During the first three decades of the twentieth century, the Chinese in the Philippines and the Japanese (both in Japan and the Philippines) generally maintained cooperative business relations that contributed to the expansion of the Philippine-Japan trade. Japan’s military encroachments in China broke these relations, causing a fierce sense of business rivalry between the Japanese and overseas Chinese, particularly in Philippine domestic commerce. Quantitative assessments of Chinese, Japanese, and Filipino shares in domestic commerce which have been used to indicate Japanese successes in the 1930s may have been exaggerated. This article discusses how increased Japanese involvement in Philippine domestic commerce affected the Chinese before World War II and gives quantitative assessments of relative shares in Philippine domestic commerce.

After officially opening trade and economic relations with the Philippines in May 1868, the Japanese Empire steadily expanded her economic influence in the islands. From 1889 to 1898, the trade value increased from ¥251,114 to ¥3.4 million, with the Spanish Filipinos enjoying a trade surplus through exports of sugar and to a lesser extent Manila hemp. However, except for 1894, Japan’s trade with the Philippines often constituted less than one percent of Japan’s total trade (Saniel 1969: p. 352). During the American colonial era, Philippine trade with Japan steadily expanded. By the 1930s, Japan had become the Philippines’ second largest trading partner (after the U.S.), having overtaken the U.K. In 1936, the total value of Philippine trade with Japan (exports and imports) amounted to P43.3 million compared to a total of P338 million with the U.S. and P13.3 million with the U.K. The principal Philippine exports to Japan were abaca, lumber and timber, and iron and steel. Philippine imports were principally cotton and silk goods, iron and steel manufactures, as well as coal and coke. In 1936-37, Philippine imports represented “about 2 percent” of Japan’s total exports to the world (Hayden 1942: 714).

One of the results of Japan’s steady economic expansion was increased interaction with the Chinese in the Philippines. These interactions were frequently portrayed as a growing rivalry between the Japanese and overseas Chinese, particularly in domestic commerce during the 1930s. Less known to many were Japanese business ties with overseas Chinese. These ties were essential to Japan’s growing involvement in the Philippine economy.

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These cooperative arrangements were, however, affected by Japanese military aggression in China in the 1930s. In the late nineteenth century, Japanese goods had been handled mostly by Japanese and Indian merchandisers. Starting in 1889, there were reports of Chinese and Filipino stores also selling Japanese wares (Ibid.: 138; cf. 110). At this stage, bad business practices among some Chinese export traders prevented the Japanese from dealing with them. They noted that the Chinese added sand to sugar to increase weight and also stripped immature abaca (Ibid.: 142-43). During the first three decades of the American colonial era, Japanese importers and wholesalers comfortably left their merchandise with Chinese retailers for distribution (Wong 2001: 98). At the same time, the number of Japanese-owned stores in the islands was increasing. The popular merchandise sold included cotton and silk goods, wires, hats, canned fish, umbrellas, pomade, and toys.

Immediately following the Manchurian Incident in September 1931, the Chinese renewed a boycott of Japanese goods which lasted into 1933. The repercussions for the Japanese were so serious that, with the support of their government, zaibatsu enterprises, and local associations, they sought a collective and more organized defense. The result was an increased Japanese presence in Filipino commerce, which brought the Japanese into direct competition with many Chinese establishments. The number of Japanese stores more than doubled from 1930 to 1935 (Table 1). Further, large Japanese bazaars secured a fleet of trucks to deliver Japanese goods to the countryside and door-to-door. This strategy succeeded in "under-selling Filipino traders and Chinese merchants by 15 to 30 percent" (Guerrero 1994: 173). According to Antonio Tan, "The progress of the Japanese in local trade alarmed Chinese merchants who in 1934 launched a move to recapture what they lost" (1981:9). They supported the Philippine Commonwealth government's call to patronize goods "Made in the Philippines." (See Table 1.)

The organized Japanese response favored some in the Philippines who desired to break the Chinese "monopoly" which had previously been estimated to range from 80 to 90 percent of the retail trade (Ibid.: 8). For the 1930s, various estimates have been offered regarding the extent of the Chinese "monopoly" or the increasing Japanese share in the Philippine domestic commerce (i.e. retail and wholesale trade). For instance, the Bureau of Commerce of the Philippine Commonwealth estimated that in the retail and wholesale business, the Japanese accounted for 25 percent in 1933 and 35 percent in 1935 while the Chinese share decreased from 50 percent to 40 percent during the same period (Bureau of Commerce 1938: 137). It is not certain how these estimates were derived. In Fukuda Sho佐's reckoning, the Japanese share of the commercial transactions rose from 20 percent to 25 percent in 1933 and 1934, respectively. The Filipino share rose from 25 percent to 30 percent while the Chinese share dropped from 50 percent to 40 percent (Fukuda 1995: 186). Fukuda calculated these shares on the basis of the level of commercial transactions by nationality, using the East Asian Economic Research Bureau data as his source. Wong Kwok-Chu observes that contemporary reports of Japanese shares of 25 percent to 35 percent were overestimated. While the total value of imports from Japan was only P24.3 million in 1935, he points out that they had "no big share in the domestic retail of hardware, lumber, rice, groceries and foodstuffs, alcohol and beverages, cigarettes etc." (Wong 1995: 99).

Clearly validation studies are necessary and caution should be taken in using quantitative esti-

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Table 1. Number of Retail Stores by Nationality. 1912-1938

<table>
<thead>
<tr>
<th>Year</th>
<th>Filipino</th>
<th>Chinese</th>
<th>Japanese</th>
<th>Others</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1912</td>
<td>67,740</td>
<td>8,445</td>
<td>280</td>
<td>1,270</td>
<td>77,735</td>
</tr>
<tr>
<td>1930</td>
<td>88,040</td>
<td>9,500</td>
<td>385</td>
<td>1,065</td>
<td>98,990</td>
</tr>
<tr>
<td>1932</td>
<td>55,758</td>
<td>13,758</td>
<td>719</td>
<td>768</td>
<td>71,003</td>
</tr>
<tr>
<td>1933</td>
<td>56,564</td>
<td>13,758</td>
<td>737</td>
<td>773</td>
<td>71,832</td>
</tr>
<tr>
<td>1935</td>
<td>62,818</td>
<td>13,818</td>
<td>775</td>
<td>646</td>
<td>78,057</td>
</tr>
<tr>
<td>1938</td>
<td>102,413</td>
<td>18,637</td>
<td>1,077</td>
<td>1,188</td>
<td>123,315</td>
</tr>
</tbody>
</table>

Note: The original table included entries for the year 1941.  

Continued on page 9
Researching Business Networks and Firms in Malaysia

LOH WEI LENG

In the 1990s, before the Asian financial crisis of 1997, immense interest in the so-called East Asian Miracle spawned a huge literature on East Asian economies, with a burgeoning side industry on Chinese enterprise. In view of the significant contribution of Chinese business to the economic growth of Southeast Asian countries, there has also been a concomitant rise in interest in their experiences. However, most of the recent works on Chinese capital are predominantly social science studies with few historical ones.

Nonetheless, just as contemporary writing looks to the past to ascertain the origins and evolution of business institutions and practices from previous patterns of organizational development, entrepreneurship and networking, so too historians can draw on current concerns to guide their enquiries. An adequate starting point would be F.T. Gomez and M. Hsiao’s edited monograph Chinese Business in Southeast Asia: Contesting Cultural Explanations. Researching Entrepreneurship (London: RoutledgeCurzon, 2004). Due to its focus on “Chinese Business Research in Southeast Asia,” it supplies a review of the literature on five countries (Indonesia, Malaysia, Singapore, Philippines and Thailand) with substantial Chinese minorities and an extensive bibliography. T. Menkhoff and S. Gerke’s Chinese Entrepreneurship and Asian Business Networks (London: RoutledgeCurzon 2002) and other works of the same genre, which cover East as well as Southeast Asia, provide many similar titles in their bibliographies, but their coverage of Southeast Asia is not as complete.

These two books do, however, have overlapping research themes in two major areas: 1) emerging business forms [persistence of family businesses versus new organizational structures with the incorporation of non-family personnel into management, the forging of links with foreign firms] and 2) the role of culture and identity in determining business activity [diaspora networks among “overseas Chinese”]. The Gomez and Hsiao volume identifies a third important theme, state-business relations, [the impact of state policies, legislation, and regulations on business operations], as one deserving more attention.

In addition, both the Gomez and Hsiao and Menkhoff and S. Gerke volumes seek to dispel misconceptions about Chinese business in the various Southeast Asian countries. Foremost among these is that ethnic Chinese communities across Southeast Asia are homogenous, a notion which contradicts the empirical reality (L. Suryadinata, Ethnic Chinese as Southeast Asians, Singapore: Institute of Southeast Asian Studies, 1997). Since those of Chinese ancestry are now into at least the third and fourth generations, if not more, and have acquired citizenship in a Southeast Asian country, they are no longer sojourners but settlers who have integrated into their host societies. Hence it is not surprising that in each Southeast Asian country, Chinese enterprise has its own particular features and these features distinguish one Chinese firm from its counterpart in a neighboring country.

Another misconception is addressed by both the Gomez and Hsiao and Menkhoff and S. Gerke books. It is based on the first perception and prompted by popular writing with constructs such as “the bamboo network” and “greater China” which tend to essentialize Chinese networks which operate both within and beyond national borders. These labels not only raise questions on the loyalty of the Chinese as citizens in their countries of residence, but they are also static in nature and do not allow for the possibility of the instrumentality of business networks. The latter is by no means an exclusively Chinese practice as it has also been adopted by non-Chinese entrepreneurs and is evident in the western metaphor, the old-school tie, signifying links developed from younger days.

With this brief discussion of Chinese business in Southeast Asia, we can now move on to Malaysia, where a number of key references are selected as illustrations of major themes and approaches which have been taken up in the writing of Malaysian history and
of the source materials used. It should be noted that not all the works cited fall neatly into the categories of economic and business history. They do, however, reflect the multiplicity of fields (sub-fields in history as well as the social science disciplines) which are engaged in similar questions, viz., migration and settlement and Chinese business cultures, organizations and methods.

For a sense of perspective on the Chinese in Southeast Asia, one can look at China-Southeast Asia interactions, of which there have been two kinds: first, the links emanating from Southeast Asia, inspired by political and economic objectives, very much in keeping with the Chinese worldview of being "the center of the world" (the view that determined its foreign policy). The second type of interaction arose as a consequence of the region being a transit point in either the East-West/China-Europe trade or in the India-China exchanges, which were largely economic and religious in nature. Regarding the first, two-way commerce can be dated from the earliest known tributary relations between Southeast Asian kingdoms and China. The second refers to the East-West trade along both the land and sea routes of the famed Silk Road as well as the India-China links. The Sino-Indic contacts were in evidence long before the spread of Buddhism from its birthplace in India to China and have become more extensive since then.

It was, however, in the early modern era, which has earned the appellation "Age of Commerce," when international trade moved into a higher gear. Economic growth in Europe and China, and subsequently Japan, translated into a heightened demand for Southeast Asia's products and it is during these centuries that we find evidence of a growing Chinese presence in Southeast Asia. Admittedly, Chinese settlement then was nowhere comparable to the numbers which shot up with the establishment of British rule, beginning in 1786 with the English East India Company's first outpost in Penang, thereafter Singapore in 1819 and subsequently the rest of the Malay Peninsula by 1914.

For a bird's eye view of the early period, stretching from the first millennium into the early modern, one can dip into Wang Gungwu's numerous works. Regarded as the doyen of studies on ethnic Chinese, especially with reference to China's relations with Southeast Asia, it is hardly surprising that his intellectual leadership spans the last half century. For an introduction to various important themes, one can begin with The Nanhai Trade (Kuala Lumpur: Malayan Branch Royal Asiatic Society, 1955), China and the Chinese Overseas (Singapore: Times Academic Press, 1991) and another containing some of his more recent writing, Diasporic Chinese Ventures: the Life and Work of Wang Gungwu, edited by G. Benton and Hong Liu (London: RoutledgeCurzon, 2004).

In the first, the classic on the earliest evidence of Chinese migration to and trade with Southeast Asia, Wang drew largely on both Chinese official dynastic histories and non-official accounts from the period. The second, a sixteen-essay volume, supplies insights into the themes of migration and the trading and entrepreneurial skills of the Chinese. Since "Chinese migration has meant different things at different periods and to different peoples," (1991:3) Wang suggests that we can begin to understand the modus operandi of a particular businessman if we view his business operations within the broader context of his worldview and sense of identity. As for Chinese merchants, they "emerge as ingenious and adventurous traders who had remarkable flair for profit-seeking and risk-taking under conditions that were often dangerous if not actually hostile" (1991:189).

These observations underscore the complex terrain that Chinese entrepreneurs have had to negotiate over the years and are fully endorsed by Wu Xiao An, who alerts us to the pivotal role played by the Chinese in the Anglo-Malay-Siamese political dynamics in the northern region of Malaysia in his Chinese business in the making of a Malay state, 1882-1941: Kedah and Penang (London: RoutledgeCurzon, 2003). This study is an admirable example of attempts to look beyond the national (which after all is a recent creation in Southeast Asia and a legacy of colonial rule) and its delineation of present boundaries to focus on the region and transnational linkages, "a much-neglected historical reality" (2003:2). My own research on a Penang Chinese shipping firm confirms that local studies which do not pay sufficient attention to cross-border interactions miss crucial parts of the story.

Wu's efforts to explain the "interplay of state, region and ethnicity" has required the use of the gamut of official (British, Malay, Thai) and non-official (newspapers, directories, periodicals) primary material as well as interviews with descendants of prominent businessmen from field-work conducted in Malaysia and South China. This link-
The Study of Modern Thai Business History: Issues and Resources

Michael J. Montesano

The appeal of the Thai case to the business historian is hard to overlook. Thailand has a long record of economic contact with China, Japan, and the West. The leading figures in its political economy have in the past 150 years alone ranged from royal monopolists and tax farmers to bureaucratic capitalists and “pariah entrepreneurs,” provincial “godfathers” and stock-market millionaires, and most recently a premier-cum-telecoms-tycoon, best known for announcing that “A company is a country. A country is a company ... The management is the same.”

Thailand’s transition from commodity production for world markets to significant industrialization, its spectacular boom and equally dramatic bust in the 1980s and 1990s, the relative penetrability of its state by economic interests, and the prominence in its commercial life of Chinese immigrants and their descendants make it an ideal territory in which to hunt for a characteristic “Southeast Asian capitalism.” Nevertheless, modern Thai business history remains much more an arena of scholarly opportunity than a well developed field. The outstanding studies of a number of Thai and foreign scholars, most importantly Phanni Bualek and Suchiro Akira, represent inspiration and resource more than definitive work. The purpose of the present essay is to discuss some of what has been done already as it suggests what might well be done in the future and how it might be done. Scholars and titles of which specific mention is made are best taken as landmarks rather than an indication of all that is out there.

In approaching the study of business in Thailand, historians can draw profitably on three substantial extant bodies of older scholarship. None originally the work of members of their own profession. First is the study of Chinese in Thailand, pioneered about a century ago by the missionary and diplomat Kenneth Perry Landon1 and the anthropologist G. William Skinner.2 The common assumption that the latter’s contribution to the study of Thailand begins and ends with “the assimilation paradigm” is unfortunate. Nearly half a century after its publication, Skinner’s Chinese Society in Thailand remains an incomparable source of unexploited leads for the study of the social and business history of the country.3

Second, an important body of English-language scholarship treats the dense relationships between Thailand’s military and bureaucratic elites and Thai Chinese whose bank-centered business groups occupied the commanding heights of the national economy from the mid-twentieth century. Along with Skinner,4 the political scientist Fred W. Riggs laid the foundation for this scholarship.5 More recently, scholars such as Kevin Hewison have drawn on Marxist political economy to complement this approach.6

Third is work in the political economy (sethasat kannaeang) school that developed under the leadership of Chulalongkorn University economist Chatthip Natsupa starting in the 1970s. In addition to a thoroughgoing reexamination of class relations in early modern Thailand, this school inspired innumerable studies on the origins and development of Thai capitalism and the Thai capitalist class.7 For the business historian, those studies are invaluable. Space permits mention here of only two of many important examples. Sangsit Phiriyarangsan, Thai Bureaucratic Capitalism, 1932-1960, traces the origins of the modern Thai state-enterprise sector and of the military, bureaucratic, and business cliques that dominated and benefited from it.8 Its focus on state-business relations and the social forces that penetrated the post-1932 Thai state engages one of the major themes in Thai and Southeast Asian business history. Phanni Bualek’s Wikro naithun thanakhan phanit khong thai pho. so. 2475-25169 not only offers a rigorous history of twentieth-century Thailand’s most important sector, but also launched the career of Thailand’s leading business historian.

Each of these three bodies of earlier scholarship informs the finest single work on Thai business history in
Thai or any Western language: Suehiro Akira, *Capital Accumulation in Thailand, 1855-1985.* Arguing for what he calls an historical “tripod structure” of Thai capitalism, Suehiro organizes this masterpiece around considerations of the respective long-term commercial, financial, and industrial roles of the state, foreign concerns, and ethnic Chinese. Whether or not these players in the Thai economy or the relationships among them have demonstrated the continuities that Suehiro stresses, his book builds an immense amount of data into an unfailingly clear narrative. Suehiro offers closely argued explanations for endless financial and commercial twists and turns: the role of tax farms in the nineteenth century; the rise of the great rice-trading firms and the state-enterprise sector in the first half of the twentieth century; and the demise of Western trading houses, the evolution of Chinese business groups, and the activities of Japanese *sogoshosha* in the second half of the twentieth century.

*Capital Accumulation in Thailand* is explicitly intended to serve as a hand-book for scholars of Thai business history. Along with *Chinese Society in Thailand,* it is one of two books that never leave my desk-top. Suehiro’s mastery of Thai-, English-, and Chinese-language sources ranks with the insight of his narrative as one of the great strengths of his book. Like Sangsit and Phanni before him, he draws extensively on the registration files of limited companies, limited partnerships, and ordinary partnerships maintained by the Department of Commercial Registration of the Thai Ministry of Commerce. Including memoranda of incorporation or partnership, minutes of board and share-holder meetings, share-holder or partner lists, and numerous related documents (not least including those concerning the naturalization of Chinese), these files represent the greatest single extant resource for the study of the history of Thai business in the second two-thirds of the twentieth century. Suehiro complements these records with company directories both old and new and with the unmatched biographical data found in the peculiarly Thai “cremation volumes” prepared for distribution at or after the funerals of the prominent, the would-be prominent, and the simply mourned of Thailand. Other such valuable sources, to which I have often turned but on which Suehiro is less reliant, include innumerable semi-popular histories of famous tycoons or wealthy families and the holdings of the superb National Archives of Thailand at Tha Wasukri in Bangkok. While this latter collection is organized on the basis of government ministries and departments, creative use of its materials nonetheless yields rich materials on private actors and concerns and, of course, on state enterprises.

It needs also to be underlined that Suehiro Akira is merely the most prominent of a very large number of talented, prolific Japanese scholars of Thailand’s economic and business history. Interest in and engagement with the field in Japan easily outstrip those in North America, Europe, and Australia. Relatively little of the resultant scholarship is translated. It might be argued that, as in the field of Chinese business history, a reading knowledge of Japanese will soon be indispensable to serious students of Thai business history. And before long, Chinese scholarship on that history also seems likely to blossom.

There is no better way develop a useful background on developments, sources, and questions in the study of Thai business history than through reading *Capital Accumulation in Thailand.* For all its virtues, Suehiro’s book has a number of limitations, each of which suggests directions which future work in Thai business history ought to take. First is that the book is now, quite simply, fifteen years old. Perspectives change. Rewritten today, the book would almost surely devote more attention to the “transnational” linkages of Thai capitalism in the past two hundred years. Also, over time the value of new sources is recognized. Second is the book’s breadth. Its broad temporal coverage means that it concentrates above all on leading firms at the expense of some of their less successful competitors. The chance to explore reasons for early or obscure failures is forsaken. So, too, is exploration of the complexities of some of the periods treated and of the provincial dimension to Thai capitalism. Phanni Buaлеч’s most recent major work (which if translated into English would benefit readers with a wide variety of interests) speaks directly to this former issue. Her attention in *Laksana naithun thai nai chuang rawang pho. so. 2437-2482* to the interwar period is a valuable antidote to the emphasis in Thai business history on the decades since 1945. Similarly, a number of scholars, Plaio Chananon Thongsawat being the most successful among them, have turned to the serious study of provincial Thai business history.

Third, above all in the post-1945 period, Suehiro focuses on family-centered business groups. The influence of the Chulalongkorn University “political economy” school on the study of Thai business history and the prominent role taken in that study by Japanese
The Study of Chinese Business in the Modern History of Indonesia: Themes and Prospects

PETER POST

Indonesian business history in general and the study of Chinese business in Indonesia in particular is, despite several outstanding works, a rather undeveloped research area. As in Thailand and Malaysia, the field is covered mostly by social scientists and political economists with a general interest in the socio-political and economic history of the country. Comprehensive works on, for example, individual Chinese business families and networks, sound scholarly biographies of Indonesian Chinese entrepreneurs, or well-balanced company histories have yet to be written. Still, a tremendous amount of research has been done on the historical role of ethnic Chinese in the Indonesian economy. In this essay I would like to mention a few works that have inspired me over the past decade and discuss these within what I consider to be the most significant themes in this Chinese business historiography. In the final section I would like to point out some promising fields for future inquiry.

The “Middleman” Paradigm

Many Western studies on Chinese business in Indonesia stress their historical role as intermediaries or “middlemen.” Much of this original work was done by Dutch colonial officials and peranakan (Indonesian-born) Chinese intellectuals, many of whom were from peranakan elite families. All of these studies took a European point of view which essentially saw Chinese business in the Dutch colony as subservient to Western capital and large Western trading firms. Examples are W.J. Cator, The Economic Position of the Chinese in the Netherlands Indies (Chicago: University of Chicago, 1936); Ong Eng Die, Chinezen in Nederlandsch-Indie. Sociografie van een Indonesische bevolkingsgroep (Assen: Van Gorcum, 1943); and Liem Twan Djie, De distribueerende tusschenhandel der Chinezen op Java (‘s-Gravenhage: Martinus Nijhoff, 1947). A work of great value for Chinese business historians is the excellent volume compiled by the Head of the Netherlands-Indies Colonial Tax Accountants Service in Batavia: J.L. Vleming, Het Chineesche zakenleven in Nederlandsch-Indië (Wetenschap: ‘s-Landsdrukke­rij, 1925). Vleming’s work has been translated into English and parts of it, together with some other early Dutch articles on Chinese business life in the Indies, edited in a comprehensive and very useful compilation by M.R. Fernando and David Bulbeck, eds., Chinese Economic Activity in Netherlands India. Selected Translation from the Dutch (Data Paper Series, Sources for the Economic History of Southeast Asia No.2, Singapore: Institute of Southeast Asian Studies, 1992). Vleming gives an intriguing picture of local Chinese business practices in the early decades of the twentieth century, and unlike the other works which are Java-centered, presents excellent accounts of the situation in the so-called Outer Islands (Sumatra, Borneo, Celebes, the Lesser Sunda Islands and the Moluccas). His chapters on the credit system, the kongsi system, and the speculation and future trade, are still essential reading for historians of ethnic Chinese business. Although not dealing with the Chinese business activities per se, the work by J.S. Furnivall, Netherlands India: A Study of Plural Society (Cambridge: Cambridge University Press, 1939) should be mentioned, since it stands out as a major achievement in analyzing the pre-war intermediary role of the Chinese in the social economy of colonial Java.

The “middleman” paradigm, was (and still is) particularly popular among Western scholars and Western-educated Indonesian historians. Japanese scholars, both pre-war and post-war, saw Chinese business in a different perspective. In the pre-war period, scholars from Japanese research institutes in Taiwan and Japan proper created a tremendous body of well-informed reports on ethnic Chinese economic activities in colonial Southeast Asia. However, rather than stressing the intermediary role of
Chinese trade, these institutes paid particular attention to the Asia-wide commercial and financial networks of the ethnic Chinese and the linkages they had with Japan, South China and Taiwan. Besides being intermediaries in the Western-oriented trade of the Indies archipelago, the Japanese noted that in the intra-Asian economic arena Chinese business firms performed tasks similar to those of the Western firms in the East-West economic arena, i.e. they operated multinational businesses handling Asian products, controlled the import-export trade, the wholesale and distributive channels, set up their own banking and financial systems, and created direct linkages with small Chinese and indigenous trading firms and shops in the rural areas. This notion became deeply rooted in post-war Japanese scholarship on ethnic Chinese business in pre-war Southeast Asia and produced interesting and challenging results.


**Singkeh-Peranakan Economic Control**

Another major issue in the historiography is the long-term shift of *peranakan* Chinese dominance of the main sectors of the economy during the Dutch colonial period to *singkeh* (China-born, new migrants) Chinese control under the Sukarno and Suharto periods. Many scholars have taken up this issue. For example, Rush stressed the abolition of the tax farming system (opium, pawn shops, gambling etc.) in the early twentieth century as a major factor. Twang Peck Yang in his excellent *The Chinese Business Elite in Indonesia and the Transition to Independence, 1940-1950* (Oxford University Press, 1998) pointed out the impact of the Japanese occupation, whereas Post focused on the intra-Asian dimension and the inability of Dutch-oriented *peranakan* Chinese firms to link up with Japan’s industrial centers.

**Chinese versus Pribumi Entrepreneurship**

A third theme which runs through much of the historical work on Chinese business in Indonesia is the question of their relative success vis a vis private *Pribumi* (indigenous) business enterprises and the apparent inability of *Pribumi* enterprises to mature into major capitalist business groups. There is an entire body of literature available on this theme which dates back to the early twentieth century, much of which was written in terms of the traditional modernization theories. The discussion seemed at a dead-end, but recently several scholars have taken up the issue once again with interesting results. Instead of studying rivalry and conflict between the two ethnic business networks, these scholars look at the cooperation, linkages and interdependencies between the two groups.

**Political Economy Studies**

In the midst of East Asia’s economic “miracle” and particularly after the publication of Richard Robison’s *Indonesia: The Rise of Capital* (Sydney: Allen & Unwin, 1986), academic attention was once more attached to the role of Chinese business in the commanding heights of the Indonesian economy. Following similar trends in other Southeast Asian countries, Robison’s path-breaking work started a rush of publications all dealing with the large capitalistic, multi-national, ethnic Chinese business conglomerates and their particularistic relations with the Suharto regime. From the “middleman” paradigm, which had guided most academic writings until that time, interest now turned to the wealthy and the powerful, the “crony” and the ersatz. This paradigm shift has been eloquently analyzed by Ruth McVey in her “The Materialisation of the Southeast Asian Entrepreneur.”

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Japanese & Chinese Interactions in Philippine Commerce
Continued from page 2

mates of the relative power of Chinese, Japanese, and Filipinos in the retail and wholesale trade. The 1938 Bureau of Commerce report admitted that “no data were available showing the volume of business by nationality for the whole country” (Bureau of Commerce 1938:137). Likewise, calculations using investment data were questionable since the total amount of Japanese investments could not be ascertained. Still, even after announcing these data problems, the Bureau of Commerce (in the same report) presented estimates comparing each nationality’s relative power in domestic commerce.

A review of the trade statistics in 1936 would show that the value of imports from Japan comprised only 13.1 percent of the total value of imports while the United States accounted for 60.8 percent. A breakdown of the data revealed that most imported items for retail came from the United States and European countries. These figures, supportive of Wong’s claim, suggest that estimates of the Japanese share in the Philippines’ wholesale and retail trade might have been exaggerated even if there was increased competition from the Japanese.

So was there a reduction in the business of Chinese merchants due to increased Japanese competition as noted by some observers? (Hayden 1942:714; Tan 1981:8). Using the figures in Table 1, we can derive the annual growth in the number of stores during certain periods as well as the relative shares in the retail store population. Particularly, from 1930 to 1935, the number of Japanese retail stores doubled, accelerating at a rate of 12.4 percent a year. Likewise, Chinese-owned stores increased by 45 percent. In 1938, the Chinese accounted for 15 percent of the total number of retail stores, which was higher than the 1930 level (See Table 2).

Looking at the macro-environment, the average amount of gross sales in domestic trade definitely declined during the Great Depression of the 1930s. Philippine economic conditions were most depressed in the years 1932-1933 and again, though less harshly, in 1938-39. The amount of gross sales in local distribution never recovered from its 1929 level. Data up to 1936 showed that the gross sales index dropped from 102 in 1929 to 48 points in 1932 before slowly climbing to 70 points in 1936 (Philippine Statistical Review 1938:154-57). And yet, the number of retail stores from all nationalities kept increasing. What can be gathered from these facts was that there was a possible reduction in the volume of business for the average Chinese retailer. The competition came from all nationalities, including the Chinese themselves prior to 1938-39. However, despite this fact, there were outstanding Chinese business enterprises like Yutivo Sons Hardware Company and the cigarette importer-dealer Dy Buncio & Company, who stayed ahead and prospered (Wong 2001: 113-14). Others continued to handle and buy Japanese goods in spite of successive boycotts. Wong notes that as “Japanese competition eroded their customer base, reduced their sales turnover, and ate their percentage share of the market, Chinese businessmen quietly sought ways and means to sidestep the boycott campaign to improve their economic position” (ibid.: 100). Go Co Lay, a prosperous importer-exporter and dealer in Japanese goods, continued to deal with the Japanese through the “cover” of a new firm. He later became the first president of the Chinese Association, which represented the Chinese during the Japanese occupation of Manila (Tan 1981:53).

Following the outbreak of the Sino-Japanese war in 1937, Japanese textile exports to the Philippines declined due to a number of reasons—economic, political, and military. According to Fukuda, beginning in October 1937, Japanese cotton products became more expensive than American products. The decline in cotton exports to the Philippines (as well as Southeast Asia) was not necessar-

<table>
<thead>
<tr>
<th>Year</th>
<th>Filipino</th>
<th>Chinese</th>
<th>Japanese</th>
<th>Others</th>
<th>Total</th>
</tr>
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<td>87.1%</td>
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<td>0.4%</td>
<td>1.6%</td>
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</tr>
<tr>
<td>1930</td>
<td>88.9%</td>
<td>9.6%</td>
<td>0.4%</td>
<td>1.1%</td>
<td>100%</td>
</tr>
<tr>
<td>1935</td>
<td>80.5%</td>
<td>17.7%</td>
<td>1.0%</td>
<td>0.8%</td>
<td>100%</td>
</tr>
<tr>
<td>1938</td>
<td>83.0%</td>
<td>15.1%</td>
<td>0.9%</td>
<td>1.0%</td>
<td>100%</td>
</tr>
</tbody>
</table>

Table 2: Annual Growth in the Number of Stores by Nationality
ily a result of the boycotts from 1937 onwards but rather a result of the ongoing recession (Fukuda 1995: 244-45). From a Chinese point of view, the Chinese dealers in the Philippines experienced “better times” during 1938-1939 when “textile imports from America surged” and as local demand increased (Wong 2001:92). The lines became more clearly drawn on the eve of and in the course of WWII than ever before or after.

ENDNOTES

1. Indicative figures for the share of each nationality in the volume of wholesale and retail were likewise offered for the current year. The resulting figures were based on the volume of business in Manila and the investment in commercial ventures of respective nationalities.

2. Bureau of Commerce, 137. Hayden, The Philippines, 713. Also see Helmut G. Callis, Foreign Investment in Southeast Asia (New York: Arno Press) 1976. Though, commercial investments as of 1 January 1938 were mentioned in Wong, 236 cf. 32. Accordingly, investments amounted to P264.3 million “of which Chinese, Filipinos, and Japanese had 42.1 percent, 28.6 percent, and 7.8 percent, respectively.”

3. Chinese, 36.4%; Americans, 25.7%; Filipinos, 14.5%; Japanese, 8.3%; Spanish, 7.3%; and others, 7.8%.

LIST OF REFERENCES


Researching Business Networks and Firms in Malaysia
Continued from page 4

age was also investigated in Jennifer Cushman’s Family and State: The Formation of a Sino-Thai Tin-mining Dynasty, 1797-1932 (Singapore: Oxford University Press, 1991) in an effort to more fully understand the business strategies of entrepreneurs during the earlier years of western involvement in the Malay peninsula, when connections with the homeland were still fresh in the minds of migrants.

C.F. Yong’s business biography, Tan Kah-kee: The Making of an Overseas Chinese Legend (Singapore: Oxford University Press, 1987) is another excellent example of a sound research methodology incorporating exhaustive use of available source material, interviews with Tan’s acquaintances, and Tan’s memoirs in order to present a comprehensive study of Tan. Placing Tan’s life in the context of historical developments in China and Southeast Asia, we are better able to understand Tan’s economic fortunes, his social standing and political contributions.

Wu’s case histories of family firms, Cushman’s use of business biography as a lens to view the use of strategic alliances and Yong’s (and Wang’s) examination of state-business relations serve as welcome reminders not only of what aspects can be included in business history research but also of the range of sources which can yield the much needed information. When company records are scarce, incomplete or totally missing, interview data and non-official contemporary accounts remain some of the other possible materials for historians to mine.
Modern Thai Business History
Continued from page 6

scholars oriented toward the consideration of structural features of the Thai economy mean that the field suffers relatively little from the black-box culturalism characteristic of much work on commercial life in Southeast Asia. Nevertheless, from an institutionalist perspective, both the family (trakun) and the group (khruea) generally remain under-theorized in the study of Thai business history. In this regard, as in so many others, historians of Thai business might learn from non-historians. Under the guise of non-Marxian political economy, American political scientists have taken the lead in institutionalist approaches to Thai business.\textsuperscript{29} If, to the historian’s taste, such work seems almost invariably theoretically muscle-bound and empirically thin, its example still holds much of value for us. Much the same can be said of the need to pursue the study of international linkages in work on Thai business history. While the empirical ambitions of the historian Phuwadon Songprasote’s monograph on the role of Singaporean capital in the Thai rubber and tin sectors is admirable,\textsuperscript{21} we might all do well to take theoretical cues from work like that of the Thammasat University business-studies lecturer Pawida Pananon on the origins and growth of Thai multinationals.\textsuperscript{21}

To conclude, then, the study of Thailand’s business history is a field waiting to take off. Its comparative interest is unmistakable. But priorities for its development include more work on the pre-1945 and above all pre-1900 periods, greater attention to the provinces and to small and failed firms, more systematic use of Chinese-language sources and of Japanese-language scholarship, and greater theoretical sophistication.

\section*{Endnotes}
5. Prodded above all by the volume’s several references to concentrations of Hainanese on the east coast of southern Thailand, for example, one of my MA students, a native Mandarin speaker with excellent Thai, has combined oral-history interviews with the collection of commemorative volumes and works of local history to open startlingly fresh perspectives on the history of the commerce of the Thai South, in both its domestic and international contexts.
8. \textit{Bankers and Bureaucrats: Capital and the Role of the State in Thailand} (New Haven: Yale University Southeast Asia Studies, 1989.) The prolific Hewison’s most recent work is available among the working papers of the Southeast Asia Research Centre, City University of Hong Kong: http://www.cityu.edu.hk/searcAVP.html.

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14. The department was some years ago rechristened the Department of Business Development and moved to modern facilities on Bangkok’s outskirts. At this time, only walk-in access to microfilm of firms’ very recent filings is available. It remains unclear to me where the department’s vast stock of original files is held or how access to them might be arranged. One can only hope that, in time, these materials will be transferred to Thailand’s National Archives.

15. For example, The Bangkok Times, The 1894 Directory for Bangkok and Siam (reprinted by White Lotus, Bangkok, 1996). Similarly useful for mid-twentieth-century Thailand are annual editions of Phanit songkho, the commercial directory variously published by what has been both the Ministry of Commerce and of Economic Affairs.

16. The huge, lavish cremation volume of perhaps the most important business figure in Thai history, Nai okat sadetphratcadinamoen phraraocathan phloeng sop nai Chin Sophonphait po. cho., po. mo. [Cremation volume for Chin Sophonphait] (Bangkok: Bangkok Bank, 1988) is among the handful of most outstanding sources for the study of Thai business history. Researched to high academic standards, the volume opens with photographs of the Thai king lighting Chin’s funeral pyre and of former military strongman and Bangkok Bank chairman Field Marshal Prapat Charusathan washing Chin’s corpse. Like many prominent and successful Thai Chinese, the man born Tan Piak Chin was cremated and not buried. On cremation volumes, see Grant A. Olson, “Thai Cremation Volumes: A Brief History of a Unique Genre of Literature,” *Asian Folklore Studies* 11, 2 (1992). The 4000-volume collection held in the library of the Center for Southeast Asia Studies, Kyoto University, is usefully indexed in Marasi Siwarak, *Catalogue of Thai Cremation Volumes in the Charas Collection* (Kyoto: CSEAS, 1989) available in libraries with strong collections on Southeast Asia.


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**Coming in Spring 2005**

**Parks Coble** reviews Wang Ju’s study of Rong family textiles in the late 1940s.

**Jeff Hornbrook** on coal mines and contracts in late Qing.

**Perry Ritenour** on banking in Guangdong, 1949-1951.
Chinese Business in Modern Indonesia
Continued from page 8

Following this new emphasis on large Chinese business conglomerates, Kunio Yoshihara compiled a much needed volume on the largest pre-war Chinese business empire in Asia, the Oei Tiong Ham Concern, whereas Jamie Mackie in several articles compared the business forms of old and new Chinese conglomerates. One of the best studies written during this period is the one on the Salim Group by Yuri Sato.

In recent years Mary Somers and others have taken research in a different direction. Rather than looking at the business conglomerates in the political centre, Somers studied Chinese economic life in the rural areas of West Borneo and the Riau archipelago.

Challenges and Prospects

When looking over Indonesian (Chinese) business historiography one notices that most of it is cloaked in political, social, and moral debates, rather than in economic or business debates. Secondly, most studies are done within the political geography set by the state, whether Dutch colonial, Japanese military, or independent Indonesia. Very few studies have taken a cross-borders perspective. I would argue that in order for the field to mature we should fundamentally question the usefulness of these frameworks. To develop new concepts and analytical schemes Western and Indonesian scholarship might try to link up more intensively with research groups in Japan and other East Asian countries and make creative use of the existing large body of pre-war and post-war materials in these countries. Such new approaches will undoubtedly lead to a reappraisal of the functioning and significance of Chinese enterprise in the Dutch colonial economy and during the Japanese occupation and the Sukarno era. New resources (written, oral, film and photographs) might be used for firm-specific histories and entrepreneurial biographies. Oral sources can give insights into the dynamics of entrepreneurial decision-making and the important intra-personal relations within the transnational family firms. Looking at entrepreneurial behaviour and business strategies only from a pure "rational economic" point of view leaves aside many important cultural and emotional factors that in many cases actually guided businessmen’s decisions. Likewise film (home-movies) and photographs bring to life the world the Chinese families lived in, and, more often than not, lead to inspiring and original research questions.

ENDNOTES

1. Liem is particularly concerned with the competition Chinese retail trade in prewar Java faced from Japanese and indigenous distributive traders. He wonders whether the family-based organisation and the traditional business practices of the Chinese will be able to deal with these competitors.


3. Major writers that should be mentioned here are Leo Suriyadinata, Charles Coppell, Jamie Mackie, Mary Somers-Heidhues, Dede Oetomo, Melly Tan, and Mona Lohanda.


8. Kunio Yoshihara, ed, Oei Tiong Ham Concern: The First Business Empire of Southeast Asia (Kyoto: The
Center for Southeast Asian Studies, Kyoto University, 1989).


12. To give one example: In 1935 the famous Oei Tjong Ham Concern established an alcohol factory in Shanghai, which in the next years became a major asset to the firm. Most scholars have interpreted this move as a rational attempt by Oei Tjong Hauw, son and successor of Oei Tjong Ham, to expand his business to China on the request of Cheng Kung Po, then Minister of Industry of the republican government. But apparently Oei Tjong Hauw also had other, more urgent and personal motives to set up the factory in Shanghai. In an interview (Singapore, September 13, 2004), his younger brother, Jack Oei Tjong le told the author that “The main reason Oei Tjong Hauw set up the alcohol factory in Shanghai was to find a new home for his Eurasian mistress who got fed up with the gossip in colonial Java about their secret liaison. There might have been some economic incentive, but I sincerely doubt whether this was the case. No...I am sure that it was just bought to bring her to Shanghai. He really loved her you know, and he wanted to please her and ease her mind.”

Contributors

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“The Role of Large Scale Western Enterprise” in Cheah Boon Kheng, ed., Vol. VII, Modern History, The Encyclopedia of Malaysia, (Singapore: Editions Didier Millet, 2001). E-mail: lohwl@um.edu.my

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