

Japanese Colonial Government, Local Economic Development and Taiwanese Capital: Case Study of Taiwanese Push Car Railway (1903-1928)

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ABSTRACT

Past studies on economic history of Taiwan often highlighted the “independence” of Taiwanese in capital accumulation during the Japanese colonial era. Although traces of the binary opposition framework of Japanese vs. Taiwanese capital or the colonizer vs. the colonized could be seen in prior research, the relationship between Taiwanese capital accumulation and Japanese colonial government has not been examined.

Using the case study of the Taiwanese push car railway (1903-1928), this paper analyzed how the local Taiwanese obtained the franchise of operating this means of transportation, thus enabling them to gain control of cargo transport and to further accumulate capital. The analysis revealed that Japan emerged comparatively late as a capitalist country; and it was only after the Russo-Japanese War that the Japanese financial clique, *Zaibatsu*, began making investments in Taiwan. In order to attract Taiwanese investment and operators, the Governor-General of Taiwan and the local governments provided basic infrastructure and equipment for operation and granted favorable concessions in terms of higher fare charged and less stringent requirements of safety and maintenance. Hence, Taiwanese franchisees were able to amass great profits. In this case, capital accumulation among Taiwanese was in fact facilitated by the Japanese colonial government.

Keywords: Taiwanese Capital, *Shokusan Kōgyō* / Promoting Industrial Development, Local Government, Push Car Railway, Local Transport