

Persistence of Taiwanese Capital under Industrial Rationalization and Economic Control: Case of Transportation Industry (1929-1945)

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ABSTRACT

Past research on the economic history of Taiwan have often highlighted the fact that Taiwanese capital was radically suppressed by the Japanese colonial authorities under rationalization of industries prior to 1937 and economic control during wartime. In recent years, scholars of the younger generation have challenged this view using case studies. Were the economic measures promulgated by the Governor-General of Taiwan from the 1930s to 1945 aimed at eliminating Taiwanese capital? Could small-scale management with flexibility and adaptability in face of various control policies fully account for the persistence and prosperity of Taiwanese capital in certain industries?

This study explores further these issues focusing on the ~~automobile~~ transportation industry. The analysis reveals that the Governor-General of Taiwan sought to curtail the excessive/unhealthy competition of the transportation industry and improve its operating efficiencies in the 1930s. The emphasis was not on replacing Taiwanese capital with Japanese capital and remained so even after the outbreak of the Second Sino-Japanese War. Instead, the Governor-General of Taiwan had his focus on efficient integration of economic resources. As a result, Taiwan's transportation industry maintained the same organization and operation as that under wartime economic controls even in the post-war era. That is, the transportation industry was operated under the Taiwanese push car railways with the emerging Taiwanese capital in the 1930s. This study concludes that the capital accumulation process of the domestic transportation industry was different from that of other industries operated by small-scale management.

Keywords: Industrial Rationalization, Economic Controls, Wartime, Taiwanese Capital, Transportation Industry