Relation to the Purposes of the Institute: The labor question is an important one in all countries, but particularly in the countries bordering the Pacific which are just being industrialized, where it may be possible to avoid the evil effects of industrialization by rational control and direction. The assignment of a proper status to the laborer, together with adequate earnings, to be discovered by this study, will go far towards maintaining industrial peace in the Pacific nations. Method: Two methods will be used in this study: (I) A number of factories and workshops in each one of of the principal industries, and some in the minor industries, if special conditions exist there which are worth studying, are to be visited by the investigators, who are to be supplied with schedules to be prepared by the Committee in charge of the work, in collaboration with the organizations mentioned under "collaboration". The schedules are to be filled by the investigators themselves, or by the responsible officers of the factories in the presence of the investigators. In addition to the data in the schedule, the investigators should also write down every thing they observe at these factories and workshops which have any bearing on the subject under study, or what they are told by the factory officers. Such reports will serve to check the data filled in the schedules, and will be useful in many other ways in making the industrial situation better understood. The tone of their conversation should be observed to help detect the bias of data furnished. (2) A number of laborers' homes and boarding houses to be similarly visited, and the schedules to be filled exclusively by the investigators themselves, as the laborers are less likely to be able to fill them correctly. Schedules for statistical survey of home industries should be supplied the same investigators so that they may have them filled whenever they find such industries exist in the homes. In some cases, where the homes do not constitute industrial units, but some members thereof are engaged in productive work at home, similar or separate schedules should be filled for them. The homes to be visited are to be selected with a view to their location and the kind of industry the head of the family is engaged in. The Yangtzepoo. Chapei and Tsaokadoo sections of the town, where most factories are located and most laborers live, should be the centers of the survey, although other sections of less importance should be covered also, in proportion to their importance. Attention should be paid to the native towns of the laborers in choosing the samples, as the living conditions of the laborers often differ much according to their home town, the Kiangpei workmen, for instance, enjoying usually less comfort than those of Ningpo. The Research Commission in Shanghai which conducted survey of workingmens' family budgets last year under the auspices of the China Foundation selected 60 families and kept daily accounts for them. The writer of this project is of the opinion that this method cannot produce satisfactory results, because the number of families chosen was too small to be representative, and daily visits would not necessarily secure accurate data, as the laborers might forget the expenses they had defrayed, or might not be willing to supply the information every day for many months at a stretch.