

INVESTING IN THE HOMELAND

Overseas Chinese in Taiwan and the Fu-hsing Motor Company in Foochow, 1931-1936

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Abstract

This paper represents one of a series of studies on the experiences of overseas Chinese living in Taiwan (T'ai-wan hua-ch'iao 台灣華僑). Such individuals were citizens of the Ch'ing dynasty and the Republic of China who settled in Taiwan after May 8, 1897 --according to the Treaty of Shimonoseki, the date by which all residents of Taiwan had to choose between retaining Chinese citizenship or becoming citizens of Japan (living in its colony of Taiwan). In this paper, I will examine the experiences of these overseas Chinese in Taiwan through a case study of how these men invested in a business located in China, the Fu-hsing Motor Company of Foochow (northern Fukien), during the years 1931-1936. Although I have gathered a large amount of data, including contemporary newspaper articles and personal accounts of some of these overseas Chinese, I have as yet been unable to obtain Fu-hsing Motor Company's own records. I intend to make up for this gap in further research.

Investment in companies located in China on the part of overseas Chinese in Taiwan was stimulated by the ROC government's promulgation in 1929 of a series of regulations designed to encourage overseas Chinese investment in construction, transportation, manufacturing, agricultural, and mining projects. As a result, Kao Ming-hung 高銘鴻, based on his own experience of running a motor company in Taipei, decided to take advantage of the Fu-hsing Motor Company's reorganization and stock offering by pooling his resources with those of other overseas Chinese in Taiwan to invest in that company. The scale of their

investments enabled Kao to serve as the company's general manager and chairman of the board. However, these events provoked a strongly negative reaction on the part of Chinese investors who already held stock in the company, who viewed Kao and his compatriots as little better than Japanese loyalists and frowned on their participation in company affairs. These "old" stockholders frequently attempted to tie Kao's hands, while the auto-workers staged strikes. This, combined with a decline in the quality of the company's personnel, led to a management crisis. To make matters worse, the "old" stockholders had Kao framed and jailed. He could only obtain his release after signing a statement relinquishing his chairmanship and agreeing to sell his stake in the company to the "old" stockholders at a 60 percent discount. Following his release, Kao and his compatriots attempted to sue the "old" stockholders, but the subsequent outbreak of the War of Resistance against Japan in 1937 brought an abrupt end to their efforts. This setback served to discourage overseas Chinese in Taiwan from making any future investments in their ancestral homeland.