



Tale of a SHIRT

Unusual
Rotarians

Mao Teng-Siao.

***More exactly, it's about the man behind the shirt—
a Formosan with 12 sewing machines and a dream.***

By GERALDINE FITCH

LONG before Rotary was born, a businessman in the midst of a textile depression is supposed to have said, "If we could add one inch to the tail of the Chinaman's shirt, we could keep the mills of Manchester running for a year." Through Rotary's program of international fellowship, most Western businessmen have now not only learned to put service above self, but also to refer to the people of China as "Chinese."

Today on the island of Formosa, or Taiwan, an enterprising Rotarian is proving anew the opportunity in the Chinese shirt. He is Rotarian Mao Teng-Siao—"T. S.," to his fellow Rotarians. His factory makes shirts for Formosa, Hong Kong, and much of South-east Asia; and the tails are of standard length.

I encountered this remarkable man at the Taiwan Industrial Exhibition not long ago. Strolling past the booths and displays of the island's industries, I had noticed such merchandise as machinery for hydroelectric dams, cough sirup, tiles, phonographs, chopsticks, plastic combs, plywood, candied ginger, wire screening, "Elephant" toothpaste, fishing

nets, asbestos, and camphorwood chests. Here was a showcase for an inventive and industrious people. And in the very first display booth, attracting the attention of Ambassadors and Chinese leaders, was a display for Smart Shirts, handsome white broadcloth garments that would do credit to manufacturers of any nation. I was soon talking to the ingratiating managing director himself, and learning his dramatic story.

It begins in Shanghai, where Mao Teng-Siao was born. Rotarian Mao doesn't call Shanghai his native place. It is difficult for Westerners to understand the filial piety which leads every Chinese to speak of his "native place" as the Province where his parents and ancestors have lived. So "T. S." today says, "My native place is Fukien!"

There his father lived—Admiral Mao, a graduate of Greenwich Naval Academy in London. (Most of China's admirals came from Fukien.) It was with such a family heritage that young "T. S." was brought up, educated at home

under a tutor, as was the custom in well-to-do families of that day, and at the famous St. John's University in Shanghai. It was in the same city that he met and married an attractive and talented girl from the famous Pan family of Canton. And it was in Shanghai where he began to pursue an ambitious dream in 1933.

The Japanese militarists had just moved into Manchuria and then into China proper. The invasion touched off boycotts of Japanese goods on the part of the untouched Chinese, and therein "T. S.," then a man close to 40, saw an opportunity. He started making shirts in his own factory—and dreamed of owning the whole process, from yarn to product, himself.

It was quite a dream. The new business turned out only about two dozen shirts a day. Sewing machines were foot propelled. Buttons were sewn on by hand. Girls skilled in embroidery work

were hired to make buttonholes.

Still, by 1937, the Mao properties had grown enormously. Soon this business pioneer had bought a weaving and dyeing factory. He began to print and to retail piece goods. Only the making of the yarn was outside his operation. At its peak, the Shanghai company employed 2,500 workers, operated 20,000 spindles and 1,500 looms and 1,000 sewing machines. The daily output of 10,000 shirts a day was marketed in China, Thailand, Indonesia, Malaya, and The Philippines. In Thailand the Mao firm had an office to handle the retail business. In Singapore, Mr. Mao branched out into the wood-working industry—and still owns a factory there.

Then came the menace of Communism. Seeing the approaching shadow, Businessman Mao tried to persuade his board of directors to move at once to Formosa; they voted nine to one against the move. After all, they reasoned, Communists need shirts; couldn't they do business with the revolutionaries? The answer came from the Communists themselves; commissars soon announced that the factory "belonged to the workers." Businessman Mao escaped with but 12 precious sewing machines—"in my hand," as he describes it—for a long retreat.

First he went to Chungking. He considered opening a factory there, but the Communists were pressing onward. He tried Kunming. The situation was deteriorating everywhere. He finally went on to Canton, and from there, in the Summer of 1949, flew to Taipei, leaving his 12 machines—worth their weight in gold—to follow by steamer. With the help of a junior staff member he set up an office and factory on the island of Formosa by the end of 1949.

Then Rotarian Mao did a bold thing. Taking his personal resources from investments in Thailand and Malaya, he started around the world to learn all the modern lessons that he could about the making of shirts. He visited nearly every Western country. He went through textile mills, and even through factories making the machinery to make shirts. In much of Europe, in every land in South America, and

in 40 of the 48 United States, he looked, listened, and asked questions about the business he already knew. He was gone a year and a half. But now he was ready to build a modern plant. He found 12 *mou* (about two acres) of land in Chung-Ho County outside the capital, Taipei. There, surrounded by the lovely hills that make Taiwan the "Isle Beautiful," he built his modern, model factory.

I toured this plant not long ago, and found it quite remarkable. At the long table farthest from the entrance, one man operates the cutting machine, spreading 80 layers of broadcloth on the long table and, with stiff board patterns, cutting 80 backs, fronts, cuffs, or collars at a time. The scraps that fall to the floor are sold to a paper manufacturer.

The girls—85 percent of the workers—were well dressed, mostly in skirts and sweaters. Good clothes were not surprising. The girls earn wages from twice to three times the salaries of domestic help. The young men, who do the harder work, standing all day, get up to three times the income of university professors!

In addition to this progressive policy of wages, the workers get other benefits. There are facilities for cooking and for serving lunches. My guide—Rotarian Mao himself—waved his arm to an open area beyond the factory and said, "I'm going to make a volleyball court for employees over there!"

Such practices pay. The output of this model factory, with fewer than 100 workers, compares favorably with the old Shanghai pro-

duction with 2,500 workers: about 900 shirts a day. If sufficient markets could be found, the factory could produce three times that amount. Still, the Mao enterprises are successful.

As I rode with Rotarian Mao over the rough cobblestones back to Taipei, I asked him about this reborn business. He has not forgotten his old associates in Shanghai. The chairman of the board, who once voted against moving the factory, is still listed as chairman, as are all the old mainland China shareholders. As this Rotarian said, "It wouldn't be Chinese custom to put them out."

We talked of other things: his attitude toward life, his objection to gambling. "No," he explained, "I don't play mah-jongg nor canasta nor bridge nor any game where people are apt to gamble."

"You feel it's a waste of time and money?" I asked.

"And a good way to lose friends," he added. "I used to breed ponies in Shanghai, but I never bet on them at the races. I guess you could call it a principle of mine. I try to treat everybody right."

I could not help reflecting on the factory I had just seen, and the well-paid productive workers. This man does not gamble, I told myself, but the boldness of his ventures has provided much for so many people.

Perhaps, as we jogged over the cobblestones, he was thinking along similar lines. "You know," he said, after a lapse of silence, "it's a good motto that Rotary has: 'Service above Self.'"



Neatly wrapped, products of Rotarian Mao's shirt factory move one step nearer to male purchasers in Formosa, Hong Kong, and Southeast Asia.



Taipei Rotarian Mao Teng-Siao and the SMART Shirt

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15 April 2014

The “SMART Shirt” (司麥脫襯衫) was a popular shirt brand made by Standard Shirts Dyeing, Weaving & Finishing Mills (新光標準內衣染織整理廠, referred to as “Standard Shirts” hereafter), a firm which was originally founded in Shanghai in 1933. It became the top shirt brand in the Republic of China (中華民國) in the early 1940s and extended its popularity to the British Crown Colony Hong Kong (香港), the Chinese province Taiwan (臺灣) and Southeast Asia in the late 1940s and early 1950s as the principals fled the mainland and set up shops overseas.

Standard Shirts was founded in 1933 as Standard Shirts Manufactory when its founders saw a business opportunity for locally made shirts due to the boycott of Japanese goods in the aftermath of the Japanese occupation of Manchuria in 1931. The founders included Mao Teng-Siao (毛騰霄), Fu Leung-Tsun (傅良駿), his cousin Yu King-Lum (俞景琳), and K. C. Li (李光熾) who came from different backgrounds.

Fu, the head of the firm, was born in Pudong, Shanghai (上海浦東) in 1911 and was working as a tram conductor trainee for Compagnie Française de Tramways et d’Eclairage Electrique de Shanghai (上海法商電車電燈公司) after graduation from the Institut Technique Franco-Chinois de Shanghai (中法工學院) a year before. Yu contributed his technical expertise as he had worked for a Japanese shirt-maker in Hongkew (*Hongkou*) (虹口), Li was a salesman while Mao, the oldest and most experienced of the four at the age of 40 was the scion of a prominent Fukienese family of admirals and a graduate of the prestigious St John’s University (聖約翰大學).

The initial operation on Avenue Dubail (呂班路) in the French Concession started out with 9 workers who made 6 dozen shirts per day using 3 foot pedaled sewing machines and sewing buttons by hand. Even though Japanese shirts were boycotted at the time, foreign made shirts from the United States and Europe continued to dominate the Chinese market. The domestic competition was also intense with over 140 shirt factories in Shanghai alone, within which Standard was a small time operation compared to the industry leader China ABC Underwear, which was founded in 1920 by US-trained Thomas Goon Wong (黃鴻鈞) and had 1,400 workers.

To grow its business, Standard started making shirts for a Portuguese brand called “Dice” in 1934 in addition to its own “Standard Shirt” brand and by 1937, the firm was doing well enough to move into a 4-storey building at 27 Avenue Dubail with a store on the ground floor and 30 workers working on three floors of factories. A bigger plant with modern equipment was later established on the same site and the workforce grew to over 200 workers.

By 1940, “Standard Shirt” was available throughout China and also started exporting overseas to Southeast Asia. Although the firm already possessed the technological know-how to make higher end shirts, it still primarily focused on the lower end market since higher end customers continued to favor foreign brands over local brands. As the Sino-Japanese War progressed,

imported shirts from the West became more difficult to come by, and after the Pacific War broke out in 1941, they became unavailable in the half of China which was under Japanese control. Against this backdrop and after 6 months of research and development, Standard Shirts created the “Smart Shirt” brand to fill in the gap in the higher end market left by the foreign brands.

To promote the new brand, Fu recruited an advertising executive by the name of Wong Ying (王鶯) to join the firm as managing director. In September 1942, Wong came up with a legendary month long print advertising campaign that put the “Smart Shirt” brand on the map. For 6 consecutive days starting from 25 September 1942, Standard Shirts secured full page ads in the two largest Chinese newspapers in Shanghai starting with the first one which featured a giant question mark, the letter “S” and a sentence stating that readers should stay tuned for tomorrow’s ad. Each day like a riddle another letter was added and by the fifth day the ad spelled out SMART. On the sixth day the actual ad announcing the launch of the new “Smart Shirt” brand was published. This generated enormous publicity and the firm followed up with two additional waves of ads---first one highlighting the retail outlets where the new shirts were available for sale, which included the “Big Four” department stores of Wing On (永安百貨), Sincere (先施百貨), Da Sun (大新公司) and Sun Sun (新新公司), and the second one highlighting product quality and features and its brand identity. The ad campaign was so successful that Smart shirts were flying off the shelf and quickly became the top shirt brand in China and the firm’s primary money maker.

As the shirt business grew, Standard Shirts decided to vertically integrate by acquiring 2 weaving mills and 1 dyeing mill in 1944 and as a result, the firm was renamed Standard Shirts DW&F Mills. It consolidated all of its production lines in one massive plant on 60 mou (10 acres) of land on Tangshan Road (唐山路) and by 1946 the factory had 1,200 workers with daily output of 3,000 shirts and 600 yards of fabric which it also sold to other smaller shirt makers in addition to going into its own shirts. They also operated a training school in Pudong that was churning out about 150 graduates every three months to add to the workforce.

As the export market re-opened after the War which was Victory in 1945, Standard Shirts immediately teamed up with four other Shanghainese manufacturing concerns---China Thread Company (中國線廠), Tien Loong Weaving Mill (天隆布廠), Universal Handkerchief Weaving Factory (環球手帕), a firm controlled by S. W. Yao (姚思偉) who was known as the “King of Handkerchiefs” and the Kang Fu Sock Factory (康福襪廠) to establish Kin Lik Company (建力公司) in Hong Kong as a master distributor of its products in the Southeast Asian market. In charge of Kin Lik was Poon Tong-Wah (潘棠華), an Indonesian Chinese of Hakka descent who had been active in promoting Chinese products in Southeast Asia since the 1930s. The overseas expansion effort was very successful and soon outbound ships from Shanghai to Southeast Asia were filled with boxes of Smart shirts and branches were established in Thailand and Singapore.

Expansion also took place domestically and in October 1946, Fu and Wong came to Hong Kong to explore the possibility of setting up a plant and were welcomed in a reception by the local business community at the Gloucester Hotel (告羅士打酒店) in Central. Between 1945 and 1948, branch offices of Standard Shirts were set up in Hong Kong, Canton (*Guangzhou*) (廣州), Hankow (*Hankou*) (漢口), Nanking (*Nanjing*) (南京), Changsha (長沙) and Taipei (臺北). In early 1947, the four

leading banks at the time helped finance Standard Shirts' acquisition of three competing shirt factories and one weaving mill in Shanghai, which increased the group's production capacity by 80%.

By 1948, Standard Shirts was the largest shirt manufacturer in the Far East and its Shanghai operations had 2,500 workers (one article states as many as 4,000) operating 20,000 spindles, 1,500 looms and 1,000 sewing machines with a daily output of 10,000 shirts, which represented over half of the shirt industry in Shanghai. The weaving operation was producing 50,000 yards of fabric per month and the dyeing mill was dyeing 100,000 yards of fabrics per month. As chairman of the newly formed Shanghai Shirt Industry Association, the 36 year old Fu was recognized as the "King of Shirts" and the firm's total assets exceeded US\$12 million.

As the Communists advanced in 1949, the 10 member board of directors at Standard Shirts was split about the direction the firm should take. Many industrialists in Shanghai were already moving to Hong Kong or following the Kuomintang (Nationalist Party) (中國國民黨) regime to Taiwan. With substantial assets in Shanghai, the board voted 9 to 1 to stay, and Mao (who voted against staying) managed to bring 12 sewing machines to Taiwan where he started a plant for Standard Shirts. Later, Mao joined the Rotary Club of Taipei (臺北扶輪社).

The Communists took over Shanghai in May 1949 and under the new regime, Standard Shirts started making "people's uniforms". Within months however, the firm was in dire straits as it grappled with a myriad of issues including evaporating sales, rising labor and the Party's demands and a mounting tax burden. In April 1950, Fu left Shanghai for Hong Kong, never to return.

In Hong Kong, Fu incorporated Standard Shirts DW&F Mills (HK) Ltd. in September 1950 and established a plant at 2732 Ma Tau Kok Road in Kowloon (九龍馬頭角道) to make "Smart" and "Standard" brands shirts. 1950 and 1951 were tough years for the Hong Kong shirt industry with many factories closing or suspending production as the domestic market was yet to be developed (it represented less than 20 percent of sales) while the Korean War (1950-1953) and the related trade embargo had negatively affected export markets. Thanks to strong brand recognition, Standard Shirts managed to stay afloat. 1952 marked a turnaround year as sales doubled from the previous year and monthly output at the Hong Kong plant jumped to 60,000 shirts thanks to strong sales in Indonesia, which represented 80 percent of business.

Desperate for much-needed capital to jump-start the industry in Taiwan, the Kuomintang regime in Taipei sent Lei Chen (雷震) and Hung You-Lan (洪友蘭) to Hong Kong in 1951 to recruit former industrialists from the mainland such as Fu and his friend C. Y. Liu (劉慶一) to invest in Taiwan and in 1953, Standard Shirts (Hong Kong) increased its investments in Standard Shirts Taiwan via transfer of equipment and materials while Liu also established Maryland Textile (鴻福紡織) in 1952 in Taiwan which supplied silk yarn to Standard Shirts. Under the management of Mao, a modern plant was built in Chung Ho (中和) near Taipei which by 1955 was employing around 100 workers with monthly output of over 20,000-30,000 shirts.

In 1954, Standard Shirts embarked on major overseas expansion and set up factories in Indonesia and Japan. The Indonesian plant was the largest in the country with monthly production capacity of 180,000 shirts while the Japanese plant (a first for Chinese and Hong Kong manufacturers) had monthly production capacity of 60,000 shirts but was limited to domestic sales.



In order to increase the popularity of their products, businesses jointly held contest for trade show ladies, and the selected trade show ladies were responsible for tasks such as product promotion and publicity activities. On 14 November 1959, Miss Smart Shirt contested the champion.



