I. Introduction

The purpose of this paper is to explore how Japanese government, Taiwanese cultural commonality with the overseas Chinese in Southeast Asia (SEA), and Japanese economy relative to the world economy interacted with each other to shape the Taiwanese investments in SEA during the period of Japanese colonial rule over Taiwan in 1895-1945.

According to the fifth clause of the Treaty of Shimonoseki signed between Qing China and Japan in 1895, all residents of Taiwan would become Japanese subjects (Nihon shinmin 日本臣民). The Treaty of Shimonoseki was enacted on April 17, 1895 at Shimonoseki of Japan, yet the ratified version was exchanged on May 8 at Chefoo of China. The fifth clause of this treaty granted two years from the date of its ratification for Taiwanese to consider whether to stay as Japanese. With this arrangement, any Taiwan residents who declared themselves Chinese before May 8, 1897, as well as any Chinese who came to Taiwan from China after this date, who had not applied to become Japanese subjects, would be called either “Qing people” (Shinkoku jin 清国人) or “Chinese” (Shina jin 中国人).
支那人 by the Japanese and be treated as foreigners. During the Japanese colonial period from 1895 to 1945, although the Taiwanese were legally Japanese nationals, Japanese document often addressed Taiwanese of Han Chinese origin “local islanders” (hontō jin 本島人), the Taiwanese aborigines Gosa zoku 高砂族 and the Taiwanese in China or in SEA who had Japanese nationality as “Registered Taiwanese” (Taiwan sekimin 台灣籍民, or in shortened form, sekimin 籍民).”¹

This essay uses “Taiwanese” and “Registered Taiwanese” interchangeably in referring to those who themselves or whose ancestors had lived in Taiwan before 1895.² However, “Registered Taiwanese” also came to include China- or SEA-based Chinese who either went to Taiwan or who applied at their local Japanese consulate for Japanese citizenship by claiming with Taiwan relation. The sources used for this paper do not make a sharp distinction between “Taiwanese” and these “registered Taiwanese,” so this paper will often employ “Taiwanese” to include both categories.³

Taiwanese under Japanese colonial rule are like Chinese under Dutch rule in Indonesia or Chinese under French rule in Vietnam or Chinese under British rule in Malaya. The Taiwanese SEAn investment is part of the development of the invisible empire of the overseas Chinese. These overseas economic activities of Taiwanese could serve as a case to see how Chinese people interacted with the colonial powers. For any colonial economy, there is always the issue about whether there is some development of the colonized people; the Taiwanese SEAn investment is also a case to deal with this issue.

In terms of Taiwanese investment in SEA during the period of Japanese rule in Taiwan, what was its actual relationship with the Japan’s southern advance policy? Was it always under the direct influence of Japanese governmental mobilization, or was it a more

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¹ Zhong Shumin, p. 133 and Prof. Zhong Shumin’s e-mail explanation made on April 20, 2006.
² Man-houng Lin, “The Multiple Nationality of Overseas Chinese Merchants.”
³ By investments, I mean investments done by immigrants, as opposed to security investments, and I do not include military immigrants.
autonomous development? Japan’s southern advance policy in the first half of the twentieth century changed step by step. Is there some correlation between the Taiwanese investments in SEA with this step-by-step change? In addition to connections with the Japanese government at different times, can we see connections between the Japanese government and the spatial distribution and character of Taiwanese investment in SEA? In this process, what was the state of the identity of these Taiwanese toward the Japanese government? Being a colonial empire, how Japanese empire’s interaction with its Taiwanese subjects could be compared with, for example, British Empire’s interaction with its Indian subjects for their overseas economic activities?

Sugihara Kaoru has pointed out that the European economy, led by Britain, was structured around the shipping and finances in the first half of the 20th century and especially the 1930s and early 1940s. These service industries had a mutual reliance with Japan’s fast industrialization and its expansion in East Asia. The European powers appeased Japanese imperialism and assisted in its expansion in East Asia. 4 This background is worth keeping in mind as we examine how the Taiwanese marketed Japanese goods to SEA during the period of Japanese rule.

The most important materials collected in Taiwan, Japan, the United States, and Singapore to answer these questions include: 1) Biographical materials, 2) Surveys conducted by the Taiwan Governor-General and the Bank of Taiwan during the period of Japanese rule, 3) The Taiwan nichinichi shimpō, 4) Japanese consular reports contained in the Nippon Gaimushō kiroku, and 5) Archival materials from the Ministry of Foreign Affairs of the Republic of China. 5 Very little research exists on the overseas economic activities of Taiwanese during the period of Japanese rule. 6 In the past few years, this

5 In the government archives and newspapers in SEA, there are very few materials specifically relating to the Taiwanese. Therefore, this portion of the research must be reserved for a future date.
6 Man-ho ung Lin, “The Taiwanese Merchants’ Taiwan-China Economic Ties, 1895-1937”; “Taiwan yu Dongbei jian
author has explored the economic activities of Taiwanese in South China and Manchuria. This paper looks more carefully at temporal and regional changes in the investment activities of Taiwanese in SEA. The whole paper discusses: 1) The Japanese government’s mobilization of Taiwanese to invest in SEA, 2) The Taiwanese Chinese cultural background as rationales for Japan’s mobilizing them, 3) Taiwanese in SEA by region, 4) The characteristics of Taiwanese investment in SEA, and 5) The Taiwanese attitude toward Japanese government.

2. The Japanese government’s mobilization

In the first half of the period of Japanese rule in Taiwan (1895-1919), there was no sign for Japanese governmental mobilization of Taiwanese investment in SEA. In this period, however, there already was Taiwanese investing in SEA. At this time, Taiwanese only needed to do as Zhou Liguan had done, “to secure the Japanese government’s permission to leave.” According to the Taiwan nichinichi shimpō, Zhou from Gaoxiong had in fact been the first Taiwanese to secure a permit for travel abroad from the Japanese government, staying in the Dutch East Indies since at latest 1900. Zhou worked in a store in Java and won the trust of his boss through his diligence. He moved on to manage a farm, securing permission from the Dutch government to take a 70-year lease for 200 jia plot of land, where he grew rubber trees, coconuts, and peanuts. He also ran a trade firm, becoming a millionaire. Wu Bangyan could be another example, “Go alone to Java in the Dutch East Indies with Japanese passport in hand to seek fortune.” Wu Bangyan left Taipei alone for Java in July 1905 to seek his fortune, becoming by 1934 a trade merchant.

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7 One jia is 2.396 acre. Jia is a Dutch area unit.
8 Nichi, May 14, 1919 (Taisho 8).
covering broad trade areas. In this period, the main connection of these Taiwanese who went autonomously to SEA with the Japanese government is their being a Japanese national.

Taiwanese autonomous trend to migrate into the SEA in this period confirmed with the “cautious” nature of the 1895-1914 stage of Japan’s “Southern Advance” policy to extend Japan’s influence to SEA. Japan’s southern advance theory started from late Bakufu period. Warned by China’s defeat by England in the Opium War, some Japanese scholars proposed to extend Japan’s territory to include Ryukyu, Taiwan and SEA so as to protect Japan proper. This theory was a counterpart of the northern advance one which asserted to take Korea and China. When it turns into the Meiji period, the navy tends to push the southern advance theory into policy. The occupation of Taiwan in 1895 after the occupation of Ryukyu in 1876 is an implementation of this policy.

After the occupation of Taiwan, Japan’s further southern advance policy adopted in late Meiji period was focused on South China rather than SEA. Particularly in the years following the Sino-Japanese War of 1894-5, Russia’s active southward advance into Northeast China and Korea threatened Japanese interests, prompting the Japanese army’s “northern advance policy” come to dominate over the navy’s “southern advance policy.” After Japan’s victory in the Russo-Japanese War, it again feared conflict with the European powers in SEA, and took a cautious approach to expansion in SEA.

But after the outbreak of WWI, Japanese took advantage of Europe’s distraction from Asian affairs to seek market in British, French, and Dutch colonies in SEA and made development plans. In 1915, the South Seas Association (Nanyō kyōkai) was established

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9 Nichi, February 10, 1934 (Showa 9).
10 Liang Huahuang, “Riben bingtun Taiwan de yunnian ji qi dongji.”
11 Li Shufen, p. 35.
12 Li Shufen, p. 35.
in Tokyo, the first governmental organization relating to SEA. 13 During its first 20-odd years, the South Seas Association conducted various investigations and published surveys and maps regarding resources, economy, culture, and health, and certainly contributed to investment. 14 However, it hardly provided any direct subsidy to the development of Taiwanese in SEA. 15 During the 1910s, the Bank of Taiwan began conducting surveys and providing information to Taiwanese, but the bank’s loans were mostly to Japanese ventures in SEA. 16

In terms of the Japanese government’s rapid economic expansion in SEA since 1914, the only indication that Taiwanese were encouraged to participate was Lin Xiongzheng’s establishment of the Huanan Bank in 1919. The Huanan Bank was first suggested by Guo Chunyang, an Indonesian Chinese merchant who was also a registered Taiwanese; later, the Bank of Taiwan, with the support of the Japanese ministries of Foreign Affairs, Finance, and Agriculture and Commerce and the Taiwan Governor-General, arranged with all the parties to set up the bank with Taiwanese magnate Lin Xiongzheng as head. 17 The bank’s investors came from among the powerful capitalists of China, SEA, and Japan; combined, they invested 10 million yen. 18 The Huanan Bank focused on Chinatowns [i.e. business with overseas Chinese], rather than being restricted to the leaseholds [i.e. European businesses]. Furthermore, the Huanan Bank’s business was not restricted to remittance but expanded to improve the financial dealings among Taiwan, South China, and SEA.

In 1918 the Huanan Bank set up its home branch in Taipei, and the following year

13 Li Shufen, p. 40.
14 Taiwan Jihō Hakkōjo, p. 168.
16 Nagura Kisaku, pp.271-4.
17 Nagura Kisaku, p. 258.
branches were established in Hanoi, Haiphong, Singapore, Saigon, and Medan.  
Not long after this, the conflict over Qingdao’s fate following the Treaty of Versailles flared up, and a movement to boycott Japanese products engulfed China and East Asia; the Huanan Bank, founded on the spirit of Sino-Japanese friendship, felt considerable impact. In spring of 1920, the shock wave following the Japanese financial crisis extended to East Asia was a serious setback to the Huanan Bank, and forced a downsizing of operations. In 1928, the bank’s branches in Saigon, Hanoi, and Haiphong had to close, so that by the eve of the Greater East Asian War of 1941, the bank’s only surviving branches were in Singapore, Surabaya, and Batavia (today’s Jakarta).  

The Huanan Bank’s primary target group had been said to be overseas Chinese and Taiwanese. However, the Huanan Bank also assisted Japanese to invest in South China and SEA. Also, the Japanese government provided more and more assistance to this bank. Most investment was directed at hemp, rubber, coconut, shipping, and marine products.

Following this episode in 1919 to mobilize Taiwanese big merchants to set up the Huanan Bank, it would be ten years until the next solicitation of Taiwanese small merchants to invest in SEA. In 1929, two Japanese military officers, Tamura and Nakadō, together with the manager of Mitsui Bussan’s Bangkok branch, Hirano, began discussions with a Taiwanese well-established in Thailand, Chen Dacong, to expand operations in this country. Chen Dacong traveled to Thailand and established an independent business with support from Mitsui, and in 1933 his two younger brothers also worked for Mitsui.

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19 Oda Shūkichi, p.694.
20 Nagura Kisaku, p. 258.
21 Oda Shūkichi, p. 694.
22 Oda Shūkichi, p. 694.
23 Nagura Kisaku, p. 258.
24 Nichi April 20, 1934 (Showa 9).
25 Nichi, October 11, 1941 (Showa 16).
However, from then until 1935, there was no apparent further development. Japan’s Southern Advance fever during the Taishō era (1911-1926) was dealt blows by the worldwide economic crisis of the 1920s, the Great Kantō Earthquake of 1923, and the European countries’ return to the SEA after WWI. In line with the slowing of Japan’s Southern Advance policy, the solicitation of Taiwanese merchants to invest in SEA by the Japanese government also slowed considerably from 1920-1935.

In 1936, the Southern Advance Policy so long advocated by the Japanese navy was finally recognized as national policy. After 1935, Taiwanese big and small merchants were encouraged by the Japanese government to invest in SEA. Big merchants were invited to participate in the Tropical Industries Survey Association or to become shareholders in the Taiwan Development Corporation (TDC). Smaller merchants could receive training to become agents for Japanese firms in SEA.

The Taiwan Governor-General established in 1935 the Tropical Industries Survey Association to strengthen economic ties between South China and SEA and to develop trade. Taiwanese who participated included: Lin Xiongzheng, the president of the Huanan Bank from Taipei, Yan Guonian, the president of the Taiwan Mining Corporation, Gu Xianrong, the president of the Dafeng Development Corporation, and Liu Mingchao, the director of the marine products section of the Taiwan Governor-General’s Bureau of Colonial Affairs.

In 1936, with Taiwan recognized as the launching point for the Southern Advance Policy, the Taiwan Governor-General established the TDC. The TDC was based in

26 Li Shufen, p. 41.
27 Li Shufen, pp. 47-49.
28 Liang Huahuang, p.187.
29 “Kakkoku sangyō jōkyō hōkoku zassan: Taiwan Sōtokufu nettai sangyō chōsa kankei,” Nippon Gaimushō Kiroku, E400 3-2 Taiwan Sōtokufu nettai sangyōkai meisatsu, pp. 417-429.
30 Liang Huahuang, p. 187.
Taiwan and had 1.5 million yen in capital; its purpose was to provide funds for land development in South China and SEA and to help Japanese immigrants settle in SEA. Loans for land development had to be long-term and low-interest, loans that the Bank of Taiwan and Huanan Bank could not sufficiently provide. It was only in Fujian that the Bank of Taiwan engaged in a few development activities, in cooperation with the Japanese consulate. On July 29, 1936, TDC investors who were appointed to the government’s national property and investment property advisory committee included the following Taiwanese: Gu Xianrong (3rd Order of Merit), Lin Xiongzheng (4th Order of Merit), Chen Qifeng (7th Rank 4th Order of Merit), and Yan Guonian (7th Rank 4th Order of Merit).

Before 1935, the South Seas Association targeted primarily Japanese both in Japan and in Taiwan, training them in the languages of SEA, and most graduates traveled to South China or SEA to try partly replace the Chinese people to sell Japanese products there. In 1935, the Taiwan Governor-General began actively cultivating Taiwanese talent in expanding enterprises in South China and SEA. Within Japan proper, it was primarily the trade major within commercial high schools that trained area talent; the Nagasaki Commercial School was directed at SEA, the Yamaguchi Commercial School was directed at China, and the Yokohama Commercial School was directed at South America. In 1936, the Taipei Commercial High School established a new program in trade, which specialized in the languages and affairs of SEA and South China. The term of study lasted a year, and

31 Wakumoto Motokazu, pp. 55, 351.
32 Mikage Naono, pp. 492-524. The salaried Taiwanese employees of the TDC were mostly secretaries and engineers. Engineers mostly related with tap water, ice manufacturing, automobile, cotton manufacturing, salt manufacturing, and rice processing. Of the salaried Taiwanese employees of the TDC, there were about 55 who served in SEA.
33 *Nichi*, September 1, 1930 (Showa 5); December 14, 1934 (Showa 9); December 14, 1934 (Showa 9).
34 *Nichi*, March 26, 1940 (Showa 15). *Nichi*, March 24, 1941 (Showa 16).
at least half of the students were Taiwanese.  

In 1935, the Jiayi Commercial School in Tainan Prefecture also established a program in keeping with the national policy, with the purpose of training merchant talent to operate in China and SEA. Written Chinese was taught throughout the program and in the fifth year a course in “Affairs in China and the South Seas” was taught; other compulsory courses included Social Etiquette and Music Training, and the first and second years included courses in music and painting. Electives were allowed for one period during the fourth year and for three periods during the fifth year for the sake of instructing spoken Chinese.

The Southern Advance Policy was integrated in 1936 as the “Simultaneous Southern and Northern Advance Policy.” Before 1936, although the Japanese government expressed its desire to develop southward, it always emphasized peaceful means to avoid conflict with Britain and America. When the Marco Polo Bridge Incident exploded in July 1937, Japan had to seek war resources from SEA such as petroleum oil and others, foreshadowing the Japanese army’s later support for the Southern Advance Policy. The Japanese government thus increased its campaign to solicit investment in SEA from Taiwanese.

After 1940, when the Japanese Empire expanded its concept of colonizing the SEA to include “Japan, Manchukuo, and China” within the overarching concept of “Greater East Asia,” the government courted Taiwanese investment in SEA even more actively. From 1940, the Taiwan Governor-General’s Taipei Commercial High School, whose mandate was to train “talent for trade and business in SEA,” expanded its recruitment of “islanders” to its trade program. In 1942, of the program’s 113 new students, 59 were Taiwanese “islanders.”

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35 Nichi, July 5, 1935 (Showa 10); September 23, 1935 (Showa 10).
36 Nichi, March 17, 1938 (Showa 13).
37 Li Shufen, pp. 47-49.
38 Oda Shūkichi, p. 683.
39 Lin Mengxin, p. 107.
numbers to smallest, were: Thailand, the Philippines (US), East Indies (Dutch), Malaya (UK), and Indochina (French). In 1942, under guidance and aid from the Hachigenkai (a satellite organization of the Taiwan Governor-General External Affairs Department), each hometown association was linked up to strengthen members’ consciousness of being a subject of the Japanese empire.  

In 1943 under the guidance of the Japanese government, Taiwanese eagering to expand in SEA established the Taiwan Native Place Association in Taiwan, with the intention of providing inexpensive loans and a network of contacts of Taiwanese across Taiwan, South China, and SEA. The association served as the home base for organizations based abroad, not only assisted immigrants with inexpensive loans but also cooperated to establish primary and middle schools abroad so that the children of immigrants could receive a Japanese education.

According to the earliest statistics available, Taiwanese migrants to SEA numbered 465 in 1926. The following official Japanese statistics gives the number of Taiwanese in SEA in 1942 as 1,383, an increase over the levels from 1926. These registration numbers, identical to immigrant data referred to later, tend to underestimate as not all migrants went to register at the Japanese consulates. According to informal estimates, the actual number of Taiwanese who had immigrated to SEA from Taiwan was closer to 3,000.

One investigation of Taiwanese abroad in 1926 shows: South China had the largest number, with 4,118 Taiwanese, followed by SEA with 465, other areas in China with 118,

40 Taiwan Jihō Hakkōjo, p. 166. These organizations included the Xingao hui in Guangdong, the Tongrong hui in Shantou, the Zhicheng hui in Xiamen, the Penglai hui in Hong Kong, and the Yueli hui in Saigon. The Tongrong hui in Shantou would be absorbed into and unified with the Xingyabaoguo hui.

41 Ibid.

42 Ibara Matsuyoshi, pp. 77, 78.

43 Oda Shūkichi, p. 681.

44 Yang Jiancheng.
Qingdao with 4, Guandongzhou with 19; outside of Asia, Australia had 3, and Chile, 1.\textsuperscript{45} Materials from 1931, 1930, and 1939 show that in SEA while there were more Japanese than Taiwanese, the Taiwanese outnumbered Koreans.\textsuperscript{46} This is different from the situation in North and Central China in 1942, where Japanese and Koreans both outnumbered Taiwanese, and in South China, where Taiwanese outnumbered both Japanese and Koreans.\textsuperscript{47}

### 3. Taiwanese Chinese culture background

As seen in opinions in the media or report from the merchants’ organizations, the encouragement of Taiwanese expansion in SEA began in 1918, continuing in 1922, 1928, 1940, 1941, and 1942; with Taiwanese culture affinity with the overseas Chinese in SEA as rationales for Japanese mobilization.

1) The enormous overseas Chinese influence in SEA

An issue of the *Taiwan nichinichi shimpō* from 1928 pointed out that there were over 10 million overseas Chinese in SEA, and that while in the past most were laborers in mining or farming, currently many Chinese were influential with extensive commercial power. In the Malayan Peninsula, there were over 1 million overseas Chinese. In Singapore, they numbered about 200,000 or about two thirds of the entire population, and they held almost all of the commercial power in the city. In the Dutch East Indies, overseas Chinese held the monopoly in retail, and were the middlemen in the import and export trade, including Japanese trade in SEA. In the Philippines, over 90% of retail merchants were overseas Chinese.\textsuperscript{48}

\textsuperscript{45} Ibara Matsuyoshi, p. 77.

\textsuperscript{46} Sugita Yoshio, p. 186

\textsuperscript{47} Man-houng Lin,“ ‘Da Zhonghua jingji quan’ gainian zhi yi xingsi,” p. 82, Table 3.

\textsuperscript{48} *Nichi*, August 25, 1928 (Showa 3).
2) The cultural similarities between Taiwanese and the overseas Chinese.

The majority of overseas Chinese in SEA came from the two Chinese provinces of Fujian and Guangdong, the same as the Taiwanese who came in particular from Fujian. Because there were sweeping similarities in the customs, habits, and languages of these two groups, SEA easily became a place where Taiwanese could mix in with overseas Chinese. Fujianese descent dominates overseas Chinese in the Dutch East Indies and Singapore. Nearly all of the overseas Chinese in Thailand also came from Fujian and the region of Chaozhou of Guangdong, whose language and customs were extremely similar to those of the Taiwanese. In 1918, the Taipei-based newspaper Xin Taiwan noted the Taiwan Governor-General’s following remark: “Although we Japanese share the same written language and are of the same race with the overseas Chinese of SEA, actually, in terms of ethnicity, we are not as close with them as the Taiwanese are. It would be convenient to use the Taiwanese to establish contacts with the overseas Chinese.” In 1922, the Industrial and Commercial Taiwan Agency in Taipei also observed, “How would it be possible to join with and guide the overseas Chinese, who control commerce, production, shipping, and labor? Of course it will be necessary to engage in a policy of Sino-Japanese friendship as dictated by the country’s policy, but today there is a convenient and direct means, which is precisely to remember to use the Taiwanese.” In 1940, the Taiwan Nichinichi shimpō observed, “The Taiwanese and the overseas Chinese powerful in various countries in SEA are of the same language and race and are the most anticipated people in our southern expansion. Because the population of Taiwanese will increase, when they develop southward; they could be immigrants for agricultural, commercial, and technological developments. In order to reach this goal, to nourish the related talents would

49 Taiwan Jihō Hakkōjo, p. 165; Oda Shūkichi, pp. 671-694.
50 Nichi, October 11, 1941 (Showa 16).
51 Momikyōsei, p. 9.
52 Yoshikawa Seima, p. 41.
be of prime importance, and thus we must establish related schools in Taiwan.”

In 1942, the Japan Review Agency reported, “In terms of our policy for dealing with the overseas Chinese, the islanders in Taiwan are the best overpass between Japan and China, and while the Japanese consulates are not without their authority, the islanders can speak Fujianese and are even more suitable.”

3) Successful examples for Taiwanese bridging the overseas Chinese and Japan

In 1922, the Taipei-based Commercial and Industrial Taiwan Agency obtained several vivid experiences for the Taiwanese intermediary role between the overseas Chinese and the Japanese. One is the development of the Taiwanese in Java. In Java, and especially central Java, Taiwanese were the most important economic forces. Most were tea merchants. They were not only expanding their commercial power abroad, but they also had a firm economic basis in producing sugar, in land development, in trade, and in finance. By going through these pioneers, the Dutch government and overseas Chinese and Javanese could all come to know of Taiwan. Because of this, although various problems arose, they could be solved satisfactorily and quickly through understanding and sympathy. Without the Taiwanese, the relationship between the Japanese and other peoples will become unhappy and contentious.

In 1940, when Ichioaka Yoshi of Taipei’s Chamber of Commerce returned from Thailand, he said, “There are several tens of Taiwanese operating in Thailand as middlemen retailers and distributors for Japanese goods. They have been quite successful and have contributed to the development of Japanese manufactures, and such development should be respected and further developed.” A 1941 issue of the *Taiwan nichinichi shimpō* reported, “Frankly speaking, without the Taiwanese, there would be no way for

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53 *Nichi*, March 31, 1940 (Showa 15).

54 Hirano Yoshitarō, p. 185.

55 Yoshikawa Seima., p. 41.

56 *Nichi*, December 14, 1940 (Showa 15).
Japanese in Thailand to operate.” 57

4) Japan even hoped to use the Taiwanese to replace the overseas Chinese.

A 1928 issue of the *Taiwan nichinichi shimpō* reported, because of the anti-Japanese activities of the overseas Chinese, the Chambers of Commerce in the Kansai cities of Osaka, Kobe, and Kyoto held a meeting of their representatives and external affairs bureaus. On one hand, they planned to establish a South Seas Export Company with a capital base of a 10 million yen to solidify the foundation for Japanese wholesale merchants, to actively provide aid, to improve the retail system, to establish a department store, to give consumers in major cities in SEA the opportunity to purchase Japanese goods directly and inexpensively, and to change somewhat the intermediary role of the overseas Chinese. On the other hand, because of the deep overseas Chinese foundation, it would be impossible to completely work around them and rely solely on Japanese wholesalers. However, there were many Taiwanese in SEA who traded under the protection of the Japanese flag and who spoke the same language as the overseas Chinese. They were also able to bear hardship and were well endowed with commercial prowess. For these reasons it is hoped that the Taiwanese came to replace the overseas Chinese, and that graduates of the commercial high schools in Taipei and Tainan came to SEA to develop and form the foundation for a market for Japanese goods. They believed that, “The Japanese government and the industrial and commercial leaders of Kansai must not forget to employ the Taiwanese; this is also something to which the Taiwan Governor-General needs to pay careful attention.” 58

Thus, in 1936, when the Taiwan Governor-General established a new trade major at the Taipei Commercial High School to cultivate Taiwanese talent to develop in SEA, it said, “Because most of the merchants who handle Japanese goods in SEA are overseas Chinese, Taiwanese in the field of commerce who possess the same customs, habits, and

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57 *Nichi*, October 11, 1941 (Showa 16).

58 *Nichi*, August 25, 1928 (Showa 3).
language can cooperate with them closely and can expand even more in this trade."

Most Taiwanese who went to SEA had actually worked for or with overseas Chinese. For example, in 1941, a joint venture tin and rubber company set up in southern Thailand by Taiwanese Guo Zanshou consisted of two Taiwanese and two local overseas Chinese; the company primarily purchased rubber from local people through overseas Chinese agents. Taiwanese in Malaya of 1942 were mostly actors; their audience consisted of overseas Chinese rubber plantation workers or tin miners. Taiwanese doctors who went to Malaya largely served overseas Chinese patients. Taiwanese in Malaya also opened grocery stores with overseas Chinese. In 1943, after the Japanese military occupied Indochina, no matter working with Japanese companies and stores or opened their own stores, the Taiwanese were exchanging with the overseas Chinese.

In addition to the cultural affinity between Taiwanese and overseas Chinese in SEA, the regional distribution and characteristics of Taiwanese investment in SEA is also subject to various political-economic influence.

### 4. Taiwanese in SEA by region

Some of the Taiwanese immigrants to SEA returned to Taiwan after being in SEA for a period of time. For example, Lu Guozhi, a Taiwanese in the Philippines, stayed for 18 years before returning to Taiwan in 1935. Liao Decong, who went to Java in 1926 returned to Taiwan in the following year. In contrast, Chen Dacong, who was a pioneer among the Taiwanese who moved to Thailand remained a leader among them from 1929 to the 1960s.

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59 *Nichi*, July 5, 1935 (Showa 10); September 23, 1935 (Showa 10).
60 Oda Shūkichi, p. 682.
61 *Nichi*, March 22, 1943 (Showa 18).
62 Taiwan Shinminpō Sha, *Taiwan jinmei jiten*, pp. 433, 536.
63 *Nichi*, October 11, 1941 (Showa 16); Guo Diqian and others, pp. 15-16.
Of the Taiwanese in SEA, most of those who immigrated to British Borneo were farmers, those who immigrated to Singapore and Malaya were laborers in tin mines or rubber plantations, and those who immigrated to other areas were mostly merchants. Japan’s immigrant registry for Java includes 85 Taiwanese, most of whom were capitalists or medium- to small-scale entrepreneurs. In 1941, the members of the Taiwan Association in Thailand included 1 official, 6 Taiwan tea import and export merchants, 2 doctors, 13 company employees, 1 miner, 26 store employees, 1 the automobile industry worker, 1 wine import and export merchant, 17 store owners—a total of 68 people, only 3 of whom were not engaged in commercial activities. Other than the Taiwanese farmers in British Borneo and the tin miners and rubber plantation workers in Malaya and Singapore, most of the Taiwanese in SEA gathered in major urban areas, such as Bangkok, Manila, Saigon, Cholon, Batavia, and Java. The activities of Taiwanese in various areas of SEA are listed below, in the order from that of lesser migration to that of more migration.

1) British Borneo

In British North Borneo at the eve of 1938, there were 1,000 Taiwanese farmer immigrants, but in 1938 with the aid of the TDC and the Taiwan Governor-General, seven entire households of Taiwanese consisting of 38 people as well as 17 individuals voluntarily immigrated. In 1942, among the registered 59 immigrants, 28 are for agriculture, 10 for medicine, 9 for commerce, 3 for labor, and 9 for others. The decrease of immigrants from 1938 and 1942 could be caused by the conflict between Japan and England.

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64 Oda Shūkichi, p. 688.
65 Yang Jianchen.
66 *Nichi*, October 11, 1941 (Showa 16); July 4, 1942 (Showa 17). Most of the 200 or so Taiwanese residents in the Thai capital of Bangkok were involved in commerce.
67 Oda Shūkichi, p. 688.
2) French Indochina

Because the French government banned foreign economic intrusion in the period before the outbreak of the Great East Asian War, French Indochina was the most difficult place for Taiwanese to penetrate.⁶⁸ In 1938, there were 5 grocery stores that belonged to Taiwanese in French Indochina, capitalized at 150,000 yen, in addition to a tea wholesaler capitalized at 6,000 yen.⁶⁹ After the Sino-Japanese war broke out, France under the rule of DeGaul also prohibited Vietnam to assist Japan with rice. But, after France surrendered to Germany in June 1940, the Vichy regime’s Vietnam policy was more lenient toward Japan. In September 1940, with the military compact signed between France and Japan, the Japanese army entered northern Vietnam. In July 1941, Japan further occupied southern Vietnam.⁷⁰ 1942 record shows most Taiwanese in Indochina engaged in the sale of sundries, and some engaged in the sale of tea and marine products.⁷¹ In 1943, in Vietnam, Taiwanese increased their numbers while opening stores by themselves or serving as staff for Japanese companies and formed native-place associations.⁷²

3) American Philippines

Because the Taiwanese had visa difficulties in the Philippines, it is impossible to even compare the economic activities of those in the Philippines with those in the Dutch East Indies or British Malaya. In Manila, doctors and sundries merchants were comparatively successful; most others were company employees.⁷³ In 1941, of the 26 Taiwanese there, 10 were employees of Japanese merchants, while only 2 were employees of overseas Chinese merchants. Other than the doctors and sundries merchants, they ran businesses dealing in

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⁶⁸ Taiwan Jihō Hakkōjo, pp. 164-165.
⁶⁹ Katsuwagi Takashi, p. 85.
⁷⁰ Xu Wentang, p.62.
⁷² Nichi, S18.3.22 (S18).
⁷³ Taiwan Jihō Hakkōjo, p. 164.
glass, pearls, porcelain, and medicine.  

4) British Malaya (encompassing Singapore and Malaya)

In British Malaya, because of the demand for development, overseas Chinese labor was used extensively. As it was much easier to enter than other areas, quite a lot of Taiwanese went clandestinely to Malaya through South China. In addition to engaging in business, industry, and mining, there were quite a few who engaged in health care. However, there was no local Taiwan native place association, so only a few well-to-do Taiwanese and intellectuals joined the Japanese Association in Singapore. Most of the Taiwanese there were of the laboring class, and their economic activities were extremely inactive, and they had no way to compete with the overseas Chinese or other economic powers. In 1942, of 59 Taiwanese who had registered with the Japanese consulate in Singapore, 39 were actors, 7, pharmacists, 5, businessmen, 2 respectively for doctors and company employees, and 1 respectively for nurse and tin mining. The doctors listed here include graduates of the Taipei Medical School and Chinese herbal medicine merchants in pharmacies. This is a survey on more literate people; the actual total population was 90 adults and 91 children, for a total of 181 people.

There were only 116 Taiwanese who registered with the Japanese consulate in 1942 in Malay Peninsula, but the actual number was certainly far greater. The Taiwanese here include office workers, coolies, supervisors, and translators in the rubber plantations owned by the Taiwan-based Sango Company. There were four registered doctors, all of whom

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74 Kabushiki Kaisha Kanan Ginkō Chūzai’in, “Hidō ni okeru Taiwan sekimin kansuru wo chōsa,” November 11, 1941 (Showa 16); “Taiwan sekimin katsudō,” Nichi, October 7, 1941 (Showa 16); Oral testimony of Li Fengyue, a Taiwanese merchant born in Taipei.

75 Taiwan Jihō Hakkōjo, p. 165.

76 According to Nichi, April 17, 1934 (Showa 9), Agu Taku organized the Sango Company in 1904 with the support of Taiwan civil administrator Gotō Shimpei, and its first venture was a rubber plantation company in Malaya with Japanese investors.
were graduates of the Taipei Medical School, who entered Malaya as doctors employed by Japanese companies and then opened their own local private practices. Among Malaya’s Taiwanese, the sundries merchants were better off. There were also not a few Taiwanese actors and pharmacists. As a whole, most of the immigrants to Singapore and Malaya were laborers, but the most economically active were the employees of Japanese firms, some of whom also owned rubber plantations. 77

In late 1942, the anti-Japanese atmosphere in Malaya led many Taiwanese to return home and many others to change profession. Actors and druggists also now found life difficult in Malaya. At the same time, because Singapore and Malaya had the strongest anti-Japanese movements of any country in SEA, the influence that Taiwanese held was small in contrast to their numbers. 78

5) Thailand

Around 1919, other than a few Taiwanese merchants scattered in one or two other areas, all of them in Thailand were based in Bangkok and engaged in the mining industry, tea trading, sundries, or medicine. They all owned their own stores, and were richer and more powerful than Koreans. A large number of Taiwanese were engaged in “special occupations” [prostitution, etc.]. 79 In 1937, the Marco Polo Bridge Incident provoked a boycott of Japanese goods by overseas Chinese, to which the Thai government banned. At this time, Taiwanese played an important intermediary role between Japanese firms, overseas Chinese and Thai merchants. With an eye toward optimizing their operations, Taiwanese in Bangkok organized several business companies: Meida, Meinan, Xingfa, Taixing, Taixiong, Jielun, and Fuzhao, respectively becoming wholesale merchants for large merchant houses like Mitsui and Mitsubishi. The Taiwan Governor-General provided 2-3,000 yen in annual stipends to the Taiwanese to encourage them to continue marketing

77 Oda Shūkichi, p. 687.
78 Oda Shūkichi, p. 687.
79 Nippon Gaimushō kiroku 3-8-6-34 (Kō [Public] no. 130).
Japanese products and to expand Japan’s commercial power. Furthermore, it supported the establishment of Taiwan Associations; the most organized one throughout SEA.  

The numbers of Taiwanese in Thailand rose dramatically in 1941-2 as compared with the 1930s. In 1946, the Republic of China Foreign Ministry East Asia Section recorded a list of 542 Taiwanese who remained in Thailand, 129 of whom had no time record for their entering Thailand, and the remaining 413 had arrived in Thailand at the following times: 1922-1926 (10), 1927-1941 (112), and after 1942 (234).  

In 1942, the approximately ten graduates of the Taipei Commercial High School’s trade major went to companies such as Mitsui and Kanebo, active in all areas. There were 26 who worked in independent businesses, and most of them had already lived in Thailand for 1-2 years and hoped to open their own businesses in the future. Being young, these interns were also able to learn Thai quickly. By 1942, the Taiwanese operating in Thailand were no longer primarily storeowners but were now store or company employees; others included those in the areas of the import and export of Taiwan tea or alcohol, automobiles, and mining, with a small number being doctors or officials. Those in the tea import business had a base in Taiwan and did a fairly large wholesale business within Malaya and Thailand. Other than those employees of large Japanese trading firms such as Mitsui and Mitsubishi, Taiwanese also individually owned stores and the retailers of the large firms like Mitsui and Mitsubishi all played an important intermediary role between the Japanese and overseas Chinese businesses.  

A survey of 22 Taiwanese households in Thailand done in 1941 shows that other than doctors and sundries merchants, their businesses included construction, food, automobiles, bicycle parts, tea, and shipping. Of these 22 households, 16 had property worth less than

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80 Oda Shûkichi, p. 683.
81 Calculated from: Zhu Taiwan tepaiyuan gongshu, “Wei hanfu bing fusong Xianluo mingce qingchazhao.”
82 *Nichi*, June 5, 1941 (Showa 16).
83 Taiwan Jihō Hakkōjo, pp. 165.
10,000 bhat, while the other six had over 100,000 bhat.⁸⁴ Surveys like this were likely directed at more prominent members of the community; another 1941 survey stated that there were a total of 170 households that individually ran businesses, ranging from sundries, food, and metals, to automobiles, tea, and shipping.⁸⁵

In the 542 residents in Thailand recorded by the Republic of China Foreign Ministry in 1946, 139 of whom had no listed occupation, in the remaining 413, 10 worked in private hospitals, 50 were employed for the Sango Company, and 353 worked in private companies or were store owners or employees.⁸⁶

6) The Dutch East Indies

The Dutch East Indies was the most active stage for the Taiwanese economic activities in SEA.⁸⁷ Most operated in Batavia, Surabaya, and Medan and engaged in industry, commerce, or medicine.⁸⁸ In 1942, among the reported Taiwanese in Batavia, besides the 32 sundries retail shops, most were in the manufacturing. There were 8 with property valued at over 10,000 guilder, 13 between 5,000-10,000, 12 with 1,000-5,000, 18 with 500-1,000, 13 with 1-500, and 61 with no property of value. In Surabaya and Medan, most Taiwanese were company or store employees, greengrocers, or dentists. Further in the interior of the Dutch East Indies, there were over two times as many Taiwanese who did not register with the consulate.⁸⁹

To sum up, in Thailand, the Philippines, and French Indochina, the most prominent activities of Taiwanese were working for Japanese companies or selling sundries, metals, western medicine, or tea; in the Dutch East Indies manufacturing was most prominent

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⁸⁴ Kabushiki Kaisha Kanan Ginkō.
⁸⁵ Nichi, October 11, 1941 (Showa 16).
⁸⁶ Calculated from: Zhu Taiwan tepaiyuan gongshu, “Wei hanfu bing fusong Xianluo mingce qingchazhao.”.
⁸⁷ Nichi, October 7, 1941 (Showa 16).
⁸⁸ Taiwan Jihō Hakkōjo, p. 165.
⁸⁹ Oda Shūkichi, pp. 689-691.
among all SEA countries, with factories producing textiles, dyes, charcoal, iron, soy sauce, sweets, cavas, and cold beverages and Taiwanese influence there was relatively solid.

5. The characteristics of Taiwanese investment

1) Most were small merchants

The Taiwanese businesses extended to small shops, large factories, tropical plantation, fishing, and livestock, but most were small merchants. The archives of the Japanese Foreign Ministry from 1935 to 1940 somewhat summarize the Taiwanese occupations previously described. In food area, there were bread, coffee, tea, vegetables, rice, and tobacco sellers. General use goods area consists of sundries stores, pharmacies, cloth stores, canvas stores, mosquito net stores, exercise equipment, marine products stores, and porcelain stores. The service industry area includes finance firms, hotels, and real estate agencies. The manufacturing area had candy factories, ice factories, water plants, mechanical repair and production factories, steelworks, coal factories, and hat factories, and there were also those who engaged in plantations, fishing, and husbandry. In terms of scale, most businesses had less than 10 employees, but there were large factories that employed more than 600. Their capital and business volume ranged between 280,000 and 2 million guilder, but most were small businessmen. They employed Chinese, Japanese, and locals. 90 The companies run by the Taiwanese in Thailand as recoeded in 1946 were mostly middle- and small-scale firms, with 99% of them hiring less than 10 persons. 91

2) Including trades in illicit drugs, hospitals, and the performing arts.

Being a Japanese subject, Taiwanese used their extraterritorial privileges in areas

90 A compilation of results from surveys of overseas Taiwanese, based on Nippon Gaimushō kiroku, late December 1935 (Showa 10), late December 1936(Showa 11), late December 1940(Showa 15).

91 Calculated from: Zhu Taiwan tepaiyuan gongshu, “Wei hanfu bing fusong Xianluo mingce qingchazhao.”.
where Chinese people gathered in South China and SEA to sell opium or to engage in terrorist activities, and they left a terrible impression on locals. 92

During the period of Japanese rule, because the study of tropical medicine was extremely advanced and by the middle of the period malaria had been controlled in Taiwan, and those who studied medicine were well versed in the treatment of malaria, they were able to practice their profession in SEA, and Taiwanese doctors earned much praise there. 93 In Taiwan during the period of Japanese rule, obtaining the qualifications to become a physician required passing a strict test, and there were quite a lot of doctors who knew the techniques but were unable to practice in Taiwan. About 200 doctors of this type went to South China to open their practices and later moved to SEA. Other than these, about 20-30 physicians with proper qualifications went to SEA. Graduates of Taipei Medical School were especially welcome in Java, the Philippines, and Malaya due to their familiarity with tropical medicine. 94 Particularly, while there exists the language barriers between physicians in Southeast Asian countries and the Japanese, Southeast Asian tropical diseases posed a problem for the Japanese in SEA. On December 10, 1912, Japanese Minister of Foreign Affairs Uchida Kōsai met with the Dutch government and concluded an agreement to mutually recognize physicians’ licenses, including those awarded in Japan’s colonies. Japan concluded a similar treaty with England in 1906, with a special clause ensuring Taiwanese who held physician’s qualifications the permission to practice in SEA. 95 Quite a few Taiwanese pharmaceuticals merchants came to SEA clandestinely via South China, but because of their route of arrival, they were unable to register with the local Japanese consulate to obtain residence status 96

92 Oda Shūkichi, p. 682.
93 Oda Shūkichi, p. 693.
94 Oda Shūkichi, p. 678.
96 Oda Shūkichi, p. 680.
Taiwanese investment in the performing arts in SEA occurred primarily during WWII. In 1940-41, the strict regulations on traditional Taiwanese gezaixi opera in Taiwan led many actors to travel to Xiamen in South China or to areas further inland to find work; many also went to Singapore and areas where overseas Chinese concentrated. Similar to this group of immigrants, geisha from Taipei moved from Xiamen to Manila and elsewhere in SEA. They were popular amongst overseas Chinese. There exists several tens of Taiwanese geisha in Manila. The dancing craze in Taiwan, which was centered in Taipei and reached its peak in 1932, ended suddenly thereafter when dancing was forcibly banned by the state. In response, many dancing girls went to Xiamen or other areas in South China before moving to the Philippines or Singapore. There were several tens of them who married wealthy locals or powerful overseas Chinese. 97

3) Cross-country business

Several Taiwanese illustrate that their SEA investment is part of their cross-country commercial network. Chen Ji, born in 1894 at Danshui, opened his Changchun commercial store on leather business in Taipei. In 1920 he went to Malaya to start wholesale operations in Singapore and Penang Pulau as well as to expand into Thailand. In May 1929 he went to Xiamen to open the Mingchang Company, and then returned to Taiwan. After the Marco Polo Bridge Incident in 1937, he returned to Fujian in 1938 to open the Fujian Products Company and the Chimaoxingxia Company, and he also served as a local leader in Xiamen and Malaya. 98 Li Kunyu, born in 1903 at Donggang of Gaoxiong prefecture, returned to Taiwan from Europe in 1927 and became active in the industrial and commercial circles in Xiamen. He was responsible for a petroleum company’s agent branch and the Taiwan agent branch of a steamship line between Java and China, and managed the Li Zhongyi

97 Oda Shūkichi, p. 680.

98 Kōnan Shimbunsha, p. 257.
commercial store in Taipei.\(^9\) Lin Qingzhong, born in 1896 at Shalu zhuang of Dajia, ran a hat business in Kobe for 7 years, and in 1920 opened the Linwu commercial store in Kobe. There he observed the growing popularity of sports shoes and in 1928 he started a retail business selling sports shoes at low price and high quality. He sold all over Japan and in Manchuria, China, and the SEA, selling a million yen worth of shoes over the years. In 1937, he used 150,000 yen of capital to convert his Linwu commercial store into the Chaohe Shangshi Corporation.\(^{100}\)

Chen Tianlai, the president of the Jinji Tea Processing Corporation and of the Taiwan Tea Merchant Association, was born in 1872. In 1897 he entered the oolong tea processing business, switching to baozhong tea reprocessing in 1920. Throughout SEA he outsold Chinese tea, leading to the popularity of Taiwanese baozhong tea everywhere. He began his SEAn ventures in 1911 when he established a branch in Surabaya, Java, and in 1939 his third son Chen Qingbo also began selling baozhong tea. His fourth son Chen Qingfen expanded the baozhong tea market to Semarang and Kuala Lumpur. In 1939 Chen Tianlai actively expanded into Manchukuo’s burgeoning market, establishing a base of operations in jasmine and maofeng tea. He personally conducted inspection tours of Manchukuo and North and Central China.\(^{101}\)

4) Selling Japanese goods in SEA

Outside mining, coffee, and sale of Taiwan tea from Taiwan, most stores that Taiwanese opened in SEA sold sundries, metals, and western medicine imported from the Japan proper.\(^\text{102}\) For example, Zhan Piji, born in 1901 at Taipei, was an importer in Batavia. Earlier he had crossed over to Java, opening the Nanyang Textile Factory in 1922; he also

\(^9\) Taiwan Shinminpō Sha, *Taiwan jinmei jiten*, p. 407.

\(^{100}\) Taiwan Shinminpō Sha, *Taiwan jinmei jiten*, p. 454.

\(^{101}\) *Nichi*, April 10, 1939（Showa 14）.

\(^{102}\) Also see Man-houng Lin, “The Multiple Nationality of Overseas Chinese Merchants.”
imported Japanese sundries and later sold dyes in competition with German-made products. As the European products had been cut off during WWI, Japanese products gradually came to monopolize the entire market. Dutch East Indies-based Taiwanese merchant Lin Qingzhong, who sold imported Japanese goods, pointed out low-priced Japanese goods competed with European and American goods and that by 1941 were selling equally as well as them.103

Similarly, in the Philippines, in 1941, many overseas Chinese merchants dealt in Japanese goods, whose profit margins were many times higher than European goods. During the war, when overseas Chinese had no way to obtain Japanese goods, they placed more and more trust in the Nanjing government, which cooperated with Japan so as to evade the blow on their business.104

In the 1930s, the Thai government tightly restricted the anti-Japanese movement as the prohibition of Japanese goods, and particularly Japanese sundries, caused an inconvenience to the Thai people and overseas Chinese, and they opened up an extremely large space for the Taiwanese to market these products.105

With all of these connections between the Taiwanese investment activities in SEA and the Japanese political-economic forces, what was the attitude of the Taiwanese toward Japan?

6. The Taiwanese attitude toward Japan

Before 1919, the Japanese identity of the Taiwanese in SEA was not apparent; Thailand-based Taiwanese, for example, were reluctant to make known their Japanese nationality. They had few contact with the Japanese consuls, and the community was not particularly organized. A relatively large proportion of the Taiwanese were engaged in

103 Nichi, October 7, 1941 (Showa 16).
104 Nichi, October 7, 1941 (Showa 16).
105 Oda Shūkichi, p. 683.
“special businesses.” In Singapore and Malaya, especially after 1919, because of the sweeping anti-Japanese movement in Malaya in 1942, Taiwanese there did not dare to express their Japanese nationality status.

However, in Thailand after 1929 and especially after 1940, in the Philippines in 1939-1943, and in the Dutch East Indies before the Marco Polo Bridge Incident, the Taiwanese had a relatively deep Japanese identity.

Thailand: Taiwanese had the highest proportion compared to Japanese from Japan proper in Thailand of the whole SEA. By the 1930s and 1940s, the Japanese reliance on the Taiwanese in SEA was most evident in Thailand, and Taiwanese maintained a close relationship with Japan. In July 1942, the Taiwan Association of Thailand was disbanded and merged with the Japanese Association of Thailand. In 1946, of the 539 Taiwanese in Thailand, 250 hoped to return to Taiwan; most of them had been employed by the Japanese military and were dismissed after the war. The 289 who wanted to remain in Thailand were all merchants or their family members.

In 1946 the Chinese Nationalist Government pointed out: “The group of Taiwanese was related with the Japanese firm, Mitsubishi, and during the occupation they were spies for the Japanese.”

Philippines: In Manila in 1939, the Taiwan Native Place Association had expanded from four members the previous year to 16. The new members who worked for various Japanese companies here included Chen Fu, Cai Youtang from Lugang, Xie Musheng, Lü Zhangtie from Taipei. They held its second general meeting at Japan Hotel, with representative from Bank of Taiwan and the TDC as quests. At the meeting, the president Zhang Haiteng suggested that the association make a donation to the Japanese Imperial

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106 *Nippon Gaimushō Kiroku* 3-8-6-34 (kō[public], no. 130).
107 Oda Shūkichi, p. 687.
108 *Taiwan Jihō Hakkōjo*, p. 165.
109 Guoshiguan Waijiaobu Dang’an: Lü Xian Taisheng qiaomin daibiao Chen Dacong and 539 people.
110 Guoshiguan Waijiaobu dang’an: Guomin Zhengfu telegram, Fujun yizi, no. 2231 (February 18, 1946).
Army for wounded soldiers, and the association also resolved to remit 400 yen to Taiwan through the nearest Japanese consulate. The negotiations between the Taiwanese, who were Japanese nationals, and the overseas Chinese, were once cut off, but because of the chaos during the European war, Japanese products took off, the Taiwanease, Zhu Lülin of the Datong Company and Li Huayu of the Mitsui Company were again active. In 1938, most of the patients the association president Zhang Haiteng, a physician, were Japanese with a few Filipinos, and there is only one overseas Chinese patient. By 1939 he had many overseas Chinese patients, including the family members of Li Qingquan, the famous anti-Japanese movement leader who had then traveled to the US.  

The Dutch East Indies: In 1942, most Taiwanese in the Dutch East Indies were secretive about their status, and while the Taiwan Governor-General planned to establish Taiwan Associations in the Dutch East Indies’ major cities (Batavia, Medan, Java, and Surabaya), membership was low due to the anti-Japanese atmosphere that led local Taiwanese to remain ambiguous about their Japanese status. However, in 1944, most Taiwanese in Java identified themselves as Japanese nationals when Java was occupied by Japan.

Taiwanese have been developed as been both Chinese and Japanese, but they have also been entangled in the historical disputes between China and Japan. In 1943, the Manila-based overseas Chinese “Resist the Enemy Association” put pressure on the Taiwan Native Place Association, making criticisms such as: “The Taiwanese have their feet in two nationalities, holding both Japanese and Chinese nationality; they are the Jews of East Asia.” Before the Marco Polo Bridge Incident, under the Japanese-French treaty of friendship, the duties on a crate of Taiwan tea (25 catty) were less than on Chinese tea.

111 Nichi, November 10, 1939 (Showa 14).
112 Oda Shûkichi, pp. 689-691.
113 Taiwan Jihô Hakkôjo, p. 165.
114 Nichi, October 7, 1941 (Showa 16).
But after the Marco Polo Bridge Incident, the Saigon overseas Chinese Chambers of Commerce notified all of its members to boycott Taiwan tea and not to repay any past debts on Taiwan tea. Six months later, sales of Taiwan tea had come to a halt. Thai consumption of tea was never high to begin with, but after the Marco Polo Bridge Incident, the overseas Chinese boycott of Japanese good reduced the amount of Taiwan baozhong tea sold in Thailand. Later, when the Japanese army was making victory after victory and blockading China’s coast, sales of Chinese tea to Thailand were completely cut off. But as Thailand began to restrict the Japanese boycott of its Chinese residents, and due to the efforts of the Taiwan Tea Merchants Association, the market for Taiwan baozhong tea in Thailand gradually turned around. 115

7. Conclusion

During the period of Japanese rule, direct trade between Taiwan and SEA was smaller than Taiwan’s trade with South China or Manchuria; while, in terms of foreign investment by Taiwanese, SEA was second to South China but greater than Manchuria. Market forces certainly help shape such development. Taiwan had less of a comparative advantage in trading its products with SEA, as both had similar agricultural products such as rice and sugar. 116 Other than selling some green tea of Taiwan per se, Taiwanese in SEA were mainly selling Japanese products.

Most Taiwanese in SEA were merchants, with the exceptions of laborers in Malaya and farmers in Boneo. The Taiwanese merchants in Thailand, the Philippines, and French Indochina mainly opened stores on Japanese sundries, hardware, western pharmaceuticals, and tea, in addition to work as staff in Japanese companies. In this period, Western capitalism as exemplified by Europe focused on the service industry, which was compatible with the expansion of Japan’s industrial business in SEA, provided the

115 Hanaka Pakgon, pp. 53, 59.

116 Man-houng Lin, “‘Da Zhonghua jingji quan’ gainian zhi yi xingsi,” pp. 74-77.
background for the Taiwanese merchants’ business in this area in Japanese products of not very expansive price but of fairly good quality. Like Kagotani Naoto’s study of overseas Chinese in SEA in this workshop, this paper reveals that some overseas Chinese shared this economic profit as did the Taiwanese merchants in SEA.

Beyond market forces, the governmental forces were important for shaping this development. In the first half of the period of Japanese rule in Taiwan (1895-1919), Japanese government rarely mobilized the Taiwanese to invest in SEA; this conformed to the “cautious” nature of the 1895-1914 stage of Japan’s southern advance policy. It was not until the outbreak of WWI and Europe became distracted from Asian affairs that the Japanese set for expanding its market in SEA; but the government primarily focused on supporting Japanese merchants.

However, in the early Japanese colonial period, Japanese nationality still served as a solid basis for the Taiwanese moving to SEA. According to the study of Laixing Chen in this workshop, before 1909, Chinese merchants abroad did not have nationality; they had to purchase a nationality from some European countries. Taiwanese holding Japanese nationality because of the Treaty of Shimonoseki could get rid of this cost. Being a territory of Japan, also because of this treaty, Taiwan’s distance with SEA was shortened with new navigation lines built by Japan. For example, in the early Japanese colonial period, many Taiwanese went to Thailand through South China. By 1930, they changed vividly to come directly from Taiwan to Thailand. Bank of Taiwan or South Seas Association’s publications subsidized by Japanese government also provided information for the Taiwanese to invest in SEA.

Significant Japanese government mobilization of Taiwanese investment in SEA did not begin until after 1935. Japan’s mobilization of Taiwanese big merchant Lin Xiongzheng to establish the Huanan Bank in 1919 should be seen as an incidental

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117 Guo Diqian and others, pp. 15-16.
1 Oda Shūkichi, p.683.
outgrowth of the Taishō-era southern advance fever. The establishment of the Tropical Products Industry Survey Group and the TDC in 1935 and 1936 strengthened economic relations with SEA, and Lin Xiongzheng and other Taiwanese capitalists were invited to become shareholders. In 1935, the Japanese government modified its tradition of only nurturing Japanese to develop commerce in SEA to include the Taiwanese. Commercial Schools were turned to include Taiwanese for talents on Southeast Asian affairs, and made them agents for Japanese exports in SEA. From 1937 the Taiwan Governor-General began to allocate a budget for assisting or establishing organizations for the Taiwanese. These supports reinforced as the war developed.

The common culture that Taiwanese shared with overseas Chinese in SEA provided as a kind of niche for the Taiwanese merchants. In SEA, Taiwanese investment was primarily directed at services for overseas Chinese or cooperative ventures with them. The Japanese rationale to encourage Taiwanese for expanding to the SEA was based on this cultural reason. But, political-economic forces did shape commercial network.

For example, even the Philippines is located closely to Taiwan and the ancestors of both the Taiwanese and overseas Chinese there shared the same native place, but because it was more difficult for Taiwanese to travel to the Philippines than Japanese from Japan proper, the economic activities of the Taiwanese in the Philippines were dampened compared to their prosperity in the Dutch East Indies. Furthermore, in Singapore, where there was a large population speaking the same dialect as the Taiwanese immigrants, there were more laborers than investors. The Dutch East Indies had the largest number of Taiwanese investors as well as the largest scale manufacturing, surely reflecting the close relationship between the Japanese government and the Dutch East Indies.

As Goto Keniji has pointed out, such close relationship lies in the fact that the Dutch East Indies, rich in natural resources, occupied over half of the area of SEA and contained over half of its population; and the Dutch government in the East Indies adopted an open
policy toward foreign capital. Peter Post noted that the Taiwanese were able to run large-scale enterprises in the Dutch East Indies because they enjoyed equal legal status under the company law with Europeans and because they had Japan’s modern legal system as protection. In 1910, the Japanese consul in Jakarta Someya Nariaki secured equal legal status as the Japanese for the Taiwanese in the Dutch East Indies. Dutch government had treated Indians under British rule, Indochinese under French rule, and Malays under the Dutch rule as colonized people, but now the Taiwanese would receive the same treatment as Japanese and European colonizers. The Dutch government used strict legal restrictions on overseas Chinese such as heavy taxes, travel inconveniences, and residence restrictions, but now the Taiwanese would enjoy taxation rates at half of those assessed on overseas Chinese. Even though Japanese government had not won equal legal status for the Taiwanese and Japanese in the Philippines, Japan’s gaining equal status for Taiwanese and Japanese in Dutch East Indies illustrates some vigor of the Japanese empire in comparison with other empires. Other than the contrast of the colonized people in the Dutch East Indies, Takashi Oishi’s study in this workshop also shows that the British government did not engage in particular legal effort to promote the Indian merchants’ business in Japan.

The Taiwanese in SEA who directly benefited from the Japanese government’s political-economic force or mobilization policy identified more closely with Japan. This was the case, for example, in the Dutch East Indies after the Marco Polo Bridge Incident, in post-1940 Thailand, and the Philippines between 1939 and 1943. Other than the Dutch East Indies, the Japanese identity of Taiwanese in other SEA countries was not pronounced. The Japanese identity of the Taiwanese also engendered the enmity of those overseas Chinese.

119 Gotô Kenichi, p. 155.
120 Peter Post.
121 Gotô Kenichi, p. 151. *Nichi*, January 12, 1901 (Meiji 34) points out that the Japanese envoy to Thailand, Inagaki Manzirô, and the Thai Foreign Minister discussions on protection for Taiwanese failed.
122 Takekoshi Yosaburô, p. 193.
who opposed Japan. Taiwan simultaneously developed under the direct influence of both China’s and Japan’s history, but it was also caught in the historical conflicts of these two countries. Taiwanese investment in SEA is a microcosm of Taiwan’s such modern historical conditions.

However, the Taiwanese merchants, as a group, did stretch out their business experience during the period of Japanese rule. The Taiwanese SEA investment in this period was a kind of cross-country economic activity of the Chinese merchants as illustrated by the Chaozhou family firms studied by Chi-cheung Choi in this workshop. Traditionally, Chinese merchants who engaged in international economic activities operated medium-and small-sized businesses. For example, Taiyihao, a Jinmen firm which moved to Nagasaki in 1850 and developed trade between Taiwan, China, and Japan, was formed by 6 or 7 Fujianese from the same village with 7,000 Mexican silver pesos. The partners rotated to be the proprietor, and the company employed 10 people. 123 Most Taiwanese industries in SEA were also small in size, with ten or fewer employees and a capital value of approximately 280,000 guilders; this could be seen as an extension of their traditional character. However, there were also large factories employing over 600 people and with a capital value of over 2 million guilder; this suggests the shedding of tradition. As Claude Markovits’ paper in this workshop pointed out, dualist view tends to assert that the colonizer dominates the large-scale economy and the colonized concentrate on the petty economy, in the case of Taiwanese investment in SEA, there existed as well large-scale economy, even though small-scale economy still dominates.

In this process of accumulating cross-country trade experience, there was also the development of the export of Japanese food products and metal to Thailand, where Taiwanese merchant agents handled 60% of the business and “Japanese settlers in Thailand would simply not have been able to operate without the local Taiwanese.” 124 These phenomena are certainly quite

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123 Zhu Delan, pp. 53-75.

124 Nichi, October 11, 1941 (Showa 16).
different than what the *General history of Taiwan* would have led us to believe: “Taiwan’s external trade during the period of Japanese rule was dominated by Japanese zaibatsu and the Japanese government, and ordinary Taiwanese completely lacked experience in developing external trade.” As the studies of Claude Markovits, Takashi Oishi, and Tsukasa Mizushima in this workshop show, the interaction of Indian merchant networks and the British Empire strikes increasing academic attention. All these Indian network studies and this Taiwan Chinese network study reminds of the more abundant indigenous capital market of China and Indian relative to Middle East, Latin America, and some African countries for the new colonial empires as described by Austin and Sugihara.125

In post-1945 Taiwan, the degree of dependence on trade (as measured by trade’s percentage of GDP) was high compared to other countries in East Asia. 126 This high reliance on trade can be understood partly as a legacy of the prewar development. The influence of Pax Americana for the Republic of China in Taiwan is somewhat based upon the prewar interaction between the Japanese empire and the Taiwanese, which relies furthermore on the heritage of the interaction between the invisible empire of Chinese merchant network.127

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125 Austin and Sugihara.

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