowledged as important in creating skilled workforce besides on-the-job training. Some Korean technical schools existed before the Annexation, and Japanese absorbed them and founded more technical schools up to college level.³⁴ Even though most of the students admitted to these schools in the colonial period were Japanese, out of 2,339 graduates in technical subjects between 1916 and 1945, 633 were Koreans.³⁵ When one considers the gradually expanding general elementary and secondary education in colonial Korea and opportunities to study at technical schools in Japan for a minority of Koreans, it is reasonable to conclude that by 1945 a small group of Koreans with

³² For the details of these mergers, see Kim, *Sok Han'guk sŏnbaksa*, pp. 263-66. Taesŏn Shipbuilding, Taedong Shipbuilding, and Hangdo Shipbuilding in Mokto, Pusan, whose workers had a close relationship with the KSEC union during the 1960s, have their roots in the companies merged at this time. Sin, "Kiŏp naebu nodong sijang," p. 77 and Kim, *Sok Han'guk sŏnbaksa*, p. 264.

³³ Sin, "Kiŏp naebu nodong sijang," pp. 76-77.

³⁴ For example, the School of Commerce and Industry was established by the Korean government in 1899 to teach practical skills in commerce and industry, and an industrial training institute was founded by the government in 1907 with departments for dyeing and weaving, pottery, woodwork, metal engineering, applied chemistry, and civil engineering. Most teachers were Japanese. The latter was absorbed by Keijo Industrial School in 1916. In 1917, a mine engineering department was added and in 1938, mechanical and electrical engineering departments were established at the school. In 1939, the Keijo Mining College was founded, and in 1941, the Keijo Imperial University, founded in 1923, added a faculty of science and engineering. For the establishment of technical schools and departments, see Jonsson, *Shipbuilding in South Korea*, pp. 101-102.

³⁵ *Ibid.*, p. 102.

some degree of technical expertise existed in Korea to help fill the gap created by the departing Japanese colonizers.

Wage labor in shipbuilding appeared with the establishment of Japanese shipyards in Korea. Most skilled workers, however, were Japanese. After the 1930s, as the shipbuilding industry grew faster, the ratio of Japanese to Korean skilled shipbuilding workers in wooden boat construction [*sōndaegong*] was reversed. The number of Korean skilled workers in wooden boat construction began to exceed that of Japanese workers, partly due to the boom in shipbuilding industry in Japan.³⁶ In steel shipbuilding, however, Japanese continued to monopolize the skilled segment of the workforce and Koreans were at the lower end of the skill ladder.

After 1937, the Government-General of Korea tried to solve the problem of the skilled labor shortage in the colony by establishing and funding technical training institutions. Chosŏn Industrial Association, the Skilled Worker Training Institute, and the Communications Bureau Electrician Training Institute admitted hundreds of Koreans and trained them at various machinery manufacturing companies, shipyards, and other heavy-industry companies in the late 1930s and the early 1940s.³⁷ In 1939, a new law, the Order for Factories and Facilities to Train Skilled Workers, imposed on factories designated by the Government-General of Korea a duty to train skilled workers.

³⁶ Sin, "Kiŏp naebu nodong sijang," p. 79.

³⁷ Sin, "Kiŏp naebu nodong sijang," pp. 80-81.

Among the shipbuilding companies, Chosŏn Heavy Industries and Chosŏn Machinery Manufacturing were included. Chosŏn Heavy Industries created an on-site training facility in 1939. This four-year Technician Training Institute [*Kinŭnggong yangsŏngso*] had two departments -- Shipbuilding and Ship Machinery -- and combined morning classroom study with afternoon practical training at the yard.³⁸

Many of these trainees were Japanese, but we can find cases of KSEC workers in the 1960s who had graduated from the Technical Training Institute during the colonial period.³⁹ An Pyŏngjik, Soon-Won Park, and others have suggested that significant skill transfers from Japanese to Korean workers probably occurred in many industries with the intensification of the Pacific War and the increase in the number of Japanese skilled workers mobilized for the war effort. Kwak Kŏnhong,⁴⁰ on the other hand, argued that the skills acquired through wartime training courses were limited in nature, and many trainees were young, apprentice-level workers, rather than regular adult workers moving up the skill ladder.

³⁸ For the company training course at Chosŏn Heavy Industries after 1939, *ibid.*, p. 82. The graduates also received a diploma for second-type common school [*ŭlchong pot'ong hakkyo*].

³⁹ Kim Kudong, Son Yongch'ul, Yun Hŭibong, and Choe Chaesik of the KSEC, and Yŏ Suhŏn of Taesŏn Shipbuilding graduated from the institute before 1945. Choe only studied for a year because he started the training in 1944, but the rest had 4-year training. *Chogong* [the KSEC], October 1976 and March 1980; The KSEC Union Archive #3 and #9 (for the list of union documents in the archive and the title of the volume which corresponds to the number given here after # symbol, see Appendix A).

⁴⁰ Kwak, *Chosŏn nodongja*, pp. 348-49.

The résumés of the five workers who had graduated from the Technical Training Institute at Chosŏn Heavy Industries during the colonial period preserved in the KSEC union archive reveal that all five started training at an early age (age 14-15), and after graduation, three out of five stayed at the company and two went to work at yards in Japan and came back to Chosŏn Heavy Industries or nearby Taesŏn Shipbuilding after the Liberation. Other workers were trained at technical schools or industrial high schools in Japan, mostly in Osaka, during the colonial period, worked at Japanese yards or metal shops, and came to work at the KSEC later.⁴¹ As we can see in Appendix C, quite a number of KSEC workers learned their trade at various shipyards or metal shops either in Korea or in Japan during the colonial period before coming to work at the KSEC.

This means that there existed skilled Korean shipbuilding workers with years of technical education and job experience at the yard by 1945 and that they stayed put after the departure of Japanese colonizers. Nevertheless, their skill levels were quite limited, as we will see in Chapter 8, which discusses the faltering of the Korean shipbuilding industry after 1945.

⁴¹ Among these workers were Kang Insu (Osaka Nakayama Steelworker Training Institute, 1942-44), Kim Kyŏnggon (Osaka Industrial High, 1940-43), Pak Hojin (a Fukuoka industrial high school, 1944-46), Son Taegŭn (an industrial youth school in Japan, ?-1945), Yi Tŏkcho (an industrial school in Japan, 1934-36), Yi Tongjin (an electrical welding school in Osaka, 1942), and Chŏn Ch'angsŏk (Kanbe Fugiai Industrial School Machinery division, 1936-39). KSEC Archive #3 and #9.

Chapter 3. Nationalism, Socialism, and the Labor Movement

The Development of the Colonial Labor Movement

With the emergence of wage labor in Korea, workers' organizations began to appear in cities and towns. The early labor organizations were closer to labor-supply institutions in nature. They emerged among dock workers from the end of the nineteenth century at the ports opened to trade with Japan and the West. Dock workers were organized into local labor associations, called "*tojung*," which negotiated and secured work at the dock, distributed it to their members, and collected a commission (usually one tenth of the wage) from workers.¹ A foreman (*sipchang*) represented a few dozen workers under him and controlled them in the work process. Transportation workers such as A-frame porters had similar organizations.

Workers, foremen, and Korean merchants -- inland trade brokers [*kaekchu*] -- who hired workers through these labor organizations generally maintained a paternalistic relationship, in which a strong sense of community and mutual respect for duties and mutual obligations prevailed. Older workers in *tojung* were protected and guaranteed an equal amount of wages regardless

¹ For dock workers' early organizations, see Kim, *Ilcheha nodong undongsa*, pp. 267-71 and Yang Sanghyŏn, "Hanmal pudu nodongja ūi chonjae yangt'ae wa nodong undong" [Dock workers' situation and the labor movement at the end of the Chosŏn dynasty] (M.A. Thesis, Seoul National University, 1984).

of their contribution of muscle labor to the day's work.² Many of the early labor associations in the transportation sector, organized by occupation, had some degree of customary right to assign workers of their own choosing to the work the association contracted.³ Japanese companies, in time, began to attack this order of moral economy by establishing alternative labor-supply organizations such as *Chungsa chohap* at ports and channel work to them in order to lower wages and to gain control over hiring and firing of workers. Under the new system, workers lost control of work distribution. Older workers lost protection and were pushed out. At some ports, greedy Korean *kaekchu* merchants also levied high commissions on dock workers' meager wages.

Workers did not accept this violation of what they regarded as fair and just practices in their occupation. Many strikes and labor disputes against Japanese-controlled labor-supply organizations and Korean *kaekchu* merchants ensued over issues of hiring and skimming of wages. The most dramatic and effective strikes of Korean workers during the colonial period occurred at the ports by dock workers. These strikes shut down the ports and paralyzed the colonial economy. One of the earliest solidarity strikes by longshoremen occurred in Pusan in 1921, and the "Wönsan General Strike" of 1929 by oil refinery and dock workers

² Kim, *Ilcheha nodong undongsa*, pp. 267-71; Yang, "Hanmal pudu nodongja," pp. 38-45.

³ For example, associations of longshoremen, A-frame porters, water carriers, grain carriers, river transport laborers, workers at rice-milling plants had such arrangement. Kim, *Ilcheha nodong undongsa*, pp. 278-304.

started in the port city of Wŏnsan is regarded as the culmination of the development of the colonial labor movement. Almost all the ports in Korea experienced dock workers' strikes at one time or another during the colonial period.

As we have seen in Chapter 1, the majority of industrial workers in colonial Korea were non-factory workers. Large-scale factories emerged when heavy-industry buildup started in the late 1930s, but by that time the Korean labor movement was experiencing severe repression under a colonial government that was trying to direct the wartime transformation of society and economy. During the 1920s and early 1930s -- the peak of Korean labor activism during the colonial era -- labor organizations emerged among transportation workers (dock workers, A-frame porters, electric car workers, rickshaw workers, ship workers), commerce and service sector workers (shop clerks and restaurant workers), carpenters, iron workers, shoe makers, Western-clothing makers, water carriers, and daily laborers.

Among factory workers, those at Korean-owned small-to-medium-sized factories in rice-milling, sock-making, shoe-making, printing, rubber, and textile industries actively organized and waged numerous strikes.⁴ Textile and rubber-shoe factory workers,

⁴ For the list of labor organizations and strikes in major cities -- Seoul, P'yongyang, Pusan, Taegu, Mokp'o -- during the colonial period, see Kim, *Ilcheha nodong undongsa*, Appendix, pp. 522-67. Kim's book is the most comprehensive study of the colonial labor movement to date and offers a wealth of information on labor, culled from contemporary newspapers and journals. For the list of early unions, starting from a dock workers' union organized in 1898, see the Table 1-6 of FKTU, *Han'guk nodong chohap*

the majority of whom were female, waged numerous strikes during the colonial period, which often escalated into long and fierce battles. Revealingly, unionization at large Japanese factories was relatively less successful.

Since the 1920s, workers in the printing and publishing industries played a very active role in major cities because of their higher level of education and proximity to the vibrant urban culture and socialist circles, both of which flourished under a new colonial policy of "Cultural Rule"⁵ during the 1920s. Union density reached over 15 percent in some occupations, such as printing, and the average size of unions was about 100 members.⁶ The number of labor organizations increased from 33 in 1920, to 128 in 1925, 488 in 1928, and peaked at 561 in 1930. Then it decreased to 334 in 1933, 250 in 1934, and 207 in 1935.⁷

undongsa, p. 15. For the information on strikes, see *ibid.* and Kim, *Han'guk nodong undongsa I*.

⁵ The cultural policy (*bunka seiji*) was a more developed technique of colonial management than the preceding "military dictatorship policy" (*budan seiji*). It combined a more liberal attitudes in economic and cultural policies, designed to coopt the Korean bourgeoisie and intellectuals and modify world opinion on Japanese brutality, on the one hand, and tighter policing and surveillance of every aspect of colonial life by greatly increased police force, on the other hand. See Wonmo Dong, "Japanese Colonial Policy and Practice in Korea" and Michael E. Robinson, *Cultural Nationalism in Colonial Korea, 1920-1925* (Seattle and London: University of Washington Press, 1988). Robinson focuses on the success of the cultural policy in coopting cultural nationalists, while Dong emphasizes its failures. The cultural policy permitted Korean intellectuals to create and enjoy themselves in Westernized, modern, comfortable, and satisfying urban cultural enclaves, centered around newspapers, magazines, publishing companies, social organizations, or modern entertainment facilities such as theaters or bars.

⁶ Kim Kyŏng'il puts the union density among Seoul printing workers in the 1920s at about 15 percent. Union density in Japan between 1924 and 1937 was 5 to 7 percent. Kim, *Ilcheha nodong undongsa*, pp. 109-11.

⁷ *Ibid.*, p. 83.

One distinctive feature of the Korean colonial labor movement is that its development was from the start closely intertwined with the socialist and nationalist movements of the time. Socialist ideas began to be introduced in Korea as early as the 1880s. Among diverse strains of socialism introduced in Korea, anarchist thought held the strongest appeal until the Russian Revolution of 1917 and the rise of Communist influence thereafter.⁸ Korean anarchists, especially anarcho-syndicalists, were active in the early development of the labor movement during the colonial era. Many early labor organizations, including the first national labor organization, Chosŏn Labor Mutual Aid Society [*Chosŏn nodong kongjehoe*], were founded with the help of anarchists.⁹ From the mid-1920s, the Communists became the dominant player among socialist labor activists and influenced the organized labor movement in colonial Korea profoundly.

⁸ On the introduction of socialist ideologies in Korea since the late nineteenth century and the development of the Korean anarchist movement in the colonial period, see Yi Horyong, *Han'guk ūi anakijūm: Sasangp'yŏn* [Anarchism in Korea: Thoughts] (Seoul: Chisik sanŏpsa, 2001). Yi argued that in the 1910s after the Annexation, overcoming the social evolution theory that provided a justification for Japanese imperialism, and finding an alternative framework of thought suitable for building an anti-imperialist movement became an urgent task for many intellectuals. Many accepted socialist ideologies, especially anarchist thought such as Kropotkin's mutualism [*sangho pujoron*], as a solution. Yi emphasized the role anarchists played in Korean social movements in the 1910s and 1920s and pointed out that the rapid development of Communism (Marx-Leninism) in the early 1920s owed a great deal to the prior achievements of anarchists and other socialist activists.

⁹ It was divided in 1922 after violent clashes between anarchist and Communist members. Yi, *Han'guk ūi anakijūm*, pp. 96-98, 187-89; Cho Sehyŏn, *Tong asia anakijūm, kū panyŏk ūi yŏksa* [East Asian anarchism, the history of revolt] (Seoul: Ch'aek sesang, 2001), pp. 107, 140. For examples of anarchist activities in the Korean labor movement during the 1920s, also see Yi, *Han'guk ūi anakijūm*, pp. 98-107, 183-84; Kim Kyŏng'il, *Ilcheha nodong undongsa*, pp. 413-26.

Many non-socialist nationalist intellectuals and national capitalists were also involved in founding labor organizations during the 1910s and early 1920s. These developments were part of the nationalist enlightenment project of these nationalists, and happened before colonial industrialization began in earnest and before class consciousness, in the sense of a realization of the existence of conflicting class interests, had entered the psyche of either workers or capitalists.

The concept of "class" itself was still vague and inclusive at the time. Many socialists in the early 1920s defined "class" not in relation to ownership of the means of production, as Communists did, but by a dichotomy of "exploiting class" and "exploited class," thus revealing the heavy influence of anarchism.¹⁰ The "labor union" in this period, therefore, often included all the "people who labor," all the people in the "exploited class," that is, not just industrial workers but also, for example, exploited tenant farmers. The resulting labor organizations were thus quite inclusive in nature. The aforementioned Chosŏn Labor Mutual Aid Society, founded in 1920 in Seoul, illustrates this tendency. Under a newly coined term "tenant worker" [*sojagin nodongja*], it identified the tenant issue as a central issue of the labor movement. Many of its branches organized tenant divisions and focused energy on the

¹⁰ Yi, *Han'guk ūi anakijūm*, pp. 99-101.

tenant movement, reflecting the low level of industrialization at the time.¹¹

Some of these labor unions had sympathetic capitalists as members or advisors.¹² Since the activity of organizing workers was seen in the context of a nationalist mission to enlighten ignorant Korean "masses" and strengthen the base of Korean national power in order to reach the eventual goal of national independence, Korean nationalists, even capitalists, did not perceive any class conflict in helping to organize labor. Of course, they did not regard manual workers on equal terms. Korea in the 1920s was definitely a Confucian status-conscious society, with deep-rooted disdain of manual labor. The attitude of Korean capitalists toward workers was paternalistic at best, and easily slipped into contempt and repression when workers raised their voices or made demands that clashed with their interests. The treatment of workers as lowly "tenants' daughters" at the textile firm of the famous national capitalist Kim Yönsu illustrates this point.¹³

¹¹ *Ibid.*, pp. 168-69. For example, the Taegu, Kwangju, and Chinju branches of the Labor Mutual-Aid Society were very active in organizing tenant farmers. *Ibid.*, p. 103. There were many organizations that had "labor" in their title, but actually had tenants or agricultural workers as members.

¹² For example, a gold and silversmith union in Seoul, a shoemakers' union in Chinju, and a sock factory union in P'yongyang admitted shop or factory owners as members in the early 1920s. *Ibid.*, pp. 271-74.

¹³ For the poor treatment of workers and the repression of strikes at Kyöngsöng Spinning and Weaving Company, see Eckert, *Offspring of Empire*, pp. 192-222. Eckert summarizes "national capitalist" Kim Yönsu's anti-labor policy as an attitude putting "class over nation." Such a track record, according to Eckert, weakens the Kim family's claim for "nationalist" credentials. Kenneth Wells, on the other hand, sees no

The endorsement of labor organizing by the nationalist elite at least during the early stage of the development of the labor movement provided a layer of nationalist legitimacy for the burgeoning labor unions. The socialist movement of the 1920s and early 1930s raised -- theoretically at least -- the position of labor unions one-step further, by placing them at the center of the social movements for national liberation and social transformation. Considering the culture of regarding manual work as the symbol of the lowborn class, a culture still strong in today's Korean society, this acceptance of industrial workers and trade unions as well as tenant farmers as part of a nationalist endeavor was in itself a remarkable development in Korean society. It was a development, it seems, made possible by the enormous shock of losing sovereignty to Japan.

Around 1922-23 in Seoul, and in 1923-24 in other cities,¹⁴ the influence of socialists began to overtake that of non-

contradiction in claiming a leadership status in the "nationalist" movement and oppressing workers. Wells criticizes Eckert for employing a definition of nationalism that is too narrow. Kim Yönsu was a capitalist and a nationalist who "did not regard a factory strike as a nationalist issue" but "a matter of industrial relations." See Kenneth M. Wells, *New God, New Nation: Protestants and Self-Reconstruction Nationalism in Korea, 1896-1937* (Honolulu: University of Hawaii Press, 1990), p. 167. Considering that elitist mentality and male chauvinism have been traits of many Korean male nationalists, it would be unrealistic to allow "nationalist" credentials only to those nationalists who genuinely embraced the whole population as legitimate participants in the nation-building process, the end result of which would benefit the weak and the powerless as well as the elite. Eckert's point, however, is relevant and important in revealing the emptiness of the nationalist claims by capitalists like Kim Yönsu. Kim Yönsu was a collaborator par excellence and Eckert's book shows how he sold out the national interest time and again by cooperating with the Japanese colonial rulers in order to enhance his own position and profits.

¹⁴ Kim, *Ilcheha nodong undongsa*, p. 382.

socialist nationalists in social movements, including the labor movement. With the dissemination of socialist ideas, the concepts of class antagonism, capitalist exploitation, and industrial labor's historical mission as the main force for building a new society became common themes in the media, lecture circuits, public discussion forums, night schools and theaters. Expanding industrialization in the 1920s also made conflicting class interests of owner-capitalists and wage workers more conspicuous to both parties.

Gradually, various types of labor organizations converged into a trade union format along the lines of occupation or region, and cases of mixed class membership in labor unions disappeared. The separation of industrial and tenant unions was decided at the national level in November 1925¹⁵ and from around that time local organizations also went through a process of reorganizing themselves or changing their names to clarify their organizational identity. On the negative side, the heavy involvement of intellectual activists in the union movement meant that some labor unions, such as printers' unions, newspaper delivery workers' unions, and iron workers' unions, which had close ties to intellectual activists, were especially affected by the struggle between the non-socialist "cultural nationalists" and the socialist activists of diverse ideological origins,

¹⁵ The actual assembly for the separation was scheduled for April 1926, but did not materialize because the police denied the request for a meeting permit. The separation was finalized in October 1927 by a proxy assembly by writing. Kim, *Han'guk nodong undongsa I*, p. 125.

between anarchists and Communists, and among different factions of the Communist movement.

The influence of intellectual labor activists on labor activism has often been blown out of proportion in leftist literature in South Korea. Many strikes during the colonial period, however, did not involve guidance by activists or even a union, and spontaneous strikes oftentimes led to union organization or to reform of existing unions. According to Kim Kyŏng'il, labor unions were involved in 90 (21 percent) of the 429 strikes in five major cities between 1920 and 1939 that were reported in contemporary newspapers.¹⁶

The number of labor disputes peaked in 1931 with 205 cases involving 17,114 workers and gradually declined through the 1930s. The main demands of workers in strikes between 1921 and 1935 were wage increases (37.6 percent), repeal of wage reductions (21.3 percent), and better treatment (10.8 percent). The latter included demands for better facilities, longer rest and lunch times, and apology or punishment for physical and verbal abuse of management personnel.¹⁷ The rest were about reduction of work hours (usually one-to-two-hour reductions from 12-to-14-hour days); repeal of compulsory savings and onerous fines; complaints about the dormitory system; better payment for holidays, night work, work injuries, or apprenticeship; installation of a

¹⁶ Kim, *Ilcheha nodong undongsa*, p. 360.

¹⁷ Kim Kyŏng'il's analysis of 1,712 strikes during 1921-1935. *Ibid.*, pp. 319-20.

promotion system; abolition of temporary worker systems; reinstatement of fired workers; and release of arrested strikers.

Workers in strikes exhibited a strong sense of solidarity and community. In numerous cases, workers resisted scabbing saying "we can't take away other people's rice bowl!" and showed solidarity by donating money or mounting solidarity strikes. Since Korean workers were relatively homogeneous in their skill-levels and the kind of treatment they received by the company, division among workers during strikes was not conspicuous. In the P'yŏngyang rubber workers' general strike of 1930, which lasted 23 days and involved 1,800 workers in 11 rubber factories, even highly-paid technicians joined the strike out of solidarity.¹⁸

Poor treatment by supervisors or managers often exasperated workers. Not only dangerous working conditions and low wages, but also insults, hitting, and cursing were prevalent as methods of labor control in factories at the time. Such methods reflected the view by capitalists that Korean workers lacked sense of time and the spirit to work hard, harbored a cultural disdain for labor and factory rules, had a low level of intelligence and independent spirit, and were irresponsible, ungrateful, lazy, impatient, shameless, ignorant, rebellious, and

¹⁸ For the details of the strike, see Lee, *Yŏsŏng nodongja undongsa* 1, pp. 48-51; Kim, *Ilcheha nodong undongsa*, pp. 341-45.

prone to theft and a mob mentality.¹⁹ The accumulation of anger among the workers against management's attitudes toward them often caused a strike or escalated a peaceful strike into a violent one.²⁰

Labor unions during the colonial period developed an array of union activities to educate and mobilize rank-and-file workers. The leadership was usually comprised of an executive committee, and regular meetings of union officials and the annual general assembly were held following democratic meeting procedures. Western meeting procedures had been disseminated since the days of the Independence Club in the late nineteenth century, and were absorbed and adopted through numerous public meetings and discussion forums in social movement circles by the 1920s as a symbol of modern citizenship. Union meetings were no exception.

Public union meetings were often accompanied by a variety of musical or theatrical entertainment mixing traditional and Western cultural forms for an audience usually deprived of

¹⁹ A survey result from eighty-two mines and factories on the characteristics of Korean workers was published in *Labor Relations in Korea* [Chōsen rōmu] August, September, and December 1943 issues. See Kwak, *Chosŏn nodongja*, p. 127. Kim Kyōng'il cites similar claims from contemporary Japanese industrial journals and documents in Korea. Kim, *Ilcheha nodong undongsa*, p. 69. Kang Isu analyzes contemporary Japanese writings on the problems of Korean workforce as the background for the evolving Japanese logic of labor control in Korea throughout the colonial period. Kang Isu, "Kongjang ch'eje wa nodong kyuyul," pp. 130-37 and 152.

²⁰ For example, Chōnju female factory workers restarted a strike against the lengthening of work hours from 14.5 to 16 hours a day in 1930 after the company said in public that the strike was the result of a misunderstanding of workers about the workings of the company clock at the factory which management claimed was erratic, sometimes going faster and sometimes going slower. Female workers were furious about the company's perception of workers as "people who don't know how to read a clock" and "fools who know nothing." *Chosŏn ilbo* 7/4/30, 7/5/30, 7/7/30; Kim, *Ilcheha nodong undongsa*, p. 61.

chances to participate in urban cultural events. After the meeting, workers enjoyed a mix of traditional and Western musical performances, songs and dances, short comedy plays and "social plays" including themes involving the labor movement, stand-up comedies, and martial-art displays.²¹ Unions published bulletins, wall newspapers or "live," i.e., oral newspapers, and in some cases, books oriented to workers. Unions actively organized lectures, discussion forums, speeches, street parades, picnics, sports events, paper-lantern parades, music concerts, libraries, night schools, and study groups. Some unions launched ambitious projects surveying workers' living and working conditions in the late 1920s. Others had designated hospitals for members and consumer cooperative projects. Union flags, badges, and cards were introduced too. In other words, most of the features of today's South Korean trade union activities were already introduced and developed in the colonial trade union movement. Through the union, organized workers encountered and enjoyed a wealth of cultural experiences of colonial modernity.

Heavy-industry Workers' Activism

Not much research has been done on the experiences and activities of metal workers during this period. Iron workers' unions [*ch'ŏlgong chohap*] were organized in major industrial

²¹ *Ibid.*, pp. 443-45. Kim Kyŏng'il devotes a chapter (Ch. 8) to cultural activities of unions during the colonial period. I relied on *ibid.*, pp. 428-69 for information on cultural activities of unions.

cities including Seoul, Pusan, Inch'ŏn, Hamhŭng, Wŏnsan, Chŏnju, Kunsan, and Kwangju during the mid-1920s and generally had close relationships with socialist -- especially Communist -- activists. A national-level organization, the Alliance of Chosŏn Iron Workers' Unions [Chosŏn ch'ŏlgong chohap ch'ongdongmaeng] was founded in 1926, even though not many reports on its activities are found in contemporary newspapers.²²

It is not easy to differentiate shipbuilding workers from other metal and machinery workers by the name of the company or of the union. Since shipbuilding requires a variety of metal products, machine tools, marine engines, and other ship components, and the machine industry at the time was not yet advanced enough to provide necessary products to shipyards, modern shipyards in those days were often also ironworks and machine manufacturing factories. Thus, shipyards often were named "ironworks" [ch'ŏlgongso], and some machine manufacturing companies had shipbuilding operations on the side. Chosŏn Heavy Industries maintained two main production departments -- shipbuilding and shipbuilding machinery -- and the latter included machine, engine, pipe, electrical, machine tools, model construction, iron, and copper factories among others.²³

In his survey of colonial newspapers, Kim Kyŏng'il found twelve strikes by iron, machine, and shipbuilding workers in Seoul and Pusan between 1923 and 1934. The strike participants

²² *Ibid.*, p. 237.

²³ KSEC, *Samsimnyonsa*, p. 101; Sin, "Kiŏp naebu nodong sijang," p. 93.

ranged between 8 and 800 workers and the strikes lasted 1 to 26 days. The biggest was the 1922 strike of Mokto factory workers, in which over 800 workers demanded a wage increase. Mokto at the time was, as mentioned earlier, a major shipbuilding center in Korea and many metal shops as well as yards were located there. Mokto shipyard workers staged a strike in 1929 (80 workers) for a wage increase, and again in 1930 (112 workers) against a coordinated wage reduction by the shipyard owners' Shipbuilding Association. Both ended with a compromise.²⁴ During the 1930 strike, shipbuilding workers established a "work department" for starting their own shipbuilding business to pay for the strike costs and the living expenses of strikers.²⁵ Sin Wŏnch'ol, however, concluded that the striking shipbuilding workers were mostly Japanese skilled workers and Korean skilled workers were very few at the time.²⁶ A separate shipbuilding workers' union existed in at least one case -- Mokto Shipbuilding Employee's Union -- but not much is known about the composition of its membership.²⁷

The labor movement in Pusan with 81 strikes between 1920 and 1940 is evaluated as a relatively weak one, compared to that of

²⁴ Kim, *Ilcheha nodong undongsa*, pp. 557-60; Sin, "Kiŏp naebu nodong sijang," p. 78.

²⁵ Kim, *Ilcheha nodong undongsa*, pp. 417-18. Kim regards the popularity of the "work department" idea as a sign of anarcho-syndicalist influence in the labor movement.

²⁶ Sin, "Kiŏp naebu nodong sijang," p. 78. He uses the reports on *Tong'a ilbo* 9/21/25 and *Chosŏn ilbo* 6/10/30, 6/22/30 as evidence.

²⁷ Kim, *Ilcheha nodong undongsa*, pp. 527-29.

Seoul (186 strikes) or P'yongyang (111 strikes).²⁸ Because of the location of Pusan as the main gateway between Korea and Japan, the ratio of Japanese workers in Pusan was higher than in other cities and ethnic discrimination and tension at work places were higher. The colonial authority and capitalists of Pusan were well aware of the danger of labor militancy from early on because of the dock workers' strike in 1921. Therefore, pro-company labor organizations were organized and nurtured by colonial authorities and capitalists as a preemptive measure from the early 1920s, earlier than in other cities.²⁹ But as the center of shipbuilding industry in colonial Korea, Mokto was where shipbuilding workers' activism was most vibrant during the colonial period. Mokto, an island connected to the city of Pusan with a draw bridge, was also developing as an industrial enclave with numerous small factories and shipyards.

Wartime Labor Control

Korean workers' strikes continued throughout the 1930s and up to 1942.³⁰ After the start of the Chinese-Japanese War in 1937,

²⁸ Kim Kyōng'il compared the labor movements in major Korean cities and reached such conclusion. *Ibid.*, pp. 312-16.

²⁹ *Ibid.*, pp. 283-84.

³⁰ The numbers of reported labor disputes and participants in the 1930s were 160/18,972 in 1930, 205/17,114 in 1931, 152/14,824 in 1932, 176/13,835 in 1933, 199/13,098 in 1934, 170/12,058 in 1935, 126/7,658 in 1936, 95/9,209 in 1937, 83/6,438 in 1938, and 135/8,860 in 1939. *Ibid.*, p. 309. Kwak has higher numbers for years after 1936 (138/8,100 in 1936, 99/8,706 in 1937, 90/6,929 in 1938, 146/10,128 in 1939) and provides statistics for 1940 (96/4,045) and 1941 (56/1,799). Kwak, *Chosŏn nŏdongja*, p. 336. The major strikes in 1940 and 1941 were mostly waged by miners. *Ibid.*, pp. 338-39.

however, organizational and strike activities of Korean workers as well as political activities by Koreans in general were put under extreme surveillance and repression by the Government-General of Korea and its expanding police forces. The radical labor union movement, led by Communists, was forced to go underground as "red unions" [*chöksaek nojŏ*]. Working conditions deteriorated significantly, already long work hours even more lengthened, real wages declined, and workers' mobility was restrained by wartime policy of securing labor power at workers' sacrifice. As we saw in Chapter 1, many Korean workers were forcefully mobilized for mining and factory work in Japan. The Government-General of Korea organized "Patriotic Work Corps" [*Küllo poguktae*] and through them mobilized workers for domestic construction projects. A total of 4.6 million able-bodied men (ages 14-40) and women (ages 14-25) were mobilized through the Patriotic Work Corps for a period of one month or longer within Korea.³¹ About 1.5 million workers were sent to Japan, Sakhalin, and South Pacific islands.

The colonial government devised a variety of ideological programs to transform Korean workers into "industrial warriors for the Japanese empire" [*hwangguk sanŏp chönsa*]. Existing labor unions removed "union" from the name to better convey the "Japanese spirit" or were forced to disband. Union halls were closed by the police and union officials were arrested while

³¹ For the "Patriotic Work Corps" see *ibid.*, pp. 99-109.

doing nothing more than ordinary union activities. Instead, police-controlled labor control organizations were created to replace unions under various names such as "Security Association."³² A new labor control institution, "Chosŏn Labor Relations Association" [*Chosŏn nomu hyŏphoe*], was created in 1941 by the Government-General of Korea to raise workers' consciousness about the nobility of labor and to encourage the spirit of labor-capital cooperation among capitalists.³³ The association had branches down to the county level. It worked as a conduit for the colonial labor policy and ran leadership training programs to nurture "core workers" [*chunggyŏn nomuja*].³⁴

In 1943, the colonial government began to reorganize the factories and mines with the concept of "Industrial Corps as Combat Organizations" [*chŏnt'u chojik ŭrosŏŭi sanŏp kundan*]. A notice by the Japanese Administrative Superintendent explained the concept this way: "Just as the Imperial Military is dedicated to the exaltation of a military spirit following the organization of military corps under the commander-in-chief, with every one, no matter how high or low their status, functioning as one body, [people in production] should unite by creating a relationship in which the CEO assumes the role of a commanding general of the

³² *Ibid.*, pp. 481-83.

³³ For the association, see *ibid.*, pp. 184-90.

³⁴ A similar leadership training program was deployed in the countryside as a part of the Rural Revitalization Campaign, which aimed at turning educated local youth into "cores" or "mainstays" [*Chunggyŏn inmul*] who would replace the landed class as village leaders. See Gi-Wook Shin, "Colonial Corporatism: The Rural Revitalization Campaign, 1932-40" in Shin and Robinson eds., *Colonial Modernity*, pp. 70-96.

corps, the head of a plant a unit commander, the section chief a company captain, section employees platoon leaders, foremen [chikchang] squad leaders, and regular workers as soldiers."³⁵ Based on the "Patriotic Units" [Aeguk pan] in mines and factories, which were created across the country down to the village and work-site level during the deployment of the Patriotic Work Corps, workers were organized into "Serving-the-Emperor Corps" [Sabongdae] to serve in the battle for productivity increases. All the employees were organized into the Corps starting with squads of ten workers each at the bottom.³⁶

Ideological inculcation was intensive and complex. Songs, speeches, education in the Japanese language and imperial ideology, movies and plays, sports and martial arts classes, calisthenics, life-style reform movements, and various prizes for model workers were utilized to transform workers into productive and obedient industrial fighters. The sweeping ideological control did not overlook the power of language in workers' identity formation. The term *külloja*, which means "a person who works diligently," replaced the established term *nodongja*, which means "a person who labors," as a preferred word for industrial workers in official language. Interestingly, the same switch also gradually occurred during the 1950s and 1960s. By the 1970s the word *külloja* settled in as the official term for workers and

³⁵ A notice of the Administrative Superintendent [Chöngmu ch'onggam] in August 1943. Kwak, *Chosön nodongja*, pp. 197-98.

³⁶ For the organization and training of "Serving the Emperor Corps," see *ibid.*, pp. 200-213.

the word *nodongja* became a subversive word. It smacked of Communism and was avoided by most people, except for a minority of leftist activists. Another term inherited from this era is "industrial fighters" [*sanŏp chŏnsa*], heavily used by the Park Chung Hee regime during the export-driven rapid economic development of the 1970s to invoke a sense of nationalist mission among workers.

Thus, a system of militaristic organization and control in workplaces took root in Korea in the early 1940s. That was in many ways similar to the authoritarian labor control regime of South Korea in general after the 1970s, and in particular the militaristic labor control regime at Hyundai Heavy Industries in the 1970s and 1980s.³⁷ The Japanese methods of inculcating obedience and diligence through calisthenics, didactic speeches, and strict control of attire and manners were also inherited by the South Korean school system and later reproduced in *chaebŏl*-owned modern shipyards. The way the Japanese reorganized the life of workers and the Koreans in general during the Pacific War left a long-lasting negative legacy for Korean workers and labor relations. Those methods were later resurrected by a regime bent on labor repression and mobilization.

³⁷ Kwak points out the top-down communication channel, the forced calisthenics sessions and early arrival regime, and control of hair length and dress codes as signs of the reappearance of the colonial militaristic control on the heavy-industry workplaces of the 1970s and 1980s. Kwak, *Chosŏn nodongja*, p. 215. Such labor control system was not conspicuous at all at the KSEC during the 1960s, suggesting its artificial reintroduction as a labor control method during the 1970s.

There is no record of a "Serving-the-Emperor Corps" or a "Patriotic Unit" at Chosŏn Heavy Industries. But since all factories employing more than 100 workers had to organize the "Serving-the-Emperor Corps,"³⁸ we can assume that Chosŏn Heavy Industries was no exception. Not much research has been done on the subject of labor activism during the late 1930s and the early 1940s, except for the studies of the "red union" movement, which was strong in the northern part of Korea. Once the militaristic control and surveillance system was in place, strikes were not a possibility. Workers had to find indirect ways of resistance, such as running away, sabotage, absenteeism, or destruction of factory facilities,³⁹ just like the tenant farmers who had to resort to "everyday forms of resistance" during the same period.⁴⁰ One of the ways of resisting colonial exploitation was arson against factories. In 1943, there was a case of arson at Chosŏn Heavy Industries. Yun Yŏdŏk treats the incident as a part of workers' struggle against Japanese military efforts, but there is not enough evidence to prove it either way.⁴¹

In sum, Korean industrial workers' activism during the colonial period left important resources and legacies for the

³⁸ *Ibid.*, p. 201.

³⁹ FKTU, *Han'guk nodong chohap undongsa*, pp. 236-39.

⁴⁰ For the concept of "everyday forms of resistance," see James Scott, *Weapons of the Weak: Everyday Forms of Peasant Resistance* (New Haven: Yale University Press, 1985). For the Korean tenants' activism expressed in "everyday forms of resistance," see Shin, *Peasant Protest*, passim.

⁴¹ Yun Yŏdŏk, *Han'guk ch'ogi nodong undong yŏn'gu* [A study of the early labor movement in Korea] (Seoul: Ilchogak, 1991), pp. 228-29.

future workers to exploit in the development of Korean labor movement. The legitimacy of trade unions was accepted by the nationalist elite and the general society, based on the nationalist idea of cultivating the economic and cultural capacity of the nation as a whole in preparation for independence. Workers acquired valuable experiences and knowledge of the union movement through strikes, regular union operation, union education, and diverse cultural activities. Workers experienced modern industrial labor control regimes and waged numerous strikes, including solidarity strikes and general strikes, against what were perceived as unfair and unjust acts of capitalists. The development of working-class consciousness during the colonial period was naturally not uniform among workers in various sectors. The repression of the labor movement and intense ideological control of workers after the 1930s made matter more complicated. In the process of numerous labor disputes in the 1920s and 1930s, however, industrial workers demonstrated their consciousness as wage workers exploited and abused by capitalists, and exhibited a sense of solidarity with other workers.

On the negative side, Korean labor movement became accustomed to a system of extensive police surveillance of union activities, including police attendance and control in every public meeting of unions. The collaboration of capitalists and the state against labor became a well-established pattern after

the leftist forces were defeated in the early 1930s and again in the late 1940s. The militaristic labor control system adopted during the Pacific War under the facade of labor-capital cooperation for the national (imperial, under the colonial rule) cause of increased productivity provided a mold for a new authoritarian labor control regime based on economic nationalism in the 1970s. Now it is time to turn to the postwar situation and examine what these colonial legacies meant to the industry, its workers, and their activism.

Chapter 4. Worker Militancy in the Postwar Years

The KSEC's official history, *A 30-year History of the Korea Shipbuilding and Engineering Corporation*, begins its description of the labor situation at the company during the volatile period under the U.S. military rule as follows.

Taking advantage of the political and social confusion and disorder, agitation, propaganda, and the organization of leftist elements spread with fierce intensiveness and prevailed across the country. Since leftist elements usually gave priority to factories with many workers, and concentrated on strengthening their organization there, Chosŏn Heavy Industries was no exception.¹

The company goes on to state that:

Some employees were deluded by this tactic and joined the infiltration project of the Communist party. Under the beautiful name of improving the welfare of the employees, these Communists crazily pursued cell organization while engaging in destruction and theft. They doggedly pursued confrontation and agitation in every matter and forcefully convened public meetings, while forcing blind adherence in private through threats and violence. Even good-natured employees had to follow them perfunctorily, fearing their vicious power. They even forced people to join their organization, the National Council of Korean Labor Unions [*Chŏn'guk nodong chohap p'yŏng'ŭihoe*; hereafter, *Chŏnp'yŏng*],² saying that they would deprive people who did

¹ KSEC, *Samsimnyŏnso*, p. 55.

² For a list of studies on *Chŏnp'yŏng*, see An, *Chŏnp'yŏng*, pp. 18-20.

not join the Council of their eligibility for benefits and good treatment The Chosŏn Heavy Industries Management Task Committee officials agonized over the way to block the Communists' unchecked power, but could not accomplish much. The grave concern of the officials over this issue was limitless.

This is the official company story of how Communist infiltration wrecked the shipyard and forced the "good-natured" workers to join the Communist Chŏnp'yong union. It shows how gravely the Management Task Force regarded the threat of the Communist forces. The official company account goes on to say that after the September General Strike of 1946, the company president and officials "waged a life-and-death struggle and after violent and bloody battles, were able to purge the [red forces]." "But," the account continues,

the red forces went underground, and continued implanting themselves tenaciously, and there was not a single day without trouble because of their open or secret acts of destruction, their conspiracies to mount strikes, and their obstruction of business. Company officials worked resolutely to eliminate the Communist Party and gradually weakened its power.³

Quite a different picture emerges in *Chŏn'guk nodongja sinmun* [National Workers' Newspaper], published by Chŏnp'yŏng, on the same developments at the KSEC yard.

³ *Ibid.*, pp. 61-62.

Chosŏn Heavy Industries in Pusan . . . became the focus of the greed of evil profit-mongers right after the August 15 [Liberation]. They formed the so-called Heavy Industries Task Committee. . . made up an executive group to run the company, and usurped the money designated for the living expenses of employees obtained from the Japanese right after the Liberation. Three hundred indignant employees who found out about these actions organized a union local to unite and drive out those reactionaries, and prepare for the autonomous operation of the factory. But [the Task Committee] used all kinds of tricks, such as visiting employees who lacked consciousness at home and offered them bribes, dismissing union officials, and secretly selling raw materials from the factory. The union local exposed their dishonest activities, demanded participation in factory management, and made them agree to it. The local union convened an extraordinary session, and decided to raise the current wage of 24 won threefold and to start a productivity-doubling campaign at the same time All five hundred employees united and fought an intense battle for production and increased productivity seven to eight times over what it had been in the past. The manager [*kwalliin*] president acknowledged that fact on the 15th and announced an initial wage increase to 60 won.⁴

According to this article, it was the greed and corruption of the Task Committee that stimulated the organization of the union local, which then demanded and achieved participation in the factory management. That, in turn, resulted in a big productivity increase and higher wages.

⁴ *Chŏn'guk nodongja sinmun* [National labor news], 4/12/46. Cited in Cho and Yi, *Naengjŏn ch'eje*, p. 327.

To make sense of these conflicting accounts of the situation at the Chosŏn Heavy Industries yard, we need to examine the Workers' Self-Management Movement [*Nodongja chaju kwalli undong*] and the violent highly politicized battles between left- and right-wing forces in the labor movement during this period.

Workers' Self-Management Movement

According to 1944 statistics, 195 (92 percent) of the 212 companies in Korea with over one-million yen capital stock were owned by Japanese. In both the metal and machine industries, Japanese owned 30 out of 33 such companies.⁵ As we have seen in our earlier discussion of the history of KSEC, after the Liberation, these and other Japanese-owned companies were eventually turned over to the U.S. military government of Korea as "assets recovered from the Japanese" [*kwisok chaesan*] and then transferred to the South Korean government in 1948. But for the latter half of 1945, workers had to deal with a chaotic situation caused by a vacuum in management, the removal of skilled workers and technicians, and lack of materials. Many factories were paralyzed due to lack of material and capital and closed down.

The struggle of fired workers demanding severance pay or a large sum of money from the Japanese owners was, according to a *National Labor News* [*Chŏn'guk nodongja sinmun*] article, "becoming

⁵ Chosŏn kyŏngjesa, *Chosŏn kyŏngje t'onggye yoram* [Economic statistics handbook of Korea] (Seoul: Chosŏn kyŏngjesa, 1949), p. 73. Cited in Cho and Yi, *Naengjŏn ch'eje*, p. 187, Table 4-10.

a chronic phenomenon all across the country" and some workers were even selling factory machinery and materials to secure a living.⁶ As noted previously, some lucky workers who actually acquired a substantial amount of money from the company tried to start their own businesses. And at many large factories left by the Japanese, workers and managerial staff members spontaneously formed committees to guard the company's properties and start production. They hoped among other things to save their jobs by preventing the factory from closing down. The workers of some Korean companies owned by pro-Japanese collaborators, such as Kim Yönsu's Kyöngsöng Textile and Pak Hüngsik's Hwasin Department Stores, were also concerned about this problem because pro-Japanese capitalists like them opted to stop production right after the Liberation to wait out the volatile situation.⁷ Workers at collaborationists-owned factories did not see these Korean capitalists as legitimate owners of "Korean" factories in a liberated Korea and tended to treat them just like the Japanese.

⁶ From *Chö'n'guk nodongja sinmun* 11/1/45 article by Ch'oe Ch'öl. Cited in *Ibid.*, p. 211.

⁷ An, *Chö'n'p'yöng*, pp. 34-38. An calls it a "sabotage" and a "strike action by capital." When situation improved for the capitalist class under the U.S. Military Government, An argues, Kim and Pak switched their strategy to an all-out offensive to roll back what workers had gained so far to the pre-Liberation level. They used mass firing, threat of factory closure, and occasional call-in of U.S. authorities on their behalf to crush their unions. *Ibid.*, pp. 38-40, 49-50. Newspaper reports on the Hwasin case are reproduced in Kim Kiwön, *Mi kunjöng ki üi kyöngje kujo: kwisok kiöpch'e üi ch'öri wa nodongja chaju kwalli undong üi chungsim üro* [The economic structure during the period of the U.S. Military Government: Disposition of the companies recovered from the Japanese and workers' self-management movement] (Seoul: P'urönsan, 1990), pp. 315-19.

The composition of the factory management committees thus organized varied greatly from company to company and so did the nature of struggle for the control of production and management there.⁸ The U.S. Military Government was not against the formation of management committees at first as long as the ownership and profits belonged to the Military Government. In some cases, factory management committee members successfully transformed themselves into capitalists in later period.⁹ When Korean company officials rather than workers organized management committee, as in the case of Chosŏn Heavy Industries, and when workers deemed the committee as anti-labor, strikes often broke out. Besides Chosŏn Heavy Industries, there are many other cases in which workers demanded participation in factory management.¹⁰ The U.S. Military Government generally accepted management committees formed by company officials and chose a manager from among them. But it cracked down on committees and dismissed managers put in place by workers when a Communist connection was suspected.

⁸ On complex nature of the factory self-management movement in this period, see Kim, *Mi kunjŏng ki*; Kim Muyong, "Haebang chikhu nodongja kongjang kwalli wiwŏnhoe ŭi chojik kwa sŏnggyŏk" [Organization of workers' factory management committees and their characteristics in the immediate post-liberation period], *Yŏksa yŏn'gu* 3 (1994); An, *Chŏn'p'yŏng*, pp. 56-62, 422-32.

⁹ An, *Chŏn'p'yŏng*, p. 49.

¹⁰ For example, Chosŏn Machine, Kyŏngsŏng Foundry, Taegu Heavy Industries, Chosŏn yŏnma, Tongyang Electrical, Chosŏn Leather, Kyŏngsŏng Textile, and Chongyŏn Kunsan Shipyard. Kim Kiwŏn collected and reproduced newspaper articles on the factory self-management movement in his *Mi kunjŏng ki*, pp. 307-63.

When company managers appointed by the U.S. Military Government were seen by workers as outsiders seeking to profit from their position by selling inventory or by idling the factory with an eye to purchasing the company in the future at a below-market price from the state, they waged fierce battles to expel the managers. According to the Chŏnp'yŏng organ, *Chŏn'guk nodongja sinmun*, workers at Kyŏngsŏng Foundry [*Kyŏngsŏng chumul chejakso*], for example, kicked out the manager sent by the U.S. Military Government by shouting, "You have nothing to do with our factory. Get lost!"¹¹ The same paper recorded a case of a workers' self-management movement at a shipyard. At Konghwa Shipbuilding in Pusan, which was a fairly big shipyard at the time,

A Mr. Chu, who was a clerk during the colonial period, curried favor with the Japanese and received the power of attorney Employees demanded to participate in management, but he refused. The union local then defended the factory with all its might, expelled Chu as a pro-Japanese national traitor, took over the company business, and managed the factory themselves. Chu ran away, but came back with MPs to drag away the union representative. But all [the employees] united and successfully fought them.¹²

¹¹ A similar incident happened at Map'o Machinery [*Map'o kongjakso*]. Workers there waged a strike against a "corrupt manager blindly pursuing personal greed," who cut the workforce, mobilized a right-wing youth group to threaten the workers, and closed the factory to avoid expenditure. Articles on both cases are reproduced in Kim, *Mi kunjŏng ki*, pp. 324-25, 338-39.

¹² *Chŏn'guk nodongja sinmun* 4/26/46 in *ibid.*, pp. 345-46.

Chu kept trying to take over the factory allegedly using MPs or gangsters and was eventually able to secure control of the company from the Bureau of Mining and Industry of South Kyōngsang Province. But workers maintained control over the factory until at least April, 1946.

Scholars differ in their evaluations of the labor policy of the U.S. Military Government and the reasons behind its repression of the workers' self-management movement. Nakao Michiko, Kim Sam Soo [Kim Samsu], and Sōng Hanp'yo emphasize the systematic anti-labor policy of the U.S. Military Government, basing their arguments on an analysis of labor laws and related orders by the Military Government.¹³ Cho Sun'gyōng and Yi Sukchin,

¹³ Nakao Michiko argues that the self-management movement was repressed because the unions that led it were affiliated with the Communists. Sōng Hanp'yo also sees the policy of the U.S. Military Government as a coherent one, aimed at blocking the expansion of socialist forces and maintaining capitalist property relations and the market system. According to him, the self-management movement was repressed because of its socialist tendency to claim workers' control over production, the antithesis to capitalist industrial relations that the U.S. Military Government was there to protect. Nakao Michiko, "Haebang kwa chōnp'yōng nodong undong" [Liberation and the Chōnp'yōng labor movement], *Han'guk chabonjuŭi wa ingŭm nodong* [Korean capitalism and wage labor] (Taegu: Hwada, 1984) and *Haebang hu Chōnp'yōng nodong undong* [The Chōnp'yōng labor movement after the Liberation] (Seoul: Ch'unch'usa, 1984); Nakao Michiko and Nakanishi You, "Mi kunjōng ŭi nodong chōngch'aek kwa nodong undong ŭi chōn'gae" [Labor policies of the U.S. Military Government and the development of the labor movement] in Jang Jip Choi ed., *Han'guk hyōndaesa I, 1945-1950* (Seoul: Yorŭmsa, 1985); Kim Sam Soo, *Kankoku shihonshugi kokka no seiritsu katei* [The formation process of the Korean capitalist state] (Tokyo: Tokyo University, 1993); Sōng Hanp'yo, "8·15 chikhu ŭi nodongja chaju kwalli undong" [Workers' self-management movement in the period immediately after August 15], *Han'guk sahoe yōn'gu 2* (Seoul: Han'gilsa, 1984), p. 596. On the other hand, Kim Kiwōn, Kim Muyong, and An T'aejōng, cited in footnote 8 above, see the self-management movement not as a coherent, worker-led, Communist-influenced movement but as a complex development enveloping different class elements and political tendencies.

however, argue that the labor policy of the U.S. Military Government of Korea was not systematically anti-labor, but something improvised depending on political and other considerations at the moment and also on the personnel who happened to be in charge of the situation.

A wide range of policies could fit the broad guidelines of a government charged with "encouraging democratic organizations in industry" and the suppression of Communist tendencies.¹⁴ What the U.S. Military Government wanted in principle was to establish a U.S.-style economic unionism, while banning political activities by unions.¹⁵ But the reality of the Korean labor situation did not allow such an easy implantation of economic unionism into Korea. For that matter, the whole question of the proper sphere and goals (including issues of co-management and control) of unions was being fiercely contested all over the world, including the United States and Japan, at the time.¹⁶ The compromise each country produced among labor, capital, and the state would shape the industrial order of the second half of the twentieth century

¹⁴ Cho and Yi, *Naengjŏn ch'eje*, p. 85.

¹⁵ As one U.S. official put it, the "labor union is an organization or association pursuing maintenance or improvement of working conditions and other improvements in workers' position If a labor union gets involved in political movement, it digresses from the nature of unions and becomes incompatible with the original purpose of the union." Namchosŏn kwado chŏngbu nodongbu [South Korean Interim Government Department of Labor] ed., *Labor-related Laws and Ordinances* [Nodong kwan'gye pŏmnyŏngjip] (Seoul: Chosŏn kyohak tosŏ chusikhoesa, 1948), p. 33. Cited in Cho and Yi, *Naengjŏn ch'eje*, p. 95.

¹⁶ See works cited in Introduction, footnote 2.

in that country and also affect the development of the capitalist world economy.

Even before the U.S. forces landed in South Korea in September 1945, Koreans were spontaneously organizing people's committees all over the country, and the People's Republic of Korea [*Chosŏn inmin konghwaguk*] was proclaimed in Seoul by leftists. The U.S. Military Government was naturally uncomfortable with the existence of a government other than its own in Korea and was alarmed by the strength of the people's committees. The workers' self-management movement also spread fast and numbered 728 factory management committees with over 80,000 workers by November 4, 1945 when the movement was at its peak.¹⁷ Moreover, local people's committees began to take charge of the companies recovered from Japanese ownership and directly or indirectly interacted with the factory management committees.¹⁸ What the U.S. Military Government worried about was a scenario in which such worker-controlled companies turned into a material base for the People's Republic, as Cho and Yi argue.¹⁹

The workers' self-management movement was a product of unusual circumstances in which the capitalist class suddenly

¹⁷ Cho and Yi, *Naengjŏn ch'eje*, p. 101.

¹⁸ *Ibid.*, p. 105. Chŏnp'yŏng prescribed the "supervision and guidance" of factory management committees by the appropriate people's committee in the area. An, *Chŏn'p'yŏng*, p. 430.

¹⁹ Cho and Yi argue that the self-management movement was repressed because the U.S. Military Government was alarmed by the influence of the People's Republic over the movement, not because it believed that all the self-management cases were Chŏnp'yŏng-controlled Communist activities. Cho and Yi, *Naengjŏn ch'eje*, pp. 105-106.

evaporated and state authority was not yet solidified. It was short-lived and largely suppressed by the Spring of 1946. But even so, it reveals the radical nature of Korean workers' consciousness at the end of the colonial rule. Workers demanded their right to manage the factory, not just as a temporary measure to cope with an unusual situation but as a legitimate right of workers.

Workers' claims carried a strong moral tone. Cho and Yi rightly point out the moral basis of paternalism and nationalism that lay beneath workers' radical demands for factory self-management. "The collective actions by workers at the time were not based on the formation of class interests or class consciousness, but rather from workers' consciousness of the right to a livelihood ("the right not to starve to death") and a moral judgment against the logic of capitalist profit-seeking which would hinder a thorough severance from the Japanese colonial system and block the construction of national economy, and a moral faith in the economic norms and duties in a new society," they argued.²⁰ The problem is that Cho and Yi regard the workers' moralistic and nationalistic consciousness as something incompatible with genuine working-class consciousness. Clearly factory workers with years of work experience, factory skills, above-elementary education, and job security were a minority in Korea at the time. But that does not necessarily

²⁰ *Ibid.*, pp. 207-208.

mean that the class consciousness of workers must have been weak, especially when we are talking about a labor movement that produced 3,371 strikes with the aggregate number of participants reaching some 723,000 within 30 months after the Liberation.²¹

These moral issues also help account for the wide acceptance of workers' demands as legitimate by the general society. Such a moralistic mind-set has deep roots in Korean history. The sense of entitlement to a basic livelihood -- what Cho and Yi called "the right not to starve to death" -- and the responsibility of powerholders to provide for basic living were elements of the Confucian moral economy, which helped justify peasant rebellions. From such a moralistic standpoint, firings or factory closures, even in periods of financial crisis for the company, were regarded as immoral acts depriving people of their livelihood.²² Typically such acts called forth strong resistance.²³ These

²¹ These same statistics reveal that during those strikes, 10,741 workers were arrested, 25 were killed, and 18,599 workers were fired. Chosŏn kyŏngjesa, *Economic Statistics Handbook of Chosŏn*, p. 174. Cited in Sŏng, "Nodongja chaju kwalli," p. 583 and An, *Chŏn'p'yŏng*, pp. 368.

²² This attitude also permeates workers' struggle after the 1990s to the present to keep the level of job security they had historically enjoyed at large companies. During the Park Chung Hee regime, an employment practice of avoiding lay-offs of regular workers had gradually settled at large companies through legal provisions and labor contracts, and regular workers at large corporations developed a strong sense of entitlement to job security. Since the 1990s, the state and corporations have tried to do away with rigid restrictions on lay-offs in the name of "new employment practices," which seek rationalization and corporate flexibility in the new neo-liberal world. In response, the newly empowered unions have mounted furious opposition and resistance to the attempted labor law revisions to that effect. The outcome of this historic battle is yet to be decided.

²³ For example, facing plant closure and unemployment, 600 Chongyŏn shipyard workers in Kunsan demanded jobs and food in 1946. According to a report in *Haebang ilbo*, the workers said that "Even if it is true that

nationalistic and moralistic elements were an inseparable part of Korean workers' consciousness in the postwar years and, as we will see later, in the union movements of the 1950s and 1960s. Under certain circumstances such consciousness could propel activism of a radical nature among workers.

What was unprecedented in the self-management movement, however, was that workers went a step beyond asking for basic livelihood. Workers claimed that they were the legitimate owners of the factories, "our" factories as they put it, which had been built with their labor.²⁴ Workers also knew that it was they who were most familiar with the production process, and believed that they could manage the factory much better than a manager chosen by the U.S. Military Government. This sense of ownership of the company and the belief in labor's crucial role in building the economy were important developments in the postwar labor history of South Korea. The weaknesses of the capitalists as a class in terms of the lack of legitimacy, to say nothing of capitalist hegemony, resulting from their records of collaboration with the

there were some losses in the early stage, and that cheap foreign goods are coming in, is it right to close our production facility based on the excuses of the profit-minded management who claim that there is little expectation of profit?" *Haebang ilbo*, 3/3/46, reproduced in Kim, *Mi kunjŏng ki*, pp. 332-33.

²⁴ Chŏnp'yŏng was very cautious on the matter of the ownership of factories. In its platform, Chŏnp'yŏng only argued for the factory management committees' "right to hold and manage" the companies of pro-Japanese collaborator-traitors. As for the "conscientious" Korean capitalists, Chŏnp'yŏng's policy was clearly that of a cooperation and co-management. It was because the Communist party's evaluation of the political and economic situations of South Korea at the time called for a strategy of united front with "conscientious" bourgeois elements and a cooperation with the U.S. Military Government. An, *Chŏnp'yŏng*, 152-55.

colonial authorities provided a fertile ground for this radical worker consciousness. The massive leftist political mobilization of the postwar years also contributed to the workers' sense of importance. This moral high ground assumed by workers vis-à-vis capitalists was a distinctive feature of the class consciousness of KSEC workers in the 1960s, as we will see in later chapters.

Workers displayed militancy and strong working-class solidarity in the process of fighting for factory self-management and job security. Cho and Yi argue that the particular conditions of the time drove workers to make anti-capitalist demands, even though workers did not have "class consciousness."²⁵ In contrast, I believe that moralistic and nationalistic attitudes and perceptions of workers were, and have been, sustaining features of Korean workers' "class consciousness," not something that negates the existence of it.

Chōnp'yōng's Position

The Communist-controlled peak labor organization, Chōnp'yōng,²⁶ shared the nationalist perception of industry and

²⁵ According to them, what made the situation in labor movement during the U.S. military rule "revolutionary" was an accidental convergence in the self-management movement of workers' immediate class interest of securing livelihood and the fundamental class interest of transforming the capitalist system itself. Cho and Yi, *Naengjōn ch'eje*, pp. 257-58.

²⁶ Chōnp'yōng's rise to power in the labor movement was stellar. Many Chōnp'yōng organizers were professional labor activists, who had been jailed or went underground during the last decade of the colonial period. Radical labor activists who went underground in the late 1930s and continued the illegal "red union" movement as a part of an anti-imperial, Communist movement began to surface to lead the Korean labor movement in

labor. For that matter, practically all social forces in Korea during the twentieth century have partaken of the power of nationalism. Chŏnp'yŏng's attitude toward the workers' self-management movement was ambivalent at best, however. In 1945 and early 1946 Chŏnp'yŏng was emphasizing cooperation with "conscientious national capitalists" and the U.S. Military Government in a strategy to build a united front which would enable them to seize political power. The united front with "progressive" bourgeoisie was perceived as the only way to solve the labor problem once and for all because without obtaining the control of the state, workers' control of factories would be

the space provided by Liberation. When it was founded on November 5, 1945, Chŏnp'yŏng had 17 industrial unions and over 217,000 members according to its founding assembly minutes. See An, *Chŏnp'yŏng*, pp. 84-121 for Chŏnp'yŏng-related statistics and analyses of the backgrounds of the founding assembly representatives and Standing Committee members.

An estimated that the total number of regularly (over 8 hours a day) employed workers in manufacturing, mining, transportation, and service industries was about 220,000 and that of temporary, part-time, and daily workers was about 300,000 to 400,000 during the period of the U.S. Military Government rule. *Ibid.*, p. 101. By February 1946, Chŏnp'yŏng had grown into an organization of 574,475 members, 235 branch unions [chibu] in industrial cities, and 1,676 locals [punhoe] at plants. The shipbuilding union had 10 branch unions, including Pusan, Wŏnsan, Inch'ŏn, Mokp'o, Samch'ŏk, and Yŏsu unions, 38 locals, and 5,349 members. All these numbers are undoubtedly somewhat exaggerated and they include unions both in the south and the north of Korea. But in the south alone, scholars estimate that Chŏnp'yŏng had about 250,000 members in 1946. The figure 250,000 is close to the number given in the U.S. military intelligence information (246,777 workers in 1,111 union locals) by November 1946. See Nakao and Nakanishi, "Mi kunjŏng ūi nodong chŏngch'aek," p. 250; Cho and Yi, *Naengjŏn ch'eje*, pp. 255, 261-62; Yun, *Han'guk ch'ogi nodong undong*, p. 262; Minjokjuŭi minjok chŏnsŏn ed., *Haebang chosŏn I* [Liberated Korea, vol. I] (Seoul: Kwahak kwa sasang, 1988; originally published as *Chosŏn haebang yŏnbo* [Annual bulletin of Korean liberation] in 1946), pp. 192-93.

ephemeral.²⁷ Therefore, Chŏnp'yŏng in its platform declared its support for workers' movement to establish factory management committees only at companies owned by pro-Japanese collaborators. As for other companies, it made clear in many of its statements that workers should seek co-management and cooperation with "conscientious" capitalists.²⁸

Moreover, leftist activists often dismissed the idea that "ignorant" workers could or should control production, and saw such control as a temporary and worrisome phenomenon at best. Chŏnp'yŏng did not object to the U.S. Military Government's decision to ban the workers' self management movement and even exhibited suspicions about workers' so-called petty-bourgeois tendency of acting like entrepreneurs. This is an important point because it indicates that the workers' demands for self-management went beyond what Korean Communist cadres in charge of labor movement were seeking. The labor movement of the immediate

²⁷ A Chŏnp'yŏng ideologue explained: "For our nation, the most important tasks in front of us are the building of a united front and economic reconstruction. These are issues which our laboring mass pursue with great enthusiasm. As for the obstacles to the task of building a united front, although obstructions by pro-Japanese collaborators and traitors are serious, there are social bases for the obstacles other than these. First is the confrontation between capitalists and workers in the city and second is that between farmers and landlords. Coordinating these two contradictions well is laying the foundation for the united front In the city, our workers should concentrate on the national united front. Demand fair wages for fair work, and guarantee fair profit for fair capital By getting fair wages, worker's interests are secured, and fair profit is not reactionary, but guarantees the interests of patriotic, nationalistic, and conscientious capitalists." Han Ch'ŏl, "Ilban chŏngse wa undong pangch'im," *Chosŏn nodong chohap chŏn'guk p'yŏngŭihoe kyŏlsŏng taehoe hoeŭirok* (11/5/45 - 11/6/45). Cited in Cho and Yi, *Naengjŏn ch'eje*, p. 266.

²⁸ An, *Chŏnp'yŏng*, pp. 152-55.

postwar years was not created by the Communists from the top down, and workers harbored a much more complex mix of aspirations and desires than the Communist leadership of Chŏnp'yŏng wanted to see. What the Communists criticized as "petty-bourgeois tendency" among workers and farmers in Korea, and in other parts of the world for that matter, was people's yearnings for a better life, which meant not only better earnings but also more freedom and more control over their own work, time, and the products of their labor. The best way to achieve those goals would be becoming their own boss or "entrepreneurs."²⁹ Such yearnings were not compatible with the Marx-Leninist agenda in labor movement -- Communist-led class struggle by property-less working-class for the goal of achieving social revolution which would ensure socialization of production -- and were denigrated by the Communists as anti-revolutionary tendencies that should be rooted out.

It was, then, natural that Chŏnp'yŏng was not overly enthusiastic about the workers' self-management movement.³⁰ Instead of throwing its weight behind workers' struggle for ownership of factories or their right to management, Chŏnp'yŏng

²⁹ On the importance of the "control" issue in labor history and its democratic implications, see Bergquist, *Labor and the Course of American Democracy*, pp. 183-85, 190-97.

³⁰ An T'aejŏng rebukes the argument made by Cho Sun'gyŏng and Yu Sukchin that Chŏnp'yŏng rejected workers' self-management movement in principle. He argues that Chŏnp'yŏng advocated for the production control by the people and workers' central role in management committees, but it had to balance the task of factory self-management with the goal of seizing political power under the circumstances. An, *Chŏnp'yŏng*, p. 426.

announced a "Cooperation Policy for Industry Building" [*Sanŏp kŏnsŏl hyŏmnyŏk pangch'im*] on November 30, 1945.³¹ Workers were called upon to join in a campaign to raise productivity to strengthen the economic base for the country in cooperation with conscientious national capitalists. Chŏnp'yŏng established an Industry Building Department [*Sanŏp kŏnsŏlbu*] and energetically campaigned for increases in productivity. Union locals were encouraged to organize associations for production cooperation at workplaces, get workers to arrive on time, avoid absences, clean the factory, follow work rules, restrain strikes, and compete with other unions in a productivity-doubling campaign.³² "Labor heroes," as in the socialist countries of the time, were given prizes at May Day celebrations organized by Chŏnp'yŏng.³³ This situation was the backdrop for the Chosŏn Heavy Industries union's claim that it "increased productivity seven to eight times over what it was in the past," cited earlier.

The Chŏnp'yŏng local at Chosŏn Heavy Industries appears to have followed the industry building campaign of Chŏnp'yŏng and had enough rank-and-file support to make the management "agonize"

³¹ For the industry building campaign, see Cho and Yi, *Naengjŏn ch'eje*, pp. 259-82; An, *Chŏnp'yŏng*, pp. 310-16. The campaign had a complex nature that is not easy to characterize. According to Cho and Yi, it recognized capitalist relationships and tried to mobilize workers for efficient capitalist production, but it also contained certain "national socialist" features. An sees the campaign as a coherent part of Chŏnp'yŏng's united front efforts and argues that its goal was to induce capitalists to transform themselves into "conscientious" capitalists who "acknowledge workers' basic rights and interests."

³² These were also features of the Factory New Village Movement during the 1970s under the Park Chung Hee regime. See Chapter 12 for the discussion of the movement.

³³ Cho and Yi, *Naengjŏn ch'eje*, pp. 274-75.

over Communist infiltration. The union struggled against the Management Task Committee and then against the "immoral manager" sent by the U.S. Military Government. Thanks to the resistance of the union, the first two managers who came from outside had to leave.³⁴ According to a sociologist, Kim Yonggi, who analyzed industrial relations of the 1950s in South Korea based on the KSEC case, about 120-130 workers who had worked at the yard during the colonial period still remained at the company around 1950, and most of them joined the Chŏnp'yŏng local.³⁵

While the local was actively recruiting workers to its ranks, Chŏnp'yŏng unions staged a general strike in September 1946. The general strike started when railroad workers walked out on September 23 in Pusan and then spread throughout the country, mobilizing 250,000 Chŏnp'yŏng members in the transportation, communication, and newspaper industries among others. The Chŏnp'yŏng local at the KSEC yard was the main force behind the attack on the Yŏngdo Police Station in Pusan.³⁶ The KSEC official history, cited above, describes the seriousness of the situation that followed. "All the industrial facilities in Pusan were paralyzed for over ten days. Chosŏn Heavy Industries was no exception and was engulfed by this strike wave." The company

³⁴ Kim, "1950-nendai rŏdōsha," p. 15.

³⁵ Ibid., pp. 6-7. Kim Yonggi used some of the same KSEC union archive documents I use in this dissertation and interviewed several former KSEC technicians and union members.

³⁶ Ibid., p. 15.

president and officials then waged "bloody battles" against the union, and the union activists were "purged."

The September General Strike and ensuing "October People's Struggle" of 1946 put leftist forces in South Korea on a direct collision course with the U.S. Military Government. These strikes and uprisings were led by Communists who were increasingly disillusioned by hostile policies of the U.S. Military Government toward them. Leftist organizations were severely weakened in the aftermath of these violent clashes. For workers, the cost of the Chŏnp'yŏng-led strikes, which included three general strikes, was enormous. Between August 1945 and February 1948, according to a leftist source, out of 722,913 participants in the strikes, 18,599 workers were fired and 10,741 arrested.³⁷ Protected by the police and the U.S. Military Government, right-wing youth organizations, largely comprised of people who fled from Communist North Korea, fostered a reign of terror in the labor movement, according to the same source.³⁸ Radical workers were fired and blacklisted. Job applicants had to go through a thought screening and background checking process to get hired.³⁹ Under conditions of high unemployment, high inflation, and shortages of rice, many workers decided to join

³⁷ Chosŏn kyŏngjesa, *Chosŏn kyŏngje t'onggye yoram* (1949), p. 174, Table 46. Cited in An, *Chŏnp'yŏng*, p. 368.

³⁸ *Chosŏn kyŏngje t'onggye yoram* claims that from 1945 to 1948, 586 incidents of "terror" were reported in relation to labor movement and 8,232 people were attacked, out of which 46 were killed and 1,629 were seriously injured. Chosŏn kyŏngjesa, *Chosŏn kyŏngje t'onggye yoram*, p. 174, table 47. Cited in Cho and Yi, *Naengjŏn ch'eje*, p. 305.

³⁹ Cho and Yi, *Naengjŏn ch'eje*, pp. 301-302.

the right-wing national union, the Federation of Labor Unions for the Rapid Realization of Korean Independence [*Taehan tongnip ch'oksŏng nodong ch'ongdongmaeng*; hereafter *Noch'ong*],⁴⁰ in order to secure employment.⁴¹

Right-wing Labor Organization

In an effort to crush Chŏnp'yŏng unions and bolster right-wing parties, non-labor elements, mostly members of right-wing youth organizations, gathered under the National Youth Federation for the Rapid Realization of Korean Independence [*Taehan tongnip ch'oksŏng chŏn'guk ch'ŏngnyŏn ch'ongyŏnmaeng*; hereafter, *Tokch'ok ch'ŏngch'ong*; founded in November 1945], spearheaded the organization of *Noch'ong*.⁴² Among the groups participating in *Tokch'ok ch'ŏngch'ong*, the Nationalist Party [*Kungmindang*]⁴³ group,

⁴⁰ It changed its name to the Federation of Korean Trade Unions [*Taehan nodong chohap ch'ongyŏnmaeng*] in 1948. FKTU, *Han'guk nodong chohap undongsa*, pp. 265, 347.

⁴¹ For the usage of dismissal or the threat of it in suppressing workers' activism in this period, see Cho and Yi, *Naengjŏn ch'eje*, pp. 289-96.

⁴² See Nakao and Naganishi, "Mi kunjŏng ūi nodong chŏngch'aek," pp. 260-65; Kim, *Haebang hu p'yŏn*, pp. 79-80; Im Songja, "Mi kunjŏng ki Taehan tongnip ch'oksŏng nodong ch'ongyŏnmaeng e kwanhan yŏn'gu" [A Study on "The Great Korean Independent Labor League" during United States Military Government (sic)] (M.A. Thesis, Sŏnggyun'gwan University, 1993). FKTU's official history also admits that it was organized mostly by "anti-Communist youths with political ambition engaged in political activities or youth movement in the right-wing." FKTU, *Han'guk nodong chohap undongsa*, p. 294.

⁴³ *Kungmindang* was formed by merging small parties holding a middle-of-the-road position between right- and left-wing political forces, led by An Chaehong. An Chaehong believed that neither capitalist class nor class conflict had developed in Korea by the time of Liberation. The party advocated as its ideology a "New Nationalism" and "New Democracy" based on the interests of all the working people and landlords and capitalists, transcending "class dictatorship." Its "Policies" contained progressive platforms on labor issues. Nakao and Nakanishi,

the Korean Independence Party [Han'guk tongniptang]⁴⁴ group, and the Chŏn Chinhan group, who were close to the Korean Democratic Party [Han'guk Minjudang] and Syngman Rhee, were most active in funding and creating right-wing unions in preparation for the foundation of Noch'ong.

While preparatory meetings to create a right-wing national labor organization to counter Chŏnp'yŏng's power were being held among right-wing youth group members in early 1946, the Tokch'ok ch'ŏngch'ong Youth Department chief and a Han'guk tongniptang member, Kim Ku,⁴⁵ successfully enlisted the support of the U.S. Military Government to their side. Kim Ku was a son of an ironworks factory run by his older brother and father in Yongsan. When the workers challenged the family and demanded that the management of the factory be turned over to them, Kim Ku visited the Labor Section of the U.S. Military Government to solve the problem. He asked, "Should not people with a right-wing ideology go into the trade union movement?" The vice-chief of the Labor Section, Pak T'aek, answered in the positive, taught Kim how to form a union, and gave him some Japanese books as references.⁴⁶

"Mi kunjŏng ŭi nodong ch'ŏngch'aek," pp. 264-65; Im, "Noch'ong," pp. 26-27.

⁴⁴ Han'guk tongniptang was the party of the returned Korean Provisional Government (Chungking, China) members, led by Kim Ku and Cho Soang. It merged with Kungmindang and Sinhan minjoktang in April, 1946 to form Handoktang.

⁴⁵ He is not the Han'guk tongniptang leader and renowned nationalist of the same name.

⁴⁶ Based on the recollection of Pak T'aek in *Nodong kongnon* no. 1 (Dec. 1971), p. 132.

Kim Ku introduced Hong Yun'ok, one of the core Kungmindang activists working to organize Noch'ong, to Pak T'aek, and the tempo of the organization project accelerated.⁴⁷ An Chaehong donated 183,700 yen to Noch'ong and wrote its Declaration, and the Noch'ong flag was designed by Kungmindang.⁴⁸ Noch'ong held its founding assembly on March 10, 1946 after organizing anti-Chõnp'yõng unions in Seoul area. Hong was the first President of Noch'ong and Kim became one of the two vice-presidents. The platforms of Noch'ong were heavily influenced by Kungmindang's ideology of "New Democracy," "New Nationalism," and its espousal of the labor-capital cooperation.⁴⁹

The organizational power of Chõnp'yõng, which was in 1946-47 "so overwhelming in labor movement that no other organization could get in," according to Nakao and Nakanishi, disintegrated fast and by mid-1948 was replaced by that of Noch'ong.⁵⁰ The KSEC Chõnp'yõng local also succumbed to the attacks by Noch'ong forces

⁴⁷ Im, "Noch'ong," pp. 44-45. Kim Ku and Hong Yunok, a Tokch'ok ch'õngch'ong member and later its Labor Department chief and the vice-chief of the Youth Department of Kungmindang, organized a Horse and Ox Carts Union in Yongsan, Seoul, held to be the first right-wing union in South Korea. Recollection of the first chief of the Organization Department of Taehan noch'ong, Pae Ch'angwu, in *Nodong kongnon* no. 1 (Dec. 1971), p. 134. Cited in Kim, *Haebang hu p'yõn*, p. 79; Im, "Noch'ong," p. 30.

⁴⁸ Im, "Noch'ong," p. 27.

⁴⁹ Ibid., pp. 45-46. For example, its platforms included the following: "We strive for building a nation based on the principles of democracy and new nationalism"; "We strive for cooperation of labor and capital [with all our might] without sparing blood and sweat."

⁵⁰ Nakao and Nakanishi, "Mi kunjõng õi nodong chõngch'aek," pp. 254-55.

and right-wing terrorist youth groups such as the Northwest Youth Corps [Söbuk ch'öngnyöndan].⁵¹

In sum, workers asserted their place in production and the national economy by taking on the responsibility of factory management, filling the vacuum created by the departure of Japanese capitalists. Workers argued that their company belonged to those who had labored there, not to the Japanese owner or the Korean capitalist who had collaborated with the Japanese. They rejected the appointment of an outsider as the manager of the company and claimed that they could manage the company better for the national interest. Workers fought hard to secure jobs and livelihood by mobilizing moralistic arguments against the capitalist logic of costs and profits. When Chönp'yöng started a campaign to increase productivity, workers organized in Chönp'yöng union locals embraced the nationalist-capitalist goal with zeal. Even though there existed a gap between workers' aspirations and those of the Communist cadres, workers supported the Communist-led Chönp'yöng and actively participated in the leftist labor movement and general strikes.

The factory self-management movement and the heyday of Chönp'yöng union activism was over by 1947, and leftist forces in the labor movement were purged during and after the Korean War. This brief surge of radicalism and militancy in the South Korean

⁵¹ Kim, "1950-nendai rôdösha," p. 15.

labor movement after the Liberation, however, alerts us to the fact that workers were not mere recipients of the Japanese ideological inculcation of labor-capital cooperation during the 1930s and the first half of the 1940s, and that socialist and Communist ideas, organizations, and activism during the colonial period had lasting influence in the labor movement after the Liberation. Workers' activism in the immediate postwar years also brings to our attention the fact that Korean workers were resilient and capable of actively mobilizing and reformulating resources they inherited from the colonial period, and that they fought with aspirations and visions of a just system for a future Korea, which were much more complex than the Communist party line or the "petty-bourgeois" pursuit of economic gains.

Chapter 5. The 1950s: Anti-Communism and Labor Rights

Chönp'yöng-affiliated leftist unions had disappeared by the time of the establishment through a South-only general election under the supervision of the United Nations of the first South Korean government in August 1948. The right-wing labor federation, Noch'ong, renamed itself in August 1948 as the Federation of Korean Trade Unions [*Taehan nodong chohap ch'ongyödmaeng*; hereafter, *Taehan noch'ong*]. It became the only officially-sanctioned national federation of unions under the Syngman Rhee regime (1948-1960).

Even after the establishment of the Republic of Korea [*Taehan min'guk*] on August 15, 1948, however, South Korean politics and society were not unilaterally governed by the ideologies of anti-Communism and liberal capitalism. On the contrary, the influence of socialism during the colonial period and the power of the left in the immediate postwar years created a political environment in the South in which the line between "right-wing" and "left-wing" was still blurry. Politicians and organizations operated under a whole range of ideologies in between the extreme right and extreme left, while claiming to seek democracy and a strong and prosperous nation.

During the late 1940s and early 1950s, the idea of transcending capitalism -- called "monopoly capitalism" by many during the period -- to build a nation based on a "democratic"

and "equal" [*kyundŭng*] society was prevalent in many political discourses. Right-wing groups supporting the legitimacy of the Korean Provisional Government in Chungking espoused the principle of economic equality as one of the three pillars of their ideology of *samgyunjuŭi* [Three principles of equality], which was formulated by Cho Soang.¹ And Syngman Rhee's *ilminjuŭi* [Principle of unified people], which was used as the basis of his group's ideological campaign against Communist influence, called for the breaking down of the distinctions based on wealth between the rich and the poor as one of its four goals.² Building a democratic and equitable "welfare" society was a common component of most party platforms, including the extreme right-wing Liberal Party [*Chayudang*; est. 1951] of Syngman Rhee, even though actual party policies and practices were often quite contradictory to pronounced platforms.³ In the political environment still heavily influenced by the radical mobilization of the immediate postwar years, a broad consensus existed on the necessity for

¹ Three principles are equality of political power (*kyun'gwŏn*), economic wealth (*kyunbu*), and educational opportunities (*kyunhak*). See articles in Samgyun hakhoe ed., *Samgyunjuŭi nonsŏn* [Samgyunjuŭi line] (Seoul: Samsung ch'ulp'ansa, 1990).

² The other three goals in *ilminjuŭi* platform were abolition of the noble and base classes, of regional prejudices, and of gender discrimination. Kim, *Kankoku shihonshugi*, p. 184.

³ For the Liberal Party platform, see Ki Chool Park [Pak Kich'ul], *Kankoku seijishi* [The political history of Korea] (Tokyo: the Institute for Korean Reunification Problems, 1975), p. 148. Revealingly, the tentative name chosen by supporters of Rhee and his *ilminjuŭi* for the new party was the "Unified Labor and Farmers' Party" [*T'ong'il nonongdang*], although Syngman Rhee eventually vetoed the name. Son Hoch'ŏl also concludes that the Liberal Party had fairly radical economic platform. See Son Hoch'ŏl, *Haebang osimnyŏn ŭi Han'guk chŏngch'i* [Fifty years of Korean politics since the Liberation] (Seoul: Saegil, 1995), p. 101.

land reform and the protection of the workers' rights to organize and improve their welfare. These views existed side by side with the official ideology of anti-Communism.

In the South in 1948, Kim Ku, a prominent leader of the Provisional Government before the Liberation who had opposed the South-only election, and many prominent "middle of the road" [*chungdop'a*] nationalist politicians, who were devoted to the idea of North-South negotiations for unification, still had a powerful presence in politics. And so-called "progressive" politicians, which included right-wing and left-wing elements, were vociferously challenging the alliance of Syngman Rhee and the conservative Korean Democratic Party [*Han'guk minjudang*; later, *Minju kungmindang*].

The "Constitutional National Assembly" of 1948 was characterized by the rise of "junior assemblymen," young, nationalistic, and independent politicians who pursued democratic and radical legislation despite the red-baiting of the Syngman Rhee government and the Korean Democratic Party.⁴ Sŏ Chungsŏk, a

⁴ See Sŏ Chungsŏk, *Han'guk hyŏndae minjok undong yŏn'gu 2: 1948-1950 minjujuŭi, minjokchuŭi kŭrigo pan'gongjuŭi* [A study of the contemporary nationalist movement in Korea, vol. 2: Democracy, nationalism, and anti-Communism, 1948-1950] (Seoul: Yŏksa pip'yŏngsa, 1996), pp. 68-73, 84-104. The Constitutional Assembly (198 assemblymen) was roughly divided into three groups: Syngman Rhee's Tongnip ch'oksŏng kungminhoe group (55), the Korean Democratic Party group (60-70), and an independent group (50-60) of anti-Korean Democratic Party orientation. The term "junior assemblymen" applied to the assemblymen who belonged to the Independent Club or other associations of independent members of the Assembly and coordinated their legislative action. It was a fluid, informal faction of anywhere between 50 plus (active members) to 86 members (broadest definition). About three quarters of them were in their thirties or

historian of postwar South Korean politics, points out that in the background for the electoral success of the "junior assemblymen" in the 1948 election lay a residual revolutionary atmosphere inherited from the immediate postwar years. The "progressives" were also influenced by the grave threat of imminent national division. South Korean society's demands for a thorough purge of pro-Japanese collaborators, a land reform, and peaceful and autonomous unification with the North were very strong, and so was the sense of mission of the young assemblymen who were charged with the role of writing a Constitution and establishing a new nation.⁵

The demand for a radical land reform was particularly strong, and workers' demands usually followed the demand for land reform as part of the same reform package. One observer of the 1948 election recalls that candidates without exception shouted a slogan, "Give Land to Farmers, Factories to Workers!"⁶ Besides the lingering revolutionary atmosphere of the postwar years, many South Koreans increasingly resented the brutal and arbitrary power of the police forces and their allies among youth and paramilitary groups. All these factors help explain the poor performance of Syngman Rhee and his party in the elections in following years.

forties. In the second National Assembly, the group grew to include over 70 members. *Ibid.*, p. 101.

⁵ *Ibid.*, pp. 102-103.

⁶ Kang Chin'guk (the chief of the Land Section of the Ministry of Agriculture)'s recollection in *Sindong'a* (Oct. 1965), p. 189. Cited in *Sö, Minjok undong yön'gu* 2, p. 144.

The Constitutional Assembly, which convened in July 1948, wrote the first Constitution for South Korea, elected the executive branch of the Republic -- the President, the vice-president, and the prime minister -- and passed important legislation, including the Special Law on Anti-Nation Activities (1948), the Land Reform Law (1949) and the Local Autonomy Law (1949).⁷ The "junior assemblymen" in the Constitutional Assembly also tried to block the passage of the National Security Law (1949), but failed. Some of the more radical members among them even submitted resolutions for the withdrawal of foreign armies from Korea and for peaceful unification of the country, risking persecution by the right-wing government.

Land reform was the order of the day in South Korea nobody -- even the landlords -- could openly argue against.⁸ In fact, Syngman Rhee chose Cho Pong'am, a former Communist Party member and a prominent progressive leader, as his first Minister of Agriculture, the cabinet official charged with planning for the land reform.⁹ The U.S. Military Government advised the Syngman

⁷ *Ibid.*, pp. 124-27, 152-54. Syngman Rhee refused to sign the Land Reform Bill in 1949, and submitted a revised bill in January 1950 with an increased rate of purchase price (from 125 percent of the value of the annual harvest to 150 percent) for farmers. The new bill passed the National Assembly and the division of land was mostly completed before the outbreak of the Korean War in June 1950. *Ibid.*, pp. 153-54.

⁸ Chŏn Sang'in concluded that the pro-land-reform sentiment in South Korea in the immediate postwar years was "universal." Chŏn Sang'in, "1946-nyŏn kyŏng namhan chumin ūi sahoe ūisik" [Social consciousness of South Korean residents around 1946], p. 25 in Chŏn Sang'in, *Kogae sugin sujŏngjuŭi* [Revisionism lowers its head] (Seoul: Chŏnt'ong kwa hyŏndae, 2001).

⁹ Cho's tenure at the Ministry of Agriculture was short (August 1948 to February 1949). But during that time he and his progressive staff

Rhee government to execute a land reform. Not only Syngman Rhee but also the leaders of the landlord-based Korean Democratic Party were aware of the necessity of a land reform to prevent Communist takeover in the South.¹⁰ *Taehan noch'ong*, and the Federation of Farmers' Associations for the Rapid Realization of Korean Independence [*Taehan tongnip ch'oksŏng nongmin ch'ongyŏnmaeng*; hereafter, *Taehan nongch'ong*], which was separated from *Taehan noch'ong* in August 1947, also demanded land reform and submitted a land reform plan to the National Assembly in which farmers would pay 25 percent of the value of the annual harvest of the distributed land to the state for five years.¹¹

Taehan noch'ong and Chŏn Chinha

On the labor front, *Taehan noch'ong* also contained radical and reformist elements within its leadership at least in its

members formulated a land reform plan with favorable terms for farmers, after going through public forums and field visits. They started a farmers' newspaper, and planned farmer's cooperatives. Cho's land reform plan was rejected by the Cabinet, but his plan laid the basis for the future land reform law. He had to resign in 1949 because he was framed by conservatives in a mal-appropriation of funds case. Sŏ, *Minjok undong yŏn'gu* 2, pp. 148-50. Also see Pak Myŏngnim, "Han'guk minjujuŭi wa che sam ŭi kil" [Democracy and the third way in Korea] in Chŏng T'aeyŏng, O Yusŏk, and Kwŏn Taebok eds., *Chuksan Cho Pong'am chŏnjip* 6: *Han'guk hyŏndaesa wa Cho Pong'am nosŏn* [Complete works of Chuksan Cho Pong'am, vol. 6: Modern Korean history and the Cho Pong'am line] (Seoul: Semyŏngsŏgwan, 1999), pp. 129-33. According to Pak, the top personnel of the Ministry of Agriculture were "the most radical people in the ideological spectrum whom the contemporary South Korean regime could embrace." Deputy Minister Kang Chŏngt'aek was a leftist ideologue who argued for a North Korean-style land reform, and two of the three administrative section chiefs voluntarily went over to the North during the Korean War.

¹⁰ Sŏ, *Minjok undong yŏn'gu* 2, pp. 145-47.

¹¹ *Ibid.*, p. 146.

early years, reflecting the confusing and fluid ideological topography of the time. These radicals in Taehan noch'ong were committed to labor's cause in the context of a broader vision of building a new democratic Korean society and economy.¹² A good example of a complex nature of postwar right-wing trade unionism is Chŏn Chinhaŋ, who was at the helm of the trade union movement in the Noch'ong-Taehan noch'ong era and was chosen by Syngman Rhee as the first Minister of Social Affairs in 1948.¹³ The ministry was one which oversaw the Bureau of Labor.

¹² Not only the activists from An Chaehong's Kungmindang were deeply involved in the creation of Taehan noch'ong, but also anarchists from the Korean Independence Party [*Han'guk tongnip tang*] such as Cho Siwŏn (Cho Soang's brother) and Ch'a Kodong briefly assumed the top positions of president and vice-president of Taehan noch'ong until purged. Kim, *Kankoku shihonshugi*, p. 106.

¹³ One of the vice-presidents of Taehan noch'ong, Im Kibong, is another example. He joined Cho Pong'am's Progressive Party in the late 1950s. Sŏ Chungŏk, "Cho Pong'am kwa Chinbodang" [Cho Pong'am and the Progressive Party] in Chŏng et al. eds., *Chuksan Cho Pong'am chŏnjip* 6, pp. 92-93. Chŏn Chinhaŋ's tenure as the Minister was short, because he resigned protesting the arrest at his residence of Yu Chinsan, a youth organization leader who worked very closely with Chŏn in the youth movement, in December 1948. The situation surrounding Yu's arrest has not been clarified, but Kim Sam Soo suggests that it was probably because Yu was against Rhee's creation of a unified right-wing youth organization by forcefully merging all the youth groups including Yu's. Yu acted as Chŏn's link to the Korean Democratic Party, according to Kim. See Kim, *Kankoku shihonshugi*, pp. 160-61, 169-70. Chŏn Chinhaŋ recalled that he had already expressed his desire to resign before Yu's arrest because his position on the collective bargaining issue of the national railroad union was not accepted by the Rhee government. Several days after his resignation, Chŏn criticized police abuses and dictatorial tendencies of the Rhee government at the National Assembly. Chŏn Chinhaŋ, *Irŏk'e ssawŏtta* [I have fought this way] (Seoul: Muyeŏk yŏn'guwŏn, 1996), p. 298.

Chŏn was the head of Tokch'ok ch'ŏngch'ong when the "October People's Struggle" of 1946 broke out.¹⁴ Syngman Rhee handpicked him to take charge of Noch'ong to deal with worker radicalism.¹⁵ According to his autobiography, Chŏn was born in a poor family in Sangju, North Kyŏngsang Province and went to Seoul when he was seventeen with a burning desire to study.¹⁶ He had little money and had to work as a page for room and board with little wage.¹⁷ When the March First Movement of 1919 broke out, he participated "as a laborer" by distributing *Tongnip sinmun* (Independence daily) in the street. After struggling to work his way through

¹⁴ Chŏn claimed that he was the one who created Noch'ong but he did not preside over Noch'ong until the October incident since he was the head of the Tokch'ok ch'ŏngch'ong. *Ibid.*, p. 299.

¹⁵ According to Chŏn's recollection in *Nodong kongnon* vol. 2 no. 1 (1972), p. 177.

¹⁶ Information about Chŏn's life comes from Chŏn Chinhan, *Irŏk'e ssawŏtta*, unless otherwise noted. This book, put together by the Publishing Committee for the Works of Uch'on Chŏn Chinhan, contains most of Chŏn's writings, including *Minjok wigi was hyŏksin seryŏk* [National Crisis and Progressive Forces] (Seoul: Kyŏnghaksa, 1955), *Chayu hyŏptongjuŭi* [Ideology of free cooperation] (Seoul: Kukhoe Times, 1957), and *Na nŭn irŏke ssawŏtta* [I have fought this way] (Seoul: 1965, published by Chŏn Chinhan). It also has a reproduction and translation of colonial police records on his activities. Kim Sam Soo criticized Nakao and Nakanishi, who also utilized Chŏn's writings listed above, saying that interpretation of Chŏn's life and philosophy based on Chŏn's autobiographical records is problematic due to the lack of corroborating evidence. But Kim's total dismissal of Chŏn as a thinker and his portrayal of Chŏn as a simple opportunist who did not care about labor is also problematic, as we will see later in this chapter.

¹⁷ First he worked at a boarding house where leading "cultural nationalist" figures such as Kim Sŏngsu, Song Chin'u, and Hyŏn Sangyun were lodging, and got a job as a page at a Japanese store. There he went through harsh discrimination and exploitation and "began to acquire class consciousness" and strong anti-Japanese nationalist consciousness. He moved to Kim Yŏnsu's Kyŏngsŏng Textile with the introduction of Kim Sŏngsu (Kim Yŏnsu's brother), and then moved into a famous nationalist Buddhist monk Han Yong'un's house on the condition that he would one day become Han's assistant monk. At Han's house, Chŏn was finally able to study at the Chung'ang School for two months.

secondary education a little bit at a time for several years, Chŏn received a scholarship from the 1919 Foundation [Kimi yugyŏnghoe] and left for Japan in May 1920. Kim Sŏngsu and Song Chinu were among those who wrote strong recommendation letters for him.

In Japan, he became a core member of the Korean nationalist group while studying economics at Waseda University. He founded the Cooperative Movement Society [*Hyŏptong chohap undongsa*] in 1926 with over a hundred fellow students, including Ham Sanghun. The society targeted Korean rural areas for the launching of the cooperative movement and played a major role in the spread of cooperatives in Korea since 1927.¹⁸ He was also a founding member of the Tokyo branch of Sin'ganhoe, a socialist-nationalist united front organization formed in Korea in 1927. During his participation in the Sin'ganhoe movement, his Cooperative Movement Society group and the "ML Party"-line Communist group fought against each other vehemently in the Tokyo branch. Chŏn's group allied with anarchists in the fight against the Communists

¹⁸ The first cooperative society was organized by Chŏn's brother in Hamch'ang in January 1927 and by late 1928, 22 cooperatives were established with 4,700 members. Kyŏngbuk kyŏngch'algu [Police Bureau, North Kyŏngsang Province], *Kōtō Keisatsu yōshi* [A synopsis history of high police] (1934). Reproduced in Chŏn Chinhan, *Irŏk'e ssawŏtta*, pp. 327-30. The idea of consumer and producer cooperatives was popular among labor and other social-movement organizations in colonial Korea in the late 1920s and early 1930s. Kim, *Ilcheha nodong undongsa*, pp. 420-24. According to Kim Kyŏng'il, the experiment of producer cooperatives by workers at the time was to a large extent informed by the ideology of anarcho-syndicalism.

in Sin'ganhoe. His staunch anti-Communism seemed to have been formed during this period.

After graduating from Waseda University in 1928, he returned to Korea and brought the headquarters of the Cooperative Movement Society with him to Seoul. He was jailed in Sinŭiju for two years because he was somehow related to the Communists rounded up in that city. After released from jail, he worked as a teacher until he was dismissed from the school as an "impure element." During the last years of the colonial rule, he turned to Buddhism and studied meditation with a renowned monk Hyobong at Sin'gye and Yujŏm temples in the Diamond Mountain until the Liberation.¹⁹

Chŏn gained Syngman Rhee's trust after the Liberation and was chosen as the first president of Tokch'ok ch'ŏngch'ong, when it was created by a merger of over twenty right-wing youth groups on December 21, 1945.²⁰ Nakao and Nakanishi argue that the reason Chŏn won the confidence of Syngman Rhee was not just because Rhee highly regarded Chŏn's organizational skills and political acumen, but because Rhee came to trust Chŏn's deep conviction and commitment to the anti-Communist cause.²¹ They cautiously accepts

¹⁹ Unpaginated "Palgansa" [Forward] in Chŏn Chinhan, *Irŏk'e ssawŏtta*. After the Liberation, he taught Buddhist sutras at the Sŏn School at Tongguk University and at the Taegak Temple and continued the practice of meditation saying, "Meditation is my primary work and political engagement is a side job."

²⁰ Ryu Sang'yŏng, "8-15 ihu chwa/uik ch'ŏngnyŏn tanch'e ūi chojik kwa hwaltong" [Organization and activities of left- and right-wing youth groups after the August 15 Liberation], Jang Jip Choi et al., *Haebang chŏnhusa ūi insik 4* [Understanding the history of the period before and after the Liberation, vol. 4] (Seoul: Han'gilsa, 1989), p. 71.

²¹ Nakao and Nakanishi, "Mi kunjŏng ūi nodong chŏngch'aek," p. 262.

Chŏn's claim that Chŏn was the one who initiated the creation of Tokch'ok ch'ŏngch'ong and later, its entrance into the arena of labor movement, first through the Labor Department under Tokch'ok ch'ŏngch'ong and then through a separate organization, Noch'ong.²²

Kim Sam Soo, a political scientist who studied the 1950s South Korean politics focusing on the formation of "authoritarian" [kwŏnwijuŭi] labor policies, distinguishes two groups involved in the establishment of Noch'ong.²³ One was Chŏn Chinhan's group, which was closely connected to Syngman Rhee and the Korean Democratic Party, and the other was a group of activists from *Handoktang*, such as Hong Yun'ok and Kim Ku.²⁴ Kim Sam Soo calls the former as the "mainstreamers" and the latter as "progressives." According to Kim, Noch'ong contained conflicting ideological tendencies within it and the so-called "progressive" labor activists brought in the policies and ideologies of the "progressive" political parties such as An Chaehong's Kungmindang.

²² Ibid., p. 262.

²³ Kim Sam Soo's *Kankoku shihonshugi* is the most thoroughly researched work on the development of the South Korean state's labor policies in the 1950s. I am indebted to his research findings in writing this chapter. From his focus on the ruling elite and the process of state policy formation, however, he shows a tendency of overemphasizing the top-down preemptive measures by the ruling elite and underestimating the influence of popular resistance in forcing the ruling elite to make such preemptive moves.

²⁴ Kim, *Kankoku shihonshugi*, pp. 104-105 and passim. *Handoktang* was created by a merger of the Han'guk tongniptang of the Korean Provisional Government, An Chaehong's Kungmindang, and Sinhan minjoktang on April 18, 1946. The conventional argument sees Hong and Kim as non-labor elements who formed Noch'ong with the sole purpose of crushing Chŏnp'yŏng unions. Here and throughout his book, Kim takes a quite opposite view and exalts them and the Kungmindang participants in Noch'ong as the "progressive" trade unionists who fought against the pro-Rhee, pro-capitalist party (the Korean Democratic Party), and opportunistic mainstream Noch'ong leaders led by Chŏn.

There is no doubt that Noch'ong labor leaders included people from conflicting ideological backgrounds. The question is whether the "mainstreamers" were simply political opportunists who did not care about labor movement and the so-called "progressives" were true trade unionists aspiring for a democratic union system. Let us explore the ideologies of these two groups in some detail because the ideologies the Chŏn Chinhan group espoused as the mainstreamers of Taehan noch'ong had enormous influence on the ideologies of the organized labor in South Korea in the 1960s, as we will see in later chapters.

After Chŏn was chosen to lead Noch'ong by Syngman Rhee in October 1946, Noch'ong leaders from Handoktang left Noch'ong and created a separate organization, the National Working People's Alliance [*Chŏn'guk kulloja tongmaeng*; later, *Chŏn'guk nonong ch'ongdongmaeng*], which supported the left-right political cooperation movement of Handoktang and other middle-of-the-road political groups.²⁵ But the group reunited with Noch'ong in April of 1947. Thereafter intense factional strife continued within Noch'ong between them and the Chŏn Chinhan group until 1952, when leaders of both groups were removed from Noch'ong by Syngman Rhee's order.

Kim Sam Soo argues that the ideology of the "progressives" in Noch'ong was that of the "New Democracy, New Nationalism" of the Kungmindang, and that it was very different from Chŏn's

²⁵ For the Chŏn'guk kulloja tongmaeng and its reunification with Noch'ong, see Kim, *Kankoku shihonshugi*, pp. 106-108.

supposedly anti-progressive stance on the labor movement.²⁶ "New Democracy, New Nationalism" was based on a view of "the nation as community" which transcends class interests. To achieve the external goal of "national independence" [*minjok chajon*] and the internal goal of the "symbiosis of all the people" [*manmin kongsae*], several things were necessary, including acknowledgment of private ownership, state ownership and management of crucial industries, restrictions on excessive monopoly power and profit-seeking by private capital, and state intervention to protect workers, among other things.

As is exhibited in the Taehan noch'ong's internal dispute in 1948, the Chŏn faction and the leaders of anti-Chŏn faction held different views on the organizational structure and the operational mode of unions.²⁷ But the split was not simply an ideological conflict between the "progressive" ideology of New Nationalism versus an extreme right-wing capitalist ideology of the Syngman Rhee-Chŏn-Korean Democratic Party coalition, as Kim would have it. The reason is because Chŏn's ideas on the issues of labor, economy, and the nation were similar to those of New Democracy, New Nationalism, as we will see later in this chapter.

The split was more likely between different views of the current state of economy and desirable union strategies. The Chŏn faction argued for the building of an equal society and a prosperous economy through cooperation, rather than class

²⁶ *Ibid.*, pp. 108-109.

²⁷ FKTU, *Han'guk nodong chohap undongsa*, pp. 368-75.

conflict, with conscientious capitalists, taking into account the very low level of economic development at the time and the need for legal and constitutional guarantees of labor rights. The so-called "progressives," in contrast, wanted to transform Taehan noch'ong into an industry and trade-based Western-style union structure to pursue antagonistic collective bargaining in an economy they believed -- contrary to the Kungmindang line that assumed non-existence of capitalist class or class conflict in Korea at the time²⁸ -- was already transformed into a capitalist one.²⁹ Seen that way, Chŏn's ideological position on nation-building and labor was much closer to that of New Nationalism or other social reformist ideologies of the time than was that of the so-called Kungmindang "progressives."³⁰

Chŏn's ideology in the context of the various non-Communist socialist and nationalist ideologies of the time, and the nature of his trade unionism have not yet received the attention they

²⁸ See Chapter 4, footnote 43.

²⁹ Kim Sam Soo suggests that the "progressives" were empowered by the still strong leftist propensity of workers and supported by newly created unions and a new kind of union leaders, who demanded the transformation of Taehan noch'ong into a politically autonomous and democratic union. Thus, when the "progressives" fell in the early 1950s, the bud of a "genuine" trade unionism was nipped, according to him. Kim, *Kankoku shihonshugi*, pp. 168-75, et passim. As we will see in Part II and III of this dissertation, however, the kind of a "genuine" trade unionism the "progressives" wanted -- union democracy and autonomy, collective-bargaining-based industrial relations -- was well and alive in the 1960s at the KSEC yard, and the perceptions of KSEC unionists on labor's role, economy, and the nation building were similar to those of the Chŏn group.

³⁰ At one point, however, Kim Sam Soo admits that Noch'ong's push for workers' profit-sharing and participation in management, of which Chŏn was a vociferous advocate, was in line with the "nation as community" view of New Nationalism. Kim, *Kankoku shihonshugi*, p. 265.

deserve by scholars. His close association with Syngman Rhee and the pro-dictator image of Taehan noch'ong in the 1950s probably played a role in the paucity of scholarship on his life and ideologies as well as the fact that postwar labor history in South Korea is a relatively under-researched field among the fields of South Korean history. He is an interesting figure in the studies of Korean anti-Communist socialist movement in general, and of anti-Communist trade unionism in particular. He certainly was a staunch anti-Communist who perceived the threat of the Communist takeover of Korea and the disastrous effects of the accompanying "red imperialism" on nationalist agenda very seriously.³¹ Thus, he did not flinch from the idea of using physical violence and terror to thwart the goals and influence of workers in the Chönp'yöng-affiliated unions. Under Chön, Taehan noch'ong operated hand in hand with right-wing youth groups, including the notorious Detached Special Unit of gangsters under Kim Tuhan, in joint terrorist operations to attack leftist organizations and Chönp'yöng unions.³²

³¹ His anti-Communist philosophy is summarized in his writing "*Chayu hyöptongjuüi*," reproduced in Chön Chinhan, *Iröke ssawötta*, pp. 196-209.

³² Sö Chungsök, *Han'guk hyöndae minjok undong yön'gu: Haebang hu minjok kukka könsöl undong kwa t'ongil chönsön* [A study of the contemporary nationalist movement in Korea: A movement for building a nation state and the united front after the Liberation] (Seoul: Yöksa pip'yöngsa, 1991), p. 563. According to an American Military Government G-2 Report cited in *ibid.*, youth groups from Seoul went down by train to Pusan, "where leftist forces were strong," and attacked a leftist newspaper office and Chönp'yöng building in September 1947. Similar joint youth group operation happened in many cities. Kim Tuhan was a notorious Seoul gangster and an official of the most violent terrorist youth group, the Korean Democratic Youth Alliance [*Taehan minju ch'öngnyön tongmaeng*], which was later disbanded by the American Military Government only to

But beyond his anti-Communism we can find a complex ideological mix. From the declarations and platforms of the parties he built and from his political writings we can cull the rough outline of his thoughts.³³ Like most progressive intellectuals at the time, he believed that "monopoly capitalism," which was destined to develop into imperialism and exploit working people, was not an answer for Koreans nor for any people. Chŏn argued that human beings were facing the threats of imperialist encroachment -- both "red" and capitalist. To secure national autonomy and equitable distribution of wealth, Koreans needed to build an autonomous, balanced, human-centered economy by putting major companies and resources under public ownership and state control, implementing a land reform, guaranteeing workers the rights to share in profits, and providing them with social security measures among other things. He believed that rapid economic development could be achieved in a democratic society based on cooperation between labor and capital. His solution to achieve these goals was the free cooperative ideology [chayu hyŏptongjuŭi].³⁴ His philosophy does not seem to be a

reemerge under a slightly different name. Kim's Detached Special Unit under the Alliance was comprised of gangsters and was widely feared for its reign of "white terror." Ryu Sangyŏng, "Chwa/uik ch'ŏngnyŏn tanch'e," pp. 70, 72.

³³ Chŏn Chŏnhan, *Irŏke ssawŏtta*. The platforms and declarations of Chŏn's parties are in Kwŏn Hŭigyŏng, *Han'guk hyŏksin chŏngdang kwa sahoejuŭi intŏnaesyŏnŏl* [Korean progressive parties and the Socialist International] (Seoul: T'aeyang, 1989), pp. 41-46, 62-63 and Yi Chŏngsik, *Haebang samsimnyŏn* 3 [A thirty-year history after the Liberation, vol. 3] (Seoul: Sŏngmun'guk, 1976), pp. 340-43.

³⁴ The free cooperative ideology, according to Chŏn, "sublates and unites individualism [capitalism] and totalitarianism [Communism]" by

profound one, but it is important that he believed the possibility of a reformed, more humane, nationalistic, and pro-labor capitalism because that very belief was behind the confidence and militancy that the KSEC unionists exhibited in the 1960s.

He was committed to labor and believed in the power of people much more than other contemporary politicians and thinkers. He spent his life after he lost the presidency at Taehan noch'ong in 1952 pursuing a goal of building a party of the "working people." He hope that a political party, "Workers and Farmers Party" [*Nonongdang*], be built out of free cooperative movement based on workers and farmers. He actually founded a Labor Party in 1955, renamed it a "Nationalist Democratic Socialist Party" in 1959 to reflect the two pillars of his ideology -- nationalism and democratic socialism. He was active in the "progressive" party movement [*chinbo chŏngdang undong*] in 1960 with his own "Korean Socialist Party."³⁵ His last words were, according to his followers, "I came [to this world] as a worker and am now going back as a worker."³⁶

discarding monopoly/exclusionism and keeping individual dignity/equality/creativity from individualism, and discarding authoritarianism/mechanical application and keeping the spirits of social cooperation/social solidarity/mutualism from Communism. Chŏn, *Irŏk'e ssawŏtta*, p. 201. The ideal country where this free cooperative ideology blossomed, according to him, was Denmark. See Chŏn Chinhan, "Chŏngmak ūi kyohun" [Lessons from Denmark], *ibid.*, pp. 254-68 and Kwŏn, *Han'guk hyŏksin chŏngdang*, pp. 37-42.

³⁵ Kwŏn, *Han'guk hyŏksin chŏngdang*, pp. 41-48.

³⁶ "Palgansa" in Chŏn Chinhan, *Irŏk'e ssawŏtta*.

Constitutional Debates on Labor Issues

Given this ideological and political trajectory, it is not surprising that, after winning a seat in the National Assembly in the 1948 election,³⁷ Chŏn, on behalf of Noch'ong, submitted a document -- called the "Labor-Farmer Eight Articles" or the "Labor Charter" -- to be included in the first Constitution of the Republic of Korea with nine other National Assemblymen in June 14, 1948.³⁸ This document contained radical visions of the future economic order of South Korea. It reflected both the demands of workers and farmers in the immediate postwar years and the progressive ideological environments at the time (See Appendix B for the translation of the eight articles).³⁹ It

³⁷ He was one of the "pure independents," who did not belong to any faction, including the "junior Assemblymen" groups. Sŏ, *Minjok undong yŏn'gu* 2, p. 308.

³⁸ Among the six candidates from Taehan noch'ong or supported by Taehan noch'ong, Chŏn was the only one elected in the May 10th general election. On the Taehan noch'ong proposal for the Constitution, see FKTU, *Han'guk nodong chohap undongsa*, pp. 295-300. Kim Sam Soo argues that the eight articles were more likely prepared by the so-called "progressives" rather than Chŏn, even though, as he admits, there is no direct evidence to prove it either way. Kim, *Kan'oku shihonshugi*, pp. 137-39. But I think that there was a broad consensus behind the demands expressed in the Labor Charter at the time, and there is no basis to exclusively attribute the writing of it to the anti-Chŏn faction.

³⁹ Yi Yŏnghŭi enumerates three factors behind the adoption of the workers' right to share in profits in the Constitution: First, the dominant international ideological trend of social democracy at the time; secondly, workers' strong demand of participating in the management and disposition of companies recovered from the Japanese; political motivation to provide better protection of labor rights in consideration of the political situation of the division of the country. He also points out that the fundamental reason behind the Constitutional protection of labor rights was the consensus to build not a simple liberal state, but a social-welfare state, following the examples of the advanced countries. Yi Yŏnghŭi, *Nodong kibonkwŏn ŭi iron kwa silche*

demanded that the Constitution include the guarantee of the "three basic rights of labor" -- the right to organize, to bargain collectively, and to engage in collective action -- (Article 1), and protection by the state of unemployed and less-than-able-bodied workers (Article 2). Then it demanded the workers' right to share in profits (Article 4) and to participate in management (Article 5). Article 6 called for land reform and Article 8 the creation of the National Economic Conference [*Kungmin kyōngje hoeŭi*].⁴⁰ Six of the eight articles were a reiteration or expansion of articles already in the draft Constitution prepared by legal specialists for the discussion at the National Assembly. But articles 4 and 5 -- the right of workers to share in profits and the right to participate in management -- were new demands.

The Korea Chamber of Commerce and Industry, the only national capitalist organization at the time,⁴¹ also produced a series of "suggestions" to the National Assembly and public statements. The gist of the capitalists' arguments was that

[Theory and practice of the basic labor rights] (Seoul: Kkach'i, 1990), pp. 202-203.

⁴⁰ The National Economic Conference, comprised of representatives of labor, capital, and the public, was designed as a way to guarantee labor's voice in economic planning. But it was not adopted into the Constitution. The idea seems similar to that behind the Economic Recovery Council in postwar Japan. It was advocated by Sōdōmei and "reform capitalists" (the Keizai Dōyōkai) in 1946 for the purpose of "democratizing industry" and of achieving a "high-productivity, high-wage" planned economy through union's participation in corporate and national economic planning and by nurturing cooperative industrial relations. See Gordon, *Wages of Affluence*, p. 36.

⁴¹ Before the founding of the Chamber of commerce and Industry, capitalist organizations were formed in many industries from September 1945. An, *Chōnp'yōng*, p. 40.

management rights and right to profit should belong exclusively to capital, and that it was a life-and-death issue for the capitalists to secure those rights. They opposed the articles on profit-sharing, workers' participation in management, and the establishment of the National Economic Council. They also wanted to reduce the scope of industries falling under the scope of public and state ownership and block the nationalization of companies recovered from the Japanese. Syngman Rhee also opposed articles 4 and 5. The U.S. Military Government expressed concerns especially over the issue of workers' participation in management.⁴²

Many unions under Taehan noch'ong supported the Labor Charter and declared that they would struggle until its adoption into the Constitution. Such inclusion would serve to secure "minimum material conditions for the emancipation of workers from the conditions of wage slavery and of farmers from the environment of serfdom."⁴³ The articles that generated most heated debate at the National Assembly were, not surprisingly, the fourth article in the proposal, which demanded the "right to share profits equally" [*iik kyunjŏmqwŏn*] and the fifth article establishing the workers' right to participate in management. Based on a popular idea that labor and skill contribute to

⁴² For the positions taken by the Korea Chamber of Commerce and Industry, Syngman Rhee, and the U.S. Military Government on the demands in the Labor Charter, see Kim, *Kankoku shihonshugi*, pp. 135-43.

⁴³ From a statement "Adopt the Labor Charter" issued by fourteen unions under Taehan noch'ong on June 16, 1948. Cited in FKTU, *Han'guk nodong chohap undongsa*, p. 296.

profit-making just like capital does," the rate of 30 to 50 percent of the profit was suggested as labor's just share. The background for such radical demands lies at least in part the history of workers' self-management movement at the companies previously owned by Japanese capitalists, which we have discussed in the previous chapter.

Taehan noch'ong formed a national committee for legal struggle. In the "Declaration!" it issued in June 1948, the committee argued that if properties recovered from the Japanese were sold to capitalists without considering the interests of the workers who "sacrificed everything for the company," then the workers would become "wage slaves" under the new capitalist owners and it would be "the Japanese colonial capitalist economic system all over again." "We who set out to construct a new nation and a new society," the Declaration went on, "absolutely cannot tolerate such contradictions and sins. It cannot be overemphasized that the practice of the principle of equal sharing of profits by working people in the disposition of properties recovered from the Japanese will help us transcend both capitalism and Communism and move toward the development of

" This same idea was also upheld by the Association for Industry-building [*Sanŏp kŏnsŏl hyŏpŭihoe*; est. 1946], which was comprised of the representatives of capital, management, technical staff, and labor from the left to centrist political spectrum. Labor representatives came from only Chŏnp'yŏng. Kim concludes that "this kind of discourse was being supported by many independents in the National Assembly and assemblymen from 'anti-Communist' right-wing mass organizations such as Minjok ch'ŏngnyŏndan or Taedong ch'ŏngnyŏndan." Kim, *Kankoku shihonshugi*, p. 144.

a genuine democratic economy, and that the key to the unification of the South and North also lies in it."⁴⁵ The argument closely matches Chŏn Chinhan's position that we have seen earlier.

Whether the so-called "progressives" or Chŏn Chinhan was the driving force behind it or not, it is clear that Noch'ong, which proclaimed "democracy" and "New Nationalism" as its ideological basis when founded, espoused a kind of economic blueprint which was popular among various political groups at the time and quite incompatible with liberal capitalist ideology.⁴⁶

The conservatives in the National Assembly fought against the articles on profit sharing and workers' participation in management demanded by Taehan noch'ong.⁴⁷ After heated discussions and several revised motions, a watered-down version

⁴⁵ For the "Taehan noch'ong National Committee for Fighting for the Revision of the Public Employee Law (draft) and for the Guarantee of the Right to Equally Share in Profits," see FKTU, *Han'guk nodong chohap undongsa*, pp. 297-99.

⁴⁶ Kwŏn, *Han'guk hyŏksin chŏngdang*, pp. 15-206 reproduces declarations, platforms, and policies of major "progressive" and democratic socialist parties in South Korea from 1955 to 1988. Numerous "progressive" parties since the late 1940s, such as the Progressive Party of Cho Pong'am or the Nationalist Democratic Socialist Party of Chŏn Chinhan, claimed to represent the "working mass," "working people," or "working minjung" --workers, farmers, "working intellectuals," and small-to-medium merchants and capitalists -- to build a democratic welfare state and a self-supporting economy in which both political freedom and equitable distribution of wealth would be guaranteed. They promised to put important industries and resources under state control, and to expand productivity rapidly by mobilizing the creative energy of working people. They argued that all those developments would become the basis of a peaceful unification of the country and would serve as the most powerful deterrent to Communism.

⁴⁷ The opposition came primarily from the Korean Democratic Party members. Syngman Rhee, who was the speaker of the Assembly, also threatened the proponents of the pro-labor articles by arguing that "if these articles, which specially protect workers, go into the Constitution," people "might misunderstand and believe that there are many Communist Party members in the National Assembly." Kim, *Kankoku shihonshugi*, p. 134.

of the article on profit-sharing actually made it into the Constitution. The article on workers' participation in management, however, did not. The final compromised version of Constitution, promulgated in July 1948, still guaranteed labor's three basic rights, although "within the scope set by law." The finalized version of the article reads, "Article 18. 1. The freedom of workers' organization, collective bargaining, and collective action shall be guaranteed within the scope set by law. 2. Workers in profit-seeking private enterprises shall have the right to share equally in the distribution of profit as provided by law."¹⁶

The fact that the Constitutional protection of labor rights, including the right to collective action, was accepted and the fact that instead of being thrown away altogether, a compromise was reached on the issue of profit-sharing tell us much about the political environments and the power of progressive discourses on labor issues in 1948. The constitutional outcome of these debates also alerts us to the underdeveloped state, the lack of hegemony by the capitalist class and its liberal capitalist ideology, and the organizational and political weakness of the combined forces of Syngman Rhee and the conservative Korean Democratic Party in support of the capitalist path in nation-building in South Korea at that point in time. The presence of

¹⁶ The follow-up legislation on profit-sharing never happened and thus the Constitutional equal profit-sharing provision never had any actual effect until removed in the December 26, 1962 revision of the Constitution.

Communist North Korea and its propaganda on labor and land issues also loomed large in the political landscape.

Syngman Rhee and conservative Korean Democratic Party forces struck back in full force beginning in 1949, however. Most vocal members of the "junior Assemblymen" were arrested as pro-North Korean Communist agents. The National Security Law was pushed through the National Assembly, which was paralyzed by red-baiting and right-wing terror. The outbreak of the Korean War severely limited the political space for the "progressives." An extreme right-wing, anti-Communist dictatorial system became consolidated, mainly based on the coercive power of the police, the army, and various paramilitary youth groups. As we shall see, Taehan noch'ong was also a part of the machinery of the dictatorial regime, playing the role of mobilizing workers to support Syngman Rhee.

The Chosŏn Textile Strike and the Labor Laws of 1953

Once the threat of leftist labor militancy subsided and the political power of the government stabilized, the Syngman Rhee regime did not show much interest in protecting workers and unions. The *ilminjuŭi* ideological movement notwithstanding, to the dismay of labor leaders, the regime failed to intervene to stop the anti-union practices of companies. Most of the large companies were companies taken over from the Japanese, and they were either turned into public enterprises or sold to private

capitalists, against the protests of workers who claimed what they considered their rightful share of the company ownership and profits. Arbitrary intervention by corrupt bureaucrats, starting with Syngman Rhee himself was prevalent. Abuses included selecting the purchasers or the managers of many companies in exchange for favors and kickbacks.

Meanwhile, Taehan noch'ong was embroiled in a series of factional struggles between the Chŏn group and the anti-Chŏn faction. Serious internal division within the leadership of organized labor coupled with the definite right turn of the regime after 1949 meant that the legislative efforts for labor laws drifted.⁴⁹ The exigencies of the Korean War also helped put labor's cause on the back burner. Im Kibong, Cho Kwangsŏp (both from Taehan noch'ong), and ninety-three other National Assemblymen submitted a set of labor bills in April 1951, but there was no follow-up to it.⁵⁰

It was the unexpected large-scale strikes by textile, mining, and dock workers beginning in late 1951, when the War came to a stalemate, that generated a political consensus for the urgency

⁴⁹ By 1949 the Ministry of Social Affairs had already finished writing the drafts of important labor-related laws -- the Labor Union Act, the Labor Dispute Adjustment Act, the Labor Standards Act, the Equal Profit-sharing Act, the Social Security (unemployment insurance) Act, the Disaster Insurance Act, and the Job Administration Act. But only the first three were enacted into law in 1953, although with much different content than this original drafts. Kim, *Kankoku shihonshugi*, pp. 186-87.

⁵⁰ For the content of the "Proposal by Assemblymen," see *Ibid.*, pp. 189-94. Figure 11 in pp. 330-36 compares the "Proposal by Assemblymen" with the "Proposal by the Government," "Society and Health Committee Alternative Proposal," the 1953 labor laws, and the Japanese labor laws.

of labor legislation to handle industrial problems.⁵¹ Especially the much-publicized workers' struggle at the Chosŏn Textile Pusan factory from December 1951 to March 1952 against the union-busting efforts of the new company president, Kang Ilmae, propelled a strong legislative drive for labor laws by Taehan noch'ong. The Chosŏn Textile strike escalated the factional strife in Taehan noch'ong and cost the president of the organization, Chŏn Chinha, his presidency. Chŏn had successfully held onto his position at Taehan noch'ong against continuing challenges by opposition factions until that point. Now he found himself stripped of President Rhee's support after he firmly took the side of the Chosŏn Textile workers in their struggle against Kang.

Chosŏn Textile was one of the rare profitable businesses at the time and employed 7,300 workers, out of which 6,300 were women production workers.⁵² Its Pusan factory had a union sub-local that had a cooperative relationship with the company president, who had been a textile technician and the factory manager before becoming president. The Pusan sub-local and management were aiming at purchasing the company. They had engaged the support of a Pusan capitalist and were collecting

⁵¹ Sin Illyŏng, *Nodongbŏp kwa nodong undong* [Labor laws and labor movement] (Seoul: Irwŏl sŏgak, 1987) p. 78. For an account of these labor disputes, see Kim, *Haebang hu p'yŏn*, pp. 144-61.

⁵² On the events of the Chosŏn Textile strike and the resulting Chŏn-Rhee cleavage, see FKTU, *Han'guk nodong chohap undongsa*, pp. 353-55, 360-66; Kim, *Kankoku shihonshugi*, pp. 221-29.

money from employees to establish a fund for the purchase.⁵³ In other words, this was a company where the spirit of the radical mobilization of the immediate postwar years was still alive and where the cooperation of labor and "conscientious" capital seemed like a possibility.

But the new president of the company, Kang, who was handpicked by Syngman Rhee, was a faithful follower of Rhee and had close personal connections with him.⁵⁴ Rhee wanted to prevent a possibility that Chosŏn Textile became a source of political fund for opposition parties, and entrusted Kang the job of turning the company into his own source of money.⁵⁵ Once in power, Kang set out to upset the cooperative relationship between the union and management by undertaking a massive dismissal of long-

⁵³ The sale of companies recovered from the Japanese resumed in November 1950 after a brief interruption by the Korean War and the sale of the Chosŏn Textile was scheduled for March 1951. The company president, Chŏng Hojong, engaged Kim Chit'ae, who was one of the top capitalists in Pusan and one of the board members at the company, and encouraged fund-raising among the employees to purchase the company from the government. Management and workers had an agreement to divide company stocks equally between them after the purchase. Without clear reason, however, the sale of the company was postponed, the company was designated as a state-managed company all of a sudden, and in April, Chŏng was arrested and replaced by Kang Ilmae. Pae Sŏngman, "Haebang hu Chosŏn pangjik ŭi kyŏnggyŏng kwa kŭ sŏnggyŏk" [The management of Chosun Textile after the Liberation and its characteristics], *Chiyŏk kwa yŏksa* [Region and history] no. 9 (2001).

⁵⁴ Kang did not have previous ties to the company nor any significant experience in management except for holding a manager position at a department store. He became the president of Chosŏn Textile Company solely because of Rhee's support. Kang's private connection to Rhee has not been verified: some say that his father was a prison warden and had taken good care of Rhee when he was jailed, and others speculated that he might have been Rhee's adopted son. Recently published Syngman Rhee documents -- *Unam Yi Sŏngman munsŏ* [Documents of Unam Syngman Rhee] (Seoul: Chung'ang ilbosa) -- show that Kang received substantial fund from Rhee in 1947 and 1948. Pae, "Haebang hu Chosŏn pangjik," pp. 91-92.

⁵⁵ *Ibid.*, pp. 91-92.

time employees and union leaders and by hiring his own people by the hundreds from his previous company. In response, workers and the union started a collective action and demanded the reinstatement of fired employees and the dismissal of President Kang. To make matters worse, the anti-Chŏn faction of Taehan noch'ong -- the so-called "progressives" -- aligned itself with Kang and publicly denounced the actions of the sub-local and the Chŏn Chinha faction, which decided to support and lead the Chosŏn Textile struggle. The contending Taehan noch'ong factions then organized themselves into competing task forces: the Chŏn faction organized the "Chosŏn Textile Strike Planning Committee" and the anti-Chŏn faction the "Taehan noch'ong Purification Committee."⁵⁶

The situation was even more complicated because the factory, given its sheer size, became a platform for recruiting people to the fold of a new party being organized for Syngman Rhee. In order to overcome his political weakness in the National Assembly, Rhee had decided to abandon the pretension of transcending petty party politics and forge a party of his own, the core of which would be five major social organizations, including Taehan noch'ong.⁵⁷ At that point, Rhee followers who had been working to create a new party (Liberal Party) then split into two factions,

⁵⁶ This development squarely contradicts Kim Sam Soo's characterization of pro-Rhee Chŏn faction versus "progressive" anti-Chŏn faction.

⁵⁷ The five organizations were the Citizen's Association [*Kungminhoe*], Korea Youth Corps [*Taehan ch'ŏngnyŏndan*], Taehan noch'ong, the Federation of Korean Farmers' Associations [*Taehan nongch'ong*], and the Korean Women's Association [*Taehan puinhoe*].

known as the "Assembly Liberal Party" [*Wŏnnae chayudang*] faction, which opposed the constitutional amendment for direct presidential election that Rhee wanted, and the "Extra-assembly Liberal Party" [*Wŏnoe chayudang*] faction, which supported the constitutional amendment, respectively.

President Kang, the company union he later formed, and the Taehan noch'ong "progressives" allied themselves with the "Extra-assembly Liberal Party" faction, while Chŏn Chinhan, the Planning Committee, and the original union were close to the "Assembly Liberal Party" faction. Unlike the "progressive" faction of Taehan noch'ong, which wholeheartedly supported Rhee's new party, Chŏn Chinhan was not enthusiastic about it and disliked Taehan noch'ong's integration into it. Ironically, the so-called "progressives," who criticized the Chŏn group for Chŏn's close ties to Syngman Rhee and the Korean Democratic Party, and the group's resulting lack of political autonomy, were now backing Rhee's handpicked man against workers' wishes and embracing the idea of making Taehan noch'ong part of the new government party. There was nothing progressive about this so-called "progressives" group by 1951, and there is not enough evidence for their "progressive" outlook seeking Western-style trade unionism and industrial democracy prior to that time either. In fact, Chŏn seemed to be more consistently pro-labor and more committed to organized labor's struggle against anti-union capitalists than anti-Chŏn factions, if anything.

The stage was set for a major confrontation between the company and the workers, and the two vehemently contending groups of union leaders and politicians, the outcome of which would go far beyond the Pusan factory. The solidarity among workers was strong, the Taehan noch'ong's Planning Committee under Chŏn actively supported the workers, and almost all the workers participated in the strike called by the Planning Committee. The National Assembly adopted a resolution by a vote of 93 to 0 which called for a simultaneous dismissal of Kang and end of the strike. Nevertheless the strike ended in total defeat for the textile workers because of Syngman Rhee's adamant support for President Kang and the administration's refusal to entertain the workers' demand to have Kang fired. Rhee understood that, more than anything else, securing management prerogatives for capitalists at companies taken over from the Japanese was at stake in the strike.⁵⁸

Sensing Rhee's resolution, Chŏn backed out of his call for strike action one day after the strike began. But this betrayal

⁵⁸ The Ministry of Commerce and Industry [hereafter, MCI] was dealing with many similar disputes over managerial rights at companies taken over from the Japanese. The Minister of MCI, Kim Hun, expressed his concern to the National Assembly as follows: "Chosŏn Textile is not the only company recovered from the Japanese. There are at least several thousand of them and there is not a peaceful day at those factories Petitions are piling up on my desk all the time, and among them demands to 'change the manager' are quite frequent." The first MCI Minister Im Yŏngsin asked, "[I]f we fire the president [of Chosŏn Textile], who can guarantee that workers in other factories would not raise the same demand?" As a result of the workers' defeat, the company union stayed, 26 managerial staff members and 600 workers were fired, and the company was bought by Kang's brother in 1955 at a below-market price. See Kim, *Kankoku shihonshugi*, pp. 228, 232-33.

of the striking textile workers came too late for Chŏn to preserve Rhee's favor.⁵⁹ Chŏn's relationship with Syngman Rhee was irrevocably broken and he was removed from Taehan noch'ong in November 1952 as a result.⁶⁰ Chŏn was never able to get back into Taehan noch'ong leadership after that, although he continued to try to do so.⁶¹ He also tried to realize his vision of a labor-centered type of democratic socialism through party politics. By 1953, Chŏn was working for the idea of a labor party after he was expelled from Taehan noch'ong.⁶² The Labor Party he founded in 1955, not long after the promulgation of the labor laws,

⁵⁹ Chŏn claimed that even before the Chosŏn Textile strike, a cleavage between Rhee and him had already developed because of a false report to Rhee that Chŏn had expressed his wish to become Korean President at the second world convention of the International Confederation of Free Trade Unions (ICFTU) -- Chŏn was elected as its board member in 1949 and 1951 -- in Milan, Italy. Chŏn said that contrary to the report he tried hard at the convention to rebuke harsh criticisms on Rhee's dictatorship by saying, "The Korean situation is such that even if Washington or Lincoln came to Korea, they would have hard time dealing with it and there is nobody who could better take of the situation than Rhee." Chŏn, *Irŏke ssawŏtta*, pp. 307, 350.

⁶⁰ To resolve the escalating and increasingly embarrassing factional dispute in Taehan noch'ong, Rhee directly intervened and purged the leaders of both factions -- Chŏn and Chu Chongp'il -- from Taehan noch'ong. At the same time, Taehan noch'ong was integrated into the Liberal Party structure and soon reduced to an auxiliary organization of the party. Kim, *Kankoku shihonshugi*, pp. 220-21.

⁶¹ Chŏn attended the founding assembly of Han'guk noryŏn (see the next chapter) in November 1960 as a representative of a printing workers' union. At the assembly, Chŏn Chinha supporters, who argued for the election of the chairman and vice-chairman of the assembly through a direct secret ballot, clashed with Kim Mallyong supporters, who wanted an indirect election method. Kim, *Haebang hu p'yŏn*, p. 273; KSU, *Haewŏn chohapsa*, p. 88. Chŏn's name appears on the radar screen of the FKTU unions again in 1965 as a member of the Labor Sub-committee at the National Assembly in relation to the FKTU protest campaign against the proposed retrogressive revision of labor laws that year. KSEC Archive #5, "Collection of Union Correspondence."

⁶² See the Appendix to his book *Minjok wigi wa hyŏksin seryŏk* for his 1953 drafts of the declaration and the platform for the "Labor and Farmers' Party."

proclaimed its goal as enhancing the legitimate rights and interests of what he called the "working mass."⁶³ The Labor Party fared miserably in the 1958 National Assembly election. Chŏn tried to merge with other progressive parties to form a "third party" after the election, but failed.⁶⁴ Kim Sam Soo calls Chŏn's political venture after losing the presidency at Taehan noch'ong "meaningless in Korean political history."⁶⁵ But his radical vision survived in the official ideologies of the South Korean union movement and in union movements in some local unions as we will see later in the KSEC case.

The Chosŏn Textile strike and other major strikes in 1952 -- particularly the Mining Union struggle of February-March, and the Pusan dock workers' general strike in July⁶⁶ -- raised concern about the lack of institutionalization of the handling of industrial problems among politicians and bureaucrats. Many of the labor-related orders and laws under the U.S. Military Government were still in effect as a temporary measure until the legislation of labor laws, but they were judged inadequate in resolving labor-management confrontations by many political leaders. Realizing how vulnerable workers and unions were without the protection of favorable labor laws, Chŏn actively

⁶³ Kwŏn, *Han'guk hyŏksin chŏngdang*, p. 41.

⁶⁴ The Labor Party was renamed as the "Nationalist Democratic Socialist Party" in November 1959.

⁶⁵ Kim, *Kankoku shihonshugi*, p. 237.

⁶⁶ On these disputes and strikes, see FKTU, *Han'guk nodong chohap undongsa*, pp. 366-68.

pursued the passage of labor laws at the meetings of the second National Assembly from 1952 to 1953.⁶⁷

The labor laws that were passed in 1953 -- the Labor Union Act, the Labor Disputes Adjustment Act, the Labor Committee Act, and the Labor Standards Act -- were fairly progressive and pro-labor in nature. They were based on the principle of acknowledging workers' right to organize and, furthermore, to strike. Therefore, workers' rights to organize unions freely, bargain collectively, and engage in collective actions were recognized and protected, and the internal democracy and autonomy of unions were emphasized. Companies were obliged to bargain with unions in their plants, and discrimination against union workers because of union membership, or intervention or control of union organizations or activities were defined as unfair labor practices. Labor Committees, comprised of three members each representing labor, management, and the public, would decide on the sanctions against such violations.

Workers' rights to collective action received special protection. The hiring of substitute workers and the arresting

⁶⁷ At the second National Assembly, there were six assemblymen from Taehan noch'ong, including four who won the election in May 1950 out of over forty labor candidates. Chŏn lost the 1950 election, but later in February 1952 won a by-election in Pusan at the peak of the Chosŏn Textile strike. FKTU, *Han'guk nodong chohap undongsa*, p. 352. Chŏn and thirty-two other assemblymen submitted an urgent motion to give priority to the discussion of labor bills at the general assembly in November 1952. The discussion started from December 22 and the final labor bills, mainly adopting the Society and Health Committee Alternative Proposal with some revisions, were passed from January to April in 1953. Chŏn submitted many revisions to the bills representing labor's interests. For the history behind labor bill proposals, the debates, and the process of legislation, see Kim, *Kankoku shihonshugi*, Chapter 7.

of workers (except for people caught in the criminal actions) during a labor dispute was prohibited. On the other hand, elaborate procedures through which collective action was to be carried on were laid down in the law, including a provision for a cooling-off period before strikes. These procedures revealed the strong influence of the U.S. Taft-Hartley Act of 1947, which aimed at restricting workers' rights of collective action. The state's power to intervene in union affairs, including ordering a union to disband, was accepted, and public employees were generally denied the basic labor rights. It was clear that state authority to intervene in union activities or to set tough labor standards was not challenged in principle by any party involved in the labor law legislation process. But the article banning a union's involvement in political activities was struck from the final legislation.⁶⁸ The Labor Standards Act, which was promulgated in May 1953, was so advanced that, according to a 1973 report, 96 percent of the companies surveyed were still having difficulty observing all the labor protections in the law.⁶⁹

The labor laws of 1953 created the institutional framework which governed South Korean industrial relations during the second half of the twentieth century. The laws provided

⁶⁸ Sin, *Nodongbŏp*, pp. 79-80; Yi, *Nodong kibon'gwŏn*, p. 206; Choi, *Labor and the Authoritarian State*, p. 85.; Kim, *Kankoku shihonshugi*, pp. 250-57, 289, 330-36.

⁶⁹ *Hyŏndae kyŏngje ilbo* 4/8/73. Cited in Pak, "Han'guk ūi nodong chaengŭi I," p. 335.

legitimacy for workers' demands, and even with numerous regressive revisions after 1953, which generally added more restrictions and state control on the exercise of labor rights, the three labor rights -- rights to organize unions freely, bargain collectively, and engage in collective actions -- were never revoked in principle.

As for the model behind the 1953 labor laws, opinions vary. A labor law specialist, Sin Illyŏng, argues that the laws were almost exact copies of Japanese labor laws at the time, which were in turn based on European and U.S. labor laws, including the Wagner Act of 1935 and the Taft-Hartley Act of 1947.⁷⁰ Another labor law specialist, Yi Yŏnghŭi, and Kim Sam Soo also point out the similarities of South Korean and Japanese labor laws.⁷¹ Jang Jip Choi and George Ogle, on the other hand, emphasize the resemblance of the 1953 Korean labor laws to the Wagner Act.⁷² The fact that both South Korea and Japan went through a U.S. occupation may explain the similarities in labor laws in these three countries in part. Whatever the origins, most scholars agree that the labor laws of 1953, at least on paper, provided a legal framework for industrial relations similar to those of the advanced capitalist countries at the time.

⁷⁰ Sin, *Nodongbŏp*, p. 81 and *Nodong inkwŏn kwa nodongbŏp* [Labor's human rights and labor laws] (Seoul: Noktu, 1996), pp. 106-107.

⁷¹ Yi, *Nodong kibon'gwŏn*, p. 205; Kim, *Kankoku shihonshugi*, pp. 271-72, 330-36.

⁷² Choi, *Labor and the Authoritarian State*, pp. 85, 91; George Ogle, *South Korea*, p. 13.

How was such advanced labor legislation possible, considering the chilling ideological effects of the Korean War and the entrenchment of the extreme right-wing anti-Communist politics of the Syngman Rhee regime in the South? Since organized labor during the 1950s was assumed to be a mere political tool for Rhee,⁷³ the conventional understanding of the 1953 labor laws regards it as another modern import from the United States, which had nothing to do with the real conditions of the economy or labor-capital relations in South Korea at the time and which were not intended to be implemented. Some scholars like Sin Illyŏng on the other hand refute the conventional argument that the laws were "nothing more than a decorative thing copied from those of the advanced countries." Instead, they emphasize workers' agency -- the rising militancy of workers resulting from deteriorating material conditions during the Korean War and the frustration of unionists like Chŏn, described above -- as the cause behind the passage of the labor bills.⁷⁴

⁷³ Ogle makes a sweeping judgment that under the Rhee regime, "[l]ittle was heard from labor unions Except as a messenger for Rhee, they made no noticeable contribution. Organized labor carried heavy shackles as it moved into the 1960's." Ogle, *South Korea*, pp. 12-13. He disregards activities of local and industrial unions of the 1950s. Even if we narrow down our focus on the Taehan noch'ong headquarters, the leadership there was much more than a "messenger for Rhee" and various groups holding different visions and political interests were vying for power in the organization, as we have seen in the Chosŏn Textile case earlier.

⁷⁴ Sin, *Nodongbŏp*, pp. 80-81 and *Nodong kibon'gwŏn yŏn'gu* [A study of the basic labor rights] (Seoul: Miraesa, 1985), p. 64.; FKYU, *Han'guk nodong chohap undongsa*, p. 391.

Political motivations of the Rhee regime to appease workers' discontent and mobilize organizational support for Rhee's extended presidency beyond the term prescribed by the Constitution, has also been cited as an important contributing factor.⁷⁵ Kim Sam Soo's analysis of the 1953 labor legislation also focuses on Syngman Rhee's political need to rely on the mobilizing power of Taehan noch'ong in order to strengthen his weak political base, and the regime's recognition of the necessity to integrate workers politically under Taehan noch'ong's control because they were ready to explode into action "in any form, at any time."⁷⁶ This is a top-down approach emphasizing the initiatives of the ruling elite in the 1953 labor legislation. According to him, the ruling elite clearly aimed at restricting workers' activism and channeling it toward a direction of "economic unionism." He concludes that the labor laws were enacted by the initiatives of the ruling elite, not by the organized movement of workers, and the laws were set up to develop Taehan noch'ong into an organization "controlling" rank-and-file workers in an "authoritarian state" system. I agree with him that the Korean War also contributed to the protective legislation for workers because the war was fought by the South and its allies in the name of "liberal democracy" and against the totalitarian Communism of the North.⁷⁷

⁷⁵ Yi, *Nodong kibon'gwŏn*, p. 205.

⁷⁶ Kim, *Kankoku shihonshugi*, pp. 240, 277-78, 290-91.

⁷⁷ Kim, *Kankoku shihonshugi*, p. 279.

The fact that the second National Assembly was still fairly progressive in nature helped to block the administration's efforts to put in more restrictive measures in the bills. All the actors point to the existence of a dynamic political milieu in which anti-Communism combined with the ideology of liberal capitalism had not yet reached the position of dominance and had to negotiate with the pro-worker, pro-farmer sentiments backed by still menacing popular energies. There was a broad rhetorical consensus on the protection of labor rights and well-being among politicians and intellectuals alike, and the terms "working people," "working mass" or "*minjung*" [the masses], which were heavily influenced by Marxist and other socialist thoughts, were widely in use to define the core constituency of the new nation.⁷⁸

As for the effects of the labor laws and how they were interpreted, contested, and practiced, scholars are similarly divided. Choi sees the laws as "merely decorative" in practice during the 1950s, and Ogle argues that the laws were intended to "bottle up labor grievances in endless legal manipulations."⁷⁹ Sin Illyŏng, Yi Yŏnghui, and FKTU's official history, on the other hand, acknowledge the positive impact of the institutionalization of industrial relations in 1953 had on the

⁷⁸ Even Syngman Rhee's Liberal Party, which was born during the same time period as the labor laws, had to claim to be the party of the "working mass."

⁷⁹ Choi, *Labor and the Authoritarian State*, p. 85; Ogle, *South Korea*, p. 13.

growth, albeit slow, of the union movement in South Korea during the 1950s and thereafter.

A change or promulgation of laws does not change the reality automatically. It rather reflects the forces in real life. The question is whether Taehan noch'ong with its severe handicaps of political dependency on the Syngman Rhee regime was poised to exploit the potential of the advanced labor laws of 1953, even though it played an important role in translating workers' demands and militancy into actual set of laws. After Chŏn was removed from Taehan noch'ong, the organization was integrated into the structure of Rhee's Liberal Party.⁸⁰ Divided by factions of politically ambitious leaders, and controlled by Rhee, Taehan noch'ong mainly played the role of demonstrating workers' support for the Syngman Rhee regime through pro-government statements and demonstrations until the regime's demise in April 1960.

How are we to evaluate the apparently contradictory record of Taehan noch'ong? On the one hand, it endorsed workers' radical demands, such as participation in management and profit-sharing, in the debate on Constitution. On the other, its role was reduced to a political arm of the government party and it closely allied with gangster groups and terrorist youth organizations. Without case studies of individual unions and

⁸⁰ Three executive members of Taehan noch'ong were automatically included on the Central Committee of the party. Kim, *Haebang hu p'yŏn*, p. 225. The tight integration of the party and union can be seen in the case of the Chosŏn Textile Pusan factory sub-local, which became identical with the company branch of the Liberal Party. Kim, *Kankoku shihonshugi*, p. 289.

labor leaders of the 1950s, it is hard to present a balanced view of this extremely complex history of Taehan noch'ong trade union movement. What is certain, however, is that the explosion of militancy among rank-and-file workers following Liberation created the political context that led to the Constitutional guarantee of labor's essential rights for unionization, collective bargaining, and collective action, and that large-scale strikes by workers propelled subsequent legislation of a fairly progressive set of labor laws. As we shall see, these Constitutional and legal labor rights became valuable resources for South Korean workers in future decades, despite the repressive labor politics and the sorry status of national labor organizations under the Rhee regime. We also need to look beyond the 1950s and study local-level union activities to fully appreciate the nature and contributions of the 1950s labor movement.

Part II. Democratic Unionism in the 1960s

The 1960s in South Korea was a transitional period in which different visions for nation building coexisted. The new military government that came to power in 1961 was still experimenting with industrial policies, and generally upheld the 1950s procedures and principles set by labor laws put in place by the Rhee regime. After a protracted civil war, the dictatorship of Syngman Rhee, and a student uprising -- the "April Revolution" of 1960 -- which overturned the Rhee regime, aspirations for democratic transformation of the society were very high among the populace. Many workers in the KSEC shipyard union tried to uphold democratic principles in operating their union with pride, and pursued equality, fairness, and labor's voice in industrial relations. At the same time, democratic institutions, including the legal collective bargaining and collective action procedures established by law, were respected by the state apparatuses such as the Office of Labor Affairs, labor committees, city government, and the police, at least in the case of the KSEC union.

In short, the 1960s provided workers a stage for realizing the maximum potential of the system set up by the 1953 labor laws and the promise of the nationalist anti-Communist ideology of the FKTU. How labor fared in this important formative stage of politics and economy in South Korea is the question I address in this part, comprised of four chapters.

The Western literature on South Korean labor has generally assumed the weakness of labor as a historical fact and tried to explain why that was so. Partly because historians have neglected the field of labor history, and partly because the state labor repression of the 1970s and 1980s was so severe, South Korean labor appeared to have been weak and repressed throughout Korea's modern history until the 1980s. George Ogle and Jang Jip Choi are exceptions in that they paid greater attention to the organized labor movement of the 1960s.

As mentioned in the Introduction, Ogle, an industrial sociologist and a missionary who was deported by the South Korean government in 1974 because of his criticism of the Park government's harsh repression of leftist activists, utilized his first-hand knowledge of the 1960s South Korean labor movement and conducted case studies of important collective actions for his dissertation. Political scientist, Jang Jip Choi, in his study of the nature of the state labor control policy, executed in-depth case studies of three industrial union federations. Both observers saw certain positive developments and contributions made by the organized labor movement before the 1970s.

Ogle viewed the 1960s as a "promising interval" in which the military was "flirting with democracy."¹ He paid attention to

¹ Ogle, *South Korea*, pp. 14, 23. Ogle summarized the democratic character of the eight years from the 1961 coup to 1969 as a period during which the military was "flirting with democracy." In the 1960s, Park Chung Hee and the military "acted as though they believed that democratic process went hand in hand with economic growth." Bruce

the rising labor militancy in the latter half of the 1960s and noted "a new consciousness and a new behavior" among industrial workers.² Choi sees the 1960s as a period in which "unions enjoyed a great degree of associational autonomy" and "the labor law actually began to function to protect and enhance the rights and interests of workers."³ Both Ogle and Choi argue that a critical turning point in state labor control policies and the fortunes of the labor movement came during 1969-71, when the Park Chung Hee regime turned toward authoritarianism.⁴

In South Korea, the events of the 1960s union movement have been documented by the FKTU, by some industrial union federations, and by a few local unions.⁵ Several labor history books and articles deal with the 1960s labor movement.⁶ In this literature,

Cummings sees a form of "limited pluralism" in South Korean urban middle class politics during the 1960s: "South Korea seemed to have entered a fairly stable, if often raucous, form of limited pluralism, representing the still small urban middle class." Bruce Cummings, *Korea's Place in the Sun: A Modern History* (New York and London: W. W. Norton and Company, 1997), p. 356.

² Ogle, *South Korea*, pp. 13, 16, 23.

³ Choi, *Labor and the Authoritarian State*, p. 89.

⁴ Ogle, "Labor Unions in Rapid Economic Development," pp. 10, 230-44;

Ogle, *South Korea*, pp. 22-23, 54, 164; Choi, *Labor and the Authoritarian State*, pp. 86-91.

⁵ See publications cited in Introduction, footnote 11 and KSEC, *Samsimnyōnsa*; Kūmsōngsa Union, *Nodong undong 30-nyōnsa* [A 30-year history of labor movement] (Seoul: Kūmsōngsa Union, 1994).

⁶ FKTU, *Han'guk nodong chohap undongsa*; Kim, *Haebang hu p'yōn*; Lee, *Yōsōng nodongja undongsa I*; Pak Kiho, "Han'guk ūi nodong chaengūi, I" [Chaengūi in Korea, vol. 1] in Hwada p'yōnjippu ed., *Han'guk chabonjuūi wa imgūm nodong* [Korean capitalism and wage labor] (Seoul: Hwada, 1984); Yi Ūnjin, "Han'guk ūi nodong chaengūi, II" [Chaengūi in Korea, vol. 2], *ibid.*; Kim Sam Soo, "1960-nyōndae Han'guk ūi nodong chōngch'aek kwa nosa kwan'gye" [Labor policies and industrial relations in Korea in the 1960s] in Han'guk chōngsin munhwa yōn'guwōn ed., *1960-nyōndae Han'guk ūi kongōphwa wa kyōngje kujo* [The Industrialization and the economic structure of Korea in the 1960s] (Seoul: Paeksan sōdang, 1999).

mostly written by leftist activist-scholars, workers' actions and union activities during the 1960s receive fairer attention, but are mostly judged as cases of "economic" or "bread-and-butter" unionism, which only sought economic benefits for union members and did not challenge the existing industrial relations system or management prerogatives, to say nothing of the capitalist economic order itself.

Newer works view the South Korean labor movement during the 1960s much more negatively. They see that decade as a dark era before the dawn of a new kind of militant labor movement, which was born during the 1970s and blossomed in the 1980s. Sociologist Hagen Koo, whose newly published book on the formation of the South Korean working-class is the finest work on Korean labor to date, concludes that South Korean workers "overall remained submissive, unorganized, and politically quiescent" during the 1960s and 1970s. The few labor protests that occurred during the period were "largely unorganized, spontaneous, . . . defensive" and "rarely backed by a strong sense of collective identity and solidarity."⁷ Anthropologist Seung-kyung Kim, who studied women workers in the Masan free-trade zone, also sees the industrial workers of the 1960s as "passive and deferential to governmental policy."⁸ It may be

⁷ Koo, *Korean Workers*, pp. 3, 16.

⁸ Kim, *Class Struggle of Family Struggle?*, pp. 100, 129. As one of the reasons behind labor's passivity, she argues, "hostile climate that the Korean War left toward even vaguely Marxist ideas was, of course, also a factor suppressing class discourse during the 1950s and 1960s." See

because the workers' struggle to build democratic unions in the 1970s was so heroic against extremely heavy-handed state repression in which the FKTU was complicit that, by comparison with labor's presumed submissiveness in the 1960s, it appears as if a completely new strain of democratic and militant labor movement was born.

As we will see in the following chapters, however, the actions and demands of the KSEC union members and those of the Maritime Union during the 1960s were far from passive or submissive, and these demands and attitudes do not easily fit into the conceptual mold of economic unionism. They also show us that the state-capital-labor relationship in the 1960s was quite different from that of the 1970s and 1980s, an era most of us are more familiar with. Kim Sam Soo correctly pointed out that the state labor policies of the 1960s had more continuity with those of the 1950s than with the repressive labor policies of the 1970s. It is the 1970s that was more of an anomaly in the history of South Korean labor policies up to that point.⁹

The "developmental state" of South Korea itself was taking shape through trial and error and under the influences of different political forces during this period. The state's labor mobilization and control policies were not only adopted in response to the realities of the world and domestic economic,

chapters 5 and 6 of my dissertation for a different view on the ideological environment of the 1950s and 1960s.

⁹ Kim, "1960-nyöndae nodong chöngch'aek," pp. 231-32.

political, and ideological forces, but were also partially shaped by the increasingly vociferous, confident and confrontational union movement. This becomes apparent when one looks closely at the changing nature of workers' aspirations and demands, management's attitudes, and state policies at the grassroots level in a key industry like shipbuilding.

Chapter 6. The KSEC Workers in Political Upheavals, 1950-1960

The Korean War

When the power of the Chŏnp'yŏng local was at its peak from 1945 to 1947, about 300 workers left from the colonial operation still remained at the KSEC yard.¹⁰ These were workers with relatively longer industrial experience. Most temporarily mobilized workers had left the yard when the colonial management disintegrated with the Liberation. Because of the postwar shortage of skilled workers, those who stayed at the yard, despite their relatively low skill level, were promoted quickly to fill the position of low-level technical staff, foremen [*chikchang*], and line supervisors [*chojang*].¹¹ These workers were not only in charge of production, but also formed the core of the Chŏnp'yŏng local.¹²

After the demise of the Chŏnp'yŏng local around 1947, Chosŏn Heavy Industries was reorganized as the Korea Shipbuilding and Engineering Corporation (KSEC). Workers who had been active in the Chŏnp'yŏng local at Chosŏn Heavy Industries were then

¹⁰ Kim, "1950-nendai rŏdŏsha," p. 7.

¹¹ According to the Company Regulations (1955) and the Wage Regulations (1954), the top position production workers could reach was *chikchang* (foreman; 2nd rank or above), then *chojang* (line supervisor; 1st to 3rd rank), and *panjar* (line leader; 1st to 4th rank). See Figure 2 in Kim, "1950-nendai rŏdŏsha," p. 12.

¹² Kim Yonggi interviewed four technicians from the KSEC, one KSEC union member, and one official from the Korean Maritime Workers' Union, and used the KSEC union archive. Information on the situation of the yard

involuntarily organized into the Anti-Communist Alliance [*Kungmin podo yŏnmaeng*; literally, "Alliance to Protect and Guide People"]. The Anti-Communist Alliance was an organization created in June 1949 to convert leftists to the cause of anti-Communist nation-building.¹³ The Alliance was not under any legal regulations, and the members' fate was in the hands of a committee comprised of prosecutors and police. Soon people who had once joined any kind of leftist organizations such as people's committees, Chŏnp'yŏng unions, farmers' associations, or youth, women's, or artist organizations were forced to join the Alliance. Worse still, quotas for each region were set, and membership was imposed on many who were not leftist at all. Members had to write a confession, and provide a list of all the people who had been in their leftist organizations. They had to pay membership fees and donations, and work to convert other leftists.¹⁴ The Alliance, contrary to its proclaimed purpose, ended up becoming an instrument to label, police, and persecute "leftist" Koreans.

during the 1950s comes from his article, "1950-nendai rŏdŏsha," unless otherwise noted.

¹³ For the organization and operation of the Anti-Communist Alliance, see Sŏ, *Minjok undong yŏn'gu* 2, pp. 267-73. Also see Han Chihŭi, "1949-50-nyŏn Kungmin podo yŏnmaeng kyŏlsŏng ūi chŏngch'ijŏk sŏnggyŏk" [Political characteristics of the formation of the Anti-Communist Alliance in 1949-50], *Sungmyŏng han'guksaron* 2 (1996).

¹⁴ The estimated total membership reached 300,000. The practice of forced membership by quota was exposed in the National Assembly. One assemblyman claimed that workers who had been involved in strike after the Liberation received calls at work from the Alliance out of the blue. The list of names provided by new members of the Alliance was said to be used in turn to arrest over 3,000 leftists at one point. Sŏ, *Minjok undong yŏn'gu* 2, pp. 268. Also see Pusan maeil [Pusan daily], *Ulbujiinnŭn wŏnhondŭl: Minjok ūi tae pigŭk: Han'guk ūi killing p'ildŭ*

The KSEC Alliance members were lodged together in storage buildings or in other living quarters at the yard in Yŏngdo, Pusan. The Alliance roster included many supervisors and foremen-level workers.¹⁵ When the Korean War broke out in June 1950, tens of thousands of Alliance members were massacred in the South.¹⁶ Most massacres occurred within several months of the outbreak of the war by police and the army. Several thousand more in the South were systematically killed by the army between December 1950 and February 1951.¹⁷ South Kyŏngsang Province and the Pusan area were no exception, but at KSEC workers were spared because their skills were valuable in servicing warships.¹⁸

According to Kim Yonggi's interviewees, 120 to 130 workers who had started work during the colonial period were still at the yard in 1950.¹⁹ That was less than half of the three hundred workers there in 1946, but still a substantial and potentially influential number, considering their relatively high positions and seniority. These skilled workers basically maintained

[Wailing revengeful spirits: Great tragedy of the nation -- the Korean killing fields](Pusan: Pusan maeil, 1991) for cases of forced membership.

¹⁵ See the testimony of one interviewee of Kim, who happened to see the roster. Kim, "1950-nendai rŏdŏsha," p. 7.

¹⁶ Sŏ Chungŏk's estimate is based on a special investigation by *Pusan maeil*, which was published as a book, *Ulbujiinnŭn wŏnhondŭl*, in 1991.

¹⁷ Cho Sŏnggu, "Kyŏngnam/Chŏlla chiyŏk ŭi podo yŏnmaengwŏn/yangmin haksal," *Yŏksa pip'yŏng* (Summer, 1990). Cited in Sŏ Chungŏk, "1980-nyŏndae ihu chinbojŏk yŏn'guja tŭrŭi namhan hyŏndaesa yŏn'gu ŭi tonghyang kwa chŏnmang" [Trend and prospect of the studies on South Korean modern history by progressive scholars after the 1980s], *Yŏksa munje yŏn'guso* ed., *Han'guk ŭi 'kŭndae' wa 'kŭndaesŏng' pip'an*, p. 146.

¹⁸ A former president of KSEC, who later became the chief of Naval Operations, petitioned to the Navy to save the KSEC workers. Kim, "1950-nendai rŏdŏsha," p. 7.

¹⁹ *Ibid.*, p. 7.

control over production at the yard throughout the 1950s, and well into the 1960s. The 1950s is remembered as the "era of foremen" by former technicians of the company.²⁰ Newly hired college-educated engineers and managers tried to take away foremen's control over the production process and to restructure production, but they did not succeed during the 1950s and early 1960s.

The level of technological and managerial sophistication was low at the yard, and the management had neither the will nor the capacity to enforce rationalization plans. According to Kim Yonggi, many KSEC presidents were political appointees of the Syngman Rhee regime and most of these executives came from political, bureaucratic, and business world or from the Navy. They were replaced frequently costing the company big severance payments. The inefficient, corrupt, and wasteful nature of management at the yard is confirmed in a Korean-U.S. joint investigation in 1958.²¹ As a result, the shipbuilding operation in the 1950s largely depended on the instincts and experience of skilled workers under foremen.²²

Following the eclipse of the Chŏnp'yŏng local around 1947, a new labor union did not appear at the KSEC yard until 1953. According to the company history, a Taehan noch'ong union was established in June 1953, three months after the labor laws of

²⁰ Ibid., p. 11.

²¹ KSEC, *Samsimnyŏnſa*, pp. 144-46; Kim, "1950-nendai rŏdŏsha," pp. 3-4.

²² Sin Wŏnch'ŏl, "Kiŏp naebu nodong sijang," pp. 114, 118-19.

1953 went into effect. The KSEC union, however, did not show many signs of life during the early 1950s. Nor for that matter, did it establish any affiliation with the national-level industrial union. A vice-president of the *Chŏn'guk haesang nodong chohap yŏnmaeng* [Korean Maritime Trade Union Federation; hereafter, the Maritime Union],²³ which the KSEC union joined in July 1956, did not remember whether there was a union at the KSEC during the early 1950s.²⁴ He recalled that Kim Chŏnggŭn, who was the KSEC Union president in 1956, was not a very energetic person. When Noch'ong was squaring off against the Chŏnp'yŏng local at the yard, Noch'ong recruited members of the Northwest Youth Corps as KSEC employees to augment its force, and Kim was one of them.²⁵

²³ The Maritime Union was organized in 1953, following the promulgation of labor laws. It was reorganized as *Chŏn'guk haesang nodong chohap* [National Maritime Union] in August 1961, as an industrial union under the newly organized FKTU. It renamed itself as *Chŏn'guk haewŏn nodong chohap* [Korean Seamen's Union or KSU] in 1969, and again as *Chŏn'guk sŏnwŏn nodong chohap yŏnmaeng* [National Seamen's Union Federation] in 1989. Pak and Pak, *Nodong chohap (I)*, pp. 272-73.

²⁴ Kim Yonggi's interviews. Kim, "1950-nendai rŏdŏsha," p. 16. Information on the KSEC union in the early 1950s below also comes from the same source.

²⁵ Right-wing youth groups such as the Northwest Youth Corps [*Sŏbuk ch'ŏngnyŏnhoe*], which were comprised of people who had fled from the north, connected their members with employers who were concerned about Chŏnp'yŏng locals at their companies. Often those new youth group recruits became core officials of Noch'ong locals. Noch'ong also maintained a "Northwest Bureau" until July 1946, which had similar functions. Im, "Noch'ong," pp. 48, 85-86. Youth organizations' grip on unions was quite strong during the late 1940s and early 1950s. In some cases, however, unions were able to overcome the youth groups' control on them. For example, at the Korea Electrical Corporation, which monopolized the supply of electricity in the South, workers were able to organize a union and get recognition from the management through a several-months-long struggle in 1949. It was possible because they took advantage of the conflict and confusion in the process of a forced merger of youth organizations into the Korea Youth Corps. Kim, *Kankoku shihonshugi*, pp. 176-82.

During the first half of the 1950s, the union basically existed only on paper. It did not enter into any negotiations with management, and no contract was signed.

The trauma of the red purge, the Anti-Communist Alliance experience, and workers' close encounter with death in the early months of the Korean War may have combined to produce inertia among the workers under the Taehan noch'ong-organized union at the yard. The grave effects of the Korean War on Korean politics and society in the second half of the twentieth century can not be overemphasized.²⁶ Massive reshuffling of the population between North and South Korea along political and ideological lines during the war resulted in an influx of 650,000 people fleeing from the North into the South²⁷ and strengthened the hegemony of anti-Communist ideology in South Korean society.

Was the chilling effect of the Korean War enough to solidify the hegemony of the official ideologies of the Syngman Rhee

²⁶ The long and bloody civil war claimed lives of several million people, including 54,246 U.S. soldiers and 3,194 casualties of other allied nations. About 1 million Chinese, 2.5 million North Koreans, and 1 million South Koreans are estimated to have been killed during the war. Bruce Cumings and John Holiday, *Han'guk chŏnjaeng ūi chŏn'gae kwajŏng* [Korea, the Unknown War] (Seoul: Taeam, 1989), pp. 202-203. In the South, 374,000 civilians and 29,000 soldiers were killed and another 559,000 were kidnapped, missing, or captured. The war produced 200,000 widows, 100,000 orphans, and about 2.4 million refugees out of about 20 million population of the South. Chŏng Sŏngho, "Han'guk chŏnjaeng kwa in'gu sahoehakchŏk pyŏnhwa" [The Korean War and socio-demographic changes], *Han'guk chŏnjaeng kwa sahoe kujo ūi pyŏnhwa* [The Korean War and the changes in social structure] (Seoul: Paeksan sŏdang, 1999), pp. 14-15.

²⁷ Ibid., pp. 24-25. The number of North Korean people who settled in the South after 1945 for one reason or another is said to be "several million" and Korea Red Cross statistics put the total at 5,143,000.

regime -- anti-Communism and unification by force by "marching north" rather than by peaceful means -- over the populace?²⁸ War experiences varied, and massacres and atrocities were inflicted by both North and South Korean regimes. The land reform gave rural population something to hold on to and protect, and thus, certainly made them more conservative. A voting pattern of "rural support and urban opposition to the government party" began to emerge. Contrary to the conventional understanding of the ideological climate of the 1950s and 1960s as an era in which anti-Communist ideology had absolute hegemony in politics and in society, however, there is also evidence that significant support for progressive or social democratic ideologies and programs existed among people during the 1950s and early 1960s.

Political scientist, Son Hoch'öl, points out as a sign of the popular support for progressive ideas the emergence of progressive parties and especially, the remarkable electoral success of the Progressive Party candidate, Cho Pong'am, in the 1956 presidential election, in which Cho received 30 percent (2,163,803) of the total valid votes.²⁹ The membership of Cho's

Korea Red Cross, *Isan kajok paeksö* [White paper on dispersed families] (Seoul: Korea Red Cross, 1976), p. 85. Cited in *ibid.*, p. 28.

²⁸ Son Hoch'öl argues that counter political and social ideologies -- social democracy and democratic socialism, the ideology of peaceful unification, and possibly, the ideology of national liberation/socialist ideology -- had broader support in the society during the 1950s than conventionally thought. Son Hoch'öl, *Haebang 50-nyŏn ūi Han'guk chŏngch'i*, Part 2 "Ich'yŏjin osimnyŏndae" [Forgotten 1950s]: 59-127.

²⁹ Son, *Haebang 50-nyŏn*, p. 91. For Cho and the 1956 election and its aftermath, see Son, *Haebang 50-nyŏn*, Part 2; Chŏng et al. eds, *Cho Pong'am chŏnjip* 6; Sŏ, *Minjok undong yŏn'gu* 2 and *Cho Pong'am kwa 1950-nyŏndae Sang, Ha* [Cho Pong'am and the 1950s, vol. 1, 2] (Seoul: Yŏksa

Progressive Party was estimated to have reached 600,000.³⁰ An exiled KCIA chief, Kim Hyŏng'uk argued that when Park Chung Hee won the presidential election in 1963 over the opposition candidate Yun Posŏn, who was red-baiting Park, Park came out with massive support in the areas where Cho Pong'am had great success in the 1956 election.³¹ To test this hypothesis, Son Hoch'ŏl compared county-by-county statistics from the presidential elections of 1952, 1956, and 1963. He calculated the ratio of counties with records of "red peasant union" activities to the total number of counties during the colonial period, and the Bruce Cumings Index showing the degree of radicalization in the immediate postwar period.³² He concluded that Cho's strongholds in the 1956 election coincided in large part with the most radical counties in the immediate postwar era, and those counties, to a lesser degree, show positive correlations with the counties with higher support for Park Chung Hee in the 1963 election.

Pak Myŏngnim argues that the crucial reason behind the failure of Cho Pong'am's political ideology of social democracy

pip'yŏngsa, 1999); Yi Yŏngsŏk, *Chuksan Cho Pong'am* [Chuksan Cho Pong'am] (Seoul: Wŏnŭm ch'ulp'ansa, 1983).

³⁰ An estimate by KCIA in Kim Hyŏng'uk and Pak Sawŏl, *Kim Hyŏng'uk chŭngŏn: Hyŏngmyŏng kwa usang* [Testimony of Kim Hyŏng'uk: Revolution and idolatry] (New York: Tongnip sinmunsa, 1983), p. 73. Cited in Son, *Haebang 50-nyŏn*, p. 91.

³¹ Kim and Pak, *Kim Hyŏng'uk chŭngŏn*, vol. 2 (1982). Cited in Son, *Haebang 50-nyŏn*, p. 99.

³² Son Hoch'ŏl, "1956-nyŏn kwa 63-nyŏn taesŏn: Cho Pong'am, Park Chung Hee tŭkp'yo nŭn chanjon chwaik ūi chijiyŏnna?" [Presidential elections of 1956 and 1963: Were the votes for Cho Pong'am and Park Chung Hee cast by remaining leftists?], *Haebang 50-nyŏn*, pp. 98-127. The Bruce Cumings Index is from his *Origins of the Korean War*, pp. 450-53.

was the "absence of labor."³³ As he argues, if the significant popular support for the progressive parties in the late 1950s and in the period of political opening after the April 1960 student uprising had been coupled with the organizational power of progressive labor unions, the subsequent path of South Korean politics and economic development might have been much different. But the only peak labor organization in the country, Taehan noch'ong, was in no shape to exercise political influence beyond its total support for Syngman Rhee. Under these conditions, in 1959, less than a year before the April student uprising, Cho Pong'am was arrested as a Communist serving the North Korean regime, sentenced to death, and executed. His Progressive Party was disbanded.

It is important when we look at the 1950s labor movement and the KSEC in particular to remember this complex ideological and political milieu. Capitalism was far from being an unchallenged principle for the building of a national economy in the period because concepts of the equitable distribution of wealth and protection of working people carried significant political weight.

The Strike of 1958

The KSEC union began to show renewed signs of activism after it joined the Maritime Union and became its local union, especially after Im Hansik became the president of the local in

³³ It was premature because of the low level of industrialization in the

August 1957. Im was a skilled machinist who took the Noch'ong side early on in the fight between the Chõnp'yõng local and Noch'ong. He was a follower of Chõn Chinha, and as a long-term employee at the yard, he was in a position to represent and lead the core group of skilled production workers with seniority. This group was frustrated by frequent wage payment delays and felt threatened when two massive layoffs (March 1956 and May 1958) hit the yard. Unlike the previous president, Im was not afraid to challenge the company executives with workers' demands.³⁴ Under his leadership, the KSEC local fought for a decent contract for fourteen months and finally achieved it in October 1958.

On November 1, 1958 the KSEC local, with the full support of the Maritime Union, filed a petition with South Kyõngsang Province authorities for the initiation of a formal collective action process, called chaeng'õi, to secure seven months' overdue pay. The labor laws of 1953 stipulated the following procedures for initiating collective action:³⁵ First, the union had to notify the appropriate Labor Committee of its intention to enter into a "chaeng'õi."³⁶ The Labor Committee then was to give its ruling on the legality of the requested chaeng'õi, and a cooling-off period

1950s. Pak, "Che sam õi kil," pp. 149-50.

³⁴ Information about Im comes from Kim, "1950-nendai rōdōsha," pp. 16-17, unless otherwise noted.

³⁵ Ogle, "Labor Unions in Rapid Economic Development," pp. 401-402.

³⁶ "Chaeng'õi" means a dispute, usually between landowner and tenant or between management and workers. It is often translated as "(labor) dispute," as in the case of the "Labor Disputes Adjustment Act [Nodong chaeng'õi chojōngbōp]." In this dissertation, I used "chaeng'õi" when the term was used to describe a formal process which has clear starting

began. During the cooling-off period, the Labor Committee was to render the services of conciliation and mediation.³⁷ After the cooling-off period expired, a union could go on strike or a company could lock out its employees. If both parties agreed, or if their contract permitted only one party to call for arbitration, the tripartite Labor Committee could try arbitration to find a resolution to the *chaeng'ui*. The revised labor laws of 1963 imposed more restrictions on labor's right to collective action (see Chapter 7), but the basic framework for handling industrial relations contained in the labor laws of 1953 was retained in the revised laws.

In response to the union's petition for a *chaeng'ui*, the company requested mediation by the province. The KSEC local carefully devised a plan of "legal struggle" and adopted a strategy of "*chaeng'ui* according to law."³⁸ Even though the company accepted mediation and promised to pay the back wages by December 5, it failed to live up to its promise. At that point, over two hundred family members of the workers who lived in

and ending points and is governed by the Labor Disputes Adjustment Act to avoid confusion.

³⁷ Although Ogle argued that the mediation services of Labor Committees was "seldom used and have an even poorer record of achievement," other channels of mediation seemed to have been used extensively. The statistics put out by the Office of Labor Affairs claimed that during the 1960s, about 70 percent of the *chaeng'ui* cases were resolved through "informal mediation by government authorities." Ogle, "Labor Unions in Rapid Economic Development," p. 401 and Pak Tongch'ŏl, "1960-nyŏndae kiŏp chiptan ūi hyŏngsŏng kwa kujo" [The formation and structure of business groups in the 1960s] in *1960-nyŏndae Han'guk ūi kongŏphwa wa kyŏngje kujo*, p. 225.

³⁸ KSU, *Haewŏn chohapsa*, pp. 67-68. The progress of the 1958 strike is detailed in *ibid.*, pp. 67-71 and the KSEC archive #1.

Yŏngdo Island swooped down on the yard and demanded the payment of wages. The local filed a civil suit at the Pusan District Court against the company and succeeded in having the company's assets attached.³⁹

The local then notified the company that it would go on strike on the 13th. It was the first strike of the KSEC local in the 1950s. The provincial police and detectives from the Susang police station rushed in, arrested Im, and occupied the union office. The Maritime Union officials protested at the provincial police headquarters and the Susang station about Im's arrest, and were able to have him released. The reason the police were so nervous about the strike was because Syngman Rhee was planning to visit Pusan to inspect several industries. Given the threatening atmosphere generated by the police, some KSEC union officials and members hesitated to go ahead with the strike. But in the morning of the 13th, with the encouragement of Maritime Union officials the union decided to go ahead with the strike. The majority of workers participated in the strike.⁴⁰ The union organized three shifts of one-hundred members each to conduct a sit-in and set up its own security teams to protect company facilities. The union requested execution of the order attaching company property. As soon as company assets, including a

³⁹ KSU, *Haewŏn chohapsa*, p. 68. The court decision came on December 11. *Haewŏn chohapsa* praised the strike as "a rare case in the history of chaengŭi in which a strategy and the *struggle according to law* were well planned and systematically executed" [italics mine]. p. 68.

generator and a switchboard, were sealed with red notices, the electricity stopped flowing, and all the machines at the yard stopped at once.

Partly because of the unquestionable legitimacy of the workers' demand for back pay, the government made the KSEC management step down immediately. The Pusan regional association of unions publicized the strike on the streets of Pusan using microphones, and the media was also sympathetic to the striking workers. Yŏngdo residents brought in money and supplies to the yard and support letters poured in. A meeting of high officials from the government and the Maritime Union officers was convened, but the Maritime Union representatives were not persuaded by mere promises of payment. They insisted that they would believe it when they saw the cash.⁴¹ The union announced that it would auction off company assets to secure the cash for back wages. At that point, the government finally realized how strong the determination of workers was and decided to use the "counterpart fund" [*taech'ung chagŭm*; a cash fund generated from sales of aid goods] to pay for the overdue wages. A roar of joy and hoorays shook the yard. KSEC workers won a total victory after a seven-day strike and went back to work on the 20th.⁴² The KSEC workers received on December 23 not only the seven-months back pay, but

⁴⁰ The total number of employees, including managerial personnel, in 1958 was 502. Among those 313 participated in the strike.

⁴¹ KSU, *Haewŏn chohapsa*, p. 70.

⁴² *Ibid.*, p. 71.

also payments for the month during which they were engaged in the chaeng'ŭi and strike.

In the 1950s, wage issues, especially back pay, were the focal point of contention at state-managed enterprises because of their financial problems and the state's control of the product prices and wages.⁴³ Delaying three to four months' pay was usual practice at many government-managed enterprises at the time. Therefore, even though the strike was defensive in nature, the victory of the KSEC local was a meaningful achievement for workers and unions at public enterprises.

The strike and its outcome radically transformed labor-management relations at the yard. The union acquired a more equal footing vis-à-vis management in subsequent industrial relations.⁴⁴ The new company president had to treat the union president with respect and caution, so as not to provoke another round of collective action by the union, which would affect production adversely and generate bad publicity for the company. A joint labor-management council designed to channel the negotiations between the union and management was institutionalized at the yard by a new labor contract, signed in October 1959 after the strike.

⁴³ Kim Sam Soo, "1960-nyōndae nodong chōngch'aek," pp. 190-91. In contrast, private companies, especially textile factories, tended to refuse to acknowledge the labor rights guaranteed by law such as the right to organize a union.

⁴⁴ Kim, "1950-nendai rōdōsha," p. 17.

From the KSEC local case we have reviewed, it is clear that we cannot judge the whole labor movement of the 1950s from the state of the peak organization, Taehan noch'ong. Workers were revitalizing the tradition of labor militancy at the local level in the late 1950s. Some national-level industrial unions such as the Maritime Union were involved in confrontational activities representing workers' interests, and labor activists influenced by committed labor leaders like Chŏn Chinhaŋ were leading local unions to engage in direct collective actions to acquire a more equal position for the union vis-à-vis management in industrial relations. In the KSEC strike of 1958, the working-class community in Yŏngdo, which had been a working-class town for a long time, showed strong support for workers' struggles. The police initially tried to scare the workers and union officials, but facing the workers' determination and the union's strategies of legal struggle and mobilization of public opinion, the government chose negotiations over outright repression. Other chaeng'ŭi actions in the 1950s involving the Maritime Union exhibited a similar pattern,⁴⁵ and, as we will see in the following chapters, this pattern of interactions among the state, management, and national and local unions continued to develop until the late 1960s.

⁴⁵ See KSU, *Haewŏn chohapsa*, pp. 60-61, 64-67, 71-74 for the collective actions of the Maritime Union locals other than the KSEC local in the 1950s.

The behavior of the Maritime union the KSEC local was affiliated with was an example of an anti-Communist yet militant unionism. The understanding of the nature of this industrial union is important in exploring the activism of the KSEC local during the 1950s and 1960s. The Maritime Union was organized in September 1946 to break the Chŏnp'yŏng-affiliated powerful Korean Seamen's Allliance [*Chosŏn haewŏn tongmaeng*]. During the 1950s, it was at the forefront of the anti-Communist mobilization of Taehan noch'ong, side by side with the National Railroad Workers' Union.⁴⁶ At the same time, it actively pursued organizing among various segments of workers connected to maritime industries such as workers of deep-sea fishing and shipping companies, fishermen, fish market workers, passenger boat crew members, ship communication technicians, dock construction workers, and shipbuilding workers.⁴⁷

Once organizing was achieved, the Maritime Union pressed employers such as trawl fishing companies, shipping companies, the Pusan Office of Marine Affairs [*Haemuch'ŏng*] -- the employer of a member union, the Korean Seamen's Union -- and the KSEC, to negotiate and sign labor contracts.⁴⁸ In the process, the Union skillfully mobilized public opinion to their side through

⁴⁶ *Ibid.*, p. 47. See pp. 47-98 for the Union's activities during the 1950s.

⁴⁷ See *Ibid.*, pp. 286-301 for the list of locals, organized companies, and trades from 1947 to 1972. In the late 1940s, Pusan Women Divers' Union and Pusan Longshoremen's Union also belonged to the Maritime Union. p. 286.

⁴⁸ *Ibid.*, pp. 60-74.

publicity-generating events and demonstrations by workers, and also fully utilized labor law provisions to its advantage. The Maritime Union embraced anti-Japan patriotism, which was a very popular political stance of the Syngman Rhee regime, and mobilized workers and citizens in demonstrations for the "Peace Line," declared by Rhee in 1952 and against Japanese intrusion in the Korean maritime transportation market.

The Reform Movement in Organized Labor

In the meantime, on the national scene of organized labor, momentum for reform from within Taehan noch'ong had been growing in the late 1950s among a group of labor leaders who were fed up with never-ending factional strife and corruption at the top of the union movement. In 1958, important figures in industrial and regional union federations -- including the Coalminers' Union president No Ŭngbyŏk, the Mining Workers' Union president Kim Kwanho, the Taegu Regional Union Federation president Kim Mallyong, and the Pusan Regional Union Federation president Choe Chongja -- challenged the legality of the 1958 Assembly of Taehan noch'ong.⁴⁹ In the second half of the 1950s, dockworkers and textile workers, whose industrial union federations were the most corrupt of all, were waging persistent struggles against undemocratic union leadership. The reformist leaders, who

⁴⁹ Kim, *Haebang hu p'yŏn*, p. 247.

challenged the Taehan noch'ong leadership in 1958, were influenced by the struggles of these dock and textile workers.⁵⁰

Together with the Miners' Union, Kim's Taegu Federation played a central role in creating a reformist national umbrella organization of labor, the National Council of Trade Unions [*Chŏn'guk nodong chohap hyŏbbŭihoe*; hereafter, Nohyŏp] in October 1959. Nohyŏp declared that the "development of a genuinely free and democratic labor movement" was its goal.⁵¹ The Syngman Rhee government naturally did not recognize Nohyŏp as a legal entity, but Nohyŏp's activities helped invigorate democratic movement among workers.⁵²

The activation of the KSEC union in the late 1950s fits the general trend of renewed activism among workers and unions in South Korea at the time. Recovering from the shock of the red purge and the civil war, chaeng'ŭi actions increased to 95 cases and 49,813 participants in 1959, from an average of 39 cases during the previous three years. In 1960, 64,335 workers

⁵⁰ On the dock and textile workers' struggles in this period, see *ibid.*, pp. 240-46. The long work hours -- over twelve in most cases -- and low wages of textile workers became a hot social issue at the time. The president of Taehan noch'ong, Kim Kiok, was also the president of the Pusan Dockworkers' Union and its national-level umbrella organization, the National Free Laborers' Union Federation. The dockworkers' struggle against Kim's clique, which among many other corruptive practices embezzled wages in collusion with shipping companies, was at the center of the reform movement of workers. Kim Mallyong's Taegu Federation was created in 1957, following major textile strikes in Taegu -- the Naeoe Textile strike of 1954 and the Taehan Textile strike of 1956.

⁵¹ Kim, *Haebang hu p'yŏn*, pp. 246-50.

⁵² Nohyŏp held a Labor Day celebration separately from Taehan noch'ong on March 10, 1960. Kim Nakchung emphasizes Nohyŏp's role in stimulating democratic movement among workers and thus, raising workers' participation in the "April Revolution." *Ibid.*, p. 254.

participated in 227 chaeng'ŭi actions, out of which 201 occurred after the "April Revolution" of April 19, 1960.⁵³ The number of strikes in 1960 reached 44.

The Syngman Rhee government was toppled in April 1960 by a student uprising, which is usually called "April Revolution" in Korea. It was led by students and dissident intellectuals, but people of all walks of life participated. The fall of the dictatorial regime brought an end to the political shackles it had imposed on organized labor. The succeeding Chang Myŏn government (April 1960 - May 1961) was overwhelmed by bursting political energies of various social groups, including radical students, and had no will or means to suppress reformist activities of workers and unions. Mainstream leaders of Taehan noch'ong, both at the central headquarters and at many industrial union federations, felt they had to apologize to members and pledge to reform their actions. At some local and industrial unions, reform-minded groups seized power and kicked out the old leadership.⁵⁴

While Taehan noch'ong headquarters was thrown into chaos, the influence of Nohyŏp in labor movement grew rapidly. In the month of May 1960 alone, it absorbed 170 locals and 160,000 members. After an unsuccessful effort to merge Taehan noch'ong

⁵³ *Ibid.*, p. 189, Table 5-7 and p. 295, Table 6-4. The source of these statistics is the Ministry of Health and Social Welfare, *Pogŏn sahoe t'onggye yŏnbo* [Health and Society Statistical Yearbook], which Kim argues as greatly underreporting the number of participants.

and Nohyŏp in October, a new labor organization which unified Taehan noch'ong, Nohyŏp, and independent unions was founded on November 25, 1960.⁵⁵ The Federation of Korean Trade Unions [*Han'guk nodong chohap ch'onggyŏnmaeng*; hereafter, *Han'guk noryŏn*] was the chosen name, and Kim Mallyong became its first president. The Ministry of Health and Social Welfare acknowledged *Han'guk Noryŏn* as the lawful successor to Taehan noch'ong.

After the April 1960 student uprising, not only the number of chaeng'ŭi but also the number of unions and union membership shot up. From April to December 1960 alone, 356 unions with 59,186 members were newly organized.⁵⁶ Particularly noticeable in this period was organizing among white-collar and professional workers such as teachers, bank workers, and newspaper reporters. Dockworkers waged two general strikes in November and December, and threatened a third one in March 1961.⁵⁷ Coal miners staged two strikes, and, as we will see later in this chapter, seamen were involved in an eleven-month long chaeng'ŭi and dramatic on-board strikes against a major shipping company. Public enterprise unions such as railroad, "government-monopoly," and

⁵⁴ On the changes in union leadership after the April 1960 student uprising, see Kim, *Haebang hu p'yŏn*, pp. 263-68.

⁵⁵ Independent unions were those who cut ties from the Taehan noch'ong after the April 1960 uprising or newly created unions. According to Kim Mallyong's testimony, the composition of representatives at the founding assembly was as follows: Taehan noch'ong 439, Nohyŏp 86, independent 198. *Ibid.*, p. 272.

⁵⁶ Kim, *Haebang hu p'yŏn*, p. 276.

⁵⁷ For chaeng'ŭi cases and strikes after April 1960, see *ibid.*, pp. 297-313.

communications unions were also involved in collective actions.⁵⁸ Textile workers at Hŭngha, Kyŏngsŏng, Taejŏn Spinning and Weaving, and Cheil Wool all staged sit-ins in 1960.

From the examination in this chapter of the organized labor movement during the 1950s and up to the 1961 military coup, we have seen that momentum to reform the corrupt house of organized labor was maturing by the late 1950s. This was happening even under the repressive Syngman Rhee regime and despite the memories of the brutal civil war. At the KSEC yard, the union was awakened from dormancy through the strike of 1958 protesting back pay. After the fall of the Syngman Rhee regime following the April 1960 student uprising, the labor reform movement took off and militant labor actions flourished both at the national and local levels. Even though these developments were crushed by the coup d'état of May 1961, the experience of autonomous and militant activism left a lasting impact on the labor movement. As we will see in the next chapter, this period of political upheavals at the national level also heavily influenced the relationship between labor and management and the emergence of a militant union at the KSEC yard.

⁵⁸ Workers in "government-monopoly" [*chŏnmae*] industries such as tobacco and ginseng formed a separate industrial organization.

Chapter 7. The Emergence of a Militant Union, 1960-1961

At the KSEC, Im Hansik won the union presidency at the May 28, 1960 union election, helped by the post-"April Revolution" environment.¹ Im Hansik's tenure as the president of the KSEC union (May 1960-May 1961) corresponds to a deep financial crisis at the yard and a high degree of political mobilization in the society at large, unleashed by the success of the "April Revolution" that toppled the Syngman Rhee government. The financial crisis caused the government to contemplate selling the money-losing yard, as we will examine in detail in the next chapter, and workers were naturally very concerned about the possibility of massive firing by a future owner. The yard received a newly-appointed president, Kwŏn T'aech'un, in June, and from the start he set out to curb the union's power.

Preoccupied with these matters, the KSEC union under Im was simultaneously involved in the historic task of creating a new metal union federation. Im led the KSEC union and a metal workers' union, whose organizational base was shipyards and iron works in the region, and launched a new metal union federation in

¹ KSEC Archive #1. Kang Sŏng'uk replaced Im as union president around July 1959. During Kang's tenure, a new contract with the company was signed that struck out many of the article workers had secured in the 1958 strike. Kim thinks that Kang was a malleable figure for the company and speculates that, but for the April student uprising, the KSEC union could have turned into a pro-company union. Kim, "1950-nendai rŏdōsha," p. 17.

late 1960.² In January 1961, KSEC union members voted to pull out of the Maritime Union and join this new Federation of Korean Metal Unions.³

Because shipbuilding and machinery workers at shipyards had more affinity to other metal workers than to seamen, the affiliation with the Maritime Union had always been an issue among KSEC unionists. The KSEC union stayed in the Maritime Union in the 1950s because there was no federation of metal unions, Im explained.⁴ At the Assembly of Union Representatives in January 1961, Im mentioned another reason behind the choice of the Maritime Union as the upper-level union: "There is no need to do it in peace time, but during the war years there were certain advantages we could get by joining that organization."⁵ He did not elaborate on the issue. Considering the Chŏnp'yŏng background of the KSEC union, however, it seems that what he meant was the protection the Maritime Union, famous for its staunch anti-Communist stance, could give to its locals.

² Kim, "1950-nendai rŏdŏsha," p. 16. On the union's involvement in the founding of a new national metal union, see KSEC Archive #1, 11/18/60, 11/23/60, 1/27/61 Assembly, 2/2/61, 2/11/61 minutes. Im said at the November 23 meeting, "I have been working hard since seven or eight years ago to organize a metal union."

³ KSEC Archive #1, 1/27/61 Extraordinary Assembly of Union Representatives minutes. Twenty-eight representatives voted for the move, and four dissented. The founding assembly of the new metal union federation was going to be held on February 7, 1961, according to the 2/2/61 minutes of the union. The KSEC union was assigned a quota of three representatives. But Kim Yonggi gives "October 1960" as the founding date in Kim, "1950-nendai rŏdŏsha," p. 16.

⁴ KSEC Archive #1, 11/23/60 minutes; 1/27/61 Extraordinary Assembly minutes.

⁵ KSEC Archive #1, 11/18/60 minutes.

The union was closely following events unfolding in the capital through detailed reports from their representatives there and through their correspondence with upper-level union organizations.

The Union's Stance Against Discrimination

After Im retook the helm of the union in May 1960, the union prepared a plan to secure at least a 70 percent raise -- the initial demand would be a 100-percent raise -- to catch up with the high inflation rates over the previous three years, a period in which workers did not get any raise in base pay.⁶ A sit-down demonstration was planned at the company stockholders' meeting, which the head of the Office of Maritime Affairs and other important national figures would attend. The union wanted to "show the union power to the new president."⁷ A signal from the electric shop at the yard would start the demonstration.

Union officials also debated at this point whether to give the temporary worker issue -- a demand to transfer a large number of them to regular status -- the same priority as the demand for a raise. After serious discussion, a decision was made to raise

⁶ Luckily, the KSEC union archive contains detailed records not only of various union meetings but also of the Labor-Management Council meetings from 1960 to the 1980s, each written down by hand or typed (in later years). We thus have a rare opportunity to listen in to what union officials and workers had to say on matters that concerned them most during this period.

⁷ KSEC Archive #1, 6/10/60, 6/15/60, 6/17/60 minutes.

both issues simultaneously.⁸ The July 20th General Assembly of the union in 1960 sealed the matter by voting to start a collective action process -- *chaeng'ŭi* -- over both issues.⁹ The motion for the demand for a raise was passed by 208 votes in favor and 46 against, and that for the temporary-worker issue by 221 over 46.¹⁰ From this time until the defeat of the union in the 1969 strike, the temporary worker issue occupied a central place in union discussions and demands (see Chapter 9).

The union cared very much about the "atmosphere on the shop floor" and often asked Executive Committee members, who were elected from each shop, to collect worker opinions and report them back to the union. Sometimes actual shop-by-shop polls were taken before making a decision on important issues. That was the process used by the union in reaching a decision on the appropriate punishment for twenty-eight technicians who submitted

⁸ KSEC Archive #1, 6/10/60 minutes. It was not the first time the union raised the temporary worker issue. In the same document a union official reported, "we've negotiated this issue for several years now."

⁹ In 1960 and 1961, Standing Executive Committee meetings [*Sangmu wiwŏn hoeŭi*], comprised of 13 to 15 members, including the president and two vice-presidents, were held most frequently. Executive Committee meetings [*Chiphaeng wiwŏn hoeŭi*] were convened whenever important matters needed to be decided or shop floor opinions were sought, because Executive Committee members, who were also called "Shop Executive Committeeman" [*Chikchang chiphaeng wiwŏn*] were elected by each shop and thus represented opinions and interests of workers in their shop. Often these two groups held joint meetings. The Assembly of Union Representatives [*Taeŭiwŏn taehoe*] was convened annually. Extraordinary sessions of Assembly of Union Representatives and General Assembly [*Ch'onghoe*] of all members were called in times of major collective actions. The KSEC Archive #1 shows that between June 1960 and May 1960, an average of 4.25 meetings were held per month, excluding two extraordinary sessions each of the Assembly of Union Representatives (6/28/60; 1/27/61) and the General Assembly (7/20/60, 5/8/61).

¹⁰ KSEC Archive #1, 7/20/60 The 5th Extraordinary General Assembly minutes. There were three invalid votes for each.

a suggestion to the management in June 1960. Unfortunately, the content of this document is unknown, but it clearly angered most of the production workers and foremen. The incident shows how influential rank-and-file workers' voices were in the union decision-making process. The union immediately divested three of the technicians from union membership, and conveyed its demands to the management that the technicians should apologize publicly and the company should fire the ringleaders. The company resisted imposing those sanctions but nevertheless agreed to punishing the technicians with a reprimand and salary reduction.

The union had heated debates on this issue, meeting after meeting. Some officials, including one who had signed the suggestion, favored moving on from a matter caused by "internal conflict among workers," by accepting the company's plan of a mild punishment of the technicians. But many -- especially the spokesperson for the foremen group -- were adamant about the firing of the ringleaders, arguing that "if we accept the management's resolution of the matter, it will hurt the union's prestige and cause problems in the future." Finally, the June 27, 1960 meeting was briefly adjourned to poll the workers shop by shop. The result showed that the majority favored harsher punishment. With that, the union decided to stick with its original demand, and moreover, threw in a plan for a "productive" demonstration in front of the main gate that evening to put pressure on management. The union crafted slogans, put together

mobilization plans by shop, and agreed to execute another sit-in in case the company did not respond to the demonstration.¹¹

Related to this incident involving technicians, a rare meeting of chiefs and vice-chiefs of the Organization and the Propaganda Departments of the union was convened on June 22, 1960, during "blackout time," which was not infrequent due to the poor condition of electricity supply. The agenda was to strengthen union organization and enhance efforts for "propaganda and enlightenment," because "organizing and enlightening are the lifeline of any social organization." But the actual goal was to rally union officials to "go down to the shop floor using lunch time" to facilitate an understanding of the union's handling of the incident among the rank-and-file workers.¹²

Union president Im, at least until the end of 1960, had a more aloof attitude vis-à-vis the rank-and-file than the Executive Committee members, who were sensitive to pressures from permanent and temporary workers in their shops. Im explained to them that, as a state-managed enterprise, the employee quota of the KSEC was not at the discretion of company president, and that the temporary worker issue could be resolved only when the "fundamental problems at the yard" were solved and the company

¹¹ On this whole incident, see KSEC Archive #1, 6/8, 6/15, 6/17, 6/22, 6/27/60 minutes. The demonstration was held for 30 minutes that day, but two days later for reasons unknown the union agreed to a compromise and accepted the management's position on punishment of the technicians.

¹² KSEC Archive #1, 6/22/60 minutes.

received enough work orders.¹³ He then felt compelled to assure the others, a bit defensively, that "the union has not been neglecting the issue at all."

The ambivalence of the union officials toward discrimination against temporary workers, however, was revealed in an event surrounding the distribution of a winterizing allowance [*wŏltong sudang*], which was designed mainly to help defray the cost of making a big batch of *kimchi* for the winter months. The company accepted the union's request for the winterizing allowance and paid 5,000 won to regular workers and 3,000 won to temporary workers in November 1960. The obvious discrimination against temporary workers made them furious. "In every shop, there were loud sounds of grumbling," union president Im said.¹⁴ Some union officials argued that they did not see any problem in treating regular and temporary workers differently, but most felt that there was a clear need to assuage the anger of temporary workers by according them equal treatment.

On the December 5, 1960, union president Im then suggested that three representatives from the temporary workers attend and observe an upcoming Labor-Management Council session.¹⁵ Emotions were flying high at the meeting, and when an Executive Committee member accused the union of being "useless" in defending the

¹³ KSEC Archive #1, 11/23/60, 12/5/60 minutes. The size of the regular work force had to be negotiated with a USOM advisor at the yard and approved by the "Korea-America Economic Council" [*Hanmi kyŏngje wiwŏnhoe*, or O.E.C].

¹⁴ KSEC Archive #1, 12/15/60 minutes.

¹⁵ KSEC Archive #1. 12/5/60 minutes.

rights of the temporary workers, the union president retorted, "If the union is useless, I will call out all the union members here and disband the union!" The union then convened a meeting of temporary workers on December 6. The union president told the ten temporary-worker representatives who attended the meeting that the union had been trying hard to help them and they would be now allowed to sit in Labor-Management Council meetings. But the temporary-worker representatives were not convinced, and expressed their suspicion that the union wanted to wash its hands of the issue and transfer responsibility for the failure to secure equal treatment for temporary workers to the temporary-worker representatives. The incident reveals that the commitment to equality by the union was itself a product of a struggle between temporary workers and those regular workers who did not see the issue of the equal treatment of temporary workers essential or urgent.

In January 1961, only 6 of about 120 temporary workers at the yard were promoted to regular status.¹⁶ The union promised not to repeat the case of the discriminatory distribution of the winterizing allowance in its demand for the Lunar New Year ancestral worship wine money. From then on, the cause of temporary workers was firmly upheld in principle at union meetings, and the union continued pressing for just treatment for

¹⁶ The selection was based on seniority and performance records. A possibility of a much larger scale of promotion was mentioned at the same time to calm down temporary workers. KSEC Archive #1, 1/12/61 minutes.

temporary workers. The central demands for them during Im's tenure were the right to receive severance pay if the temporary worker had three months' seniority or more, to have their seniority calculated from the date they were hired as temporary workers, and to have timely promotion to regular status.

Apprentices [*kyōnsūpkong*] also visited the union office in the second half of 1960 and expressed their unhappiness with the practice of work-without-pay during the first two months. The union was eventually successful in changing this unpaid labor into paid work on behalf of apprentices. Apprentices, who were probably all young,¹⁷ also complained that they were treated "coldly" and as non-adults. In the meantime, KSEC technical institute graduates [*yangsōnggong*] let their gripes about their entry status as apprentices be known to management in September 1960 by a collective protest. When the company threatened them with dismissal, the union president reported at a meeting that the union had been negotiating on their behalf.¹⁸ Later, the *yangsōnggong's* entry status got changed to that of a temporary worker at the semi-skilled level. But when discrimination against them in wages and promotion persisted, they were radicalized. The *yangsōnggong* issue became one of the most explosive issues shaping the course of the union movement at the yard in the mid-1960s (see Chapter 9).

¹⁷ In May 1961, a union official argued that apprentices' union dues should be less than what "adults" pay. KSEC Archive #1, 8/18/60, 9/12/60, 5/8/61 minutes.

¹⁸ KSEC Archive #1, 9/12/60, 5/8/61 minutes.

The union also successfully pressed the company to abandon the practice of hiring contract workers through a labor dispatch agency, *Kimyŏngsa*, which the union claimed exploited workers.¹⁹ Through successive Labor-Management Council meetings from June to August 1960, the union and management agreed on the principle of abolishing the use of *Kimyŏngsa* "at a certain point," even though a manager grumbled that, "It is not right that the union is raising this issue while contract workers themselves are not complaining." In the meantime, the union asked the company to intervene and reduce the commission that *Kimyŏngsa* took from workers, as a stopgap measure.

This issue was closely related to the union's demand of a 100 percent raise, which had been put on the table in June. The union formally started a *chaeng'ŭi* on July 21, and eight Labor-Management Council meetings were held from June to August to negotiate a settlement of the *chaeng'ŭi*. The idea of doing away with *Kimyŏngsa* was a tempting alternative for management faced with a demand for a huge raise. The union relentlessly demanded a raise as compensation for high inflation and insisted that any raise should be at least comparable to the 50-70 percent rates that other comparable state-managed enterprises, such as Korea Maritime Transport Corporation (*Taehan haeun kongsa*), had given their workers. Management figured out that by transferring the work hours of *Kimyŏngsa*'s contract workers to overtime work for

¹⁹ On the *Kimyŏngsa* issue, see KSEC Archive #1, Labor-Management Council minutes from 7/16/60 to 8/24/60.

union members, the actual income of union workers would go up by 49.6 percent.²⁰ They promised to abolish the Kimyōngsa and pleaded with the union officials to "consider the practical increase in income" and settle for the company's offer of a 26 percent raise.

Compared to all these issues of status-based discrimination in hiring, the obvious and hidden discrimination against production workers [*kongwōn*] in favor of white-collar/technical employees [*sawōn*] was much more deeply rooted and acutely felt among production workers. Even though the union integrated both white- and blue-collar workers from its inception, the voices of production workers, who outnumbered *sawon* at the yard and thus in union representation, usually carried the day without provoking explicit antagonism among the white-collar group.²¹

²⁰ The average monthly wage of regular production workers was 37,000 won and that of white-collar/technical employees was 52,000 won. The overall average was 38,000 won. Management calculated that the average wage would go up to 54,800 won if workers got the Kimyōnsa portion of work as overtime work. Actually, it would have been only 48.1 percent over 37,000 won, but a 49.6 percent increase was claimed by management.

²¹ In March 1966, at a round-table discussion of union officials, Kim Hyōnggon complained that "looking back on union activities up until now, a tendency to focus on production jobs and shops is visible." He asked the union to try to ensure that white-collar supervisory workers would not feel as if they were "children of concubines" [*sōja*]. KSEC Archive #11, 3/8/66 minutes. This is the only example of a white-collar member complaining at a union meeting I was able to find in the 1960s' documents in the KSEC Archive. By comparison, in the case of NKK steelworkers' organizing in the immediate postwar era, the idea of including white-collar staff members into a unified factory-based union caused much more resistance among production workers. After intense debate, NKK blue-collar leaders decided to accept a joint union on the condition that "it make 'unity of worker and staff statuses' and abolition of status discrimination top priorities." Andrew Gordon, "Conditions for the Disappearance of the Japanese Working-Class Movement" in Elizabeth J. Perry ed., *Putting Class in Its Place: Worker*

In the early 1960s, the union constantly challenged the most conspicuous discriminatory practice against *kongwŏn* production workers vis-à-vis white-collar and technical *sawŏn*, that of paying a monthly salary to *sawŏn* and bi-monthly wages to *kongwŏn*. The company sometimes delayed wage payments to production workers even as it paid salaries to *sawŏn*. When production workers complained, management allegedly responded, "We've got to save face toward outside society."²² It implied that in the managers' mind the treatment of its white-collar employees would affect the company's reputation, but that of lowly production workers would not. When the delayed wages were finally paid, *sawŏn* received their whole month's paycheck, while production workers received only half a month's wages. Frequent "no-business day" declarations, a big blow to production workers' livelihood, did not affect monthly salary earners.²³ The practice was therefore perceived as an expression of the management's "low regard" for production workers. The winterizing allowance, which provoked much anger among temporary workers, also annoyed regular production workers because their allowance was much smaller than what *sawŏn* received.²⁴

Identities in East Asia (Berkeley: University of California, Berkeley, 1996), pp. 28-30.

²² KSEC Archive #1, 9/30/60 minutes.

²³ KSEC Archive #1, 3/31/61 minutes.

²⁴ On the white-/blue-collar discrimination issue, see KSEC Archive #1, 8/18/60, 9/28/60, 9/30/60, 11/18/60, 12/5/60, 1/12/61, 1/27/61, 3/31/61, 4/1/61, 4/28/61 minutes. *Sawŏn*'s allowance of a half-month salary was calculated from the sum of the base wage and other allowances, while production workers got 13 days of base wage only.

This very acute sensitivity of production workers to perceived status discrimination had been a prominent feature in South Korean workers' actions of resistance since industrial workers appeared in the colonial period. A call for an end to discriminatory practices against production workers was a broadly shared, and critical demand of the 1987 "Great Workers' Struggle." The persistence of this deep-rooted resentment against various forms of status discrimination against production workers was a reflection of the tenacity of status-centered social customs, practices, and culture in South Korean society since the Chosŏn period or even before that.²⁵ This issue will come up frequently throughout the remaining chapters.

The Chaeng'ŭi of 1960

Now let us go back to the chaeng'ŭi of 1960 to examine further the mentalities and perceptions of KSEC unionists. The union reduced its demand for a raise to 50 percent in early August, but held firm there and threatened to reject overtime work. Several ships under repair at the time had due dates coming up, and the company was concerned about missing these deadlines.²⁶ Management countered with a 41 percent raise package: 15 percent by regular promotion, which had already

²⁵ On the tenacity of the yangban status system in Chosŏn society, see Song Chunho, *Chosŏn sahoesa yŏn'gu* [A study of the social history of the Chosŏn dynasty] (Seoul: Ilchogak, 1987).

²⁶ For the negotiation on the July-August chaeng'ŭi of 1960, see KSEC Archive #1, Labor-Management Council minutes from 7/16/60 to 8/24/60.

occurred at the end of May, plus a new 26 percent raise. Union officials and Executive Committee members were determined to get at least 50 percent on top of the already secured 15-percent raise, with a show of union power if necessary.²⁷ In preparation, the union decided to collect 1,000 won from each member to use as strike fund, five times the union dues of 200 won at the time. In the face of the strike threat, a final agreement was reached on August 9 to settle for a 30 percent plus the already secured 15 percent, starting from the August paycheck. The next day the union voted to end the *chaeng'üi*.

As soon as the agreement was reached, the union requested one condition: the total sum of raise would be distributed following the principle of giving "lower raises for the higher paid [workers] and higher raises for the lower paid" [*hahu sangbak*]. "Because there is a big gap in the wages of foremen and regular workers," the union wanted to distribute the negotiated sum of the raise equally to "all the employees except for department and section chiefs, based on *hahu sangbak*, a spirit of sacrifice."²⁸ To proceed in this manner was an unwritten, but cherished principle of the KSEC union and many other unions in the 1960s and an expression of solidarity among workers.²⁹ The next day, the union, after some discussion,

²⁷ KSEC Archive #1, 8/6/60 minutes. Out of 40 members, 28 attended the joint Standing-Executive Committee meeting.

²⁸ KSEC Archive #1, 8/9/60 Labor-Management Council minutes.

²⁹ It was not a uniquely Korean principle either. Japanese steel workers in the 1950s demanded the same, and so did Polish workers in 1980. See

decided to return the 1000 won collected for the strike fund to members. Some wanted to increase the union dues from 200 to 300 won, but the decision was postponed "until we secure the understanding of rank-and-file members first."³⁰

After the peaceful resolution of the chaeng'üi, the union and management held a meeting on August 24 to address a comprehensive set of union demands.³¹ In addition to the now familiar demands regarding Kimyöngsa and temporary workers, the union representatives asked again to change the pay dates for production workers to match that of sawön, and also to issue a full statement of wages to workers with the pay. Because workers did not get the detailed account of what constituted the sum of

Gordon, *Wages of Affluence*, p. 102 and Roman Laba, *The Roots of Solidarity: A Political Sociology of Poland's Working-class Democratization* (Princeton: Princeton University Press, 1991), p. 165. Laba compares this principle by contrasting the attitudes of United States and Polish workers: "Whereas workers in the U.S. tend to define distributive justice as equality of opportunity and merit, Polish workers defined justice as an egalitarianism in which everyone gets more or less the same because . . . (a)s Lech Walesa has put it, 'Everyone has just one stomach.'" In the same spirit of egalitarianism, workers' demands for a pay raise at many Polish companies in 1980, according to Laba, were accompanied by a demand for distribution methods that are very similar to the *hahu sangbak* principle of the Korean workers.

³⁰ KSEC Archive #1, 8/10/60, 8/11/61 minutes. At the August 11th meeting, an attendee asked the union president to request a pay slip with a detailed breakdown of pay to be given to workers with the money. A keen interest in safeguarding one's remuneration from possible mishandling or cheating can be detected here, as well as the company practice of not letting the workers know the details of their pay.

³¹ The Labor-Management Council regulation, found in KSEC Archive #1, requires that management representatives be selected from among the executive directors and section-chiefs. But when the union representatives found out that one of the four management representatives attending was a section-chief, they were apparently displeased. They wanted a higher-ranking manager to be involved in negotiations than him. Union president Im unilaterally declared that the union would treat the meeting as a roundtable discussion [*kandamhoe*], not a regular Labor-Management Council meeting. Ibid., 8/24/60 minutes.

their pay, they argued that, "Work on the shop floor gets hindered for two or three days after payday." Alarmed, the managers promptly agreed to give out a full statement with pay starting from the next month, "so as not to hinder work at the shops."³²

Besides these recurring demands, the union raised a variety of welfare issues at the August 24th meeting. Workers wanted to have the cafeteria on the premise serve "substantial and simple Korean food at a reasonable price" rather than "Western food, and with the company subsidizing the cost."³³ The company agreed, and suggested about 100 won for the subsidy, which the union accepted. Workers also asked the company to lower prices at the company "Welfare Supply Shop," whose prices, they said, were higher than market prices, and to raise the haircut fee (150 won) to defray labor costs at the "Welfare Barbershop." The management's representatives answered that they would investigate these conditions. The request to hire a "certified doctor" to man the company clinic met with a more skeptical response because of the cost, but the union insisted that a good doctor was needed because workers are "performing dangerous jobs." The managers agreed to find out about the conditions at the clinic. The union

³² In a survey report of working conditions at other companies in 1968, the KSEC local investigation team emphasized the fact that workers at Korea Fertilizer in Ulsan did not know how their wages were being calculated by the company. KSEC Archive #19, 1/24/68 minutes. It must not have been a common practice to give out detailed wage statement to workers in the 1960s.

³³ No information was given on what kinds of "Western foods" were served at the cafeteria.

also got a positive answer for a nighttime work allowance for the Oxygen Shop workers, but failed to secure the same for security personnel.

On October 28, 1960, the union held the 6th Extraordinary Assembly of Union Representatives to fill the two vacant vice-president positions and to "strengthen the organization" by promoting "iron-like unity" and a spirit to "live and die for the organization." The meeting was held in the company cafeteria with 33 out of 40 representatives attending. From the roll-call, quorum, national ceremony, a moment of silence for the "the martyred patriots and workers killed in the frontline of labor," to the smooth and efficient proceeding of discussion, motions, seconds, motions for amendment, and voting process, the meeting followed Western democratic meeting procedures as in *Robert's Rules of Order* remarkably well. It was no news to the KSEC union people who had been operating that way for quite a while, but a guest from the South Kyöngsang Province Association of the FKIU Unions marveled at the KSEC union members' "common knowledge of meeting procedures."³⁴

One caveat to workers' commitment to Western "democratic procedures," however, was an uneasy and shifting relationship between democratic principles and the time-honored respect for the elderly. When a revote on two candidates who had the second and third highest votes on a previous ballot ended in a tie, the

³⁴ KSEC Archive #1, 10/28/60 Assembly minutes.

chairman declared, "following the democratic voting procedure, as the chairman's decision, I hereby declare the election of Kim Indük, who is the oldest."³⁵ It was easy that time because both were from the Shipbuilding Department and the candidate who won the highest number of votes and already won one of the two vice-president seats was from the Ship Machinery Department. When the union had to choose between two departments, however, the matter became trickier. For example, in November 1960, the union had to decide on a candidate to recommend to the company as "model worker." Three workers got nominations. Opinions varied about how to proceed to choose one. Some wanted to pick the oldest man, others wanted to have a vote. The latter group won and a Mr. Yi from the Machinery Department got the highest vote. Then a union official from the Shipbuilding Department challenged the result as unfair because five of eight voters came from the Machinery Department. Finally, everybody agreed on his suggestion of recommending two people -- one from each department -- to the company.³⁶

It could be even more complicated when departmental rivalry, respect for the elderly, respect for higher rank, and pragmatic concerns all played out at once. On January 27, 1961, the union put to a vote the selection of a lobbyist to send to Seoul. The two vice-presidents tied at the top. The union president wanted to pick the chief vice-president, even though the customary

³⁵ Ibid.

³⁶ KSEC Archive #1, 11/23/60 minutes.

practice was, as he said, using age as a tie-breaker. Another official suggested that the two candidates negotiate between themselves. But five days later, the choice was finally made in favor of one candidate who had family and personal connections to political figures in Seoul.³⁷

The Struggle over Control

The January 1961 revision of the contract was a proud achievement of the union, because the contents of the contract in terms of overall benefits to labor had been retrogressed under the previous Kang leadership. Now the union successfully revised the contract back to the 1958 level.³⁸ From January 1961 on, however, relations between the union and a new company president Kwŏn became increasingly antagonistic. For example, in early January a personnel manager scolded a union official for "lounging around at the union office with no union business going on." Union president Im called the manager and explained the rights of union officials to do union business during work hours, which were defined in the contract, but the manager hung up on Im. Im then summoned him to the union office, but he refused to come. Union officials exploded in fury. Even though Im Hansik asked them to "generously forgive" the manager on condition that he

³⁷ KSEC Archive #1, 1/27/61, 2/2/61 minutes.

³⁸ KSEC Archive #1. Im reported in January 1961 that the union was able to recover several articles, which had been cut the year before, into the newly signed contract. 1/20/61 minutes. The content of the 1959 contract can be found in KSEC Archive #18.

submit a memorandum to the union promising not to repeat the same mistake, one official said:

Calling a [union] vice-president and scolding him! . . . Union prestige is at stake. There is no way we could forgive him. I ask the union to summon the personnel manager and get a face-to-face apology from him. This incident shows that they treat us union members as nothing. I heard that they even singled out several union officials as heavy drinkers."

Another official agreed, saying, "workers all say that we should not let him get away with it." But the personnel manager, who walked into the union office at that point, was not very sorry for what he had done. He explained that he was just following the company president's order to make union officials concentrate on their work duty and forget about their "union-official mentality." He continued by saying that many of the union officials were neglecting their job duties and foremen were complaining that union officials were nothing but "headaches."³⁹

The KSEC Archive records in this period also show evidence of below-the-surface tensions between foremen and the union. The personnel manager pointed out that foremen felt they were being ignored when union officials came and went between their shop posts and the union office without seeking permission from them. Foremen were union members themselves,⁴⁰ but also had their own

³⁹ On this incident, see KSEC Archive #1, 1/9/61 minutes.

⁴⁰ The company asked to exclude foremen and certain managers from the union at the April 29, 1961 Labor-Management Council meeting. The

association, the "Foremen Friends Association" [Chiguhoe]. In the early 1960s, they often conveyed their collective opinion to the union, and the union respected their status and voice to a degree. But there definitely existed a tension between them over the boundaries of their respective spheres of influence.⁴¹

When foremen wanted to take part in the lobbying effort in Seoul as a group in January 1961, anti-foremen voices inside the union were less cordial. On the suggestion that the union send one or two union representatives and one representative from the Foremen Friends Association to Seoul, several officials argued against the idea, saying, "There is no need for the Foremen Friends Association to meddle in this matter" because "foremen are also union members and the union has its officials." It was deemed a matter of union prestige for some officials, but at least one insisted that if they requested to be in, "we can't help but include them."⁴²

From the mid-1960s on, such conflicts with foremen do not appear in union discussions. Rather, the union, foremen, and sub-foremen [panjang] usually took the same side in union actions. The union believed that the judgment of trusted foremen in worker

union's position was that whether they joined the union or not should be based on their own free will. KSEC Archive #1, 4/28/61 minutes.

⁴¹ The union president warned union officials not to chat around at the union office and reported that a foreman suggested to the management that he would be willing to record the union activities of union official-workers under his command in his work-hour report. KSEC Archive #1, 1/12/61 minutes.

⁴² KSEC Archive #1, 1/24/61, 1/27/61 minutes.

evaluation was more democratic and fair than that of managers,⁴³ and tried to protect their prestige and interests.⁴⁴ The management demanded that foremen and sub-foremen be excluded from union membership eligibility in 1968. In the 1971 contract, following the demise of the progressive KSEC union, foremen were formally excluded from union membership.

In the 1960s the company also struggled to impose more control on workers' behavior concerning tardiness and alcohol consumption during working hours. Workers complained at a union meeting in April 1961 that they were not allowed to get in the yard after 8:03 a.m. "It is unthinkable," one worker declared, "that they refuse entry when one is only three minutes late!"⁴⁵ On another occasion, the union president warned that management was checking on recreational activities, such as games of *paduk* (go) or *changgi* (Korean chess), during unpaid, and thus

⁴³ For example, union officials worried about worsening "shop-floor opinion" about unfair rank and salary-class assignments in 1966, and decided to recommend to the company that foremen should be allowed to evaluate and promote their workers within the limit set by the labor-management agreement. It would be, they said, the most democratic way because they would consult sub-foremen and line supervisors. On the other hand, they argued, however much managers try, their evaluation results would invoke cries of unfairness. KSEC Archive #11, 2/16/66 minutes.

⁴⁴ For example, the union opposed the company plan of executing evaluation tests for foremen and workers simultaneously, because it might hurt the prestige of foremen. It also opposed the plan to reduce the number of foremen and sub-foremen in the name of management rationalization in 1967. KSEC Archive #19, 9/6/67 minutes.

⁴⁵ KSEC Archive, #1, 4/4/61 minutes.

supposedly free, rest time.⁴⁶ Throughout the late 1960s, the union was vigilant to prevent any kind of impingement on breaks.⁴⁷

The issue workers felt most adamant about was afternoon drinking. In a January 1961 union meeting, the union president cautioned the union officials:

There was this request by the company. Please refrain from drinking during work. Working inside is one thing, but when you are working outside and have to have a drink, then first look around before you do so.⁴⁸

A twenty-year veteran lathe worker and union official, Yi Kyŏnghŭi, who was the union's Propaganda Department chief at the time and would become the Organization Department chief in 1963, complained that "even during Japanese colonial rule, the company gave workers a drink around three in the afternoon to boost morale." He angrily suggested that the union should take up this matter, and if the negotiation did not go through well, all the union officials should resign at once!⁴⁹

The importance of alcohol consumption in the culture of workers is revealed in sincere, long, and heart-felt discussions about provisions for major union events such as Labor Day

⁴⁶ KSEC Archive, #1, 9/12/60 minutes.

⁴⁷ A recurring complaint was about the company policy of not allowing workers to go outside the yard during breaks to buy food or to eat meals at home. In a letter to the company president in 1965, the union argued that it was a matter of attaining freedom: "Even if we are production workers, it is absurd that we could not have freedom during the 30-minute break." KSEC Archive #8, 10/19/65 notice.

⁴⁸ KSEC Archive #1, 1/12/61 minutes.

⁴⁹ KSEC Archive #1, 4/1/61 minutes. No one seconded his idea and it was ignored.

celebrations. What workers expected and desired most was a bottle of *soju*⁵⁰ and some dried squid to go with it. The union tried to squeeze money out of all the possible sources to provide for these items, but usually could not make it. One union official reported that workers were "expressing doubts about the union" because they were not getting a bottle of *soju* (a bottle cost 210 won) on Labor Day even though the total monthly dues collected by the union had gone up from 60,000 won to 100,000 won, the result of an increase in the monthly dues of the union's three hundred individual members from 200 to 300 won.⁵¹ The original plan was to rent a movie theater and distribute a bottle of *soju*, a hand towel, and two packets of caramel candy to each worker, plus the same package to one guest per worker.⁵² "In the past," the union president explained, "we received a donation from a political party [i.e., the Liberal Party], but after the April 19th Revolution, a distance has developed between the political party and us. Therefore, we had to ask help from the company." The company agreed to donate 172,000 won, but it was not enough to cover the cost of refreshments for 450 workers and their guests.

⁵⁰ A vodka-like white distilled liquor made out of grain.

⁵¹ On the discussion of Labor Day preparations, see KSEC Archive #1, 3/6/61, 3/9/61 minutes. The union membership fluctuated month to month. For statistics, see Table 3 below.

⁵² The South Kyōngsang Province FKTU unions were supposed to celebrate Labor Day in Pusan, but the KSEC union decided to hold a separate celebration in Yōngdo so that all its members could attend.

To make ends meet, the union reserved a cheaper theater, the *Yōngdo* -- their first choice, the Port Theater asked 100,000 won for rental fee -- and decided to forgo *soju*, squid, the towel, and candy, leaving only a piece of bread, which would be acquired on credit from the company welfare supply shop, as a gift for the attendees. The original request from the upper-level union organization to the KSEC local of a 50,000-won donation for the regional Labor Day celebration was haggled over and reduced to 20,000 won. Workers, however, were very unhappy about the arrangement. Fearing a revolt, the union came up with a compromise of supplying each foreman with about half of the cash needed to buy a bottle of *soju* for each of his workers, even if the union might have to resort to a high-interest short-term curb-market loan to do that. Management too had a complaint: the union rented a "crummy theater," even though the company donated money to the event. Im reported to the union meeting that he had told management, "Don't meddle with union affairs, donations or not." Hassled by complaints left and right, Im declared that if the complaints continued, he would consider not holding a celebration next year. In support of Im, Yi Kyōnghŭi emphasized the importance of having a union by commenting, "Factories without unions do not even have holidays."

By late March 1961, wage payments had been delayed for two months, and the atmosphere on the shop floor was tense. There was talk of the union being too weak, or rumors of union

officials being bribed by the company. On March 31, the union gathered all the union members in front of the gate and called out the company president for an explanation.⁵³ The union officials were very apprehensive of a possible reprisal by the company after the rally. The company president "did not show any sign of remorse," according to the union. He was overheard accusing the union president of "being engaged in a popularity-raising tactic for the next union election."⁵⁴ Furious, union officials called for a "movement to expel the company president," who was "incompetent" and took "business trips too frequently," spending 10,000 won each time with little success in garnering work orders. As a "struggle method," they decided to call for a sit-in demonstration, followed by a notice to the authorities of the beginning of a chaeng'ŭi. Unity of all the union members was repeatedly emphasized, and Im advised union officials "to be extremely cautious so as not to betray any vulnerabilities."

Im's apprehension about the company president's reprisal turned out to be well-grounded. The events of March 31 led to a personnel transfer of the Administration Department section chief to the Seoul office and two-months' salary reduction of two other managers on the charge of "insufficient supervision." There was a rumor that the company president would punish union officials who supposedly "insulted company directors while drinking" at the company cafeteria after a union meeting with the three managers

⁵³ KSEC Archive #1, 3/31/61, 4/1/61 minutes.

⁵⁴ KSEC Archive #1, 4/1/61 minutes.

who received disciplinary action.⁵⁵ The company president also aroused anger when he remarked that at other companies workers did not protest even with three months' delay in wage payments. Some union members cautioned the union not to jump into a confrontation with the company, especially on the issue of a disciplinary action against managers. The majority opinion in the union, however, was that the union should fight for the managers who were disciplined by the company because they had been sympathetic to workers.

Company president Kwŏn weighed in from Seoul and ordered his directors to fire Im and reduce the salaries of the two vice-presidents, but the directors hesitated because they were worried about the aftermath of such a reprisal. The union decided to send a notice to management warning them of a sit-in demonstration in case of the execution of Kwŏn's order. All overtime work would be refused, and the Standing Committee would decide on the actual method of struggle, including consecutive sit-ins. When a union official argued, "If we accept this punishment, the union will be destroyed and there would be no organization to fight against the company with!", it summarized the general feeling of the union.

This clash was closely related to the workers' perception of the inability of management, especially President Kwŏn, to obtain

⁵⁵ On the post-March 31 events and discussions, see KSEC Archive #1, 4/4/61, 4/6/61 minutes. According to Im, such drinking after meetings was a "customary practice."

enough work orders. Workers distrusted management, and felt that "there is nothing wrong with our request for the company president's resignation since he is incapable of fulfilling his responsibilities." Im lamented the fact that Kwŏn was urging the directors to fire him even though the union was "exercising all restraint" so as not to affect by confrontational action the bid for a 200,000-dollar repair order for the Korean ship *Heavenly Lake* [Chŏnjiho], which the yard was desperately trying to get.

When the union heard news that the repair of the *Heavenly Lake* would go to Japan, it decided to "take the task of securing work orders into our hands, instead of depending on company managers."⁵⁶ Union officials unanimously criticized the government's action:

Even though it could be repaired in Korea, [the government] sends it to Japan. We need to make the government rethink the issue, send out a letter of protest to the authorities, and provoke public opinion on the issue It is a pity that the government, which should actively cooperate to have the repair work done in Korea, permitted it to be repaired abroad.⁵⁷

⁵⁶ KSEC Archive #1, 4/28/61 minutes.

⁵⁷ These remarks are from KSEC Archive #1, 4/21/61 minutes. Im admitted that there was a problem of provisioning steel plates in the repair work of the *Heavenly Lake*. It would take two extra months to get the necessary steel plates and that was one reason the government allowed the repairs to be done in Japan. But another official did not buy the excuse: "The government should allow two more months and let it be repaired in Korea!"

As for the KSEC president, the union said that since he did not try hard enough, using mobilization of workers if necessary, to prevent the loss of the repair order to Japan, "we cannot but doubt his sincerity."

A publicity campaign via newspaper advertisements, a street demonstration, and a march to the Office of Maritime Affairs in Pusan were then planned to "revive the shipbuilding industry." A petition in the name of the KSEC union was prepared and sent out to government offices. After polling the shops, the union decided to convene an extraordinary session of the General Assembly to "expel the company president," whose inability caused the yard to lose important work and jeopardized the possibility of a pay raise.⁵⁸ It suggested that the union representatives who would be sent to Seoul should investigate whether the company president actually did any lobbying work there.⁵⁹

The union, oftentimes accused by the company of "instigating" workers, was concerned about the degree of rank-and-file enthusiasm on this issue, and kept checking on shop-floor opinions.⁶⁰ It also worried about the possibility of causing harm to union officials, in case the union plan leaked out or a police officer decided to show up at the General

⁵⁸ KSEC Archive #1, 4/28/61 minutes. Another purpose was to report on the union's planned lobby effort in Seoul.

⁵⁹ The union lobbyist eventually did find out that president Kwōn actually had met with Ministers in Seoul.

⁶⁰ Union officials worried that members might not show unity behind the issue of expelling the company president, unlike struggle for pay raise. KSEC Archive #1, 5/6/61 minutes.

Assembly meeting and listen to the workers' speeches. The company was reportedly "watching every move of the union officials."⁶¹ Union officials emphasized the need to keep the agenda of the General Assembly meeting secret and keep outsiders, including company officials and security personnel, out of the meeting.

The union's lobby effort in Seoul, about which union officials were apprehensive because of their awareness of the status differences between state officials and themselves, went far beyond expectations. The timing was fortunate for the union because South Korea was still under the Chang Myŏn government, which replaced the Syngman Rhee regime after the student uprising of April 1960 and was tolerant of political and social movements. The union lobbyists had no idea that soon after their lobbying trip ended, the Chang Myŏn government would be overthrown by the military coup d'état of May 16, 1961. The union representatives, helped by National Assemblymen from the Pusan-South Kyŏngsang area, met with the Prime Minister and the ministers, deputy ministers, or chief-secretaries of various ministries including the Ministry of Reconstruction, the Ministry of Commerce and Industry, and the Ministry of Finance. They were able to meet several committee chairs of the National Assembly, the head of

⁶¹ KSEC Archive #1, 5/6/61 minutes.

the Korea Industry Bank, and an USOM official to voice their opinion regarding the *Heavenly Lake* repair matter.⁶²

The Seventh Extraordinary General Assembly on May 8, 1961, listened to the union report and unanimously passed the motion to proceed with the street demonstration.⁶³ A speaker from the Design Section summed up the nationalist agenda of workers as follows:

Even if repair or shipbuilding work takes longer, repair should be done in Korea in the spirit of the nation, regardless of profit or loss.

The union decided to go by land on the way to the Office of Maritime Affairs in Pusan, and to ride ships back to the yard. Participation of the Taesŏn and other nearby yards would be sought. The demonstration went as smoothly as planned, and the head of the Office of Maritime Affairs, probably because of the nationalistic nature of the union demand and broad societal support for it, promised to take up the union's cause and lobby for it in Seoul.⁶⁴

The Maritime Union and Namgung Ryŏn

Before exploring what happened at the KSEC yard after the military coup of 1961, we need to briefly examine the situation

⁶² Ibid. The content of their discussion with these government officials will be discussed in Chapter 10.

⁶³ KSEC Archive #1, 5/8/61 Extraordinary General Assembly minutes. Out of 364 members of the union, 333 attended the meeting.

⁶⁴ KSEC Archive #1, 5/17/61 minutes.

of the Maritime Union, with which the KSEC union was affiliated with. While significant realignment and reorganization of organized labor was going on at the national level in the late 1950s and early 1960s, the Maritime Union was not a major actor in national labor politics.⁶⁵ Factional strife divided the Maritime Union into two competing headquarters in late 1960, prompting the KSEC union to declare that it would take sides with neither of the two and would seek to organize a new metal union federation.⁶⁶ The Maritime Union, however, began to show renewed signs of vitality from 1960, when its core member union, the Korean Seamen's Union, started a long and tenacious struggle against a powerful shipping company, Far-Eastern Shipping [*Kŭktong haeun*]. I will describe this incident in detail to examine the characteristics of two protagonists, the Maritime Union and the company president Namgung Ryŏn, who later became important characters in our story of the industrial strife at the KSEC shipyard.

The president of the company, Namgung Ryŏn, was a powerful man in the business world with close ties to the Syngman Rhee

⁶⁵ Under the Rhee and Park regimes, the strength, nature, and fortunes of industrial union federations varied greatly. Historically, the textile and dock workers' industrial unions had been most corrupt and undemocratic, yet their memberships showed great militancy and desire to democratize their unions time and again. Since the Chŏnp'yŏng days, railroad and electrical workers' unions had been at the center of the national union politics, backed by the strong activism of members.

⁶⁶ KSU, *Haewŏn chohapsa*, pp. 86-87.

regime.⁶⁷ Neither the political turmoil of the April 1960 uprising nor the military coup seemed to have affected his power and prestige negatively as a major business figure.⁶⁸ The Seamen's Union started a formal *chaengŭi* against the Far-Eastern Shipping over wage issues on behalf of the crew of the ship *Koryŏ* in May 1960. Namgung Ryŏn, however, was not willing to negotiate at all. The seamen on the *Koryŏ*, docked in Pusan, decided to strike. Three days after the strike began, the company accepted mediation by the South Kyŏngsang Province authorities and agreed to increase wages by 84 percent. The company had no intention of following through on the agreement, however. Instead, it fired six seamen for no legitimate reason.

Outraged seamen immediately started a strike, even though the *Koryŏ* was already in the Pacific Ocean. The ship drifted to

⁶⁷ Kim, *Haebang hu p'yŏn*, p. 300. On the Maritime Union *chaengŭi* of 1960-61, see *ibid.*, pp. 297-300; KSU, *Haewŏn chohapsa*, pp. 89-92.

⁶⁸ There is an episode that indicates a close relationship between the new military government and Namgung Ryŏn. *Han'guk ilbo* [Korea daily], one of the major newspapers of South Korea, circulated an erroneous report on the nature of Park's new political party on November 28, 1962. It reported as top news that Park would create a labor party: "The new party will be a Social Labor Party (a tentative name). A draft for a platform and policies is ready, modeled after the British Labor Party." The military government was so upset with the report, it arrested the president and editor, Chang Kiyŏng, and three reporters and forced the newspaper to suspend publication "voluntarily" for three days. Chang Kiyŏng briefly lost the newspaper during this period to none-other-than Namgung Ryŏn. The latter's name appeared as the publisher on the December 7 issue. Yi Wŏnhong, then the Society section chief of the paper, wonders whether the report was totally wrong or the military government actually considered the name at least once. Yi's recollection in *Wŏlgan chosŏn* [Chosŏn monthly], May 2002: 310-11. Kwŏn Odŏk recalled that Namgung was close to both President Park and Chang Kiyŏng. Kwŏn Odŏk Interview by sociologist Kim Jun [Kim Chun], Pusan, 9/20/2001. I am grateful to Dr. Kim Jun for letting me use his tape recording of the interview.

Taiwan. In October, the crew again struck on board while the ship was docked at Yokohama, Japan. When a foreign ship accidentally hit and significantly damaged the *Koryŏ*, the seamen had to break off the strike. The company's stonewalling continued, however, and the union entered into another *chaeng'ŭi* in November, and started a new strike in January 1961, this time at the port of Inch'ŏn. Namgung Ryŏn, using his connections to the police and to the prosecutor's office, physically isolated the *Koryŏ* from outside contact. Union leaders from the Seamen's Union and Han'guk Noryŏn were unable to get to the ship nor prevent the company from using automatic suction machines to unload its cargo of wheat.⁶⁹

In April 1961, the Central Labor Committee took up the *Koryŏ chaeng'ŭi* with both union and company representatives present. At the meeting, Namgung infuriated Kim Mallyong, who was attending as the labor-side committeeman, by using disrespectful language. A serious quarrel broke out between them. In the end, Namgung had to apologize to Kim and promised to accept the committee's mediation. Kim criticized Namgung for not being trustworthy and made the Central Labor Committee formalize Namgung's promises as part of an official mediation plan. An agreement favorable to workers was signed, ending the eleven-month long *chaeng'ŭi*. The victory of the Seamen's Union over

⁶⁹ The firm anti-union stance of Namgung and his skillful use of political ties and influence were proven to be well and alive nine years later when he defeated the KSEC union as the new owner of the KSEC yard in 1969.

Far-Eastern Shipping had a positive influence on the subsequent chaeng'ŭi of seamen at other companies. The timing of the victory was also fortunate because strikes by dockworkers and coal miners, which were happening simultaneously with the seamen's strike, were abruptly terminated without any gains for workers following the May 1961 coup.

The Maritime Union, reborn in August 1961 as one of the industrial unions under the FKTU, ran vigorous organizing drives and supported member unions to secure labor contracts in the 1960s.⁷⁰ The KSEC Union went back to the fold of the Maritime Union in 1963, probably because the Maritime Union's level of activism was much higher than that of the Metal Union.⁷¹ The Maritime Union paid great attention in organizing shipyard

⁷⁰ Its membership grew from 14,802 in 1963 to 32,465 in 1970. During the same period, it was the seventh or eighth largest union among the sixteen industrial unions in the FKTU system. In the same period, the national metal union ranked between 9th and 14th in the FKTU, and the national textile union between first and second in membership size. The sex ratio of the members of the Maritime Union was extremely skewed toward men, reflecting its organizational base in male-dominant sectors. In 1966, for example, 20,536 (99.8 percent) out of its 20,569 members were men, while the FKTU average was 77.4 percent male. FKTU, *Han'guk nodong chohap undongsa*, p. 606. The percentage of male members in the national metal union was 80.9 percent, and that of female members in the national textile union was 84.5 percent. The FKTU average of male membership ratio declined from 78.5 percent in 1962 to 74.4 percent in 1971.

⁷¹ For example, a KSEC union official said regarding Taesŏn shipyard union's move from the Metal to the Maritime Union in 1965: "Taesŏn used to belong to the Metal Union, but . . . except for collecting dues several times, there has been no development of a union system or any activities. Because of that workers suffered much at the hands of the employer." KSEC Archive #4, 3/13/65 minutes. The fact that the KSEC company favored the Metal Union over the militant Maritime Union as its union's upper-level affiliation in the mid-1960s suggests that the company was also aware of the differences in the level of militancy and the characteristics of unionism of these two industrial unions. See Chapter 9 for details.

workers, while fending off the Metal Union's claim of jurisdiction over shipbuilding workers. The Maritime Union in the 1960s stood up against big private shipping and fishing companies and their associations such as the Korean Shipowners' Association and the Deep-sea Fishing Cooperative in order to obtain labor contracts and better wages and working conditions for its members. It also constantly confronted government agency-employers such as the Office of Maritime Affairs, the Ministry of Construction, and the Ministry of Transportation, among others.

Table 3 shows the relative weight of the shipbuilding worker-members in the Maritime Union from 1963 to 1968, the last year the KSEC and other shipbuilding unions were affiliated with the Maritime Union. Since many regional locals of the Maritime Union also contained shipbuilding workers in their jurisdictions, the actual number of shipbuilding workers in the Maritime Union would be much higher than the 10 to 14 percent of the total membership the table shows.

Table 3. Maritime Union Membership: KSEC and Shipbuilding Locals, 1963-68

Year	Maritime(a)	KSEC(b)	Shipbuilding(c)	(b + c)/(a) in percent
1963	16,028	1,365	355	10.7
1964	15,881	1,365	352	10.8
1965	16,539	1,387	326	10.4
1967	25,127	2,425	879	13.1
1968	28,618	2,704	1,453	14.5

Source: Adapted from KSU, *Haewŏn chohapsa*, p. 314. The KSEC membership number includes that of Taesŏn sub-local.

Shipbuilding workers in the Maritime Union were organized into the Shipbuilding local [*Chosŏn chibu*], based in Pusan, and into other regional locals. The enterprise-based KSEC local was an exception. The Shipbuilding local had its organizational base at small shipyards, and thus, many of the members were woodworkers.⁷² It often entered into *chaeng'ui* against several shipyards in the area at once, as in the case of the 1966 and 1968 *chaeng'uis* against twenty companies each.

As the core member of the Maritime Union, the KSEC union actively supported other shipyard workers' organizing efforts and collective actions in the 1960s. For example, workers at the nearby Taesŏn yard requested the KSEC union to organize them as a sub-local in 1964. The KSEC union got 82 of about 100 workers to sign cards, but later transferred them to the Shipbuilding local due to a "certain situation" among the Taesŏn workers. It was not comfortable with the decision because, in the KSEC union's view, the Shipbuilding local was "organizationally and financially weak."⁷³ A year later, however, the KSEC union received another request from Taesŏn workers who wanted to move out of the Metal Union and into the Maritime Union as a sub-local

⁷² Under the Shipbuilding local, two kinds of sub-locals were organized - those based on trades and those based on a given plant. The latter type was formed at relatively larger-sized shipyards. Sŏn, "Kiŏp naebu nodong sijang," pp. 233-36.

⁷³ KSEC Archive #4, 3/20/64 minutes, 5/19/65 Assembly documents.

of the KSEC. It agreed to organize them.⁷⁴ As soon as the Taesŏn sub-local was established in September 1966 with 320 members, the employer started massive lay-offs while enticing the workers to secede from the KSEC union with a promise of accepting their demands once they did. The KSEC union and the Taesŏn sub-local entered into a chaeng'ŭi against the company and secured a contract after three months of heated battles.⁷⁵

The Military Coup and Its Aftermath

The heyday of union activism after the fall of Syngman Rhee came to a crashing end in May 1961 when, according to a union official's words, "suddenly a coup d'état occurred" in Seoul. The May 16 Military Coup d'état in 1961, led by General Park Chung Hee, used the chaotic political situation generated by surging social movements, some of which began to show signs of a revival of leftist thoughts, as an excuse for the military coup. As soon as the coup's success was confirmed, the junta ordered all political and social organizations, including trade unions, to disband. Unions had little leverage to negotiate the terms of dissolution or anything else. All the unions, including Han'guk

⁷⁴ KSEC Archive #4, 3/20/64, 2/16/65, 3/13/65 minutes. It seems that the Shipbuilding local failed to organize them, and they ended up in the Metal Union.

⁷⁵ On the Taesŏn chaeng'ŭi of 1966-67, see KSEC Archive #17, "Taesŏn punhoe chaeng'ŭi kwan'gye ch'ŏl" [Binder on Taesŏn sub-local chaeng'ŭi], and #19, the Organization Department report at the 8/3/67 Assembly. Also see Chapter 10.

Noryŏn and the new metal federation, were disbanded as of May 23, and several hundred labor leaders were arrested.⁷⁶

The newly created Korean Central Intelligence Agency [KCIA] undertook the task of reorganizing the organized labor in line with the junta's ideas on a desirable system of industrial relations. The KCIA handpicked nine labor leaders to form a committee, which would be in charge of rebuilding the national center of the organized labor. On August 3, 1961, the Provisional Law on Workers' Collective Activities was promulgated, allowing labor organization to begin to legally function after months of suppression.⁷⁷ The nine-member committee went into action the next day. The Federation of Korean Trade Unions [*Han'guk nodong chohap ch'onggyŏnmaeng*; hereafter, FKTU] was formed on August 30, 1961 with eleven industrial unions. The head of the nine-member committee -- the Railroad Union president, Yi Kyuch'ŏl -- became the first president of the FKTU.

It was a purely top-down creation and a result of a reshuffling of the existing union organizations and leaders. Excluded from the new union leadership by the state were some of the most corrupt and problematic labor leaders. Also excluded were the most reform-minded labor leaders. Among the latter was the Nohyŏp group in Han'guk Noryŏn, led by Kim Mallyong. They

⁷⁶ On the events after the coup and the creation of the new FKTU, see FKTU, *Han'guk nodong chohap undongsa*, pp. 569-77.

⁷⁷ The right to collective action was not restored until the April 1963 revision of labor laws. Kim Sam Soo, "1960-nyŏndae nodong chŏngch'aek," p. 196.

challenged the FKTU's legality in court and argued that the FKTU totally lacked autonomy and democracy in its organizing process.⁷⁸ In February 1963, despite the government's warnings, the group held an assembly to prepare for the foundation of Han'guk Noryŏn, and began to actively organize its local unions in the Seoul-Inch'ŏn area, bumping out existing unions.⁷⁹ On March 10, 1963, the two national labor centers held separate Labor Day ceremonies.

In April and December 1963, however, the junta revised the nation's labor laws, banning "second unions" altogether. Under the revised labor laws, a union had to be legally recognized by filing a report with an appropriate government agency, and a union whose purpose was to hamper the ordinary operation of a pre-existing union would not be granted legal recognition.⁸⁰ The activities of Han'guk Noryŏn unions, which came under state repression as illegal entities, virtually came to a halt by the end of the year.⁸¹

⁷⁸ *Ibid.*, p. 578.

⁷⁹ *Ibid.*, p. 580.

⁸⁰ Choi, *Labor and the Authoritarian State*, pp. 84-85. The amendment of 1963 marked "a considerable regression from the first law," Choi concludes, but "considering the general standard of the development of industrial relations in the 1960s, the law of 1963 . . . should still be considered an advanced one." Other important amendments were: "(3) the unions were to be restructured in the form of industrial unions organized along industrial lines and unified under a single national industrial union within the same industrial sector; (4) penalties for employers' unfair labor practices were much abated; (5) a bi-lateral labor-management council was created . . . ; (6) union shops were recognized . . . ; (7) state intervention in the internal and operational matters of labor unions was expanded in scope." Ogle, "Labor Unions in Rapid Economic Development," pp. 394-404 contains detailed explanations of the 1963 labor laws.

⁸¹ In March 1963, the head of the national metal union, Chi Yŏnil, and Inch'ŏn local leaders announced that the national metal union would move

The FKTU was given a monopoly to represent all industrial workers of Korea as the only officially-sanctioned national labor center.⁶² Unlike the Taehan noch'ong under the Rhee regime, the new FKTU system was intended to strengthen the power of industrial union federations.⁶³ Why would the designers of the

out of the FKTU and dissolve itself. It was the first time an industrial union seceded from the FKTU. They were in support of Han'guk noryŏn and organized a metal workers' union and locals in Inch'ŏn. The president of the Inch'ŏn Steel union, one of the "second unions" that were formed to displace existing FKTU unions, became the first casualty of the 1963 labor law amendment. He was arrested the day after the laws' promulgation and charged with forming illegal union. By September 1963, Chi and others had apologized for their actions and under state pressure all the second unions went back into the fold of the FKTU. Apart from Han'guk noryŏn's activities, presidents of some industrial unions -- electrical, maritime, bank, transportation, chemical, communication, and "unified" (a national union federation comprised of unions in assorted industries) -- tried to create a "Democratic Labor Party" in January 1963. Their action was also soon suppressed. FKTU, *Han'guk nodong chohap undongsa*, pp. 581-86.

⁶² This position and some features -- the legal recognition of the rights to organize, act collectively, and bargain collectively, the union-shop contract, dues-check-off system, and allowance of membership growth to a certain degree -- have tempted many social scientists to see the Korean state-labor(FKTU) relationship as a corporatist one. Jang Jip Choi categorizes the Korean state labor control policies of the 1960s and 1970s as an "exclusionary" subtype of "state corporatism." He relies on the theories of corporatism elaborated by Philippe C. Schmitter, Alfred Stepan, Guillermo A. O'Donnell, and Ruth and David Collier. See Chapter 1 of his *Labor and the Authoritarian State*. Frederic C. Deyo and Michael A. Launius also apply the corporatist model to Korea. For a critique of the application of the corporatist model to Korea, see No Chunggi, "Nodong t'ongje yuhyŏng."

⁶³ Choi, *Labor and the Authoritarian State*, p. 31. The FKTU is based on the industrial union system. In the FKTU, the actual power in terms of finance and control over the membership resides in the industrial unions. In the late 1960s, however, the state moved toward the opposite direction, strengthening the enterprise-based union system and weakening the power of industrial unions. The state's concern over rising militancy of unions and the role played by strong industrial unions in major industrial strife of the 1960s, such as the KSEC union strike, precipitated this move. Kim Sam Soo, "1960-nyŏndae nodong chŏngch'aek," pp. 205-207.

new labor policy in the Park regime opt to reinstate the FKTU and, moreover, strengthen the power of industrial unions?

The junta, according to Ogle, was greatly impressed by German industrial recovery and favored the German system of trade unions organized along industrial lines.⁸⁴ It envisioned a more rational structure for trade unions in its planned economy and did not desire to incorporate the union movement into a party as Syngman Rhee had done. The Park regime initially "felt that workers and employers would cooperate to maintain the peace and achieve rapid economic development," Ogle concluded.⁸⁵ Therefore, in 1963, when the labor laws were revised, "the government clearly had in mind that in non-vital industries workers should have the right to strike, and even for public utilities and vital industries there was no outright prohibition against strikes."⁸⁶

It was a corporatist system of labor control, according to Jang Jip Choi, in which the FKTU and national industrial unions monopolized legal rights to represent workers' interests in return for keeping workers under control. In fact, considering the long history of trade unionism in Korea and the existence of vociferous reform groups and militant local unions, the junta did not really have the option of extinguishing the union movement all together at that point. Also, in order that Korea be recognized as a modernized, respectable part of the community of

⁸⁴ Ogle, "Labor Unions in Rapid Economic Development," pp. 82-83.

⁸⁵ Ibid., p. 402.

⁸⁶ Ibid.

nations, it was better to maintain the framework of the existing labor laws, which allowed basic rights to workers. Finally, it was better to actively utilize the FKTU in labor diplomacy abroad and in labor control at home rather than resort to pure repression.

Under the revised labor laws of 1963, the state's control over union affairs was expanded. For example, as mentioned above, in order to obtain legal status a union had to receive a certificate of notification from the government, whereas in the Labor Union Act of 1953 a simple notification by the union to the appropriate government office was enough.⁸⁷ The experiences of the union movement in the 1970s and 1980s proved that this was an important tool in the hands of management and the state. It was often used to snuff out the ability of workers to create autonomous unions. In the same vein, "second unions" and political activities of unions were also prohibited.

The procedures a union had to go through to initiate collective action [chaeng'üi] also became more restrictive under the revised laws. After 1963 a union was required to get an approval from the majority of its members in a secret ballot and an approval from its upper-level national industrial union before filing a petition for a chaeng'üi. Upon receiving the petition for chaeng'üi from the union, the Central or District Labor Committee, whose previous tripartite composition of labor,

⁸⁷ On the changes in the revised labor laws of 1963, see Kim Sam Soo, "1960-nyöndae nodong chöngch'aek," pp. 198-202.

company, and public representatives (each providing three representatives) was revised after 1963 to include three labor, three company, and three to five public representatives, would rule on the legality of the chaeng'üi.⁸⁸ The cooling-off period would begin after this ruling, not from the petition date as in the Labor Disputes Adjustment Act of 1953.

Under the new labor law, even after the cooling-off period had run out, if an arbitration process started, collective action would be banned for another twenty days. Moreover, the arbitration committee was now composed of only public representatives of the Labor Committee unlike in the previous law which included all of the tripartite representatives. Although the union shop was allowed and the definition of unfair labor practices by management was expanded, the range of businesses vital to public interests to which compulsory arbitration could be applied was also expanded. In addition, a new emergency arbitration system was introduced and the Minister of Health and Social Welfare, who oversaw the Office of Labor Affairs, was empowered to halt a collective action unilaterally by calling for an emergency arbitration.⁸⁹ These were the new terms of

⁸⁸ Representatives of the Central Labor Committee were appointed by the President of the nation, and those of the district or city labor committees by the provincial governor or the city mayor. Ogle, "Labor Unions in Rapid Economic Development," p. 399.

⁸⁹ Article 40 of the Labor Disputes Adjustment Act is translated in *ibid.*, p. 402. The first exercise of this emergency arbitration system happened in 1969 to stop the strike and lockout at the KSEC yard, as we will see in Chapter 11.

industrial conflict after 1963 which the union movement had to adapt to.

In the midst of the coup the KSEC union had no idea what was coming. On its last meeting on May 17, before being disbanded by the military government, the union wondered "how effectively the new 'military cabinet' [*kun'gak*] would work" in matters concerning shipbuilding industry.⁹⁰ The minutes of the meeting do not show much anxiety at all among the union officials attending. The union went about its affairs in a business-as-usual manner. They would "negotiate with the new government" when things settled down.⁹¹ But that was the end of the voices from Im Hansik and the KSEC union led by him in the KSEC Archive documents. Years later, in 1967, Pak Chöngbu, a radical vice-president of the new KSEC union, which inherited the militant spirit of the Im Hansik era, asked fellow unionists to start a "Kampa movement

⁹⁰ KSEC Archive #1, 5/17/61 minutes.

⁹¹ The KSEC workers' attitude toward the military coup shown here was similar to that of the general public. An opinion poll by the U.S. Counterintelligence Corps (CIC) right after the military coup showed that the majority -- 60 percent -- of the people surveyed viewed the coup in a favorable light. Intellectuals at the time either avoided commenting on it or expressed their expectations for the positive role military officers might be able to play in South Korea like in Egypt, Burma, or Pakistan. Many intellectuals were favorably disposed to the nationalistic languages the junta used. Hong Söngnyul, "1960-nyöndae chisönggye üi tonghyang" [The trends among intellectuals in the 1960s], *1960-Nyöndae sahoe pyönhwa yön'gu: 1963-1970* [A study of the social changes in the 1960s] (Seoul: Paeksan södang, 1999), pp. 197-98, 241. This positive evaluation among South Korean intellectuals of the military's role in the country's modernization project was heavily influenced by the modernization theorists of the United States such as W. W. Rostow and Millikan who argued for the alliance of military officers and secular intelligentsia for modernization efforts in the Third World. *Ibid.*, pp. 204-205.

(Kampaniya; a Russian and leftist term for a fund-raising campaign) for Mr. Im Hansik, who was bedridden and suffering from illness."⁹²

This chapter has followed the evolution of the KSEC local into an activist and militant union through the short-lived Chang Myŏn regime before the 1961 military coup. The KSEC union embraced the interests of the weaker segment of the workforce -- temporary, contract, and trainee workers who received far worse treatment than regular workers. The union, whose membership consisted of both white- and blue-collar workers, also persistently tried to put an end to discriminatory practices against production workers. It fought to preserve workers' control of both their working hours and breaks as well as to obtain pay raises. The Maritime Union, energized through big strikes, was venturing into robust organizing drives and collective actions by the early 1960s, and the KSEC local was in the thick of the vibrant activism of the Maritime Union.

The freedom that the organized labor in South Korea enjoyed in reforming its own house and in reviving its militant spirit after the April 1960 student uprising was short-lived, and the military junta disbanded all the unions in 1961 and suppressed the union movement for two years. The basic framework of the 1953 labor laws, however, survived under the new military regime,

⁹² KSEC Archive #19, 10/2/67 minutes.

even though the revised labor laws allowed increased state intervention in and supervision over union activities. As we will see in Chapter 9, the KSEC union was reorganized in 1963 with Yu Ch'ölsu as its president under the new FKTU system created from the top down by the junta. The new union at first took a cooperative stance toward management under Yu Ch'ölsu's leadership, but it was ousted by workers in 1964. The democratic and militant spirit of the union before the military coup was inherited and promoted even more by Hō Chaeöp's leadership from 1964 to 1969.

Before delving into the analysis of industrial relations at the KSEC after 1963, let us first examine the business situation of the KSEC yard during the 1950s and 1960s. What were the problems the shipbuilding industry and the KSEC company faced while a militant and democratic unionism emerged among shipbuilding workers? What was at stake in the implementation of the rationalization plan that the KSEC management and the state prescribed to save the faltering yard in the 1960s, and how did the union cope with it? The discussion on the company side of the story (Chapter 8) will be followed by a discussion (Chapter 9) on the industrial relations at the yard from 1963 to 1967.

Chapter 8. The Company

The Shipbuilding Industry, 1945-1960

When Japan surrendered to the Allied Forces in August 1945, Japanese companies moved back to Japan, taking many of the ships with them. The official history of Chosŏn Heavy Industries claims that the shipbuilding facilities and ships the Japanese left behind were "outdated and of near-junk quality."¹ The colonial shipbuilding industry had been developed for the interests of the Japanese empire. It did not aim at developing a balanced and integrated industry within Korea. That meant that Korea's shipbuilding industry was paralyzed when it was suddenly torn from the Japanese nexus.

At the time of the Japanese surrender, there were fifty-six shipyards in the southern part of Korea, twenty-five of which were in South Kyŏngsang Province. Among those, only thirteen companies -- six of them in Pusan -- were real shipyards, capable of producing ships of over 200 tons or repairing ships over 1,500 tons. The rest were "nothing more than a part of a lumber company or small-scale ironworks."² At Chosŏn Heavy Industries, which was the biggest among those six yards, many factors made the postwar operation of the yard extremely difficult. These included the departure of Japanese technicians and managers, the

¹ KSEC, *Samsimnyŏnſa*, p. 50.

² *Ibid.*, pp. 55-56.

lack of operational knowledge of the shipyard, the lack of orders, and the poor condition of the machinery and facilities caused by excessive wartime usage. The later division of Korea into the North and the South, with the resulting loss of the supply of electricity and materials from the North made things even worse.

Nevertheless, some employees organized a Management Task Force [*Kwalli taech'aek uiwŏnhoe*] at the yard and tried to maintain operations.³ Against the task force, three hundred workers organized a union (see Chapter 4). The newly established U.S. Military Government in South Korea (1945-1948) transferred Chosŏn Heavy Industries to the government-owned New Korea Company [*Sinhan kongsa*, formerly Oriental Development Company] at the end of 1945. The New Korea Company dispatched a manager to the shipyard and a U.S. military supervisor was sent there also.⁴ But the shipyard was in disarray and skilled workers were leaving the yard and the shipbuilding industry to pursue either better employment opportunities or a dream of opening their own shops. The 1949 Economic Yearbook published by the Chosŏn Bank concludes that "ship carpenters with high competence changed professions

³ *Ibid.*, p. 54. According to Pak Ch'ŏlgyu, the leader of the task force was a former police officer Pak Sanggil, and the task force members embezzled company funds set aside for living expenses for employees. Pak Ch'ŏlgyu, "Haebang chikgu Pusan chiyŏk ūi nodong undong" [Labor movement in the Pusan region in the immediate post-Liberation period], *Yŏksa yŏn'gu* 10 (June 2002): 200.

⁴ KSEC, *Samsimnyŏnsa*, p. 61. The U.S. Military Government in Korea had a policy of appointing managers [*kwalliin*] for companies it took over from the Japanese [*kwisok ŏpch'e*]. All but five Korean-owned shipyards received a manager at this time. *Ibid.*, p. 56. In 1946, the U.S. Military Government appointed managers for 375 companies recovered from the Japanese. Cho and Yi, *Naengjŏn ch'eje*, p. 189.

and became furniture makers, skilled iron workers became iron-pot makers, and machine workers went to work at small metal shops."⁵ Some workers even started their own small shipbuilding businesses.⁶ Although workers-turned-owners did not account for most of the increase, the number of shipyards in Korea increased from 56 by the time of Liberation to 120 in a few years, and reached 172 in 1960.⁷ One result was that large shipyards like Chosŏn Heavy Industries suffered from a shortage of skilled workers.

With the establishment of the South Korean government in 1948, Chosŏn Heavy Industries was again transferred to the Korean government and reorganized as the Korea Shipbuilding and Engineering Corporation in 1950 under the terms of a new law.⁸ It was a "state-policy" company [*kukch'aek hoesa*] with mixed public-private stock ownership. The government owned 80 percent of the stock, and provided enormous special benefits to the company to make it an attractive investment option for private stockholders.⁹ For example, the government picked up any losses and guaranteed a 10 percent dividend to the private stockholders

⁵ Chosŏn ūnhaeng chosabu [Chosŏn Bank Inquiry Section], *Kyŏngje yŏn'gam* [Economic yearbook] (Seoul: Chosŏn Bank, 1949), I-100. Cited in Sin, "Kiŏp naebu nodong sijang," p. 94.

⁶ Ibid., p. 96.

⁷ KSEC, *Samsimmyonsa*, p. 62.; Sin, "Kiŏp naebu nodong sijang," p. 96.

⁸ The KSEC Law (Law no. 57) of January 1, 1950. From 1948 to the early 1950s, due to the lack of private capital and the large capital requirements involved, the South Korean government opted to manage large companies recovered from the Japanese in the metal, machinery, chemical, and textile industries directly. The KSEC was one of the 56 companies designated as a public company at this time. Pae, "Taehan chosŏn kongsa," p. 11.

⁹ Ibid., p. 11.

every fiscal year. The government also guaranteed payment of principal and interest on company bonds. A tax break was also offered for ships built within five years from the time of the founding of the company. The government also had a technical advisory group from the United States sent to the KSEC shipyard. It provided technical support from March 1950 to January 1951.¹⁰ Thus, despite the obstacles noted earlier, the KSEC shipyard was well poised to start to revive steel ship production in the 1950s. But would its efforts be successful?

The Korean War that started in 1950 turned out to be a mixed blessing for the South Korean shipbuilding industry. Sixty percent of the shipyard facilities were damaged during the war.¹¹ But thanks to military transportation needs, the war brought much needed demand for ship construction and repairs. The damage to merchant ships alone was estimated to be 10 million dollars during the war and the KSEC was well poised to repair them.¹² The KSEC, however, fared badly from 1950 to 1955. It did not go in the red, but profit was minimal.¹³ During the period, it reported only the construction of one new ship, while most of the business

¹⁰ Pae, "Taehan chosŏn kongsa," pp. 11-12. The tax break also applied to the import of shipbuilding machinery and tools and lasted beyond the initial five-year period.

¹¹ The average damage rate for all the industries was 42 percent. Ministry of Commerce and Industry statistics from Kim Taehwan, "1950-nyŏndae Han'guk kyŏngje ūi yŏn'gu: Kongŏp ūl chungsim ūro" [A study of Korean economy in the 1950s: Manufacturing industry], Chin Tŏkkyu et al. eds., *1950-nyŏndae ūi insik* [Understanding the 1950s] (Seoul: Han'gilsa, 1981), p. 169.

¹² Pae, "Taehan chosŏn kongsa," p. 15.

¹³ Ibid., pp. 12-13.

was in ship repairs. Compared to the capacity of the yard and its output during the colonial period, this was a dismal performance. Private capitalists left the company and the government's share went up to 94 percent because of the lack of interest from the private sector. The problems at KSEC were typical of the industry as a whole. By 1952, two thirds of the 109 shipyards in South Korea were idle.¹⁴

The problem was that the majority of the demand was met by imported ships. Between 1945 and 1961, 92 merchant vessels (over 180,000 G/T in total) and 270 fishing boats (13,000 G/T in total) were imported, while the total output by Korean shipyards was only 26,819 G/T.¹⁵ The reasons behind this preference for foreign ships were the lack of technical competence and the low inventory of materials and ship components at Korean shipyards. There were also a financial advantage to shipowners who imported used ships.¹⁶ To remedy this situation, the government turned to the Planned Shipbuilding [*kyehoek chosŏn*] strategy, which had already been tried during the colonial period. The gist of the program included an artificial boosting of demand for Korean-made ships by policy measures such as government loans and subsidies to ship buyers. The program also included the modernization of equipment at shipyards, the updating of shipbuilding technologies, and the training of technicians. The first Planned Shipbuilding

¹⁴ Ibid., p. 14.

¹⁵ Jonsson, *Shipbuilding in South Korea*, p. 69.

¹⁶ Sin, "Kiŏp naebu nodong sijang," p. 88.

plan was launched in 1949 and five such plans followed during the 1950s.¹⁷

In 1955 the KSEC received an International Cooperation Administration (ICA) fund of two million dollars and a substantial amount of Korean Industry Bank loans and proceeded to double its capacity for new ship construction. In the process, plants for machinery, engine, steel, and other ship components were upgraded. The interest rates for the funds that the KSEC received were very low compared to the market rate, and the total size of the government-guaranteed bank loans to the KSEC was the seventh largest among the manufacturing companies in South Korea in 1961.¹⁸

With all this aid and loan money and fairly extensive policy support from the government, one would expect a better performance from the company by 1960. But the result was the opposite. The company reported big losses during the late 1950s and early 1960s. Its shipbuilding output was much lower than that of the early 1940s, and the facility was idling much of the time. Repair orders even went down after the expansion of the shipyard facilities.¹⁹

¹⁷ Pae, "Taehan chosŏn kongsa," pp. 16-17.

¹⁸ Ibid., pp. 21-23. Loans were often delayed, however, and a plan for providing subsidies under the Shipbuilding Promotion Law of 1958 was not implemented due to lack of government funds. Sin, "Kiŏp naebu nodong sijang," p. 91.

¹⁹ Pae, "Taehan chosŏn kongsa," pp. 24-25. The shipbuilding output to capacity ratio was 2 percent in 1962, 18 percent in 1963, and 33 percent in 1963.

Pae Sŏngman summarized the reasons for the problems in the South Korean shipbuilding industry during the 1950s in the following way. First, the backwardness of shipbuilding technology lengthened the construction and repair time. This, combined with the dependence on foreign, especially Japanese, components, raised the price per tonnage significantly.²⁰ Due to the underdevelopment of the metal and machinery industries, 80 percent of shipbuilding materials and components had to be imported. The Korean price per ton was three to four times higher than that of Japanese-made ships. New construction at Korean shipyards cost about 30 percent more than the cost of importing an equivalent ship.

Secondly, the depression of the domestic shipping and fisheries industries made the plan of artificially boosting demand by government input difficult to achieve. Export of ships was out of the question at the time. As a result, the shipbuilding industry was totally dependent on domestic demand. Because of the poor financial situation of South Korean shipping companies, ordering a new ship, even with the government's subsidy of 20 percent of the ship's price and a low-interest loan of up to 70 percent of the price, was not a realistic option for most shipping companies. Planned Shipbuilding was doomed to failure considering that even imported used ships were often stuck at the entry port because the shipowner could not make

²⁰ Ibid., pp. 30-31.

payment. Moreover, newly built ships under the plan were often seized and auctioned off because the owners were in default on loan payments.²¹ Japan ran Planned Shipbuilding programs from 1947 to 1959 with success because its shipping industry generated a strong demand for construction of new ships.²²

Thirdly, the general paucity of private capital in South Korea at the time was critical, especially in industries which had a slow capital turnover ratio such as shipbuilding. Whatever private capital existed in South Korea at the time went into trading, services, and light-industry, businesses which had high capital turnover ratios, even without any government incentives.²³ The KSEC had very low ratio of net worth against total capital, ranging from 11 percent to -22.5 percent in the late 1950s.²⁴ The burden of staggering debt service and the growing expenses from idling fixed assets, assets greatly expanded by Planned Shipbuilding, drove the KSEC to near bankruptcy by 1960. This was the economic milieu that shaped the 1960s labor activism at KSEC and the special state-capital-labor relationship that evolved at the shipyard.

The failure of the KSEC during the 1950s to become a viable company gives us a chance to rethink the meaning of the legacy of colonial industrialization. The mere existence of a large modern

²¹ Ibid., pp. 36-39.

²² The terms of the government's financial support in Japanese Planned Shipbuilding programs were less favorable than those in Korean plans, but the bidding in Japan was highly competitive. Ibid., pp. 40-41.

²³ Ibid., pp. 41-42.

²⁴ Ibid., pp. 42-43.

steel shipyard, established by Japanese as a part of colonial industrialization, cannot be directly translated into a positive colonial legacy that would benefit the development of South Korean economy after the Liberation. From the study of companies recovered from the Japanese, Yi Taegun concludes that large industrial facilities left from the colonial industrialization did not turn into the material base for future economic development because they were idle and damaged during the U.S. military rule and devastated by the Korean War.²⁵ One of the problems in the arguments emphasizing the critical importance of the colonial legacies in the South Korean economic success after the 1960s is that the scholars who make these arguments do not go beyond pointing out the similarities in features of colonial industrialization and those of the 1960s. That does not necessarily prove that the former determined the success of the latter.

South Korean shipbuilding workers and the government tried hard to put to use what was left by Japanese colonial industrialization, but could not make much progress during the

²⁵ Yi Taegun, "Haebanghu kwisok saōpch'e ūi silt'ae wa kū ch'ōri kwajōng" [Situation and the process of the disposition of the companies recovered from the Japanese after the Liberation] in An, Yi, and Nakamura et al. eds., *Kūndae Chosōn ūi kyōngje kujo*, and "Chōngbu surip hu kwisok saōpch'e ūi silt'ae wa kū ch'ōri kwajōng" [Situation and the process of the disposition of the companies recovered from the Japanese after the founding of the government] in An and Nakamura ed., *Kūndae Chosōn kongōphwa ūi yōn'gu*. Cited in Chōng T'aehōn, "Singminjijōk kūndae hwa mosun," pp. 266-67. Chōng argues that the poverty experienced in Korea during the 1950s and 1960s was the outcome of a colonialism that had exhausted the productive capacity of the Korean economy. "During the 1950s and 1960s when [Koreans] were suffering from absolute poverty, nobody argued about the legacies of the colonial rule." Ibid., p. 267.

1950s and even most of the 1960s. Many in government policy circles regarded the KSEC as a burden on the national economy rather than an asset. We will examine in Chapter 13 how the South Korean shipbuilding industry was finally able to take off during the 1970s and the 1980s when changing political, socioeconomic, and market conditions both within and outside of South Korea made that possible.

The KSEC in the 1960s

The problems the KSEC yard had faced since Liberation in terms of capital, market, managerial and production skills, and overall economic infrastructure did not abate much by the end of the 1950s, despite the substantial, albeit erratic, investments made by the Syngman Rhee government. New ship production resumed, but most revenue came from ship-repair orders and from metal and machinery businesses other than new shipbuilding. The yard could not match the pre-Liberation level of new ship production even at the end of the 1950s. Additionally, the enormous burden of debt service on huge loans the yard had secured during the 1950s from domestic sources and from foreign aid in order to modernize the yard drove the company to near bankruptcy in 1958.²⁶ The yard was

²⁶ From 1956 to 1958, the KSEC received an International Communication Administration [hereafter, ICA] loan of \$2,000,000 at 3 percent rate of interest, and various operating and equipment funds from government sources, including a loan of £162,763 from a government account in British pounds for purchasing five 20-ton cranes; a loan from government-held US dollars in the amount of \$2,482,900 to import shipbuilding materials to use in a project to replace old passenger

much modernized and expanded, but the company suffered from chronic shortages of operating funds, which often impeded purchase of materials for shipbuilding.

Before the burden of debt service kicked in, the yard was making small profits thanks to a steady stream of ship- and engine-repair jobs, metal structure building and installation work, and oxygen and machinery sales. From 1957, however, the company began to register losses because of mounting interest payments. By the end of 1958, the losses became so great that the yard was unable to pay its electric bills and its workers. This crisis provoked the first strike at the yard since the immediate postwar years, an event covered in Chapter 6. As a result of the strike the union emerged as a formidable force in industrial relations at the yard.

The company's perennial financial problems and the bad publicity generated by the 1958 strike led to meetings of the government and the United States Operations Mission [hereafter, USOM].²⁷ Because the bulk of the money put into modernization

ships; and an Industrial Recovery Fund loan of 12,800,000 won. Interest rates on the loans ran 10-13 percent, except for the low rate for the ICA loan. KSEC, *Samsimnyōnsa*, pp. 122, 126-27, 140. When the company was reorganized as a corporation, following the passage of the Commerce Law in 1957 and the repeal of the KSEC Law of 1949, it assumed all the above loans as debts. See *ibid.*, p. 135 and Sin, "Kiōp naebu nodong sijang," p. 134.

²⁷ USOM originated from the UN Economic Coordinator's office, which was established after the Korean War cease-fire agreement in 1953. Later, it became an US mission under the Far-Eastern Bureau of the Agency for International Development [hereafter, AID] in charge of coordinating and controlling economic aid to South Korea. It administered US economic aid of over \$2.8 billion from late 1953 to the end of 1964. Im Ch'ōlgyu, "USOM," in *Sindong'a* May 1965: 151-70.

projects at the yard came from foreign, and especially U.S. sources, USOM gained much managerial decision-making power at KSEC by the end of the 1950s. This development was related to a change in the U.S. aid policy toward South Korea. From 1958 the United States switched from grant-type to loan-type aid and demanded rationalization measures as conditions for the loans.²⁸ Under these circumstances, USOM practically dictated the scope and details of investment at the yard.²⁹

The USOM Report of December 31, 1958 on the KSEC issue was thus an important verdict on the future of the yard, written after an extensive investigation of the conditions of the company by a ten-man Korean-American audit team, comprised of government, bank, and aid agency officials.³⁰ The report enumerated 24 cases of irregularities and mismanagement found in the company practices,³¹ and grimly suggested three alternatives for dealing with the company. The three proposed options can be summarized as: 1)relieve the debt service burden, fix the financial

²⁸ Kim Sam Soo, "1960-nyōndae nodong chōngch'aek," pp. 189-90. The rationalization measures demanded by USOM included the normalization of the prices of the products of state-managed enterprises which would receive loans, such as the price of electricity, which had been artificially set low to help fledgling industries of the country, and also a reduction of redundant workforce.

²⁹ The managerial power appropriated by "Americans" was finally recovered at the yard by president Yi Yōngjin after the 1961 military coup, according to a recollection of O Kyōnghwan in *Chogong* June 1976.

³⁰ On the USOM Report of 1958, see KSEC, *Samsimnyōnsa*, pp. 145-48.

³¹ Chronic mismanagement was not just a KSEC problem, but a widespread one in state enterprises during the 1950s, because of the customary practice of political appointment of the top management and ensuing lack of accountability and sound accounting practices. According to the USOM Report, the KSEC was paying handsome dividends to stockholders despite its losses. These dividends were drawn out of the fund provided by government loans.

structure, and save the company, 2) divide up the company and sell the pieces, or 3) reform company finances and then divide up and sell the company. The third option also suggested that if the reform measures fail to fix the problems, the government should redefine the company as a government institution under the Defense Ministry or under other appropriate unit, rather than running it as a for-profit enterprise.

The government soon decided to save the troubled yard because it could not give up on one of the most advanced facilities of the South Korean metal and machine industries. The interest rates on debts were slashed, a large chunk of debt was liquidated, and a fresh dose of operational funds was poured in. The payroll was drastically cut from about 600 people to less than 300 in 1959, and four advisors from USOM stayed on at the yard to supervise the reform measures.

These measures, however, proved ineffective in revitalizing the yard, and the new military government's diagnosis in 1961 repeated the same set of problems as the causes behind the KSEC's financial woes: lack of capital, insufficient managerial efforts to secure work orders, shortages of electricity, difficulty in the procurement of materials, outdated facilities and equipment, and clumsy management.³² To solve these problems, a twelve-point rehabilitation plan was suggested, which laid out a comprehensive wish list, including obtaining domestic and foreign capital to

³² KSEC, *Samsimnyŏnſa*, p. 187.

further upgrade and expand equipment and facilities, importing advanced foreign technology, training technicians and skilled workers, nurturing related industries, encouraging the practice of subcontracting, raising productivity and cutting costs by modernizing production and management, and prying open domestic and international markets for KSEC-made ships.³³

A new and reorganized KSEC was established on June 4, 1962 with capital of one billion won.³⁴ The problem of insufficient operating funds was thus solved by unyielding government support for the company because of a nationalist desire to develop a viable shipbuilding industry. Throughout the 1960s, the state supported and subsidized the KSEC yard and the shipbuilding industry in general. This was done even though at that time the shipbuilding industry's contribution to the foreign-exchange earnings was minimal, compared to thriving export industries such as textiles. The conspicuous practices of mismanagement, endemic during the 1950s at the yard, largely subsided in the 1960s. The company began to attempt to impose more systematic control on work organization and production process, which hitherto had been the realm of foremen's control. From 1962, the yard began to show profits again, and steel shipbuilding resumed in earnest from that time.³⁵

³³ *Ibid.*, pp. 187-88.

³⁴ By the KSEC Law passed in April 1962 (no. 1064). The capital was increased to 3 billion won in August 1966. KSEC, *Samsimnyŏnsa*, p. 188.

³⁵ KSEC, *Samsimnyŏnsa*, pp. 191, 199.

But there were more daunting problems to overcome than the problem of obtaining operating capital to be able to develop the yard into a viable business with international competitiveness. One fundamental problem was that the South Korean economy in general, and metal and machinery industries in particular, had a long way to go in the 1960s to be able to support a modern shipyard with materials, machinery, technologies, and demands. For example, as fundamental a condition for a shipyard as electricity supply continued to be a big problem at the yard until the late 1960s.³⁶ Another, related problem was that of the difficulty finding markets for the company's ships. These were not easy obstacles to overcome, even with a will to develop the industry and invest public money in it.

The number of steel shipbuilding yards in South Korea almost doubled from 12 in 1963 to 23 in 1966, but 21 of them were small ship-repair yards. The KSEC and the nearby private yard, Taesŏn Shipbuilding, were the most advanced steel shipbuilding facilities in South Korea until early 1970s when a quantum leap in shipbuilding occurred as will be discussed in Chapter 13.³⁷ The KSEC yard was also at the forefront of the development of metal and machinery industries in South Korea. During the 1960s, the KSEC made significant technological progress in designing,

³⁶ In 1961, the yard needed 2,000 KW per hour of electricity for operation, but supply was only about 400 KW per hour. *Ibid.*, p. 187.

³⁷ In 1966, KSEC had a new shipbuilding capacity of 20,000 G/T per year and Taesŏn had 10,000 G/T per year (The South Korean shipbuilding industry total was 46,900 G/T). Annual repair capacity was 200,000 G/T for KSEC, and 180,000 G/T for Taesŏn. *Ibid.*, p. 202.

producing, and installing basic industrial machines, machine tools, and large metal structures such as oil tanks, LPG tanks, various storage and chemical tanks, and thus contributed to the import-substitution efforts of the state.³⁸

As for the shipbuilding and repair capacity, the KSEC yard made significant progress during 1960s. With commercial and foreign-aid loans, the yard expanded its facilities to have two dry docks, five berths, and 25 cranes by 1966; by that year it was capable of building new ships totaling 20,000 G/T a year.³⁹ The expansion plan for the second Five-year Plan, begun in 1967, was set at 66,000 G/T total annual new shipbuilding capacity and 340,000 G/T total repair capacity, with a maximum ship size of 10,000 G/T. That would soon be dwarfed by Hyundai Ulsan yard's two dry docks of 700,000-ton capacity, completed in 1973, but before Hyundai's audacious venture into shipbuilding, the KSEC docks and other facilities symbolized the proud achievement of South Korean shipbuilding and metal industries.

The second Five-year Plan set the goal of meeting domestic demand for ships and eventual export of them as one of its policy

³⁸ Other KSEC products included coal wagons, large boilers, overhead traveling cranes, metal bridges, metal gates for dams, industrial plants, machinery for mining, paper making, textile, and transportation industries, belt conveyors, heavy-duty lathes, cold and hot presses, shapers, spring hammers and pumps. *Ibid.*, p. 195, *passim*.

³⁹ The two dry docks at KSEC had been the only dry docks South Korea had and could accommodate only 30 percent of the domestic ship repair needs in 1954. To prevent further loss of repair business to foreign competition, the government funded a dry dock construction at the Taesŏn yard in 1954 to be able to accommodate 2,000-ton ships for repair. *Ibid.*, pp. 118-19.

goals. In March 1967, a Law for the Promotion of the Shipbuilding Industry was promulgated and in 1969, the government included the shipbuilding industry among the beneficiaries of a Machine Industry Development Fund.⁴⁰ Annual shipbuilding capacity for the industry as a whole, including both steel and wooden shipbuilding, steadily rose from 41,700 G/T in 1962 to 157,100 G/T in 1969. Actual ship production, however, lagged far behind, increasing from 4,636 G/T in 1962 to 37,804 G/T in 1969.⁴¹ The ratio of steel to wooden shipbuilding rose dramatically from 8.2 percent in 1962 to 65.2 percent in 1968, and to 92.1 percent in 1971. The majority of steel shipbuilding during the 1960s was done by the KSEC yard. But the self-sufficiency rate -- the ratio of Korean-made ships to the total supply of ships -- in South Korea fell sharply from 90.5 percent in 1963 to around 14 percent in the late 1960s, reflecting deepening dependency on imported ships.

As a part of its modernization plan, the KSEC took special pains to standardize shipbuilding terminology, parts, and work processes. It also helped develop the standard ship models and successfully put them to use. It pioneered in introducing advanced technologies of shipbuilding such as the welding technique and the block construction method. The welding technique, which replaced riveting, and the block construction

⁴⁰ The 1967 law provided an increased loan (from 55 percent to 85 percent) for new ship order. Sin, "Kiŏp naebu nodong sijang," pp. 143-44.

⁴¹ See Table 3-1 in *ibid.*, p. 145.

method were developed during the World War Two to speed up the production and repair of warships. The latter was pioneered by Germans enabling them to remove and repair or replace only damaged blocks from warships. The United States built over 4,700 warships using the welding technique and by putting together pieces into big blocks on the ground before moving them to dock for final assembly.⁴² The welding technique was already introduced during the Korean War as a byproduct of U.S.-made warship repair orders. During the 1960s, the company tried to raise skill levels of its welders to obtain international competency. As a result, workers with electrical welding certification grew in number.⁴³ Introduction of the block construction method occurred during the 1960s, helping the yard reduce the man-hours involved in shipbuilding, and thus, the cost.

As a way to learn advanced technologies, the company intermittently hired a small number of foreign technical advisors, starting from an advisory group from a U.S. company in 1950.⁴⁴ A Dutch technical advisor was at the yard in 1959. A total of fifteen foreign technicians were brought in between 1962 and 1966,

⁴² Japanese yards also used the welding and block construction methods during the Pacific War, but blocks were still put together by riveting until the 1950s, when they fully switched to the welding method. These methods became the world-wide standard in shipbuilding in the mid-1960s. Hyundai Heavy Industries Corporation [hereafter, HHI], *Hyōndae chunggongŏp 20-nyōnsa* [A 20-year history of the Hyundai Heavy Industries Corporation] (Ulsan, Korea: HHI, 1992), pp. 311, 338.

⁴³ By the end of 1966, the yard had 72 welders holding ABS, API, JIS, and KSEC welding certificates. p. 205.

⁴⁴ A technical advisory group from the "Pomeroy" Corporation in the United States stayed at the yard from March 1950 to January 1951. KSEC, *Samsimnyōnsa*, pp. 91, 148.

and nineteen more were expected to be hired between 1967 and 1971.⁴⁵ The KSEC concluded a five-year technical assistance contract with Niigata Ironworks in Japan in 1967 in order to manufacture low to medium speed diesel ship engines, which it had had to import.⁴⁶ The technological upgrading of the yard involved big purchases of foreign machinery. The yard imported new machinery from Germany, Italy, and U.S. with the ICA and government loans in the late 1950s, and again from Japan with a Mitsubishi loan of \$3,050,000 in 1966.⁴⁷

But even with all this technical development and modernization, the KSEC yard was greatly handicapped by the need to import most major shipbuilding materials including wood, steel products, engines, and other ship machinery. The shipbuilding industry is closely linked to and requires a balanced development of over fifty related industries including metal, machinery,

⁴⁵ *Ibid.*, p. 278.

⁴⁶ *Ibid.*, pp. 335-37. After reviewing KSEC's preliminary contract, which only aimed at technology transfer for low-speed engine, the Ministry of Commerce and Industry told the yard to include medium-speed engines in the contract as a condition for approval. According to the contract, KSEC could sell the engines it produced only to the domestic market, Vietnam, and Japan.

⁴⁷ KSEC, *Samsimnyŏnsa*, pp. 122-29, 252, 275-77. The KSEC concluded a contract with Mitsubishi Trading Company in December 1965 at a 6 percent annual interest rate, payable in 8 years following a 6-month grace period. The loan was used not only to purchase new machinery but also to build a new No. 3 dry dock and modernize most of the shops and facilities at the yard. A report on the KSEC facilities summarized the condition as being "worn-out" and "imbalanced." Since the yard was not building new ships for a long time, the docks and berths were in a dilapidated condition, not usable for shipbuilding or launching. Mold-lofting was not possible because the floor of the old mold-loft shop was so uneven. Most of the new equipment installed by the ICA loan had not been put to use much, either. Economic Planning Board, *Kwahak kisul paeksŏ* [White paper on science and technology] (Seoul: EPB, 1962), pp. 315-16, cited in Sin, "Kiŏp naebu nodong sijang," p. 176.

metallurgical, mining, electrical, chemical, textile, construction industries.⁴⁸ Importing basic materials for shipbuilding from abroad increased shipbuilding costs greatly due to increased administration and other expenses linked to importation. From 1962 to 1965, imported materials and machinery accounted on average of 48 percent of the total shipbuilding materials purchased by the yard.

Among the imported items, steel products made up over one-third (\$1,117,020) of the total import spending (\$3,029,848).⁴⁹ The construction of the state-owned steel company -- Pohang Iron and Steel Company [hereafter, POSCO] -- which was vigorously pursued by the Park regime during the 1960s as one of the core projects for nation building and economic growth, could not start up until 1970.⁵⁰ It was not until 1976 that POSCO steel products were finally able to ease the dependence on Japanese steel imports for South Korean shipyards.⁵¹ Partly as a result of dependence on imports, in 1965, the cost of materials amounted to 58 percent of the total expenditures at the yard, while the share

⁴⁸ KSEC, *Samsimnyŏnsa*, p. 204; HHI, *Hyŏndae chunggongŏp 20-nyŏnsa*, p. 131.

⁴⁹ KSEC, *Samsimnyŏnsa*, p. 207.

⁵⁰ The negotiations to build the POSCO plants began with KISA [Korea International Steel Association, a consortium of seven steel-related companies from the US, Germany, Britain, Italy] in 1965 and continued until 1968 without success. As soon as these negotiations completely fell apart, the Japanese government and the big three Japanese steel companies -- Yahada, Fuji, Kōkan -- agreed to participate in the project with money coming from the fund Japan agreed to pay Korea in 1965 in response to Korea's claims of Japanese wrongdoing during the colonial period. The first Pohang plant was completed in July 1973. Chŏn In'gwŏn, "A Study on the State Capital: the Case of POSCO" (M.A. Thesis, Seoul National University, 1992), pp. 53-65.

⁵¹ HHI, *Hyŏndae chunggongŏp 20-nyŏnsa*, p. 373.

of labor cost was 29 percent.⁵² According to the company's evaluation, the high cost of materials was partially compensated by the lower cost of labor at the yard, compared with the foreign competition. The labor cost of foreign competitors was about 40 percent of the total cost.⁵³

The high shipbuilding costs at the yard diminished the prospect of obtaining work orders from ship buyers, both domestic and foreign. In 1967, Japanese yards produced 4,000 G/T ships at \$330 per ton, while KSEC spent \$393.77 per ton. Import-related expenses amounted to \$27.98 of the difference.⁵⁴ Ship buyers were already disinclined to have the KSEC build new ships for them because the subsidy and loan incentive packages offered by the South Korean government were not adequate. Due to chronic shortages in its operating fund, the KSEC also could not match the Japanese practice of allowing installment buying of new ships spread out over a five- to eight-year period.⁵⁵ Yet export was a necessity because domestic demand from fledgling shipping and fishing industries, even if fully met by the KSEC, was not enough to keep the yard afloat.

⁵² KSEC, *Samsimnyŏnſa*, pp. 248, 251, 273. These are the statistics for the whole yard, combining shipbuilding and ship machinery sections.

⁵³ According to 1972 statistics in *British Shipbuilding*, however, average ratio of materials cost for European shipbuilding nations -- Britain, Spain, France, Germany, Norway, and Sweden -- was 65 percent, while average labor cost was 25 percent of the total cost. Cited in HHI, *Hyŏndae chunggongŏp 20-nyŏnſa*, p. 132.

⁵⁴ KSEC, *Samsimnyŏnſa*, pp. 347-48.

⁵⁵ The yard could not accept an order from a Hong Kong buyer for two 4,000 G/T freight ships in 1967 because the buyer asked to pay 20 percent of the price at the time of delivery and the rest over 8 years at the interest rate of 5 percent. The yard did not have enough operating funds to meet that request. KSEC, *Samsimnyŏnſa*, p. 347.

In the late 1960s, the KSEC management was not overly hopeful about the prospect of rapid growth in exports. It was more interested in the idea of getting assembly orders from Japanese yards than entering into direct competition in the world market.⁵⁶ In short, during the 1960s the KSEC was not making a magical breakthrough, but chugging along one step at a time to improve its capacity and competitiveness with a modest dream of one day becoming a ship exporter to contribute to the national economy.

Rationalization and Resistance

The plan to turn the KSEC yard into a viable ship exporting operation inevitably called for a rationalization of the management practices and of the organization of production. The need to do so had been emphasized by the aforementioned 1958 USOM Report and the 1961 government diagnosis. Since the late 1950s, the government and the aid agencies perceived rationalization of management as one of the main tasks for the reconstruction of the South Korean economy.⁵⁷ Universities began to establish business administration departments, and "modern" U.S.-style business administration and labor management became hot topics in business

⁵⁶ *Ibid.*, p. 348.

⁵⁷ Sin, "Kiŏp naebu nodong sijang," pp. 156-58. Sin Wŏnch'ŏl analyzes the process and limits of the business rationalization efforts in the 1960s at KSEC and other public enterprises in Chapter 3 of his dissertation. His research was of great help in writing this section.

and in academic circles.⁵⁸ The military junta also embraced the idea of management rationalization and forced public enterprises to reform their pay structure and work organization.⁵⁹

Rationalization had a great impact on major government-managed enterprises and banks during the 1960s. The KSEC yard was no exception.

Sin Wŏnch'ŏl, a sociologist who studied the development of a firm-internal labor market at the KSEC yard from the 1950s to the 1980s using the same KSEC union archive materials I use here, concludes that the introduction in the 1960s of a pay structure called *chingmugŭp* [job-based pay], which sought to give more weight to attributes of a person's job than to attributes of the person (such as seniority and rank), was a failure.⁶⁰ Using the example of the Korea Electric Company, he explained how union resistance to the new scheme of a job-based pay system produced a compromise -- a pay structure which gave much more weight to

⁵⁸ Ibid., pp. 157-58. The Korea Productivity Center, established in 1957, played an important role in propagating "advanced labor management" methods, and in 1957, the Korean Association of Business Administration [*Han'guk kyŏnggyŏng hakhoe*] was founded. Japanese labor management methods were introduced and adopted in earnest only after the 1965 normalization of relationship between Japan and South Korea.

⁵⁹ The military government ordered public enterprises to go through a business diagnosis, and some companies had to do it, albeit in a pro-forma manner, just to be able to get access to government offices. Ibid., p. 156.

⁶⁰ Sin, "Kiŏp naebu nodong sijang," p. 156. He, however, assessed that reform of work organization resulted in modest success in increasing management's control over production and production efficiency in the same period. The most systematic introduction of a job-based pay system happened at Korea Electric Company, a state monopoly, but it eventually failed. Some large private companies such as Cheil Wool Textile, Chungang Mass-communications, Ssangyong Cement, Kŭmsŏng Textiles also adopted job-based pay structure at this time. Ibid., p. 163.

seniority and less weight to job attributes than the original plan had sought -- but still ended up being declared a failure.⁶¹

One of the main reasons behind its failure, as the official history of the company attests, was the issue of fairness involved in job classification, which greatly affected pay in the new pay system.⁶² Through formal and informal channels, workers who perceived that the classification of their jobs vis-à-vis their co-workers' was too low and therefore unjust constantly challenged the job classifications and demanded adjustment.⁶³ In the context of well established practices of seniority-based pay system, a change to job-based pay was "not so 'rational'" and thus failed, according to Sin.

⁶¹ At the Korea Electric Company, the union accepted in principle the transition to a job-based pay system, but demanded a guarantee of "vested rights" in wage levels and promotion. The union furthermore submitted its own pay-schedule reform plan, which placed lesser weight on job-based pay and emphasized the principle of "higher raises for lower-paid workers and lower raises for higher-paid workers" [*hahu sangbak*]. On the Korea Electric case, see *Han'guk chŏllyŏk onyŏn*sa (1967), pp. 75-77 and *Han'guk chŏllyŏk isimnyŏn*sa II (1981), pp. 955-61, both cited in Sin, "Kiŏp naebu nodong sijang," pp. 163-67. The transition to job-based pay started when an AID loan for the construction of Kunsan thermoelectric power plant required the company to get a job analysis from a U.S. consulting firm, EBASCO. The job analysis work began in 1963, job-based pay structure was put in place by 1967, and the company declared it a failure in 1976.

⁶² The other two reasons cited were a difficulty in correlating rank division based on educational level and job classification, and an increase in the payroll due to detailed classification of jobs. The former problem generated "incessant complaints from employees who did not receive what they believed was an appropriate job." Ibid., p. 165.

⁶³ A manager at the Korea Electric Company recalled that with the introduction of job-based pay, wages for each job went up anywhere between 4 percent to 23 percent (average 20 percent). This, understandably, facilitated its introduction. But still, workers who received less raise did not accept it as fair. Ibid., p. 167.

Sin Wöñch'öl, however, believed that the failure of the introduction of the job-based system was caused not by "resistance from the union or workers," but by the system's inefficiency.⁶⁴ The problem of his argument is that the "inefficiency" of the job-based pay system, which made it costly and, therefore, not such a "rational choice," was in large part caused by workers' resistance to it. Workers and their unions fought hard against the new system in order to preserve their interests and a certain guarantee of fairness found in the old seniority-based practices. Sin argued that because the union accepted the transition in principle and did not put up "organized resistance," workers' resistance was not an important factor. But, in fact, his evidence -- and the evidence we will see below in the KSEC case -- amply demonstrate that the workers' demand for fair treatment and their resistance to perceived unfairness in management's handling of job classification constituted a major factor in the preservation of the existing seniority-based wage determination method.

In the rest of this chapter, I will examine the KSEC case, starting from management's effort to rationalize the organization of work and workforce, and its limited outcome. Then, I will show what happened to the effort of the company and the state to impose job-based pay structure at the yard during the 1960s.

⁶⁴ Ibid., pp. 162, 166, 174.

Shipbuilding is an industry that is hard to mechanize, unlike textiles or auto manufacturing, for example, because of the nature of work involved. A large portion of the work is conducted in the open air with gigantic pieces of metal structures. It requires a great variety of materials, machinery, and equipment. Shipbuilding is a labor intensive industry, but it also requires advanced technology, a large amount of capital, and efficient management to achieve competitiveness. Mass production is not feasible; the kind of ships being built constantly changes, following shifts in the shipping market and the kind of orders received. The builder has to accommodate the buyer's demand for particular features in each ship. Nevertheless, the adoption of the block construction method in the 1960s and improving design skills made more systematic management of production process a possibility.⁶⁵ Ship assembly, which previously took place on a single building berth, together with outfitting and other jobs, was now broken down into various stages of ground assembly work in separate work sites, allowing more efficient management. Increased reliance on blueprints gave college-educated engineers and technicians an edge over the foremen's control over production. Inspection and quality control over blueprint specifications became a necessity.

The KSEC management, however, was not really in control of the production process, especially in the shipbuilding section.

⁶⁵ Sin, "Kiöp naebu nodong sijang," pp. 179-80.

The newly created Production Administration Office [*Saengsan kwallisil*], according to a 1965 survey report of state-managed enterprises, did gain some control over the production in the Machinery Department, but not in the Shipbuilding Department.⁶⁶ Within the Shipbuilding Department, the engineers in charge and foremen together managed production, following a work plan. But only the work hours of each worker, not the amount of work he performed or his efficiency, was recorded and reported.⁶⁷

One of the main problems the KSEC yard was facing was the irregularity of the work schedule, which was determined by the amount of work, the availability of materials, and the weather. The actual production in proportion to the yard's capacity did not go over 40 percent between 1962 and 1967.⁶⁸ Workers were left idling and then, when rush work began, overtime work was called for and temporary workers were hired. At times temporary workers were suspected of organizing covert work slowdowns in order to prolong their period of employment.⁶⁹ All these factors limited

⁶⁶ Yonsei University Industrial Management Research Center [*Sanŏp kyŏngyŏng yŏn'guso*], *Sanggongbu sanha kugyŏng kiŏpch'e kyŏngyŏng hamnihwa mit minyŏnghwa pangan yŏn'gu* [A study of management rationalization and privatization plans at state-managed enterprises under the Ministry of Commerce and Industry] (1965), pp. 328-29. Cited in Sin, "Kiŏp naebu nodong sijang," p. 181. The Research Center surveyed management practices of twelve companies in 1965, including the KSEC.

⁶⁷ Ibid., p. 182.

⁶⁸ That was still twice as high as the industry average in Korea. Ibid., p. 183.

⁶⁹ Yonsei University Industrial Management Research Center, *Kyŏngyŏng hamnihwa mit minyŏnghwa pangan*, pp. 345-48. Cited in Sin, "Kiŏp naebu nodong sijang," p. 182.

the potential for systematic control over work process in shipbuilding.

As we have seen, at the KSEC yard in the early 1960s ship production still largely relied on the experience and instinct of the skilled workers. The introduction of standard ship designs notwithstanding, the ability of the KSEC staff to design ships or to understand foreign blueprints and specifications was still very low. Im Yŏnghyŏn recalls that he and other hull shop workers completed the construction of a dredging vessel in 1971 with only a basic blueprint written in Dutch, which they could barely understand, as if they were "blind men finding their way in the street."⁷⁰ Demand for shipbuilding engineers was so low during the 1960s that, even though college ship-engineering departments had produced over one thousand graduates up to the early 1970s, only one hundred or so actually found employment in the industry until Hyundai's venture into shipbuilding in 1972 altered the landscape significantly.⁷¹

The characteristics of KSEC management during the 1960s did not help the rationalization effort either. Until the privatization of the yard in 1968, the company's presidents mostly came from the ranks of retired generals. Many board members also came from the military, and their average tenure at

⁷⁰ At the time, he was an eight-year veteran. KSEC, *Chogong*, November 1977.

⁷¹ Sin, "Kiŏp naebu nodong sijang," p. 97.

the yard was less than a year during the 1960s.⁷² With frequent reorganization of the board came almost annual changes in the organization of the company and transfer of management personnel to different departments or sections, greatly destabilizing the continuity and efficiency of the management effort at rationalization. For workers, managers were people who would leave soon.⁷³

Systematic personnel management through a Labor Section had already begun during the colonial period,⁷⁴ and regulations for personnel management and remuneration were well in place by the 1950s. Specialized production-management sections, on the other hand, were introduced at the yard in the 1960s.⁷⁵ Even so, the foremen's hold on personnel issues involving production workers was sustained during the 1950s and only gradually declined in the 1960s.⁷⁶ During the 1950s -- the "era of the foremen," as bitterly described by engineers -- foremen in effect controlled

⁷² Yonsei University Industrial Management Research Center, *Kyöngyöng hamnihwa mit minyöngghwa pangan*, pp. 20-21. Cited in Sin, "Kiöpp naebu nodong sijang," p. 178. In 1965, four out of six board members had military backgrounds. When new board members came in, often they brought with them lower-ranking members of their military unit, bumping out existing management personnel.

⁷³ Sin, "Kiöpp naebu nodong sijang," p. 178.

⁷⁴ KSEC, *Samsimnyönsa*, pp. 34, 62, 67. It briefly disappeared during the period under the New Korea Company management (Dec. 1945 to Dec. 1946), but was reinstated when the company went under the direct management of the Transportation Department of the U.S. Military Government in December 1946.

⁷⁵ Sin Wöñch'öl points out that unlike the United States, where foremen lost out to engineers in the arena of production management in the 1880s but held on to their power over personnel issues until the time of the First World War, the "bureaucratization of personnel relations" preceded the "bureaucratization of work organization" in Korea. Sin, "Kiöpp naebu nodong sijang," p. 114.

⁷⁶ *Ibid.*, pp. 69, 114, 118, 126.

many aspects of production, frustrating engineers and management personnel in their scattered efforts to reign in the power of the supervisory-level production workers.

With much of its facilities idling, because of lack of work orders, the company had little motivation to promote or even calculate workplace efficiency.⁷⁷ Likewise, more efficient organization of work or increased long-term commitment of workers to the company through an establishment of a firm-internal labor market was less of a concern to the management than securing bigger allocations of aid money and materials through the state.⁷⁸ KSEC was the biggest and most stable employer in the shipbuilding industry, and workers no doubt desired to get hired and stay at the yard. A mother of a KSEC worker recalled, "In those days people were eager to marry off their daughter to a man without even going through the formality of *sŏn* -- a preliminary interview with a view toward marriage -- if it turned out that the man was working at the KSEC yard."⁷⁹

⁷⁷ Throughout the 1950s, calculation of efficiency by line or section was never been done. Ibid., p. 119.

⁷⁸ On the development of a firm-internal labor market [FILM] at the KSEC yard, Sin Wŏnch'ŏl concludes that no systematic practice of FILM existed in the 1950s, a "restricted-competition type" FILM was formed under the control of the union in 1960s, management replaced it with a "competition type" FILM in the 1970s after the union's defeat in the 1969 strike, and the union regained control over FILM and changed it to a "non-competition type" FILM after the "Great Workers' Struggle" of 1987. In the 1990s, however, "management of major shipbuilders campaigned for a new personnel policy, which aimed to reintroduce practices of the competition type of FILM." Sin, "Kiŏp naebu nodong sijang," pp. 415-17.

⁷⁹ A recollection of Han Chaesu's mother. KSEC, *Chogong*, April 1978.

KSEC had two separate tracks for its employees, one for white-collar employees and technical staff members, and the other for production workers. Workers who belonged to the former group were called "company employees" [*sawŏn*] and received a monthly salary. Those who belonged to the latter group were called "production workers" [*kongwŏn*] and were paid bi-monthly hourly wages. This dual ladder system was a typical practice in large companies in South Korea during the 1950s.⁸⁰ Different sets of ranks [*chikkŭp*] and salary classes [*hobong*], which went up mainly with years of service, determined pay for *sawŏn* and *kongwŏn*. For example, according to the 1954 pay schedule, production workers were paid by one of the sixty possible combinations of rank and salary classes, ranging from "rank 1-salary class 1" at the top to "rank 6-salary class 10" at the bottom. White-collar workers were classified by five ranks and twelve salary classes. The 1960 pay schedule had 105 possible combinations of rank and salary classes for production workers, ranging from "rank 1-salary class 1" at the top to "rank 7-salary class 15" at the bottom.⁸¹ Seniority-based pay system meant that starting wages were similar among the workers in the same larger category -- production worker, technician, white-collar clerk, or manager, for example -- and workers could expect to move up one of the two

⁸⁰ Sin, "Kiŏp naebu nodong sijang," p. 127.

⁸¹ KSEC Archive #1, "Kŭbyŏ kyujŏng" [Pay schedule]; Sin, "Kiŏp naebu nodong sijang," p. 127.

ladders of salary classes/ranks with time. Thus raises would come regularly based on seniority.

More than the seniority- versus job-based pay issue later introduced by management, the practice of monthly salary versus bi-monthly payment of hourly wages became a critical point of contention between the union and the management during the 1960s. The hourly wage system was particularly disadvantageous for shipyard production workers because weather determined the amount of work in the open air and the company customarily declared a "no-business" day when it rained.⁸² A tendency to pay white-collar workers and skip payment to production workers in times of tight financial situations enraged production workers. The company claimed that because the total amount needed to pay the production workers was much larger than that for white-collar employees, it was reasonable to pay the latter first.⁸³ During the 1960s, workers demanded same-day payment to both groups, and monthly payments to production workers, without much success.

Hourly wages were only a part of the regular paycheck. It was a typical practice in large companies like the KSEC to have a dizzying array of bonuses and special allowances on top of relatively small base wage. Allowances were created to cope with various economic needs of the time and the kinds of allowances given to workers constantly changed during the 1950s and 1960s.

⁸² For example, the union contended the company's payment of only one hour of work after issuing a "no-business" order, and was able to secure two-hour's worth of payment for workers in March 1961. KSEC Archive #1.

⁸³ KSEC Archive #1.

For example, the 1954 pay schedule lists a "wartime allowance" and a "consumer price allowance," both of them no less than twice the amount of the monthly base wage. It also lists a housing allowance, which is more than the monthly base wage, and various other allowances, including allowances for degree of skill and responsibility, accounting, worker-supplied tools, worker efficiency, overtime, overnight work, and holiday work.⁸⁴ O Kyŏnghwan recalls that inflation was so rampant in wartime that the "living-expense allowance" of two tu (1 tu or toe equals to 0.477 US gallon) of rice was more important than the regular salary.⁸⁵

The wartime allowance was discontinued in the 1960 pay schedule, but other allowances such as one for the Moon Harvest ancestral ceremony wine money and a winterizing allowance appeared. The consumer price allowance, which was a whopping ten times that of the monthly base wage, was limited only to white-collar employees. The list of allowances reveals that job-related allowances based on the characteristics of work or work environments were not emphasized in these wage determination schemes.⁸⁶ Bonuses, which were supposedly to be given as an

⁸⁴ For the contents of the 1954 and 1960 pay schedules, see KSEC Archive #1 and Sin, "Kiŏp naebu nodong sijang," pp. 127-28. Temporary workers were excluded from allowance payments in the 1954 pay schedule, but that provision disappears in the 1960 schedule.

⁸⁵ KSEC, *Chogong*, June 1976.

⁸⁶ This is another evidence that a person-centered, seniority-based pay structure, in which wages would go up as one's rank and salary class went up based on seniority, was the norm rather than a job- or

incentive to workers with a good performance record, were distributed across the board just like other allowances during the 1950s.⁸⁷

Increasingly, management tried to use allowances pegged to productivity. In a joint labor-management committee meeting in 1964, the company president argued in favor of the introduction of a productivity-based pay system so that "people who work more would get paid more." "When we look at the working attitude of current employees," he cried, "40 percent of time is spent working, 60 percent in lounging around!" "If this situation continues," he continued, "our company will soon face difficult times."⁸⁸ A renewed pay schedule in the same year included a three-tier efficiency allowance for production workers except for foremen.⁸⁹ Workers apparently did not like the new scheme. In 1965, the union called for the abolition of the efficiency allowance in a meeting of the union steering committee members and the board members: "The efficiency allowance is very unfair and is causing revolts on the shop floor. Some even call it the 'who-you-know' allowance. We demand that it be evenly divided

individual-performance-based one in this period. Sin, "Kiŏp naebu nodong sijang," pp. 128-29.

⁸⁷ Ibid., p. 131.

⁸⁸ KSEC Archive #4-C, 1/20/64 Labor-Management Council minutes.

⁸⁹ Workers with good performance got A (excellent), B (above normal), or C (normal) grade and received 30 percent, 20 percent, or 10 percent of the base pay respectively. Sin, "Kiŏp naebu nodong sijang," p. 207.

and added to wages."⁹⁰ Finally, it was repealed and replaced by a fixed-amount "encouragement allowance."⁹¹

The company also tried to peg bonus payments to efficiency through a revision of bonus pay regulations in October 1965. According to the new scheme, bonus would be based on group performance (ranked A, B, C, or D) and then, would be adjusted by individual performance. The union protested the lack of prior consultation with the union, and the new bonus scheme fizzled out without ever being implemented, according to the testimony of Hŏ Chaeŏp, the union president.⁹² In the same spirit, management decided to introduce a piecework system in the foundry in 1965, but foundry workers protested it with a spontaneous work stoppage.⁹³ Even though the workers, like workers in other places and time, were suspicious of the piecework pay, the union came short of opposing the piecework system itself. Instead, it

⁹⁰ Workers' complaints about arbitrary evaluation by foremen and sub-foremen was frequent. KSEC Archive #7, 6/4/65 minutes.

⁹¹ KSEC Archive #9-B, 7/8/65 report to the Maritime Union. An agreement to a pay-schedule revision was reached in August 1965, according to which base pay, a job-position allowance, a skill allowance (technical staff only, up to 10-20 percent of base pay), a welfare allowance (15 percent of base pay), an encouragement allowance (15 percent), a dangerous-work allowance (production workers only, 10-20 percent), a skill allowance (production workers only, 10-20 percent), a special-work allowance, and other allowances constituted the worker's paycheck. Base pay and the first six allowances were regarded as "normal [*t'ongsang*] wage." KSEC Archive #7, 8/4/65 Labor-Management Council minutes.

⁹² Interview with Former KSEC Union Officials by Sin Wŏnchŏl, 8/9/2000, Seoul. I am grateful to Dr. Sin Wŏnchŏl and the Yŏngnam Institute for Research on the Labor Movement for letting me use the interview tapes and transcript. Hŏ testified that the system of "differential bonus payment was never implemented." Kwŏn Odŏk, another former KSEC union official, added that "if they had implemented it, [union members] with [Hŏ] in the lead would have smashed the managers' office."

⁹³ For events surrounding the piecework plan, see KSEC Archive #7, 5/10/65 Assembly minutes and 2/10/65 minutes.

demanding a reduction in the base tonnage the company had set, a level determined by standard eight-hour-day output. Beyond that level, a 50 percent incentive pay would be added. The union also wanted wages for holidays and weekly and monthly paid vacation days to be paid regardless of the fulfillment of the base tonnage. The company was forced to abandon the piecework system after a protest rally in June 1965, organized by the union against unfair labor practices of the company.

Because of its importance in the whole wage package and the lack of what union officials called fair measures to evaluate the efficiency of individual workers or groups, efficiency-based pay schemes provoked much anger and resentment among workers and were doomed to failure during the 1960s. Workers were sensitive to potential arbitrariness in the determination of their allowances and bonuses, just as they protested perceived unfairness in assigning ranks and salary classes to them.

Promotion was another area of contention. Regular promotion practice did not take root at the yard until the union demanded it and the management agreed to it in 1965.⁹⁴ The 1967 pay schedule set the evaluation for salary-class promotion to occur four times a year. Promotion in rank was a more complicated matter because the rank system frequently and radically changed at the yard during the 1960s, making its implementation extremely

⁹⁴ According to Sin Wŏnch'ŏl, regular promotion seemed not have occurred during the 1950s even though KSEC pay schedules clearly called for twice-a-year evaluations for promotion in rank and salary class. Sin, "Kiŏp naebu nodong sijang," p. 130.

difficult. Until 1968, production workers were classified into semi-skilled, skilled, second-rank-specially-skilled, and first-rank-specially-skilled workers.⁹⁵ Different rules for promotion applied to each group. After 1964, however, mounting pressure from workers, not the systematic rank promotion practices, inflated workers' ranks across the board, resulting in a heavy concentration of workers in the two specially-skilled categories.⁹⁶ Finally, the four-rank classification system and accompanying rank promotion system were abolished in 1968.⁹⁷

Severance pay was a long-held practice at large companies since the colonial period. In 1931, 80 factories and 12 mines out of 1,199 factories and 213 mines, which employed 10 or more workers on a regular basis, had severance pay provisions.⁹⁸ During the 1950s, large companies under state management or banks developed a practice of providing severance pay on a progressive scale through company regulations or collective contracts. For example, the KSEC paid a leaving employee one-and-a-half times their monthly wage per year of service at the yard if the

⁹⁵ See Ibid., pp. 201-202.

⁹⁶ In 1965, 63 percent of 926 production workers belonged to the specially-skilled categories. In 1964, the percentage was 34.4 and in 1963, it was 24.9. Ibid., p. 201.

⁹⁷ Unfortunately, no debate on the issue was recorded in union documents. In an interview, former union president, Hŏ Chaeŏp, asserted that whatever pay or personnel regulations the company devised and published as regulations, management "dared not to execute them" when the union opposed. Interview with Former KSEC Union Officials, 8/9/2000.

⁹⁸ Data comes from the Government-General of Korea, *Kakumukyoku Shakaika, Kōjō oyobi kōzan ni okeru rōdō jōkyō chōsa* [Survey of labor conditions in factories and mines] (Seoul: GKG, 1933). Discussion of the history of severance pay in Korea is based on Sin, "Kiŏp naebu nodong sijang," pp. 131-32, 150 unless otherwise noted.

employee had five to less than ten years of seniority. If the worker had worked ten or more years at the yard, he would get two times of the monthly wage per year of service.

Severance pay was not simply a sum paid to compensate a severance, but a kind of a pension plan in a society lacking social security or meaningful social welfare systems. It was also largely a privilege of workers at large public enterprises or banks during the 1950s. The practice had not yet spread to private companies by 1961, when revision of the Labor Standards Act obliged all companies which hired sixteen or more employees to install severance pay provisions.⁹⁹ Article 28 of the law guaranteed a severance payment of the 30-day equivalent of the worker's average wage or more per year of service. At KSEC, in the situation of wildly fluctuating work orders and shaky job security, the coverage and rates of payment of severance pay became a hot issue of contention between the union and management.

By 1965, the union had achieved a much more favorable rate for severance pay for workers than had existed at KSEC in 1954, as is shown in Table 4 below. However, according to the 1965 schedule, seniority up to June 1962 would be treated according to the old schedule, then added onto the sum of severance pay, calculated by the years of service after June 1962. For some

⁹⁹ The 1953 Labor Standards Act required employers to pay a "severance allowance" (*haego sudang*). This was replaced by a "severance pay" (*t'eojikkŭm*) provision in the 1961 revision of the Act. From that time on, a "severance allowance" was usually fixed at the amount of 30-day normal wage.

workers, the new system of calculation resulted in much less money than following either the old schedule or the new schedule. For example, if a worker started his tenure at the yard in December 1955 and left in December 1965, he would get 6 years' severance pay (9 months' wage), following the old formula, plus 4 years' severance pay (6 months' wage). The resulting fifteen months' wage payment was much less than the 20 or 24 months of pay for ten years of service the old or new schedule provided.

Table 4. Comparison of 1954/ 1965 Severance Pay Rates at the KSEC

Seniority (Yr.)	1	2	3	4	5	6	7	8	9	10	15	20
1954 Rate*	1	2	3	4	7.5	9	10.5	12	13.5	20	30	40
1965 Rate*	1	2	4	6	8	11	14	17	20	24	44	64

Sources: KSEC Archive #7, 5/19/65 Assembly minutes.

*The number of months.

The union took up this issue and demanded the application of new rate for the whole period of service until the company finally promised to do so in December 1965.¹⁰⁰ But the company failed to set aside enough money for the severance pay fund, and often delayed payment. The union had to fight to secure an adequate fund and prompt payment of severance pay in 1968.¹⁰¹ The progressive rate of severance pay was abolished at the yard when the union was defeated by the company in the strike of 1969 (See Chapter 11). Workers at most privatized ex-state-managed companies also lost the progressive rate payment of severance pay

¹⁰⁰ KSEC Archive #8, 12/22/65 notice to union members.

¹⁰¹ KSEC Archive #18, "Nodong chaeng'ŭi palsaeng kyŏngwi mit chinhaeng sanghwang" [How the chaeng'ŭi occurred and how it has been going on], a 6-page summary report of the 1968 chaeng'ŭi written by the company.

at the time. As all these benefits were becoming in workers' minds more like entitlements at large public enterprises like the KSEC, the company turned to the use of temporary workers or other forms of contingent workforce as a way to meet the fluctuating manpower needs at the yard and cut costs. We will examine this issue in detail in the next chapter.

In 1963, the KSEC, at the urging of the government, began its effort to change the pay system to reflect job attributes more in the determination of wages. It was called "job-based pay" [*chingmugŭp*] in contrast to the existing system of "seniority-based pay" [*yŏn'gonggŭp*], even though both old and new systems contained job- and seniority-based elements, albeit in different proportions. The new system was deemed by the government technocrats as a "modern" personnel and pay management method.¹⁰² As a consequence of the strong conviction on the rationality of job-based system on the part of the state, the pay schedule and rank system for production workers at the yard were revised almost every year until 1968 in search of a workable solution.¹⁰³

In early 1964, the KSEC undertook an analysis of all jobs in preparation for the installation of job-based pay, but the result

¹⁰² The government technocrats possessed a strong belief that only job-based pay structure was "rational," and pressured public offices and public enterprises to adopt it during the 1960s without much success. Sin, "Kiŏp naebu nodong sijang," pp. 142, 194.

¹⁰³ The 1962 pay schedule was revised in June 1964, January 1965, April 1967, and May 1968. Sin Wŏnch'ŏl provides a neat summary of yearly changes in rank system from 1963 to 1967 in *ibid.*, p. 193, Table 3-6.

was never put to use. Ignoring the job analysis results, the company in 1964 introduced a Civilian Occupation Specification (COS) system, an imitation of the U.S. military's Military Occupation Specification (MOS). Each job received a number and one of the six grades.¹⁰⁴ The combination of COS job grade and worker's rank determined the wage. This system was revised the next year, and altogether expunged in 1966. Workers' constant complaints about the grade of their job, which affected the wage, fuelled its demise. Even after the COS was gone, demands of various groups of workers for higher adjustments of their ranks and salary classes continued to be voiced through the union.

The company and the union agreed to a new system of job-based pay in 1967, which was sweetened by a promise of an average 20 percent raise. It was called "job-based pay," but in the new scheme the actual weight of job differences in wage determination was small.¹⁰⁵ In other words, the KSEC's job-based pay system was basically still a seniority-based system, rather than one

¹⁰⁴ For example, mold-lofting, outfitting, and electrical welding received the highest grade (6th), and typewriting, telephone operation, and paging got the lowest grade (1st).

¹⁰⁵ The job-based pay scale had ten grades: 1. Page; 2. General-Apprentice; 3. Dangerous-Apprentice; 4. 2nd degree passers; 5. General-Temporary; 6. Drivers and Assistants; 7. First degree passers; 8. First degree passers; 9. Sub-foreman; and 10. Foreman. Workers who passed the first degree [kūp] certification would be put in either the 7th (e.g., painting, caulking) or the 8th (e.g., electrical welding, lathe work). Each grade received a "job allowance" of 80 to 370 won in ascending scale. "Job" differences only mattered between the second and third, and the seventh and eighth grades. The base pay of production workers was decided by a combination of one of the simple three grades -- supervisory (3rd), production worker (2nd), temporary (1st) -- and each grade's scale of salary classes (from 1 at the bottom to 40 at the top). Ibid., p. 197.

reflecting one's job functions. Jobs with different content and different working conditions were not analyzed, clearly described, and standardized to warrant a level of pay accordingly. Thus, the outcome of the years of efforts to introduce a putatively modern job-based pay structure at the yard was something close to what had been there at the start of the experiment: a pay system determined by a person's rank and salary class, which in turn largely depended on the person's years of service.

The company tried to introduce rationalization measures during the 1960s to give its managers and engineers more control over the production process and personnel matters. Workers and the union successfully fought for workers' interests and blocked management and the state from enforcing these rationalization schemes, including job-based pay structure. Most of all, workers were wary of the potential arbitrariness of the new job-based or efficiency-based pay schemes because they did not trust that management could objectively evaluate the job and the individual worker's efficiency.

The KSEC management, whose instability and inefficiency we saw in the previous section, was too weak to bulldoze the rationalization plans through the stonewalling by the union. Until the late 1960s, the state also seems to have lacked enough will or effective means to check on management practices at state-managed enterprises like the KSEC to enforce its rationalization measures, although it occasionally appointed and

removed executives and sent down directives. Eventually, the outcome of the reforms was closer to what workers perceived as a fairer and more equitable system for the distribution of the fruits of their labor -- a seniority-based pay and promotion system. We can now turn our attention to our core subject -- the trajectory of industrial relations at the yard -- and examine the attitudes workers exhibited in their dealings with management and the state.

Chapter 9. The Development of a Democratic Unionism, 1963-1967

The Revolt Against Yu Ch'ölsu Leadership

The KSEC union, reorganized in 1963 following the national reorganization of unions by the KCIA, was led by Yu Ch'ölsu. He was a white-collar employee from Sanch'öng county of South Kyöngsang province.¹ It is noteworthy that he worked for thirteen years at the Chinju Police Station near Mt. Chiri before entering the KSEC yard in 1961. Chinju was a place where fierce guerilla fights raged in the surrounding mountainous areas before and during the Korean War, and the Chinju Police Station was certainly an important base for anti-guerilla operations. There is no record of his ideological stance, but it is likely that he was a conservative and had a cooperative attitude toward the company. He attended the May 1963 Assembly of Union Representatives as a representative from the Work [Künmu] Department, and was elected president.

In terms of everyday union business transactions or the bargaining agenda with the management, such as pay raises and contract negotiations, not much difference is discernible in the records between the Im era and the Yu's tenure as president of

¹ KSEC Archive #3. Yu was born in 1925. After graduating from elementary school in 1938, he moved to Manchuria, went to a middle school in Pongch'ön, and worked at the Adiabatic Physical and Chemical Industries [Tanyöl ihwahak] Corporation until the Liberation. He came back to the South Kyöngsang Province, worked at the Chosön Textiles from 1945 to 1948, then started his career at the Chinju Police Station. A deputy mayor of Pusan vouched for him when he was hired at the KSEC yard.

the union (May 1963 to June 1964). The newly organized KSEC local did experience some organizational changes. Instead of a Shop Executive Committee, which was comprised of elected representatives of each shop, now the yard and the Seoul office were organized into thirteen sub-locals [*punhoe*].² Elected heads of each sub-local represented voices of workers at their shops and jointly held meetings with the Steering Committee, which replaced Standing Executive Committee. The union under Yu's leadership supported a chaeng'ŭi collective action by a fishing-industry workers' local, helped the organizing efforts of other shipbuilding workers, and participated in the campaigns of upper-level organizations such as the one organized by the FKTU in 1963 to repeal a law restricting wages of state-managed enterprise workers.³

Reading the minutes of the negotiation sessions of the Labor-Management Council, however, one can detect a much more cordial and cooperative attitude from the union representatives toward management. Union officials raised their demands but usually were ready to back down. Management, armed with its dual rationales of the need to insure the survival of the yard and to "rationalize" production, seems to have had the upper hand in negotiations with the union in this period.

² One *punhoe* per 100 workers. In 1964, the number increased to 16. Later, the name changed again to "Shop Committee" [*Chikchang wiwŏnhoe*].

³ For the union activities under Yu, see KSEC Archive #5, Activity Report for the 6/19/64 Assembly of Union Representatives.

A Labor-Management Council meeting on January 20, 1964 was one example of this. When the union asked for a 4,500 won raise over the current average production worker wage of 5,500 won, the management representatives brought in the company president and directors.⁴ The president began by preaching to the union representatives about the virtues of labor-management cooperation and the importance of raising efficiency. Then he directly criticized the workers' work ethic in front of the union officials:

I have a plan to promote a work ethic and provide a satisfying level of wages to employees. Before using the Labor Standard Law as the base, we need to solve the problems with practical methods appropriate to our company . . . [and need to] try to find a way to raise efficiency and to increase the individual worker's income. We need to see that workers who work a lot receive bigger paychecks. To do that we should use efficiency-based pay to increase income on top of a certain level of base pay. If we look at the work behavior of current employees, isn't it the situation that they work 40 percent of the time and lounge around 60 percent of the time?

⁴ KSEC Archive #4, 1/20/64 Labor-Management Council minutes. Management asked where the number -- 10,000 won -- came from. The union responded with the living-expenses figure for a 5-person household (12,000 won per month) in the Bank of Korea statistics. The union also quoted a *Pusan ilbo* report of January that the price of grain went up by 50 percent, rubber shoes by 100 percent, soap 300 percent, and salt 358 percent. The difference between the current average wage and the 12,000 figure was 6,500, but the union stated that it had considered the company situation and reduced the demand to 4,500 won. The union representatives added that the current wage had been set three years ago and "we're not asking to get paid without working" but "one can't work on an empty stomach."

Then he concluded that "all the employees should tighten their belts until 1966," in the spirit of labor-management cooperation, set by the First Five-Year Plan. A company auditor added, "We should not think of ourselves separately as union men or managers. We should worry together and try together to find solutions as *members of one family*" [italics mine]. Sŏ Taewan, who was one of the more conscientious members of the union leadership, protested saying that in 1963 the company registered "net profits of 23 million won, which is enough to cover 100 percent of the raise demanded by the union . . . It is essential to help workers who do hard physical labor on a diet of a 10-won piece of bread to be able to maintain their physical strength better." The "one family" rhetoric notwithstanding, management merely repeated its emphasis on a diligent "working spirit" in response to the workers' plea for enough to eat.

Union officials gave up on the wage demand when the company president promised to match what workers at other state-managed companies got in terms of raises in the future. Three months later, in April 1964, the company finally agreed to give an inflation allowance (30 percent of the base pay), plus a three-tier efficiency allowance.⁵ Sŏ Taewan and another vice-president of the union, Chŏng Hanmo, challenged the fairness of evaluation

⁵ KSEC Archive #4, 4/23/64 Labor-Management Council minutes. Workers with the top performance evaluation (10 percent of the workers) would get 30 percent of base pay as an efficiency allowance, those with the middle level evaluation (60 percent) would get 10 percent, and the rest (30 percent) would get nothing.

and asked for equal amount for everybody, to no avail. Managers insisted that paying good workers more money was fairer than equal distribution.

This type of power relation in union-management negotiations became typical at the KSEC and across the board in South Korean industrial relations in the 1970s. But compared to the belligerence and pride exhibited by KSEC union officials at Labor-Management Council meetings during the Im era and the Hō Chaeōp era after Yu, this cooperative and mellow behavior was an anomaly in the 1960s.

Another characteristic that differentiates the period of Yu leadership from those of Im or Hō was the alienation of rank-and-file workers. The union leaders in union meetings during Yu's presidency did not show much concern about the opinions on the shop floor. During this period, rank-and-file members tended to resort to wildcat action rather than going through proper union channels to voice their opinions to the leadership. This may have been partly because of the preceding two-year absence of the union at the yard, and partly because of the aloof attitude of core union officials including Yu.

When recent hires from the company technical institute -- "yangsōnggong" class of 1963, who were at the lowest ranks, the youngest, and among the lowest paid of rank-and-file members -- started a work stoppage to protest an unfair rank promotion decision of August 1963, the union's reaction was somewhere

between outrage over the disorderly conduct of its members and a lukewarm effort to assuage management and reduce penalties against the workers.⁶ But the union soon changed its attitude and expelled eight ringleaders from the union, with a vague promise that "if sometime later, someone is found innocent, then he would receive relief."⁷ Three months later, all of the yangsǒnggong workers who belonged to the class of 1963 received promotion, thanks in part to the incident.⁸

In March of the next year, two members of the same yangsǒnggong group -- Yang Kuju and Chǒng Chiyǒng -- burst into the union office, "half drunk" and upset with a lay-off notice given to a fellow yangsǒnggong.⁹ They yelled, cursed, and threatened to arrange for a vote of no-confidence against the current leadership, claiming that the union was "incompetent" and the union president was taking bribes from members in return for a promotion to regular-worker status. At one point, a union official, Kim Oksaeng, was grabbed by the neck. Some union officials wanted to forgive this "if it was the fault of

⁶ The incident is reported in KSEC Archive #4, 8/24/63, 9/19/63 minutes. There were 119 yangsǒnggong graduates in the class of 1963. The incident leaked out and snowballed into a problem that extended far beyond the yard, resulting in investigative visits by various authorities. The company wanted to punish all the participants, and the union at first tried to minimize the punishment to the suspension of eight ringleaders. Yu complained at a Labor-Management Council meeting about yangsǒnggong: "There are about 200 technical institute graduates working now. They complain the most and even waged a demonstration, generating some sacrifices." #4, 4/23/64 Labor-Management Council minutes.

⁷ KSEC Archive #4, 9/9/63, 4/28/64 minutes.

⁸ KSEC Archive #4, 11/13/63 minutes.

⁹ About this incident, see KSEC Archive #4, 3/20/63 minutes and a 4-page report attached to the minutes.

drunkenness." But others, especially Kim Oksaeng, were adamant about expelling them for trying to weaken or destroy the union. Finally the motion to expel the two passed by five to two.

At the time, the yangsǒnggong workers -- there were 247 of them -- were assigned to the "rank 4, salary class 10" slot, which paid 3,642 won a month, 34 percent below the average wage of production workers.¹⁰ In bargaining in April, the company offered to raise their salary class from 10 to 5, and the union asked to move them to "salary class 4," which would bring about 600-won increase per month. The company again insisted that the efficiency allowance would solve the problem. The union agreed to the company offer that only highly-skilled yangsǒnggong would receive one salary-class up to 4, and those not quite capable would be fired.

Yang Kuju and Chǒng Chiyǒng were probably forgiven at some point, because they were attending the First Assembly of Union Representatives on June 19, 1964, representing the Metal Structure Shop and the Assembly Shop respectively. But the resentment of yangsǒnggong workers against the union leadership was brewing under the surface, and it is likely that they greatly contributed to the momentum behind a well-organized surprise attack on the Yu leadership at the June Assembly. When Yu illegally adjourned the meeting and angrily left the room after some representatives called for a vote of no-confidence on his

¹⁰ KSFC Archive #4, 4/28/64 Labor-Management Council minutes.

leadership, only four representatives followed him.¹¹ The remaining 33 representatives elected Hō Chaeōp, a white-collar sub-section chief, as temporary chairman, and Hō in turn appointed none other than Yang Kuju to the position of meeting secretary.¹²

The assembly adopted a list of seven reasons for the vote of no-confidence against Yu and the motion carried 25 to 1.¹³ The seven reasons were as follows:

1. [He] ignored his duty as an union official by delaying the pay raise and applying a method of "higher raises for the higher paid [workers] and lower raises for the lower paid" [*sanghu habak*] with a result of threatening the livelihood of the members.
2. [He] did not seek to secure members' ranks and wages, and just looked away. Moreover, [he] sacrificed eight innocent members by one-sidedly and unjustly expelling them from the union.
3. [He] turned the management of the Mutual Aid Society into a profiteering tool and thereby forced members to suffer harm.¹⁴

¹¹ See the Assembly minutes in KSEC Archive #4.

¹² After Yu walked out, Hō got up and made a speech about Yu's misdeeds. Then he and Pak Chōngbu, a radical machinist who would serve as vice president of the union during Hō's tenure as union president (1964-69), were recommended by the representatives as temporary chairmen. Each received 15 votes, but Pak resigned. Hō was then approved as temporary chairman by 30 votes.

¹³ The remaining 4 votes were invalid votes.

¹⁴ The union had assumed the management of the society recently. It appointed Yu as its chairman. KSEC Archive #5, The Activity Report of the 6/19-20/64 Assembly of Union Representatives. From the remaining documents, it is unclear what kind of corrupt activities Yu was engaged in, but workers were suspicious of the union's mismanagement of the society. In a meeting in 1966, a union official Ye Chongguk warned the union not to involved in "any thing that has something to do with the

4. [He] did not try to help laid-off workers and looked on with folded arms.
5. [He] was, overall, self-complacent and incompetent in managing the union.
6. [He] postponed this assembly, which was supposed to be held in May, without any reason.
7. [He] tried to indefinitely adjourn the assembly without reason and irresponsibly walked out of the meeting.

We can see here that the key issues behind the coup and the source of the workers' discontent were Yu's undemocratic style of union management, his perceived lack of concern for members' welfare, his profiteering behavior, and the union's disposition of the yangsǒnggong case. The most serious crime the Yu leadership committed, in the workers' eyes, however, was what they declared as his number one fault -- the violation of the sacred principle of equality, *hahu sangbak*.

Hǒ Chaeǒp was elected president by polling twenty one votes.¹⁵ A machinist, Pak Chǒngbu, and a sub-section chief from the Planning Department, Mun Yǒngsul, were elected as vice-presidents. Both Yang Kuju and Chǒng Chiyǒng, the two yangsǒnggong activists who had burst into the union office half drunk and were expelled from the union because of the incident, were appointed to the thirteen-member Steering Committee.¹⁶

old Mutual Aid Society." He added, "Where can you find the reason for the old union's demise other than there?" KSEC Archive #11, 1/14/66 minutes.

¹⁵ Two abstained and four votes were invalid.

¹⁶ Yang was a 28-year old assembly worker with a high-school diploma. Chǒng was a 32-year old metal worker in the Metal Structure Shop also

The rank-and-file workers had kicked out a leadership, unresponsive to their desires and aspirations in just a year's time. Union members hailed the takeover as a victory for union autonomy. From then on until 1969, the union leadership, always mindful of the danger of rank-and-file revolt, did not hesitate to confront the management to extract maximum benefits for its members.

The transition was not smooth due to a dogged campaign waged by Yu and his supporters to reclaim power. Yu mobilized all his connections to reverse the outcome. He refused to turn over the union office and the union seal. He tried to keep his vice-president position at the Maritime Union, and circulated letters in the name of KSEC local president. Yu offered Hø a deal, according to which he would retain a paid position in the union and the union would pay off the 164,337 won debt he incurred during his tenure, including personal spending of 87,256 won.¹⁷ There was a rumor of a "third force" conspiring to reinstall Yu.¹⁸

with a high-school diploma. Pak and Mun were both 37 years old, with high-school educations as well.

¹⁷ The union flatly rejected the offer and resolved to pay only the portion of the debt justifiable in the eyes of all the members. Later, it was found out that Yu and other union officials, excluding vice-president Sö, who had refused to participate in the act of embezzlement, appropriated for themselves 30 out of 150 bags of wheat flour, assigned to the local through the Pusan City Association of Unions to be distributed to workers. See KSEC Archive #4, June through July 1964 minutes; #5, 7/2/64 report from the local to the Maritime Union.

¹⁸ Song Töksu, No Tuhong, and Kim Oksaeng were rumored to be the core members of this group. The union branded them as "professional labor careerists." KSEC Archive #4, 7/22/64 minutes. No Tuhong finally got his wish of overthrowing Hø's leadership at the end of the fateful 1969 strike by taking sides with the management. See Chapter 11.

The new leadership took Yu's continued challenge to their legitimacy as "a challenge to the rule of law, unthinkable in a democratic society, and an insult to union members as a whole."¹⁹ It was not until early August that the new leadership finally entered the union office and took over union documents.²⁰ Even though the Maritime Union promptly acknowledged the new leadership at the KSEC local and the Office of Labor Affairs upheld the legality of the union assembly meeting which continued after Yu walked out, the KSEC management was reluctant to follow suit.²¹

The new union officials warned each other to be careful in speech and behavior because the company and previous union officials were "closely watching [our] every move."²² But when they heard that workers were upset with a new imposition by managers to clean their work place during the noon break, which was probably a measure to follow through on the company president's emphasis on the importance of a work ethic on the shop floor, they did not hesitate to pass Yang's motion to file

¹⁹ KSEC Archive #5, 7/15/64 minutes.

²⁰ At the July 25th union meeting, Yang made a motion to enter the union office with a policeman and a company official to put an end to the matter. The motion passed and the action probably occurred sometime before the next meeting of August 19th, which was held at the union office. KSEC Archive #4, 7/25/64, 8/10/64 minutes.

²¹ The head of the Maritime Union attended the June 19th Assembly. The Office of Labor Affairs ruled the Assembly meeting legal in early July. KSEC Archive #4, 7/10/64 minutes.

²² KSEC Archive #4, 6/24/64, 7/10/64 minutes.

complaints of an unfair labor practices with the proper authorities.²³

Who were these workers?

Before looking at the dynamics of the industrial relations at the KSEC yard while Hŏ Chaeŏp was at the helm of the union, it is necessary to examine who were the employees and union members of this shipyard during the same period. The composition and characteristics of its membership can shed lights on the sources of strengths and weaknesses of the KSEC union.

As is shown in Table 5, the total number of shipbuilding industry employees in South Korea remained steady at about three thousand during the 1950s, and grew to about ten thousand by the late 1960s. The number of KSEC shipyard workers among them steadily decreased from one thousand in 1950 to just over three hundred in 1959, and then began to grow to reach over three thousand by 1968.

Who were these KSEC shipbuilding workers? The official company history, *A Thirty-year History of the KSEC*, contains detailed chronological records of production, major events, size and break-down of workforce, and summaries of board meetings up to 1967. Workers, however, only appear as anonymous statistics in it, except for a one-page section on union activities, tucked

²³ KSEC Archive #4, 7/22/64 minutes.

Table 5. Shipbuilding Workers in South Korea, 1938-69, select years

Year	Shipbuilding Total (a)	KSEC			
		KSEC Total (b)	Production Workers	KSEC Union Members	Women Union Members
1938	1,301	647	597		
1939	2,799	838	732		
1940	3,339	1,073	973		
1945		1,000*			
1948	2,137				
1949	3,287				
1950		1,070	836		
1951		896			
1952		679	498		
1953	3,196	734	531	570	
1954		742	507		
1955	3,292	836			
1956		564	405		
1957		630	471		
1958	3,058	428	340		
1959		316	252		
1960	3,239	378	311		
1961		636	392	364	6
1962	4,615	1,319	1,087		
1963	4,750	1,542	1,224	1,365	
1964		(Aug.) 1,489	(Dec.) 1,321	(Aug.) 1,365	(Aug.) 9
1965		(Dec.) 2,140	(Dec.) 1,775	(Oct.) 1,429	(Oct.) 16
1966	8,092	2,357	1,995	(Jun.) 1,500	(Jun.) 72
1967	10,720	(Nov.) 2,710	(Nov.) 2,372	2,425	
1968	9,572	3,145		2,364	
1969	8,471	1,018	(Nov.) 1,428	(Nov.) 1,582	
1970	7,762	990		773	

Sources: KSEC statistics for the years 1938-1941 are from KSEC, *Samsimnyŏnſa*, pp. 35-38. Shipbuilding total is from Kim, *Sok Han'guk sŏnbaksa*, p. 242; Statistics after 1945 are from KSEC Archive records; KSEC, *Samsimnyŏnſa*; Sin, "Kiŏp naebu nodong sijang," pp. 96, 122, 145, 177. KSEC numbers exclude management officials (*imwŏn*) and advisors. Since the size of workforce fluctuated wildly month to month, the month which the statistics represent is included in parenthesis when available.

*Approximate number.

into the "Welfare and Physical Improvement" chapter of the volume. Fortunately, the KSEC union (now the Hanjin Heavy Industries Union) archive is available, which contains rich records of everyday transactions of union affairs in the decade of the 1960s, and to a lesser degree, of the 1970s. Through those records we

can look into the world of the KSEC union and its members in the 1960s.²⁴ From the union records of the 1960s in the archive (see Appendix A for a comprehensive list) and from articles in the company magazine *Chogong* [The KSEC], I put together 141 personal histories of shipbuilding workers (See Appendix C for detailed analysis of this sample).²⁵

Workers included in this sample, because of the nature of the source materials, represent more skilled and established segments of the workforce, mostly those who were elected to represent their shops, or worked as union officials.²⁶ The KSEC local integrated both white- and blue-collar workers into a single body. Even managerial workers up to the sub-section chief [kyejang] level could join the union²⁷ and many white-collar

²⁴ The archive also includes some records of its one-time sub-local, the Taesŏn Shipbuilding Corporation [Taesŏn chosŏn] union.

²⁵ Sources for the sample list are: KSEC Archive #3, #10, #19, #20, #25, and #30; KSEC, *Chogong*. Among 141 workers, 129 were KSEC employees and 12 were employees at the Taesŏn Shipbuilding at the time they submitted their résumés to the union. Among those 12 Taesŏn workers, 7 once worked at the KSEC yard, and 7 of the 129 KSEC workers had previously worked at the Taesŏn yard, reflecting a fluid job market situation in the Yŏngdo industrial area for shipbuilding workers during the 1960s.

²⁶ Union officials and representatives were required to file short résumés with the union and with government authorities, and that is why these résumés were included in union documents. Union representatives were elected -- one for every thirty workers -- from each shop and were not necessarily active unionists. Among the 141 workers in the sample, union officials and representatives account for 130 cases. The rest are foremen or long-time KSEC men whose stories were published in the company journal, *Chogong*, in the 1970s.

²⁷ The contract of 1965 excludes from union membership employees in the following five categories: 1. those in supervisory positions at or above the section-chief level, 2. those who work with confidential company matters in personnel, labor affairs, general affairs, accounting, public relations, or auditing, 3. sub-section chiefs and line supervisors in the security section and passenger car drivers [for company officials], 4. company advisors, part-timers, temporary workers, workers on

employees were active in the union during the 1960s. In our sample, close to 70 percent were production workers, while on average about 83 percent of the workforce in the 1960s were production workers at the yard, if we calculate the ratio using statistics in Table 5 above. Only two (1.4 percent) in the sample of 141 workers are women.²⁸ This sex ratio closely resembles the average percentage of women -- mostly clerical -- workers at the yard during the 1960s, which ranged from 1 to 4 percent.²⁹

From the analysis of this sample list of workers, several characteristics can be discerned. First, a picture of a relatively homogeneous group of male production workers emerges. Of the 119 workers whose family domicile [ponjök] is known, well over 80 percent came right from the city of Pusan or South Kyöngsang Province, in which Pusan is located.³⁰ About two thirds

probation, 5. the employees negotiated with the KSEC and the Maritime Union to be excluded from the union. KSEC Archive #7, "1966 Revised Contract(Draft)." The eligibility for the union membership expanded through contract negotiations from 1965 until 1969, but section chiefs were never allowed in the union.

²⁸ Yi Pongho entered the KSEC in 1962 at age 39 and headed the union's Women's Department in 1967. Chang Söngsun started working at the yard in 1966 and became the vice-chief of the Women's Department in 1967 at age 42. Both worked in the Dock section. Unlike Yi, who dropped out of a girls' school at 9th grade, there is not enough evidence to prove that Chang was female, except for the union position and the first name often used by women.

²⁹ The number of women workers ranged from 6 to 72 out of 324 to 2,425 members (See Table 5). In March 1969, 69 out of 2,317 union members were widows (total number of women members unknown). In the same year women worked 9-hour days, while men worked 10-hour days (8 hour regular plus 2 hour overtime). Men made 230-910 won per day and women made 144-640 won. KSEC Archive #28.

³⁰ 35 workers (29 percent) had Pusan address as domicile, and 64 (54 percent) came from various counties in the South Kyöngsang Province,

of the workers in the sample lived in the Yŏngdo District near the yard, and most of the rest in other districts of Pusan. The KSEC had dormitories³¹ and company housing in many locations in the Yŏngdo district since the colonial era.³² Workers' addresses in our sample appear to be heavily concentrated in those areas. In terms of age, if we use the year 1966 as reference point, over 80 percent of the workers in the list were in their thirties and forties. In short, the KSEC workers in the sample, most of whom were active in union affairs during the 1960s, were relatively young male workers who came from the same region and lived in the same neighborhoods.

Secondly, they shared similar work history and training background. While around 40 percent of the workers in the sample started their career at the KSEC or Taesŏn yard, usually right after graduation from school, the majority (81 workers) moved to the KSEC or Taesŏn shipyard after working at other companies. A significant number of people -- 33 out of 141 -- had worked at shipyards or metal shops during the colonial period. There were also many who were born, educated, or worked in Japan before returning to Korea after the Liberation, reflecting the proximity

especially nearby Ch'angwŏn, Kimhae, and Miryang counties. The rest came from North Kyŏngsang (5), Chŏlla (4), Ch'ungch'ŏng (2), Kyŏnggi (1), Hwanghae (1), P'yŏngan (2), Hamgyŏng (1) provinces and from Seoul (4).

³¹ Many male workers were single. For example, 944 (40.7 percent) out of 2,317 union members were single according to March 1969 statistics. KSEC Archive #28.

³² In 1957, company housing, mostly wooden one- or two-story buildings in Yŏngsŏn-dong, Sinsŏn-dong, Pongrae-dong, Ch'ŏnghak-dong, and other places in the Yŏngdo district, amounted to more than 2,000 p'yŏng (1 p'yŏng = 3.954 sq. yards) of living space. KSEC, *Samsimnyŏnŏsa*, p. 131.

of Pusan to Japan and the extent of forced mobilization and voluntary migration during the Pacific War period.³³ A few older production workers learned their skills at various Japanese industrial schools before the Liberation, and over a dozen workers had work experience at shipyards, ship machinery companies, ironworks, steel mills, or chemical companies in Japan. Two workers worked at heavy-industry companies in Manchuria, another destination for migration in search of work and better life during the colonial period.

In Korea proper, fifteen workers had experiences at heavy-industry companies other than Chosŏn Heavy Industries before the Liberation.³⁴ Workers who had prior work history in heavy industries after 1945 are more numerous in the sample. In total, 46 workers had postwar heavy-industry experiences before entering the KSEC yard. Combined with the pre-war statistics, a total of 79 out of 141 workers in the sample (56 percent) had heavy-industry job experiences before being hired at the KSEC or Taesŏn yard. In addition to similar work history, the workers in the sample also shared similar experience of vocational training. Close to 40 percent of them received some kind of technical education at various company training institutes or post-primary

³³ Among the 141 workers, 23 had lived in Japan and 13 were educated in Japan on or before 1945 at elementary, middle, or industrial schools in Ōsaka, Fukuoka Prefecture, Nagoya, Kyōto, and Kōbe among other places. One was a graduate of a middle school in Pongch'ŏn, Manchuria.

³⁴ The list includes the Pusan factory of the Transportation Department, the Navy shipbuilding factory, a ship equipment company, an electrical company, a nitrogen fertilizer company, an oil company, and a variety of small machine shops and ironworks.

industrial schools in Korea or in Japan (See Table 14 in Appendix C). The largest group consisted of those who went through one or another KSEC training institute to get a job at the yard.

This shows that the colonial industrial experience of Korean workers was not as ephemeral as many scholars make it out to be. Many KSEC workers in the 1960s acquired their skills, at least partly, through on-the-job learning and technical education in Korea and in Japan during the colonial period. They, as senior skilled workers or foremen, were more likely the ones who trained younger workers, controlled the production, and led the union movement in the postwar decades at the KSEC yard bolstered by pride in their skills and in their contribution to the national economy.

Thirdly, the job history of the workers in the sample list shows that shipbuilding workers tended to move around between shipyards and metal shops rather frequently. Of course, many workers experienced dislocation after the Liberation. Many moved from Japan to Korea. Others were probably forced to change jobs because of the failures and closures of the companies in the immediate postwar years. The vicissitude of many companies and the fluctuating fortunes for shipbuilding industry probably were most important reasons behind workers' movement from job to job in the late 1940s and 1950s. It may also be that some moved around not only to get better wages but to learn new skills as

the Japanese metal workers around the turn of the twentieth century whom Andrew Gordon studied.³⁵

Workers moved most frequently from the KSEC yard to other small yards in the area and back, suggesting the existence of a fluid job market for shipbuilding workers in the region. The frequent movement of workers between yards likely strengthened a sense of solidarity among shipbuilding workers and organizational ties between the KSEC local and other shipbuilding unions in the area. It also sheds lights on the question of what made the KSEC union to embrace temporary workers into its ranks in the 1960s. Job switching was common and there were little discernable differences between regular and temporary workers, including age, gender, educational background, place of origin, and work history, to say nothing of the obvious non-existence of racial and ethnic differences.

Lastly, the workers in the sample had a relatively high level of formal education. Those who received some middle school education or above accounted for 82.1 percent of the sample workers. The average number of years of education was 10.6 years and that of the production workers was 9.4 years. The numbers compare favorably to the national average of 6.19 years of education for men in 1966, and 6.86 years in 1970.³⁶ What are the

³⁵ Gordon, *Evolution of Labor Relations in Japan*.

³⁶ The comparable numbers for women were 3.97 years in 1966 and 4.72 years in 1970. Among age groups the 20-29 years old group showed the highest years of education throughout the 1960s for both men and women: For example, 20-29 year old men had average 8.48 years of education in

significance of their high level of education? Kwŏn Odŏk, one of the core union officials in the late 1960s, argued that it was an important factor that had enhanced the strength of the union. According to him, it was easy for the union leaders to present their case for collective action to the rank-and-file workers and persuade them because most union members had high school education.³⁷ The workers' far better-than-average educational background also likely heightened their sense of pride and entitlement as elite workers, and thus, raised the level of their demands. It might also affected their understanding of democracy and their commitment to democratic procedures in union operations because the formal education they received was based on Western curricula and values that emphasized political democracy.

In sum, the KSEC union members we examined here were male workers in their thirties and forties who had significant work experience and high level of education. They belonged to a small group of elite workers in South Korea holding a unionized job at a premier state enterprise. Their existence as elite skilled workers partly explain the optimistic and forward-looking nature of the activism of the KSEC union members in the 1960s. Next, we will turn to the interaction between these workers and the company during the 1960s through the union.

1966 and women of the same age group had average 6.4 years of education. Han'guk yŏsŏng kaebawŏn [Korean Women's Development Institute], *Social Statistics and Indicators on Women, 1986* (Seoul: KWDI, 1986), p. 173.

³⁷ Kwŏn Odŏk Interview, 9/20/2001.

An Era of Militancy: The KSEC Union under Hŏ Chaeŏp

The account in the previous chapter of company's efforts to "rationalize" production has already alerted us to several conspicuous arenas of contention between the management and the workers. Of these, the job security issue was the gravest concern for workers during the 1960s. The workforce size at the yard wildly fluctuated during the 1960s, as shown in Table 5 above. The yard began to use temporary workers en masse after the financial crisis in the late 1950s. From about 1964, all new hires had to start as temporary workers. These workers could only hope to be picked up as regular worker later on. It is possible this situation could have led to a deep division among production workers, but the KSEC union took up the temporary worker issue as a concern for all the workers at the yard. The job security issue was played out on two fronts. On the one hand, workers demanded promotion of more temporary workers into regular worker status and an expansion of contract coverage to them. At the same time, the union pressured the government and the KSEC management to secure more work orders for the yard to prevent declarations of "no-business days" or massive lay-offs.

Another major arena of contention between the union and management was the issue of wages and benefits. Workers fought mightily to increase their wages and benefits during this era of high inflation, high unemployment, and a minimal social safety net. Production workers' average monthly wage at the yard of

7,856 won in January 1965 was only 63 percent of the 12,450 won, which was the sum of the monthly living expenses, calculated by the Economic Planning Board, for a six-person household at that time, and required taxes.³⁸ Many workers did not have enough money to do *kimjang* -- making a large batch of *kimchi* for the winter -- and the union often argued that workers "can't do their job on an empty stomach" or that they needed to eat at least "steamed rice in the morning and gruel for dinner" to sustain their labor power.³⁹

The biggest obstacles workers faced in their struggle to raise their wages were the yard's financial woes during most of the 1960s and the management's lack of complete decision-making power because it was a state-managed enterprise. The pay issue was entangled with the supposedly "modernizing" reforms during the 1960s. As we have seen in the previous chapter, these resulted in frequent changes in work organization, pay schedules, and rank/salary-class/job-grade systems. Workers also had to deal with the introduction of efficiency-based pay from the mid-1960s on.

³⁸ KSEC Archive #4, 4/27/65 notice to the KSEC president. In January 1964, the average wage was 5,500 won while the average living expenses for a 5-person household, based on a Bank of Korea report, amounted to 12,000 won. KSEC Archive #4, 1/20/64 Labor-Management Council minutes. The average household size of six that KSEC union surveys of the 1960s consistently showed seems larger than previously thought for South Korean family size. Kwŏn Odŏk, a former union official who led many of those surveys, however, verified that the average was approximately six persons during the late 1960s. Kwŏn Odŏk Interview, 9/20/2001.

³⁹ KSEC Archive #4, 1/20/64 Labor-Management Council minutes; #5, April 1965 union leaflet; #5, Activity Report for the First Assembly of Union Representatives (June 1964).

The last arena of contention is similar to what one historian of Japanese labor calls the "twin call for voice and for equality." Andrew Gordon characterizes this issue as the central theme in Japanese metal workers' unionism during the 1940s and 1950s.⁴⁰ The KSEC union and KSEC workers time and time again demanded equality between management and workers, equality between white-collar and production workers, and equality among workers.⁴¹ Equal status, fairness, and a voice in decision-making were, as in the Japanese workers' case, a central part of what democracy meant to the KSEC workers. They voiced their indignation toward management's discriminatory treatment of production workers vis-à-vis white-collar employees and technical staff members, especially in wage payment methods. Their sensitivity toward status discrimination is revealed in the following criticism made by a KSEC local president against the

⁴⁰ Gordon, *Wages of Affluence*, p. 20. For many Japanese workers in the postwar years, "[D]emocracy meant winning a voice in making decisions about their jobs Democracy at the same time embraced a powerful desire for equality, both among workers and between workers and managers." This desire for "voice and equality" had "roots in the prewar past" and "was further shaped by the occupation reforms." Gordon's account of Japanese workers' activism and perceptions from 1945 to the 1950s reveals many striking similarities with the KSEC case, especially in regard to workers' perceptions and desires. A full-scale comparative study of the labor movements of the two countries in the postwar years would reveal the full extent of these similarities (and differences) and shed light on their origins, which, for example, are the consequence of similar structural conditions and the result of colonial transmissions.

⁴¹ Japanese steelworkers' unions were, in contrast to the KSEC union, "relatively passive about bringing workers ranked below the 'regular' level into" their unions in the postwar years. The "regular" unions of Nippon Kōkan (NKK) sometimes worked with temporary workers' separate unions to demand the "upgrade" of temporary workers to regular status in the early 1950s. Gordon, "Disappearance of the Japanese Working-Class Movement," p. 36.

company president, who did not follow through an accord he had recently signed:

Still some people, possessing pre-modern perspectives on industrial relations, treat the relationship between labor and management as if it were one between master and a farmhand [mõsũm] and nonchalantly ignore agreement between the two.⁴²

The issue of equality and voice was also deeply intertwined with questions of workplace control. Workers struggled to maintain their sphere of control and customary practices against the inroads of management's regulations. The union demanded from the management respect for the rights and dignity of workers. Especially during the early 1960s, management and the union clashed often over the blurry boundary between the responsibilities and rights of each party in industrial relations.

The circumstances surrounding the change in the leadership of the KSEC union set the tone for its activities throughout the second half of the 1960s. Both President Hõ and Standing vice-president Pak were tough and committed unionists, but the push from the rank-and-file members also determined the nature of the union. Once again, the union leadership paid close attention to shop floor opinions, and workers began to knock on the door of the union office with their particular grievances. The first group to let their collective opinion known to the leadership was

⁴² KSEC Archive #8, 12/30/65 letter to the KSEC president.

white-collar sawŏn employees at the Seoul Office, who saw their new inflation allowance of 30 percent of base pay suddenly slashed to 20 percent by an order from the Ministry of Commerce and Industry [hereafter, MCI].

The MCI ordered the retraction of any wage increase for white-collar employees to the level existing on March 2, 1964.⁴³ The Seoul branch sub-local members asked the union to make the authorities "understand that sawŏn are also workers [and] union members." If the union could not solve the problem, the sub-local members threatened that they would "regard the union as incompetent, withdraw from it, and ask that [our] dues be refunded." Hŏ promised to put up a fight on their behalf and asked them to "shake off the mistrust" they had developed "toward the old union" and "care" for the new union. A strongly-worded resolution was sent out by the union, criticizing the MCI for "obstructing the nurturing of enterprises by making a wrong judgment and undermining labor activities." It called for an immediate repeal of the order, which was "an act worse than murdering workers." The union began to gather signatures, and threatened more "direct action" in case the petition drive produced no results.

⁴³ KSEC Archive #5, 7/25/64 letter from the Seoul branch office sub-local to the union and 8/19/64 letter from the union to the sub-local. The ministry's order on 6/15/64 and the union's resolution appear in the same volume. The ministry differentiated sawŏn employees from "production workers" (*nomuwŏn*) and ordered that the 3/2/64 wage level for managers and sawŏn at government-managed enterprises be maintained in order to implement the plan for "rationalization of management."

Meanwhile, the yangsǒnggong group, now no longer treated as troublemakers but instead having a strong voice in the leadership, requested a union meeting on their grievances. At the December 10, 1964 meeting of the union, Yang Kuju presented their case:⁴⁴

It is a problem for all the workers in our country and also for all the members of our KSEC local that workers suffer in life because of low wages in a period of rising inflation. But among those, because we are yangsǒnggong trainees of the KSEC Skilled Worker Training Institute, we have been treated as non-adults in hiring even though we are adults who already have families, approach work as adults, and possess the required skills. This problem gravely affects not only our lives, but also the work we do at KSEC because the practice prevents us from using our skills to the full.

He went on to argue that to raise work efficiency, the company should guarantee minimum living standards for workers and improve the treatment of yangsǒnggong. The union unanimously passed Yang's motion, which mandated the union to negotiate with the company to hire trainees not as apprentices but as semi-skilled workers at the least. Demands to adjust unfair rank and salary-class assignments for yangsǒnggong periodically surfaced in union agenda during labor-management negotiation sessions throughout the 1960s.

As part of the measures to save labor costs, in February 1965 the company adopted a piecework system for its foundry shop.

⁴⁴ KSEC Archive #4, 12/10/64 minutes.

Because the union was not on top of the matter at first, the workers at the foundry shop started a work stoppage on February 9 without union consultation.⁴⁵ The incident leaked to the media and grew into a public scandal when the company, upset with newspaper reports, criticized the newspaper that had publicized the foundry shop incident. Union officials belatedly tried to get better piecework terms for the workers. The union president, Hō, reported in the annual Assembly of Union Representatives in May that the foundry shop incident was "one of the two failures of the union" that year.⁴⁶ Finally, after agreeing to a three-month trial and evaluating the results, the union decided to oppose "any kind of piecework system" because it constituted exploitative work conditions in the foundry shop.⁴⁷

In June 1965, the union also demanded that the company discontinue the practice of outsourcing of the hull, woodwork, and outfitting jobs.⁴⁸ The company's move to consign the management of the oxygen shop in August of the previous year had not generated much commotion once the union secured a promise from the consignor not to put workers' status at risk in any way.⁴⁹ But when the consignor, Samyang Oxygen, did not live up to its promises and even delayed payment of wages, the union

⁴⁵ On the Foundry Shop incident, see KSEC Archive #4, 2/16/65 minutes.

⁴⁶ He did not mention what was the other failure. KSEC Archive #5, 5/19/65 Assembly of Union Representatives minutes.

⁴⁷ KSEC Archive #12, Report at the 8/20/66 Assembly. Piecework was abolished after a protest rally against unfair labor practices in June 1965.

⁴⁸ KSEC Archive #7, 6/4/65 minutes.

⁴⁹ KSEC Archive #5, 5/19/65 Assembly of Union Representatives minutes.

demanded the abandonment of consignments. The company requested permission to sell the shop on the grounds of outdated machinery, but the union's demand that the shop revert to direct management by the KSEC seemed to have prevailed by August 1965.⁵⁰

In these cases and also in the union's tacit approval of the use of temporary workers at the yard, we can see that the union was willing to make compromises for the survival of the company. In many of its documents the union repeatedly declared that it was entrusted with twin missions: helping the company and the industry prosper, and securing better welfare for its members. We have already seen in Chapter 5 how staunch anti-Communist unionists like Chŏn Chinhan adopted such a stance in the 1950s. Im Hansik was reportedly a follower of Chŏn's ideology, and the platforms of the FKTU and the Maritime Union also reiterated the same two goals.

For the KSEC local, these dual missions were not empty rhetoric. They were rather expressions of a genuine belief that labor and capital, as partners in the process of building national industry, could accomplish these twin goals. Management, however, remained as a reluctant and resentful "partner" in this industrial relationship at best, as the stories of clashes between the union and KSEC management during the 1960s show. There existed a chasm between each party's notion of who should

⁵⁰ KSEC Archive #7, 6/4/65 minutes.

be in charge, how to improve workers' welfare, and which goal should assume priority when the two goals should collide.

By late 1964 relations between the union and management were not so friendly. In October 1964, the union sent a letter to the company president, Yi Yǒngjin, requesting an interview. It stated:

[S]ince assuming its responsibilities, the current union has demonstrated much patience, self-restraint, and caution in all the matters arising between labor and management, wishing industrial peace and the prosperity of KSEC, even acting as a shield for the company to block the complaints pouring from the employees. But we can stomach neither the company's obvious and intentional disdain and cold-shoulder treatment of the union . . . nor the escalating complaints and dissatisfaction of the members.⁵¹

Then the union declared, "If accumulated matters can't be solved with our best efforts, we will seek a solution through the law or the unity of the workers."

Two months later, another scathing letter was sent to the company president demanding respect for the union:

The era in which attempts were made to bind labor in a subordinate relationship to capital resulted in great mutual loss because of discord, conflict, and disputes between labor and capital . . . Management's dislike of, and uncooperative attitude toward, the union, which is a standing representative body of workers and a concentrated

⁵¹ KSEC Archive #5, 10/21/64 notice to the KSEC president.

expression of just complaints and grievances of all the employees and union members, [has produced] conflict between labor and capital and might well threaten the development of the KSEC company itself.⁵²

In this unfriendly atmosphere, the union negotiated and signed a revised contract on December 30, 1964,⁵³ which was much more favorable to the members. The union then began an offensive for a pay raise in early 1965. As we saw earlier, the previous Yu leadership had agreed to receive inflation and efficiency allowances in lieu of a raise in base pay. Now the union demanded incorporation of the two allowances into the base pay, and a 5,000 won raise across the board, regardless of position and rank. The union named it a "struggle to secure a living wage" and predicted that it would have to contest the issue and take direct action.⁵⁴ The union would strengthen its "P.R. activities toward workers on the shop floor" and frequently deliver progress reports to them.⁵⁵

In its formal notice to the company president, dated April 27, 1965, the union made the philosophical observation that "salaries

⁵² KSEC Archive #5, 12/28/64 notice to the KSEC president. The reason the union was so upset was because the notices and other documents sent out by the union to the management were ignored at the lower-echelon managers' desk and were not promptly addressed.

⁵³ Among other things, the union achieved a broadening of membership eligibility to include security workers (except for line supervisors and sub-section chiefs), communication workers, and typists, a four-hour workday for Saturdays, and more paid vacation days. Activity Report attached to the 5/19/65 Assembly minutes in KSEC Archive #7.

⁵⁴ KSEC Archive #5, 4/24/65 minutes. The union also demanded a change in the way new and old progressive rates for severance pay would be applied to workers with a long term of employment in the company.

⁵⁵ Ibid.

below the subsistence level might be the cancer cell that has been gnawing at our national economy and generating all the evils, abuses of power, and corruption." It argued its case using the company's budget figures which showed a surplus big enough to cover the union demand for a 5,000-won raise.⁵⁶ The company, reluctantly, agreed to a 15 percent raise in "normal wages," which would be distributed following the *hahu sangbak* (higher raises for the lower paid workers and lower raises for the higher paid) principle.

Meanwhile, several core management people were working feverishly in the shadows to deal a fatal blow to Hø Chaeøp's leadership. The Second-year Assembly of Union Representatives

⁵⁶ KSEC Archive #4, 4/27/65 notice to the company president. As of January 1965, the average monthly wage of 887 production workers was 7,856 won including efficiency and inflation allowances, from which union members paid dues of 78 won a month. There is a document in KSEC Archive #8 that shows the wages union officials made in November 1965. Three full-time officers -- President Hø, Standing Vice-president Pak, and General Affairs chief Chøng Chiyøng -- received 6,000 won, 5,500 won, and 5,000 won respectively from the union, on top of their regular paychecks from the company (8,160 won for Hø, 6,750 won for Pak, and 5,190 won for Chøng). Other union officials were making 4,920 won to 7,770 won at this time with no additional pay from their union positions. These figures probably did not include allowance payments. The wages of the two employees the union hired -- a secretary and a page -- were 7,000 won and 3,000 won each. The wage differentials between rank-and-filers and the full-time union officials were probably much smaller than these numbers suggest because income from overtime work, which constituted a large portion of a worker's paycheck, is not reflected here, and full-time union officials could not perform overtime work. Hø, who was wealthy but smoked cheap cigarettes to blend in with production workers, was respected by union members as a man of integrity who did not take advantage of his union post to enrich himself, according to Kwøn Odøk. Kwøn Odøk Interview, 9/20/2001. Certainly the KSEC union did not set a policy of limiting the union president's salary not to exceed the top wages of member workers, like the practice at the International Longshore and Warehouse Union (ILWU) under Harry Bridges, but I have not found any evidence in the KSEC Archive that workers coveted paid union posts as lucrative positions either.

was held on May 19, 1965 with thirty-seven representatives and one observer participating.⁵⁷ Surprisingly, the vote to approve Hō and Pak as president and standing vice-president came dangerously close to failing -- twenty-one ayes and sixteen noes -- considering the significant achievements of the union during the past year with Hō at its helm. It turned out that management had been secretly nurturing an opposition group against the Hō leadership for the past six months.

According to a report prepared by the union, during several days before the Assembly meeting, managers, together with certain renegade union members, were busy bribing and pressuring elected union representatives with promises of favors and threats of retaliation. Their goal was to replace the not-so-malleable Hō and Pak with pro-company people, and possibly to move the union affiliation from the militant Maritime Union to the more conciliatory Korean Metal Workers' Union. Upon discovering the plot, the union filed complaints of unfair labor practices with the authorities. The following statements are excerpts from the union's incident report, chronicling this "union-busting" move, "unprecedented in the history of the union movement," committed

⁵⁷ For the events during the Assembly, see KSEC Archive #7, 5/19/65 Assembly minutes and accompanying documents. The observer was from the Seoul branch office, which did not have enough members to qualify to elect a representative.

by the KSEC management.⁵⁸ According to the report, the Personnel Section chief declared:

Hö Chaeöp, who was discharged as an army lieutenant . . . forgot his class consciousness [as a member of the bourgeois class]. No labor-management cooperation would be possible if Hö Chaeöp gets reelected as local president. I will never budge on [union] matters including wage increases even if a knife is put to my neck, and I will overthrow the current leadership.

The General Affairs Section chief responded:

I am afraid of seeing the local president Hö Chaeöp in my dreams. As long as I'm alive, I'll make him pay for it. If [you] support Hö Chaeöp as president again, I'll mobilize the guards with my authority as the General Affairs Section chief and make the impact felt by all the employees

The Public Relations Section chief, together with the Personnel Section chief, went even further:

Can't you disband the local? Can't you move out of the Maritime Union and join the Metal Union? Isn't there any easy way to get rid of Hö and Pak?

The Sales Sub-section chief suggested "alienating Hö Chaeöp and Pak Chöngbu from each other" to "get rid of the local president

⁵⁸ KSEC Archive #8, a report, attached to a notice, "On the unfair labor practices by the KSEC," sent out by the Maritime Union to its locals, industrial union federations, the FKTU, the Pusan City Association of Unions, and Pusan area industrial unions.

Hö Chaeöp." It seems that managers were wary of Pak's influence over Hö. The Personnel Section chief said:

Pak Chöngbu is a Republican [*konghwadangwön*].⁵⁹ A son of a bitch, worse than the local president Hö Chaeöp. Whatever Hö Chaeöp does is due to Pak's coaching

These conversations happened from late April to the day of the Assembly and were reported by union members, including Chöng Chiyöng, whom the managers early on tried to persuade to run as a candidate against Hö. According to the same union document, managers contacted some workers and asked them to run for the position of shop representative, and then wait for orders from the personnel section chief. The union advisor, No Öisök, was offered a cancellation of his dreaded transfer to Ulsan, if he agreed to "participate in the removal of the current union leadership." The General Affairs Section chief even meddled in the election process to make sure that Hö, who belonged to his office, did not win the position of the office's representative.⁶⁰

⁵⁹ This is an interesting statement which equates President Park Chung Hee's Republican Party with Pak's militant unionism. The statement suggests that people's perception of the Park regime might have been quite different in the 1960s from today's conventional understanding of his ideologies in the literature on his authoritarian politics. Pak Chöngbu seemed like a person influenced by leftist ideas from the languages he used in union discussions. Not much is known about his life, however, and I have not yet found evidence connecting him to any leftist movement in Japan or in Korea.

⁶⁰ He took the union members under his control to the voting booth and checked whom they voted for. When Hö failed to win the election for representative position, the section chief told the workers to applaud.

The union document claimed that the night before the assembly, a lavish all-night party funded by management was held at a famous geisha house in Songdo, Pusan for twenty-two of the thirty-seven union representatives. After some quarrelling, No Tuhong, a hull worker once rumored to be a member of a "third force" in support of Yu Ch'ölsu, was chosen among them as the opposition candidate for president. At the crack of dawn, managers visited representatives who had not joined the party at their homes or brought them into tea houses and pressured them to vote for No Tuhong.

It was testimony to the strength of Hō's leadership and the workers' commitment to what it stood for that even with such extensive machinations by management Hō and his colleagues won the vote of approval at the assembly. When Hō won, No and his followers walked out, and held a separate meeting over drinks to discuss a way to create a new union that would be affiliated with the Metal Union.

The KSEC local and the Maritime Union were outraged by such a blatant attack on union democracy by a state-managed company, which "should be a model for other companies." Together, they demanded a public apology and dismissal of the managers who participated in the plot. The local successfully organized a protest rally to "protect the rights and interests of the 200,000 union members" of South Korea. Both the KSEC local and the Maritime Union mounted public relations pressure on the company

and the government. In the end, the Park government made the company president Yi Yŏngjin resign, and dismissed four managers. This vindication by the state of the union's claims of unfair labor practices by management gives more credence to the union's version of events. It also shows that until the mid-1960s the Pak regime was willing to follow through the provisions of labor laws banning unfair labor practices, at least when a large-scale labor dispute and accompanying bad publicity were expected especially at important state-run factories.

Despite the victory, the local was careful not to directly confront the group who sided with management in the plot, probably out of concern over the divisiveness of the issue. In a leaflet to the rank-and-file members, Hŏ laid out what a labor union should be:

A labor union, as we understand it, should be an activist organization, in which workers put together each person's meager power to form a massive and powerful organization to support the interests of the workers and furthermore, to raise the social status of the workers.⁶¹

Then, he presented the history of the overthrow of the Yu Ch'ŏlsu leadership the previous year:

Union officials who acted as a tool for the company [i.e., Yu Ch'ŏlsu and his followers] . . . were labor brokers. Last year, together with like-minded people, we bravely

⁶¹ KSEC Archive #8, June 1965 letter from Hŏ and union officials to union members.

fought to crush them and won. Since then, we turned away from working unilaterally for the company's interests, and have accomplished the following things during the past year as a result of our incessant struggle against all kinds of slander, tricks, and schemes designed to create a split [in the union].

Then he summarized ten achievements of the current union in contrast to the Yu era: "We have 1) achieved the independence of the union, 2) reformed the old corrupt union, 3) significantly increased severance pay, 4) reinstated temporarily laid-off workers, 5) extended the treatment period for workers with illness . . . and 10) alarmed all the entrepreneurs in our country by denouncing unfair labor practices." After that, he described without naming names the recent attack by a "pro-company [ōyong] organization, which would work completely in the company's interest," and asked for vigilance from rank-and-file members to prevent future attacks on the union.

Union autonomy was a sacred principle for workers in this period, and it was hailed as the number one achievement of the union. The anti-Hō group was compromised when they accepted help from the managers. After this incident, the No Tuhong group had to tread water carefully while waiting for another chance. The opportunity came with the union's defeat in the 1969 strike, as we will see in Chapter 11.

The Metal Union also lost face when the KSEC local and the Maritime Union denounced its backdoor negotiations with the KSEC

management to capture the KSEC union as its local. In a letter which asked the company to cooperate in switching the union's affiliation to the Metal Union, it claimed that "according to the precedents of the FKTU on this organizational jurisdiction issue," the KSEC local should belong to the Metal Union, especially because it had received requests from some KSEC workers to take them in. The Metal Union promised the company that it would "promote the spirit of labor-management cooperation, raise productivity, and maintain industrial peace" by sticking to the "way a labor union should be."⁶²

The Metal Union prodded FKTU organizations to approve its scheme without much success. The FKTU took sides with the Maritime Union in this matter, citing the KSEC local's affiliation with the Maritime Union as "an established fact."⁶³ The fact that the Maritime Union was a larger and stronger organization than the Metal Union in this period, as is shown in Table 6 below, might have affected this decision too.

The KSEC local sent a letter to the Metal Union, titled "Denouncing Interference from an Outside Organization." After mockingly congratulating the Metal Union on its effort to "establish union autonomy and purity," the KSEC local expressed

⁶² KSEC Archive #8, 6/5/65 letter from the president of the Metal Union to the KSEC president.

⁶³ KSEC Archive #8, 6/5/65 notice from the Metal Union to the Pusan City Association of Unions; 6/10/65 notice from the Maritime Union to the KSEC local.

Table 6. Union Membership: FKTU, Maritime, and Metal, 1963-70

Year	FKTU*	Number of Industrial Unions	Number of Unions	Organizational Rate**	Maritime	Metal
1963	224,420	16	1,820	20.3	14,802	7,775
1964	271,579	16	2,105	23.3	15,660	8,188
1965	294,105	16	2,255	22.4	16,551	9,304
1966	336,974	16	2,359	22.7	20,569	11,337
1967	366,973	16	2,619	22.2	24,175	13,685
1968	399,909	16	2,732	21.1	28,087	17,675
1969	444,372	16	2,939	21.3	27,635	25,030
1970	469,003	17	3,063	20.0	32,465	26,550

Sources: FKTU, *Han'guk nodong chohap undongsa*, p. 605; KSU, *Haewŏn chohapsa*; Pak and Pak, *Nodong chohap (I)*, p. 31.

* Union membership size in FKTU statistics is often smaller than that in the Ministry of Labor statistics used by Pak and Pak because the former is calculated based on the amount of dues industrial unions pay to the FKTU headquarters, not on the real headcount. Pak and Pak, *Nodong chohap (I)*, p. 30.

** From Pak and Pak, *Nodong chohap (I)*, p. 31. It indicates union members as a proportion of the total number of non-agricultural, regular work force.

shock and anger toward the Metal Union's strategy of working with management behind the local union's back, which only encouraged "the company owners' dominance and interference in the labor union movement." The local asked the Metal Union to "come down to Pusan and organize workers directly" if it really wished to absorb the KSEC union as its local, instead of asking help from the KSEC managers.⁶⁴ Until 1968, when the Maritime Union centralized its organizational structure, sacrificing the autonomy of local unions such as the KSEC local, the KSEC union clearly favored the more militant Maritime Union over the Metal Union as its upper-level industrial union. This incident further solidified the KSEC union leaders' low opinion of the Metal Union,

⁶⁴ KSEC Archive #8, 6/11/65 letter to the president of the Metal Union.

already revealed in their understanding of the Taesŏn sub-local case, discussed in Chapter 7.

Even with the victory at the May 1965 Assembly and in the unfair labor practice case, the union still had a long and arduous struggle ahead of it in winning practical concessions from the new management. During the second half of 1965, the negotiations between the union and the new management seemed as if they would drag on forever, generating much frustration among both union officials and rank-and-file members. The union demanded a range of things, including provision of work clothes free of charge and a subsidy of workers' commuter bus or boat fares, but the central issues were a better wage package and the incorporation of temporary workers into the union.

The union's wage demand this year was a complex one. In addition to a flat 5,000 won raise, the union demanded the incorporation of efficiency and inflation allowances in the base pay, a reduction of work hours from eight to four on Saturdays with full eight-hour pay, a payment of unused monthly and yearly vacation days at the normal wage rate, a bonus of 100 percent of normal pay every quarter, and a more favorable method to calculate severance pay for workers with longer seniority.⁶⁵

⁶⁵ For the details of the union demands, see KSEC Archive #7 and #8. In the process of collective bargaining in 1964, an agreement was made that the KSEC would negotiate with the Maritime Union about the progressive rate of severance pay. As a result of negotiations among the KSEC local, the Maritime Union, the KSEC, and the MCI, an agreement was reached in October on a much more progressive rate, similar to what other state-managed enterprises adopted at the time. KSEC Archive #7, Report at the

Along the way, both sides agreed to do away with the controversial efficiency allowance, which was generating loud cries of unfairness and resentment among workers.

Accepting union demands meant a rewriting of the company wage regulations, which required approval from the MCI. At the time the MCI had been adamantly against wage increases at public enterprises under its supervision in the name of "management rationalization."⁶⁶ But how much will it had to enforce its directives against union opposition was another matter. In 1965, twelve unions at state-managed companies, including the KSEC union, joined forces to fend off the MCI's determined attack on rising wages by establishing a Conference of Trade Unions at State-Managed Enterprises [*Kugyŏng kiŏpch'e nodong chohap hyŏbbŭihoe*; *Kuggino* in short], which will be covered in depth in Chapter 10.

The KSEC local believed that industrial relations should be handled strictly between the union and management without interference from the MCI. At first, union officials did not pay much attention to the MCI's opinion on the wage matter because

5/19/65 Assembly. At issue was, as was discussed in the previous chapter, how to apply old and new rules to workers with long seniority. In 1966, a retroactive implementation was agreed upon after union officers and all the foremen and sub-foremen waged a demonstration at a Labor-Management Council meeting. See Sin Wŏnch'ŏl, "Kiŏp naebu nodong sijang," pp. 209-11.

⁶⁶ The MCI had other large heavy-industry companies under its supervision in addition to the KSEC (1,805 employees) in 1966, including Korea Electrical Company (10,630 employees), Korea Tungsten (1,000), Taehan Petroleum (12,400), Taehan Iron Ore (833), Korea Smelting (450), Ch'ungju Fertilizer (640), Honam Fertilizer (827), Taehan Oil (309), Inch'ŏn Heavy Industries (1,100), Korea Machinery (400), and Taehan Salt (2,000). KSEC Archive #12, Report at the 8/20/66 Assembly.

KSEC management, fearing bad publicity, usually gave in after enough pressure from the union. The previous management under president Yi Yǒngjin agreed on most of the union demands and a 15 percent raise.⁶⁷ The implementation of the agreement, however, was delayed by management, which used the excuse that it was not able to get MCI approval.⁶⁸

After the president and the core managers were ousted following their bungled plot to remove the Hô leadership, the new management also was quick to utilize the MCI card and halted and delayed negotiations throughout the year. The company did not budge from an offer of a 5 percent raise, while the union called for an "extreme struggle" against the company. The union regarded the company's excuse of MCI's disapproval unacceptable. According to a Steering Committee member and Foundry Shop worker, Yi Samsoe, "the company-MCI relationship is not a matter that concerns the union; it is something the company has to deal with."⁶⁹

What concerned union officials most was the rank-and-file reaction to the stalemate. Yi Yong'u, a Steering Committee member from the Security section of the company, warned that if the union failed to make the company pay the 15 percent, which

⁶⁷ See KSEC Archive #7 7/16/65 minutes for the content of the agreement.

⁶⁸ The management agreed to union demands with an innocuous-sounding condition that it will be implemented "as soon as the company gets MCI approval." As Pak Chǒngbu regretted later, the union initially did not realize the seriousness of this conditional clause and had to practically start the fight over. KSEC Archive #7, 7/20/65 minutes.

⁶⁹ Ibid.

was already agreed upon, it would "completely lose the trust [of the union's rank and file]." ⁷⁰ After the company entered into collective bargaining in July at the union's request, a formal chaeng'ui action began on August 2, and management agreed to an 8 percent raise plus an additional 7 percent in the near future. ⁷¹

Nevertheless, it was just one item in the comprehensive list of union demands, the most important of which were adjustment of the severance pay rate and achieving half-workday Saturdays with full pay. ⁷² The union in September presented a revised contract

⁷⁰ Ibid.

⁷¹ See KSEC Archive #7, 8/10/65 minutes and 8/2/65 notice of Pusan Regional Labor Committee approving the KSEC chaeng'ui as legal.

⁷² A selected, not exhaustive, list of the proposed changes in the contract would include the following: a change in the mandatory retirement age from 55 to 60; creation of a Reward and Punishment Committee and a Safety Committee, comprised of equal numbers of representatives from the union and management; an increase in the number of yearly paid holidays from 3 to 8 days to 4 to 9 days, the unused portion of which would be paid at the normal-wage rate; an increase in the number of special vacation days; inclusion of the union founding day among holidays; a raise of the firing threshold from 7 days absence without permission to 10 days; expansion of compensation for injury and occupational illness; distribution of free work clothes and safety devices; a change in the conditions allowing the company to lay-off workers from "when due to business conditions it is inevitable" to "when both the union and management acknowledge that there is a justifiable reason to do so"; payment of 50 percent more on overtime work, 100 percent more on night-time work, and 150 percent more for holiday work; regular bi-annual payment of bonuses; removal of inflation and efficiency allowances and addition of welfare, skill, and encouragement allowances to the existing allowances of job, overtime work, night-time work, holiday work, and dangerous work.

There were also articles intended to strengthen union activities. They called for clearly stating the dues check-off obligation in the agreement; allowing and paying for union work during work hours; increasing full-time union officials on company payroll from three to four; reinstating such people to a job "equal to the original position" instead of an "appropriate position" when union tenure is over; and allowing the posting of union announcements on company premises with "notice" to the company instead of a "permission" from the company. One of the most important revisions concerned the definition of "non-

proposal which incorporated most of its demands to management. After tough negotiations and another chaeng'üi in December, which was backed by the rank and file with a vote in favor of 94.4 percent of the members, the union finally won an agreement from management on December 21. The agreement included a revised method of calculating severance pay and six hours of pay for four hours of work on Saturdays.⁷³

In making compromises with the union, management showed some creativity in skirting obvious violations of MCI directives. The MCI limited bonus payments to 100 percent of the normal wage. Management suggested paying the 100 percent and then adding 15 percent of normal pay to the January and February paychecks, making the payment in fact 130 percent. As for the half-day of work on Saturdays, management agreed to pay the wages for six hours, but asked to leave that agreement out of the official company regulations and the contract. A memorandum would be exchanged between the union and the management instead.⁷⁴

eligibility" for union membership: the union demanded that temporary employees and workers below the sub-section-chief level in the personnel, labor management, general affairs, accounting, public relations, and auditing sections, who were excluded from the union by the existing contract, be made eligible to join the union. KSEC Archive #7, 9/21/65 minutes.

⁷³ On the December chaeng'üi and its outcome, see December 1965 minutes in KSEC Archive #7, a 12/22/65 notice to members in #8, and Activity Report at the 8/20/66 annual Assembly of Union Representatives in #12. At that time the highest seniority workers had at the yard was 15 years. The revised rule allowed such people to collect 38 months of wages on retirement, while the previous rule allowed them to receive 27 months of wages.

⁷⁴ In return, the union withdrew its demand to increase the holiday-work allowance from the current rate of 100 percent of normal wage to 150 percent.

Temporary Workers and Union Democracy

The most important achievement of the union in 1965 was the inclusion of temporary workers in the union. Temporary workers, called *imsigong* or *iryonggong*, were used throughout the 1950s, but their use intensified after the 1958 financial crisis and ensuing cost-cutting and rationalization efforts, as is shown in Table 7.

Table 7. Ratio of Temporary Workers at the KSEC Yard, 1963-69

Year	Total Employees	Regular Production Workers(a)	Temporary Workers(b)	(b)/(a) in %
1963	1,542	1,051	173	16.5
1964	1,636	915	406	44.4
1965	2,140	998	777	77.9
1966	2,310	887	1,064	120.0
1967	2,425	877	1,348	153.7
1968	3,145	919	1,162	126.4
1969*	1,582	754	674	89.4

Sources: KSEC Archive records #12, #19, #27, and #28 and Sin, "Kiŏp naebu nodong sijang," pp. 177, 217.

*Union members only, in November.

From 1966 to 1968, temporary workers constituted the largest single group, 20 to 54 percent larger than the total of regular production workers. The use of temporary workers was not a unique practice of the KSEC, but a common practice in machine industry in general. For example, 807 registered machine industry companies employed 36,841 workers in 1967, out of which 10,672 (29 percent) were temporary workers.⁷⁵

⁷⁵ Sin, "Kiŏp naebu nodong sijang," p. 147. His statistics came from Han'guk kigye kong'ŏp hyŏptong chohap yŏnhaphoe [The Korean association

The division of workforce into regular workers [*pon'gong*], who had more job security and better wages and benefits, and temporary workers, who were the first to be let go whenever the company failed to secure enough work orders, was also a mechanism which could be easily exploited by management to weaken the solidarity of workers. New hires usually went through two to three years of temporary-worker status before becoming a regular worker.⁷⁶ Temporary workers had to renew their contracts at the end of every three-month or one-year term.⁷⁷ The wage of a temporary worker was determined by job distinction, skill level, and an evaluation score (which ranged from 60 to 100 points).⁷⁸

Obviously, temporary workers aspired to regular status with its accompanying job security and better wages and benefits package. Improving industry conditions as a result of the state's active support of the industry in the 1960s, and the company's very practice of using temporary workers itself allowed regular KSEC workers to enjoy better job security.⁷⁹ For

of machine industry cooperatives], *Kigye kong'ŏp ch'ongnam* [An overview of the machine industry] (Seoul: 1968), pp. 44-48.

⁷⁶ From Kwŏn Odŏk's testimony in Interview with Former KSEC Union Officials, 8/9/2000.

⁷⁷ In 1965, the company laid off skilled temporary workers for two days after 88 days of work, then rehired them under the same conditions. For laborers, it was a 5-day work, 2-day lay-off cycle. KSEC Archive #9. Hong Pusik recalled that temporary workers were fired every three months. If one wished to renew his contract, he had to visit his foreman with a bottle of sake and ask for the favor of being rehired. Kwŏn Odŏk testified that after 1966, when he was hired, the renewal happened every year. Interview with Former KSEC union Officials, 8/9/2000; Sin, "Kiŏp naebu nodong sijang," pp. 185, 219.

⁷⁸ Ibid., p. 220.

⁷⁹ Until the union was defeated in the 1969 strike, there had been no lay-off of regular workers, according to Hŏ Chaeŏp's testimony in

temporary workers, however, there was no guarantee that years of service would bring them regular status. The company was reluctant to increase the size of its regular workforce.⁸⁰ Foremen had a definite say not only on hiring and evaluating temporary workers, but also on promoting them to regular status.⁸¹ Kwŏn Odŏk, a temporary worker and union official fired during the 1969 strike, recalled that "during holidays one had to go to his foreman's house to show respect even if he couldn't afford to visit his own ancestral tomb-site."⁸²

Some stayed put at the yard waiting for a chance to become a regular employee, while others tended to hop from company to company to hone their skills or to get better wages. The former group found in the KSEC union a sympathetic ear. Temporary workers were embraced in the union under the leadership of Hŏ Chaeŏp, and in time, even the collective contract coverage was

Interview with Former KSEC Union Officials; Sin, "Kiŏp naebu nodong sijang," p. 214.

⁸⁰ The 1963 company personnel management regulation allowed the use of temporary workers for 60 percent of the yard's manpower needs. Ibid., p. 219.

⁸¹ Hŏ Chaeŏp and others testified that "who introduced the worker to the company for hire" affected the outcome of that worker's skill evaluation. The competition to become a regular worker was understandably intense. Kim Chongnae recalled a rumor that to become a regular worker, one "had to sell 2-3 *majigi* [One *majigi* is a field big enough to sow one tu of seeds. It varies between rice paddy and other field and depending on the region, but approximately 200-300 p'yŏng, which is 650-970 m²] of rice paddy," presumably to fund the behind-the-scene negotiations to that goal. But Kwŏn disputed that and said, "Once in a while a connection or personal backing might have affected the process, but if a foreman played favorites conspicuously, he would have been beaten severely. Everybody's eyes were fixed on [foremen]." Usually, seniority was the most crucial factor in regular-worker hiring. Interview with Former KSEC Union Officials, 8/9/2000; Sin, "Kiŏp naebu nodong sijang," p. 221.

⁸² Ibid., p. 180.

partially extended to them. Temporary workers and the temporary worker issue were, in fact, at the heart of the union's struggle during the 1960s.

Besides temporary workers hired directly by the company, the company also utilized laborer dispatching firms, which specialized in providing workers on a short-term basis while taking a big chunk out of their paychecks. Kimyöngsa was one such firm, collecting, according to the union's estimate, around 45 percent of workers' hourly wages paid by the KSEC.⁸³ In 1960, the company accepted the union's demand to discontinue the use of Kimyöngsa, as we have seen in Chapter 7.

Another distinctive group of workers also suffered from lower wages and discriminatory practices at the yard: company-trained entry-level workers. The KSEC had been training shipbuilding and machine workers all along, but the number of graduates from its training institute grew fast in the 1960s. These company trainees, called yangsönggong, were hired into apprentice or semi-skilled-worker ranks until 1963, and as temporary workers after 1964.⁸⁴ They, however, were conspicuously discriminated against in wages and promotions, compared to the workers hired directly from outside. This overt discrimination provoked much anger and resistance among them, especially because many of those hired from outside through personal connection did

⁸³ It received 940 won (women) and 1,200 won (men) per hour from the KSEC and paid only 500 won (women) and 700 won (men) to workers. KSEC Archive #1, 8/4/60 Labor-Management Council minutes.

⁸⁴ Sin, "Kiöp naebu nodong sijang," p. 186.

not have superior skills to justify their better treatment.⁸⁵ As we have seen in this chapter, their collective struggle and the union's failure in responding to their needs led to a vote of no-confidence in the union leadership and the beginning of the most democratic and active era of the KSEC union.

Extensive use of temporary workers was sustained by the existence of a large pool of skilled metal workers who moved between the KSEC yard and the small yards and metal shops in the Yŏngdo-Pusan area. The skills that the KSEC workers had acquired from work were those generally usable for the whole metal industry rather than being company-specific.⁸⁶ In other words, a fluid labor market for skilled shipbuilding, metal, and machine workers existed in the region, helping former and future KSEC workers to get through lay-offs and to stay in the community. As we have seen earlier, it was not unusual for a Taesŏn worker to have a work history at the KSEC yard or vice versa. This situation also contributed to the shipbuilding workers' sense of solidarity. All belonged to the same Maritime Union and helped each other in collective actions.

⁸⁵ Kwŏn Odŏk and Kim Sanggwon testified that they were hired as skilled workers through connections, and paid more than workers with yangsŏnggong background, even though they did not know how to tell the difference between a bolt and a nut. Ibid., p. 202. In the early 1960s, the KSEC hired workers through open exams. One worker recalled that in 1963, the chances of being hired that way was 13 to 1. From the mid-1960s, however, every new hire had to go through the exam, two months of work without pay, and a year of temporary worker status. The temporary worker contract had to be renewed every year. But another worker did not remember open competition at all and instead recalled that connection and available openings determined one's entrance to the yard in the 1960s. Ibid., p. 185.

⁸⁶ Ibid., p. 142.

The plan to allow membership for temporary workers was announced as early as at the May Assembly of the union. On July 15, through Pusan City and the Maritime Union, the union first asked the Office of Labor Affairs about the eligibility of temporary workers for union membership in labor laws.⁸⁷ The position of the Office of Labor Affairs was clear on that issue: temporary workers could join a union as long as there was no article against doing so in the local union's regulations. The Maritime Union relayed the following answer from the Office of Labor Affairs to the KSEC local:

There is no regulation excluding temporary workers from union activities. Temporary workers are also workers defined in the article 4 of the Labor Union Act, and can organize or join a union and participate in union activities following article 8 in the same law If there is an article in the contract that excludes temporary workers from union activities, the contract is against the law, and temporary workers should be covered by the contract based on the general binding power defined in article 37 of the Labor Union Act.⁸⁸

⁸⁷ On the temporary worker issue, see *Iryonggong pudang nodong haeng'wi kwan'gyech'öl* [A collection regarding unfair labor practices against temporary workers] in KSEC Archive #9.

⁸⁸ "General binding power" meant that "if over half of the regular work force is covered by contract," the contract would also apply to all the workers, including temporary workers. Sin, "Kiöp naebu nodong sijang," p. 222.

The Maritime Union president Choe Chaejun added that "laws should be applied equally to everybody" and any contract against the law "should naturally be null and void."⁸⁹

Encouraged, the KSEC local collected membership applications from temporary workers, asked the company to check off their dues, and requested a change of the article excluding temporary workers from union membership in the contract. At this time there were about 600 temporary workers and a little over 1,000 regular workers who were union members at the yard. The company, understandably, was extremely wary of such a move and tried hard to delay discussion of the matter.

The union also asked the City of Pusan whether temporary workers were eligible for severance pay and a pre-dismissal notice. The Pusan City answered yes and advised the company to pay severance pay to temporary workers with over one year of continuous work at the yard, and to give proper notice to those with over three months' seniority when the company wanted to dismiss them, or pay them a dismissal-notice allowance in lieu of

⁸⁹ Temporary workers' union membership was not common at the time, and the KSEC union officials did not name any company as a reference. Besides the KSEC, Taesŏn Shipbuilding and Sinjin Industries did not have "temporary workers" in the non-eligibility list of the union membership provision in their contract, while Inch'ŏn Heavy Industries and Taehan Pipe [Taehan chegwŏn] did. See a table which compares the 1968 KSEC contract and the company and union drafts for contract revision against the contracts of the four companies mentioned above in KSEC Archive #18. The KSEC management demanded an exclusion of temporary workers as well as foremen, sub-foremen, and sub-section chiefs from union membership during the negotiation for the 1969 contract, and finally achieved its goal in the 1971 contract. See the 1971 contract in KSEC Archive #18 and Appendix D of this dissertation.

the notice. The management, upset by the union's move, sent out a "top secret" order to each shop on August 26 to dismiss temporary workers for seven days after eighty-eight days of work, in order to deny them the possibility of working three months in a row. Dismissal notices were issued at several shops in September and October. At this point, the union decided to act unilaterally. It admitted temporary workers as union members on September 14, requested their dues to be checked-off on September 30, and filed complaints of unfair labor practices on October 20.

In its letter of complaint, the KSEC local recounted how, after "temporary workers expressed their desire to join the union," management turned to the heavy-handed practice of laying off skilled workers after eighty-eight days of work and laborers after five days of work, both for two days, in order to avoid severance pay and the dismissal-notice allowance. The union demanded the immediate discontinuation of that practice and non-interference in the enrollment of temporary workers in the union. Within a month, management backed down and agreed to check off temporary workers' union dues and "change the practice of setting the employment period for temporary workers as the union requested."⁹⁰

Union membership meant not just better prospects for job security and improving wage and benefit packages, but also a much-needed sense of inclusion in the face of everyday

⁹⁰ KSEC Archive #9, 11/19/65 notice from the KSEC to the union local president.

discrimination at the work place. The union's sense of solidarity toward temporary workers was helped by the essential homogeneity of the work force and the labor market situations in the area, which allowed frequent movement of metal workers from one job to another, as we saw earlier. While the union acknowledged the company's need to utilize a temporary workforce to meet fluctuations in market demand, the union in effect was subverting the temporary worker system by struggling for better treatment and union membership for temporary workers.

This union offensive on behalf of temporary workers did not start as a top-down union initiative to include and protect fellow workers in a disadvantageous position, even though the spirit of solidarity was clearly one motivating force. As one official reported, "temporary workers themselves were clamoring to join the union."⁹¹ Representatives of temporary workers visited the union office and asked for help in eliminating discriminatory treatment against them in August and again in October. Yangsönggong temporary workers, who were paid the extremely low 80 won per day, were also protesting their low wage to the company.

Hö Chaeöp explained the necessity and urgency of settling the temporary worker issue in his letter to the company president:

⁹¹ KSEC Archive #7, 9/2/65 minutes.

When the current contract was revised (in October 1964), . . . there was no activity by the temporary employees themselves to join the union. But afterwards, temporary employees, probably because they themselves realized the need, have been strongly requesting [permission] to join our union. Furthermore, they are approaching the matter with the resolve to go so far as to organize a second union if our local does not respond to their request⁹²

After September 1965, temporary workers at the KSEC yard fully participated in union activities and produced militant union officials from among their ranks, including Kwŏn Odŏk, one of core union officials during the momentous strikes of 1968-69 discussed in Chapter 11. Kwŏn testified that in 1967 one third of the union representatives were temporary workers.⁹³ From this time on the union was very careful not to antagonize temporary workers. For example, when the union found out that towels would be distributed to regular workers only at the launching ceremony of 220-ton deep-sea tuna-fishing ships -- numbered 1, 2, 3, and 5 *Bright Light* [*Kwangmyŏng*] -- it halted distribution until negotiations with the owner of the ships secured enough towels to go around to all the workers.⁹⁴

⁹² KSEC Archive #9, 9/5/65 notice from the KSEC local to the company president.

⁹³ Interview with Former KSEC Union Officials, 8/9/2000; Sin, "Kiŏp naebu nodong sijang," p. 222.

⁹⁴ KSEC Archive #12, Report at the 8/20/66 annual Assembly of Union Representatives. KSEC, *Samsimnyŏnsa*, p. 246. The ships were completed on December 21, 1965.

Prior to the autumn of 1965, in comparison, the union was not so solicitous of the feelings of temporary workers. At the 1965 Labor Day (March 10) celebration, towels were distributed as gifts to all the workers, but movie tickets were given only to regular workers.⁹⁵ From the autumn of 1965, however, the union made sure to get the same pay raise for both temporary and regular workers, as the 1966 and 1967 wage negotiations showed.⁹⁶ In both those years, the union demanded that the contract be applied to temporary workers, and it wrested significant concessions in that regard from the management.⁹⁷

Even if the union managed to pull through difficult and tumultuous negotiations and confrontations and win decent outcomes in 1965, rank-and-file workers did not relax their grip on the leaders' necks. Union meeting minutes were filled with concerns about the "volatile" situation on the shop floor or complaints of dissatisfied rank-and-file members. After Hō reported the content of the final accord of December 21, 1965 to the Steering Committee meeting within two days, some committee members severely criticized the leadership.⁹⁸

⁹⁵ KSEC Archive #7, Report at the 5/19/65 annual Assembly of Union Representatives.

⁹⁶ KSEC Archive #15, 9/14/66 Labor-Management Working-level minutes; Sin, "Kiōp naebu nodong sijang," pp. 222-23, 228. Temporary workers earned on average about 60 percent of what regular workers made from 1964 to 1969. For example, in 1965 the average wage of regular production workers was 10,753 won, while that of temporary workers was 6,364 won.

⁹⁷ For other examples, see KSEC Archive, #7-9, #11-13, #15, #17-19.

⁹⁸ KSEC Archive #7, 12/23/65 minutes.

The sticking point in this case was the issue of union democracy: the critics claimed the union did not fully involve the Steering Committee members and shop representatives in the negotiation process. The final accord was reached on December 21 without the Steering Committee's review. In addition, the chaeng'ŭi was not approved as legal by the Pusan City Labor Committee, and the union's leverage in negotiation was marred as a consequence. Furthermore, the rank-and-file members were not informed of such problems.⁹⁹ The union leadership was "too secretive," one member complained. Another told the leaders to "show more respect to the union members." From the start of the meeting Hŏ Chaeŏp expressed a willingness to resign. Core officials, including Pak Chŏngbu, Chŏng Chiyŏng, and Ye Chongguk, tried to counter the criticism by advertising the union's achievements:

⁹⁹ The decision to enter a chaeng'ŭi was made by union officials together with foremen and sub-foremen [*panjang*] at a joint meeting on December 15th. The Steering Committee did not object to it at the December 20 meeting and Hŏ was optimistic that even though it was hard to guess the Pusan Labor Committee's decision on the legality of the chaeng'ŭi, the union could "force a new precedent by pressuring them with direct action." The chaeng'ŭi was on shaky legal ground because the original chaeng'ŭi was ended by the union after an accord with management was reached. Even if management did not follow through on the agreement, it was problematic to reopen an already completed case of chaeng'ŭi on the basis of a delay in the execution of the agreement. KSEC Archive #7, 12/15/65 and 12/20/65 minutes. Pak recalled in 1966 that the reason they were able to pull off the December chaeng'ŭi was "because all the conditions were there regardless of the question of legality. That is, . . . [the company] was in a desperate position to fulfill year-end goals and therefore, we were able to ignore the laws." KSEC Archive #11, 7/15/66 minutes.

You should understand that we went through the chaeng'ŭi under difficult circumstances. With this chaeng'ŭi, we achieved 90 percent of our goals in the revision of the contract Don't you agree that 100 percent attainment of 100 percent of the demands is very hard to accomplish? I hope the Steering Committee members understand this and try to help the rank-and-file workers comprehend the situation.

But those critical of the leadership did not budge from their view that the December chaeng'ŭi was a failure. Son Taegŭn criticized Ye's position as follows:

You sound like you are making excuses for the [results of the] chaeng'ŭi, but it is opposite of the shopfloor opinion.

Kim Oksaeng agreed:

[T]here were mistakes and you can't argue that you did fine. We ended up talking about the failures because what had to be done under legal protection was done without it.

Kim Ch'ŏn'gap summarized the issue: "It seems that there is a big gap between the union and the rank-and-file." After a lengthy and heated debate, Pak acknowledged the failures of the union to secure legal protection and a broader participation of union members, and apologized. But he grumbled that "several of us were trying to take on full responsibility for fear of possible

casualties, and we believed that we would get praise for that."¹⁰⁰ He also added, "How many state-managed enterprises are giving their workers half-day work on Saturdays? Probably none."

The union leadership was "caught between a rock and a hard place," as Hō once confessed to the president of the Maritime Union, meaning militant and agitated rank-and-file workers on one side and the foot-dragging management waiting for a chance to defeat the union on the other.¹⁰¹ One indication of the power of rank-and-file workers over the union is that year after year the union officials talked about raising the monthly union dues from 1 percent of monthly wages to the legal limit of 2 percent, alleging that the tight budget situation demanded it, but they did not dare put it on the agenda for fear of the members' reaction.¹⁰² The motion to set aside strike funds, on the other hand, passed easily by 44 to 16 at the Assembly of Union Representatives in 1966.¹⁰³

The union got a 10 percent raise in 1966 after briefly entering into a chaeng'üi with 96.8 percent vote in favor of the

¹⁰⁰ Pak was surely in a combat mode in December. At the December 20 Steering Committee meeting, he suggested forming a shadow union executive in case something happened to the current leadership. KSEC Archive #7, 12/20/65 minutes.

¹⁰¹ KSEC Archive #9, 7/3/65 letter to the Maritime Union.

¹⁰² For example, at 8/3/66 Steering Committee meeting, members rejected the idea of raising dues because it was "impossible at this point" and might "sow the seeds of mistrust." KSEC Archive #11, 8/3/66 minutes.

¹⁰³ KSEC Archive #12, 8/20/66 Assembly of Union Representatives minutes. A one-month portion of the total amount of the raise, which the union played a role in attaining, would be saved in the strike fund. But actual check-off of the fund was often delayed because members were reluctant to give up a portion of their pay and the union did not want to antagonize them.

action from the rank-and-file in July.¹⁰⁴ The union faced intensifying pressures from the government at this time, which we will see in the next chapter, but workers were not forgiving. Some members raised the specter of a vote of no-confidence again. A shop committee member said, "[The union's] militant fighting spirit in the past was good, but we're totally disappointed now It is absurd that [the union] fears the company and the government."¹⁰⁵ At the August 20 Assembly, a representative called for the recall of all the union officials except for the president.¹⁰⁶

By November 1966, temporary workers outnumbered regular production workers in the union by 1,028 to 895.¹⁰⁷ A year later, the ratio of temporary worker-members to regular production worker-members was even higher at 1,541 to 831.¹⁰⁸ According to Kwŏn Odŏk's testimony, cited earlier, one third of union representatives in that year were temporary workers. Naturally their insecure status and wage discrimination in comparison to

¹⁰⁴ Out of 1,805 members, 1,633 voted: 1,580 ayes, 6 noes, 20 abstainers, and 27 invalid votes. The union's original demand from February was a 40 percent raise for both regular and temporary workers and the management held firm at 5 percent. The union attached to a wage-demand notice to the company president a list of 60 workers who left the yard for another metal-industry company. It showed that the average pay of those 60 people rose from 7,824 won to 20,560 won with the job switch. KSEC Archive #11, 2/18/66 letter to the company president and 7/15/66 minutes.

¹⁰⁵ KSEC Archive #11, 6/17/66 minutes.

¹⁰⁶ Chŏng Chiyŏng quarreled with him at length and both of them had to be removed from the meeting.

¹⁰⁷ KSEC Archive #19, statistical documents attached to the 8/3/67 Assembly minutes. White-collar and technical employees numbered 354.

¹⁰⁸ November 1967 statistics from KSEC Archive #21, 2/3/68 "union demands" to the company. White-collar and technical staff numbered 338.

regular workers came to the fore of the union agenda. While some companies paid higher wages for their temporary workers in order to compensate the temporary workers' lack of job security, the KSEC paid much less for temporary workers, as is shown in the table below.¹⁰⁹

Table 8. Comparison of Wages by Status at the KSEC Yard (in won)					
Year	Nov. 1966	Nov. 1967			
Status\Wages	Wage excluding overtime	Base Wage	Job Wage	Overtime	Average Wage
White-collar/ Technical	14,242	9,903	8,095	1,939	19,937
Regular Production	10,976	7,848	6,771	8,298	22,918
Temporary	5,642	8,442	N/A	5,468	13,910

Sources: KSEC Archive #19 and #21.

During 1967, the union worked hard on behalf of temporary workers to expand contract coverage to them, to have more temporary workers promoted into regular status, to get them compensation in cases of "no-business day" orders, to repeal occasional mass lay-offs of temporary workers, and to reduce the wage differential between them and regular workers. The union had some success, but temporary workers and some union officials, especially those who themselves were temporary workers such as Kwŏn Odŏk, were unsatisfied. At a December meeting, they levied criticism against the local president Hŏ and core officials. Kwŏn asked that a task-force committee be established on the temporary-worker issue, implying that the current leadership was

¹⁰⁹ KSEC Archive #11, 2/18/66 union demands to the company.

incompetent. Pak Chŏngbu and others threatened to resign at once.¹¹⁰

Increasingly, however, the union found itself entangled in a much bigger problem, conflict with the country's export-led economic development plan and the ever more conspicuous presence of state agencies in industrial relations. The menacing drum beats of the unforgiving, high-growth, chaebŏl-led export economy were getting closer to the KSEC yard in Pusan. Contrary to the conventional view of the Park Chung Hee regime as authoritarian from start to end, its labor policy up to 1967 was more tolerant of labor activism than most analysts have thought. And its control over industrial relations at state-managed enterprises, as we have seen in this chapter, was rather loose. Eventually, the junta's original vision of peaceful industrial relations based on labor-management cooperation enforced by the state-controlled FKTU system had proved ineffective by the late 1960s, largely because of rising militancy among unionized workers. But before the late 1960s, the Park Chung Hee government opted to leave matters of industrial relations in the workings of the existing labor-law system.

The KSEC workers utilized this valuable space for labor activism, and demanded better remuneration, job security, an end to discriminatory labor practices of the company, more equality

¹¹⁰ KSEC Archive #19, 10/28/67 minutes.

in industrial relations, and a voice in and control over working life. The union under Hŏ Chaeŏp, a leader installed by a rank-and-file revolt against a leadership unresponsive to them, embraced democratic principles in union operations, and made meeting the interests of the weaker segments of the workforce such as temporary workers as a central task of the union. The union registered success after success in this period in its collective actions against management and in defiance of the directives from the MCI, and the workers' confidence in the power of their union grew significantly.

Let us now examine how differing visions of economic development and of labor's place in it on the part of the KSEC local, the company, and the state played out at the KSEC yard in the late 1960s. During that period, changes in economic and political situations pushed the Park regime toward a much more repressive labor policy, and the changing state policy on labor and especially the heightened determination on the part of state agencies to curb unions' power affected the outcome of workers' activism greatly. The last two chapters of Part III will examine what the outcomes of that historic struggle between the KSEC union and the allied force of the state and management meant to the shipbuilding industry and its workers in the 1970s.

**Part III. Nationalism, Development, and Labor Repression,
1968-1979**

The story of the KSEC local shows how a part of organized labor in South Korea built a militant and democratic union by the late 1960s. The union did so by successfully utilizing the full potential of the available legal, ideological, and economic resources under the conditions of the South Korean political economy in that decade. The significant successes in economic development through exports of manufactured goods during the second half of the 1960s under Park Chung Hee's leadership, however, heightened the zeal for catching up. In this changing economic and political environment, an increasingly mobilized and vociferous labor movement inevitably found itself on a collision course with an ambitious developmental state. Soon enough the phase of what George Ogle termed the Park regime's "flirting with democracy" was over, and so was the regime's willingness to respect legally guaranteed labor rights. Through the government's handling of the strikes at the end of the 1960s, both at female-dominant export industries and at the KSEC shipyard, it was starkly revealed how little room there was in the strategy of an export-oriented high-growth economy for the workers' vision of development that would embrace and respect their citizenship and partnership.

This part analyzes, through the KSEC case, these developments, which culminated in the severe repression of labor at the end of the 1960s and throughout the 1970s. The first chapter in this part examines understandings and perceptions of the KSEC unionists regarding labor's legitimate place in the economic development of the nation. I explore what they aspired to have by analyzing their discourse and behavior in the late 1960s. My goal is to locate the sources of their militancy, which ultimately brought them into direct conflict with the state and destroyed their union.

In 1968 the state turned over the ailing shipyard to a private capitalist. The second chapter follows the head-on clash between the union, which tried to hold on to what it had achieved, and the new owner, determined to suppress the union. This conflict came to a head in a major strike at the yard in 1969. The union met a debilitating defeat when the state stepped in to end the strike. The sharp decline in labor militancy at the end of the "decade of the knock-down-drag-out strike" -- the 1950s -- in Japan resembles the South Korean situation ten years later.¹ Andrew Gordon emphasizes the role of determined and concerted efforts by "united capital," backed by the state, in explaining the Japanese transition from militant unionism to cooperative unionism. In comparison, the state's will was much more prominent in the South Korean suppression of labor militancy at

¹ See Gordon, *Wages of Affluence*, chapters 6-7.

the end of the 1960s, as we will see in Chapter 11, reflecting the lower level of industrial development in general and the relative weakness of organized capitalists in South Korea at that juncture. In other words, capitalists played a bigger role in curbing labor militancy in Japan, while the state assumed a bigger role in South Korea.

The 1968-1969 KSEC strike was one of the major industrial conflicts in the decade in South Korea, and the crackdown by the state on the KSEC union and other unions at the same point in time cleared the stage for a new era in the South Korean drive for economic development. If we accept the "groove argument" of Atul Kohli, which was discussed in the Introduction, we could think of this outcome as something preordained. Grooves of a super-strong state, state-capital collusion, and weak labor had been present in Korean industrial relations since the colonial era, perhaps covered over a bit during the 1950s and 1960s, according to the argument. And labor, capital, and the state supposedly just slid back into them in the post-1960s drive for success. We will, however, see from the stories of the KSEC unionists and the KSEC shipyard in the following two chapters that the subjugation of labor as the basis of a successful export drive did not come as easily as or naturally as this argument leads us to believe. Falling back into the colonial groove of weak labor, if there indeed existed such a groove, required years of struggle by the company and a decisive policy change on the

part of the state. Together, the state and the company finally quelled workers' activism at the KSEC shipyard and across South Korea in the pivotal years, 1969-1971.

The third chapter looks at the changed industrial relations at the yard in the aftermath of the union's defeat in the 1969 strike. The ideological campaign mounted by the company and the state, even though embraced by a new union leadership committed to cooperative unionism and economic nationalism, failed to thoroughly transform KSEC shipbuilding workers into enthusiastic "industrial fighters." Only by combining the propaganda of cooperative unionism and nationalism with constant surveillance of the union by the police and the KCIA, and, in addition, providing workers with improving material remuneration, was the company able to keep the KSEC workers under control during the 1970s. The rapidly expanding labor market for metal workers and bright prospects for promotion also encouraged these workers to opt for solutions other than union activism in pursuit of their aspirations. This section thus explores the question of why male heavy-industry workers were quiescent during the 1970s, beyond the obvious fact of harsh state repression of labor activism.

By the mid-1980s, however, an explosive resurgence of labor militancy gripped the shipbuilding industry and almost all the industries and major companies of South Korea. Where did this supposedly new surge of militancy of South Korean workers, which shocked so many observers and even labor activists themselves,

come from? The KSEC case provides us a reference point for examining whether this "new" militant and autonomous unionism of the 1980s was based on a very different kind of worker consciousness and mentality than we have explored among the workers at the yard in previous decades. The similarities in the KSEC workers' demands in the 1960s and those of the metal workers of the 1987 strikes indicate that there is a strong continuity in these male metal workers' militant activism between the two periods.

The final chapter in this part, Chapter 13, chronicles the entrance of chaebŏl companies into the shipbuilding industry after 1971. These companies, which practiced an extreme form of anti-unionism, greatly transformed the outlook of the whole shipbuilding industry and led to the extraordinary success of the South Korean shipbuilders in supplying the world market. Focus on the KSEC yard suggests that this remarkable success story did not have much to do with direct colonial legacies of infrastructure, skills, or sophisticated labor and production control systems, contrary to what the "colonial modernization" approach assumes. The KSEC yard, which we have seen struggling for its survival throughout the 1950s and 1960s, and which diligently implemented technological and managerial improvements, now fell far behind its chaebŏl rivals.

The chaebŏl shipbuilders' triumph was at the same time the triumph of straightforward anti-unionism over the general

acknowledgement of a legitimate role for unions that had characterized industrial relations at most large enterprises in the previous decades. This dual triumph was possible because the authoritarian state wholeheartedly backed the chaeböls' practice of illegal union-busting in the name of national economic development. The KSEC, in contrast, did not fare well in the hey day of the South Korean shipbuilding industry. During the 1970s and early 1980s, it tried to catch up with chaeböl shipyards and revive its pride as the shipbuilding center of Korea. In the end, however, it failed and was bought by the Hanjin chaeböl, which specialized in transportation and shipping.

Chapter 10. Worker Consciousness, Nationalism, and the State

Increasing Presence of the State

From about 1964, KSEC unionists began to feel the increasing presence of the state in industrial relations at the yard because the state was trying to control and limit the concessions state-managed companies made under pressure from the workers. At first, the KSEC union was not seriously concerned about the Ministry of Commerce and Industry [MCI]'s directives which tried to nullify some of the gains workers had achieved through union. In July 1964, the union adopted a resolution demanding the repeal of the July 16 MCI order reducing wages to the level of March 2. The resolution criticized the MCI saying that "as a government office which should encourage the protection of workers' livelihood," it instead "distorted judgements, undermined labor activities, and hindered the nurturing of enterprises." It demanded that the MCI should stop the act of "killing our workers."² Then the KSEC local asked the Maritime Union to talk with the government and let it know the results so that it could decide whether to take the next step of "direct action."

Earlier, in the last months of 1963, the Federation of Korean Trade Unions had begun mobilizing its resources for a legal campaign to repeal "unconstitutional labor laws," which had

² KSEC Archive #5, 7/28/64 notice to the Maritime Union and attached "Resolution."

resulted from revisions of the labor laws in April 1963 and again in December 1963.³ The mood at the time was that by raising one's voice and taking some direct collective action if necessary, unions could rectify the wrong attitude of the government agencies. As we saw in Chapter 9, the KSEC union could push management to skirt MCI policies and make compromises with the union. At a Steering Committee meeting in July 1965, the prevailing argument was that because the MCI policy was something that management had to deal with, the union should just press management to accept union demands.⁴

By 1965, however, the union was having more misgivings about the government policy of curbing wage increases and the changing legal and political environments for the operation of Labor Committees. First of all, the newly installed KSEC management, upon fully realizing that blunt union-busting tactics, such as the one its predecessors had used in the unfair labor practice incident of 1965, would not work with this union, opted for more sophisticated strategies. It actively utilized legal tactics and sought more government involvement in industrial relations at the yard. At the same time, it constantly delayed every step of the negotiation process with the excuse that it had to get MCI

³ KSEC Archive #5, "Report on the Struggle against Unconstitutional Labor Laws" (8/1/64). The FKTU formed a struggle committee, organized public forums and national and regional rallies, lobbied political parties, and recalled worker representatives from Labor Committees in protest. It even passed a resolution calling for a general strike on July 22, 1964, an action that was, however, not carried out.

⁴ KSEC Archive #7, 7/20/65 minutes.

approval. At other times it might delay things because company president was away on a business trip. Before 1965, it was the KSEC local which always took the initiative of taking its cases to the regional or national Labor Committee, the Office of Labor Affairs, or the City of Pusan with positive results. In July 1966, however, management submitted an opposing opinion to the Pusan Labor Committee, disputing the union's argument that its request for the initiation of a chaeng'ŭi collective action met all the obligations to be deemed legal.

Before that instance, the union had encountered no problem in having its chaeng'ŭi plan approved as legal by the Labor Committee. This time, however, the union had a narrow victory because the public representative on the three-member committee was sympathetic to the management's position.⁵ Pak Chŏngbu reported at a union meeting that the union was on the defensive at the Labor Committee hearing, and that the effective argument made by the local's president, Hŏ, saved the day for the union.⁶ Following its defeat management moved to request mediation by the Labor Committee. During the month of July, Pak and Hŏ kept reminding other union officials that "the laws are not advantageous to us workers at all" and that "the authorities are

⁵ KSEC Archive #11, 6/27/66 minutes. Hŏ lamented, "it is a pity that a so-called public representative disposed himself in such a way." Pak also voiced his suspicion of "whether the management bribed the public representative."

⁶ KSEC Archive #11, 7/4/66 minutes.

paying serious attention to our local [to thwart the efforts of the union]."⁷

Meanwhile, the government began to tighten its surveillance on union activities. In July the Maritime Union warned the KSEC local that "at this moment when [the government] is trying to oppress the improvement of wage packages for the employees of state and public enterprises, direct or indirect government intervention against union is expected." It promised to "support [the KSEC local] by mobilizing all the forces of the organization." When some union officials at the July 15, 1966 Steering Committee meeting urged going with the shop floor opinion and refusing the company offer of a 10 percent raise, a police officer from the Intelligence Section of the Yöngdo Police Station requested permission to make a statement and cautioned union officials about some "urgent situation," the nature of which is, unfortunately, not recorded in the minutes.⁸ It is not clear whether he attended the meeting from the start, or just walked in to relay the message, but there had been no such attendance or intervention by police officers recorded in union documents before that time. Whether his admonition helped sway the vote is not known, but the moderate party won the debate and the Steering Committee resolved to accept the company offer and end the chaeng'üi.

⁷ KSEC Archive #11, 7/4/66, 7/15/66 minutes.

⁸ KSEC Archive #9, 7/29/65 notice from the Maritime Union to the KSEC local.

By that time, President Hō and the core leaders of the union had become even more wary about the government's determination to curb wages, a position strongly expressed by President Park Chung Hee in a recent statement. But the majority of the union officials brushed off those concerns as evidence of a lack of a proper "militant spirit" among the leaders.¹⁰ The union decided to initiate proceedings for a chaeng'ūi because "chaeng'ūi action -- the weapon of workers -- is the fastest" solution.¹¹ It added a demand to "eliminate MCI's intervention in industrial-relations" to the list of wage and other demands.¹² Labor and management reached an accord in July, ending the chaeng'ūi, but the company as usual did not abide by the agreement. In November, Hō led a group of frustrated members in a rush to the company president's office.¹³ The company responded by firing Hō, but soon backed off and agreed to follow through on the accord.

The United Front Strategy

Since the government offensive against rising wages was focused on the public enterprises under its control, the natural response of unions at such enterprises was to organize a coordinating body to facilitate collective resistance to it. In late 1965, the Conference of Trade Unions at State-Managed

⁹ KSEC Archive #11, 7/15/66 minutes.

¹⁰ KSEC Archive #11, 6/17/66, 7/15/66 minutes.

¹¹ KSEC Archive #11, 6/2/66 minutes.

¹² KSEC Archive #11, 7/4/66 minutes.

Enterprises [Kuggino] was formed for that purpose by twelve unions, including the KSEC union.¹⁴ In January 1966, the KSEC local decided to submit a motion at an upcoming Kuggino meeting to organize a concerted campaign to achieve a 100 percent bonus payment every quarter, and to eliminate MCI intervention in industrial relations.¹⁵ Following the Kuggino's resolution, all twelve member unions started negotiations with their companies with similar demands. In February, the KSEC union again made it clear that it would move in step with the Kuggino in its 1966 round of wage negotiations with the company.¹⁶

The union regarded MCI intervention in wage matters as counterproductive on the one hand, and as an act of overstepping its authority on the other. Hō said, "the problem is the excessive intermeddling of the MCI, which gives the company a way to avoid [negotiation] by constantly mentioning MCI" Kim Indōk seconded that idea: "If the MCI Minister personally attends labor-management negotiations, that'd be a different matter. Otherwise we should never allow [the MCI] to intervene."¹⁷ The union asked the company president to "eliminate MCI intervention

¹³ KSEC Archive #17, 11/29/66 "Request for Remedy to Unfair Labor Practices."

¹⁴ KSEC Archive #7, 11/18/65 minutes. The local approved a monthly levy of 1,000 won by the Conference.

¹⁵ KSEC Archive #11, 1/26/66 minutes.

¹⁶ KSEC Archive #11, 2/16/66 minutes. The union demands were as follows: 1) increase the current base wage by 40 percent for both regular and temporary workers, 2) adjust ranks and salary classes, 3) pay bonus regularly every quarter at 100 percent of normal wage, 4) eliminate the MCI intermeddling in industrial relations. See #11, 2/18/66 notice to the company president.

¹⁷ KSEC Archive #11, 2/16/66 minutes.

and exert discretionary power as the head of a company" in order to solve problems between labor and management on the basis of the equal status of the two.¹⁸

The concerted struggle of Kuggino unions had some effect on the MCI's resolve to freeze wages. In a March 1966 union meeting, Hô reported:

It is a big achievement that, as the result of the recent offensive against the government through the Kuggino, which established strong struggle plans and showed off [union power] across the nation, the MCI was somewhat shaken and has shown a willingness to resume negotiations¹⁹

But he also cautioned that there were some problems with the Kuggino which might lead to its disintegration. Pak and other officials wanted to keep supporting and utilizing the Kuggino, even if some unions were dragging their feet. In April, Chông Chiyông reported that the Korea Electrical Union was backing out of the coordinated campaign under the Kuggino because of "internal organizational matters."²⁰ The KSEC local decided to stick with the Kuggino even if it was very tough to work through it. The reason was because "extreme pressure from government authorities is expected if our local acts on its own."²¹ The Kuggino disappeared from the union discussions by 1967, but an

¹⁸ KSEC Archive #11, 2/18/66 notice to the company president.

¹⁹ KSEC Archive #11, 3/25/66/ minutes.

²⁰ KSEC Archive #11, 4/4/66 minutes. Unions at the Honam Fertilizer and the Headquarters and Pusan Branch of the Korea Petroleum were making progress in negotiations.

urgent call for a "united front" resurfaced with the consolidation of a government plan for the privatization of state-managed companies in 1968.

In anticipation of mounting a broad solidarity struggle, the Maritime Union and the KSEC local devoted considerable effort to investigate situations at other state-managed companies and collect materials such as contracts.²² For example, the KSEC local formed an investigation team on the privatization issue and conducted a fairly extensive survey of the Korea Fertilizer Company in nearby Ulsan and the Cheil Wool factory in Taegu, North Kyöngsang Province.²³ At Korea Fertilizer the KSEC team noticed that while holiday payments, work hours, bonus payments, welfare facilities, and the provision of work clothes and safety shoes were comparable to policies at the KSEC or even better, workers did not know the details of their paycheck and there was an "extreme gap" between the treatments of regular and temporary workers.

The KSEC union investigators found that working conditions at Cheil Wool were very different from both the KSEC and Korea Fertilizer because the majority of production workers there were

²¹ KSEC Archive #11, 4/11/66 minutes.

²² Earlier a round of surveys and factory visits were planned or executed by the Maritime Union and the KSEC local in preparation for the installation of the dangerous-work allowance. Korea Machinery stood out as the place with the best dangerous-work regulations. KSEC Archive #9.

²³ KSEC Archive #19, 1/24/68 minutes and attached report.

women.²⁴ Welfare facilities at the company, such as a clinic, a dental office, a pharmacy, a cafeteria, a dormitory, and bath houses, were good and heavily subsidized by the company. The big problems that galled the KSEC investigation team were the "extreme discrimination between white-collar employees and production workers," the heavy influence of education level on wage determination, and the lack of workers' control over their lives and movement. Women had to quit their jobs when they married, and their contact with outsiders were severely restricted by supervisors.²⁵ White-collar employees had their own separate bath house and monopolized the use of sports facilities on the premise. Workers did not have a say in the Punishment Committee or in the Personnel Committee, and "did not have any self-governing rights" in their mutual-aid society, named the "Rose Society." Workers did not have sick leave and it was very difficult to get compensation for work-related injuries.

Through their surveys of other companies, the KSEC local officials confirmed that they were at the forefront of the union movement in terms of the content of their contracts. Those terms gave workers more say in almost every part of work life. They also had been able to reduce discrimination against production

²⁴ Out of 3,000 production workers, 2,300 were women, working in three shifts of eight hours each. White-collar employees numbered about 300. Ibid.

²⁵ They were allowed to see visitors only during lunch hour, and could get permission to go out of dormitory only twice a week. Women workers were very frustrated with the situation, especially since they had

and temporary workers vis-à-vis white-collar and regular workers substantially, even if there were still big gaps in the amounts of wages and bonus payments workers in different categories received.²⁶

The difficulties the local faced while organizing workers at the Taesŏn yard provided another chance for KSEC officials to see how vulnerable workers at other companies were at the hands of owners who set out to destroy unions. When Taesŏn workers were organized into a sub-local of the KSEC local in September 1966, the owner of Taesŏn yard responded with massive firings and waves of outsourcing.²⁷ The struggle went on for months and into 1967, while the owner resorted, according to the KSEC union, to all kinds of unfair labor practices for union-busting.²⁸

elected supervisors at their dormitory and had more freedom generally before the 1961 military coup. Ibid.

²⁶ KSEC workers, however, often complained that their wages were much lower than comparable wages at other companies. See, for example, KSEC Archive #15 11/28/66 minutes. Korea Fertilizer workers received 500 percent of wages as annual bonus -- higher than what KSEC workers got -- according to the KSEC investigation team.

²⁷ The KSEC local had been trying to organize Taesŏn workers since the previous year, but "could not proceed because of obstruction by the employer." On September 4, 1966, the sub-local held a founding meeting after collecting applications from "320 workers through spirited internal organizing efforts." KSEC Archive #17, 9/4/66 notice, Report on Taesŏn sub-local, and minutes of the Taesŏn Shop Committee.

²⁸ According to the "Request for Remedy of Unfair Labor Practices" filed by the KSEC local on behalf of the Taesŏn sub-local, the Taesŏn president committed a colorful array of unfair labor practices, including the following: immediately firing a vice president of the sub-local, rejecting the sub-local president Hwang Sŏngdo as a negotiation partner, refusing to issue union officials employment certification needed to register the sub-local with authorities, imposing on workers to sign a petition to move Taesŏn out of the KSEC local, removing desks and chairs from the sub-local office, directing a full-time union official to go back to his job post while offering to "help run the union if the union gets busy," and tearing up and burning posted union

By 1968, the KSEC local was feeling quite isolated. The prospect for a "united front" against privatization seemed gloomy. Pak Chŏngbu, just elected as the General Secretary of the Maritime Union, reported, after visiting several companies, that unions at Taehan Maritime Transportation [*Taehan haeun kongsa*], Korea Petroleum, and Ch'ungju Fertilizer had not yet made up their mind about the issue, and the Inch'ŏn Heavy Industries Union was saying that public or private ownership would not make much difference for them.²⁹ He concluded that launching a solidarity struggle seemed impossible at the moment.

The KSEC local could not expect much from the FKTU either. Union officials lamented the incapacity of the FKTU at the Seventh Roundtable meeting of union officials in January 1968. When O Chinhwan argued for "deploying a national united front" in the struggle against privatization, Pak added a cautionary remark:

[Even] if a united front is deployed, our local will be put in charge anyway since the current FKTU people are not capable of taking charge of the great mission of struggle. To avoid suffering damage to our union and to achieve our goals, we ought to exercise caution. I think that a desirable struggle method for our local would be to begin

notices. The company enticed the union members to get out of the KSEC local with a promise of accepting union demands including a contract, all the while firing regular and temporary workers continuously. See KSEC Archive #17, *passim*.

²⁹ KSEC Archive #19, 3/6/68 minutes. Because of his new post at the Maritime Union, Pak lost the Standing V.P. position at the KSEC local. Son Taegŭn was elected to replace Pak at the same 3/6/68 Steering Committee meeting. Pak still spent much time at the KSEC local, and was reinstated as the Standing V.P. in October 1968.

with a united front and then switch to a solitary fight later on.

Yi Chihwan agreed:

Now the government is contemplating privatization of state-managed companies because of their concern that most companies which so far have maintained union activities are state-managed companies. But there has not been a single statement from other state-managed company unions. Considering that there is not much we can expect from the upper-level organization FKTU, I think that we'd better write up the results of the investigation done so far, together with [an explanation of] the negative aspects of privatization, and mail it to the FKTU.³⁰

One of the reasons behind the weakness of the Kuggino or successive united front efforts was the weakness of the FKTU. The Maritime Union was also in organizational disarray by 1967 because of corruption charges and internal disputes.³¹ The KSEC local decided to take the initiative and call for an extraordinary Assembly of Representatives of the Maritime Union to deal with these problems. The KSEC union felt it was forced to act since the Maritime Union President was reluctant to convene such a meeting.³²

By January 1968, the KSEC local had decided to oppose the privatization plan of the government because it perceived it

³⁰ KSEC Archive #19, 1/24/68 minutes.

³¹ KSEC Archive #19, 10/28/67, 12/28/67 minutes.

³² KSEC Archive #19, 10/28/67 minutes.

would serve as a means to set back what public enterprise unions had achieved so far.³³ Despite all the rhetoric of "struggle," the union also did not neglect behind-the-scene negotiations with the MCI. During most of 1968, the MCI was rather conciliatory toward the KSEC local, mainly because the KSEC workers were hard to calm down otherwise. In April and May, the union negotiated with MCI officials and KSEC managers to improve the 20 percent raise package mediated by the Pusan Labor Committee.³⁴

Since January the union had been demanding a 81.66 percent raise. It had filed a petition for the initiation of a chaeng'üi and staged a protest rally and a sit-in to win its goal. The company continued to hold out, however, alleging lack of funds and MCI opposition. Finally, President Hō, an MCI official, and a KSEC manager worked out a plan "surreptitiously" in Seoul to give twenty hours' worth of overtime payment to workers as a "special work allowance," on top of the 20 percent raise already put on the table by the Pusan Regional Labor Committee.³⁵ Negotiations for a bonus payment of 200 percent that year also involved several meetings with MCI officials in Seoul.³⁶

³³ KSEC Archive #19, 1/11/68, 1/24/68 minutes.

³⁴ KSEC Archive #19, 4/28/68, 5/6/68 minutes. Also in April, the MCI Planning and Management Section chief took the unusual move of personally attending a Labor-Management Council meeting at the yard where he explained government policies in detail. KSEC Archive #18, 4/9/68 minutes.

³⁵ KSEC Archive #19, 5/6/68, 6/27/68 minutes.

³⁶ KSEC Archive #19, 7/22/68 minutes. The union approved expenditures incurred in relation to those Seoul meetings and decided to collect 50 won from members and 100 won from non-members when they were paid the increased bonus payment to help defray the negotiation cost.

Consciousness and Attitudes of Workers

Workers exhibited confidence in the righteousness of their claims and the eventual success of their struggle in this period. The only real problem they saw was with the leadership: if only the leadership would keep its militant fighting spirit and not betray the mandate of the rank-and-file workers, the union would achieve victory. Where did this confidence come from? One source of it was the accumulated experiences of the KSEC workers in the union movement since 1958. Accumulation of positive results deepened their confidence and self-righteousness as trade unionists. When they made their first effort at lobbying in Seoul in 1961, the union officials expressed nervousness at the idea of going to Seoul without appointments and of knocking on the doors of important government offices as delegates of a local union. The mission was a big success, as is shown in Chapter 7, and as the 1960s went on, the KSEC local established itself as a formidable foe of management at the KSEC yard, pushing the latter to defy the MCI directives so as not to prolong the highly publicized unrest by militant workers at the company. The union's demand to be treated as an equal partner in industrial relations was practically attained by the mid-1960s, and even the MCI could not ignore the union's power. The KSEC local also became a leading member of the Maritime Union and helped it organize other workers. The local's leadership position in the

South Korean labor movement was further confirmed by its active involvement in the Kuggino campaigns.

Another source of confidence was its success. Up to 1968, the union attained most of its demands year after year, and its continuing success boosted the morale and the expectations of rank-and-file workers, who began to develop an inflated notion of the union's capacity. The union leaders, who had constant contacts with management, showed much more sensitivity than did shop representatives about the difficult economic situation faced by the company.³⁷ Union leaders, however, were perpetually subject to the close scrutiny of rank-and-file workers and their shop representatives. The union in this period upheld and practiced democratic principles, and even well respected presidents such as Im or Hō did not have enough charismatic power to negate democratic procedures. The leadership had to measure the possibility of a rank-and-file revolt before making any compromises with management.

Nevertheless, the leadership's respect for the rank-and-file was not simply a one-sided imposition on them, but also a practice that revealed the democratic conviction of the core leaders. Hō Chaeōp expressed his democratic philosophy at the

³⁷ Kwōn Odōk testified that he was very apprehensive of the strikes the KSEC local waged in 1969, but he or other union leaders were unable to persuade the rank-and-file members who were encouraged by the successive victories of the union and were overly confident in the union's capacity to win concessions from management. Kwōn Odōk Interview, 9/20/2001.

annual Assembly of Union Representative on August 3, 1967 as follows:

Our Maritime Union KSEC local . . . has now grown into a strong organization second to none. It is highly regarded as a democratic union

Our democratic labor movement is a movement founded on a spirit of respecting human life and dignity, and we do not doubt the dignity of human beings a single bit. But in which manner men are dignified is something about which everybody probably has different ideas. And we will have to deepen our understanding of this throughout our lives.³⁸

Workers' confidence also stemmed from a sense of self-righteousness, the belief in the legitimacy of their demands, which was a historically endowed ideological asset of South Korean workers. The trade union movement had been accepted from the start as an important part of the social movements aiming at self-improvement and independence, as we have seen in chapter 3. Socialist --especially Communist -- ideologies, which were influential in anti-Japanese independence movements and in the labor movement in colonial Korea since the 1920s, significantly impacted the trajectory of the Korean labor movement in the postwar years. The absolute majority of industrial workers took side with left-leaning activist unions affiliated with the Communist-led Chŏnp'yŏng, and participated in waves of strikes. Even though thwarted by the U.S. Military Government, the massive

mobilization of workers for two years under radical platforms and propaganda for revolutionary transformation of Korea, together with mobilization of tenant farmers and other social groups, generated an overall radicalization of South Korean politics, whose residual influence was still felt through the Syngman Rhee era, as is shown in Chapter 5.

By the mid-1950s workers had secured a fairly decent system of industrial-relations procedures and social acceptance of their collective actions. The KSEC unionists felt that public opinion was on their side if only they worked hard to let the wider society know about the real situation at the yard. The basis of this confidence was a shared negative sentiment on the behavior of capitalists as a group, the Korean capitalists' lack of hegemony, which had its roots in the experiences of Japanese colonialism and the immediate postwar years. Instead of the Communist rhetoric of class struggle and revolution, which was severely repressed under the official ideology of anti-Communism espoused by successive South Korean governments since that of Syngman Rhee, unions under the right-wing Taehan noch'ong and, later, FKTU developed a pro-labor ideology of "democracy" which put workers on a par with capitalists in industrial relations and sought a path of economic development which would avoid the pitfalls of both Communism and capitalism, as we have seen in Chapter 5. KSEC unionists were proud of their expertise of and

³⁸ KSEC Archive #19, "Meeting Materials for the 1967 Assembly of Union

commitment to democratic procedures and democratic values as they understood them.³⁹ They regarded the Park Chung Hee government as a decent agent for building modern and democratic Korea, which was a goal they also shared, and thus, harbored an expectation of the government to be sympathetic to their cause or at least neutral.

What were the goals proclaimed and pursued by the union in the 1960s? A proclamation of a commitment to anti-Communism was a must for all the unions under the FKTU structure. Anti-Communism or "anti-Communist liberalism" [*pan'gong chayujuŭi*] strengthened its hold over South Korean politics during the 1960s.⁴⁰ By the 1960s, after the purges of leftists and the end of the Korean War, however, there was no visible Communist enemy left in the South Korean labor movement, and the ever-present rhetoric of anti-Communism in union platforms remained as rhetoric in most cases. The KSEC local was protected from red-baiting more than any other unions during the 1960s because of

Representatives."

³⁹ Kwŏn Odŏk emphasized the KSEC unionists' commitment to democratic procedures in the late 1960s as a distinctive characteristic of the union. Kwŏn Odŏk Interview, 9/20/2001.

⁴⁰ Im Yŏng'il argues that the ideologies of anti-Communism, development, stability, and liberal democracy were the dominant ideologies of the South Korean politics and society since the 1960s, and by the mid-1970s a social force whose top priority was maintaining stability [*anjŏng hŭigu seryŏk*] was entrenched in society. Im Yŏng'il, "Han'guk sahoe ŭi chibae ideollogi" [Dominant ideologies of Korean society], *Han'guk sahoe wa chibae ideollogi* [Korean society and dominant ideologies] (Seoul: Noktu, 1991), pp. 67-87.

the well-respected military background of its president, Hŏ Chaeŏp, according to Kwŏn Odŏk.⁴¹

Since the 1950s all the platforms of the FKTU unions essentially proclaimed the same dual missions of labor. Unions should contribute to company and industrial development on the one hand, and protect workers' rights and interests on the other. For example, the Declaration of the Maritime Union reads in part as follows:

Following the country's policy of exterminating corruption and old evils and of pledging [support for] the prosperity of the nation and its people, we workers shall secure the initiative for the achievement of industrial recovery and accomplish the construction of a welfare society for the working masses by giving our best to the reconstruction of the nation under the principles of democracy, with rock-solid unity and blood-stirring solidarity.⁴²

The KSEC local used the Maritime Union's Declaration and Platform because it was affiliated with that, but when it had a

⁴¹ Kwŏn testified that Hŏ was a "disabled veteran" who was a founding member of the 5th Regiment in Pusan and served as an army officer in the Korean War, and therefore, even the KCIA could not red-bait him or the union he led. Kwŏn Odŏk Interview, 9/20/2001.

⁴² KSEC Archive #7, "Declaration, Platform, Statutes, and Rules" and #19, "Meeting Materials for the 1967 Assembly of Union Representatives." The Platform read as follows: "1) We shall strengthen the anti-Communist system through union organization and become the spearhead for the democratic unification of the country, 2) We shall pursue legal activities for the development of a democratic trade union movement, 3) We, by rock-solid unity, shall protect workers' basic rights and improve workers' living standards, 4) We shall contribute to the development of national industries with healthy working spirits, and pledge to establish an autonomous economy, 5) We shall contribute to the world

chance to declare its own philosophy, it put in a much stronger emphasis on the principle of equality between labor and management. For example, the introduction of the 1968 KSEC contract declares its purpose as follows:

The KSEC . . . and the KSEC local . . . acknowledging the social mission of the shipbuilding industry, sign this contract for the purpose of working toward the prosperity and development of the company and the stabilization of workers' lives, *on the basis of labor-management equality* [italics mine]⁴³

The company was fully aware of the implications of the "labor-management equality" phrase, and pressed for a revision of the Introduction during the negotiation for the 1969 contract. The following was the management's draft for the part quoted above:

The KSEC . . . and the KSEC local . . . acknowledging the social mission of the shipbuilding industry, sign this contract for the purpose of working toward the prosperity and development of the company and the stabilization of workers' lives and the enhancement of welfare"⁴⁴

The "enhancement of welfare" was in and "on the basis of labor-management equality" was out in the company draft. Just as would happen in the case of membership rights of temporary workers and

peace by strengthening international ties with workers of friendly democratic nations.

⁴³ KSEC Archive #18, "Comparison of 1969 Contract (Draft): Labor and Management."

the progressive rate of severance pay, the company's wish to remove this subversive equality phrase was achieved after the defeat of the union in the 1969 strike.⁴⁵

The KSEC union regarded the twin goals of economic development and workers' welfare as compatible or even complimentary. When the union recognized certain contradictions between them, it chose to give the workers' interests priority over the other goal because "the driving force behind economic development is labor" and "workers can't work on an empty stomach." The KSEC local explained the rationale for its demand of a 81.66 percent raise in a notice to the company president as follows:

The government is publicizing the growth of the economy and the improvement of labor productivity with fanfare. Then, the life of us workers should improve according to that improvement rate. It, however, has been going backward to say nothing of improvement. How absurd a situation is that? The reward of sweat and labor all day long is a low wage that is not enough to support a six-person family with gruel. If the driving force behind economic development is labor, shouldn't a laboring worker at least be able to afford eating a bowl of rice without having to worry about it? . . . We have been crying out for the readjustment of wages to a realistic level because first of all we have to

⁴⁴ Ibid.

⁴⁵ This is revealed in the 1971 contract in KSEC Archive #18.

be able to live as human beings and to reproduce our labor power⁴⁶

Economic development -- overcoming poverty -- was not just President Park's commitment but also the workers' ardent desire. Workers believed that they contributed a lot to industrial development, but were slighted in terms of reward. The KSEC workers often expressed their pride in developing the yard and the shipbuilding industry to its current level with their hard labor and improving skills. Hŏ Chaeŏp claimed in late 1965 that workers were the motivating force behind the government's industrializing efforts:

As the fruit of our members' blood and sweat -- members who persisted in diligent labor without being discouraged by adversity and hardships -- the development of the shipbuilding industry and an internationally-competent level of skills have been achieved. Our contribution of

⁴⁶ KSEC Archive #21, 1/21/68 wage demand notice to the company president. Economic analyses put out by the union in this period often contained social science terminology and sometimes smacked of leftist ideas. One possible author of such union documents was Kwŏn Odŏk. He recalled that he had obtained political consciousness even before entering a college as one belonging to the "generation of the April 1960 student uprising." He had studied political science at a college for a semester, and went to work at the KSEC yard with an aim of joining the labor movement there. Because of his background, he said he had been worried about KCIA surveillance on him during his tenure as union official at KSEC. He claimed that his place in the social movement of the 1960s was similar to that of radical student activists of the 1980s. Kwŏn Odŏk Interview, 9/20/2001. The local president Hŏ, who studied three years at the School of Law at Tong'a University in Pusan, and the vice president Pak Chŏngbu, who often played the role of union strategist and frequently used leftist terminology in his arguments, were also possible authors of the reports and statements the union made.

labor investment encouraged the government's desire and brought about today's stage of development.⁴⁷

In the same vein, in 1966 the KSEC local evaluated their achievement as follows:

Looking back, we honed and polished poor, inadequate, and junk-like tools in disadvantageous conditions and despite all kinds of problems and risks to life; [We did this] because the backwardness of our nation cut deep into our hearts. With nothing but the spirit of sacrifice and diligence, we poured all our hearts and strength into the task of reviving our country and of improving shipbuilding-industry skills. The competency and complete trustworthiness we have cultivated is well known to the world. It was nothing but the crystallization of the blood and sweat of our efforts.⁴⁸

The products of the KSEC workers' labor -- steel ships, huge metal structures, and advanced machinery -- also gave them concrete proof of their worthiness and contribution to the nation.⁴⁹ Working under rough and dangerous working conditions and witnessing many injuries and deaths among their ranks,

⁴⁷ KSEC Archive #7, 10/20/65 open letter to the union members by Hø. Then, he contrasted un-enlightened behavior of employers with it: "But some ignorant employers, who were still living in the past, regard workers like slaves and use oppression as daily events."

⁴⁸ KSEC Archive #12, Activity Report for the 1966 Assembly of Union Representatives.

⁴⁹ What the shipyard produced and for whom seem to have played an important role in workers' perception. Roman Laba found something similar in the Polish case where "shipyard workers firmly believed that the ships were produced for the Soviet Union under contracts that were exploitative" and such a perception "formed the political context for the work in the shipyard." Laba, *Solidarity*, p. 120.

workers and the union believed that they had a solid basis to claim a reward for their crucial contribution to economic development.

KSEC workers were therefore indignant at their below-subsistence wages and attributed it to the employer's wrong attitude and low regard for production workers, regardless of whether the company was making profit or not. The union often argued that workers were entitled to "live like human beings" by enjoying a family living wage, and should not be treated like "slaves" or "farmhands" [*mōsūm*]. The reason production-worker wages had been moving backward for the past years, the union claimed in early 1968, was because "employers harbored the wrong way of thinking: [they thought] that they could repress wages to a low level by utilizing the surplus in the labor supply."⁵⁰ But "one can't work without food, and there would be no economic construction where [workers'] livelihood is not secure." If these excesses were left alone, "things would blow up," the union predicted.

⁵⁰ Real wages went down by 8.2 percent from 1960 to 1966 while labor productivity went up by 53.6 percent during the same period, according to the Industrial Bank statistics. KSEC Archive #21, 1/21/68 wage demand notice to the company president. Using statistics from the Industrial Bank, a consumer price index of the city of Pusan, public transportation fees, school tuitions, and the local's own survey of members' income and expenses, the union concluded that average KSEC union member household (5.9 persons) needed 8,966 won a month more in order to meet the average monthly living expenses of 22,579 won. The union calculated the average household income (13,612 won) as the total of the member's normal wage (excluding overtime pay) and family and other income, because the union's goal was to secure the right to "live like a human being with eight-hours of labor." The union did not

Even though the union accepted the necessity of applying rationalization measures at the yard and recognized the difficult financial situations of the company, those concerns were usually put on the back burner and regarded as mainly the responsibility of management and the government. Workers had a very negative opinion of management's performance in developing the yard, and felt morally superior to managers from the standpoint of economic nationalism. As discussed earlier, the union, upset by the government's willingness to send work to Japan and the KSEC management's incompetence in preventing it, took matters in their own hands and ran a campaign to block that practice in 1961, including a lobbying trip to Seoul. Similar concern resurfaced in 1965 at a union meeting. A ship designer forcefully argued that the union "should not stop demanding a minimum living wage" but should also demand of the government "that all the ships should be built by our hands."⁵¹

The union did not accept the theory that low wages were necessary to improve international competitiveness. In 1966, the union argued:

[I]ndustrialists are frenziedly raising prices in the commodity market and refusing wage increase in the labor market, and thus doubly exploiting all the people Industrialists, taking advantage of the fact that [our country] is an underdeveloped country with abundant surplus

mention that depending on the work order situation at the yard, overtime pay reduced the monthly deficit of households significantly.

⁵¹ The resolution to do so passed. KSEC Archive #7, 8/10/65 minutes.

labor power, have been propagandizing the view that low wages are the basis of strengthening international competitiveness, but that is a worn-out theory.⁵²

The "way to get out" of the situation was rather to "guarantee wages sufficient to enable the 'livelihoods of human beings'" because currently the difficulty of the "simple reproduction of labor power" was putting "the future of this country at risk."

In 1968, the union attacked the KSEC management head on about failures in business decision-making. In February, after the company dragged its feet in wage negotiations by mentioning the un-profitability of the yard, the union criticized management's decision to import 77 million won of materials, which resulted in a tremendous burden of debt service.⁵³ Then in April, Hŏ made a speech about management's incompetence in front of over 1,500 union members at a protest rally held at the hull shop. He argued that if management had implemented management rationalization measures, the company could have afforded the wage increase the union was demanding, and that the company was purchasing 5,000 different kinds of materials, all at higher-than-market prices. He shouted, "Incompetent managers should go!"⁵⁴

⁵² KSEC Archive #11, 2/18/66 demand to the company president.

⁵³ KSEC Archive #15, 2/21/68 and 2/22/68 Labor-Management Council minutes.

⁵⁴ KSEC Archive #21, 8/8/68 notice from the KSEC to the Mayor of Pusan. One of the slogans of the rally was, "Wrong business management withers the shipbuilding industry!"

In July 1968, the KSEC local demanded the union's participation in personnel matters as one of the conditions for agreeing to the privatization of the yard.⁵⁵ In May 1969, the union opposed the management's decision of reducing the size of the payroll because a privatized company should grow more than when it was under state management and "government policy is also aiming at expansion," not contraction.⁵⁶ In June, the union also demanded that the company should share financial documents with the union if it wanted to use its financial situation as an excuse of delaying wage negotiations.⁵⁷ Clearly, the KSEC union in the 1960s had no intention of respecting "management

⁵⁵ KSEC Archive #19, 7/16/68 minutes. The other conditions were the payment of the whole amount of severance pay at once and the acceptance of the current labor contract by the new owner. A union official even suggested that the union demand a reevaluation of the company assets before privatization.

⁵⁶ KSEC Archive #15, 5/12/68 Labor-Management Council minutes.

⁵⁷ KSEC Archive #15, 6/27/69 Labor-Management Council minutes. Here a comparison with the efforts by the United Auto Workers Union [UAW] in the United States in the immediate postwar period is instructive. U.S. labor historians agree that the union's demand that General Motors [GM] "open the books" and prove its incapability to raise wages 30 percent without a price increase was a radical departure and precipitated a turning point in U.S. industrial relations. See Brody, *Workers in Industrial America*, Chapter 5. UAW demanded a 30 percent wage hike without an increase in the price of cars, and GM management held the line against any linkage between wages and its price-profit structure or ability to pay. GM chairman Alfred Sloan wrote, "General Motors has taken the position that it will not bargain for wages with an operating statement in its hands." See also Lichtenstein, *The Most Dangerous Man in Detroit*, pp. 228-33; Bergquist, *Labor and the Course of American Democracy*, Chapter 5. In the KSEC case, management was using the capacity to pay as an excuse for refusing a big raise. The management in 1969 tried to avoid sharing the company's financial information with the union by making the lame excuse of not having received financial documents from the Seoul headquarters, rather than standing up for its management prerogatives on ideological basis. But it was well aware of the importance of union recognition of management prerogatives, as we will see below.

prerogatives" in personnel matters and business decision making. Unlike other companies such as Taehan Boiler [*Taehan chegwon*], which specified management's right to personnel management in labor contracts, the KSEC union successfully resisted the company's demand to insert a similar article in the 1969 contract.⁵⁸

At least until the late 1960s, the KSEC workers' version of economic nationalism was not a simple endorsement of a liberal capitalist order, in which labor accepts the inevitability of the capitalist path to economic development and accompanying management prerogatives in return for bigger wage and benefit packages. The state's developmental ideology was still in the making, and the lack of capitalist hegemony in society and the government's neutral stance on union activities allowed space for a militant union like the KSEC local to develop a coherent vision of the simultaneous development of the economy and of the interests, voice, and equality of workers. It was a radical stance, the anti-Communist ideology of the FKTU union

⁵⁸ KSEC Archive #18, "Comparison of Contract (Draft): Labor and Management" and "Comparison of Contracts of Various Companies (Excerpts)." The Taehan Boiler Contract of 1968 says, "the union acknowledges that personnel rights in hiring, firing, transferring, laying-off, promotion, rank promotion, reward and punishment, and other areas belong to the company in principle." The KSEC wanted to insert a sentence, "The union shall respect the company's management rights and acknowledge that every and all decision-making power on personnel-related matters belong to the company." The union wanted to keep the old article that just proclaimed the company's duty to transact personnel-related matters "fairly according to this contract and the employment regulations of the company" and add at the end of the article a sentence empowering the union even more: "In case the KSEC wants to

notwithstanding. Workers were demanding to be full partners in the process of economic development, and to have decent living standards right then, not sometime later, regardless of the company's or the economy's capacity to pay. In other words, their vision of a desirable economic system was contradictory to the logic of economic development as practiced in the world capitalist system.

Workers also demanded, with even more fervor, to be treated as full-fledged citizens who were entitled to equal status with managers and white-collar employees. This demand was an expression of their belief that democracy should be the central value system of modern Korea at one level, of a deep-rooted penchant for fairness and equality at another level, and of their acute sense of insecurity and resentment of status discrimination at the deepest level. KSEC workers demanded voice, equality, and control over their work life. The KSEC local was thus on a collision course with management and the state by the late 1960s not simply because of the size of its demand for a wage increase, but because it also insisted on a legitimate place for workers in economic development.

On the question of nationalism, there is no doubt that KSEC workers shared nationalist sentiments with general society and were proud of their contribution to nationalist causes. But they showed much ambivalence when the issue came to a choice between

hire or lay-off employees, it has to reach an accord with the union

"working for the nation" and "stopping work" to better a wage package. Sometimes the union showed great concern over unfinished work on export ship orders while in a chaeng'ŭi. During the summer strike of 1968, the union was much worried about the fate of more than a dozen export fishing ships to Taiwan, which were being built at the yard. At the request of the company for help, the union arranged to have "prestigious skilled wood workers do the work" by engaging the Shipbuilding [chosŏn] local of the Maritime Union so as not to damage the reputation of the KSEC yard.⁵⁹ But at other times, the union flatly refused to work on export orders, as in the case of an LSD ship, docked in the yard for repair in April 1968. Workers, who were engaged in a sit-in at the time, refused to help even though the ship owner was threatening to take the ship to Japan.⁶⁰

The rhetoric of unity and the expressions of solidarity aside, it is natural to imagine that different groups of union members held different shades of enthusiasm for economic nationalism and varied understandings of workers' proper role in economic development. The KSEC Archive documents do not provide sufficient information to make conclusive judgments on this matter, but it is interesting that technical staff members,

before the fact" [*italics mine*].

⁵⁹ KSEC Archive #15, 8/2/68 minutes. But the company was reluctant to entrust a union (the Shipbuilding local) to do the work, and later opted to sign a contract with a company which did not possess the necessary skills. The KSEC union officials were understandably very upset about this. A manager tried to assuage them, saying "we know very well about your zeal and sincerity on the Taiwan fishing ship matter."

rather than production workers, tended to express strong nationalist sentiments in union meetings. When the determined private owner of the yard and the state authorities put enough pressure on the union in 1969, these hidden differences in workers' perceptions would be amplified and eventually lead to a fatal division among union ranks.

Company's Strategy: Bringing the State Back In

Turning to how management perceived all these union activities, we can begin by saying that newly appointed company presidents and their people usually made efforts to discipline the union in various ways, only to find that the union was much more resourceful and resolute than they had expected. A manager recalled to George Ogle after the 1969 strike:

[w]hile under government control, the union exercised almost ultimate power. Frequently they ran things the way they wanted and even ignored or bypassed the lower and middle echelons of management using pressure and threats on the top men.⁶¹

The "top men" were put in a tough position to execute cost cuts and rationalization measures to improve the financial performance of the yard to earn merit from their superiors in the government. Dealing with one of the strongest unions in the country was not easy. The company needed flexibility in

⁶⁰ KSEC Archive #21, 8/8/68 notice from the KSEC to the mayor of Pusan.

determining the size of the labor force at the yard to counteract severe fluctuations in work orders over time, be it by temporizing the workforce, subcontracting, consigning, or outsourcing. The union accepted these measures out of concern for the survival of the workplace, but it soon subverted whatever merits they had by its demand for better treatment for those affected by such schemes. The top executives were naturally bitter about the union's power and influence, but had to think twice before expressing their feelings in front of the unionists, who were ready to start a sit-in or a rally on few hours' notice. Such events could have had consequences for their tenure at the yard if publicized in the wider community, which was often the case.

Company president Kim Tuch'an grumbled to union officials in April 1968: "From my perspective, I think that the company has been treating employees pretty well."⁶¹ When the unionists pointed out that the problem was rather the company's track record of not following through on agreements with the union, Kim confessed: "In the past, [the company] accommodated [employee's demands] before incidents like this happened, but things are different now. I do not have that kind of authority."

As noted above, management's main tactic was dragging its feet with excuses of the yard's financial conditions and MCI

⁶¹ Ogle, "Labor Unions in Rapid Economic Development," p. 383.

⁶² KSEC Archive #21, summary of a meeting (4/23/68) with the company president.

policies.⁶³ The company, caught between increasing pressures from both the union and the government, gradually shifted toward a strategy of bringing in government authorities to face the union at the yard. The most effective way to do it, the company figured out, was to portray the union as a serious obstacle or threat to the national mission of economic development and convince the government that was the case.

Company president Kim was already using nationalist rhetoric to discourage workers from continuing with chaeng'üi action in 1965: "Talking about chaeng'üi at this important moment when we are using all our strength to accomplish this year's business goals is causing serious problems for the nation and for the operation of the company."⁶⁴ He called chaeng'üi a "social evil," which would generate nothing but tangible and intangible

⁶³ A typical case proceeded in the following manner. In 1966, when the Pusan Labor Committee mediated a month-long chaeng'üi at the KSEC with a suggestion of a 10 percent wage increase, the company rejected it and requested compulsory arbitration. Its argument in doing so was in essence that a 10 percent raise was out of the question given the balance sheet of the company and the government policy. Management, however, had to accept the 10 percent soon afterwards. KSEC Archive #13, 6/24/66 opposing statement by the KSEC to the Pusan Labor Committee; 7/12/66 mediation notice of the Pusan Labor Committee; 7/13/66 Request for arbitration by the KSEC. The company cited the 1966 government budget policy, which dictated that 1966 wages could not exceed the level of 1965. Wage increases, it argued, required MCI approval and MCI policy was not to allow wage increases for any of the 13 companies under its supervision. The KSEC had the worst management record of those 13 companies. During the first quarter, the company accomplished 10.8 percent of the business plan, while wage expenditure already reached 18.8 percent of the plan.

⁶⁴ KSEC Archive #8, 12/21/65 notice from the KSEC president to the local. The union took no heed of his preaching and instead scolded him not to treat workers like farmhands. #8, 12/30/65 notice from the local to the KSEC president.

losses to both sides.⁶⁵ The KSEC workers, encouraged by successful collective actions year after year and proud of being important contributors to economic development, paid no attention to such rhetoric. Even President Park Chung Hee was not an exception in the eyes of these workers. In early July 1966, when Park was going to visit the yard to attend a ceremony for the start of a major yard expansion project, a Steering Committeeman and outfitter from the Hull Shop criticized as excessive the company's planned expenditure to host the nation's president:

While ignoring [the task of] improving the treatment of its employees . . . spending expenses of several million won is something we need to think about. Employees are not going to get even a towel. It is fine to put on a big reception when the head of the country comes to the yard, but it seems too excessive.⁶⁶

The union was not happy with the government policy of wage freezes nor a public statement President Park made to that effect. Hŏ declared at a union meeting in June 1966, a month before Park's visit:

We have been experiencing serious difficulties because of various restrictive policies including the President's statement. But now we can't stand it any more. We are

⁶⁵ KSEC Archive #9, 7/26/65 reply from the KSEC president to the local.

⁶⁶ KSEC Archive #11, 7/4/66 minutes. KSEC, *Samsimnyŏnſa*, pp. 298-99 features several pictures taken during the President's visit on July 6, 1966.

firmly determined to go into direct action if no alternative is offered by tomorrow.⁶⁷

Faced with such attitudes on the part of the union and workers, by mid-1968 the KSEC management came to the end of its rope. After waves of rallies, sit-ins, work stoppages, and protests at managers' offices from April to July, events analyzed in more detail in the next chapter, management asked the mayor of Pusan and other authorities to disband the KSEC local on August 8. It appended its petition with a lengthy chronological description of the union's wrongdoings.⁶⁸ In order to engage the government in the industrial relations of the yard, management resorted to casting the union as an irresponsible, subversive, politically-motivated organization, which totally disregarded national interests. The KSEC sent the following "Suggestion" to the mayor of Pusan in its August 1968 communication.

The KSEC union . . . has always gone to extreme in waging illegal struggles, harboring a wrong view of labor-management relations. For about four months since April 1968 [it] . . . executed a total of four illegal strikes and by doing so conspicuously violated labor law provisions, damaged public order, and hurt public interests. Therefore, I [company president] suggest that a strong administrative

⁶⁷ KSEC Archive #11, 6/17/66 minutes.

⁶⁸ KSEC Archive #21, 8/8/68 "Suggestion of Administrative Disposition on the Union" from the KSEC to the mayor of Pusan.

disposition should be imposed, based on the Labor Union Act, Article 32.⁶⁹

In the attached report of illegal strike actions of the union, management labeled the workers' actions "riots" and accused the union of adopting "radical slogans which had nothing to do with wage increases" and of "posting cartoons of very seditious and subversive content on placards and signboards for demonstrations, which badmouthed the economic policies of the state, [and were] unrelated to the wage-increase issue." Most seriously, management continued, the union "hindered national fund-raising for national defense by agitating union members [and encouraging them] to refuse it . . . in the name of protecting workers' interests." Therefore, the management concluded, "The union's activities have political ends, which has a fundamentally different sense of direction from union activities pursuing wage increases."⁷⁰ The union's refusal to help work on the LSD ship in April (see p. 365) was also featured prominently in the management's accusation of the union's character.

⁶⁹ KSEC Archive #21, 8/8/68 "Suggestion of Administrative Disposition on Union" from the KSEC to the mayor of Pusan.

⁷⁰ What the union requested of management regarding the national defense fund-raising of the MCI was that the word "public employees" in the MCI directive should be narrowly interpreted as meaning only the non-production employees so that production and temporary workers would be exempt from collection until a pay raise came through. It also opposed the compulsory collection of the fund. As its rationale, the union argued that members were increasingly upset because they were getting a lowly "manual-worker-level" treatment, one sign of which was wage repression. Meanwhile items were checked-off from their paycheck at the high-level applied to public employees.

The union criticized management for not hesitating to use "the same means that McCarthy used -- remnants of a previous era -- to drive its counterpart into a predicament."⁷¹ The mayor of Pusan did not intervene at this point, but such volatile labor-management relations at the yard probably contributed to the government's final decision to crack down on the KSEC union leadership in the 1969 strike. It is not surprising that the purchaser of the KSEC yard was a strong-willed shipping-company owner, notorious among the Maritime Union people for his dogged resistance to union influence. Let us now turn to the circumstances of what George Ogle called "perhaps Korea's most famous modern strike," a prolonged series of chaeng'ui actions and strikes that occurred at the KSEC yard from 1968 to 1969 and marked a fundamental change in the pattern of labor relations there and in the nation as a whole.⁷²

⁷¹ KSEC Archive #21, 8/10/68 "Circumstances of Negotiation on Demands of Better Treatment," signed by Hŏ Chaeŏp.

⁷² Ogle, "Labor Unions in Rapid Economic Development," pp. 366-67.

Chapter 11. Privatization and the Strike of 1969

In the late Fall of 1968, two major events occurred concurrently at the yard, marking the beginning of the end of an era in which the democratic and militant unionism of KSEC shipbuilding workers flourished. One was a fundamental shift in the organizational principle of the Maritime Union, which abruptly pushed the KSEC local into the fold of the Metal Union. The other was the privatization of the yard as part of the ongoing privatization of state-managed enterprises at the time. The local was not enthusiastic about either move, and had to navigate through uncharted territory with apprehension and caution.

The Challenges of Centralization and Privatization

There had been discussions over the years about the Maritime Union's desire of switching to a centralized decision-making structure in order to strengthen its organizational power. The KSEC local, one of the strongest and most active locals in the Maritime Union, was naturally poised against the idea of a powerful central leadership imposing its will over local affairs. The move generated deeper anxiety and opposition among KSEC unionists than those in other locals because the former perceived themselves as trail blazers of the Korean labor movement. For them, the Maritime Union, especially in recent years, had been a

problematic organization in need of guidance from the KSEC local, not the other way around.

Yi Samsae summarized the concerns of KSEC unionists at a Steering Committee meeting: "I'm sure everybody knows the history of our local's struggles up till now. If the centralization scheme is implemented, it is doubtful how much room would remain for us to continue our struggle."¹ Pak Chŏngbu, who worked as a full-time General Secretary at the Maritime Union headquarters in Seoul until early September, tried to explain the logic behind the centralization move of the upper-level union in terms of its positive effects on wage equalization, job security, and the organizational power of the industrial union system.² He also voiced his concerns about the potential dangers accompanying a transition from one industrial union to another. The local contacted its sub-locals and the Shipbuilding [chosŏn] local to discuss the issue. It asked the regional labor committee about the validity of the existing collective contract, in case it had to change its industrial union affiliations.³ The answer was discouraging: as soon as the KSEC local secedes from the Maritime Union, the collective contract would become null and void.

The KSEC local officials, who were definitely against centralization from the outset, however, felt confident that they

¹ KSEC Archive #22, 10/25/68 minutes. Under the centralized scheme, all the meetings held by local unions, except for labor-management negotiation meetings, would become invalid.

² He mentioned the Japanese and Philippine cases as pertinent examples of centralization, but no detailed information was given in the minutes.

could keep the contract intact by virtue of the sheer power of their union. In the end, they voted 38 to 1 against the Maritime Union's policy of centralization.⁴ Finally, a decision to secede from the Maritime Union was made on November 9, and union officials were all sent out to shop floors to explain the move to members. The secession assembly was held on the morning of November 16, which was ten days after the privatization of the yard. The founding assembly of a Metal Union local was convened in the afternoon of the same day.

Hö Chaeöp recalled in the Preface to the "Activity Report" of the union to the assembly that the union branded the centralization measures as "something unnecessary, even before sufficient discussions were conducted." But the union, according to him, "was not ready to accept it anyhow."⁵ In the same statement, he expressed his vision of the local "creating its own history," after passing the stage of learning from others. He wanted to build a "live" union, in which "well-intentioned fiery competition" would propel the movement, "based on close bonds and cooperation between the union and its members and among the members." The local's business plan proposed at the November 16 Assembly elucidated its goal as follows:

³ KSEC Archive #22, 10/28/68 minutes.

⁴ KSEC Archive #22, 10/25/68 minutes. Out of 59 local officials, 41 attended the meeting and voted. Two were invalid votes. Yi Samsoe suggested that they found a shipbuilding industrial union, but Hö rejected the idea, based on the case of the Tourism Workers' Union, which wanted to secede from the Railroad Union but failed.

⁵ KSEC Archive #23, "Activity Report 8/23/68 to 11/10/68."

The highest goal in the management of a trade union is [to foster] a democratic labor movement. Therefore, the life of a trade union could be preserved forever when members' opinions develop in democratic ways, their active participation is encouraged, and the goals thus collectively set are carried out and attained with force We should utilize departmental activities efficiently, which put the members at the center in running the union. We should strive for a close bond between the union and its members and among members. We reconfirm a bottom-up principle of managing the union in which the union's progress in democratic directions advances relentlessly, buttressed by the expansion of organizational strength at the bottom.⁶

Conscious emphasis on such democratic organizational philosophy was in essence incompatible with the proposed top-down centralized order of the Maritime Union.

Another reason behind the decision to break away from the Maritime Union was that "the local for a long time had been feeling that, by nature, it did not fit well in the Maritime Union."⁷ As we saw in Chapter 6, the KSEC union had tried to build a national metal union as its umbrella industrial organization during the period of radical social mobilization after the April 1960 student uprising against the Syngman Rhee regime. The KSEC union's ambitious project of founding a

⁶ KSEC Archive #22, 11/16/68 "Business Plan." It is noteworthy that the plans of the Organization Department included gender equality: "We will work for the eradication of discriminatory treatment of men and women and the enhancement of women's rights."

national metal union abruptly ended in the aftermath of the 1961 coup. In 1965, the Metal Union, under the FKTU, irked the KSEC union when it attempted to steal the local away from the Maritime Union in collaboration with KSEC management. Now the changing circumstances put the KSEC local under the jurisdiction of the Metal Union at a critical juncture in which the local was facing a life-and-death battle against a new private owner determined to demolish the powerful union. The Metal Union actually supported the KSEC local during its subsequent battle to preserve its position at the yard with strongly-worded statements, donations, and even with a threat to call a general strike. But its impact on day-to-day struggles at the yard or on the outcome of the battle was minimal.

The centralization issue was treated as a secondary issue during this period because of the gravity of an imminent privatization of the yard loomed large in workers' minds. The union was wary of the impact privatization would have on its proud achievements in the areas of wages and benefits, job security, and its equal standing vis-à-vis management in industrial relations. Some union officials voiced suspicions that the government's privatization policy, which at the time targeted most of the state-managed large enterprises like the KSEC, was partly a countermeasure against the increasingly vociferous unions at those companies. The KSEC local launched an

⁷ KSEC Archive #25, 11/16/68 Assembly minutes.

anti-privatization campaign from early 1968 to mobilize public opinion on its side and to persuade the government to drop the project. When it became clear that the government was determined to implement the plan as a solution for the problems in the yard and also as a general plan for state-managed enterprises, however, the union found it only had limited resources to resist.

The writing on the wall became clear in July when the union heard news of the sale of 400,000 KSEC shares previously held by the government.⁸ Union officials lamented, "It seems that privatization is imminent," despite all the efforts they put into the campaign against it.⁹ From July to September they were busy refining their countermeasures. The situation did not bode well. The case of Inch'ŏn Heavy Industries showed that three hundred workers were unexpectedly fired after privatization, with three to six months' pay as "farewell money" but without any severance pay.¹⁰ Legal experts the local consulted were pessimistic about the legal basis of demanding severance pay or compensation for workers' contribution to the company's growth.¹¹ A suggestion was made that union members purchase company stock and participate in

⁸ The government owned 2.3 million of a total of 3.1 million KSEC shares. By August 30, 1968, the government had disposed of 400,000 shares and put another 600,000 on the market, dropping the government's share in the company below 50 percent. KSEC Archive #22, "Stock-holding Situation," attached to the 9/6/68 minutes.

⁹ KSEC Archive #19, 7/10/68 minutes.

¹⁰ KSEC Archive #22, 9/16/68 minutes.

¹¹ KSEC Archive #22, 9/27/68 minutes.

the management of the company, but it did not garner much attention probably because workers had little cash to spare.¹²

Many workers wanted to get their severance pay more than anything else, worrying that their job or overtime work might be cut during the transition period under the new ownership.¹³ As the union had argued in its wage-increase demands year after year, overtime pay was absolutely essential in reducing the gap between the monthly income and expenditures of KSEC worker households. For example, without counting overtime pay, the KSEC member household surveyed needed 47.5 percent more income to cover average monthly expenditures in late 1966, and 65.9 percent more in late 1967.¹⁴ Overtime pay brought the total monthly income close to the level of average living expenses, at least for regular production workers and white-collar employees at the yard.

¹² KSEC Archive #22, 9/30/68 minutes. With the help of the Korean Bank Union Federation, the KSEC local found out that the Hanil Bank and the Chohŭng Bank owned 68 percent of KSEC stocks in violation of the laws governing bank operations. See #21, 9/17/68 minutes and #22, 9/27/68 minutes. Sŏ Sangch'ŏl suggested using union members' money to buy shares which were illegally owned by the banks.

¹³ KSEC Archive #22, 9/30/68 minutes.

¹⁴ In a 1966 survey of 689 member households, the average monthly income total was 10,820 won, of which 8,994 won was earned by the head of the household. The average monthly expenditure of households was 15,960 won. The union argued that workers had to work 12-hour days to make ends meet on a diet of barley, rather than that of the preferred staple of rice. The average monthly wages of regular and temporary production workers in November 1966, excluding overtime pay, were 10,131 won and 5,642 won respectively. KSEC Archive #19, "Survey of Living Conditions." In late 1967, a survey of 942 member households showed that the average household had an income of 13,612 won and living expenses of 22,579 won. In November 1967, regular production workers earned 14,619 won plus an overtime pay of 8,298 won, while temporary workers made 8,442 won plus an overtime pay of 5,468 won. #21, 2/3/68 "Details of Wage Demand."

In September, the KSEC local finalized a list of four demands as its conditions for accepting the privatization of the yard. The union attached the following demands for "absolutely necessary basic rights" in an open letter it sent out to the media, the Blue House, the MCI, the Pusan Mayor's Office, the National Assembly, political parties, and other relevant agencies.¹⁵

1. Since our status as employees of a state-managed enterprise will end with privatization, the government should arrange to have our severance pay calculated by seniority and paid concurrently with the transfer of the company.
2. We workers, who have been devoting our lives since the establishment of the government up until now for the cause of national development, while ignoring our individual security and our individual interests -- workers who have been working at this symbolic microcosm of the exploitation of the nation's sweat and blood since the colonial period -- demand that thirteen months' salary should be granted as a compensation for our contribution.
3. There should also be a guarantee of continuous work for all of the current employees of the KSEC, who are skilled workers with long experience in the shipbuilding industry, so as not to let valuable skills for national development lie unused.

¹⁵ KSEC Archive #21, 9/23/68 "Open Letter: On the Privatization of the KSEC" and a 10/10/68 notice to the company president. An outline of these demands was already made in July and included the immediate payment of severance pay, maintenance of the current collective contract, and the union's participation in personnel matters. #19, 7/16/68 minutes.

4. There should also be a guarantee of further improvement of current various working conditions to raise morale and boost the motivation of production workers.

While the union was making every effort to rouse sympathy within South Korean society for the workers' position, the company was trying hard to undermine the union's power. Since March 1968, the yard had been in constant turmoil from work stoppages, sit-in demonstrations, chaeng'üi actions, and occasional violent clashes between managers and union officials. The union demanded a 81.66 percent wage increase on January 21, 1968 and entered into a formal chaeng'üi on March 18.¹⁶ After numerous negotiation sessions failed to produce a compromise, union members approved initiation of a chaeng'üi process in which 99.26 percent of the members voted in its favor.¹⁷ Even though the company eventually signed a renewed labor contract -- the best contract in non-wage terms the KSEC local had attained so far -- on April 1, and agreed to promote temporary workers into

¹⁶ The figure of 81.66 percent came from adding the average living expense deficit of the union members' household (47.25 percent of the average pay) to the average yearly inflation rate (33.4 percent). KSEC Archive #19, 1/11/68, 1/24/68 minutes, 1/20/68 notice, and 2/3/68 "Demands." Other demands were the creation of a severance-pay fund by the company and prompt payment of the severance pay. Negotiation topics at this time also included the ever-present demand of promoting temporary workers into regular status as well as doing away with wage ceilings applied to them. The Pusan Labor Committee approved the request for a chaeng'üi on March 20, and the legal cooling off period was set to run until April 8.

Four rounds of official negotiation sessions and over ten behind-the-scene negotiation efforts came to no avail. Among 2,364 members, 2,307 cast a ballot and 2,290 approved it (99.26 percent). One voted no, and 16 were invalid votes. KSEC Archive #21, 8/10/68 report. On the March

regular status and do away with wage ceilings in setting the pay scale of temporary-workers,¹⁸ it did not budge on the wage issue.

The wage issue did not go away, however, and from April 22 to 25, workers staged a four-day work stoppage after holding a union protest rally. According to the union, it was a "spontaneous work stoppage" of outraged workers. From the company's point of view, however, it was an "illegal strike," which resulted in a severe loss in company revenues. The union had refused to cooperate with management in keeping an important ship-repair work order (This was the LSD ship already mentioned, which left the yard when workers refused to work on it). The union was also talking about bringing in family members to participate in demonstrations beginning on April 25. The company president had to personally come to the sit-in demonstration site to bring the work stoppage to an end. The union calmly noted that "a conversation channel with the company at last opened" thanks to the workers' direct action.¹⁹

Frantic behind-the-scene negotiations among the union, management, and the MCI produced, by early May, a hushed agreement, which granted workers 20 hours of overtime pay in addition to a 20 percent raise.²⁰ The Pusan Labor Committee handed down this arbitration decision on April 29. The union and

to August chaeng'ui of 1968, see #21, 8/10/68 "Reasons behind the Work Stoppage" and 8/8/68 "Suggestion" from the KSEC to the mayor of Pusan.

¹⁸ KSEC Archive #15, 4/12/68 minutes.

¹⁹ KSEC Archive #19, 4/28/68 minutes.

²⁰ This was the agreement, discussed in Chapter 10, p. 348.

management signed an accord on May 17 to that effect, but the company again ignored it and refused to pay the raises. On June 20, union officials decided to demonstrate their resolve by protesting at the directors' offices, citing that opinion among the workers on the shop floor were "seething" with anger. The union officials were worried because they suspected that a rumor was spreading among the rank-and-file workers that they had been colluding with management.²¹ Over thirty union officials stormed the directors' offices and sat in for two hours until the company agreed to pay the agreed raises by July 7. Management also promised to hire two hundred temporary workers as regular workers.

Once again the company reneged and flatly announced on July 8 that it would not pay the raises. The result was that "all the members were outraged and by noon started a work stoppage without anyone's order." Again the company succumbed to this "illegal strike" of 2,000 workers and promised to pay 45 percent of the raise the next day and the rest on August 7. This pattern of conflict was repeated in August, when the company president declared that he would not pay the 20 hours of overtime pay agreed to in May during the tripartite negotiations.²² The union resolved to "struggle to the extreme within the limit allowed by the law," and on August 6 and 7, all the members refused to work. It was at that point that the company submitted a request to the

²¹ KSEC Archive #19, 6/20/68 minutes; #21, 8/10/68 report.

²² KSEC Archive #19, 8/6/68 minutes.

authorities to disband the union once and for all (See Chapter 10, pp. 370-71).

The strategy of the KSEC management to bring in the state to break the union backfired, however, when the KSEC local and the Maritime Union successfully mobilized mass-media attention through their statements, rallies, and interviews. By August 9, workers were able to receive the full amount of the pay raise.²³ Management, however, did not wait long to start another round of conflict with the union. The company began to fire temporary workers in large numbers in late August. To add insult to injury, it announced that workers should expect more lay-offs in the future.²⁴

The union was furious about the act of "consciously creating a fearful atmosphere" in violation of the contract and labor laws. According to the contract, management was obliged to consult with the union before laying off workers. The Labor Standards Act also dictated that companies should get approval from the Minister of Health and Social Welfare when the business situation required a massive lay-off. In a statement on the mass firing, the union expressed its belief that the purpose of labor laws was to provide "minimum standards" of work, not the maximum, and that collective contracts should give workers more than what the labor laws guaranteed according to the particular situations of each company. Furthermore, management should do more than what the

²³ KSEC Archives #19, 8/14/68 minutes.

law and the contract said to fulfill its commitment to its "social mission."²⁵

The union filed an unfair labor practices complaint against the company and charged it with the violation of the Labor Standards Act. It planned a five-hour street protest march of all its 1,710 members from the yard to downtown Pusan and back.²⁶ Before that rally occurred, an agreement was reached with management on September 12 to pay 120 percent of pay, rather than usual 100 percent, as a dismissal allowance to the fired workers. The agreement also contained a preferential hiring clause, granting those who were laid off preference in case of future job openings. It also contained an agreement to delay lay-offs during the year.²⁷

This was, of course, not the end of the lay-offs at the yard. Until the last hour before the privatization of the yard, the union struggled to get severance pay for laid-off temporary workers on favorable terms, utilizing both legal means and direct-action tactics. Tension between managers and union leaders escalated greatly, especially after management's attempt to have the union disbanded by the state was exposed. During a confrontation between union leaders and managers, Hŏ Chaeŏp, who was usually a voice of reason and restraint at union meetings but

²⁴ KSEC Archive #21, 9/10/68 notice to the company president.

²⁵ KSEC Archive #21, 9/10/68 statement.

²⁶ For details on these events in late 1968, see the meeting minutes in KSEC Archive #21.

²⁷ KSEC Archive #21, 9/12/68 "Agreement."

also a person of compassion and hot temper, hit a manager, sending him off to hospital.²⁸

Overall, however, the union managed to attain fruitful results for its members: the current collective contract was to stay in effect regardless of changes in union affiliation or in company ownership, and dismissed temporary workers received good rates of dismissal allowance and even severance pay.²⁹ The *Chungang ilbo* [Central daily], a national newspaper, published an account of this event and said it was "unprecedented in the Korean labor history."³⁰ The KSEC union held four interviews with media representatives to advertise its achievement to locals of other industrial unions so that they could follow suit.³¹

The union's position was made clear by its numerous public statements, including its broadly-circulated open letter on the privatization issue. Labor laws, which capitalists were calling too progressive and unfit for Korean economic conditions, were for the union nothing more than the "minimum standards" for work.

²⁸ That "violent attack," according to the company, or an "argument," from the union's point of view, on October 4 cost Hō 15,000 won in fines in a summary judgment on January 4th. KSEC Archive #22, 10/11/68, 1/4/69 minutes. The manager hit by Hō was a brother of the company president's wife. According to Kwōn Odōk, Hō was a courageous, compassionate, and hot-blooded man deeply committed to the union and to the workers, rather than a cautious, strategizing, careerist type. Kwōn highly evaluated Hō's quality as union president in two respects: First, union members deeply trusted Hō because of his commitment to workers' causes, his compassion, and his integrity; Secondly, as mentioned earlier, Hō's previous career in the military helped shield the union from possible red-baiting. Kwōn Odōk Interview, 9/20/2001.

²⁹ At the October 29 Labor-Management Council meeting, the management assured the union that there would be no problem in the validity of the contract. KSEC Archive #15, 10/29/68 minutes.

³⁰ KSEC Archive #23, excerpts of newspaper articles.

The union's role was to attain a good collective contract and influence other company regulations to protect workers' rights and welfare beyond what the labor laws prescribed. The union proclaimed in 1968: "In today's world, democracy can be achieved by raising the respect for the dignity of human beings to its maximum level and by universalizing the guarantee of basic human rights, the essence of which is the equality of all the people."³² A guarantee of human rights, which was central to the project of building a democratic society, was interpreted by KSEC unionists as mandating a guarantee of labor's rights to a decent living wage, to organize, to engage in collective actions, and to bargain collectively.³³ Moreover, "where there [was] no guarantee of a decent living, there would be no economic development" because, in their beliefs, labor power was essential in the construction of national economy.³⁴

The unionists demanded equal status between the union and management in industrial relations on the basis of democratic principle and their belief in labor's important role in development. At a deeper level, however, this insistence on and high sensitivity to equality was a reflection of workers' acute sense of status discrimination in South Korean society, which was

³¹ Ibid.

³² KSEC Archive #23, 12/10/68 "Statement" by the union.

³³ For example, see KSEC Archive #21, 9/10/68 "Statement."

³⁴ For an example of this recurrent argument, see KSEC Archive #21, 2/3/68 "Demands."

often expressed in union statements as the "master-farmhand" relationship.

Throughout the 1960s, the KSEC unionists contrasted the pre-modern mentality of management and their own "modern" pursuit of democracy and nation-building. Their demands for labor rights and decent living wages were, in their thoughts, an endeavor to realize the spirit of "modern" industrial relations, a symbol of "progress" in an era in which "the enhancement of human dignity and human rights has never been greater."³⁵ In short, the KSEC shipbuilding workers were demanding to be acknowledged as full-fledged citizens of a modern society and economy with all the rights and entitlements accompanying citizenship. On the surface, they emphasized their practical contributions to economic development as skilled workers and also talked about democracy, but, underneath it, their ardent desire to get free of the stubborn status discrimination against manual workers seemed to have propelled their fierce struggles in this period.

Another conspicuous feature in the KSEC unionists' mentality was, as mentioned earlier, their confidence in their moral uprightness and legitimacy vis-à-vis South Korean capitalists, who were, in their view, lacking a sense of social mission and zeal for achieving national goals. This sense that the workers occupied the moral high ground was revealed in their attitude toward law. The union mostly abided by the law and emphasized

³⁵ KSEC Archive #21, 9/10/68 "Statement."

the legality of its actions whenever it made public statements. It did not hesitate, however, to break the rules and make a display of their power when necessary. To union leaders, such non-legal or illegal actions on the part of workers were justifiable since their counterparts -- the top executives of the company -- were acting in bad faith because they had neither "conscience" or a sense of "social mission" that should have been required for the actors involved in the sacred task of national economic development. Moral outrage, rooted in the widely shared perception during the immediate postwar years of a struggle between morally upright workers and greedy profiteering managers, reverberated through the union's demands in this period.

For the most part, illegal sit-ins and demonstrations were forced upon the union leadership by militant rank-and-file members rather than being initiated from the top at the KSEC yard. Most of the numerous work stoppages in 1968 and 1969 started without explicit union directives. The leaders were aware of the fact that rank-and-file workers were watching them closely, ready to throw them out in case they failed to prove their commitment to workers' interests and to a "militant spirit of struggle."

These, then, were the terms of the struggle that the new management had to deal with in its relations with the union after privatization in November 1968.

Privatization and the 17-day Sit-in of 1968

Namgung Ryŏn of Far-eastern Shipping [*Kŭktong haeun*] arrived as the new owner of the yard on November 6. Unlike state-appointed presidents and executives before him, he was a well-seasoned capitalist with long experience in battling the militant Maritime Union as the owner of one of the biggest shipping companies in Korea.³⁶ From all the publicity the KSEC union had garnered throughout the 1960s, Namgung probably did not harbor many illusions about a cooperative relationship with the union when he made a decision to purchase the KSEC yard in 1968. In fact, the reverse was true.

The new management did not waste any time in its attempt to dismantle union power. The first offensive came on November 29 in the form of a notice to dismiss all the temporary workers at once. The union was initially caught off guard because the previous day, management lured the union president and a vice-president to Seoul to have a talk with the new company president. They were not able to meet the company president in Seoul, while management announced the firing of temporary workers in Pusan in their absence. Members of the union believed that the mass firing was a clear violation of the labor contract and the Labor Standards Act, but the company directors simply responded by declaring that they were planning to "make the firing all the

³⁶ See Chapter 7, p. 211 for his confrontation with the Korean Seamen's Union and Kim Mallyong of Han'guk noryŏn.

temporary workers an annual event."³⁷ The union sent a scathing letter to the KSEC President Namgung, but he left the country after ordering his executives not to negotiate with the union until he returned. His message was clear: No matter what agreements the previous management had with the union, he was not going to let the union dictate how he would run his business.

As soon as the notice of the dismissal of temporary workers was issued, the workers spontaneously began to congregate at the metal structure assembly shop.³⁸ Union officials hurriedly went out to persuade workers to go back to work for a few days while the union conducted negotiations. But the angry workers refused to listen. What was to become a seventeen-day work stoppage began on the spot. The KSEC local reported to the Metal Union that it had to enter into a chaeng'ui after its members had started a work stoppage because it "could not suppress the outcries of the members" and, more importantly, because the "trust between union officials and the members was at risk."³⁹

The local sent out notification of the initiation of a chaeng'ui on December 6.⁴⁰ The Metal Union approved it on the 9th, but the same day the mayor of Pusan ordered the union to stop the

³⁷ KSEC Archive #22, 11/30/68 minutes. The union argued that the firing was in violation of Article 20 of the contract and Article 27, section 2 of the Labor Standards Act.

³⁸ KSEC Archive #22, 11/30/68 minutes. For the 17-day work stoppage that resulted from this action, see also meeting minutes, notices, and statements in #23.

³⁹ KSEC Archive #23, 12/11/68 report to the Metal Union.

⁴⁰ KSEC Archive #23, 12/6/68 notice to the mayor of Pusan, the Pusan Labor Committee, the Metal Union, and the KSEC president. Among 2,454

strike. On the 10th, the union adopted a resolution at a general assembly to refuse to work and to submit the resignations of all its members in the company as a protest. The next day, it sent to the mayor a detailed explanation of why workers had to engage in a work stoppage. The resolution called for "moral uprightness and conscientious and courageous decisions" on the part of employers. Such a commitment to a social mission by employers was needed to concretize the legal system of industrial relations "in the spirit of social security," which was absolutely necessary to enhance the workers' desire to work and to improve productivity. Since the "tyrannical and self-righteous KSEC owner" ignored such a mission, the union would fight with "the tragic determination of a martyr" to the end "to secure workers' basic rights and the right of all the workers in this country to a decent living."⁴¹

Anger against Namgung Ryŏn was intense. He single-handedly put the lives of over a thousand dismissed workers and five to six thousand family members in jeopardy. His action was called "non-gentleman-like," "snobbish," "inhumane and sadistic," and "bestial," among other things. One family member of a striking

KSEC employees, 2,292 belonged to the union and 2,179, including 48 women, joined the strike.

⁴¹ KSEC Archive #23, "Resolution," attached to the 12/10/68 notice to the KSEC president. This particular resolution also used Christian rhetoric -- "as Jesus carried the cross to the top of Golgotha Hill" -- unlike any other statements made by the union contained in the union archive. This religious dimension of workers' consciousness and struggle do not normally appear in the KSEC minutes and are worthy of more study in the future.

worker even compared him with the North Korean leader Kim Il Sung [Kim IIsŏng] saying that neither of them had any respect for people's lives.⁴²

As the illegal work stoppage went on, the company complained bitterly about the loss of business and potential damage to the domestic and international reputation of the yard. The company told the local either to control its members or, if it was not able to do so, reveal whether the illegal action was ordered by the union or not.⁴³ On December 14, the Pusan Regional Labor Committee ruled that the strike was in violation of the Labor Disputes Adjustment Act and thus illegal.⁴⁴ Hŏ Chaeŏp, Pak Chŏngbu, and other leaders wanted to end the sit-in early on, but hardliners carried the day, arguing that "to be able to persuade the members, we have to get a good enough answer [from the company]."⁴⁵ An official grimly said, "if we go back to work at this stage . . . it means that we have lost the struggle and the only thing left would be a hope of earning wages one day at a time until a wave of firing catches up with us."

It is noteworthy that the members made a resolution to use the tactic of collective resignation as a threat to the company in the fight to protest mass firing. Even though the overall unemployment rate in South Korea was steadily going down as a

⁴² KSEC Archive #23, 11/29/68 and 12/5/68 notices to the KSEC president; letter of Kim Tongbok to the local president.

⁴³ KSEC Archive #23, 12/4/68 notice from the KSEC to the local.

⁴⁴ KSEC Archive #23, 12/14/68 notice from the Pusan Regional Labor Committee.

result of the economic growth during the 1960s,⁴⁶ in 1969 it was still high enough to make such a decision a heroic and also a desperate one. Some workers tried to use various excuses to avoid submitting a letter of resignation. Especially the workers who were receiving relief from the government because they had been injured on the front lines in the military or police and had obtained their KSEC jobs through the Office of Veterans Administration,⁴⁷ used their special status as an excuse and refused to hand in the resignation letters. Two union officials, Ch'oe Yongdo and Chŏng Chong'an, both of whom worked as security personnel and were very outspoken members at union meetings, were also leaders of the group of workers on relief. Their perceived selfishness now generated much anger and resentment among other members.

The seventeen-day sit-in struggle, which also involved hunger strikes, ended in a union victory on December 17. The first thing the union decided to do after the resolution of the sit-in was to conduct a survey among members of their opinions about the actions of the union leadership and those who did not fully

⁴⁵ KSEC Archive #22, 12/5/68 minutes.

⁴⁶ The official unemployment rate went down from 7.4 percent in 1965 to 4.8 percent in 1969. Economic Planning Board, *Chuyo haengjŏng t'onggye pogosŏ* [Major administrative statistics report], 1970 (Seoul: EPB, 1970). These statistics are "complete unemployment" rate. If we include those who worked less than 18 hours a week, the rates go up to 14.7 percent and 8.1 percent respectively.

⁴⁷ A 1961 law on military "relief recipients" [*wŏnho taesangja*] mandated state-owned companies to fill at least 5 percent of workforce with disabled veterans. Chŏng Chinsŏng, "Kun kasanjŏmje e taehan yŏsŏngjuŭi kwanjŏm esŏŭi chaego" [Reconsideration from feminist perspective of the

participate in the struggle.⁴⁸ The reason was because "shop floor opinion" was "calling for appropriate punishment" and "the union can't look the other way." The thirteen-item questionnaire the union distributed asked members what would be the just disposition for those who did not submit a letter of resignation, who avoided hunger strikes, or who did other "anti-organizational activities." It also asked who they thought were the most active members or leaders, and who were "anti-organizational." A task force of seven people was created for the purpose of "revamping the organization," meaning removing "anti-organizational" elements from the union. Two members were appointed as investigators per each shop. Guidelines were set up to categorize offenders as either subject for expulsion or for suspension.⁴⁹

Soon the investigators came up with a list of sixteen members, including Ch'oe Yongdo and Chŏng Chong'an, who were marked for expulsion or suspension. From late December 1968 to early February 1969, the union held numerous meetings to debate what to

system of marking-up test scores of ex-servicemen], *Han'guk yŏsŏnghak* [Korean women's studies] 17-1: 5-33.

⁴⁸ KSEC Archive #21, 12/20/68 draft from the chief of the Research and Statistics Department to the local president. #21, 12/20/68 minutes.

⁴⁹ Workers who directly committed an anti-organizational action, union officials who committed an anti-organizational action, those who submitted a letter of resignation but reneged on it, and those who worked at other companies while the strike was going on were going to be subject to expulsion. Those who skipped the struggle even a single day or those union officials who conspicuously showed non-cooperative attitudes toward the union would be subject to suspension. KSEC Archive #22, 12/21/68 minutes.

do with the people on the list.⁵⁰ It was pointed out that not only the group of workers on relief, but also "many members among white-collar employees and foremen" did not actively participate in the struggle. Those who argued for a leniency were worried lest harsh punishment might lead to division and even collapse of the union. Ye Chongguk, Yi Chihwan, and Kim Hyönt'ae were on that side. Yi said, "Once a war is over, even prisoners of war get released." Kim argued, "The goal of the organization is to help weaker people."⁵¹ Those who insisted on the harsh punishment of expulsion cited "the voices of the rank-and-filers" as justification for it.⁵²

While the debate was dragging on, twenty-eight Steering Committee members requested that an extraordinary session of the Assembly of Union Representatives be held, as a way of shaking up the leadership "for the future of the organization."⁵³ The assembly was held on January 22. HÖ Chaeöþ again emphasized the importance of the democratic principles of unionism, and the union sent out letters of thanks to many members in recognition of their meritorious deeds during the struggle. The union also thanked "our family members whose support of the union was

⁵⁰ See December 1968 to February 1969 meeting minutes in KSEC Archive #22, #23, and #27 for the debate on how to punish the "anti-organizational" activities.

⁵¹ KSEC Archive #22, 12/21/68 minutes.

⁵² Depending on the question, 53 percent to 77 percent of the surveyed chose "punishment" over "warning" or "forgiveness." KSEC Archive #23, 1/30/69 report to the Metal Union.

critical in [the time of] its biggest trouble."⁵⁴ The assembly voted to relieve all the union officials from their positions except for the president and vice-presidents. Then new officers were elected.

On the issue of "anti-organizational" activities, the assembly resolved to give them one more chance to repent. The union came down on the side of caution and patience in dealing with the offenders, offering them lighter penalties or no punishment on the condition that they apologize to the union.⁵⁵ But some, including Ch'oe and Chŏng, were adamant about their innocence.⁵⁶ When the Metal Union expelled six and suspended two KSEC members in response to the KSEC local's request, Ch'oe and Chŏng led a small revolt of workers on relief by submitting a group notice of withdrawal from the union.⁵⁷ Union officials promptly returned the notice claiming that the signer -- "all the workers on relief" -- was not a legitimate group recognized by

⁵³ KSEC Archive #22, 1/14/69 minutes. Pak and Hŏ sided with the proposal and it passed by 23 yes votes out of 27 attendees. Hŏ said, "Our local should be in good shape to face a big struggle in the future."

⁵⁴ "Granny Hyŏn Puni, who demonstrated outstanding leadership" was especially singled out and praised. KSEC Archive #26, 1/22/69 Assembly minutes.

⁵⁵ This moderate position did not go unchallenged. When the union decided to save Song Tŏksu from expulsion since he submitted a letter of apology to the union, workers at the Mold-lifting Shop, where he worked, petitioned the union that the decision should be repealed because the consensus at the shop was for his expulsion. KSEC Archive #23, 1/28/69 petition.

⁵⁶ For the explanation of the charges against each person, see KSEC Archive #23, 1/30/69 notice to the Metal Union.

⁵⁷ For the case of workers on relief, see KSEC Archive #22, 1/29/69, 2/6/69, 2/7/69, 3/7/69, 3/17/69 minutes; #27, 1/31/69 letter from the local president to those who submitted a notice of withdrawal. The

the union, and it then hurriedly went out to persuade them not to withdraw from the union. But a rift had already developed.⁵⁸

After the seventeen-day work stoppage and the extraordinary session of the assembly were over, the union was able to enjoy a short respite before the second round of its battle with management began in earnest in May. On Labor Day, March 10, the union celebrated its success by providing its members with nothing less than a bottle of soju and a quarter of a dried squid each, a luxury it had wholeheartedly desired to dispense with but could not afford to do so back in 1960.⁵⁹

The Strike of 1969

By May the company was ready to strike back at the union. Again the two main issues of contention were contract revision and wage increases. The contract negotiation went on from February through June with ninety-six articles of the contract on the table, proposed by one or the other party for revision. Management wanted to roll back many articles of the contract, which were a proud achievement of the KSEC local, especially by comparison with other unions. The company argued that the "contract should be different under private ownership," and that

union was unable to force the company to fire those workers expelled from the union.

⁵⁸ In March, the company agreed, against the opposition of the union, not to check off the union dues of those workers on relief at their request. KSEC Archive #22, 3/7/69 minutes.

the union should cooperate with management because "the national mission of expanding exports" demanded cooperation.⁶⁰ The company emphasized the fact that the yard was building twenty fishing ships for export to China, the first export of ships in South Korean history, and was also in the middle of negotiations to build four 25,000-ton ships for export, the biggest ever built in Korea. Workers, however, did not buy the argument. By June 30, contract talks broke down, with twenty-one articles still unresolved.

Wage negotiation did not fare any better. In April, the union demanded a 56.87 percent wage increase.⁶¹ The union argued that although it accepted the concept of a productivity-based wage system, pay raises together with workers' participation in management were prerequisites for such a system. That was unacceptable to management and the negotiations hit an impasse. On May 9, three hundred workers waged a sit-in demonstration for three hours. The company declared that it would not pay for those three hours of "no-work time," breaking away from the hitherto customary practice of not deducting strike hours from work hours. The union's response was that if the company would

⁵⁹ KSEC Archive #22, 3/6/69 minutes. All 2,374 members would each get a towel and a bottle of soju and would share 1,000 heads of dried squid among them.

⁶⁰ KSEC Archive #28, 6/30/69 notice to the company president.

⁶¹ KSEC Archive #23, 4/9/69 "Wage Increase Demand." The 56.87 percent rate came from the deficit amount of the average monthly expenditure as of February 1969 among the 1,444 member households surveyed by the union. In January 1969, the average monthly income of KSEC workers was 16,390 won (26,750 won for white-collar employees, 18,692 won for regular

reimburse the loss incurred to workers by delayed wage payments, it would not insist on the payment for those three strike hours.⁶² To make matters worse, the company on May 12 transferred fifty white-collar and twenty-nine production workers without consultation with the union, claiming the need to downsize the company structure.⁶³ The company also refused the union demand for a dismissal allowance and severance pay for laid-off workers, claiming that those were "not compulsory, but recommended acts." The union's reaction to the company's argument was a terse statement: "This is not the kind of union which backs down without attaining what it asked for."⁶⁴

Management rejected the union demand for a pay raise because the company was "barely able to pay wages," and declared on May 20 that a wage increase was outright "impossible." It was at this point that union negotiators asked managers to open the company books and show them the numbers to prove the company's dire situation. Frustrated by stalled contract talks and the company's stonewalling on the wage issue, the union notified the company on July 1 of its intention to file for the beginning of a chaeng'ŭi with its 1,768 members.⁶⁵

production workers, and a mere 10,993 won for temporary workers), while the average monthly expenditure of member households reached 28,287 won.

⁶² KSEC Archive #15, 5/12/69 Labor-Management Council minutes.

⁶³ The union criticized the move as going against the government policy of expanding the shipbuilding industry. Ibid.

⁶⁴ For the statements of union negotiators and managers from 1968 to 1969, see KSEC Archive #15, Labor-Management Council minutes.

⁶⁵ KSEC Archive #15, 7/31/69 Labor-Management Council minutes. KSEC Archive #23, 7/1/69 "Notification of an Occurrence of a Labor Dispute"

When executives in the company heard about the union's resolve to start a chaeng'ui, they hurriedly suggested a 20 percent raise plus a hiring of fifty to one hundred temporary workers as regulars in order to appease workers and prevent the first step toward a strike. The offer was not something the company president had approved, but one backed only by a personal decision by the executives. The union rejected it as insufficient and told the executives that at least two to three hundred temporary workers should be hired as regular workers, considering the rate of natural attrition at the yard. This pattern of behavior on the part of management again reinforced the workers' perception that only direct action or threat of action would have any effect on the company's willingness to consider the workers' demands.

Throughout June and July, management repeatedly delayed talks using the company president's absence from the yard as an excuse. Union officials worried that the workers' anxiety and anger were reaching a boiling point. An overwhelming majority -- 98.4 percent of the members -- approved the chaeng'ui on July 16.⁶⁶ A cooling-off period was set to expire on July 26, and the Pusan Regional Labor Committee started mediation on July 25. On July 31, the union issued a statement entitled, "Beginning a Strike,"

provides detailed explanation of the reasons behind the union's decision to start a dispute.

⁶⁶ KSEC Archive #23, "Vote Results." Among 1,710 members, 1,569 cast votes: 1,545 yeses, 13 noes, and 13 invalid votes.

with nine items of demands.⁶⁷ It summarized the reasons why the workers' demands were legitimate in the following way:

[T]o secure the labor power necessary for productivity increases and to achieve industrial development for the future, we have risen up with the resolve to attain, first of all, the basic human rights we are entitled to as human beings and the right to a decent living We have to attain our workers' basic rights in order to live, and we want to obtain the rightful rewards of our labor.

The union's criticism of the company's "pre-modern" attitude was a familiar one:

Today's reality is that in numerous cases the attitude of entrepreneurs, who, with a pre-modern mentality, treat industrial relations as a relationship between a master and his slaves, and this often sows the seeds of a labor dispute

The union went on to explain how sincerely it had approached the negotiations "for seven long months" while calming down its members' militancy, even though it was well aware that "the company [was] doing everything to roll back our current working conditions, even though they [were] most rudimentary." The union concluded that it had no other way but to start a strike because:

⁶⁷ KSEC Archive #26, 7/31/69 "Beginning a Strike." For an English summary of the two party's differing positions, see Ogle, "Labor Unions in Rapid Economic Development," pp. 369-72.

It is outrageous that . . . even though [the company] is capable of raising wages, and the managers themselves even acknowledged that fact, [the company] has not presented even a single alternative proposal for seven months.

The nine strike demands attached to the statement were:

1. Raise the wages of all the employees by 56.87 percent of the (average) normal wage from March 1.
2. Accept the union proposal for contract revision.
3. Pay 200 percent as a bonus for the first half of year 1969.
4. Pay severance pay for temporary workers.
5. Pay the hazardous-work allowance.
6. Honor the following agreements:
 - 1) Provision of work clothes,
 - 2) Payment of yearly and monthly day-off allowances,
 - 3) Timely provision of safety equipment.
7. Fill the vacant positions for regular workers.
8. Revoke the wrongful firing and transfer orders.
9. Pay wages for the time workers are engaged in the chaeng' ŭi.

During the next two weeks, with the workers on strike the company sent a barrage of requests to the union, asking it to spare some workers for various urgent projects, most important of which was the building of the export ships for Taiwan.⁶⁸ In early

⁶⁸ KSEC Archive #29, daily logs from August to October, 1969. The next urgent work was an overdue repair job on a ship, Sinyang. The company also asked for dump truck drivers, cleaning personnel, electricians, fuel movers, public bath maintenance workers, and dredging workers. The day-by-day events from August through October are from the above source unless otherwise noted. The man-power request notices received by the union are filed in #28.

August, heavy rain damaged facilities in and around the yard. Management sent numerous requests to draft striking workers to help in the recovery efforts. The union refused all of management's requests to exempt some workers from participating in the strike. Striking workers were assigned to "work units" on 12-hour shifts and each work unit took turns manning the yard with enough people. Because management showed no sign of willingness to negotiate,⁶⁹ workers were getting more agitated. On August 13, workers rushed to the Pusan plant manager's office and staged a sit-in, defying their own union officials, who urged them to go home. On the 18th, the union decided that all the members stage overnight sit-ins and that its strike committee members go on a hunger strike. From its strike fund, the union bought and distributed one sack of flour to each of its members.

The next day, on the 19th, the company announced a lockout, the first in company history. Workers and their family members started a sit-in demonstration on the road in front of the main company building and clashed with two hundred riot police. Nine workers and family members were taken to the Yöngdo Police Station as a result. Union officials went to the police station

⁶⁹ During his trips to Seoul, which amounted to a total of 46 days, the union president was able to meet the company president Namgung "only two or three times." Even though the union and management officially met 33 times and had numerous unofficial meetings until late August, the union argued that most of the time managers simply rejected union requests or avoided any decision with the same excuse that the company president was not at the yard because of a business trip. Namgung, "after returning from a long trip, ordered a lockout without even making

and negotiated their release. Street demonstrations and clashes with riot police continued the next day, halting traffic and drawing many reporters to the scene. The hunger strike by 195 union members, now in its ninth day, continued until six in the evening that day.⁷⁰

In this second round of battle, the company's handling of labor conflict appears conspicuously more determined. It did not fear bad publicity as the previous state-appointed management had been. It did not hesitate to go into a lockout, or to take legal actions against a large number -- seventy -- of union members.⁷¹ The company refused the Pusan mayor's mediation plan to call off both the lockout and the strike, even though the union showed its willingness to accept the deal.

The company also showed a new level of sophistication by beginning an all-out offensive on the propaganda front, portraying the union as a greedy, political, and even anti-national body. Not only did the company denounce the union's wage demand as untenable considering the financial difficulties of the yard, it also used the media to make clear to the public that these unionists were making a lot more money -- an average

a single phone call to the union office." KSEC Archive #23, "Events Surrounding the Dispute."

⁷⁰ The numbers are from George Ogle's interview with HŎ in "Labor Unions in Rapid Economic Development," p. 378.

⁷¹ Ibid., p. 373.

of 21,660 won per month -- than most production workers in South Korea.⁷²

The union desperately tried to correct the public image of KSEC workers as highly-paid elite workers who wanted even more. It provided the media with figures for the amount of wages without long overtime hours. For example, the union claimed that temporary workers were getting only 10,000 won take-home pay on average.⁷³ It professed its desire to achieve a living wage with eight hours of work, instead of twelve, and to insure that all South Korean workers would be able to enjoy such wages in the long run. But the company's vigorous publicity campaign was a new factor in the equation, and it probably eroded the public support that the union had enjoyed for a long time.

The union was also well aware of the influence of the media and how it could affect the outcome of the strike. According to the union's daily journals from August to September 1969, Hŏ Chaeŏp had numerous interviews with reporters from Pusan and

⁷² KSEC Archive #23, 8/22/69 "We Had to Fight." The national average of monthly wages in manufacturing in 1968 was 8,400 won (approximately 29.9 U.S. dollars at the exchange rate of 281 won=\$1) and the average monthly urban household living expenditure was 23,190 won (\$82.5). See FKTU, *Han'guk nodong chohap undongsa*, p. 563. The official exchange rate between won and U.S. dollar from 1945 to 1982 can be found in Bank of Korea, *Mulka ch'ongnam* [Price statistics summary], 1977, p. 8. As of August 1968, the average wage of skilled workers in the Maritime Union was 18,400 won (\$65.5) and that of skilled workers in the Metal Union was 14,040 won (\$50). For unskilled workers, it was 14,700 won (\$52.3) for the Maritime Union and 8,580 won (\$30.5) for the Metal Union. FKTU, 1968 *saŏp pogo* [1968 report on activities], pp. 68-69. Also see Lee, *Yŏsŏng nodongja undongsa 1*, p. 91, Table 8 for a comparison of wages in South Korea, Japan, and the U.S. from 1962 to 1970. Equivalent 1968 figure for Japan was \$147.3/month, and that for United States was \$3.01/hour.

national newspapers, radio stations, and TV stations at the union office. Union officials also paid a visit to the *Pusan ilbo* [Pusan daily] to thank them for the supportive editorials the paper ran two days in a row. They presented the paper with a token five sacks of flour to be used for recent flood victims in a gesture of solidarity with other suffering Koreans.

On August 22, the union issued a long statement entitled, "We Had to Fight," to explain the background of its actions and criticize the lockout.⁷⁴ In the statement, the union repeated its criticism of the company president's "feudal" mentality of "regarding workers as slaves bound to their master" and his "pre-modern mammonistic" attitude. It also directly attacked the competency of the private owner saying that he did not possess any vision for the company nor ability to draw in funding, and that he was shrinking the company instead of expanding it. The union claimed that it never wanted a strike, but rather wanted to work to "manage labor power to increase productivity," which was "clearly what trade unions could do" for economic development. Family members were also mobilized to get workers' messages across to the center of political power, President Park. On August 25, some family members of the KSEC workers sent a petition to the First Lady, Yuk Yöngsu, asking for help.⁷⁵

⁷³ KSEC Archive #23, 8/22/69 "We Had to Fight."

⁷⁴ Ibid.

⁷⁵ The union received a letter from the MCI on September 1, addressed to the family members, and another one from the Pusan city on September 17,

During this time, the KSEC union office was bustling with reporters, police and intelligence officers, and officials from the Office of Labor Affairs. Representatives from other unions brought in money, flour, letters, and the resolutions they had passed in a show of solidarity. The Metal Union was also conscious of the significance of this strike in setting the tone of industrial relations for the labor movement as a whole in the coming years. It issued many statements supporting the KSEC local. On August 23, it ordered a protest rally against the lockout by Namgung Ryŏn, who was defined as the "representative of the vicious profiteers of this country" [*aktŏk kansangbae*].⁷⁶

It organized a chaeng'ŭi supervisory committee and passed a resolution to support the KSEC struggle as "the final showdown [*pan'garŭm ssaum*] which would decide the life and death of the workers of the whole country."⁷⁷ The Taesŏn local decided to have a rally in support of the KSEC local, responding to the Metal

acknowledging the receipt of the petition and promising appropriate handling of the matter.

⁷⁶ KSEC Archive #23, 8/23/69 notice from the Metal Union to local and sub-local presidents; #23, 9/5/69 "Appeal" by the Metal Union; #28, 9/19/69 statement of the Metal Union and 9/3/69 "Open Letter on the KSEC Incident." Also see a collection of the statements by the Metal Union on the KSEC issue in the Korean Metal Workers' Union, *Kŭmsok samsimnyŏn*, pp. 136-39. Actually, Namgung Ryŏn was one of the premier capitalists who were arrested by the military junta in 1961 charged with a crime of amassing a fortune by illegal means. The junta relented on the punishment of them after they promised to build a "factory needed for the reconstruction of the country" and turn over to the state the amount they had illegally profiteered in the past in the form of the new company's stock. Namgung was supposed to build an integrated steel mill with several other capitalists, but it was never built because of the shortage of capital. Pak Tongch'ŏl, "1960-nyŏndae kiŏp chiptan," pp. 147-49.

⁷⁷ KSEC Archive #23, 8/23/69 notice from the Metal Union.

Union's call.⁷⁸ The Metal Union convened an extraordinary session of the Assembly of Union Representatives to discuss the KSEC chaeng'üi, and threatened to call a general strike.⁷⁹ Although the Metal Union made a lot of noise, however, its efforts were "feeble," because, as Ogle put it, it had "no means whatsoever of either enforcing its pronouncements or of securing the assistance from the locals that it was calling for."⁸⁰

No matter what accusations the union members made against Namgung Ryön, however, he was confident in his ability to break the union. One weapon he had was the company's wealth versus the shallow financial reserves of the union and its members. The union reported that he once declared, "Your 5,000-won loss would be much bigger than my 50 million-won loss!"⁸¹ He was determined not to pay any wages for the strike hours. He even refused to pay the wages for the month before the strike began. Because he was determined to bust or tame the union no matter what it took, he was not anxious to negotiate a deal to end the strike.

The state's position on the strike was neutral at first. A meeting of Namgung, the Metal Union president, and KCIA personnel was reported on August 21 to the local by Kwön Odök, who was then working as a Metal Union official.⁸² But the state did not take

⁷⁸ KSEC Archive #28, 9/5/69 notice from the Taesön local to the KSEC local.

⁷⁹ KSEC Archive #28, 9/9/69 notice from the Metal Union.

⁸⁰ Ogle, "Labor Unions in Rapid Economic Development," p. 374.

⁸¹ KSEC Archive #23, 8/22/69 "We Had to Fight."

⁸² Kwön became the chief of the Laws and Rules Department of the Metal Union, a full-time position, on May 1, 1969 and left his job at the KSEC

steps to pressure either the union or the company at the time. In response to the petition by family members of KSEC workers to the First Lady, Yuk, the MCI sent a notice to Namgung, ordering him to end the labor dispute at the yard as soon as possible. The Pusan City Labor Inspector's Office also answered the petition by charging Namgung with violation of the Labor Standards Act in early September. But with the strike entering its second month and large-scale and sometimes violent demonstrations and sit-ins by workers and their family members continuing day after day, the police began to arrest demonstrators.

Union president Hō worried about the possible effects of family mobilization. He persuaded the demonstrators to disperse in the morning of August 28, but they reassembled around three in the afternoon. Union members joined them in a sit-in demonstration on a main thoroughfare near the yard. The traffic in the Chōnghak-tong area was blocked completely, and demonstrators clashed with the riot police. Some policemen were hurt. The next day, family members again confronted the contingent of riot police, now five-hundred strong at the time.

local as the chief of the Education and Propaganda Department. KSEC Archive #28, 5/1/69 notice from the Metal Union. Kwōn testified that he had been worried about a crackdown on the KSEC local from early 1969, and went down to Pusan in the fall to discuss measures to end the strike without a severe blow to the union. In his view, the union "went too far" in the 1969 strike pressured by the rank-and-file workers, who were overconfident about the union's power. He was unable to squeeze out a last-minute agreement at the yard, however, and arrested with other

When a company section chief remarked that workers would not get even a swallow of water even if they continued the demonstration for six more months, the demonstrators were enraged, beat him, and sent him to the hospital. Some demonstrators, mostly wives of the union members, were arrested in that incident.

Pusan City and Yŏngdo police wanted to execute an operation to put down the illegal demonstration, which the company began to call a "riot." But intensive negotiations and meetings among the union officials, the police, the intelligence personnel, the mayor of Pusan, and the chief of the Health and Society Section under him helped to avert that plan.

The Pusan City and police officials met from the 29th onward and came up with a mediation plan that dictated that the union reduce the number of members participating in overnight sit-ins from 1,700 to 200 people and calm down the family members. It also called on the company to pay back wages for July. A separate mediation by the Pusan mayor asked the company to pay back wages and to revoke the lockout, and the union to go back to work for ten days while negotiations with the company took place.⁸³ The union accepted both proposals, and reduced the number of workers in the sit-in to two hundred. But the company rejected both proposals, saying that it would pursue a total nullification of the chaeng'ŭi, "even if it took six months."

local union officials on October 1 while in hiding. Kwŏn Odŏk Interview, 9/20/2001.

The massive participation of family members was partly provoked by the company's refusal to pay July wages. The company's excuse was that the strike had disrupted accounting procedures in the company. The company promised to pay the wages on September 6, but reneged on doing so. For three days after the 6th, family members, including children, congregated in front of the company office demanding the wage payment.⁶⁴ Some of the women entered the managers' offices, and a fight broke out. They beat a member of the board of directors, a secretary to the company president, and the plant manager until finally union officials were able to persuade them to go home.⁶⁵

Hö apparently wanted to steer the strike with caution. He warned against mobilizing family members "so as not play into the company's hands."⁶⁶ He issued frequent directives to the members, which included a strict ban on drinking, gambling, and violence. He also ordered members not to go near the ships under construction for export. Meanwhile the company labeled the union an "illegal organization" and a "rioters' group" and even accused the workers of stealing materials and equipment from the yard.

The union was having a hard time calming down its members and their family participants in the strike. KSEC union officials,

⁶³ Both mediation plans are in KSEC Archive #23, 9/5/69 "Appeal" by the Metal Union.

⁶⁴ For the daily events of this time, see KSEC Archive #29, daily logs. Also see Ogle, "Labor Unions in Rapid Economic Development," pp. 378-79.

⁶⁵ Hö recalled that union officers told the women, "[We], the officers, would have to pay for the violence." Ogle, "Labor Unions in Rapid Economic Development," p. 379.

just like those of the Metal Union, saw their strike as an important test case for the fate of a labor movement of "half a million workers" in the country.⁸⁷ At the same time, Hŏ and the core union leadership clearly wanted a compromise, not an all-or-nothing struggle, their rhetoric notwithstanding. They were in close contact with the Pusan City Police and the Mayor's office, and ready to accept mediation plans.

State Intervention and the Defeat of the Union

By September, the situation had escalated to the point where any kind of compromise became impossible between the two parties. The company declared that the collective contract had expired on June 30, and, based on that, refused to pay wages to full-time union officials and stopped the practice of checking-off union dues. The company's decision to get rid of the current union leadership can be read in an incident in which the chief secretary of Namgung, while drunk, angrily demanded Hŏ's resignation. The union claimed that the company president and managers were refusing to talk with Hŏ, while throwing drinking parties for important union members to cause a division in the

⁸⁶ KSEC Archive #28, 9/4/69 Strike Committee meeting minutes.

⁸⁷ Ibid.

union.⁸⁸ On September 9, the company announced that it would fire sixteen union officials, whom it deemed hardliners.⁸⁹

In the meantime, the union, after a heated debate decided to transfer decision-making power for resolving the chaeng'ŭi temporarily to the Metal Union.⁹⁰ The reason behind this move was only vaguely explained in the minutes. Pak Chŏngbu said, "Since this struggle is not just our struggle, but also a struggle for all the workers, it is better to transfer power for the sake of the struggle of the organized labor as a whole." Some argued that the union should transfer only its negotiation rights to the Metal Union, not the right to end the chaeng'ŭi, and others refused to consider any kind of transfer of rights to the industrial union. From Pak's statement, it is possible to infer that the Metal Union and the KSEC local might have made that decision in expectation of an industry-wide struggle stemming from the KSEC chaeng'ŭi.

Be that as it may, the state finally decided to step in. On September 18, for the first time in South Korean history, the state invoked its power to order an emergency adjustment of a chaeng'ŭi. The action put an end to both the strike and the lockout. The main reason cited by government authorities for this decision was that the strike posed a danger to the national

⁸⁸ KSEC Archive #28, 9/3/69 "Open Letter on the KSEC Incident" by the National Metal Union.

⁸⁹ The list is in KSEC Archive #23, 9/19/69 "Petition for the Remedy of Unfair Labor Practices" and includes Hŏ, Pak Chŏngbu, Pak Insang, Pak Sang'ok, and Kwon Odŏk.

economy. An excerpt from the memorandum issued by the Ministry of Health and Social Welfare and sent to the Central Labor Committee, quoted by Ogle, reads as follows:⁹¹

For the following reasons it is deemed necessary to call for an emergency mediation in accordance with article 40 of the Labor Disputes Adjustment Act:

- a. Not only is the size of the company large, but the Korean Metal Workers' Union has called for a concerted action by all member unions. There is therefore a chance that the chaeng'ŭi might spread over the whole nation;
- b. Because the strike has now exceeded forty days [July 31 to September 18] in a company that specializes in the production, repair and export of ships, there now exists a danger to the economic welfare of the people;
- c. Work on twenty 250-ton-class ships for China has been stopped.

The mayor of Pusan, the Pusan City Labor Committee, the KSEC company, and the KSEC union all received a directive from the Central Labor Committee ordering them to normalize the situation at the KSEC yard. The next day, the Strike Committee of the KSEC local decided to accept the emergency adjustment and end the strike.⁹² Workers were not happy with the idea of giving up the fifty-day-long strike without getting anything from the company.

⁹⁰ KSEC Archive #28, 9/13/69 Strike Committee meeting minutes.

⁹¹ Translation is based on George Ogle's quote in "Labor Unions in Rapid Economic Development," p. 376.

Yi Chihwan argued that because accepting it meant "death to us", the union should resist it with hunger strikes if necessary. Others were suspicious of the government's intention because the government so far had "not raised a finger to help" the workers.

The majority opinion, however, was to respect the President's decision. "We should regard it as the President's order . . . and obey," one said. Ye Chongguk and others argued that as the citizens of a law-abiding country they should obey the government's order. Many expressed a belief in the state's good will: "The government would not mean to kill us, so it must be trying to help us."⁹² Some even expressed a hope that the union could utilize this occasion as a chance to convey the workers' situation directly to the President. The union president Hō was leaning toward accepting the order, because "at this moment, it is like fighting against a sheet of iron, while clenching an empty stomach." The debate ended with a unanimous vote to accept the emergency adjustment order.

The company also accepted the state's directive and revoked the lockout, but, at the same time, posted an announcement that

⁹² For the discussions at the meeting, see KSEC Archive #26, 9/19/69 minutes.

⁹³ At the time the KSEC unionists did not see President Park as a repressor of labor at all. On the contrary, most seem to have been in complete support of his politics. While the KSEC strike was at its peak, the Pusan City Association of the FKTU Unions held a meeting with the FKTU Secretary and the head of the Organization Department of the FKTU attending, and discussed two agenda items: the KSEC strike and organized labor's support for the President Park's plan to amend the Constitution so that he could seek his third term as President. Hō stated that he was absolutely in support of Park's Constitutional amendment. KSEC Archive #29, 9/15/69 and 9/16/69 log entries.

it had fired sixteen union officials and members.⁹⁴ Workers returned to work on the 20th, but company officials refused to let temporary workers in, causing physical altercations. An investigation into the unfair labor practice charge regarding the firing of the sixteen union officials and members began, and so did the interrogation of core union officials by the police. On September 24, three members were arrested because of a quarrel among the members over their attitudes toward the strike.⁹⁵ The mayor of Pusan in the meantime sent sacks of flour to the KSEC worker families to appease them.

The turning point in the state's attitude toward the striking workers came in mid-September, according to Hō, because of events touched off at the yard by a heavy rain. In his interview with Ogle, sometime after his release from jail in 1970, Hō recalled the incident as follows:⁹⁶

On the 14th of September we had a hard rain. The strike was still in effect. The rain caused a breakdown in the electric power to the shipyards. In such emergencies the company generator must be turned on immediately or else the docks of the yards are immersed in water. There are pumps which continually pump the water out of the area.

⁹⁴ The fired officials were president Hō Chaeōp, one of the three vice-presidents (Pak Chōngbu), department chiefs (Pak Sang'ok, Chi Siho, Yu Sūngnan, Kwōn Odōk, Pak Insang, Kim Ch'angnam), vice-chiefs (Pak Tūk-bong, Kim Chōngjung, Kim Sanggwan, Yang Paegyong), and members (Kim Tongsik, Choe Pyōngjun, Son Myōngnyōl, O Chinhwan). Ten of those fired were later arrested. The Korean Metal Workers' Union, *Kūmsok samsimnyōnsa*, p. 140.

⁹⁵ They were sentenced to a fine and released on December 30. *Ibid.*, pp. 134, 142.

When the current stopped coming in, the plant manager immediately went to turn on the generator. The generator operators were on strike and so were not present. The plant manager, however, made a blunder and instead of turning the generator on, he blew the whole thing out so that it would not work. There was considerable damage.

The plant manager reported to the home offices that the accident had been caused by the strike. The home office then reported directly to President Park that the workers had committed acts of violence on company property and equipment. An order was given that those responsible should be arrested. Eleven of the union leaders were arrested at their homes on October 2. I was picked up two days later in Seoul as I attempted to see government officials.

The union archive records do not contain pertinent information on this event. In fact, records of union meetings, correspondence, or events on or after the mid-September through the next year, when the new P'aeng Chongch'ul leadership settled in, are very sparse in the KSEC Archive. But it seems reasonable to think that, as Hø believed, this event was used by the company and the government officials who were sympathetic to the cause of management as good evidence of an un-nationalistic character of the KSEC union and the workers, and thus, prompted the President's decision to crack down on the union. After this incident, the aforementioned state directive ending the strike

⁹⁶ Ogle, "Labor Unions in Rapid Economic Development," pp. 379-80.

and the lock-out followed in several days, and twelve union officials were arrested and fired from the company within weeks.

The breaking of the KSEC strike, however, was not an isolated case of union repression in this period. By late 1968 and early 1969, the Park government was already changing its stance on organized labor from a long-held position that it was a positive force in the development of the nation to an emphasis on "supervision and cooperation." The export-oriented development strategy of the Park regime was consolidating by the late 1960s, and in its pro-labor discourses, such as KSEC unionists' argument that labor had a legitimate "place" in South Korean development, did not find a place. In 1969, the Office of the President's Secretary set up a special commission to study labor issues. The policy recommendations of the commission's report, which was influential in government circles and was later embodied in the changes in the revised labor laws of 1972, emphasized the need for strong "supervision" over unions and the training of union leaders in the "cooperative" way of unionism.⁹⁷ As a pronouncement of this new policy, President Park made a speech to workers on Labor Day in 1970 which exhorted them to cooperate with their management, work hard, and restrain their demands.

State-managed large enterprises such as KSEC were not the only arena where the state "supervision" was imposed. The crackdown on largely female unions in foreign-invested firms such

as the Oak Electronics Corporation and Sygnetics Korea was already going on since 1968.⁹⁸ It was a time when the state was beginning to actively pursue foreign direct investment. To solve the economic crisis in the latter half of the 1960s, the government, which hitherto restricted direct investment as much as possible, shifted its emphasis from commercial loans to foreign direct investment and began to work on creating a more attractive climate for foreign investors.⁹⁹

The Kumi industrial complex was built in 1969, and the first Export Free Zone was created in Masan in 1970 in order to attract foreign multi-national corporations seeking cheap labor. To entice foreign capital, the government repressed a budding militant union movement at a handful of firms where women predominated in the labor force, and wrote a law which severely restricted union organizing and labor disputes at foreign-invested firms to prevent future outbreaks of labor militancy. The law -- the Provisional Exceptional Law Concerning Labor Unions and the Settlement of Labor Disputes in Foreign-Invested Firms [PELFIF] -- passed the National Assembly in December 1969 and was promulgated in January 1970. This was the larger political and economic environment that gravely affected the outcome of the KSEC unionists' struggle in 1969.

⁹⁷ On the commission report and its influence, see Ogle, "Labor Unions in Rapid Economic Development," pp. 231-33.

⁹⁸ See Lee, *Yŏsŏng nodongja undongsa* 1, pp. 102-104; Ogle, "Labor Unions in Rapid Economic Development," pp. 363-66.

⁹⁹ Choi, *Labor and the Authoritarian State*, p. 87.

The strike was over on September 19, but the chaeng'üi was not. What ended the chaeng'üi was the arrest of core leaders of the union, including Hō, and a division in the union. On September 27, the Central Labor Committee declared that the emergency adjustment had failed. It transferred the KSEC case to mediation. As soon as that decision was made, the company lodged a complaint against Hō and ten other union officials, using several cases of physical altercations between the unionists and company officials and among union members in September. The police arrested them from October 2 to October 4 and charged them with assault, property damage, libel, obstruction of business, and use of abusive language.¹⁰⁰

As Hō mentioned in his interview with Ogle in the early 1970s, "a break in [the union's] solidarity" had been developing for some time before the arrests. Dissidents were consciously nurtured by the company during the 1960s, as we have already seen. The new management, however, was much more successful in pulling union members -- especially white-collar and technical employees -- away from the union leadership. Since August, Hō and other union leaders were expressing deep concerns about members switching over to the management side. The union even organized and operated a ten-man intelligence unit to watch suspicious

¹⁰⁰ Those arrested were ten of the fired officials and union members -- Hō Chaeōp, Pak Chōngbu, Chi Siho, Kim Ch'angnam, Kwōn Odōk, Pak Insang, Pak Tūkpong, Kim Chōngjung, Kim Sanggwān, Kim Tongsik -- and the Inspection Department vice-chief Choe Ch'ungjōng. The Korean Metal Workers' Union, *Kūmsok samsimnyōnsa*, pp. 134, 140.

activities and gather intelligence in the communities. At one point, Hō, with tears in his eyes, pleaded with the members not to be bought off by the company.

The first group to move away from the union was composed of some sub-section chiefs and technical staff members. They issued a statement expressing their intention to leave the union, and paid a visit to the union office in late August. Union officials tried hard to persuade them in the following weeks to reconsider but to no avail. Newspaper articles on the developing division in the union appeared in the *Pusan ilbo* and *Kukche sinmun* [International press]. Hō recalled the significant influence their withdrawal had on the strike in the same interview:

On September 9, they published their withdrawal and demanded that the union officers resign. This caused considerable problems among the workers. The company also put on pressure, telling the workers it would never give in even if it took six months. Money was offered to some workers. Gradually our determination began to weaken.¹⁰¹

When the company lured Hō to Seoul on September 2, according to the union, it used his absence as an opportunity to approach and force members to quit the union.¹⁰² The company's strategy

¹⁰¹ Ogle, "Labor Unions in Rapid Economic Development," p. 380.

¹⁰² See KSEC Archive #29, daily log entries from late August to mid-September for the information on the events in this period. Hō waited at the president's house in Seoul for six hours for nothing. According to a press release by the Metal Union, the company brought workers to motels in Pusan or to nearby Songdo area and forced them to withdraw from the union. It also bribed some foremen and made them pressure workers down the hierarchy. Fifty of those who submitted letters of

was to portray the union leadership under Hŏ as a "labor aristocracy" which had instigated riots and violence not to protect workers' interests, but to boost their own careers in the labor movement. The Pusan plant manager, Ha Yŏnghwan, accused the union of "threatening and instigating good-natured union members and their families with the purpose of maintaining the current positions of a tiny minority of labor aristocrats" and of "committing all kinds of riotous acts, which were atrocious and against common sense," such as "indiscrete destruction, mob violence, inflicting bodily injury, defamation of character, obstruction of business, illegal assembly on public roads, and illegal demonstration."¹⁰³ In his interview with Ogle in the early 1970s, the secretary of general affairs of the KSEC repeated the company line as follows:

The union leaders who were responsible for the strike were really more interested in their own power than with good industrial relations The Federation of Korean Trade Unions itself realized that the union's actions were wrong. They never once offered any assistance. But the fact that the FKTU gave the president of our union a special recommendation as an outstanding union leader back in 1968 seems to have gone to his head and may have helped account for his reckless behavior.¹⁰⁴

withdrawal to the union on September 5 appeared before 1,300 members at a sit-in and exposed various company tactics to force the members' resignation. The Korean Metal Workers' Union, *Kŭmsok samsimnyŏnſa*, p. 136.

¹⁰³ KSEC Archive #28, 9/4/69 letter from the Pusan plant manager to the local president.

¹⁰⁴ Ogle, "Labor Unions in Rapid Economic Development," p. 383.

It was No Tuhong, the standing vice-president of the union¹⁰⁵ and a long-time favorite of the management, who saw an opportunity for him to profit from this situation and led a back-to-work movement. According to Hō, he "got 1,000,000 won (\$1,170) for the deal."¹⁰⁶ No Tuhong and P'aeng Chongch'ul, both vice-presidents, were not among the twelve union officials arrested in early October. After Hō was taken into custody on October 4, No stole the seal of the local, used it to notify the Pusan Regional Labor Committee of the cancellation of the chaeng'ūi on October 7, and fled.¹⁰⁷

Outraged union officials held a meeting, expelled No, voided the stolen seal, and on October 13, cancelled the October 7th cancellation to the Labor Committee. In the meantime, Hō transferred his authority to another vice-president P'aeng Chongch'ul from his jail cell. But P'aeng cancelled the October 13th cancellation on October 23, and the chaeng'ūi officially ended.¹⁰⁸ Although the union under P'aeng signed an accord with management on the 25th, the union gave in completely on all counts.¹⁰⁹ Hō lamented: "Our progressive rate of severance pay and our collective contract [were] completely lost" in the end.¹¹⁰

¹⁰⁵ On May 28, 1969, Pak Chōngbu resigned from the standing V.P. position and No Tuhong succeeded him. KSEC Archive #28, 5/28/69 "Notice."

¹⁰⁶ Ibid., p. 380.

¹⁰⁷ KSEC Archive #23, 10/13/69 minutes.

¹⁰⁸ KSEC Archive #23, 10/23/69 notice.

¹⁰⁹ KSEC Archive #23, 10/25/69 "Accord." The content of the accord was vague, leaving all the issues, including the contract, to future Labor-Management Council negotiations. One positive article was: "There will

Why Did the Union Lose?

The defeat of the KSEC union in October 1969 occurred during a tumultuous period in modern South Korean history that marked a major turning point in the country's economic and political life. Park Chung Hee, in response to mounting political challenges to his regime, economic crisis, and the heightening resistance of industrial workers by the end of the 1960s to his economic policies, managed to impose a sweeping change in the South Korean political system in October 1972. He declared martial law, put tanks and troops in the streets of major cities, arrested political opponents, disbanded the National Assembly, nullified the existing Constitution, and amended the Constitution to give him almost unlimited executive powers.

That amended Constitution -- the Yushin Constitution -- became the basis of his dictatorial power in all arenas of life. "Yushin" is the Korean pronunciation of the Japanese *isshin* (restoration, or "revitalizing reforms"), taken from the 1868 Meiji Restoration. As a Japanese-trained military man and an admirer of the Imperial Japanese system of political and social control during the colonial period, Park began to deploy militaristic and ideological social control measures extensively in South Korean society -- in schools, villages, and factories --

be no reprisal as a result of the dispute." For the release of twelve arrested union officials, the accord sheepishly requested the company president to do his best.

during the 1970s. Those measures were starkly similar to what Japanese colonialists had imposed on Korean society during the Pacific War years.

Park's turn to "full-blown, formal authoritarianism"¹¹¹ did not come overnight in 1972. The conditions that prompted his grave political decision in 1972 were taking shape from the late 1960s. Aside from political crises of domestic and international origins and intensified threats from the North, the South Korean economy, which had grown rapidly during the mid-1960s, went into a crisis in the late 1960s. A combination of factors -- over-investment in some sectors, insolvency of enterprises heavily dependent on foreign loans, burden of debt service, foreign exchange problems, increasing protectionism of advanced industrial nations, mounting pressure from workers and rising militancy of unions which pushed real wages upward and reduced competitiveness of Korean firms, and resulting difficulty to find export market for South Korean products -- were dragging the once booming economy down.¹¹²

Pressure on wages especially, caused by rapidly expanding investment, a conspicuous slowdown in rural-urban migration, and increasing unionization and militancy among workers, was a crucial reason behind the changes in the state labor policy by

¹¹⁰ Ogle, "Labor Unions in Rapid Economic Development," p. 381.

¹¹¹ Bruce Cumings defines the Yushin system as a "full-blown, formal authoritarianism" in his *Korea's Place in the Sun*, p. 358.

¹¹² Pak Tongch'öl, "1960-nyöndae kiöp chiptan," p. 181.

the end of the 1960s.¹¹³ In the manufacturing sector, real wages fell by 1.2 percent between 1963 and 1968, while productivity rose 4.1 percent in the same period.¹¹⁴ From 1968 to 1971, however, the trend was reversed partly because of heightened labor activism to catch up with inflation and productivity gains. The real-wage increase (16.9 percent) during the period surpassed the increase in productivity (16.1 percent). This trend compelled the government, which "did not actively intervene in labor issues" in the 1960s, to change its stance on labor.¹¹⁵ A firm control over labor activism and the maintenance of international competitiveness that low wages provided to South Korean companies were perceived as particularly urgent tasks to the government in the late 1960s. By that time, the government finally settled on an export-oriented industrial policy, after going through a period of trial and error and realizing the potential of export industries through their performance during the early and mid-1960s.¹¹⁶

¹¹³ Chang Hawŏn, "1960-nyŏndae Han'guk ūi kaebal chŏllyak kwa sanŏp chŏngch'aek ūi hyŏngsŏng" [The formation of the development strategies and industrial policies in Korea in the 1960s], *1960-nyŏndae Han'guk ūi kongŏphwa wa kyŏngje kujo*, pp. 98-100.

¹¹⁴ The statistics are from *ibid.*, p. 99, Table 2.

¹¹⁵ *Ibid.*, p. 98. Chang argued that the state was not concerned with labor issues because the size of industrial workforce to which the labor laws applied was not big enough (730,000 in 1963 and 1.5 million in 1970) to affect the state's industrialization policies or the stability of the regime. *Ibid.*, pp. 96-97. The total number of non-agricultural workers grew from 2.9 million in 1963 to 4.9 million in 1970. I think that around 1 million is a large enough size to make a regime fear if many of them are organized and showed militancy. The rising activism among workers rather than the size was what propelled the changes in the state labor policy in the late 1960s.

¹¹⁶ *Ibid.*, pp. 100-112.

The years 1968 and 1969 also represented an unusual time of social upheaval in many parts of the world. In Japan, "the global wave of political protest in the late 1960s and early 1970s broke across the nation with considerable force," wrote Andrew Gordon.¹¹⁷ The Japanese student movement peaked in that period with building takeovers and clashes with police, and the "New Left looked to the workplace as well, and . . . found some support even in the strongholds of informal groups and cooperative unions." In the United States and in Europe, radicalism and popular mobilization, fueled by the anti-Vietnam War movement, mounted a spirited challenge to the established order of liberal capitalist politics and economy.¹¹⁸ Revolutionary movements in Latin America and other parts of the "Third" World sought to overthrow capitalist regimes.

South Korean social unrest came on the heels of these world trends, peaking in 1970 and 1971. The labor movement had been rapidly gaining steam from around 1968. Among the major strikes which occurred from 1968 to 1969 were those at the foreign-invested Oak Electronics and Sygnetics Korea. There were also several strikes and street demonstrations by miners, a large-scale textile chaeng'ŭi coordinated by the national textile union

¹¹⁷ Gordon, *Wages of Affluence*, pp. 184-85.

¹¹⁸ On world-wide events during this critical year, see Ronald Fraser, "Upping the Stakes: January-April 1968" in *Passages to the Modern World*, vol. 2: 1750 to the Present, edited by Deborah Symonds and Frederick Adams (Forbes Custom Publishing, 1998); Carole Fink, Philipp Gassert, and Detlef Junker eds., *1968, the World Transformed* (Cambridge, UK and New York: Cambridge University Press, 1998).

federation, textile workers' strikes at Pangnim, T'aep'yŏng, and Kŭmsŏng, a strike at Tongyang Machinery against a lockout, and the KSEC strikes themselves.¹¹⁹ Dockworkers' resistance to labor-saving containerization schemes at the P'ungnong Fertilizer company in Changhang and at the ports of Pusan and Inch'ŏn occurred in 1969 and 1970.¹²⁰ The years right before the establishment of the Yushin system -- 1970 and 1971 -- were the most volatile years in South Korea. In February 1970, chemical workers at Korea Pfizer staged a roof-top sit-in demonstration and a hunger strike. Over 30,000 workers employed by the U.S. armed forces in Korea went into a chaeng'ŭi in August, and nurses at prestigious medical centers in Seoul struck in September of that year. The national railroad union federation officials followed with a hunger strike in November.

In January 1971, the FKTU declared that it would venture into political activities against the government's wishes. Workers at Asia Automobile waged a hunger strike in January, and a union official threatened suicide. A textile unionist was killed by thugs because of his union activities in March. In April, some bank employees showed their creativity by wearing tiger masks during a chaeng'ŭi, and U.S. Embassy security workers staged sit-

¹¹⁹ For a list of strikes and chaeng'ŭis from 1961 to 1971, see Yi Ŭnjin, "Han'guk ŭi nodong chaeng'ŭi, 1963-71" [Chaeng'ŭi in Korea, 1963-71] (M.A. thesis, Seoul National University, 1981), pp. 67-69 and 93-105; FKTU, *Han'guk nodong chohap undongsa*, pp. 899-913.

¹²⁰ The Korean Dock Workers' Union, *Pudu nodong undong paengnyŏn*, pp. 350-60. The Changhang chaeng'ŭi ended with an intervention of the KCIA in May 1970. Containerization chaeng'ŭis continued through the 1970s.

ins, demanding a contract. From June to July, medical interns and residents struck.

These strikes were staged by organized workers. From 1970, however, a new kind of labor activism emerged among unorganized and most exploited workers. From 1965 to 1969, the number of manufacturing employees in South Korea tripled from 291,000 to 829,000.¹²¹ The ratio of mining and manufacturing workers in the total economically-active population grew from 8.7 percent in 1963 to 14.3 percent in 1970.¹²² This growing body of industrial workers was largely filled by first-generation industrial workers from the countryside. In particular, demands for young female workers in certain manufacturing sectors such as textiles, electronics, wig, food, and rubber industries surged from the late 1960s. By 1971 low-paid young women workers accounted for over 44 percent of the manufacturing labor force.¹²³ Economic, social, and organizational situations these young female workers faced at work were quite different from those of the organized male workers like the KSEC shipbuilding workers.

¹²¹ Economic Planning Board, *Chuyo haengjŏng t'onggye pogosŏ*, 1969 and 1970.

¹²² It reached 22.5 percent in 1980. Kim Jun [Kim Chun], "Everyday Lives and Consciousness of 'Model Women Workers' in [the] 1970s," *Yŏksa yŏn'gu* [The journal of historical studies] no. 10 (June 2002), p. 54.

¹²³ See *ibid.*, pp. 55-59. In 1975, 59.4 percent of the women workers employed in manufacturing industries were under twenty years of age. Kim Jun reports that many of the "model workers" who started factory work in the late 1960s or early 1970s had gone through employment as house maid, which was practically un-paid servant work with room and board. When the opportunities for factory employment expanded in the late 1960s to early 1970s, many women over the minimum employable age of fifteen seemed to have opted to become factory workers. From the mid-

The case of garment workers is exemplary. On November 13, 1970, a garment worker, Chŏn Taeil, immolated himself at the Peace Market in Seoul in protest against the horrible working conditions young female garment workers were facing in the sweatshops of the major garment markets of the city.¹²⁴ He had been trying to get help from the authorities in labor administration and organized labor to no avail. "Obey the Labor Standards Act! Don't mistreat young girls!" was his last cry when the shooting gasoline flames consumed his body.¹²⁵ This act of heroism and the subsequent revelation of the horrifying working conditions at the sweatshops deeply shocked the nation. His desperate act influenced similar acts by frustrated workers at the hands of anti-union employers. A Chosŏn Hotel employee, who was fired after trying to organize a union, immolated himself in protest in less than two weeks after Chŏn's death. An employee at Korea Restaurant tried to immolate himself in

1970s, the cases of going through maid work before coming to work at factories rapidly diminished. Ibid., pp. 65-66.

¹²⁴ The Chŏn T'aeil incident has been widely recognized as one of the most significant labor incidents of the 1970s in the literature on South Korean labor. Many call it the moment of birth for the new autonomous labor movement in South Korea because of its impact on the consciousness of the intellectuals and students, and the tenaciousness of the union struggle of the garment union created in the aftermath throughout the following decades. The Ch'ŏnggye Garment Workers' Union was launched on the 27th with over 500 of Chŏn's fellow garment workers and with Chŏn's mother as its spiritual leader. It became the symbol of workers' resistance to the Yushin system in the 1970s.

¹²⁵ Ogle, *South Korea*, p. 73. About the impact of this incident, Ogle wrote: "[I]n a mysterious way this young men of twenty-two years ignited a spiritual fire that has continued down through the subsequent years. His flaming body lit up the wretched Peace Market sweatshop and evoked a groan of anguish and protest from workers everywhere in the country. His act has become a symbol of resistance and rebellion ever since."

February 1971. These incidents set the pattern of desperate and symbolic struggles by workers and students against authoritarian regimes from the 1970s to the 1990s in South Korea.¹²⁶

The economic and political situations became more tense in 1971. Park was reelected as president in April in a close match with a popular opposition leader, Kim Dae Jung [Kim Taejung]. The election result was so close that many believed that without extensive rigging of the election Kim would have won. In May 1971, the price of the main staple, rice, hit a record high. In August, over 30,000 poor people in the shantytown of Kwangju near Seoul staged a violent "riot," complaining a complete lack of an infrastructure for decent living conditions among other things. In September, the citizens of Seoul were again shocked by over 400 Hanjin Trading Company technicians, who had been sent to Vietnam. They occupied and set fire to the Korean Airlines

¹²⁶ According to statistics prepared by the National Surviving Family-members' Association of Martyrs for the Nation and Democracy [Chŏn'guk minjok minju yugajok hyŏbŭihoe], from 1970 to 1997, 89 persons committed suicide in political protest: 3 during the 1970s under the Park regime, 27 during the Chun Doo Hwan [Chŏn Tuhwan] regime (1980-87), 44 during the Roh Tae Woo [No T'aeu] regime (1988-92), and 17 during the Kim Young Sam [Kim Yŏngsam] regime. The statistics also include another 122 people died in the struggle for democratization from 1971 to 1997 in South Korea: 18 were killed, 42 died under suspicious circumstances, 1 died during a hunger strike, 39 died of illnesses, and 22 died from accidents. Cho Hŭiyŏn, "Han'guk minjujuŭi t'ujaeng ŭi pop'yŏnsajŏk ŭimi wa namgyŏjin kwajedŭl" [The universal meaning and remaining tasks of the South Korean democratization struggles], *International Status of the Democratization Movement in Korea* (Seoul: Minjuhwa undong kinyŏm saŏphoe, 2002), P. 155.

building owned by Hanjin chaebŏl in a labor dispute over back pay.¹²⁷

In December 1971, came the declaration of a National Emergency and the Special Law regarding National Security, Article 9, Section 1 of which gravely restricted labor's rights to collective bargaining and collective action. It was repealed only nine years later in December 1980, a year after Park's assassination. The 1973 amendment of labor laws further restricted labor rights.

Although actual threats posed by workers' strikes or popular riots were not by itself serious enough to prompt the authoritarian turn of the Park Chung Hee regime, mushrooming resistance from below, which was not channeled through the FKTU system of labor control, was a worrisome phenomenon for the state policymakers. Especially, the Chŏn T'aeil incident pushed the labor issue to the central arena of political debate, encouraging efforts to reach out to workers by intellectuals and activists on the one hand, and heightening the state's level of concern over labor control on the other.¹²⁸ The economy was in crisis, and political opposition was mounting against Park's heavy-handed political maneuvering to get his third term as president. The

¹²⁷ Korea Airlines was privatized on March 1, 1969 and Hanjin chaebŏl became the owner. Hanjin, which made its fortune through its participation in the lucrative business of the Vietnam War, bought the KSEC in 1989.

¹²⁸ Bruce Cumings sees the Chŏn T'aeil incident as one of the key reasons behind the move toward the Yushin system. Cumings, *Korea's Place in the Sun*, pp. 356, 371.

chosen economic development strategy -- called the Export Drive -- changed the terms of labor activism. The "export" path to economic development meant global competition -- South Korean industrial products would have to compete in a global market place -- whereas industrialization based more on internal markets could accommodate more easily the idea of higher wages and benefits for workers, the idea the KSEC unionists argued with partial success in the 1960s. In this changing climate, a fundamental shift in labor control policy occurred from around 1969 and was consolidated by the establishment of the Yushin authoritarian system in the early 1970s.

Keeping this larger political context in mind, let us examine the reasons for the defeat of the KSEC union in 1969, and how the union fared in the 1970s, facing this new political and economic order. There is no doubt that the KSEC local was one of the most successful and powerful unions in the 1960s in South Korea, although more case studies are needed to evaluate relative strength of the KSEC union in comparison with other unions, especially those at large state-managed enterprises, during the period. Certainly, the KSEC union represented the epitome of what South Korean unions could accomplish under the circumstances of the 1960s. The KSEC unionists themselves proudly acclaimed their pioneering status, and other unions acknowledged it. The KSEC strike of 1969 was, as George Ogle said, "perhaps Korea's

most famous modern strike" and "one of great significance in the history of Korean unionism."¹²⁹

Up to 1969, KSEC workers built a decade-long history of successful collective bargaining and collective actions. As they said, theirs was not a union "which backs off easily without attaining what it asked for."¹³⁰ According to management, it was a union "which exercised almost unlimited power" and "ran things the way [it] wanted."¹³¹ The leadership of the union had been relatively stable under the well-respected president, Hŏ Chaeŏp, since 1964, and democratic principles of union operation had been emphasized and followed through in practice under his leadership.¹³² Both regular and temporary workers belonged to a homogeneous group of better-educated, male workers in their

¹²⁹ Ogle, "Labor Unions in Rapid Economic Development," pp. 366-67. Even though Ogle used the KSEC strike of 1969 as one of the sample cases of industrial strife in South Korea in the 1960s, interviewed some participants, and noted the exceptional militancy of the union, he still stood by his argument that "traditional" values, such as the hierarchical "father-son relationship," were prevalent within the union and between the union and management to the detriment of the labor movement. He saw no exception in the KSEC case in that regard. The documents in the KSEC union archive and new interviews quoted earlier in this dissertation, however, prove it otherwise.

¹³⁰ KSEC Archive #15, 5/12/69 Labor-Management Council minutes.

¹³¹ A recollection by the secretary of general affairs at the KSEC, cited in Ogle, "Labor Unions in Rapid Economic Development," p. 383.

¹³² Kwŏn Odŏk recalled: "What we could boast about our union activities . . . were: First, they were democratic . . . I'll tell you an example of how democratic we were in those days. When we held an annual assembly, a whole day's discussion was not enough so that we often extended the meeting into the night. And even though all the people were in fact in support of the local president, Hŏ, forty or fifty union representatives engaged themselves in heated debates for the sake of the union movement. Sometimes emotions flared up . . . It was shocking to the observers who came from other organizations and privately they asked whether an ouster of Hŏ Chaeŏp was imminent. When

thirties and forties. Most came from nearby provinces and lived in closely-knit working-class communities near the yard. Community support and family members' participation in workers' collective actions were high.

During the 1960s, not only the Office of Labor Affairs and central and regional Labor Committees, but also the Pusan city mayor's office and police were favorably disposed toward legal union activities. Both unionists and the government saw the organized labor movement as a positive input in the mission of nation-building, rather than as a hindrance to it. Even though the national umbrella labor organization, the FKTU, was under the tight surveillance and virtual control of the KCIA, some industrial union federations such as the Maritime Union were quite militant and active in organizing workers and pursuing collective bargaining and contracts.

The unionists at the KSEC benefited from rich ideological legacies left by the experience of the colonial labor movement and the popular mobilization in the immediate postwar period. As shown in Chapter 5, the mainstream unionists' vision of desirable modern industrial relations before the 1970s included many elements that were difficult to reconcile with liberal capitalist norms. The voice and power of capitalists in South Korean politics and society were still somewhat limited in the 1960s, compared to the decades that followed. Workers were proudly

the assembly meeting was over, however, [we exhibited] strong unity."

claiming that their input of labor and skills was as important as the entrepreneurs' input of capital. Thus, workers demanded their rights to a voice and an equal status with management in industrial relations. As we have seen, the KSEC unionists did not regard their managers' competency in running the business too highly, nor did they endorse management prerogatives. They often expressed their conviction that the union could better handle the management tasks of the yard for the sake of national economic development than the management itself.

Underneath this claim to a reward for their contribution to the economic development, they also harbored a sense of entitlement to the rights and benefits which accompany citizenship in a modern nation. During the postwar period, from 1945 through the 1950s, a belief that "democracy" should be the operating principle of the new, modern South Korea had gradually spread among workers as well as in the larger society under the heavy influence of the United States in political, economic, and cultural arena. Rapidly expanding public education based on a Western curriculum and value system in the postwar years was important in building the hegemony of the ideology of liberal democracy and so were political propaganda and the platforms of almost all the parties and organizations in South Korea, which claimed to seek a democratic polity.

Another possible source of the sense of entitlement to citizenship can be found in the male workers' experience of serving in the military to fight a war against the North Korean Communist regime to protect "freedom" and "democracy" in South Korea. It is difficult to evaluate the impact of military experience in this period and memories of such experience, especially that of the Korean War, on workers' mentality because of the diversity in workers' background and experience.

Historian Kim Muyong argued that workers came out from the war with an enormous fear of the violent state power to the detriment of the labor movement.¹³³ Certainly, everyday military experience in this period was far from one promoting democratic principles among the people involved. It is, however, also certain that men who served during the Korean War risked their lives in a war fought in the name of democracy and freedom for the country. It is then plausible that a sense of entitlement to

¹³³ Kim Muyong emphasizes negative impacts of workers' collective experiences and memories of the mobilization for the Korean War. The most lasting memories of the war among workers, according to him, was the realization of the enormously violent state power, and the "fear" of such state power, backed by the state anti-Communist ideology, helped make the working class and the labor movement of the 1950s submissive. Kim Muyong, "Han'guk nodongja kyegŭp ūi kyŏnghŏm kwa chiptan kiŏk, chŏhang kwa sunŭng ūi kongjon" [Experiences and collective memories of the Korean working class, coexistence of resistance and accommodation], *Yŏksa yŏn'gu* no. 10 (June 2002): 7-51. For further discussion of Kim's argument, see Chapter 13, footnote 47. The KSEC case I have examined shows that workers at the KSEC yard recovered from the terrifying experience of the Korean War by the late 1950s, and went on to build a militant union movement, unfettered by the fear of state power, in the 1960s.

a say in the country's future and to a good treatment of them by the society grew among them as a consequence.¹³⁴

A completion of military service also endowed ex-service men, especially ex-officers like Hõ Chaeõp, a proof of their loyalty to the country and their unquestionable anti-Communist stance, which became an important asset for the labor movement as a powerful deterrent against red-baiting, as in the case of the KSEC union. Many in the sample list of KSEC workers I discussed in Chapter 9 (also see Appendix C) had gone through military service during the 1950s before coming to the yard. For example, Hõ Chaeõp was in the army as an officer from 1953 to 1961. Pak Chõngbu served in the army from 1951 to 1956.

I have not found evidence in the union archives to demonstrate directly the influence of the war or military service on KSEC unionists,¹³⁵ but Hõ Chaeõp's case can serve as an indirect evidence of the positive impact that military experience had on labor activism. Hõ, a reserve officer of army major rank, was an ardent advocate of democratic principles and procedures in

¹³⁴ Nelson Lichtenstein makes a similar case for the United States, arguing that World War II experience boosted workers' sense of citizenship and entitlement: "To millions of working-class youth the war experience had ratified the new sense of citizenship GM strikers who had served in the military wore their uniforms as a symbol of their entitlement and their patriotism; when the UAW declared January 12 'Veterans' Day,' a huge uniformed picket line ringed the corporation's giant office complex in Detroit" *The Most Dangerous Man in Detroit*, p. 234. Much the same case has been made in the U.S. civil rights literature which traces the big changes in the civil rights arena to black participation in the war.

¹³⁵ The behavior of KSEC workers on relief -- injured veterans of the military or police -- discussed earlier in this chapter is one example

the union as we have seen from his numerous statements to that effect in previous chapters. He was at the same time a proud ex-army officer, who, this time, was fighting for workers' rights in the name of democracy. Union members respected and trusted him because of his devotion to workers' causes, democratic principles, and his courage and aggressiveness in pursuing union's goals, according to Kwŏn Odŏk's description of him.¹³⁶ Further research is needed on this important subject of how experience of military service during the Korean War and ensuing cease-fire situation influenced workers' beliefs in democracy and their sense of entitlement as citizens of a country they helped to preserve.

The KSEC unionists often expressed their view that labor rights, human rights, and the principle of equality of all the people, regardless of their status, were a fundamental part of the spirit and system of democracy. Therefore, from workers' point of view, strikes demanding those rights, even in the conditions of a low level of economic development, made legitimate claims which conscientious entrepreneurs and the state should accommodate if they wanted to succeed in building a democratic and modern industrial nation. As we have seen, a decent "living wage" to sustain a family from an eight-hour work

that shows a strong sense of entitlement to a better treatment and a say among ex-servicemen workers.

¹³⁶ Kwŏn Odŏk Interview, 9/20/2001. Hŏ seemed to have maintained a proud army officer mentality throughout his life. According to Sin Wŏnch'ŏl, who interviewed him in August 2000, Hŏ showed up wearing a military decoration on his chest. Interview with Former KSEC Union Officials, 8/9/2000.

day -- one of the most frequently raised demands of the KSEC union -- was argued by the KSEC unionists as a basic "human" right of the citizens of a modern industrializing nation.

KSEC workers thus had sizable organizational and ideological resources in their possession, when they faced their foe, Namgung Ryŏn, in 1969. Their unity was strong, and their morale was high from the past experiences of successful struggles. The police had not yet turned into a tool of labor repression, at least at the KSEC yard, and the government stood neutral at first. Then how should we interpret the union defeat in the 1969 strike?

One conspicuous weakness the KSEC union had during the strike of 1969 was a lack of organized solidarity and support by the FKTU or by other industrial unions on behalf of the striking KSEC workers. It is true that beginning in August, union officials from the Dockworkers' Union, the Gold Star Corporation (Kŭmsŏngsa) Union, the Inch'ŏn Heavy Industries Union, the Yŏngdŭngp'o Regional Association of Unions, as well as the usual KSEC allies -- the Metal Union, the Maritime Union, the Taesŏn local, and the Pusan City Association of the FKTU Unions -- brought money, supportive statements, flour, or ramen to the striking workers to show solidarity.

The FKTU, however, was apathetic, the Metal Union's threat to call for a general strike was mostly rhetorical, and an informal or formal network of individual unions such as the Kuggino (see Chapter 10) did not materialize to coordinate a solidarity

struggle by individual unions in support of the KSEC strike. Thus, the KSEC union, which was just a local enterprise-based union, had to fight an all-out battle against the company without much outside help. When the state intervened, there was not much a local union could do without the solid backing of a powerful industrial union federation at the least.

Unlike heavy-industry workers who staged large-scale strikes from the 1980s on, the KSEC shipbuilding workers did not have much leverage in terms of their strike's impact on the balance sheets of the yard or on the export front of the national economy. Although the company made much of the damages the strike had caused or would cause to the budding export business of the shipyard, and even though the state eventually used that argument when it invoked the power of emergency arbitration to stop the strike, the threat of lost export orders as a result of the prolonged strike was more of a symbolic threat than a real one. The era of shipbuilding for export had not begun in earnest yet, and shipbuilding at the time was not a booming industry. The unemployment rate was still high,¹³⁷ and the jobs the KSEC strikers were holding were well-paid and highly coveted jobs, a situation that made workers think twice in casting and maintaining their support for the strike.

¹³⁷ In 1969, of the labor force ("economically-active population") of 9,818,000 people, completely unemployed workers were 471,000 (4.8 percent) and those employed less than 18 hours a week were 320,000 (3.3 percent). EPB, *Chuyo haengjŏng t'onggye pogosŏ*, 1970, pp. 12-13.

Persistent propaganda from the company branding the union leadership as "anti-national" and undemocratic began to eat away at the union's support from the more privileged segments among its ranks, that is, section-chiefs and technicians, whom the union fought hard to include and keep as union members. When the government decided to step in to stop the strike and later arrested core union leaders, a heretofore largely dormant dissident group of workers took over the union with the support of the management. Finally, the immediate cause of the collapse of the union strike leadership was the change in the state labor control policy, as Hø recalled. The changed political environment did not allow any room for the kind of militant and democratic unionism the KSEC workers had built over a decade.

Chapter 12. Cooperative Unionism: the 1970s

Let us now turn to the fate of the militant KSEC union leadership, removed by force in October 1969. Hŏ Chaeŏp and other arrested union officials had been held in jail for five months, when their trial began in January 1970, charged with violence, sabotage, and incitement to riot.¹ They were found guilty and the sentencing was held on March 14 at the Pusan District court. Hŏ was given one year in prison. Pak Chŏngbu and eight others received eight months to one-year jail terms, the execution of which was suspended for one to two years. Among the arrested, only Kwŏn Odŏk, who at the time was not an official of the KSEC local but that of the Metal Union headquarters, received a deferred sentence.² The judge released all but Hŏ.

The charges were brought by the company, and the company tried to entice Hŏ, throughout the trial, to resign from the union, promising to drop all the charges against him if he did. Hŏ refused. Among the four charges lodged against him -- violence in the beating of people during the demonstration of family members, incitement to riot, sabotage of the plant

¹ On the trial, see Ogle, "Labor Unions in Rapid Economic Development," pp. 377, 381-82; The Korean Metal Workers' Union, *Kŭmsok samsimnyŏnſa*, p. 142. The latter lists prosecutor's recommendation for punishment, which ranged from 2 years to 2-1/2 years of imprisonment, and the sentence for each defendant in the trial.

² Kwŏn, however, was deeply involved in the KSEC strike of 1969. Kwŏn Odŏk Interview, 9/20/2001. Sixteen others, who had not been detained, were also sentenced the same day: Nine union officials, four rank-and-file members, and two women family members received deferred sentence, and one member was fined 3,000 won.

generator, and illegal entry -- Hŏ was found guilty only of committing and threatening violence.³ The charge of sabotage was dismissed despite the company's contention that the strike caused the generator accident. The charge of illegal entry was also dismissed.

After he was released from the prison, Hŏ appealed his case to the Taegu Appellate Court.⁴ In December 1973 the appellate court judge ruled that "there had been no serious offense." The record of his conviction was nullified.⁵ After four long years of legal battles, a court of law finally exonerated Hŏ from any wrongdoing, but overall the company came out as the winner. Hŏ and other militant union officials were fired and gone from the union by October 1969, and the outcome of the trial four years later could not change that.

The KSEC union provided some support for the court battles of its arrested former officials. In June 1970, for example, the union Steering Committee members ran a fund-raising campaign on the shop floor for Hŏ Chaeŏp, and the local president visited Hŏ in jail in Taegu.⁶ Days before Hŏ's Taegu appellate court trial

³ Hŏ's interview with Ogle. Hŏ explained the third charge -- incitement to riot -- that was laid against him: "The law says that if a group threatens and yells abusively, it can be interpreted as an inciting to riot." The illegal entry charge was due to the union's continued sit-in after the company declared a lockout. Ogle, "Labor Unions in Rapid Economic Development," p. 381.

⁴ A judge released him on bail on July 10, 1970. The Hanjin Heavy Industries -- formerly the KSEC -- Union, *Che 32-nyŏnch'a hwaltong pogosŏ* [The 32nd annual activity report] (Pusan: Hanjin Heavy Industries Union, 1995), p. 469.

⁵ Ogle, "Labor Unions in Rapid Economic Development," p. 382.

⁶ The KSEC Archive #31, daily logs for June-July, 1970.

on July 9, the local president and the vice president met with Pak Chŏngbu, collected the fund for Hŏ, and sent two officials to Taegu to sit at the trial.⁷ The next day in the evening, Hŏ was released by the judge and headed for Pusan.⁸ On the 13th, he came by the union office and visited shops. In August 1973, union officials saw off five former officials, including Hŏ, on their way to the Taegu Appellate Court.⁹

But neither Hŏ Chaeŏp nor any other fired union officials could make a comeback at the KSEC union after their release from jail.¹⁰ The 1970s was a completely different era for union movement. Police and KCIA officers became a fixture at the union office, and a big part of union activities came to be dedicated to government-initiated campaigns and rationalization projects such as anti-Communism education and rallies, the Factory New

⁷ Yang Kujū, then vice president, and the chief of the Organization Department Choe were sent to Taegu. 7/9/70 daily log.

⁸ Kwŏn Odŏk reported it to the KSEC local. The trial was postponed indefinitely on July 16 for some reason, and resumed in 1973.

⁹ KSEC Archive #38, Activity Report attached to the 3/30/74 Assembly of Union Representatives minutes. The same report recorded that on September 27, 1973 all but Hŏ received suspended sentences at the higher court. Hŏ's case might have gone on further since he stated in his interview with Ogle that his conviction was nullified "in December."

¹⁰ Some, however, went on to lead other unions and labor organizations. The names of Kwŏn Odŏk and Pak Insang among the arrested officials appear in the 1970 "Report on Activities" of the Metal Union as vice president and general secretary of the Yŏngdo local. The Korean Metal Workers' Union, 1970 *Saŏp pogosŏ* [1970 report on activities] (Seoul: KMWU, 1971), p. 39. In 1972, Kwŏn and Pak contacted the KSEC local as officials of the Pusan Regional Union. KSEC Archive #34, 2/23/72, 4/17/72, 7/27/72 daily logs. Pak Insang had a successful career after his tenure at the KSEC local, finally becoming the FKTU president in the 1990s. He is currently (2002) a National Assemblyman, and is expected to become the presidential candidate of a new labor party the FKTU is planning to launch. Kwŏn stayed in the labor movement in the Pusan area for a while, but had to leave the labor scene because of heightening surveillance on him from the KCIA. Kwŏn Odŏk Interview, 9/20/2001.

Village Movement [*kongjang saemaül undong*], and Quality Circle [QC] campaigns. A period of cooperative unionism set in, and lively discussion and vociferous voices from the shop floor disappeared from union meetings. Instead, the union maintained a cordial relationship with the company, negotiating for better remuneration and welfare measures on the job within the limits set by the company and the state. The basis for union membership was greatly narrowed in the new contracts signed during the 1970s, starting with the exclusion of temporary workers from the union. Gone were solidarity with other workers outside the union, and a sense of mission which put the KSEC union in the frontline of the struggle for all the workers of South Korea.

Police visits to union office was nothing new, and had been customary practice since the colonial period. The KSEC local had maintained friendly relationship with Yöngdo police detectives who were in charge of labor and intelligence matters. The KSEC daily logs I sampled show that from June 1964 to June 1966, intelligence personnel -- police detectives, KCIA agents, or CIC officers -- visited the union office average 4.7 times a month.¹¹ Police detectives were mostly from the Yöngdo Police Station, but some were from the Pusan City Police. Union officials also paid a visit to the police stations on occasion, and, in rare cases,

¹¹ KSEC Archive #6, daily logs from 6/19/64 to 6/30/66; #16, daily logs from July to December 1966. The breakdown is: 15 times from June to December 1964, 88 times in 1965, 20 times from January to June 1966, and 23 times from July to December 1966.

attended a wedding of a detective, or visited a detective in sickbed.

From 1969 on, however, police and KCIA presence at the union office increased significantly. For seven months from June to December 1970, police detectives came to the union office 65 times and KCIA agents came by 8 times, according to the daily logs.¹² Combined, the average number of visits by intelligence personnel to the union office jumped to over ten times a month. The union daily logs sometimes recorded the visiting KCIA agent as "the person in charge of the KSEC" -- a Mr. Yi in 1970 and 1971 -- and it was usually he who came by or called the union office to discuss the labor issues at the yard. On January 3, 1971, six union officials took an education course at the KCIA.¹³ On October 21, 1971, National Police Day, union president P'aeng won an official commendation from the Yöngdo Police Chief.¹⁴ The heavy police presence in and constant KCIA surveillance of union affairs continued throughout the 1970s and into the 1980s.¹⁵

In the 1970s, the union spent a lot of its time and energy cooperating with the state's ideological campaign called the "Factory New Village Movement."¹⁶ It was a campaign aimed at

¹² KSEC Archive #31, daily logs.

¹³ KSEC Archive #31, 1/3/71 log.

¹⁴ Hanjin Heavy Industries Union, *Che 32-nyöñch'a hwaltong pogosö*, p. 470.

¹⁵ For example, in 1972 alone 269 visits by detectives or agents (22.4 per month) were recorded in the logs. See daily logs in KSEC Archive #31, #32, #34, #37, #47, #49 and also '82 *omnu ilchi* [1982 daily logs] in the union archive.

¹⁶ For discussion and evaluation of the campaign, see Jang Jip Choi, *Labor and the Authoritarian State*, pp. 173-92. According to Choi, the

maintaining a highly committed workforce using ideological methods. The campaign was a response to a situation in which the use of coercive means of labor control was limited by already existing legislation to protect workers' rights, and in which the labor movement was increasingly becoming active.¹⁷ At the center of the state-initiated campaign was an endless emphasis on patriotism and the ideology of "economic growth first." The logic of it was that delayed gratification would eventually create a much bigger "pie," from which workers would receive a bigger piece as their share.

It was an expansion into the factories of the rural "New Village Movement" [*Saemaül undong*], which started in 1970 under the slogan of "diligence, self-help, and cooperation." As an industrial relations policy, the focus of the Factory New Village Movement was on rationalization of production and management on the one hand, and an injection of a "company-as-family" ideology and cooperative unionism on the other. For the former, small-circles, called "New Village circles" [*Saemaül punimjo*], were organized to discuss and suggest measures to cut costs and

state's normative labor control efforts were centered on two institutional arrangements: the labor-management council at the factory, which in its organizational rationale resembled the 1930s factory committee system in pre-war Japan, and the Factory New Village Movement (in his translation, "Factory New Community Movement"). As for the effectiveness of the campaign, he came to cautious conclusions, emphasizing both its limitations "in terms of the receptivity of the populace" and its success in creating "in Korean factories a corporative and authoritarian workshop atmosphere in which incipient delinquency and rebellion are extirpated under the moral pressure of brainwashing or shaming." p. 184.

¹⁷ Choi, *Labor and the Authoritarian State*, pp. 176-77.

improve productivity. Various other measures to control workers' attitudes were devised and implemented under the name of the Factory New Village Movement, such as a campaign to arrive early and clean the work site before the start time, and a campaign to obey start, finish, and rest times.¹⁸ For the latter, workers were told to show loyalty to the company and the country, and employers were encouraged to improve company welfare schemes under the slogan of "treat employees like family; do factory work like your own personal work."¹⁹

In the aftermath of the oil shock of 1973, the state's efforts to raise productivity and to curb workers' demands of rewards attained new urgency.²⁰ Under the direction of the MCI, two hundred model factories for the campaign were designated in March 1974, and expanded to 1,465 model factories by 1976.²¹ From 1977, all the mining and manufacturing companies hiring ten or

¹⁸ Sin, "Kiŏp naebu nodong sijang," pp. 255, 286-94. The introduction of the New Village circles brought confusion to the operation of already existing Quality Control circles in many factories. In 1978, the state ordered the merger of other small circles such as QC and Zero Defect [ZD] circles into New Village circles. For the introduction of QC and ZD circles, see *ibid.*, p. 256.

¹⁹ In his Export Day speech in November 1973, which kicked off the Factory New Village Movement, President Park emphasized the "company-as-family" ideology as central to the campaign: "There should be close labor-management cooperation, with the company president making an utmost effort to improve pay and welfare for his employees . . . and the latter fulfilling their duties with a sense of responsibility and sincerity, doing factory work like their own personal work, and caring for the factory as if it were their own. In such a corporation, productivity will be high, thanks to the family-like atmosphere, and the workers will be well taken care of as due return for their faithful service." [translated by Jang Jip Choi]. Choi, *Labor and the Authoritarian State*, pp. 182-83.

²⁰ *Ibid.*, p. 182.

²¹ Sin, "Kiŏp naebu nodong sijang," pp. 255-56.

more regular workers were obliged to adopt the campaign. The FKTU and the Metal Union were from the start very supportive of the campaign, and the KSEC union adopted it in 1974, in its early stage. The new KSEC union president, P'aeng Chongch'ul, wholeheartedly endorsed the Factory New Village Movement. At the first Steering Committee meeting after the March 30, 1974 Assembly of Union Representatives, he concluded the meeting with the following statement:

Since the New Village Movement is a movement to make all the people in the country wealthier, it should be actively pushed forward as a common project by the company and the union united in one mind. From this year, we will pursue the labor movement in connection with the New Village Movement.²²

At the KSEC, the New Village circle organization started in 1976, and, by 1978, 579 circles with seven to nine members each were participating in one-hour-per-month discussion sessions.²³ The company established a New Village Training Center in 1976, and over 3,000 workers had gone through it by September 1978. Numerous campaigns and activities were promoted under the name of the Factory New Village Movement, which, besides the campaigns for early arrival and cleaning noted earlier, included planting

²² KSEC Archive #38, 4/3/74 Steering Committee minutes. Also see 3/30/74 Assembly minutes.

²³ Sin, "Kiŏp naebu nodong sijang," pp. 292-93. Sin concludes that workers' participation in monthly circle discussion sessions were less than enthusiastic. Moreover, the introduction of the New Village circles had an effect of fading out QC circles, which had been active since the early 1970s.

sunflowers in empty areas, making flower beds on roadsides, walking fast, having a standard-length haircut, greeting each other, not throwing cigarette butts, not smoking while walking, and not talking during work. "New Village joint wedding ceremonies" were held and prizes were given to workers whose suggestions contributed to cutting costs.²⁴ In tandem with the Factory New Village Movement, the KSEC union actively participated in the anti-Communism campaign. In November 1974, the first Anti-Communist League workshop branch in the nation was organized at the KSEC.²⁵

P'aeng Chongch'ul, the new president of the KSEC local, seems to have had a rather quiet and submissive personality, compared to labor leaders like Im Hansik or Hŏ Chaeŏp.²⁶ According to George Ogle, who interviewed P'aeng in the early 1970s, he said very little during the interview. Questions directed to him were instead answered by the Personnel Manager, who was also present, on his behalf.²⁷ P'aeng did not seem to harbor any doubts about management and the state's insistence on the utmost importance of productivity increases or the ideology

²⁴ On the practices of the Factory New Village campaign at the KSEC, see *ibid.*, pp. 290-95.

²⁵ *Ibid.*, p. 289. In May 1974, the KSEC was designated as a defense industry company and began to build high-speed patrol ships.

²⁶ He was born in 1932 in Ch'angwon, South Kyŏngsang Province and was graduated from a middle school in nearby Chinhae. He worked at the Chinhae Naval shipyard from 1951 to 1959, moved to another metal shop, and settled at the KSEC in 1962. He became a vice-president of the union at the November 16, 1968 Assembly.

²⁷ Ogle, "Labor Unions in Rapid Economic Development," p. 385. Ogle added, "This is the type of 'cooperation' that now exists between management and union."

of the corporation as a family. As for the Yushin system itself, which the FKTU and all of the industrial union federations endorsed, P'aeng went further than simply accepting it. He declared that, "Our KSEC union members regained pride through the October Yushin!"²⁸ Union negotiations with management under his leadership were quite different from the previous pattern under Hŏ Chaeŏp. Rather than a negotiation between parties with different agendas, it was more like a talk between the local president and the company president, after which the local president relayed the company president's position to the union. Management now regarded the union as a partner in the management of employment relations.

When the total sum of pay raises was decided upon between the union and management, instead of the union demanding how it should be distributed among groups of workers and among various categories of wages and allowances, it left a free hand to management during the 1970s. The union justified the practice as follows:

If the union meddles into the distribution method, it will bring about an undesirable phenomenon, the perception that the wages that the company pays are something that the union gives out . . . The union's position is that union should not be deeply involved in the distribution of the raise.²⁹

²⁸ KSEC Archive #36, 12/6/72 Steering Committee minutes.

²⁹ From 1975, the union tried to secure a certain portion of the increase for base-wage increases ("base-up"), but until the 1979 wage-increase

The company often used a large part of raise money for incentive pay or promotion rather than for increasing base wages, generating frustration among workers. P'aeng in fact was in favor of the introduction of the new incentive pay system, which was promoted as the "New Village incentive payment" by management and understood as a "piecework system" by workers at the time.³⁰ He repeated the claim of a manager -- the head of the newly organized Shipbuilding Headquarters -- seemingly without much reflection on the issue: "At our company, too many people who can't work well coexist with people who do a lot of work." Therefore, it would be fair, according to him, if "employees who work more receive more remuneration" under the new efficiency pay system. He argued:

I think that piecework could be beneficial to workers If we adopt the piecework system, workers can receive a just reward for their labor. Currently, when we hear about the situation of the advanced countries, [workers] finish practically in four hours what we do in eight hours.³¹

agreements, there was no detailed breakdown of the wage-increase rates for different groups of workers that management unilaterally first decided and then sent notification to the union. Sin, "Kiŏp naebu nodong sijang," pp. 311-13. The quotation is on p. 312.

³⁰ Workers Sin interviewed did not remember the term "New Village incentive payment" but it was the official term used by the company. Ibid., pp. 319, 321.

³¹ KSEC Archive #43, 7/13/77 minutes.

This was a far cry from the position of the leaders of the old KSEC union who had constantly voiced their pride in their skills, hard work, and contributions to the company and the economy.

The new leadership of the union was as much concerned as management about the lack of a work ethic among workers, but even with the Factory New Village Movement in full swing, "work ethics" of a kind the company and the new union leadership wanted to see did not seem to have developed much at the KSEC. Management was not in control of the workers' movement around worksite or how workers spent their time at work even in the 1970s. It was not until 1976 that a systematic production management system was introduced at the yard, under which the "work station" became the smallest unit and the "work order card" and the "worker control card" were issued to double-check how much work a worker did and when.³² One worker recalled that "the KSEC was the easiest place for workers and many workers spent time lounging around" and that "when efficiency pay was first introduced, productivity doubled."³³

The union volunteered in 1976 to organize an "enlightenment patrol" by union officials to educate workers to obey workplace rules and time controls, as a part of the Factory New Village Movement. Frustrated by his untenable position of doing the management's job of "correcting workers' wrongdoings," the union's Chaeng'üi Department chief asked P'aeng: "How should I

³² Ibid., pp. 282-83.

³³ Recollection of Yi Chöngsik in *ibid.*, p. 322.

answer the shop floor question of what it is that we are trying to 'enlighten'?" P'aeng answered: "You might say that it is to solve members' grievances and to promote their rights and interests."³⁴

The union was not exactly striving for workers' rights and interests either. A comparison of the contracts before and after the defeat of the 1969 strike clearly shows just how far the protection of workers' rights and interests declined in the 1970s under the P'aeng leadership. (For details see the comparison of the 1968 and the 1971 contracts in Appendix D). Suffice it to say that the management draft for contract revision in 1969 was fully incorporated into the 1971 contract and remained unchanged throughout the 1970s. In the 1970s the union mostly ignored the rights and interests of temporary workers and contract workers supplied by outside firms.³⁵ Major decisions on personnel matters were now unilaterally made by the management. The union did not object to lay-offs in the early 1970s. In 1979, in the midst of an economic depression, the union declared that it would "submit to whatever measures the company decided to raise productivity,"

³⁴ Ibid., p. 287.

³⁵ In 1972, the union decided to exclude temporary workers from the coverage of that year's wage-increase demand. In 1975, however, the union began to organize workers who came to the yard dispatched by subcontracting firms. The KSEC was outsourcing production lines from time to time, and affected workers had to resign from the KSEC and move to the company which obtained a contract with the KSEC. In 1975, the KSEC union accepted these workers into several sub-locals under it, such as the Hangdo, Tojang, and Oriental sub-locals. In the 1980s, workers at each outsourcing firm of the KSEC formed a sub-local of the KSEC Union. Ibid., pp. 299-301.

and voluntarily gave up summer vacation days, national holidays, and 50 percent of Sunday rest days to help keep the yard running.

Rank-and-file workers and those who were excluded from union membership did not seem to have been particularly happy with a union leadership that was enthusiastic about the mission of productivity increases and the idea of creating a new kind of patriotic and diligent workforce for the company and for the nation. Workers' voices are usually mute in the pages of union meeting minutes in the 1970s, but some examples do appear. One member remarked, for example, that, "The only time I feel the union's presence is when I see the pay stub on pay day."³⁶ An anonymous contract worker sent a letter to the KSEC Union president in 1982, criticizing him for "sitting comfortably in a tea shop with subcontracting company representatives and pleading for the size of wage increase as if he were begging for it." He urged the union to "stop being a company union."³⁷ Still, rank-and-file workers did not mount any significant challenges against the P'aeng leadership or the subsequent leadership of the union for a long period of time -- over a decade and a half. The KSEC local remained quiescent throughout the 1970s. In February 1981 P'aeng was elected president of the Metal Union and left the KSEC

³⁶ KSEC, *Chogong*, March 1975.

³⁷ Sin, "Kiŏp naebu nodong sijang," p. 301. Because of the state's change in policy toward strengthening the enterprise-based union system and weakening the power of industrial unions, the "KSEC local" became the "KSEC Union" under the same Metal Union in January 1981. *Ibid.*, p. 300.

local to assume a long tenure at the helm of that industrial union.³⁸

The debilitating impact of the defeat of the 1969 strike, constant police and KCIA surveillance, and the seeping influence of intensive state propaganda through frequent education sessions and rallies for the causes of anti-Communism and Factory New Village Movement could explain some part of the KSEC workers' quiescence during the 1970s. But other key factors should not be ignored. As we will see in the next chapter, the 1970s saw an explosive expansion of the shipbuilding industry in South Korea. The number of shipbuilding industry employees jumped from 7,508 in 1971 to 48,182 in 1977 -- an expansion of 6.4 times in six years -- then declined somewhat to 42,324 in 1979.³⁹ The number of the KSEC employees also grew rapidly during the same time, from 827 in 1971 to 5,734 in 1977 (693 percent increase), then down to 5,460 in 1979. The KSEC laid off many workers after the 1969 strike, but began to expand its workforce from 1972 with more export orders coming in. After the Hyundai Ulsan shipyard began its operation in 1973, the shortage of skilled shipbuilding workers became acute.

³⁸ Hong Pusik succeeded him as local president.

³⁹ For the statistics on the number of the total shipbuilding-industry employees and the KSEC workers, see *ibid.*, pp. 245, 265. Sin Wŏnch'ŏl estimates that from 1971 to 1977 over 400 regular production workers were hired at the KSEC yard each year. *Ibid.*, p. 264.

The monthly turnover rate of the KSEC workers was high throughout the 1970s and only began to decrease in the 1980s.⁴⁰ The composition of the union changed greatly, a result of the rapidly expanding labor market situation and the high turnover rate in the 1970s. Almost 90 percent of the members in 1974 had less than six years of seniority.⁴¹ That means that by the latter date only 10 percent of the members had witnessed the union struggles of 1968 and before.⁴² During the 1970s many KSEC workers enjoyed the option of voting with their feet instead of challenging the company and the union to get better wages and working conditions. In fact, workers left so often that they forced the company to devise ways to keep skilled workers from leaving the yard.

Pay levels were probably the most crucial factor in retaining workers at the KSEC. The union received fairly big wage increases from the company during the 1970s. For example, the nominal/real wage increases for year 1972 were 18.9/7.2 percent on average, the 1976 figures were 32.2/16.9 percent, the next year's were 18.5/8.4 percent, and the 1978 figure was

⁴⁰ For example, the KSEC production workers' monthly turnover rate was 4.1 percent in 1979 and 4.6 percent in 1980. Ibid., pp. 325-27.

⁴¹ See Table 4-13 in Ibid., p. 326.

⁴² If we include the workers with five years of seniority, i.e., those who started work at the yard in 1969, the percentage of the union members in 1974 who witnessed the 1969 strike would increase somewhat, but unfortunately, I have not been able to locate the statistics that would allow me to make an exact calculation.

32/17.5 percent.⁴³ Real wage gain for KSEC workers disappeared during the depression of the shipbuilding industry. In 1979, real wages were up 1.3 percent on average (20 percent increase in nominal wage terms) and the next year workers ended up losing 13.7 percent of wages in real wage terms despite a 15 percent increase in nominal wages. The company, however, claimed that including incentive pay, the average nominal wage of KSEC employees went up 2.9 times from 1977 to 1982,⁴⁴ while national consumer price index showed an increase of just 90.1 percent during the same period.

Many workers also experienced rapid promotion from temporary to regular status and then up the ladder during the 1970s.⁴⁵ Around 1980, the company decided to discontinue the use of the temporary worker system, which already had lost its edge under

⁴³ The statistics on nominal wage increases at the KSEC yard are from *ibid.*, pp. 311-13, 322-23. Real wages were calculated by subtracting that year's national consumer price increase from the nominal wage increase. The national consumer/producer price increases in the 1970s were as follows: 13.5/8.6 percent in 1971, 11.7/14.0 percent in 1972, 3.2/6.9 percent in 1973, 24.3/42.1 percent in 1974, 25.2/26.5 percent in 1975, 15.3/12.1 percent in 1976, 10.1/9.0 percent in 1977, 14.5/11.7 percent in 1978, and 18.3/18.7 percent in 1979. Statistics on price index in South Korea can be searched from the "Major Domestic Economic Indicators" page of the Bank of Korea Web site, www.bok.or.kr.

⁴⁴ Based on the company's statement of how much it contributed to the rise of workers' income level through the introduction of the "New Village incentive pay system." The weight of the incentive pay in the total wage of production workers was 26.4 percent on average in 1979. *Ibid.*, pp. 322-23.

⁴⁵ A worker recalled that he became a regular worker after only a three months' stint as a temporary worker in 1976, was promoted to the line supervisor position in six months, and became a foreman in a year. Some demanded promotion using outside job opportunities as weapon, to the management's dismay. *Ibid.*, pp. 275, 309.

changing labor market conditions.⁴⁶ The KSEC did not have the financial capacity to match what chaebŏl shipyards were offering skilled workers, and the practice of making new workers go through temporary status did not serve the company well. A significant financial loss that the KSEC workers were unable to recover, even in the most favorable labor market situation, was the repeal of the progressive-rate accumulation of severance pay, which the new P'aeng leadership gave up after the 1969 strike.⁴⁷

In short, during the 1970s, the workers' individual leverage on the company increased, thanks to the rapid growth of the industry and of the national economy in general and the chaebŏl companies' entrance into the shipbuilding industry. On the other hand, the union's power in industrial relations was diminished significantly. In return for long work hours and dangerous working conditions, skilled male heavy-industry workers, such as the KSEC production workers, were able to attain better wages and to enjoy better prospect for promotion during these years. State repression of militant unionism certainly played a big role in turning a militant union like the KSEC local into a submissive

⁴⁶ In 1974, over 700 temporary workers were promoted into regular status at once. In 1977, management agreed to hire temporary workers as regular workers four times a year and to gradually phase out the temporary worker system. Temporary workers almost disappeared from the yard by 1981. Instead, the company intensified its practice of outsourcing. Ibid., pp. 330-33.

⁴⁷ As was mentioned before, the progressive-rate severance pay system was repealed not only at the KSEC, but also at other state-managed companies, such as Korea Machinery and Inch'ŏn Heavy industries, when they were privatized.

partner of management in labor control, and in keeping it that way.

The effects of the ideological propaganda of the Factory New Village campaign may have widely varied from worker to worker, from shop to shop, and from one industrial sector to another, depending on the values and attitudes of individual workers and the particular configuration of power relations at the site and the techniques utilized. It appears that the campaign at the KSEC, despite its extensive education programs and well-organized small-circle activities, had limited success in changing most workers' attitudes and work ethic. Further research, perhaps based on interviews of surviving workers, may possibly reveal the extent of the campaign's impact on worker mentality.

Apart from the issue of the success or failure of the Factory New Village Movement, the ideology of "economic growth first" was consolidating its grip on the general population in the 1970s, just as the "GNP-banzai" mentality did in Japan in the same period.⁴⁸ As proud citizens of a modern nation and contributors to a rapidly developing economy, the KSEC workers of the 1970s were not opposed to the logic of the rationalization of production and productivity increases, even as they might complain about the abuses or unfairness of the work situation at the company or decide to leave in search of better jobs elsewhere. The spirit of resistance the 1960s KSEC unionists mounted against

⁴⁸ On the growing power of economic nationalism in Japan and a critique of the "GNP-banzai" mentality, see Gordon, *Wages of Affluence*, p. 174.

the liberal capitalist definition of labor's role as an input and a passive recipient of the fruits of the company's success dissipated in the 1970s clamor for phenomenal export records.

The 1970s was a new era of cooperative unionism at the KSEC, which was buttressed by state repression, a state-sponsored ideological campaign, growing power of economic nationalism, and the trickle-down material benefits of economic development for skilled male workers. A combination of those factors made KSEC workers quiescent, and helped the P'aeng leadership hold onto its position unchallenged throughout the decade.

Chapter 13. Shipbuilding for the Export Market and Resurging Labor Militancy in the 1980s

Success in the World Market

Having subjugated the once powerful union, the new KSEC management embarked on a project of modernizing the facilities and production process once again. From 1971 to 1976, two docks of 60,000-ton and 150,000-ton capacity were built and many other facilities such as berths, quays, and plants were expanded.¹ Following orders for four 20,000-ton and two 30,000-ton oil tankers from the Gulf Oil Company in 1970 and 1971, technological innovation was vigorously pursued. Automatic marking and cutting machines were introduced and the use of block construction and pre-fitting techniques increased throughout the 1970s, cutting the time period for ship construction significantly.² Expanded use of the pre-fitting technique enabled better production flow control, and it, in turn, made the introduction of a Quality Assurance and Quality Control system possible by 1975. In the early 1980s, the KSEC began to design its ships, promoted on-the-

¹ In 1973, the KSEC expanded its 8,000 DWT-level dry dock to the 60,000 DWT-level and broke ground for a new shipyard of 1 million DWT-level at Okp'o bay in Kōje County. The Okp'o yard was taken over by the Daewoo chaebōl in 1978 and completed in October 1981. KEA, *Han'guk ŭi chosŏn sanŏp*, p. 90; Sin, "Kiŏp naebu nodong sijang," p. 278.

² The company invited technicians from Yamane Shipbuilding in Japan to train workers in the pre-fitting method. Sin, "Kiŏp naebu nodong sijang" does a good job of describing the technological development of the yard in the 1970s and 1980s. See pp. 278-85.

job training, and started projects of standardization, computerization, and automation of production.

After the company executed a job analysis in 1974 and ran a series of research projects on rationalization methods in 1975, a new production management system was put into practice in 1976. Under the new system, a production plan was set by central management, and a job order slip was issued to each work station, which was defined as the smallest unit of control. Work station supervisors -- foremen -- monitored and controlled individual workers' movement and work hours through a "worker control card." All these changes in production management, which had direct implications on the worker's life on the job, proceeded with little union input.³ As we have seen, the union was unconditionally supporting state- or management-initiated rationalization and productivity-increase campaigns. The process of the rationalization of production, however, moved slowly even without challenges from the union. Small-circle activities were perfunctory at best and workplace control was still lax despite the application of the ambitious new management system.

The KSEC yard holds the proud record of producing the first ship for export in South Korean shipbuilding history. Already in the mid-1960s, the yard began to show signs of technological competence in the machine manufacturing area. Export of machine tools started in 1964 to Southeast Asia -- probably Vietnam --

³ The company simply notified the union in early 1976 of its new plan.

and the yard began to export diesel ship engines to Vietnam from 1965.⁴ In the shipbuilding area, the yard built a 2,600 GT freight ship without outside technical help in 1966, and the ship passed the rigorous American Bureau of Shipping [ABS] test, greatly boosting Korean shipbuilders' confidence.⁵ In 1967, a 6,000-ton steel freight ship -- the largest ever built in South Korea with domestic skills -- was launched by the KSEC. The same year, thirty barges were exported to Vietnam.⁶ In 1968, as we have seen, the yard won the first significant export order of twenty tuna fishing boats from Taiwan, the timely construction of which became a hot issue during the 1969 strike.⁷ In 1970, the KSEC won an order from the U.S. Gulf Oil Company to build two technically-complex "product tankers" of 20,000 DWT each, beating out Japanese competitors in the bidding process.⁸ It was an

⁴ KSEC, *Samsimnyŏnſa*, pp. 280, 345. These examples and histories of the rise of Hyundai and Hanjin chaebŏls show that the Vietnam War generated crucial export and business opportunities for South Korean companies and industries, and helped prepare them for the challenges of the bigger world market.

⁵ KEA, *Han'guk ūi chosŏn sanŏp*, pp. 82-83. Also a 4,000 GT freight vessel built by the KSEC passed the ABS and the Korea Register of Shipping tests in 1968. According to Jonsson, this "international recognition of Korean shipbuilding techniques . . . was no doubt a most important sign of advances in the Korean shipbuilding industry, and elevated its status." Jonsson, *Shipbuilding in South Korea*, p. 75.

⁶ As Jonsson said, it was "an indirect consequence of the Korean involvement in the Vietnam War" since 1965. *Ibid.*, p. 75.

⁷ The twenty 250 GT tuna fishing boats -- an order worth over \$6 million -- were exported to Taiwan in 1969, marking the beginning of Korea's entrance into the world shipbuilding market. KSEC, *Samsimnyŏnſa*, Preface; KEA, *Han'guk ūi chosŏn sanŏp*, p. 83.

⁸ Jonsson, *Shipbuilding in South Korea*, pp. 76-77. In 1971, additional orders of four ships were received. Product tankers were technically complex ships and even Japan had little experience building them. According to Jonsson, the KSEC won the order by proposing that it would get the ship design from leading European shipbuilders, that only

important event in terms of the growing international recognition of the capacity of Korean shipbuilders.

The push for developing shipbuilding into an export industry came from the state with the start of the second Five-year Plan of economic development (1967-1971). The Park government at first had a modest plan of exporting 53,750 GT by 1971.⁹ In the early 1970s, the shipbuilding industry was designated as one of the core export industries and received strong support from the state as a part of its ambitious "Big Push" to develop the heavy and chemical industries. Once again the KSEC received state financial support to modernize its facilities as it did throughout the 1950s and 1960s. From the early 1970s, however, the main actor in Korea's venture into the world shipbuilding market, chosen and preferred by the state, was not the KSEC, but the new chaebŏl shipyards.

During the 1970s, the KSEC-built ships reached a total of 820,000 tons, out of which 31 ships of 700,000 tons (85 percent) were exported, earning 400 million dollars.¹⁰ It was an incredible feat for a company which had struggled for its sheer

European-made equipment would be used in construction, that European technicians would supervise the construction, and that international shipping registers would undertake tests of the ships. "[I]n essence, only the 'shell' would be assembled in Korea." The KSEC began to build them in 1971 under the supervision of German technicians and using Italian engines. It delivered three in 1974 and another three in 1975. ⁹ The Shipbuilding Industry Promotion Law was promulgated in March 1967, which provided better loan conditions and subsidies. In February 1970, the government announced a shipbuilding industry promotion plan, which included a project of expanding the KSEC facilities to the 100,000 GT level and a plan to develop standard ship designs. KEA, *Han'guk ūi chosŏn sanŏp*, pp. 83-86.

¹⁰ Sin, "Kiŏp naebu nodong sijang," p. 263.

survival throughout the previous two decades. But as is shown in Table 9, the status of the KSEC yard in the shipbuilding industry in terms of the total number of ships or tonnage delivered was dwarfed by the new gigantic shipyard of Hyundai, and later by those built by Daewoo and Samsung. In terms of the importance of ship exports in total ship production, the KSEC (listed as Hanjin in the table), as well as its neighboring small shipyard Taesŏn, were more geared toward the domestic market than were the three chaebŏl shipyards.

Table 9. Vessels Delivered, by Company

Company	years	No. of ships Delivered	Delivery to Korea (%)	Total DWT* delivered	Delivery to Korea (%)
Hanjin*	1974-92	170	65(38.2)	3,378,172	1,019,800(30.2)
Taesŏn	1975-92	58	27(46.6)	347,722	112,741(32.4)
Hyundai	1974-92	530	141(26.6)	33,257,162	7,589,911(26.6)
Samsung	1980-92	76	20(26.3)	5,691,650	2,059,600(36.2)
Daewoo	1982-92	193	49(25.4)	13,733,379	1,901,619(13.8)

Source: Adapted from Jonsson, *Shipbuilding in South Korea*, pp. 172-75, 178-81.

*The KSEC was bought by Hanjin in 1989 and renamed as Hanjin Heavy Industries.

The Hyundai chaebŏl, which rose to major chaebŏl status through its successful construction business in South Korea and Southeast Asia during the 1960s, began to consider a venture into shipbuilding -- just another "construction" business, in owner Chung Ju-yung's mind -- at the end of the 1960s, according to the official history of Hyundai Heavy Industries.¹¹ The government, which designated shipbuilding as one of the core heavy industries

¹¹ HHI, *Hyŏndae chunggongŏpsa*, p. 127. Chung Ju-yung recalled that he announced his vision of building a shipyard in 1966 on the way back from a tour of several Japanese shipyards. Chung Ju-yung [Chŏng Chuyŏng], *I ttang e t'aeŏnasŏ: na ūi saraon iyagi* [Born in this country: My life story] (Seoul: Sol ch'ulp'ansa, 1998), p. 160.

together with steel, machinery, and petrochemical industries, encouraged Hyundai to build a large shipyard. Until the early 1970s, the KSEC was the focus of the state's shipbuilding policies, but now President Park Chung Hee decidedly turned to chaebŏl to realize his ambitious plan of the Big Push, bypassing the existing top player, KSEC.

Hyundai tried but failed to secure a loan for a half-a-million-ton capacity yard, first from the United States and then from Mitsubishi Heavy Industries in Japan.¹² Japanese government officials as well as many officials in the Park government itself were skeptical of the possibility of building large ships of over 200,000 tons in Korea.¹³ Chung recalled that the breakdown of the talks with Mitsubishi was probably a blessing in disguise because cooperation with Mitsubishi would have meant a very limited scale -- under 50,000 tons -- for the Hyundai yard and a partial control of the yard by the Japanese shipbuilding giant.¹⁴

¹² For the chronology and stories behind the building of the Hyundai Ulsan yard, see HHI, *Hyŏndae chunggongŏpsa*, pp. 312-68. The negotiation with Mitsubishi fell apart when Chinese Premier Chou En-lai's "Four Principles" came out in April 1970. The first two principles declared that China would exclude any foreign company cooperating with or invested in South Korean or Taiwanese firms from doing business with China.

¹³ Chung, *I tt'ang e t'aeŏnasŏ*, pp. 161-62, 179. The Japanese concluded that 50,000 ton was the maximum shipbuilding capacity Korea could expect. The largest ship ever built to that point in South Korea was a 17,000-ton ship built by the KSEC. Among the Korean officials, the Deputy Prime Minister Kim Hangnyŏl actively supported Hyundai's plan, but his successor, T'ae Wansŏn, was doubtful of the project. Chung recalled that at the ground-breaking ceremony of the Ulsan yard in 1972, T'ae expressed his skepticism to the President during after-dinner drinking, and Park severely scolded him.

¹⁴ HHI, *Hyŏndae chunggongŏpsa*, pp. 318-19; Chung, *I tt'ang e t'aeŏnasŏ*, p. 162.

Motivated by the strong prodding of President Park, Hyundai persisted and succeeded in securing loans from five European countries, which were guaranteed by the South Korean government.¹⁵ Hyundai's previous record in construction, especially in Southeast Asia, as well as the strong support of the Park government, helped it in acquiring these crucial loans.¹⁶ The construction of the Ulsan yard and construction of the first order of ships -- two 259,000-ton very large crude oil carriers [VLCCs] from a Greek buyer George Livanos -- went on simultaneously, shocking industry observers. The plan for the Ulsan yard, which was already ten times larger than the Japanese estimate of the optimum shipyard size for South Korea, expanded even further during the period of its construction.¹⁷ It was an incredible jump in production capacity from the previous level, reached by the KSEC.

Construction of a super-modern shipyard, however, did not guarantee the sophistication required in the production process,

¹⁵ HHI, *Hyöndae chunggongöpsa*, p. 327-32. The loans with Great Britain, Spain, France, Germany, and Sweden amounted to \$50,567,486, which was over 20 billion won at the official exchange of 1971 (\$1 = 399 won). At the time the total capital of Hyundai Construction Company was 13.6 billion won and the total national budget for economic development was 113.6 billion won.

¹⁶ Jonsson, *Shipbuilding in South Korea*, p. 80.

¹⁷ From the original plan for one dry dock for ships of the maximum size of 500,000 DWT, which would enable the production of five 260,000 to 300,000 DWT VLCCs a year, the plan went to two dry docks with a maximum ship size of 700,000 DWT maximum in 1972, then to three dry docks with a maximum ship size of one million DWT in 1973. The latter plan would accommodate production of ten 260,000 DWT VLCCs a year. HHI, *Hyöndae chunggongöpsa*, p. 340. VLCC is a large oil tanker of 175,000 DWT to 300,000 DWT, which became popular after the blocking of the Suez Canal in 1956. The maximum DWT of a ship designed to pass through the Suez Canal was 140,000 to 150,000 DWT. KEA, *Han'guk üi chosön sanöp*, p. 493.

and progress on that score did not come overnight. Hyundai recruited many skilled workers from the KSEC and from other shipyards, and transferred its own skilled workers and managers, trained in building highways, dams, hydraulic, coal, and nuclear power plants, and fertilizer and cement factories, to the Ulsan yard. The skill levels of many of these workers were rather low, except in areas of "basic shipbuilding skills such as welding," and "there were few who could read blueprints brought in from abroad."¹⁸

During the construction of the first and second ships at the Hyundai Ulsan yard, the company witnessed over one hundred major and minor mistakes and had to waste or redo a lot of work, a company man later recalled.¹⁹ Due to mistakes and lack of planning in ordering, storing, distributing, and cutting materials, the yard had to use 60 percent more materials than expected. Welders, who had good skills but were not familiar with standard rules, often tended to use their talent for improvisation to put together pieces. But the ability to improvise was actually one of the important merits of Korean workers and companies like Hyundai, a way to bypass shortages in experience, technical competence, and materials. The success

¹⁸ HHI, *Hyōndae chunggongōpsa*, p. 342.

¹⁹ The recollections are in HHI, *Hyōndae chunggongōpsa*, pp. 357-58. Chung Ju-yung also recalled an episode that infuriated him: When the very first ship built at the yard was ready for launching, workers found that a 25-ton chimney was missing from the ship! Moreover, a crane crew hurriedly raised the chimney block up in the air where they thought it should go in order to have it assembled only to find that the ship rose up with the water filling the dock. The block missed the target location by a large margin. Chung, *I tt'ang e t'aeōnasō*, p. 185.

stories of the Hyundai group are filled with episodes of ingenious improvisation which made breakthroughs in seemingly impossible projects. But, in this case, Hyundai often had to spend more time on reworking than on original assembly work to pass rigorous inspections by foreign inspectors.

Part of the problem was that nobody at the Hyundai yard could imagine building a 260,000-ton ship, when the biggest ship the workers and managers ever had experienced making until that time was a U.S.-ordered 17,000-ton ship built at the KSEC yard. The Japanese, who were building 250,000-ton ships at the time, scoffed at the Hyundai's original proposal of a 500,000-ton capacity yard.²⁰ When the British bank which would eventually loan money to Hyundai asked KSEC managers through the British Embassy if Hyundai would be capable of building 300,000 to 500,000-ton ships as Hyundai was claiming, the KSEC's reply was "impossible."²¹

After Hyundai's initial success, Daewoo chabŏl jumped on the band wagon by purchasing the Okp'o shipyard from the financially struggling KSEC in December 1978, and the Samsung chaebŏl bought Chukto shipyard, which was being built also on the Kŏje island, from Koryŏ Shipbuilding in 1977.²² These three chaebŏl shipyards

²⁰ Chung, *I tt'ang e t'aeŏnasŏ*, p. 187.

²¹ *Ibid.*, p. 407.

²² The KSEC began building the Okp'o shipyard in 1973 with a planned annual capacity of 1.2 million GT, and the first dock was completed in August 1978, several months before Daewoo took that yard. Daewoo completed the construction of the Okp'o yard in January 1981. Koryŏ Shipbuilding was founded in 1974 and began the construction of a yard

and the KSEC produced over 90 percent of the total production of the South Korean shipbuilders in the 1980s.²³ The KSEC, now having fallen to the fourth place in the industry did not fare well despite the heightened international recognition of South Korean shipbuilders' competency and the technological advances of the industry in general. It tried to build combined product/bulk/ore [PROBO] carriers.²⁴ The KSEC was the only Korean shipbuilder that attempted to build this type of ship, but it ran into technological difficulties while building the ship and endured a heavy loss. The failure was one of the factors that contributed to its sale in 1989 to the Panjin chaeböl.²⁵

The remarkable growth in South Korean shipbuilding tonnage and exports, especially from the 1980s on, in comparison to the output of the other major players in the world shipbuilding industry is shown in Table 10. With Hyundai's entrance in 1973, the export of ships began to surpass domestic sales. Lloyd's world shipbuilding statistics started including data on South Korea from 1973 on. The market share of South Korean-made ships

with a planned annual capacity of 150,000 GT. Samsung took over the yard in April 1977, and the yard began operating in September 1979. Jonsson, *Shipbuilding in South Korea*, p. 82.

²³ For example, out of the 1985 production total of 2,813,920 GT, Hyundai produced 1,423,378 GT (50.6 percent), Daewoo 929,600 GT (33 percent), Samsung 273,074 GT (9.7 percent), and KSEC 124,484 GT (4.4 percent). See *ibid.*, p. 83, Table 3.8.

²⁴ Ch'ae, *Pae iyagi*, p. 100.

²⁵ *Ibid.*, p. 100. After Hanjin bought the yard, the KSEC -- now renamed as Hanjin Heavy Industries -- regained its pride and confidence by becoming the first builder of a membrane-type Liquified Natural Gas [LNG] ship in South Korea. *Ibid.*, p. 248. It expanded by absorbing Tonghae Shipbuilding and Pusan Repair Shipyard in 1990, and Korea Tacoma Shipbuilding in Masan in 1991.

grew fast during the 1980s, taking shares especially from European shipbuilders in a contracting world shipbuilding market. In received orders, South Korea reached the number two spot in the world (after Japan) in 1979 with 6.3 percent of market share, and then forged ahead of Japan in 1993 with 38 percent of market share, while Japan had 32 percent.²⁶ Japan pulled ahead of Korea the next year, but South Korea again surpassed Japan in received total orders in 1999.²⁷

Table 10. Shipbuilding Output of Korea, Japan, AWES, and the World, in 1,000GT^a, select years, 1950-95

Year	South Korea: Total (a)	South Korea: Export (%)	Japan	AWES**	World (b)	(a)/(b) in %
1950			118	2,558	3,254	0.0
1955			561	4,229	5,967	0.0
1960			1,839	5,566	8,382	0.0
1965			4,886	5,790	11,762	0.0
1970			10,100	8,479	20,980	0.0
1973	12	2 (13.3)	14,751	11,865	30,409	0.0
1974	220	202 (91.8)	16,894	12,544	33,542	0.7
1975	430	416 (96.7)	16,991	13,070	34,203	1.3
1976	853	551 (64.6)	15,868	12,714	33,923	2.5
1977	623	534 (85.7)				
1978	769	618 (80.4)	11,708	10,731	27,532	2.8
1979	525	304 (57.9)	6,307	6,625	18,196	2.9
1980	655	464 (70.8)	4,697	4,686	14,289	4.6
1985	2,796	2,467 (88.2)	9,711	3,497	18,334	15.3
1990	3,573	3,210 (89.8)	6,824	2,850	15,885	22.5
1995	5,663	5,653 (99.8)	9,034	3,552	20,356	27.8

Source: KEA, *Han'guk ūi chosŏn sanŏp*, pp. 422-23, 432-33.

^aGross Tonnage. 1GT=100ft³ or 2.83m³.

**Association of European Shipbuilders and Ship-repairers. Its member nations are Sweden, Norway, Finland, Germany, Great Britain, France, Italy, Spain, Portugal, the Netherlands, Denmark, Belgium, Greece, and Poland.

The main contribution of the KSEC to the successful development of the chaebŏl shipyards was its manpower, even

²⁶ KEA, *Han'guk ūi chosŏn sanŏp*, p. 273.

²⁷ Sin, "Kiŏp naebu nodong sijang," p. 243.

though Hyundai was stingy in acknowledging it.²⁸ A perceptive industry observer concluded in the mid-1990s: "Nobody can deny the fact that the large shipyards, such as Hyundai Heavy Industries in the 1970s and Daewoo Heavy Industries and Samsung Heavy Industries in the 1980s, were able to establish themselves because there had been the Hanjin Heavy Industries [i.e., KSEC]. Any of these big shipyards you visit, you bump into ex-Hanjin Heavy Industries people as a reminder of that fact."²⁹ These ex-KSEC workers who moved to chaebŏl shipyards took their hard-earned knowledge, skills, and experiences to these new start-up yards.

Their long experiences in militant unionism did not have much chance at first to blossom at the new yards. All three chaebŏl shipyards operated without unions until 1987, when Hyundai and Daewoo shipbuilding workers burst forth to organize

²⁸ Alice Amsden argues that the history of the South Korean shipbuilding industry until the arrival of Hyundai in 1973 was "one of slow progress characterized by scattered government attempts to accelerate growth." Alice Amsden, *Asia's Next Giant*, pp. 269, 274. This is also the official line of the Hyundai Heavy Industries, which contends that there had been no shipbuilding industry to boast about until the time of its arrival. In other words, "Hyundai did it!" Critiquing that line of argument, the most serious student of South Korean shipbuilding, Gabriel Jonsson, suggests that "the post-1970 development could not have taken place entirely from scratch" and emphasizes "more systematic" attempts by the government and shipbuilders to develop shipbuilding during the 1960s than Amsden implies. In particular, he emphasizes the significance of progress made by the KSEC during the 1960s. Jonsson, *Shipbuilding in South Korea*, p. 77.

²⁹ Ch'ae, *Pae iyagi*, pp. 247-48. The KSEC is called "the military academy of shipbuilding" because it produced core skilled workforce for the South Korean shipbuilding industry.

unions in the midst of the "Great Workers' Struggle" of 1987.³⁰

Here we need to turn to the events leading up to the explosion of labor militancy in the mid-1980s, which ended the decade-long silence of male metal workers in the South Korean labor movement, to explore links between the KSEC union movement of the 1960s and the militant metal workers' movement which started in the mid-1980s.

Resurging Labor Militancy

³⁰ Samsung, the most skillful anti-union chaeböl of all, however, successfully fended off the threat of unionization at its shipyard in 1987, 1988, and again in the mid-1990s, despite strikes and demonstrations by its workers. On Samsung's anti-union strategies and union-busting practices, see Ogle, *South Korea*, pp. 126-30. One of the methods Samsung successfully utilized and became famous for was to register a pro-company workers' organization -- the "Company Friends Committee" -- preemptively when it detected a movement by workers to organize a real union. A saying by the group's founder, Lee Byung Chul [Yi Pyöngch'öl], is often repeated as an expression of Samsung's deep commitment to the principle of allowing no union in its companies: "I will have earth cover my eyes before a union is permitted at Samsung." *Ibid.*, pp. 126-129. Samsung allowed a pseudo-union -- "workers' association" -- at some plants such as those at Ch'angwön and the Kōje shipyard of Samsung Heavy Industries to prevent union organization. The workers' association at the Kōje shipyard even acquired the right to strike. Workers' efforts to found a real union, however, have not been successful due to the systematic and ruthless union-prevention tactics of Samsung. In 1996, the newly created umbrella organization for democratic unions, the Korean Confederation of Trade Unions [*Chōn'guk minju nodong chohap ch'ongyōnmaeng*; KCTU], declared at its first Assembly that it would specifically target non-union Samsung plants in its upcoming organizing drive. But as of 1996, only 4 out of 55 Samsung companies had unions (3,448 employees organized out of 200,000 total employees of Samsung). Three of the unions -- Samsung Life, Samsung Precision Chemical, and Samsung Securities -- were pre-existing unions at companies that Samsung bought. Only workers at the Samsung-owned newspaper *Chungang ilbo* were successful in creating a union during the 1987 strikes. See "Samsung munojo kiro e sōda" [No-union Samsung at crossroads] in *Han'gyōre sinmunsa*, *Han'gyōre* 21, no. 110 (May 30, 1996): 42-47.

In 1979, ten years after the fateful KSEC strike of 1969 and seven years after the imposition of the authoritarian Yushin system, political turmoil ended the life of the most influential nation-builder of the century in South Korea, Park Chung Hee. Dissident intellectuals, rapidly radicalizing university students, and opposition politicians had never stopped challenging the Yushin system in the name of democracy, and the opposition movement was gaining momentum by the end of the 1970s. While heavy-industry male workers mostly remained co-opted, both in ideological and material terms, and silent during the 1970s, young women workers in export-dependent light industries and electronics were waging bloody battles to organize union or democratize their existing pro-company unions.³¹ The labor movement was a part of the force that generated a political storm in 1979. The most famous labor action of the period was YH Trading workers' sit-in struggle at the opposition party headquarters.³² A protracted dispute over how to deal with the rising social and political movements in the inner circle of power set the stage for the KCIA chief's assassination of President Park Chung Hee on October 26, 1979.

³¹ Electronics industry is usually classified as a heavy industry. For the Korean classification of "light" and "heavy" manufacturing, based on the Industrial Classification Index of the Korean Census Bureau, see Eun Mee Kim, "From Dominance to Symbiosis" (Ph.D. diss., Brown University, 1987), p. 100.

³² On the YH incident and other labor struggles which affected political climate of the time, see Lee, *Yösong nodongja undongsa 1* and Han'guk kidokkyo kyohoe hyöbüihoe ed., *1970-nyöndae nodong hyönjang kwa chüngön* [Labor scenes and testimony, the 1970s] (Seoul: P'ulbit, 1984).

The strategy of the high-growth export economy, chosen by Park as the path to a strong and affluent nation, precipitated his turn to an authoritarian political system around 1970, after which he was able to silence dissident opinion effectively, distribute resources at will, and maintain a cheap and disciplined labor force. The strategy delivered what it promised -- an overall upgrade of the level of affluence in the society and economic competitiveness in the world market. Needless to say, it also generated years of suffering for many workers in terms of long work hours, poor working conditions, and high occupational injuries and deaths. A large segment of workers, especially female export-industry workers, suffered from low wages and hazardous working conditions. The torture and killing of conscientious dissidents and labor activists, the stifling of democratic institutions, corruption, and preferential treatment of chaebŏl companies at the expense of small businesses accompanied increasing affluence and rising national pride in the country's economic triumphs abroad.³³

Park's successor, another army general Chun Doo Hwan, seized power through a secret coup d'état in December 1979. He presided over the well-oiled machinery of the high-growth economy, and set out to keep it rolling by cracking down on popular movements even more harshly than Park had. Under Chun's heavy-handed labor

³³ The extremely violent and inhumane nature of labor repression in the 1970s and 1980s is well captured in James Palais, "Labor," *Human Rights in Korea: January 1986* and Ogle, *South Korea*.

policies, total union membership shrank by 12.9 percent from 1,088,061 in 1979 to 948,134 in 1980, and did not recover the 1979 level until 1987.³⁴ Shipbuilding and other industries flourished, but workers and the general public became more and more impatient with the new authoritarian rule of Chun, whose meager political legitimacy was irrevocably marred by the Kwangju massacre in May 1980, in which hundreds of civilians were killed by paratroopers and the Army under Chun's orders. Partly helped by the increasingly vociferous political opposition movement against the Chun regime, the autonomous and militant -- called "minju" (democratic) -- labor movement began to show more power in the first half of the 1980s in defiance of the *öyong* (pro-company) FKTU leadership and the state, and spread into heavy-industry sectors.³⁵

The end of Park's eighteen-year-long rule in 1979 brought about a sense that history was changing. Because of the high growth of the economy and the increasing level of affluence, the

³⁴ See Table 2-2, which shows the fluctuation of union membership and organizational rate from 1963 to 1988, in Pak and Pak, *Nodong chohap (I)*, pp. 31-32.

³⁵ Metal workers were the forerunners of this new "minju" union movement among heavy-industry male workers. Workers at a machinery company, T'ongil Ltd., had already been active in the struggle to democratize their union by 1983. A turning point in male workers' resurging activism came when auto workers of Daewoo Motors won a big strike in April 1985. A strike at Daewoo Heavy Industries yard followed soon after the Daewoo auto workers' strike, but failed due to a division between conciliatory union leadership and radical rank-and-filers. But efforts to democratize the union continued. Workers at Han'guk Heavy Industries Co. struggled to form a union but failed in 1985, and Yonhap Steel workers carried on a 67-day chaeng'üi in 1986. In March 1987, Hyundai Heavy Electrical Equipment Co. workers and in April, Hyundai Motor workers refused lunch as a way of protesting low wages and discriminatory treatment of production workers.

expanding middle class became more and more vociferous and impatient with the authoritarian system. The nationalist ideology of sacrificing for the future of the nation began to lose its persuasive edge. Scandals of corruption among state officials and capitalists began to leak out. The visible prosperity and conspicuous consumption of the nouveau riches made the sense of relative deprivation among workers more acute. "Fair distribution of wealth" became a popular rallying cry in addition to the demand for political democracy.³⁶ With the beginning of diplomatic dealings with socialist countries in the 1980s, and the growing presence and iconoclastic effect of the radical and militant student movement, anti-Communist ideology also began to lose its chilling effect on progressive movements.

The industrial restructuring of the 1970s was also an important contributing factor to massive labor insurgency from the mid-1980s. A high-growth economy brought about a condition of almost full employment and significant upward wage pressure beginning in the 1970s. Unlike the early light-industry-centered developmental strategy, which thrived on a cheap, transient, and

³⁶ The South Korean economy was enjoying a boom by 1987. Growth rates of real GDP were 12 percent to 13 percent from 1986 to 1988. Labor productivity at listed firms increased 13.4 percent while net profits soared 32.8 percent during 1986. Net profits showed an especially spectacular jump of 394 percent in metal industries. But wages of establishments which had one hundred or more workers rose only 6.4 percent in 1986. The 1987 figure was 7.7 percent by the end of April. Work hours in manufacturing increased, meanwhile, to 243 hours and 48 minutes per month by June 1987, up by 7 hours and 36 minutes from 1986. Korea Labor Institute, *1992-nyŏn KLI haeoe nodong t'onggye*, p. 19; Han'guk kidokkyo sahoe munje yŏn'guwŏn [Christian research institute of social problems in Korea; Kisayŏn] ed., '87 *nodong sahoe sajŏng* [1987 situation of labor society] (Seoul: Minjungsa, 1988), pp. 12-13.

abundant labor force, the new focus on heavy and chemical industries since the early 1970s demanded a stable, skilled, and thus not-easily-replaceable work force, concentrated in huge manufacturing plants. The concentration of plants in new industrial towns like Ulsan, P'ohang, or Ch'angwŏn resulted in an emergence of huge working-class communities around them, which provided solidarity and support for labor struggles at the plants.³⁷

The "June Struggle" of 1987, in which people of all walks of life came out onto the street in massive demonstrations across the nation and successfully forced the Chun government to hold a direct election for presidency, provided a much-needed political opening and encouragement for workers. Workers participated in it increasingly toward the end of June.³⁸ After students and citizens went back to their normal routine, workers' struggle

³⁷ This phenomenon was also happening with a similar effect on labor militancy in other rapidly industrializing nations such as Brazil and South Africa. For case studies of Brazilian and South African labor movements, see Gay W. Seidman, *Manufacturing Militance: Workers' Movements in Brazil and South Africa* (Berkeley: University of California Press, 1994); Margaret E. Keck, *The Workers' Party and Democratization in Brazil* (New Haven and London: Yale University Press, 1992); John D. French, *The Brazilian Workers' ABC: Class Conflict and Alliances in Sao Paulo* (Chapel Hill: University of North Carolina Press, 1992). Ulsan, by the late 1980s, had the highest ratio of manufacturing workers to total population in Korea. Ulsan citizens generally showed sympathy toward striking workers because many of them were family members and relatives of workers, or people whose lives depended on Hyundai workers' spending. Small merchants were particularly hostile to the Hyundai group because of competition from the huge Hyundai Department Store in Ulsan. Yi Sangch'ŏl, *Han'guk ūi chiyŏk nodong undong yŏn'gu*, pp. 91, 117; *Tong'a ilbo*, April 3, 1989.

³⁸ Chŏn T'aeil kinyŏm saŏphoe [Chŏn T'aeil commemorative society] ed., *Han'guk nodong undong isimnyŏn ūi kyŏlsan kwa chŏnmang* [An evaluation of twenty years of the Korean labor movement and its prospects] (Seoul: Segye, 1991), p. 106.

erupted in early July on an unprecedented scale. Through spontaneous strikes and sit-ins, workers demanded recognition of their newly organized unions, wage increases, a discontinuation of discrimination against production workers vis-à-vis white-collar employees, and an end to humiliating, authoritarian labor control methods.³⁹

Hyundai Engine and Mip'o shipyard workers in Ulsan ignited the strike wave in early July, and metal workers at Hyundai Heavy Industries in Ulsan, Hyundai Motors in Ch'angwŏn, and the KSEC in Pusan rose in a strike on July 25.⁴⁰ Soon strikes spread like wild fire, and, in time, enveloped the whole gamut of industries and worksites in South Korea. From July to December 1987, total number of unions grew by 1,361 and the number of organized workers by 217,256.⁴¹ The number of chaeng'ŭis jumped from 265

³⁹ On the strikes and chaeng'ŭi actions during the "July-August Great Workers' Struggle" of 1987, see Han'guk kidokkyo sahoe munje yŏn'guwŏn ed., '87 nodong sahoe sajŏng; Han'guk sahoe yŏn'guso [The center for the Study of Korean Society], *Han'guk nodongja yŏn'gu II: Tokchŏm taegiŏp ŭl chungsim ŭro* [A study of Korean workers, vol. 2: Monopolistic large enterprises] (Seoul: Paeksan sodang, 1989); Minju hŏnbŏp chaengch'wi kungmin undong Pusan ponbu nodong munje t'ŭkpyŏl taechaek wiwŏnhoe [Special task force for the labor issues, Pusan branch of the citizen's movement to attain democratic constitution; hereafter Nodong munje t'ŭkpyŏl teach'aekwi], *Chanŏp ŏmnŭn sesang e salgo sŭpta: Pusan chiyŏk 7,8-wŏl nodongja t'ujaeng charyojip* [We want to live in a world without overtime work: Materials on July-August labor struggles in the Pusan region] (Pusan: 1987).

⁴⁰ For a chronological summary of the July-August strikes, see Chŏn T'aeil kinyŏm saŏphoe ed., *Kyŏlsan kwa chŏnmang*, pp. 99-101. For that of Hyundai Heavy Industries [HHI] Union, see HHI Union, *Hyŏnjung nojosa* [The history of the Hyundai Heavy Industries Union] (Ulsan: HHI Union, 1991), pp. 40-45.

⁴¹ As of June 1987, there were 2,725 unions and 1,050,201 organized workers in South Korea. They increased to 4,086 unions and 1,267,457 members by the end of December, and to 6,142 unions and 1,707,456 union members a year later, in December 1988. Pak and Pak, *Nodong chohap (I)*, p.

cases in 1986 to 3,749 cases in 1987, and 3,283 of them occurred from July to September alone.⁴² The leaders of numerous unions were thrown out by rank-and-file members, who had resented them for being undemocratic and favoring company interests.

At the KSEC, the first sign of an effort to democratize the union appeared in 1986. In the February 1986 election of union representatives, two rank-and-filers who wanted to democratize the pro-company union -- Kim Chinsuk and Yi Chöngsik -- won the election. They attended the Assembly of Union Representatives two days later.⁴³ In April, the duo distributed a flier, titled "After Participating in the Assembly." Pusan KCIA office arrested and interrogated them. In July, Kim Chinsuk, who started her work at the KSEC as a welder in 1981, was fired when she refused to obey the company's transfer order. In the next months, two fellow activists -- Yi Chöngsik and Pak Yöngje, who distributed a flier exposing the company's unjust firing and labeling of Kim as a "red" -- were also fired. The three formed the "KSEC union normalization task committee" and tirelessly

25; Han'guk kidokkyo sahoe munje yön'guwön, '87 *nodong sahoe sajöng*, p. 26.

⁴² Pak and Pak, *Nodong chohap (I)*, p. 80; Chön T'aeil kinyöm saöphoe ed., *Kyölsan kwa chönmang*, p. 103.

⁴³ The union events from 1986 to 1994 are from Hanjin Heavy Industries Union, *Che 32-nyöñch'a hwaltong pogosö*, pp. 475-96 and *Nodong munje t'ükpyöl teach'aekwi*, *Chanöp ömnün sesang e salgo sipta*, pp. 40-46, unless otherwise noted.

worked to encourage other workers to rise against a union leadership that was unresponsive to rank-and-file opinion.⁴⁴

In April 1987, the company applied to be put under court management because of financial difficulties. The lay-offs, work reductions, and delays of wage payment that followed this action only worsened the workers' situation. The union, however, imposed a "save-the-company" rally over the opposition of many members instead of pressing for workers' interests. Frustration and anger were accumulating among rank-and-filers, and finally, a wall poster appeared on July 25 at the company cafeteria, titled "We Demand." It listed twenty demands of workers. The managers tore it apart in front of workers. Enraged workers, 1,500 strong, spontaneously began a sit-in strike and occupied a nearby road during a heavy rainfall. This was one of the early strikes that helped generate the massive national strike wave called the "July-August Great Workers' Struggle."⁴⁵

The police arrested 51 workers early next morning and managerial personnel and union officials threatened the workers by warning them that the company would close down the plant or go bankrupt in case of a strike. By now the ranks of strikers had

⁴⁴ A well-informed, long-time labor activist, Pak Sŭng'ok, informed me (10/17/2002 in Seoul) that there several "hakch'ul" activists -- student activists who had turned into labor organizers -- who went to work at the KSEC yard before 1987 to try to stimulate workers' efforts to democratize their union.

⁴⁵ Hyundai Engine and Machinery Co. workers formed a union -- the first union in the Hyundai group -- on July 5, and those at Mip'o shipyard organized a union on July 15. Workers at the Hyundai Ulsan yard were about to start a major struggle to organize a union around July 25.

grown to 2,500 workers. KSEC workers smashed the windows of the union office and tried to break through the riot police barricade, hurling pieces of iron at them. The police had to release all the arrested workers on July 27. On the 28th, workers burned an effigy of the union president Kim Chongnae. Family members of the striking workers actively supported and participated in the strike, reviving the tradition of the participation by KSEC union family members developed in the 1960s.

While negotiations were going on among worker representatives, union officials, the company, and the KCIA, the company tried to divide striking workers by various means. It organized a "save-the-company corps," but the members of the corps were forced to retreat when they were attacked by the workers' family members. The company phoned hundreds of worker households to threaten and intimidate family members. It threatened workers employed at the Special Shipbuilding Department, which was designated as defense-industry site, with the possibility of a court-martial and the application of the National Security Law. As a result, many workers left the sit-in site in fear. KSEC workers fortified the site by installing a barricade made of piled-up oxygen tanks at the front gate and spreading acetylene wherever a police attack was expected. Workers organized a self-defense unit armed with iron pipes and

other equipment and patrolled the yard.⁴⁶ On the 31st, the "white-skeleton" thugs [paekkoltan] employed by the police tried to infiltrate the yard by boat, but were chased away by the workers. It was only when the KSEC workers felt that they had already achieved part of their demands that they decided to end the sit-in strike on the July 31 to concentrate on the task of democratizing their union. On August 8, 2,500 union members signed a petition to call for an extraordinary session of the General Assembly. KSEC workers eventually achieved the right to elect their union president directly and an 18 percent wage-increase package among other things.

How much did the KSEC union movement of the 1960s contribute to the rise of the new militant union movement in the 1980s? It is hard to find direct links between the KSEC union movement of the 1960s and the new militant union movement of metal workers in the 1980s. The transmission of the KSEC workers' activism to the labor movement of the 1980s could better be found in the workers' individual and collective memories of what the KSEC union movement stood for.⁴⁷ As one of the most vigorous union movements

⁴⁶ Pusan minju nodongja t'ujaeng wiwŏnhoe [The democratic workers' struggle committee of Pusan], *Nodong sosik* [Labor news] 7/29/87 in *Nodong munje t'ŭkpyŏl teach'aekwi, Chanŏp ōmnŭn sesang e salgo sipta.*

⁴⁷ On the discussion of the nature and influence of "collective memories" of South Korean workers on their activism, see Kim, "Han'guk nodongja kyegŭp ūi kyŏnghŏm kwa chiptan kiŏk." Kim Muyong emphasizes negative impact of collective memories among South Korean workers, because those memories had been formed through the militaristic labor control regimes of the Japanese colonial government, the defeat of the Chŏnp'yŏng unions, the Korean War, and ensuing anti-Communist regime of Syngman Rhee. He concludes that South Korean workers in the 1950s were heavily influenced by negative memories and therefore, remained silent or showed consensus

of the 1960s in South Korea, the KSEC workers' struggles probably became a cherished memory for the participants and inspired other workers in the country for some time. For example, Pak Insang, the reformist head of the FKTU in the 1990s who tried to establish a cooperative relationship with the opposition national center of the new "democratic" unions, was, as we have seen, one of the cadres of the KSEC union in the late 1960s.⁴⁹ For ex-KSEC union people like him, the 1969 strike of the KSEC represents, in spite of its outcome, a proud moment of union strength and vitality. Another telling sign of KSEC workers' respect for and desire to uncover the roots of their union movement was the union's preservation for decades of a large quantity of union documents in its office, a very rare act among South Korean unions. The democratized KSEC union opened the archive in the 1990s in the hope of stimulating scholars to reveal the facts of its forgotten history. I, fortunately, was the first beneficiary of the KSEC unionists' yearning to discover their proud past.

toward the framework of anti-Communism and economic unionism prescribed by the Rhee government for organized labor. From this point of view, he argued that the promulgation of labor laws in 1953 was not the result of the workers' direct struggle, but "a suggestion of a National Assemblyman who argued for the rights of workers as human beings." See Chapter 5 for my opposite argument. Actual case studies of workers' activism of the 1950s and 1960s, like this dissertation, will reveal much different and variegated pictures of collective memories of South Korean workers, which make problematic the kind of essentialization of workers' memories that Kim tried.

⁴⁹ Recently, Pak helped Sin Wŏnch'ŏl to locate and have an interview with former KSEC union officials, including former union president Hŏ Chaeŏp. The result was the Interview with Former KSEC Union Officials, 8/9/2000. According to Sin, Pak, Hŏ, and other former KSEC union officials have been gathering regularly in Pusan.

As we have seen in Chapter 12, KSEC workers voted with their feet and went to work at the new chaebŏl shipyards en masse in the 1970s. How much did the collective and individual memories of a militant and democratic union movement among ex-KSEC workers carry over into the chaebŏl yards and affect labor relations there? How much did those memories contribute to the rise of the new militant unionism in the early 1980s at those yards? We need much more historical work to answer these questions, but the story of unionism at KSEC examined here suggests a continuity in labor activism between the 1960s and the 1980s, contrary to the conventional understanding of the period of the 1950s and 1960s as representing a void in the history of the South Korean labor movement.

One piece of evidence for this supposition can be found in the striking similarities in shipbuilding workers' demands between the strikes of the 1960s and the 1980s. The main points of the KSEC workers' twenty demands in 1987 were an increase of the daily wage by 1,500 won, a 200 percent payment of a summer bonus and a 400 percent bonus payment per year, treatment and compensation for pneumoconiosis patients, preferential treatment of workers with long seniority, disbandment of the existing union and creation of a new union by direct election, and the reinstatement of unjustly fired workers.⁴⁹ In a flier to union members during the 1987 strike, Kim Chinsuk, the female welder

⁴⁹ Nodong munje t'ŭkpyŏl teach'aekwi, *Chanŏp ŏmnŭn sesang e salgo sŏpta*, p. 40.

who started the union democratization movement in the previous year, defined the strike as a "struggle to attain the legitimate rights" of workers, and she declared that, "We should live like human beings now!"⁵⁰

The common threads in South Korean workers' demands during the 1987 strikes were union recognition, wage increases, the abolition of the evaluation-based pay system, safe working conditions, compensation to victims of industrial accidents, an end to discrimination against blue-collar workers in comparison to white-collar and managerial workers, and respectful treatment of workers as human beings. By this last demand, workers often meant the abolishment of various authoritarian and humiliating control measures at work such as rules on hair length, attire, and compulsory calisthenics.⁵¹

The prominence of resistance to such humiliating labor control measures in the 1980s was a reflection of the suppression of labor activism and the installation of militaristic labor control regimes at most companies during the 1970s. But many of the core demands of the KSEC union movement of the 1960s were also central in workers' demands in the 1980s. These included an acknowledgement of the workers' legitimate "place" in development and thus, a fair distribution of wealth resulting from that development, workers' rights to democracy in terms of labor and

⁵⁰ *Ibid.*, pp. 45-46.

⁵¹ For the examples of workers' demands in 1987, see Han'guk kidokkyo sahoe munje yŏn'guwŏn, '87 *nodong sahoe sajŏng*.

human rights, a fair evaluation and promotion system, respect for the workers' sphere of control while at work, equal status between the union and management in industrial relations, and an end to discrimination against manual workers. A similar show of militancy and a strong emphasis on democratic unionism in both movements also strongly suggest continuity in labor activism between the two periods.

The history of the KSEC workers since the 1940s demonstrates that the new surge of militancy from the mid-1980s did not mean the birth of a completely new democratic labor movement. Times changed and political and economic settings were much different, but what the KSEC workers desired and demanded in the 1960s and in the 1980s were essentially the same -- equitable distribution, respect, and voice.

Another clear sign of continuity was in labor's unfinished search for an answer to the question of how to achieve equitable and, at the same time, successful economic development. Fifteen years have passed since the 1987 strikes, and the second, anti-FKTU national union federation has achieved legal status. Workers have established union and collective action as a legitimate part of industrial life. South Korean capitalists, even Hyundai and Samsung, and the state have been forced to learn to live with unions. Recently the South Korean labor movement even made a small, but valuable political footprint in electoral politics when the newly created Korean Democratic Labor Party

candidates garnered 8.1 percent of the total vote in the 2001 local election, and 3.8 percent in the December 2002 presidential election. It was an unprecedented success for any kind of progressive party, to say nothing of a labor party, since the 1960s.

Workers, however, have yet to answer fully the question of what labor's place in development should be. For Hŏ Chaeŏp and Pak Chŏngbu, the world was simpler. They believed that a path to successful economic development which allowed labor's full participation in the process and in the sharing of the fruits of development existed. Park Chung Hee and certainly chaebŏl capitalists did not agree, and swept those vociferous unionists away to make room for South Korea's economic miracle. It took eighteen years from 1969 for authoritarian labor repression to run its course and finally give way to an upsurge of an autonomous and militant labor movement once again. At present time labor has regained its agency, but the ideological challenge to labor is even more formidable because of the relentless march of globalism and the expanding hegemony of neo-liberalism. Labor's place in development in South Korea's future is still an open question.

Epilogue: Riding on Goliath

A lot has happened during a decade and a half since 1987 at the KSEC yard and in the metal workers' union movement. Shipbuilding workers have continued to be at the forefront of the new democratic union movement in South Korea through ups and downs of the movement. Here I would like to introduce two incidents -- one occurred at the Hanjin [KSEC] yard in 1991, the other at the Hyundai Ulsan yard in 1990. Both became powerful collective memories, or legacies, among shipbuilding workers today. The latter incident represents the tremendous positive changes that had occurred in the South Korean labor movement since 1987 in terms of sheer physical power of the labor movement and the perceptions of manual workers and their struggles by society. The KSEC incident illustrates the difficulties these workers were facing in the process of rebuilding a democratic and militant union movement, which in turn, strengthened their resolve to finish the project of political, economic, and social democratization.

The first case is the unsolved killing of the Hanjin Heavy Industries [KSEC] union president Pak Ch'angsu in 1991. Pak was the first president of the democratized KSEC union. The democratization of the union at the KSEC yard did not come easily and was not accomplished with a single strike in 1987. The newly elected president Yi T'aedŭk after the 1987 strike was

conciliatory toward the company. He ignored the workers' struggle for reinstatement of the three workers in 1988, who were fired two years earlier.¹ Activist members organized a small group, the "Evergreen Society," and worked hard to gain the trust of their fellow workers by active participation in annual collective actions. Finally, in July 1990, Pak Ch'angsu, one of the Evergreen Society members, won the union presidency with the overwhelming support of 90.85 percent of the vote.

Pak was born in a poor family in 1958 and had to choose Pusan Machinery High School over regular high school. He entered the KSEC yard in 1981 as a production worker, but soon was transferred to a white-collar position dealing with the production process. He recalled that he had been struck by the discrimination against production workers, and was inspired by the action of Kim Chinsuk, who entered the KSEC at the same time that he did.² He started to be involved in union movement in 1987.

Since 1987, shipbuilding workers, including Hyundai, Daewoo, and Hanjin [KSEC] Heavy Industries workers, had occupied a central place in the newly empowered autonomous union movement.

¹ Pak Ch'angsu recalled that he had felt betrayed by the union when he heard union officers discussing loudly what to eat for lunch while he and others were staging a hunger strike near the union office to demand the reinstatement of fired workers in April 1988. Interview with Pak, published as an article, "T'ujaeng ūi pulssi rūl sallinūn maūm ūro" [Caring to keep a live coal of struggle alive], in *Chiyōk kwa nodong* [Region and labor], no. 8, p. 285.

² The labor movement also changed his personal life, he recalled, because he had shed "authoritarian and self-righteous" attitudes and

The Hanjin Heavy Industries union under Pak became an active participant in the "Council of Large Corporation Unions" [*Taegiŏp yŏndae hoeŭi*; hereafter, *Yŏndae hoeŭi*], and a supporter of an anti-FKTU, second national federation for the organized labor, the "Korea Trade Union Congress" [*Chŏn'guk nodong chohap hyŏbŭihoe*; hereafter, *Chŏnnohyŏp*]. As a union president, Pak felt strongly about the mission of the Hanjin union in the *Chŏnnohyŏp* second-union movement, because of the "size of the company and its history of struggle" [*Italics mine*]. On February 11, 1991, Pak was arrested with two other union officials after attending a meeting of the *Yŏndae hoeŭi* on the Daewoo shipyard workers' strike.³ The charge was violation of the notorious law against intervention in a labor dispute by a "third-party" that was not involved directly in the dispute between a union and its company. The purpose of the law was to prevent the organization of a solidarity strike that might paralyze an industry and to hold back the growth of the anti-FKTU union movement.⁴ Pak, in

become a "democratic" husband who did not unilaterally make decisions by himself. *Ibid.*, *passim*.

³ On the arrest and death of Pak, see Hanjin Heavy Industries Union, *Che 32-nyŏnch'a hwaltong pogosŏ*, pp. 484-88.

⁴ The 1980 revision of labor laws under Chun Doo Hwan practically dismantled the industrial union system to isolate enterprise-based unions from each other. It forbade national industrial unions to "meddle" in the *chaeng'ŭi* of their member unions, to say nothing of any outside group or person to show solidarity with the union in *chaeng'ŭi*, through the notorious article prohibiting "third-party intervention." The new South Korean President, Roh Moo Hyun, was also once a victim of the same article. He was arrested in September 1987 because as a lawyer he tried to help striking Daewoo shipyard workers who were protesting the killing of a fellow worker, Yi Sŏkkyu, by police tear-gas. *Han'gyŏre sinmin*, 12/20/2002.

other words, had acted in support of another union's collective action.

After about three months of incarceration and interrogation, Park was suddenly moved to a hospital on May 4 and died there two days later. The union launched a sit-in strike in protest, and thousands of workers, citizens, and students held protest rallies throughout May and June. The prosecutor's office dispatched riot police and the "white-skeleton" thugs, and snatched Pak's body away for autopsy after crushing hours of desperate resistance by family and union members to protect his body. On June 30, an "All-Korean workers' funeral" was held in Pusan with twenty-thousand people attending.

The Roh Tae Woo government's claim that the death was caused by a suicide attempt when Pak jumped off of a window did not find a sympathetic audience. Many labor activists believed that he was tortured to death by the KCIA, whose agents were at the time pressuring him to withdraw from the Chōnnohyōp. His name was added to a long list of the victims of "suspicious death" at the hands of the KCIA, the police, and the military in the 1970s and 1980s. Recently, a decade later, a "suspicious-death" fact-finding commission obtained an expert opinion from a respected Japanese forensic scientist Kamiyama Jatarō, which excluded the possibility of a death from a fall.⁵ But the commission folded

⁵ Instead, he concluded that the direct cause of death seemed like a fracture caused by a blow from one side while leaning onto a wall or

in 2002 without solving Pak's case as well as many other cases. We may some day learn more about how this thirty-three year old worker and popular union president was killed while in the hands of the KCIA, if the slow-but-steady progress of democratization in South Korean politics continues. Among Hanjin shipyard unionists Pak is often called "our eternal president." His legacy was a commitment to labor solidarity and democracy and it left its mark on the shipbuilding workers' collective memory in the 1990s.

The other incident, which occurred at the Hyundai Ulsan yard, symbolized the increased power of labor vis-à-vis capital and the state. Since 1987, militant and prolonged strikes of a gigantic scale at large heavy-industry plants and war-like police operations to crush them had become yearly spectacles in South Korea. Hyundai Group, under its owner, Chung Ju-yung, had been especially notorious in its stubborn anti-union stance and its use of illegal and violent methods of union-busting. As a self-made man, Chung attributed his success to his wise decision-making and hard work. In his mind, unions had no legitimate place in his business. Even though the "Hyundai Kingdom" -- a nickname for the conglomerate in its industrial heartland, Ulsan -- experienced major riots by its workers in 1974 at the Ulsan shipyard and in 1977 at the Jubail Industrial Harbor construction

site in Saudi Arabia, Hyundai was able to maintain a union-free environment at all its companies until 1987.⁶

Considering that history, it was no surprise that the Hyundai group firmly refused to recognize unions organized by its workers in its plants. After the 1987 surge of labor militancy subsided under state repression by the end of September, Hyundai embarked on an all-out attack on its fledgling new unions, unabashedly utilizing thugs and red-baiting tactics.⁷ High management officials of Hyundai saw militant workers as "a force aiming at the subversion of the system of liberal democracy."

⁶ By 1987, the Hyundai group had 28 firms in business areas such as shipbuilding and heavy industries, engineering and construction, vehicles and rolling stock, electronic and electrical equipment, machinery, steel and metal products, construction materials and furniture, international trading, and shipping and services. That year, it employed 142,630 workers, and made \$22.7 billion total sales. Steers, Shin, and Ungson, *The Chaebol*, pp. 36, 55-58.

⁷ For example, Hyundai Heavy Industries company organized a "save-the-company corps," named "Voluntary Corps for the Defense of Freedom, National Salvation, and Peace in the Workplace," by forcibly mobilizing workers. This corps soon disappeared because of resistance from workers. The company at one point hung hundreds of placards on factory buildings with messages like: "Who tries to dye our fellow workers red?" and "Hunt and expel Communists!" The company also continually forced union officials, active rank-and-filers, and even their family members to attend anti-communist education sessions. Hyundai conducted a terrorist attack on a gathering of Hyundai Heavy Electrical Union and the office of the Association of Dismissed Workers of Hyundai in January 1989. The attacks were coordinated by a Korean-American union-busting specialist, James Lee, under the instructions of an executive director of the Hyundai group. Local police collaborated with the operation, and some suspicion was raised about KCIA participation. More than one hundred hoodlums in masks beat worker representatives with bats and wood sticks and forced them to shout, "Kim Il Sung is my father!" Hyundai also kidnapped a union organizer at the Hyundai Construction Co. for six days using gangsters. Han'guk sahoe yŏn'guso, *Han'guk sahoe nodongja yŏn'gu II*, pp. 323, 333-34; Han'guk kidokkyo sahoe munje yŏn'guwŏn [Kisayŏn], *Kisayŏn ripotŭ 6: No chŏngkwŏn ŭi ch'ulbŏm kwa minjok minju undong ŭi chillo* [Kisayŏn report 6: Beginning of the Roh regime and the paths for national democratic movement] (Seoul: Minjungsa, 1988), p. 100.

They called workers on strike a "mob," "reds," or "a cancer," and were ready to "beat them to death with cannons or missiles if necessary."⁸

The Hyundai Heavy Industries Union, organized at the Hyundai Ulsan yard, has been the most militant union among Hyundai unions. Therefore, every year, Hyundai Heavy Industries became a surrogate battleground in the war between capital and labor, whose results set the tone and pattern of that year's industrial relations as a whole.⁹ How the state dealt with Hyundai shipbuilding workers' strike each year became an index of the shifting state policy between labor and capital and in the democratization process across the board. One battle in particular is worth mentioning because of the new strategy and symbolism it bequeathed to the subsequent shipbuilding workers' struggles.

In the 1990s, the term "Goliath struggle" became a symbol of the power and pride of production -- especially heavy-industry male -- workers. "Goliath" is a nick name for huge gantry cranes, used at large modern shipyards. The Hyundai "Goliath" cranes, made in Germany and first installed at Hyundai yard in 1973, were famous among visitors to the Ulsan Industrial Estate as a symbol of the extraordinary success of the Hyundai chaeböl. The

⁸ *Tong'a ilbo*, March 30 and April 8, 1989.

⁹ Firms which hosted unions of crucial importance in the labor movement came to be called as "large-scale strategic workshop" (*taegyumo chöllyak saöpchang*) in the 1990s. Other than Hyundai Heavy Industries, Hyundai

"Goliath" crane at Hyundai yard consisted of a gigantic crane beam 142 meters long, 8 meters wide, and 12 meters high, and two huge supporting legs of reverse V-shape.¹⁰ It could lift 450 metric tons at a time. The beam is located about 82 meters above the ground and one small elevator (6 persons per trip) and two narrow ladders are the only ways to get to the beam. Therefore, the crane could be an impregnable fortress. Striking workers chose it as a base for long-term resistance because of its inaccessibility.¹¹

The 1990 strike at the Hyundai yard by fifteen thousand workers was of a defensive nature. The state resolutely turned toward a policy of the direct repression of labor in 1989.¹² It already crushed the 128-day strike of Hyundai Heavy Industries union (from December 1988 to April 1989) by mobilizing 9,000 riot police and coast guard ships. In 1990, companies all over the country were on the offensive in contract negotiations and labor disputes to make up for the compromises they were forced to make during the previous three years of heightened union power.¹³ Wage increases or other economic issues were not critical at the

Motors, Daewoo Motors, and Daewoo Shipbuilding are examples of such firms.

¹⁰ In 1981 Daewoo built the biggest crane in history to date, which was 121 meters high and capable of raising a 900-ton block 91 meters in the air. It cost one-fourth the amount used to build the Seoul-Pusan Express Way. In 1995, Hyundai installed two cranes of the same size as Daewoo's. Chae, *Pae iyagi*, pp. 87-88.

¹¹ *Tong'a ilbo*, April 28-30, 1990, and *Iryo sinmun* [Sunday weekly], August 6, 1994.

¹² The president, Roh Tae Woo, claimed, "If another wave of chaeng'ŭi erupts, the economic growth rate would fall by 4 percent to 5 percent." *Tong'a ilbo*, April 27, 1990.

moment to either the union or the company. For striking Hyundai workers, it was a "war" to defend their union. One worker said, "If we lose this battle, we have no alternative but to slave like dogs."¹⁴

Hyundai Heavy Industries workers by this time were very much aware of the interconnectedness of the fate of their union and that of the Korean labor movement, seasoned by several years of struggle. Just like the KSEC unionists in the 1960s, Hyundai shipbuilding workers claimed that they were fighting a "single-round battle with the dictatorial power, shouldering the faithfulness and pride of 25 million workers."¹⁵ On April 25, workers occupied the company precincts. They built row on row of barricades, piled bolts, nuts and inflammables in between, organized defense units, and held big rallies day and night. They made "democracy mortars" and conducted test firings. Emergency rations were gathered.

The state intervened at the dawn of April 28 with 10,000 riot police. The "Operation Mip'o Bay" was conducted from land, air, and sea. Police helicopters circled over the scene shaking the air with their roaring sound. On the Mip'o Bay, where the shipyard was located, 500 troops landed, dispatched from two coast guard ships. A payloaded demolished barricades one by one. Three multi-shooting tear-gas cars and 2,000 policemen began

¹³ *Tong'a ilbo*, April 26, 1990.

¹⁴ Yi, *Chiyŏk nodong undong yŏn'gu*, p. 123.

¹⁵ *Ibid.*, pp. 89, 126.

attack from the front gate.¹⁶ "White-skeleton" thugs, 300 strong, brandished wood clubs and iron pipes. Over 600 workers were arrested. But it was not the end of the strike. Nine Hyundai unions and the Daewoo Shipbuilding and Heavy Machinery Union started solidarity strikes. Violent street rallies by Hyundai Motor workers, Hyundai Heavy Industries workers and their family members, students, and Ulsan citizens continued until early May. The Chŏnnohyŏp announced that all its affiliated unions would begin a general strike on May 1.¹⁷

Meanwhile, the strike leaders and about 300 workers started carrying on a high-altitude sit-in on the beam of a "Goliath" crane, which was large enough to accommodate 1,000 people. It was scorching hot during the day and cold at night on the beam. But the morale of the workers was high. They demanded the withdrawal of the complaints the company had made against union leaders, the company's sincere execution of their contract, and an apology for police intervention.¹⁸ The company resumed

¹⁶ The attack was delayed an hour by Hyundai Motor workers, who blocked the route and fought a fierce battle against the police. About the operation, see *Tong'a ilbo*, April 28, 1990.

¹⁷ By May 3, the Congress claimed that 89 unions were on solidarity strikes. The Ministry of Labor reported that by May 4, 28 unions were on strike for Hyundai Heavy Industries workers. *Tong'a ilbo*, May 1-4, 1990.

¹⁸ A huge placard, which they hung across the beam, read, "Achieve Homeownership by Winning the Contract Negotiation!" In workers' mind, so-called "politically-motivated struggle" and collective action to improve their lives were one and the same thing. To achieve the latter, they needed to defend their union against the concerted attack of the company and the state upon its autonomy. The popular union demands around 1990 for release of their leaders, reinstatement of them to their original workshop and position, participation in personnel or punishment committees to prevent transfer or dismissal of militant activists, and

production, but the psychological impact of the "Goliath" sit-in upon the workers who remained on the ground and on other unions was enormous. As time passed, the "Goliath sit-in struggle" became a symbol of the militant labor movement and labor solidarity in the whole of South Korea. Finally, 51 workers who remained on the Goliath crane came down on May 10, thirteen days after the high-altitude sit-in began. The strike did not end in a victory for either the workers or the company, but the union survived the company's offensive.

The "Goliath" sit-in and solidarity struggle of 1990 is remembered by Korean workers as one of the most dramatic and powerful moments of the new autonomous labor movement. The "Goliath" sit-in became a popular tactic of Korean shipbuilding workers. Workers riding on "Goliath" -- a symbol of the powerful chaebŏl economic giants -- turned the symbolism upside down. Instead of representing capitalist success, the "Goliath" became a symbol of newly empowered male workers and of labor's pride and hope. The "Davids" of the 1990s found that by riding on "Goliath" they could rouse the spirit of solidarity among fellow workers and force the state, powerful chaebŏl companies, and the entire society to hear their voices.

This new image of labor is certainly masculine. These "Goliath" fighters were not projected as helpless victims who

requirement of membership ratification for contract agreements were all interconnected issues, revolving around the question of who controls the union.

needed the humanitarian concern of society, as were young women workers in the 1970s. Rather, their image was that of full-fledged adult citizens, men fighting for legitimate causes with resolve, physical force, integrity, and intelligence, and in solidarity with fellow workers. A March 1989 survey of people's perceptions of workers' demands and activism in South Korea corroborates this argument.¹⁹ Two thirds (67 percent) of the people surveyed said that workers' demands were legitimate, while 81.7 percent thought that the workers' way of conducting collective action was too militant. On the causes of labor disputes, 97.9 percent pointed to low wages and bad working conditions, 93.6 percent to the "tyranny" and lack of understanding of the businessmen, and 78 percent to intervention from outside. Those who viewed unionization positively were also in the majority: among the people surveyed, 69.8 percent, 61.7 percent, and 53.3 percent respectively thought that unionization was a good thing for the enhancement of social equality, political democratization, and economic growth.

This image of militant and powerful labor would have made the KSEC managers of the 1960s shudder. The spirit of KSEC unionists of the 1960s resurfaced two decades later among the Davids on the Goliath at the Hyundai yard. The difference was that the 1960s KSEC unionists, who believed in the state's neutrality in industrial relations, had more confidence in the

¹⁹ A March 1989 survey by KLI and the Social Science Research Institute

prospect of placing labor as an equal partner with capital, and even the state, in nation-building.

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Appendix A: The KSEC Union Archive Document List, 1960-1979

Volume numbers have been assigned to each bound volume of union records by the author, roughly in chronological order. The titles written on the cover of each volume and on distinctive sections of a volume are provided in italics with their translation inside square brackets.

Volume #/ Title

1. 1960 [1960]
2. 65·61-nyŏn che kyujŏngch'ŏl [A Collection of rules, 1965 and 1961]
3. Sŏllip taeŭiwŏn myŏngdan 1963.5 [Founding Assembly representatives list, May 1963]
4. 1963 1964-nyŏndo hoeŭirok [Minutes of 1963 and 1964]
 - A. 1963.5.25 put'ŏ 1964.6.18 kkaji hoeŭirok [Minutes from 5/25/63 to 6/18/64]
 - B. 1964-nyŏndo hoeŭirok [Minutes of 1964]
 - C. 1963.5.25 put'ŏ 1964.6.18 kkaji Nosa hyŏbŭirok [Labor-management Council minutes from 5/25/63 to 6/18/64]
5. 1964-nyŏndo sŏryuch'ŏl [A collection of documents, 1964]
6. 1964 1965-nyŏndo ōmmu ilchi [Daily logs of 1964 and 1965]
7. 65-nyŏndo hoeŭirokch'ŏl [A collection of minutes, 1965]
8. 65-nyŏndo sŏryuch'ŏl [A collection of documents, 1965]
9. 1965-nyŏndo imgŭm insang mit (pudang) nodong haengwi kwan'gyech'ŏl [A collection regarding wage increase and (unfair) labor practices in 1965]
 - A. Iryonggong pudang nodong haengwi kwan'gyech'ŏl [A collection regarding unfair labor practices against temporary workers]
 - B. 1965 imgŭm insang kwan'gyech'ŏl [A collection regarding wage increases, 1965]
 - C. 1965 chaeng'ŭi kwan'gyech'ŏl [A collection regarding chaeng'ŭi, 1965]
10. 65-nyŏndo chohabwŏn kwan'gyech'ŏl [A collection regarding members, 1965]
11. 66-nyŏndo hoeŭirokch'ŏl [A collection of minutes, 1966]
12. 66-nyŏndo taeŭiwŏn taehoech'ŏl [A collection regarding the Assembly of Union Representatives in 1966]
13. 1966-nyŏndo imgŭm insang chaengŭi kwan'gyech'ŏl [A collection regarding the chaeng'ŭi for wage increases in 1966]
14. 1966 put'ŏ 1967 kkaji kakchong kyujŏngch'ŏl [A Collection of rules from 1966 to 1967]
15. 66-68-nyŏndo sŏryuch'ŏl [A collection of documents, 1966-68]
16. 1966 1968-nyŏndo ōmmu ilchi [Daily logs, 1966 and 1968]
17. 67-nyŏndo sŏryuch'ŏl: Tasŏn punhoe kwan'gye charyo [A collection of documents, 1967: Materials on the Taesŏn sub-

local]

18. 67-nyōndo sōryuch'ōl (hoeūirok) [A collection of documents (minutes), 1967]
19. 67-nyōndo hoeūirok [Minutes, 1967]
20. 1967-nyōn hoeūirok [Minutes, 1967]
21. 68-nyōndo hoeūirokch'ōl [A collection of minutes, 1968]
22. 68-nyōndo hoeūirokch'ōl [A collection of minutes, 1968]
23. 68-nyōndo nodong chaeng'ūi palsaeng pogosōch'ōl [A collection of reports on the occurrence of chaeng'ūi in 1968]
24. 68-nyōndo chaengūi haengwi kabu t'up'yoja myōngdan [Voter list, the ballot for starting a chaeng'ūi action in 1968]
25. Sōgi 1968.11.16 nodong chohap chibu haesan sin'goch'ōl [A collection of documents regarding the notification of disbandment of the union local on 11/16/68]
26. 1968 1969 [1968, 1969]
27. 69-nyōndo sōryuch'ōl [A collection of document, 1969]
28. 69-nyōndo sōryuch'ōl [A collection of document, 1969]
29. 1969-nyōn 8-wōl 9-il-10-wōl 11-il ōmmu ilchi [Daily logs, August 9 to October 11, 1969]
30. 69-70 chohapwōn taejang [Membership roster, 1969-70]
31. 70-nyōndo ōmmu ilchi [Daily logs, 1970]
32. 71-nyōndo ōmmu ilchi [Daily logs, 1971]
33. 71-nyōndo t'onggye charyoch'ōl [A collection of statistics, 1971]
34. 71 72-nyōndo ōmmu ilchi [Daily logs, 1971-72]
35. 72-nyōndo hoeūirok [Minutes, 1972]
36. 1973-nyōndo hoeūirok [Minutes, 1973]
37. 1973 1974-nyōndo ōmmu ilchi [Daily logs, 1973-74]
38. 74-nyōndo taeūiwōn taehoech'ōl [A collection regarding the Assembly of Union Representatives in 1974]
39. 75-nyōndo hoeūirokch'ōl [A collection of minutes, 1975]
40. 76-nyōndo taeūiwōn taehoe kwan'gyech'ōl [A collection regarding the Assembly of Union Representatives in 1976]
41. 76 kakchong hoeūirokch'ōl [A collection of various meeting minutes, 1976]
42. 76 Hangdo punhoe tanch'e hyōpyak che kyujōngch'ōl [A collection of the various rules and the contract at the Hangdo sub-local]
43. 77 sangmu chiphaeng wiwōnhoe hoeūirok [Minutes of the Standing Executive Committee, 1977]
44. 77 taeūiwōn taehoe kwangyech'ōl [A collection regarding the Assembly of Union Representatives in 1977]
45. 77 ōmmu ilchi: Tojang punhoe [Daily logs, 1977: Tojang sub-local]
46. 77.2 ōmmu ilchi: Tojang punhoe [Daily logs, February 1977: Tojang sub-local]
47. 77-nyōndo ōmmu ilchi [Daily logs, 1977]
48. 78 taeūiwōn taehoe kwan'gyech'ōl [A collection regarding the Assembly of Union Representatives in 1978]
49. 78-nyōndo ōmmu ilchi [Daily logs, 1978]

50. (78) *changhak kwangyech'öl* -- *Chaedan pöbin Noch'ong Changhakhoe* [A collection regarding scholarships (1978): FKTU Scholarship Foundation]
51. *Sangjip hoeŭirok*, 1979 [Minutes of the Standing Executive Committee, 1979]
52. *79-nyöndo kakchong charyoch'öl* [A collection of various documents, 1979]
53. *Taenae munsöch'öl* [A collection of internal documents]
54. *Küllogwa 79 nosa kwangyech'öl* [A collection by the Work Department regarding labor-management relations, 1979]
55. ['79] *taeŭiwön taehoe kwan'gyech'öl* [A collection regarding the Assembly of Union Representatives (1979)]
56. (79) *taenae munsöch'öl* [A collection of internal documents (1979)]
57. *Chohap inwön hyönhwang: 79-80* [The current situation of the union officials: 1979-80]
58. *Chojik silt'ae pogo*, 1979-81 [Report on the situation of the organization, 1979-81]

Appendix B: The "Labor Charter" of 1948

Source: FKTU, *Han'guk nodong chohap undongsa*, p. 296.

1. The freedom of workers to organize, to collectively bargain, and to strike or engage in other collective actions is guaranteed within the scope set by law.

2. The people who are not capable of maintaining a living due to old age, illness, or loss of labor power or unemployment shall have the right to receive protection from the state, as provided by law.

3. Minerals, other important underground resources, hydroelectric power, irrigation, forests, or any other form of natural power usable for economy shall be owned by the state. The licensing of the development and usage of such resources for a certain period of time based on public need, or the cancellation of such licenses shall be defined by law.

4. Labor and skills shall be regarded as capital. Workers who belong to any government, public, or private enterprises shall have the right to receive, on top of wages, a share of the profit, which shall be at least 30 percent but less than 50 percent, of said enterprise. The detailed rate of profit-sharing at each enterprise shall be set by law following resolutions made by the National Economic Council.

5. Workers who belong to any government, public, or private enterprises shall have the right to participate in the management of said enterprise. Each enterprise shall form a labor-capital committee within it and discuss important matters of management, and workers may not be fired, suspended, or suffer other dispositions without the decision

by the labor-capital committee. The matters related to the labor-capital committee shall be defined by law following resolutions made by the National Economic Council.

6. Land shall be distributed only to farmers and the ownership may be acquired by paying 25 percent of the annual output of the land to the government for five years as compensation. The distribution method, the limits of ownership, the content and boundaries of ownership shall be set by law, but a single household of farmers may not acquire more than 3 *chởngbo* of land.

7. Capital and trade shall be put under the state's control. The matters related to them shall be defined by law.

8. The National Economic Council shall present its proposals to the Cabinet in response to requests for advice by the Cabinet on basic policies related to economic and social issues.

Appendix C: An Analysis of KSEC Worker Résumés

As discussed earlier in Chapter 9, I put together 141 personal histories of shipbuilding workers from the union records in the KSEC Union Archive and from Chogong [the KSEC]. In this appendix, I will present my findings from the sample in more detail.

The first issue that needs to be addressed regarding this sample is its representativeness in relation to the workforce at the yard during the 1960s. Table 3 in Chapter 7 shows the great fluctuation of the size of the workforce at the KSEC yard during the 1960s. Starting from 378 in 1960, the workforce peaked at 3,145 in 1968, and then declined abruptly to 1,018 in 1969. As we have seen, most of the sharp increases and reductions in the size of the workforce reflected primarily the hiring and firing of temporary workers. But the turnover rate among regular workers was also high, due to financial instabilities of the company. Management frequently reduced work hours and delayed wage payments to offset insufficient orders during the 1950s and 1960s, pushing workers to look for other sources of employment and income.

Although temporary workers were active in the KSEC union during the 1960s, workers in the sample represent more established, higher-echelon skilled workers at the yard. Most of them were union officials or union representatives, who were

required to file short résumés with the union and with government authorities. Among the 141 workers in the sample, union officials and representatives account for 130 cases. The rest are foremen or long-time KSEC men whose stories were published in the company journal, *Chogong*, in the 1970s. This sample is therefore highly skewed toward more skilled and established segment of workers, who were elected to represent their shops, or worked as union officials. The skewed nature of the sample makes it especially revealing of the world of active unionists at the KSEC yard.

The majority of the workers in the sample were production workers, although it is not always easy to tell from the résumés whether a worker was a *kongwŏn* (production worker) or a *sawŏn* (white-collar/technical employee). Some explicitly listed their status as *kongwŏn* or *sawŏn*, but others simply wrote their shop affiliation. I based my categorization of workers on their previous work history, educational level, and the type of the shop they belonged to.¹ In other words, if a worker's shop

¹ The company-wide work organization at the yard changed frequently during the 1950s and 1960s, but the main division into the shipbuilding department and machinery department was constant. The shipbuilding department was usually divided into three main sections: hull, outfitting, and dock. It contained numerous shops, including mold-loft, hull, welding, oxygen, assembly, outfitting, painting, carpenter, and milling shops. The machinery department was usually divided into three sections: machine, engine, and foundry. It also had numerous shops under it, including machine, precision machine, engine, pattern-making, electric, tool, foundry and forging, steel fabrication, boiler, pipe fitting, and coppersmith shops. The shipbuilding department employed regular and temporary workers in 38 defined skills and the machinery department in 36 skills, according to a 1966 record. KSEC, *Samsimnyŏn*, p. 274.

employed predominantly production workers as in the case of the hull, machine, engine, metal work, outfitting, pipe, dock, electrical, assembly, or woodwork shops, he had worked in other shipyards or metal shops, and he had less than 12 years of formal education, I classified him in the blue-collar category. If the worker's shop was a white-collar or technical department such as the operation, general affairs, administration, engineering works, materials, or design departments, and he had white-collar work or technical background or had college education, I put him in the white-collar/technical staff category. The reason I say "him" is because only two (1.4 percent) in the sample of 141 are women workers.² Overall, 95 (67 percent) out of 141 workers were classified as production workers (including four security personnel), and 29 workers (21 percent) as white-collar sawõn. The rest (17 workers) do not show enough information for classification.

Among the 122 workers in the sample whose hiring years are known, 19 were already working at the yards in 1950, when the Korean War broke out, as is shown in Table 11. Eighteen were hired between 1951 and 1960, and the majority (85 workers) started their career at the yards after 1960.

We know the birth year of 135 workers in the list. If we use the year 1966, when the last group of the sample workers were hired, as reference point, 23 (17 percent) were in their twenties,

² See Chapter 9, footnote 28.

Table 11. Entry Year at the KSEC/ Taesŏn Yards

Years	1932- 1940	1941- 1945	1946- 1950	1951- 1955	1956- 1960	1961- 1965	1966- 1970	Total
No. of Workers	2	8	9	6	12	82	3	122

Sources: KSEC Archive #3, #10, #19, #20, #25, and #30; KSEC, *Chogong*.
 *one worker who was hired in the 1930s was added here.

75 (56 percent) were in their thirties, 36 (27 percent) were in their forties, and one was 51 years old.³ The median birth year is 1932. In other words, over 80 percent of the workers in the list, most of whom were active in union affairs during the 1960s, were men in their thirties and forties. These numbers match the age pattern of the KSEC workers in 1961. From the union membership roll as of March 1961, we can calculate the average age of the 368 union members at the yard as 34.3 years.⁴ The average age for the Standing Executive Committee members as of August 1967 was 35 years. In terms of age pattern, our sample is thus quite representative of the regular workforce at the yard.⁵

The age of first employment at the KSEC or the Taesŏn yard is known for 117 workers. It ranges between 14 and 47 with the median being 28 and the average being 28.9 years of age. Only around 40 percent of the workers in the sample started their career at the KSEC or at the Taesŏn yard, usually right after

³ Instead of using the birth dates to calculate age, I subtracted the birth year from 1966 to come up with the ages used here.

⁴ KSEC Archive #2. The list contains a total of 364 union members (6 female and 358 male) as of March 31, 1961, and also 9 former members (1 female and 8 male) who quit the company. The average age for production workers comes out as the same 34.3 years. That of the 6 female employees whose birth year was documented is 25.7 years.

graduation from school. The rest moved to either of the two shipyards after working at other companies. If we count all the job experiences, the average starting age goes down to 21.2 years and the median age to 19. Table 12 illustrates the pattern of entry into employment. Most of the late starters had several years of military service or were pursuing higher education, especially in the case of white-collar employees, before their first employment.

Table 12. Entry Age to the KSEC/ Taesŏn Yards and to First Job

Age	10-15	16-20	21-25	26-30	31-35	36-40	41-45	46-50	Total	Aver. Age
KSEC/ Taesŏn	4	5	28	40	20	14	5	1	117	28.9
First Job	20	43	29	20	3	3	1 ⁶	0	119	21.2

Sources: KSEC Archive #3, #10, #19, #20, #25, and #30; KSEC, Chogong.

These KSEC and Taesŏn workers had a relatively high level of formal education. As in shown in Table 13, among 127 workers whose educational background is known, those with some college education account for 22.8 percent (29), and the high school graduates and drop-outs comprised another 36.2 percent (46). Middle school graduates and drop-outs were 22.1 percent (28) of the sample. In total, 82.1 percent of the sample workers received some middle

⁵ In March 1969, the age of 2,328 union members broke down as follows: 13-16 (7), 16-18 (9), 18-20 (129), 21-30 (1,126), 30-40 (1,057). KSEC Archive #28.

⁶ The only two women officials of the union, the chief and vice-chief of the Women's Department, came to work at the yard at the age 39 and 41 respectively. According to their résumés, the KSEC was their first job. The other two late-starters are Kim Ch'angnam, who moved from North Korea and started work at the KSEC yard at the age of 39, and No ūisŏk,

school education or above. The average years of education for the 127 workers was 10.6 years and that of the production workers was 9.4 years.⁷

Table 13. Educational Background of Workers

Years	<6	6	7-9	10-12	13-15	16	Total
No. of Workers	1	23	28	46	13	16	127
Percentage	0.8	18.1	22.1	36.2	10.2	12.6	100

Sources: KSEC Archive #3, #10, #19, #20, #25, and #30; KSEC, *Chogong*.

The number of workers who received some kind of technical education at various company training institutes or post-primary industrial schools in Korea or in Japan are 55, as is shown in Table 14. The largest group consisted of those who went through KSEC training institutes such as its Shipbuilding Advanced Technical School [*Chosŏn kisul kodŭng hakkyo*], its Technical School [*Kisul hakkyo*], its Skilled Worker Training Institute [*Kinŭnggong yangsŏngso*], its Training Institute [*Yŏnsuwŏn*], or its Vocational Training Center [*Chigŏp podoso*] for a training period of anywhere between two months and four years. Five received two to four years of training at Chosŏn Heavy Industries Training Institute (established in 1939) during the colonial

who was employed at the yard at the age of 38 and became the Advisor to the KSEC union in 1967.

⁷ The numbers compare favorably to the national average of 6.19 years of education for men in 1956, and 6.86 years in 1970. Also see Chapter 9, footnote 36. KSEC Archive #28 had statistics for 2,017 members in March 1969: elementary school graduates 377 (18.7 percent), middle school graduates 784 (38.9 percent), high school graduates 657 (32.6 percent), college graduates 121 (6 percent), graduate school education 18 (0.09 percent), and others 60 (3 percent). Workers with 7-9 years of education show higher ratio than our sample, and the ratio of those with college education is smaller than our sample.

period. Eighteen were graduates of much shorter training programs at the yard during the 1950s and 1960s.

Table 14. Sources of Technical Education

Sources	KSEC Training	Other Company Institutes		Industrial High Schools		Other Industrial Schools		Coll -ege	Total
		Korea	Japan	Korea	Japan	Korea	Japan		
Before 1945	5		1				6		12
1945 & after	18	1		13		5		6	43
Total	23	1	1	13	0	5	6	6	55

Sources: KSEC Archive #3, #10, #19, #20, #25, and #30; KSEC, *Chogong*.

Of these training institutes, the most important, KSEC Shipbuilding Advanced Technical School, was established in October 1952 to train middle-school graduates for two years.⁸ It had two departments -- shipbuilding and ship machinery -- and the students were hired as regular, not temporary, employees right after graduation.⁹ For example, Yi Ilsu was graduated from the Machinery Department in 1954 and was active in union activities during the 1960s. Han Chaesu dropped out of the same department in the early 1950s due to illness, but went back to work at the KSEC yard after the military service in 1961.¹⁰ Sin Sŏngch'ŏl, the vice-chief of the Organization Department of the KSEC local in 1967, and Pak Insang -- one of the union officials arrested and fired at the end of the 1969 strike (he later became the

⁸ In March 1954, it produced the first group of graduates and was recruiting a freshmen class of 60 people. KSEC, *Samsimnyŏnsa*, p. 165.

⁹ From the August 1, 2000 interview with Pak Insang by Sin Wŏnch'ŏl in his "Kiŏp naebu nodong sijang," p. 116. Since the training combined classroom study in the morning with field practice at the yard in the afternoon, the graduates were able to start work at the yard right away.

president of the Korean Metal Union and the FKTU) -- were among the 1959 graduates of the school.

KSEC also established its Technical School in 1953, separate from the Advanced Technical School, in order to train elementary-school graduates. It offered a three-year program. In 1955, the company reduced the size of the class admitted to both schools because of financial difficulties, and three years later, it decided to close the Technical School.¹¹ Both schools were closed in 1961, after producing 126 and 119 graduates respectively.¹² In the 1960s, the company focused more on short-term training and experimented with several training institutions such as the KSEC Skilled Worker Training Institute and the Vocational Training Center.¹³ The length of training ranged from two months to a year. From 1962 to 1967, a total of 987 workers received training at

¹⁰ He was decorated with a bronze-tower industrial medal as the "best KSEC worker" on the Labor day of 1978.

¹¹ KSEC, *Samsimnyŏnsa*, pp. 168, 171.

¹² Sin, "Kiŏp naebu nodong sijang," p. 116.

¹³ The company's decision was related to the state's effort to produce a skilled workforce for the first and second Five-year Plans. In 1962, a Skilled Worker Training Ordinance was issued, based on the Labor Standards Act. In 1967, the Vocational Training Law was promulgated to streamline vocational training efforts and meet the expected labor demand of 165,000 skilled workers for the second Five-year Plan. The KSEC opened its Skilled Worker Training Institute in 1961, and its Vocational Training Center in 1962. The latter changed names twice before becoming the Vocational Training Center [*Chigŏp hullyŏnso*] recognized by the Vocational Training Law. In the nation as a whole, 86,688 trainees went through these public or company vocational training programs from 1967 to 1970. Among them, 33,922 were trained at company programs, which were entitled to receive state support for training materials and expenses. Ibid., pp. 153-54, 184.

KSEC training institutes.¹⁴ Fourteen workers in our sample were trained in these courses.

Six older production workers learned their skills at various Japanese industrial schools before the Liberation. For example, Yi Tongjin was born in Japan in 1929, and after graduating from an Ōsaka elementary school in 1942, he enrolled in an electrical welding school.¹⁵ It probably was a short course since he got a job at a shipyard in Ōsaka by October of the same year. He quit his job in Japan when Korea was liberated and found employment at the KSEC yard in late 1945. He was one of the most skilled welders at the yard and passed many welding certification examinations held by international classification organizations from the mid-1950s to the mid-1960s. In 1964, he was sent by the company to Japanese shipyards to observe and learn new skills at the invitation of the Ōsaka Transformer company. Three of his brothers were also KSEC men. He served as a Steering Committee member of the union in 1967, quit after the privatization of the company in 1968, and came back to the company in 1972.

Another example is Chŏn Ch'angsŏk. He dropped out of an industrial school in Kōbe, and worked at an ironworks and at a steel mill in that city before returning to Korea in 1945. After "engaging in commerce for a while," he entered the KSEC Machine

¹⁴ KSEC Archive #11 and Sin, "Kiŏp naebu nodong sijang," pp. 184-85. From 1968 to 1970, the company vocational training programs produced around 80 graduates per year. After 1971, the number rose to over 250 a year.

¹⁵ The Ōsaka Okaden Electrical Welding School.

Department in 1963 when he was 41 years old and worked in the Lathe Section. In 1966, he was elected as the union's Welfare Department chief. After graduating from elementary school in Japan, Kim Kyōnggon, Son Taegūn, Yi Tōkcho, and Pak Hojin all studied at industrial schools in Japan during the colonial period before starting their industrial careers in Korea. Kim worked at a transportation company in Ōsaka before returning to Korea, and Son at a plant as a production worker. Yi's first job at the Navy shipyard ended with the Liberation, but later he was able to go work for the Navy again at its shipbuilding section and also worked at the Naval Science Institute. He moved to the KSEC yard in 1961 and went to the Taesŏn yard the next year. He was active in the Taesŏn sub-local representing the cast-iron section. Pak dropped out of a Fukuoka industrial school in 1946 probably to return to Korea, and worked at Talsŏng Ironworks and Kūmyong Generator Manufacturing Company before entering the KSEC yard in 1964. In 1967, he was elected as the vice-chief of the Youth Department of the union.

One worker, Kang Insu, received a three-year training (1942-44) from the Ōsaka Nakayama Steel Training Institute. He returned to Korea in 1946 and entered the Engine Factory at the KSEC yard in 1948. Kang became a foreman and came to be known as the "living witness of the KSEC" in the mid-1970s. He served as a union representative in 1963 and became the Research Department chief for the union. The seven workers trained in Japan and six

workers who had two to four years of training at the KSEC during the colonial period account for a small but important segment of the workforce. They were all active in the union movement and by 1967, had accumulated over 120 years of combined metal-industry experiences behind them.

Additionally, six workers were trained at university engineering departments, three in shipbuilding [*chosŏnhak*] and three in mechanical engineering.¹⁶ As for the industrial high school graduates and drop-outs, Pusan Industrial High produced seven.

The majority of the workers in the sample (81 workers) came to work at the KSEC or the Taesŏn yards after working at other companies. Among the 95 blue-collar workers, 54 had prior job experiences elsewhere. A total of 33 out of 141 people had worked at shipyards or metal shops before the Liberation, eight at Chosŏn Heavy Industries and twenty eight at other yards or heavy-industry shops.¹⁷ Eight workers had worked at nine different shipyards and one ship machinery company in Japan, and one shipyard in Manchuria.¹⁸ Five worked at ironworks, steel

¹⁶ Two are from Pusan Susan (Maritime Industry) University, and four are from the Engineering College of Pusan, Tonga, Inha, and Hanyang Universities respectively.

¹⁷ Two workers worked at both Chosŏn Heavy Industries and at other shops during the colonial period.

¹⁸ The names of the workers, their work sites, and the work years are as follows (Japanese pronunciation is provided when kanji characters are available in the résumés. When only Korean pronunciation of the kanji characters was recorded in han'gŭl characters, Korean pronunciation is provided. The question mark represents unreadable characters or missing information.): Kim Kudong (Ōsaka Hidachi Shipbuilding, 1941-45), Pak Pongch'ŏl (Nihon Kwanggwān Shipyard in Sinna Prefecture, 1943-45), Pak

mills, or at a chemical company in Japan and one worked for an industrial company in Manchuria.¹⁹ In Korea proper, fifteen workers had job experiences at heavy-industry companies other than Chosŏn Heavy Industries before the Liberation, including the Pusan factory of the Transportation Department, the Navy shipbuilding factory, a ship equipment company, an electrical company, a nitrogen fertilizer company, an oil company, and a variety of small machine shops and ironworks.²⁰ In the sample, six workers had job experiences other than metal works during the colonial period. These ranged from work as a township clerk to work in a bakery.

Workers who had prior job experiences in heavy industries after 1945 are more numerous in the sample. Nineteen workers had worked at shipyards other than the KSEC -- Taesŏn, Taeyang,

Ch'anhae (Kangsan Samjŏng Shipyard, 1941-?), Yi Tongjin (Ōsaka Fujieida Shipyard, 1942-45), Im Yubong (Ōsaka ?hana yard, Nagasaki Kawaminami yard, Hayashiken yard in Yamaguchi Prefecture, 1930-45), Chŏng Hanmo Yokoyūga Shipyard, 1941-44), Yŏ Suhyŏn (Abe Ship Machinery Company, 1942-43), Kim Pyŏnggyu (Dairen city shipyard, 1941-?).

¹⁹ Kim Oksaeng (Ōsaka Ōguma Ironworks, 1938-45), Kim Honggap (Tokyo Hoengsan Ironworks, 1938-43), No Tuhong (Ōsaka Kosong Industries, 1942-45), Son Taegŭn (Sŏnjang Manufacturing, 1945-48), Chŏn Ch'angsŏk (Kōbe Ch'ŏngsu Ironworks, Kōbe Poho Steel, 1936-45), Yu Ch'ŏlsu (Adiabatic Physical and Chemical Industries in Manchuria, 1942-45).

²⁰ Kwon Ŭibong (Yŏngdo Mujŏn Ironworks, 1938-45), Kim Sut'ae (Chinyang Ironworks, 1944-47), Kim Indŏk (Pusan Hwansŏn Ship Equipment Manufacturing, 1938-49), Kim Chŏngsu (Kadŭng Machinery, 1944-45), Kim Hyŏnt'ae (Naval factory in Chinhae, 1941-45), Kim Honggap (Pusan Mukto Ironworks, 1943-46), No Tuhong (Pusan Heavy Industries, 1934-42), Song Tŏksu (Il? Shipbuilding, 1939-50), An Chŏngho (Transportation Department Pusan Factory, 1943-57), Yu Yŏngguk (Hŭngnam Hongŭ Nitrogen Fertilizer, Hŭngnam Ryūshiro Manufacturing, Hongŭ Fuel, 1938-45), Yi Kyŏnghŭi (?sima Steel in Yŏngdo, 1940-44), Yi Tŏkcho (Naval factory, 1940-45), Yi Nakchong (Transportation Department Pusan Factory, 1942-49), Yi Yunho (Pusan Ironworks, 1943-46), Hwang Chaesu (Chosŏn Electrical Kasu Industries in Pusan, 1941-45).

Han'guk, Tonghae, Tonga, Ch'ilsŏng, Pusan, Taeyŏng, Sinhŭng shipyards and Chosŏn Machinery Manufacturing Company -- or at ship repair shops before entering the KSEC yard. Three workers in the sample had worked in Navy shops and another three in the Transportation Department shops. Additional twenty moved from postwar jobs at ironworks, metal shops, machinery companies, generator manufacturers, electrical and chemical companies, or vehicle repair facilities to the KSEC yard. One who moved to the Taesŏn yard had worked at an electrical company. In total, 46 workers had postwar heavy-industry experiences before entering the KSEC yard. Combined with the pre-war statistics, a total of 79 out of 141 workers in the sample (56 percent) had heavy-industry job experiences before being hired at the KSEC or the Taesŏn yard.²¹

Shipbuilding workers tended to switch jobs rather frequently, but unfortunately we do not have much information on their motives for changing jobs. Many workers experienced dislocation after the Liberation. Others were forced to change jobs due to the failures and closures of many companies. Some probably moved around to get better wages and to learn new skills.²² A few examples will illustrate the itinerant nature of some workers employed at the KSEC yard.

²¹ Other workers in the sample had industry backgrounds other than heavy industries, including textile, construction, pulp and paper, rubber, ceramics, and transportation. A minority of workers landed at shipyard jobs with non-industrial background such as clerk, teacher, reporter, politician, and even policeman.

Yi Sangdŭk, who served as one of the union auditors since 1964, for example, went through six companies and a seven-year stint at military service in 17 years before landing on a job at the Machine Department of KSEC in 1962. An electrical welder, Yu ŭŏngguk, worked at three companies in Hŭngnam in Hamgyŏng Province between 1938 and 1945, then moved to Seoul, where he worked at two companies, and finally entered the KSEC Hull factory in 1961. The KSEC Organization Department chief (1966-68), Yi Chihwan, moved from Han'guk yard to Taeyŏng yard, back to Han'guk yard, and then settled at the KSEC yard. A Taesŏn Shipyard sub-local official, So Munsŏk, worked at the Taehan Warehouse in Yŏngdo, Ch'ilsŏng Shipyard, Pusan Shipyard, Taeyŏng Shipyard, and the KSEC between 1953 and 1965 and finally landed at the Taesŏn yard at the end of 1965. Another Taesŏn official, Im Yubong, worked at three different Japanese shipyards from 1930 to 1945 and then at a Pusan fire station, the Cheil Sugar factory in Pusan, and at the KSEC before entering Taesŏn yard in 1964. At least eight workers in the sample left the KSEC yard, worked at other companies, and came back to the KSEC yard.

From the primary materials so far presented, a picture of a relatively homogeneous group of workers emerges. They were men in their thirties and forties who came from the same region, lived in the same neighborhoods, had similar work history, moved between shipyards and metal shops in the area, and had a

²⁷ See Gordon, *Evolution of Labor Relations in Japan*.

relatively high-level of education. Some were veterans of colonial heavy-industry operations, and others were learning from those veteran senior workers. Most of them lived through the political, economic, and social turmoil of the Liberation period and through the Korean war, and managed to achieve unionized skilled worker status or white-collar positions at a premier state enterprise by the 1960s. These workers were the backbone of the militant and democratic union movement that flourished at the KSEC yard in the 1960s.

Appendix D: A Comparison of Two Contracts, 1968 and 1971

Select articles only.

Sources: KSEC Archive #18.

Title	Yr.	Art- icle #	Content [italics mine]
Purpose	'68	Preface	The KSEC (hereafter, the company) . . . and the KSEC local (hereafter, the union) acknowledge the social mission of the shipbuilding industry, and hereby sign this contract in order to achieve the prosperity of the company and the stabilization of working life <i>based on equal status of the union and management</i> . We promise to sincerely follow through on the contract.
	'71	1	The KSEC (hereafter, the company) . . . and the KSEC local (hereafter, the union) acknowledge the social mission of the shipbuilding industry, and hereby sign this contract in order to do our best to enhance the prosperity of the company and its production capacity, contribute to national economic development, and promote the better welfare of the union members and the healthy development of the union <i>based on the legislative purpose of the Constitution and the various labor laws</i> . We promise to sincerely follow through on the contract.
Members and non-members	'68	2	Employees of the company <i>should become union members</i> except those who belong to the following categories. 1. Those who work in managerial or supervisory capacities <i>on or above the section-chief level</i> ; 2. Those who are secretaries or work in planning, personnel, labor management, general affairs, accounting, auditing, or in jobs dealing with company secrets; 3. Those who work as a <i>sub-section-chief or a line supervisor in security</i> , as passenger-car drivers, or in communication; 4. Advisors, commissioned officials, apprentices, and workers in probationary status; 5. Those the company and the union have agreed upon.

	'71	3	Employees of the company can become union members of their own free will, except those who belong to the following categories. 1. Those on or above the tamdang [sub-section chief] level, 2. Those who are secretaries or work in planning, budgeting, cost accounting, personnel, labor management, accounting, general affairs, management analysis, sales, business, design, or in jobs dealing with company secrets, 3. Those who hold foreman positions, 4. Those who work in security, passenger-car driving, publishing, blueprints, photography, typing, warehousing, power, water supply, or in boiler, pump, oxygen, gas, tug boat, safety, health, or communication work, 5. Advisors, commissioned officials, temporary workers, and workers in probationary status, 6. [same as 5 above].
Enactment, revision, and abolition of various regulations	'68	5	The company may enact, revise, or abolish the following regulations after due consultation with the union. 1. Employment Regulation, 2. Award Regulation, 3. Punishment Regulation, 4. Wage Regulation, 5. Allowance Payment Regulation, 6. Travel-expense Regulation, 7. Severance-pay Regulation, 8. Safety and Health Regulation, 9. Congratulations and condolences Payment Regulation.¹
	'71		[struck out]
Freedom of union activities	'68	6	The company guarantees free activities of the union and cannot impose disadvantageous treatment including [worse] working conditions because of legitimate union activities.

¹ In 1969 the company tried to change the consultation phrase to a less binding clause: "the company . . . can hear the opinion of the union" while the union wanted to strengthen it to "conducts . . . after an agreement with the union" (italics mine).

	'71	5	The company guarantees free activities of the union <i>inside the company</i> and cannot impose disadvantageous treatment including [worse] working conditions because of legitimate union activities. <i>But, the union cannot be engaged in political activities outside the sphere of proper union activities.</i>
Union activities during work hours	'68	7	When a union member who is not a full-time union official wants to engage in union activities such as those dealing with working conditions during work hours, he has to obtain the permission of the supervisor in advance and the supervisor must assent as long as the act does not particularly obstruct business. The hours spent that way shall be regarded as worked hours. The time spent attending local assembly meetings and meetings of upper-level union organizations shall be paid.
	'71	6	1. The union shall execute meetings and other union activities articulated in union rules and regulations outside work hours. But when it is imperative to hold union activities during the work hours, it should obtain permission from the company in advance. 2. In the above cases, in principle, the wages should not be paid. But attending the regular annual assembly meetings or meetings of upper-level union organizations is an exception.
Posting, distribution of printouts	'68	11	1. The union can post or attach a notice which is necessary for union activities at designated places. 2. When posting notices at company facilities not pre-designated, or when the union wants to stage speeches or broadcasts on the company premises, it should obtain permission from the company in advance. When it wants to distribute written materials, it should notify the company in advance. ²

² The union in 1969 tried to change the permission clause of section 2 to that of an obligation to "notify" the company, while the company wanted to add a sentence, "All the items that contain things of a nature beyond the boundary of union activities, violate human rights, or are harmful to company business will be prohibited."

	'71	8	The union can post or attach a notice which is necessary for union activities at designated places within the company premises. But it should obtain permission from the company regarding the content of such notices.
Principle of personnel management rights	'68	13	The company fairly manages personnel matters according to this contract and the Employment Regulations. But when the company deems it necessary, it can hear the union's opinion.
	'71	-	[struck out] ³
Retirement age	'68	18	The mandatory retirement age for union members shall be 55 years of age. But the company can extend it when it deems it necessary.
	'71	15	The mandatory retirement age for union members shall follow the rules set in the Employment Regulation. ⁴
Work hours	'68	23	1. The actual work hours of union members shall be 8 hours a day. ⁵ 2. Work hours for harmful and dangerous work shall be 6 hours a day. 3. The work hours of those who engage in supervisory or continuous work can be extended through negotiation between the company and the union. 4. The starting, closing, and rest time shall follow the Employment Regulation set separately.

³ In 1969 the company tried unsuccessfully to change this provision to the following sentence: "The union respects the management rights of the company and acknowledges that all the decision-making power regarding personnel matters resides with the company."

⁴ In 1971 the Employment Regulation set 45-55 years as the age for mandatory retirement depending on the worker classification. This is the same range the company wanted to install in 1969.

⁵ In 1969 the union wanted to add a clause in this section which reduced work hours on Saturdays to 4 hours: "but Saturday work hours shall be 4 hours."

	'71	21	1. The actual work hours of members shall be 8 hours a day and 48 hours a week in principle. But the company and the union can extend the work week to up to 60 hours a week through negotiation. 2. The work hours of those who engage in continuous work can be extended through negotiation between the company and the union. 3. The starting and closing time shall be regulated separately.
Holidays	'68	25	1. The company recognizes the following days as paid holidays. a. Sundays (....) b. National holidays (Anniversary of the March 1st Movement, Constitution Day, Independence Day, National Foundation Day) c. Year-end and New Year break (Dec. 31, Jan. 1-3) d. Public holidays (Labor Day, Tree-planting Day, Memorial Day, Moon Harvest, Han'gŭl Day, United-Nations Day, Christmas) e. Anniversary of the founding of the company (June 5) f. Anniversary of the founding of the Maritime Union, KSEC local (May 25) g. Other days which the company or the state may declare at times.
		27	The company designates Sundays as weekly paid holidays.
	'71	28	1. The company recognizes the following days as holidays. a. [same as above b.] b. New Year break (Jan. 1-3) c. [same as above d.] d. [same as above e.] e. [same as above g.] 2. Among the above holidays, national holidays, New Year's Day (January 1st), Labor Day, Moon Harvest Day, and the anniversary of the founding of the company shall be paid holidays.
bonus	'68	33	1. The company shall pay bonuses to union members twice a year. 2. For the bonus payments, the company and the union shall negotiate the rate in advance and request its approval by the Minister in charge.
	'71	-	[struck out]

Night meal	'68	41	Those who continuously work 16 hours or more and whose eligibility is recognized by the head of the unit shall receive a night-time meal.
	'71	-	[struck out]
Tools on hire	'68	42	In cases where the work situation makes it unavoidable to utilize the privately owned tools of union members, the company will compensate them with a rent on their tools according to a separate schedule.
	'71	-	[struck out]
Chaeng'ui actions	'68	62	A "chaeng'ui action" in this contract means a strike, a slow down, a lockout, or other action the company or the union carries out in order to attain its objectives, including actions to counter such an action, which obstructs normal operation of business.
	'71	53	1. [same as above] 2. An action pertaining to the following cases shall be regarded as a chaeng'ui action. a. Conscious action by many to lower business productivity b. Simultaneous refusal of overtime work by many c. Requests for vacation or leave of absence by many at the same time
		58	During the period union members are engaged in a chaeng'ui action wages shall not be paid
Everyday life during a chaeng'ui	'68	63	The company shall not obstruct the use of welfare facilities or the provisioning of food or other essential goods for life during chaeng'ui actions so that union members can maintain daily life.
	'71	-	[struck out]
Prohibition of violence and destructive actions	'68	-	

	'71	56	Union members should not engage in riotous actions such as the following on or outside of company premises during a chaeng'üi: 1. Verbal or physical assault which impinges upon other people's human rights, 2. Destruction of company facilities, equipment, or fixtures, 3. Halting or obstructing normal maintenance and operation of safety- and health-related facilities, 4. Halting or obstructing normal maintenance and operation of vessels, vehicles, and machinery of customers or guests, or inflicting damage to same, 5. Engaging in the above mentioned activities or antisocial activities disturbing social order, such as street demonstrations and traffic obstruction, in conspiracy with outsiders or family members who are not union members, 6. All illegal activities pertaining to the above cases.
Disasters during a chaeng'üi	1968	66	When a fire or other disaster strikes company facilities during a chaeng'üi, or such occurrence is expected and company facilities are in danger, <i>the union should cooperate with the company</i> in disaster relief or prevention.
	1971	59	When a fire or other disaster strikes company facilities during a chaeng'üi, or such occurrence is expected and company facilities are in danger, <i>union members should stop the dispute and actively cooperate</i> in disaster relief or prevention.

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VITA

Hwasook B. Nam received a B.A. degree in Korean history from Seoul National University in Seoul, South Korea in 1984, and an M.A. degree, also in Korean history, at the same school in 1989.