

## **Business Operations of Taiwan Development Corporation on Hainan Island**

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### **ABSTRACT**

The Taiwan Development Corporation (TDC), 1936-1946, is a semi-public national corporation funded by the Taiwan Government-General, sugar refinery business and financial conglomerates (Zaibatsu). By the order of the Japanese naval force, the TDC began business operations on Hainan Island in March 1939. The investment of TDC on Hainan Island was enormous, only second to Japan Nitrogenous Fertilizer and Ishihara Industries involved in mining; Asano Cement, an enterprise in the process of expansion by the order of the naval force; and Mitsui Bussan, a representative Zaibatsu. Though heavy, TDC's investment on Hainan Island was only limited to agriculture and forestry, livestock, transportation, ice-making, construction and lumbering industries; and was not involved in other developing industries such as fisheries, mining, electrical appliance (電氣事業) and telecommunications.

This paper first reconstructs the management history of TDC on Hainan Island and then explores why TDC's business operations were restricted to the abovementioned industries. Reasons including the change in the status of Hainan Island in the Great East Asian Co-Prosperty Sphere, insufficient human capital like technical experts, lack of efficient and autonomous management, as well as high cost of production all pose constraints on TDC development.

Compared with San-wu Company, a representative enterprise of the 1900s, TDC had more and varied business operations, an indication of Taiwan's overall economic development in the three decades. Contrary to its free economic expansion, Taiwan's imperialism was restricted by Japanese central government.

On the other hand, the reports of Taiwan Government-General contained great emphasis on the experience of rice cultivation and sugar cane plantation as well as the importance and possibility of selective breeding. This revealed the significant role played by Taiwan in Hainan's agricultural development. Reciprocally, Hainan Island also offered a base and opportunity for academic exploration and experimentation.

**Keywords:** The Taiwan Development Corporation, Taiwan Government-General, national policy corporation, Hainan Island, the Great East Asian Co-Prosperty Sphere, Southward advance policy, San-wu Company