

第三期

一九九六年四月十五日

# 華南研究資料中心 通訊

South China Research Resource Station Newsletter

## Chinese Business History: A Survey of the Sources

Rajeswary Ampalavanar Brown

University of London

The single most important source of Chinese business history is Government records, largely from the Ministries of Commerce and Industry, Registrar of Companies and the Stock Exchanges in S. E. Asia.

These contain important details of the company, its capitalization, the directors and shareholders, the structure whether it was a private partnership, a joint stock company or had a single owner manager. These records can thus be used to locate the origins of the firm, its size, forms of security used in raising equity which could be debentures, preference shares etc. and the researcher can also estimate the average gearing ratio. Sources of capital, the networks of the directors and the forms of separation between ownership (proprietor, shareholders) and control (directors/managers) are also often revealed in these official documents. However, there is a word of caution here; since registration was only introduced in the early 20th century in China as well as in S. E. Asia and take up of registration was slow, these records may in essence cover only the largest and most prominent of the Chinese firms. For these large Chinese companies, one is able to trace and investigate annual fluctuations in capitalization as well as in financial gearing. Equity and liabilities are frequently noted. Thus longer term economic trends can be established. Essential material

gleaned includes idea or purpose of incorporation, capital base, and longevity of the company.

An crisis, fraud or difficulty would often merit great detail on the company's history, including detailed financial statements on company's loans, its creditors, its assets, etc. Thus failure or bankruptcy yields invaluable information on how large Chinese businesses were organized. Thus Tan Kah Kee & Co., a multinational in S. E. Asia and China from the late 1890s with interests in commodity production, manufacturing and banking failed in 1932. This attracted detailed reports from accountants Rennie and Lowick as well as from Western and Chinese banks affected by the collapse. For the years 1922-1934, detailed reports on production, finance, export-import data for the various subsidiaries of TTK were collected by the accountants. These are easily located in both the HongKong Bank Archives as well as in the Chartered Bank Archives, both of whom were major creditors of TTK.

The intricate details in the manufacture of shoes, cycle tyres, that are contained in these reports as well as the Chinese networks responsible for retailing the manufactured goods, inform the business historian of how TTK used assets in S E Asia to sustain industrial ventures

in S. E. Asia, China and Hong Kong. Important information on Chinese retailing techniques are also detailed in these reports. Thus when these bankruptcy records are used in combination with macro-economic data for the period, they help explain the responses of Chinese entrepreneurs to international cycles of growth and decline. The commodity slumps of the early 1920s and early 1930s as well as the early 1970s unleashed important phases in the restructuring of Chinese business in S. E. Asia. The takeovers, mergers occurring simultaneously with the demise of some Chinese companies can be better understood from a detailed study of these bankruptcy records.

The stock exchange and securities Commissions in the major cities of S.E. Asia also possess documents essential for business history. Directors' reports, balance sheet, share issue, redemption or conversion of a class of share or stock, reports and minutes of company meetings were deposited here. Thus one can estimate a time scale of changes in the capitalization of the firm, replacement of directors, how the company performed, and some explanations as to why certain policies were pursued, where annual balance sheets were included. This would provide valuable insights into sources of capital, land buildings and other assets, some idea of liquidity, gearing and information on profits and losses of the firm. However since many Chinese entrepreneurs treated shares issues and loans to subsidiaries in a cavalier fashion, this could also confuse the researcher on overall information. Gross sales, detailed breakdown of operating costs, net sales revenue, directors fees, dividend payments, depreciation and balance carried forward, can all be traced from the records both at the Ministry of Commerce and Industry and the Stock Exchange.

One could then construct trends in profit ratio of the company, as well as use to appraise competition, efficiency of the regional location and explain the basic financing policy of the company. With the Stock

Exchange reports and prospectuses, some caution needs to be exercised. Some government were lax - thus optimistic statements rather than accurate statistics were deposited. But nevertheless, the tranche of documents which include prospectuses, articles of associations, details of allotment of shares, copies of shares certificates, as well as financial statements from company's bankers all provide critical snapshots of the company at integral points of financial and organizational restructuring taking place within the company.

This time series of capital usage or sources of capital may be constructed and these are of some value in appraising Chinese entrepreneurial attitude to finance and financial risk. Here again, the unsophisticated use often by major Chinese firms even in the contemporary period of essential items such as depreciation and assessment of assets, payment of dividends, maintaining reserves, etc., make it difficult for accurate business interpretations.

The complicated relationship of the main company, its subsidiaries, networks, lineage and charity trusts further add to this problem. There is also the issue of bias in many of these reports, often used to encourage investors rather than present accuracy of reporting.

Third source of Chinese business history are the press reports in business and financial journals, and weeklies such as the *Far Eastern Economic Review*, the *Asian Business*, and *Business Times*; the latter 2 published in Singapore, the other in Hong Kong.

Thus from specialist papers and journals like *Asian Business* to daily newspapers like the *Straits Times*, *Bangkok Post*, editorials, features articles on specific Chinese companies are immensely valuable.

The newspapers also carried information on the index of share prices as well as new products, and price

changes of commodities. Advertisements are equally important for information on the products available, pricing, detailed specifications of product itself, and indicating trends in marketing it. For example in the mid-1930s, Chinese capitalists such as Lee Kong-chian attempted to diversify into beer production in Singapore. The competition here was with Heineken and details on their separate brews, their retailers etc. were condensed in these advertising strips.

The editorials of these newspapers were wide ranging and often included feature articles on particular firms, reports of new appointments to the board, obituaries of famous industrialists, details of new products, technological advances, information on competitors, dividends paid contracts for tender, the list of firms facing bankruptcy, state of trade and negotiations with Government over legislative changes. This wealth of information could form the background for company histories.

The fourth source is company archives itself. This is undoubtedly the richest source but is frequently limited because of a company's access policy. Company archives include minute books, ledgers, journals litterbooks, directors' correspondence etc., The range is simply enormous. Company archives may also include documents relating to the general development of the industry, monitoring fluctuation in a particular locality to identify firm's operation. These internal records may also shed light on competition and the competitors. Inevitably the bias in this source is towards large businesses which maintain private archives.

The fifth important source is that of bank archives. They can prove to be the most accurate and valuable. They not only provide details on the financial transactions of Chinese businessmen, but also the purchase of bullion, and foreign exchange on a day to day basis. Bank frequently hold Chinese companies audited accounts,

balance sheets, since they were vital in assisting the banks to evaluate their lending to these companies. Bank archives also contain share price data as well as miscellaneous economic information, providing a background to company transactions. That is how far geographical location, local economic conditions, local interest rates, specie flows in the region etc., affected the performance of a Chinese enterprise. Detailed comparisons can be made through the records of the banks branches which operated multinationally. For example, the HongKong Bank in Singapore had access to the credit rating of major Chinese multinationals operating in Asia, through its headquarters in Hong Kong which collated such information. This would identify not only the bizarre behaviour of some Chinese entrepreneurs but also ensured that vast multinational lending operations were possible with sufficient guarantees for the lender. Banks are naturally sensitive to disclosing information relating to private accounts and maintain a strict 30 years limit but often access is provided on an individual basis, depending on whether the Chinese capitalist involved was still on this planet.

The sixth source is that of country record offices, local history collections, collections of private papers relating to land, buildings, local directories, wills and inventories, records of local Chambers of Commerce and business and clan associations such as Hui, Gongsi, and lineage. Dr. Choi Chi-cheung's innovative research on the Sino-Thai rice company, Wanglee, (1870-to the present) has used these local records both in Wanglee's home village near Shantou, as well as diverse records in Bangkok.

Among the most impressive of private collections is that of Tan Cheng-lock in the Malaysian and Singapore Archives. There are also important collections of Chinese private papers in the Universities of Malaysia, Singapore, Thailand and Indonesia. The Oral History Archives in Singapore is the focus of much archival collection on

Chinese entrepreneurs of the more recent past. These manuscripts are essential when investigating Chinese business in S.E. Asia and abroad.

Records of professional bodies also contain useful information. These organizations relating to brewing, manufacturing banking, shipping, industrial and agricultural activities are often located in major cities in S.E. Asia and access is readily available. The Malayan breweries Archives in Singapore contains materials relating to Lee Kong-chian and the Chinese networks in soft drinks manufacture when they attempted to move into beer production in the early 1930s. The Rice Growers Association in London has an impressive collection of materials on Chinese rice traders in Asia in the 19th and 20th centuries.

Finally, the use of corporate biographies in constructing details of Chinese business is rampant among sociologists, anthropologists as well as business

historians. Caution is necessary here. They are effusive in their praise of the entrepreneur, and often provide little insight into how he accumulated capital nor how the firm was organised. A more rigorous interpretative volume is *Stepping Out: The Making of Chinese Entrepreneurs in Singapore* by Chan Kwok-bun and Claire Chiang Sue-ngoh.

Within this type of source on Chinese businessmen are the cremation volumes of major Chinese capitalists. They contain essential data on village origins, networks, achievements etc. This tradition of producing a cremation publication is particularly popular in Thailand. These can be located in clan association libraries as well as on the stalls in the Central Market in Bangkok, when families disposing of their household paraphernalia, they also reject their ancestors' cremation volumes. These can fill the gaps in existing Chinese business history resources.

---

## 從圍村的告示板談起

陳國成

香港科技大學人文學部

從事田野考察時，除了訪問、參與當地各種活動外，文字資料的收集亦是不可或缺的。文字資料包括甚廣，由族譜、家譜、屋契、地契、買賣借據、族產進支簿，以至村中的一些通告等，都是研究及理解當地社區的重要資料。下文筆者將以新界粉嶺圍彭氏宗族為例，概述村落的告示板上提供的文字資料，和它們如何幫助我們理解當地的社區。

由1993年至1995年間，筆者斷斷續續的在該村進行考察，而拍攝村中告示板上的通告，亦是其

中的一項工作。在告示板張貼的通告，內容十分豐富，如申請及通知承繼財產物業通告，村中各房派祭祖活動及祖／族產轉換司理人及核數人通告，丁屋申請事宜，村代表與政府部門往來文件（如村中的公共設施增建及修葺，政府有關新界村落事宜的通告等），甚至包括村民私自張貼的函件（內容由抨擊村中事務至個人宣傳等）。記錄告示板上的通告，既可以蒐集文字資料；同時，我們更可以透過村民對通告的反應，理解當地村民之間的關係。筆