

## **South Seas and Taiwan**

Translator: Huei-Ying Kuo (郭慧英), Johns Hopkins University

### **Introductory Notes**

Learning objectives:

This document can be used to supplement the teaching on Taiwan's Nanyang (South Seas) connections during the Japanese colonial era (1895-1945). The materials can be helpful for students to obtain the following sets of knowledge:

- 1) The strategic position of Taiwan in the Japanese empire (after Japan completed its "northern affairs" after the end of the Choson dynasty).
- 2) The use of ethnic Chinese heritage and business networks in the operation of the Japan-led pan-Asianism.
- 3) The nuanced differences between migration, economic expansion and colonialism.

Background and further readings (in footnotes):

- 1) About the source: This text is from the series of reports published by Inoue Masaji under the name "South Seas and Taiwan" between May 12 and June 9, 1914, in *Taiwan Nichi-nichi Shinpō*. It is a bilingual (Japanese and Chinese) newspaper published by the Office of the Governor-General in Taiwan between May 1898 and April 1944. In the text, the Kodama Governor-General is Kodama Gentarō (児玉源太郎) (1852-1906), who served the position between February 1898 and April 1906.
- 2) About the author, Inoue Masaji: Inoue was a protégé of the Japanese pan-Asinaist intelligence officer, Arai Sei (荒尾精) (1859-1896). He was active in inspecting Japanese influence in the Korean Peninsula, Siberia, and the Kurile area. In 1898, Inoue assisted with the foundation of the East Asian Common Culture Association (*Tōa dōbunkai* 東亜同文会) in Shanghai. In 1899, he graduated from the *Tōkyō senmon gakkō* (東京専門学校), the precursor of Waseda University. Advising the financial bureau of the Korean government was his duty during the Russo-Japanese War (1904-1905). When Japan annexed

Korea in 1910, Inoue started his world tour. In the following year, 1911, he established a rubber plantation, the Nan-A Company, in the Malaya Peninsula.<sup>1</sup>

- 3) About Taiwan and the South Seas (Southeast Asia) in 1914: The overall agenda of Japan's southward advance after the 1910s was to use Taiwan to facilitate the empire's business expansion. In 1912, Japan set up the first branch office of the Bank of Taiwan in Singapore. In the same year, Japan arranged a steamship line linking Kobe, Moji, Taiwan's Jilong, Hong Kong, Singapore, Batavia, Semarang, and Surabaya. In 1916, the Office of the Governor-in-General subsidized a direct line between Jilong and Java and across the Straits of Malacca to Singapore.<sup>2</sup>

Japan's extension of its shipping connections between Taiwan and the South Seas during World War I (1914-1918) reflected the empire's growing influence in the region. A few months after the publication of this article, under the Anglo-Japanese Alliance (1902-1923), Japan joined the Allied Powers and declared war with Germany. At the end of 1914, Japan took over the prewar German territories in the Southern Pacific (i.e., the Marshall Islands, Mariana Islands, and the Caroline Islands). In January 1915, Japan set up the South Seas Association (Nan'yōkyōkai 南洋協会) in Tokyo. Inoue was a crucial facilitator. The association's top leaders included Uchida Kakichi (内田嘉吉), Chief of the Home Affairs, the Taiwan Office of the Governor-General, and Den Kenjirō (田健治郎), from the Japanese Diet. When the war ended, the Bank of Taiwan set up branches in Surabaya, Samarang, and Batavia. Beginning in October 1919, Den became the first civilian Governor-General of Japanese Taiwan. He served in this position until September 1923. His successor was Uchida.<sup>3</sup>

- 4) About the Chinese tycoon Kwik Djoen Eng (郭春秧; 1859 or 1860-1935): Kwik was born in the Hokkien-speaking area of Fujian, China. He left China for Java to manage the business of his uncle, Kwik Hoo Tong (Guo Hedong), in 1876.

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<sup>1</sup> Huei-Ying Kuo, "Learning from the South: Japan's Racial Construction of Southern Chinese, 1895-1941," in Walter Demel and Rotem Kowner eds., *Race and Racism in Modern East Asia: Interactions, Nationalism and Gender* (Leiden and Boston: Brill Academic Publisher, 2015): 151-177; Fujita Norihisa (藤田賀久), *Kindai Nihon no Gurōba ritsuto Inoue Masaji-so no jinbutsu-zō wo chūshin ni* [近代日本のグローバリスト井上雅二 - その人物像を中心に; Modern Japanese Globalist Inoue Masaji—the ] (*Tama Daigaku Kiyō* [多摩大学紀要], No. 16 (March 2014): 29-42.

<sup>2</sup> Kuo, *Networks beyond Empires: Overseas Chinese Business and Nationalism in the Hong Kong-Singapore Corridor, 1914-1941* (Leiden and Boston: Brill Academic Publishers, August 21, 2014), 94-95; Chung Shu-min (鍾淑敏), *Ri zhi shi qi zai Nanyang de Taiwan ren* [日治時期在南洋的臺灣人; Taiwanese in Nanyo during the Japanese Colonial Period] (Taipei: Institute of Taiwan History, Academia Sinica, 2020).

<sup>3</sup> Kuo, *Networks beyond Empires*, 96.

Together with three other family members, they set up the Kwik Hoo Tong Company in Surakarta (also known as Solo) in July 1894, and soon expanded their operations to Yogyakarta and Surabaya. Taking advantage of the Treaty of Commerce and Navigation of 1896, according to which the Netherlands and Japan mutually accorded each other most favored nation status, the Kwik Hoo Tong Company could profit from the importation of tea from Japanese Taiwan to Java.<sup>4</sup> In 1898, Kwik was selected to co-chair the Taipei Tea Merchants' Association. In 1911, Kwik Djoen Eng became managing director of the family business.<sup>5</sup> He simultaneously held Chinese, Japanese, Dutch, and English citizenship, reflecting the transnational operation of his businesses. The Japanese citizenship allowed him to benefit from the Dutch East Indies' 1899 laws relating to nationality and enter Java as a 'European citizen.'<sup>6</sup>

As an influential businessperson, Kwik was also active in promoting Confucian learning. Against the trend of calling for more Westernization in the Chinese intellectual circles after the 1900s, Kwik donated to the Confucian agendas that the classical Chinese scholars Zheng Xiaoxu (鄭孝胥; 1860-1938) and Chen Huan-chang (陳煥章; 1880-1933) promoted. Together, they contributed to the making of an overseas Chinese logic of Chinese nationalism, which did not emphasize an exclusive loyalty toward a territorially bounded nation-state of China but an extraterritorial concern for the survival of the Chinese civilization.<sup>7</sup>

## Citation

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<sup>4</sup> Chung Shu-min (鍾淑敏), 'Tilin Shuwei wenshu jieshuo [提林數衛文書解說],' in Chung Shu-min and Kagotani Naoto (籠谷直人) eds., [Tilin Shuwei (Kazue Tsutsumibayashi) guanxi wenshu xuanji 提林數衛文書選輯] (Taipei: Institute of Taiwan History, Academia Sinica, 2014).

<sup>5</sup> Post, Peter, "The Kwik Hoo Tong Trading Society of Semarang, Java: A Chinese Business Network in Late Colonial Asia," *Journal of Southeast Asian Studies* Vol. 33, Issue 2 (June 2002): 279-96; Claver, Alexander, *Dutch Commerce and Chinese Merchants in Java: Colonial Relationships in Trade and Finance, 1800-1942* (Leiden and Boston: Brill Academic Publishers, 2014); Shi Mingying (釋明瑛), "Bei yiwang de haoshang Guo Chunyang-yi Rizhi shiqi huodong wei zhuti [被遺忘的豪商郭春秧—以日治時期活動為主題]," *Taiwanxue yanjiu* [臺灣學研究], no. 20 (December 2016): 31-68.

<sup>6</sup> Lin Man-houng, "Overseas Chinese Merchants and Multiple Nationality: A Means for Reducing Commercial Risk," *Modern Asian Studies* (2001, Vol. 35, No. 4): 985-1009.

<sup>7</sup> Kuo, "Bourgeois Hong Kong and its South Seas Connections: A Cultural Logic of Overseas Chinese Nationalism, 1919-1933," *Nations and Nationalism* Vol. 25 (1), 2019: 146-166.

### **Citation of Original Source**

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**“South Seas and Taiwan,” *Taiwan Nichi-nichi Shinpō* 台湾日日新報  
(Taishō 3 [1914], May 28)**

Author: Inoue Masaji 井上雅二 (1877-1947), Managing Director of Nan’A Company Ltd.

Moreover, the Chinese influence in Java is tremendous. There are more than 600,000 to 700,000 Chinese residents. Among them, the economic center is Semarang. The city will be the site of the World's Fair in September. It is well known that the Ministry of Agriculture and Commerce of Japan and the Authority of Taiwan sponsors the exhibitions. The famous merchants in Semarang include the *Kian Gwan Kongsai* (建源公司) and other tycoons like Yen and Kwik. *Kian Gwan* is a multi-billion wealthy company that owned more than ten sugar companies and more than ten steamships, and a bank of its own in London. Whoever goes to the South Seas<sup>8</sup> (present-day Southeast Asia) will be surprised by such wealth. There are quite a few tycoons at this level of financial power. Also, most of these influential Chinese were in Semarang and Batavia areas, most notably Kwik and Lee. Both hold Taiwanese citizenship. Kwik owned a shop in *Twatutia* (大稻埕). Coming from a powerful business family, he was the head of the Jakarta Chinese Chamber of Commerce and many businesses in Semarang. He facilitated the cooperation between the Japanese and Chinese.

The number of the Taiwanese living in Java when Kodama was the Governor-General was just above forty or fifty. The far-sighted consideration behind the later policy adjustments contributed to expanding the population to today's scale. The situation is like that of Chinese everywhere in the Netherlands Indies in general and in Java in particular. Chinese power cannot be overlooked. Simply put, the position of the Chinese to the English is like the middle class formed between the Dutch and the indigenous people. The Europeans often controlled the economic circumstances. To distinguish among those different European peoples in the Malaya Peninsula, the British took the lead. In the business

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<sup>8</sup> This refers to present-day Southeast Asia.

field of the Dutch Indies, compared with the Dutch, the English capitalists were quite significant.

As mentioned above, the Dutch settlers reached more than 20,000 people, more than the British settlers. The capital power is, however, in the opposite order. Among the 240,000,000 guilders invested in the rubber plantation industry, the British contributed 170,000,000 guilders, much higher than the Dutch 30,000,000 guilders. The rest of the capital comes from the Germans, French, and Americans.

In addition, the American Standard Oil Company, which is competing with Royal Dutch Shell over the hegemonic position in the global market, owned vast oil mines in Borneo and Sumatra and dominated the Eastern Ocean markets. The company is close to the Rothschild family and its hub of connections. In Europe, the marketing networks expanded significantly. It has about 2/3 of the English capital and 1/3 of the Dutch capital.

Particularly for Java's situation, capital investment throughout the region was the foundation of the Dutch colony. The amount is not much different from one project to another, and all are insignificant compared with the British capital. The latter include the following two types: those southward investments from Singapore and northward investment from Australia. For example, the rights for collecting pearls in the southern tip of the Moluccas and around the Tobotobo Island and setting up coconut plantations and exporting copra and the like in Java were all in the hands of those British capitalists from Australia. Capitalists from England invested in all those coconut plantation companies on a relatively larger scale in the northern tip of the Celebes. Among the relationships that the Netherlands Government is concerned most about is employment. Compared to the British, the German people hired the local population with higher wages.

The Dutch Government should be concerned about its relationships with different countries. In terms of employment, it would be better to hire local people than the British or hire the Germans willing to accept lower salaries [than the British]. In particular, in the oil companies, they [the Dutch] receive the information that [those companies] fire the British to hire the

local people. However, no matter how, the extension of British power is beyond our imagination.