

INCOME AND INVESTMENT AMONG OVERSEAS CHINESE

CHUNG-HSUN YU

INTRODUCTION

INCOME AND investment among overseas Chinese may be used as useful indices in determining their general economic power throughout the world. Here I will attempt to give some quantitative estimates of these two indices and a number of preliminary considerations based on them.

Quantitative estimates should naturally give way to qualitative analyses such as, in the case at hand, to give some theoretical clarification of the relationship between income and investment of overseas Chinese. In this particular article, however, the principal objective is to determine the quantitative aspects as a prerequisite for qualitative analysis. Let us note, therefore, that the title of this article should not be taken to mean that there is an interrelationship between the two items but only a numerical clarification of the two separate indices.

There have been a number of estimates regarding investment by overseas Chinese, specifically that by H. G. Callis [5] [6]. On the other hand, this article should prove the first estimate on the income of overseas Chinese. For investment figures, may I simply refer the readers to other studies of mine, such as [33] [34], where both prewar and postwar figures are given (prior to the Great Depression, immediately before World War II, in 1965, and in 1968).

The principal emphasis in this study is thus on the income of overseas Chinese, and the newest available data have been used for the purpose. We will touch upon investment only very briefly and insofar as it is necessary in our preliminary remarks on the relationship between the two.

Please note, however, that figures as given in this article will be indeed very rough and even primitive estimates only to give some idea of how high the income level of overseas Chinese is. Let us hope that this article will provoke further studies on the subject matter and eventually produce better estimates.

I. ESTIMATE OF INCOME OF THE OVERSEAS CHINESE

Let us try to determine the income level of overseas Chinese through the following steps: (1) produce an estimate of the share of the income of overseas Chinese in the total national income of the countries in which they reside; (2) determine the national income of the resident countries in U.S. dollars; (3) arrive at an estimate of the actual income of overseas Chinese by multi-

plying (2) by (1); (4) produce per capita income by dividing (3) by the number of the Chinese in respective countries; and (5) give a summary of the above.

The concepts of national income and income of overseas Chinese as used here are Keynesian, and national income statistics are obtained from U.N. estimates. Some have the opinion that national income as such should include only primary or original income and thus preclude such secondary or derivative income as that accruing from services. Theoretically I support this view, which was actually used in determining the income level of overseas Chinese in West Malaysia [34, p. 138, Table 2].

In spite of my theoretical inclination we use Keynesian terms for the following two reasons. First, relatively ample data are available in the Keynesian frame of reference, making it convenient to make comparative studies. Second, we hear of national income, GNP, and other concepts in our daily life so frequently that it is much easier to obtain concrete images in our mind if such familiar terms are used.

Unless otherwise mentioned, all national income statistics (and those for GDP) are taken from [26, pp. 186–90, Table 61], and the exchange rates from [26, pp. 216–19, Table 66].

A. *Chinese Share of National Income in Southeast Asian Countries*

The relative weight of the income of overseas Chinese in the total national incomes of various Southeast Asian countries (in which there are resident Chinese) has been already given in [34, pp. 3–5] and [35, pp. 54–58]. Although it is possible that some changes have occurred since these estimates were made, we use them as our starting point here for the lack of better estimates. A summary of these previous studies follows.

1. *West Malaysia and Singapore*

The relative share of income of overseas Chinese is estimated on the basis of taxable incomes in 1948 and 1951 as presented by V. Purcell. For 1948 the share was 36.7 per cent in West Malaysia and 42.1 per cent in Singapore (it is presumed that there are no overseas Chinese among nonresidents) [21, pp. 707–8].¹

These figures, however, seem to take into account only individual income. We thus proceed to the more often quoted and more broadly based 1951 figures [22, pp. 170–71]. In West Malaysia individual income fares best, of which the Chinese share is some 18.9 per cent. It is followed by corporate income, but since the precise percentages are lacking, we assume that resident corporate income share is approximately the same as that of resident Chinese income in total individual income (although this would obviously constitute an optimistic estimate since European firms should have a higher share in corporate income). If we further take into account the small income accruing to non-resident Chinese in the total individual income (which is practically negligible

¹ The second edition published in 1965 lacks these figures.

in the case of the overseas Chinese) plus the overseas Chinese income share in the total of trusts and associations income, etc., we would say that the percentage of Chinese share in the total national income of the country should be 27 to 28 per cent at most.²

As for Singapore, the same process of calculation yields the maximum possible figure of approximately 30 per cent, even after counting the corporate income of Chinese in this country (in particular the resident corporate income), which may well have a greater share than in West Malaysia.

These figures are all for the early postwar period, which was followed by an expansion of foreign capital, particularly American and Japanese in place of previous British interest, and the advances made by Malays under the government emphases on the indigenous Malay population in its economic policy. These phenomena can hardly be taken as affecting the Chinese favorably in their income shares.

2. *Indonesia*

Since there are no available data for recent years, we must depend on rather old figures, of which there are several types.

(a) The Dutch Central Statistics Bureau in 1925 gave a figure of 17.3 per cent as the income share of all foreign Asiatics (mostly Chinese but including Indians and Arabs and excluding Japanese)—amounting to 135 million guilders of the total Javanese taxable income of 780 million guilders.

(b) In 1925, the income tax levied on all foreign Asiatics amounted to 9 million guilders out of the total income tax of 48.5 million guilders, or 18.5 per cent.

(c) Immediately preceding the World Depression, the total Javanese annual income was 2,500 million guilders, out of which 12 per cent, or 300 million guilders, accrued to the Chinese.

(d) In 1938, due to a more precipitous drop in the economic power of native Indonesians during the Depression, foreign Asiatics occupied 23.4 per cent of the total taxable income throughout Indonesia, or 124 million guilders out of 530 million guilders.³

(e) According to data cited from Dutch authorities by the late D. N. Aidit, leader of the Indonesian Communist party with the biggest membership of Communist parties in the West at the time, foreign Asiatics occupied about 20 per cent of the total national income in 1941 [1, p. 81].

One might assume that diminished Dutch interests in the postwar era have boosted the economic power of the Chinese. In actuality, however, their economic power should not be estimated as being greater due mainly to two factors: most figures above include Indians and other Asians under the category of foreign Asiatics (note that if one takes only the Chinese in Java, where they are deemed as relatively stronger than in other areas, the figures goes down

² This point will be reexamined later in Section IIIA.

³ Sources for the figures in (a) through (d), see Erich H. Jacoby [14, pp. 42, 62-63].

substantially—see [c] above); and the Chinese in Indonesia have been persecuted on a large scale a number of times in the postwar period. Thus, at the most their income is about 10 per cent of the total national income of Indonesia.

3. *Philippines*

In 1956, Huang Ming-tê showed that Philippine national income was over 7,000 million pesos per annum, and the Chinese proportion approximately 500 million pesos [12, p. 142]. Generally his various estimates are overestimates and in addition he does not cite sources in making this statement. If we assume that he is correct for the time being, the income of the Chinese in the Philippines should be less than 7 per cent of the national total.

Huang also shows that the Philippine government average revenue from taxes is about 500 to 600 million pesos, that local government revenues are about half that of the national government, that the total revenue from taxes in this country are thus about 1,000 million pesos, and that the Chinese share of this total is about 100 million pesos or 10 per cent [12, p. 139]. His estimate of the share in income matches this figure (a difference of about 3 per cent can be explained by the higher tax rate on merchants and industrialists than on peasants, the Chinese more numerous in the former and Filipinos in the latter).

G. H. Weightman shows, however, that the Chinese share (on nationality basis) in 1949 taxable income was 15.3 per cent and 12.0 per cent in total tax payment, somewhat higher than the figures that Huang gives. But the indigenous Filipinos were economically weaker in 1949, the position of the Chinese has been declining, and Weightman's figures on the Americans are an underestimation (13.0 per cent for the income and 25.8 per cent for the total tax) [28, p. 156, Table 13]. Thus, even when using overseas Chinese in the broad sense of the term (i.e., including those with Philippine nationality), a figure of less than 7 per cent as given by Huang remains the best estimate available at the moment.

4. *South Vietnam*

Due to the lack of data on the income of the Chinese in South Vietnam, the Chinese share must be calculated on the basis of the tax paid by the Chinese who are licensed by the authorities for various trades. In all the states except Saigon and Cholon, 33.5 per cent of total tax go to overseas Chinese (which may mean only Chinese nationals), while in Saigon and Cholon 44.4 per cent, making the national average 40.1 per cent (calculated from the table in [16, Sect. 17, p. Q26]).

Here again we must consider the fact that a relatively greater number of Chinese are engaged in trading, that the European share of 16.9 per cent is an underestimation and, in particular, 4.5 per cent in all the other states except Saigon and Cholon (in view of South Vietnam's history as a long-time French colony), and that the Vietnam War had been expanded since then to give a stronger position to American capital. (It may be due to the calculation method that the figures for the Europeans appear so low. The above figures are obtained

by multiplying the median of taxes paid by the number of traders who come in the above range in their tax payment, but in the case of economically powerful Europeans the graph should be skewed toward the higher tax brackets.) Our tentative conclusion should perhaps be that the relative weight of the Chinese in South Vietnam in the total national income is 10 per cent at the most.

Let us summarize our findings so far: The percentage figures show the shares of incomes of overseas Chinese in various countries as follows: around 30 per cent in Singapore, 27 to 28 per cent in West Malaysia, 10 per cent in Indonesia, less than 10 per cent in South Vietnam, and less than 7 per cent in the Philippines.

B. *National Incomes of Southeast Asian Countries with Overseas Chinese*

Let us proceed to examine the national incomes of these five Southeast Asian countries where various numbers of overseas Chinese reside. They will be expressed in terms of U.S. dollars (all subsequent mention of dollars are U.S. unless otherwise specified). Ignoring the years in which the data were taken, we will examine them in order of national income size.

1. *Indonesia*

Indonesian national income was 4,110,000 million rupiahs in 1972, when the exchange rates were 374 rupiahs to a dollar (export rate) and 415 rupiahs to a dollar (import rate), with the average of 395 rupiahs to a dollar. The national income of Indonesia then was 10,405 million dollars in 1972.

Since there is a case that no national income figures but only the gross domestic product (GDP) in terms of the selling price are available for the other countries, the size of Indonesia's GDP, for the sake of comparison, was calculated as 4,539,000 million rupiahs in 1972, or 11,491.1 million dollars.

In order to save space, only the end results are given for the following countries without repeating the same calculation process.

2. *South Vietnam*

South Vietnam's national income in 1971 was 7,915.2 million dollars, while its GDP in 1973 was 2,838.12 million dollars. The sharp drop in these two years was nominal, since it was due to changes in the exchange rate. The rate was fixed at 118 piastres to the dollar until 1971, and in December 1971 it moved to selling rate until 1973 when it was 550 piastres to the dollar.

The reality is either that the 1971 national income figure is too big or that the 1973 GDP figure is too small, or that both are true. Since there is no way of ascertaining which really is the case, they must be taken as they are.

3. *Philippines*

National income in 1972 was 7,592.8 million dollars, while GDP was 8,662.7 million dollars.

4. *Singapore*

United Nations statistics gives no national income figures for this country. Its GDP in 1973 was 3,870.28 million dollars.

5. *West Malaysia*

Its 1968 national income was 2,581.49 million dollars, while its 1971 GDP was 3,525.86 million dollars.

C. *The Incomes of the Overseas Chinese*

In order to arrive at incomes or GDPs accruing to overseas Chinese in the five countries, we only have to multiply the actual total national incomes of these countries by the percentage figures indicating the shares of the total going to the overseas Chinese, having been shown in Section B and Section A respectively. The end result is shown in order of size.

1. *Singapore*

The GDP accruing to the overseas Chinese in this country is obtained by multiplying the 1973 GDP figure of 3,870.28 million dollars by the percentage weight going to the Chinese, 30 per cent. The result: 1,161 million dollars.

Let us list only the final figures for the remaining countries.

2. *Indonesia*

The Chinese income in 1972 was 1,040.5 million dollars and the Chinese GDP 1,149.11 million dollars.

3. *South Vietnam*

The Chinese income in 1971 was 791.52 million dollars, and the Chinese GDP in 1973 was 283.81 million dollars. As has been noted, it is unrealistic to have such a big difference between these two figures.

4. *West Malaysia*

The Chinese income in 1968 was 709.9 million dollars and GDP in 1971 was 969.61 million dollars.

5. *Philippines*

Chinese income in 1972 was 531.5 million dollars and GDP 606.39 million dollars.

Without taking into account the difference in the years in which the data were taken, we can mechanically add these figures and arrive at a total income accruing to overseas Chinese in the four Southeast Asian countries (except Singapore) at the beginning of the 1970s as being 3,073.42 million dollars and the total GDP accruing to the overseas Chinese in the five Southeast Asian countries as being 4,169.92 million dollars.

Due to the meager data available, it is extremely risky to make an estimate

of the total income and/or GDP accruing to the overseas Chinese in all of Southeast Asia, including Thailand, Burma, Cambodia, East Malaysia, and Laos (and Singapore for the income figure), or in the entire world. But let us attempt an admittedly rough estimate, which may serve as a useful springboard for further studies: the total income of Chinese in Southeast Asia is approximately 6,000 million dollars, and total GDP is approximately 6,300 to 6,400 million dollars. The total income of Chinese in Asia including Japan and India (excluding, however, Hong Kong, Macao, and socialist areas) is about 6,500 million dollars, and the total GDP of Chinese in Asia is about 7,000 million dollars, the total income and GDP of overseas Chinese in the world are respectively about 7,000 million and 8,000 million dollars.

D. *Per Capita Chinese Income*

Per capita income is based on averages, and as long as there is a large imbalance in income distribution, it can even be called a vain figure.⁴ As mentioned however, we calculate per capita income only in order to get a rough idea of overseas Chinese economic power in individual countries, in all of Southeast Asia and in the world.

In order to arrive at a per capita income figure, one must first know the population size in these countries. The Nationalist group in Taiwan publishes detailed Chinese population statistics for each country, although they are based on the principle of blood lineage and give very high figures, since they count all as Chinese whose fathers are Chinese.

In such figures probably those Chinese who have already fully been indigenized are included. Naturally there are rather large differences between the figures given by Taiwan and those given by the authorities of countries where overseas Chinese actually reside. Those countries generally determine nationality by place of birth.

My judgment is from my own definition: those Chinese and their descendants, who moved overseas on a large scale during the age of imperialism and who now are forced to assimilate to an indigenous population in the midst of conflict and confrontation between imperialist and indigenous peoples, although they have not completely lost Chinese characteristics (or conversely have not completely acquired indigenous or third people characteristics) [34, p. 16]. My estimate of the overseas Chinese population would thus be considerably much less than that of the Nationalist group.

On the other hand, however, some Southeast Asian countries give rather high figures for Chinese populations in their territories. For instance, West Malaysia

⁴ It is true that there are rich overseas Chinese, some of them even forming financial cliques, but one should not overlook the existence of the large number of impoverished overseas Chinese. For class structure and size of overseas Chinese financial cliques, see Yu [34, Chap. 8 and Chap. 6, Sect. 3 and 5] as well as [35, Chap. 3, Sect. 2 and 3].

The education of children of working Chinese in rubber plantations in Malaysia was studied as an aspect of mass poverty of overseas Chinese in Colletta and Wong [10].

gives 3,237,000 for the end of 1968 [17], and 3,122,350 for August 24, 1970,⁵ and Singapore says those population is 1,663,440 for June 1973.⁶

The figure given by Taiwan for the Philippines is on the order of a mere 100,000, and this takes into account only those with Nationalist Chinese citizenship, while Ch'ên Lieh-fu estimates that there are 6 to 7 million Chinese by blood.⁷ With figures given by Lea E. Williams [30, p. 11], W. E. Willmott [31, p. 254], George H. Weightman [29, p. 315, note 2 and p. 319], and Bernadino Ronquillo [23, p. 27], the Nationalist group figure of 100,000 is far too conservative.

Williams, Willmott, and Weightman give 450,000, while Ronquillo asserts that there are 500,000–1,000,000 Chinese nationality holders. Garth Alexander also reports that the Chinese population in 1969 was 500,000 [2, p. 246, Appendix 3].

However, figures applying to West Malaysia, Singapore, and Philippines should be interpreted as including a large number of Chinese who have already been assimilated. The actual numbers of overseas Chinese in these countries must be smaller. It may well be, however, that parts of the income figures calculated above as those of overseas Chinese are actually going to assimilated Chinese. The above point thus may be almost irrelevant.

Based on such considerations, let us say for our present purpose that overseas Chinese populations in the Southeast Asian countries in the 1970s are as follows: about 3 million in West Malaysia, 2.7 million in Indonesia, 1.6 million in Singapore, 1.1 million in South Vietnam, 400,000 in the Philippines, 13.5 million in the entire region of Southeast Asia, and 14 to 15 million in the entire world.

Per capita income of the overseas Chinese in each of these countries can be calculated from total Chinese income divided by respective size of population. Without paying much attention to timing, we can make a rough estimate on the order of size of per capita income.

1. *Singapore*

Dividing Chinese GDP of 1,161 million dollars by a population of about 1.6 million, a per capita GDP of about 726 dollars is obtained.

2. *Philippines*

Chinese income in 1972 of 531.5 million dollars divided by a population of about 400,000 gives about 1,329 dollars per capita. Per capita GDP comes to 1,516 dollars, by dividing the total Chinese GDP of 606.39 million dollars by the same population.

3. *South Vietnam*

The 1971 income of 791.52 million dollars and the population of about 1.1

⁵ [18]. There are no clear reasons why the population decreased from the end of 1968 to August 1970.

⁶ See, Singapore, *Yearbook of Statistics, 1972/73*.

⁷ [8, p. 141] [7, p. 6]. See also [8, pp. 36–37]. Ch'ên takes the view that there are only several hundred thousands overseas Chinese in the Philippines [7, p. 8] [9, p. 211].

million, give a per capita income for overseas Chinese of 719 dollars. The 1973 GDP accruing to the Chinese here give a per capita GDP of about 258 dollars. The difference between the above two figures does seem excessive to match reality.

4. *Indonesia*

The 1972 income of 1,040.5 million dollars divided by Chinese population gives a per capita income of about 385 dollars. Per capita GDP for the same year is about 426 dollars, 1,149.11 million dollars divided by the same number.

5. *West Malaysia*

Dividing 1968 total income of overseas Chinese, 709.9 million dollars, by the Chinese population, about 3 million, we arrive at a figure of about 239 dollars per capita. Total Chinese GDP in 1971 of 3,525.86 million dollars gives a 323 dollars per capita GDP.

Table I summarizes the findings in Section I.⁸

TABLE I
ESTIMATED INCOME AND GDP OF THE OVERSEAS CHINESE

Country or Region	Year	Total Chinese Income (U.S. \$ Million)	Total Chinese GDP (U.S. \$ Million)	Per Capita Income (U.S. \$)	Per Capita GDP (U.S. \$)
Singapore	1973		1,161		726
Indonesia	1972	1,040	1,149	385	426
South Vietnam	1971	791	284*	719	258*
West Malaysia	1968	716	970†	239	323†
Philippines	1972	532	606	1,329	1,516
		(U.S. \$ 100 Million)	(U.S. \$ 100 Million)		
Southeast Asia as a whole	} beginning of the 1970s	60	63-64	444	470
World		70	80	485	550

* 1973.

† 1971.

⁸ For the sake of reference I have cited two previous overseas Chinese income and GDP estimates of my own. Due to less accurate population figures used in these estimates, the present estimate as shown in Table I should give a better picture.

ESTIMATED INCOME OF THE OVERSEAS CHINESE

Country or Region	Year	Total Chinese Income (U.S. \$ Million)	Per Capita Chinese Income (U.S. \$)
West Malaysia	1966	569-590	203-211
Indonesia	1967	570	228
Philippines	1967	367-448	3,928-4,477
South Vietnam	1965	283	208

Source: [35, pp. 58-59].

II. INVESTMENT BY THE OVERSEAS CHINESE

As stated at the beginning, I have already made two estimates of overseas Chinese investment in Southeast Asia. These are summarized in Table II.

Total investment by overseas Chinese in the world, including other Southeast Asian countries/regions such as East Malaysia (Sabah and Sarawak), Cambodia, Laos, and Brunei, other parts of Asia, the Americas, Oceania, and Europe, is estimated at a maximum 3,500 million dollars in 1965 and 4,000 million dollars

TABLE II
ESTIMATED INVESTMENT BY OVERSEAS CHINESE IN SOUTHEAST ASIA
(U.S. \$ million)

Country or Region	Prewar		Postwar (1962 Price)	
	Great Depression Period	Immediately before the War	1965	1968
West Malaysia and Singapore	200	150	1,000	1,200
Thailand	150	100	600	700
Philippines	100		400	500
Indonesia	200	150	300	400
South Vietnam*	—	80	50	80
Burma	—	14	50	50
Hong Kong†	—	—	600	600‡
Total	744-594		3,000	3,530

Sources: [33, Vol. 7, No. 2, p. 90, Table 10] [34, p. 173].

* Indochina during the prewar period.

† Investment in Hong Kong by overseas Chinese outside of Hong Kong only.

‡ As of September 1967.

ESTIMATED INCOME AND GDP OF THE OVERSEAS CHINESE

Country or Region	Year	Total Chinese Income (U.S. \$ Million)	Total Chinese GDP (U.S. \$ Million)	Per Capita Chinese Income (U.S. \$)	Per Capita Chinese GDP (U.S. \$)
West Malaysia	1967	687.77	852.23	218	262
Indonesia	1968	612.20	663.15	245	265
Singapore	1970		586.37		371
Philippines	1970	482.00	532.11	482	532
South Vietnam	1967	293.22	283.90	293	284
		(U.S. \$ 100 Million)	(U.S. \$ 100 Million)		
Southeast Asia as a whole	} at the end of 1960s	33-34	38-39	258	296
World		38-39	46-47	275	332

Source: [37, p. 44, Table 1].

in 1968. Most of it is merchant capital, in the form of commodity or money capital.

What this means in terms of investment is that this capital is principally in the hands of bourgeois overseas Chinese and embraces only that capital acquiring surplus value or multiplying itself. It is neither overseas Chinese assets including land, housing, jewelry, stored currencies, and sometimes general living means, i.e., the total value of all possessions, nor is it within the Keynesian concept of investment, which includes not only that portion stored in the hands of petit bourgeoisie (including farmers), in particular the upper half (it is used for extended reproduction—partly transforming itself to capital), but also such non-productive consumption fixed assets as private housing. It is also not overseas Chinese funds which include consumption funds. My concept is more narrowly defined than any of the above three.

The concept of overseas Chinese, most broadly defined includes not only (1) inherently overseas Chinese capital, but also (2) part of the capital of those who are descendants of genuine overseas Chinese who are falsely considered as such but have been fully indigenized, (3) the capital of the Chinese that comes from China proper (after the founding of the People's Republic of China, Taiwanese capital), and (4) the capital that comes from other parts of the world in the above three categories. They cannot be distinguished in actual computation.⁹

All the figures cited above include neither the inflow of overseas Chinese capital to China proper, nor capital investment by those Chinese in Taiwan, Hong Kong, and Macao. The Chinese government calls those in Hong Kong and Macao "Hong Kong and Macao compatriots," distinguishing them from other "overseas Chinese" or "patriotic overseas Chinese," which distinction is followed in this article also. Thus, the Chinese population or world capital investment excludes that part coming from Hong Kong and Macao.

Such a concept of overseas Chinese investment and these estimates in the pre- and post-war (1965 only) eras are considered to be the best available and accordingly supported by M. A. Andreev in the USSR.¹⁰

⁹ For a more detailed discussion of the concept of overseas Chinese capital investment, see [34, Chap. 5, Sect. 2].

¹⁰ [3, No. 4, Aug. 1967]. Also, cf. [3, No. 2, June 1968]. Chung-hsi Wu gives essentially identical figures to mine as estimate of overseas Chinese capital investment in South-east Asia applying to the prewar and postwar (1965 only) periods. He, however, misquotes my figures for "1930 and 1940" as 744 million dollars and 594 million dollars respectively while my estimates are 744 million to 594 million dollars for the "prewar era." Thus he fails to reach an alleged total of 594 million dollars for 1940 when all component items are added.

I might mention in passing that Wu merely cites *Kuochi chingchi tzuliao yüehk'an* [International economic information monthly] (Taipei), Vol. 17, No. 3 (September 1966), as his source and fails to mention my name or articles [32, Chap. 17, p. 419, Table 17-4].

III. SOME PRELIMINARY CONSIDERATIONS

A. *International Comparisons*

Based on the above estimates of income and capital investment of overseas Chinese, we may proceed to the following preliminary international comparisons.

The overseas Chinese have the highest capital investment in West Malaysia and Singapore, and if these two are combined, the income (or GDP) is again highest. What is most remarkable is the fact that the order for Indonesia and the Philippines is reversed. In income, Indonesia is next only to West Malaysia and Singapore while the Philippines occupies third place in investment. Indonesia follows the Philippines in capital investment by overseas Chinese. Indonesia is higher in terms of total income accruing to overseas Chinese, but the Philippines is higher in terms of investment.

This probably is indicative of the fact that the activities of the bourgeois Indonesian Chinese were restricted during the Suharto regime. More fundamentally, however, the Philippines has a much smaller Chinese population but large investment as well as a far higher per capita income, indicating the higher status the Chinese bourgeoisie enjoys in this country. In more concrete terms, (1) the Chinese bourgeoisie is more numerous in relative terms than in Indonesia, and (2) the Chinese bourgeoisie in the Philippines as a whole has a greater investment power than their counterparts in Indonesia.

This corresponds to the fact I previously explicated on another occasion that the Philippine Chinese bourgeoisie has a comparatively greater weight in the Chinese population [34, pp. 308-9].

The Philippines is in the first place in per capita income, followed by South Vietnam, Indonesia, and West Malaysia. In per capita GDP, the Philippines is again first, followed by Singapore, Indonesia, West Malaysia, and South Vietnam.

Here we note that, aside from the unusually high figure for the Chinese in the Philippines, South Vietnam fares unexpectedly well (although it goes down the list if total GDP for the Chinese is taken), while West Malaysia fares very poorly.

The favorable position enjoyed by the Chinese in South Vietnam is due in part, as has been already pointed out, to the exchange rate on the U.S. dollar. However, it may well be that more fundamentally the prolonged war in this country are bringing unexpected advantages to the Chinese economy there.

It is true that, in spite of the unexpectedly low showing for Chinese in West Malaysia, there is a small group of very rich and comprador bourgeoisie among them (including the bureaucratic bourgeois class). They are represented by the Malayan Chinese Association with its leader, Finance Minister Tan Siew Shin, forming a powerful wing of the Alliance in power. However, it should be a stronger indication of the poverty of the masses of the Chinese in West Malaysia.¹¹

¹¹ For class structure of the Chinese society in West Malaysia in quantitative terms, see

It is also possible that my calculation of the relative weight of the Chinese income against the total national income of West Malaysia—27 to 28 per cent—is too low. In fact, there are other higher estimates, like the one by T. H. Silcock at 53 to 54 per cent in 1957 [24, p. 3, Table 1.2 and p. 279, Appendix A, Table A.5],¹² another by K. Suzuki at 38 per cent [25, p. 11], and still another by Kazuji Nagasu at around 40 per cent [19, pp. 99–100]. But Silcock himself admits that his figure is rather arbitrary (for instance, he gives the figure of 3 per cent as the share of the Europeans), and Nagasu cites no sources.

Suzuki is quoting another source, which I have not been able to check. (I intend to do so in the future.) But if, as Suzuki and Nagasu claim, the figure of about 40 per cent is correct as the relative weight of the Chinese income in this country even in 1968 and 1971, then Chinese income in West Malaysia in 1968 must be 1,032.6 million dollars, the per capita income about 344 dollars, total GDP in 1971 1,410.34 million dollars and a per capita GDP of about 410 dollars. Silcock claims that 1957 per capita Chinese income was 837 to 848 Strait dollars, about 251 to 254 U.S. dollars.

If the relative Chinese share of the total national income of West Malaysia is about 40 per cent instead of 27 to 28 per cent, then capital investment by the Chinese in West Malaysia and Singapore becomes much greater than my figure, which was based on the lower figure of 27 to 28 per cent. However, even if the higher percentage figure is correct, the fact still remains that West Malaysian Chinese are the poorest compared to other countries in terms of per capita income. In per capita GDP the order changes slightly.

B. *International Levels of Income of the Overseas Chinese*

Next to be examined is (1) the relative share of the income/GDP of overseas Chinese in comparison to the national income/GDP of the principal Southeast Asian countries in the aggregate, and (2) income level positions of overseas Chinese (including per capita income) in terms of other countries and regions.

First, without paying attention to the years in which the data were obtained at this time, we add up the total national income/GDP of Indonesia, South Vietnam, Philippines, and West Malaysia, deriving a total of 28,494.49 million dollars. Since the total income accruing to Chinese in the same four countries is 3,079 million dollars as in Table I, their percentage of total national income is 10.8.

If we also take Singapore into account and obtain total GDP for the five countries, it comes to 30,388.06 million dollars, and the same figure for the Chinese is 4,170 million dollars. The percentage is thus 13.7. In rough terms,

[34, Chap. 8]. See also [10] which sheds light on poverty situation as shown in the education of children of the working Chinese, as already pointed out.

¹² There is the now classic study by F. Benham of the national income of West Malaysia and Singapore which also gives the relative weight of Chinese income 57 per cent of the country's total. But he makes no distinction between West Malaysia and Singapore [4, Chaps. 1 and 4].

therefore, income accruing to Chinese in Southeast Asia occupies more than one-tenth of the total national income of the region.

Turning to the second question, if we assume, as shown in Table I, that the world total of overseas Chinese income is about 7,000 million dollars and the world total of the overseas Chinese GDP is about 8,000 million dollars, we see that these figures are rather close to the total for Taiwan, with about the same population during the period 1972-73.

Taiwan's national income in 1972 was 272,440 million new Taiwan yuans, or 6,794.02 million dollars at a rate of 40.10 yuans to the dollar. Likewise, 1973 national income was 331,550 million new Taiwan yuans, or 8,702 million dollars at a rate of 38.10 yuans to the dollar. Also Taiwan GDP was 292,209 million yuans (7,289.03 million dollars) in 1972 and 357,390 million yuans (9,380.32 million dollars) in 1973.¹³

Similarly, in terms of per capita income and GDP, overseas Chinese are about equal to Chinese in Taiwan in 1972-73.

From Table I we find that per capita income and GDP all of Southeast Asia at the beginning of the 1970s were respectively about 444 and 470 dollars. The same categories for the entire world are about 485 and 550 dollars.

On the other hand, we find that 1972 per capita income of Taiwan is about 449 dollars and 1972 per capita GDP is about 481 dollars, by dividing national income and GDP by the 15,140,000 population [13, pp. 96, 98]. Since the 1973 population is estimated at 15,650,000,¹⁴ per capita income for that year is about 556 dollars and per capita GDP about 599 dollars.

In sum, the income level of overseas Chinese around the beginning of the 1970s in both total and per capita terms is about the same as that of Taiwan. In other words, the overseas Chinese economy with a population equivalent to Taiwan and about the same income level is scattered about throughout the world, with some concentration in Southeast Asia.¹⁵

C. *Quantitative Comparisons of Chinese Investment with Foreign Investment*

Capital investment by overseas Chinese is not foreign investment as such. Generally it can be considered as part of investment by the indigenous population.¹⁶ Chinese investment should now be compared to foreign investment per se.

¹³ The figures were derived from [13, pp. 96, 98], for U.N. statistics includes no figures for Taiwan.

¹⁴ Since [13] does not give 1973 population for Taiwan, see [11, p. 301].

¹⁵ This may be an appropriate place to compare the national income of mainland China and its per capita income. Although it is quite doubtful if such comparisons are useful at all due to the entirely different social system, let us cite some figures for reference sake. According to an estimate by the U.S. Department of Commerce, China's GNP (per capita) is as follows: 147,000 million dollars (176 dollars) in 1970, 159,000 million dollars (185 dollars) in 1971, 161,000 million dollars (184 dollars) in 1972, and 172,000 million dollars (191 dollars) in 1973 (*Overseas Business Report*, June 1974, cited in [20, Oct. 1974, p. 55, Table 1]).

¹⁶ For a more detailed discussion of this point, see [34, pp. 127-28, and p. 134, note 1].

There are the estimates made by Callis of foreign investment in the prewar period. In 1930, this amounted to 1,997 million dollars in the Dutch East Indies, 756 million dollars in British Malaya, 385 million dollars in the Philippines, 280 million dollars in French Indochina, 220 million dollars in Burma, and 132 million dollars in Thailand; during the latter half of the 1930s, 2,264 million dollars in the Dutch East Indies (in 1937), 455 million dollars in British Malaya (1937), 384 million dollars in French Indochina (1938), 376 million dollars in the Philippines (1935), 233 million dollars in Burma (1939), and 124 million dollars in Thailand (1938) [5] [6].

These figures are all estimated private foreign investment. It was only in pre-Depression Thailand that Chinese investment exceeded foreign private investment.

In the postwar period, the U.N. ECAFE annual report for 1970 says that foreign private investment (direct investment plus long-term loans, including export credit) during 1960-69 was 1,098.4 million dollars in Thailand, 670.4 million dollars in the Philippines, and 32.34 million dollars in South Vietnam. The 1960-68 foreign investment (public investment of donation and long-term government loans plus private investment of long-term investment, long-term private loans and export credit, expressed in net terms) was 1,765 million dollars for South Vietnam, 1,704 million dollars for Indonesia, 901 million dollars for Thailand, 849 million dollars for Malaysia and Singapore, 664 million dollars in the Philippines, and 186 million dollars in Burma. Of the above total foreign investment, private investment was 639 million dollars in Malaysia and Singapore, 513 million dollars in Thailand, 203 million dollars in the Philippines, 32 million dollars in Indonesia, 12 million dollars in Burma, and minus 1 million dollars in South Vietnam [27, p. 13, Table 1-2-8 and p. 12, Table 1-2-7].

Chinese investment exceeds foreign private investment in Malaysia-Singapore, Indonesia, South Vietnam, and Burma, and exceeds total foreign investment, including state capital, in Malaysia-Singapore alone.

These investment figures provided by ECAFE, however, indicate only the flow during the period of 1960-69 or 1960-68. The accumulated total investment (stock) should naturally be much larger than the above even if one considers outflow during the period.

At any rate it seems that only in prewar Thailand and postwar Malaysia-Singapore does Chinese capital investment occupy comparable position with foreign investment.¹⁷ For instance, in Indonesia, Chinese investment exceeds 1960-68 foreign private investment. But Japanese accumulated investment alone

¹⁷ Andreev claims that direct investment by Great Britain, France, and the Netherlands to Southeast Asian countries registered a sharp drop in the postwar period and that Chinese investment in these countries would not be far behind [3, No. 4, Aug. 1967] [3, No. 2, June 1968]. Obviously, however, he is overestimating Chinese investment and underestimating so-called foreign investment by advanced capitalist economies, especially the United States.

on the authorization basis (including securities investment, bond purchases, direct foreign activities, and branch activities) went up from 353.966 million dollars at the end of March 1972 to 472.774 million dollars a year later, when it finally overtook Chinese investment in 1968 (in 1962 prices) [15, 1972, p. 337] [15, 1973, p. 376].

CONCLUSION

I have given a rough estimate of the income of the overseas Chinese, presented finished estimates of Chinese investment, and made some preliminary remarks on the basis of such data.

However, even when we restrict ourselves to quantitative issues there are many unsolved problems. Let me mention four categories in question. (1) With regard to overseas Chinese incomes, a comparison needs to be made of per capita Chinese income against the incomes of other groups in each country, comparison with the income of the indigenous population and of Europeans/Americans who are descendants of past colonial settlers (this will probably illustrate to some extent the degree of economic domination by former colonial powers in quantitative terms), and the distributive relations of Chinese incomes among various Chinese classes or strata (this will illustrate to some extent the degree of economic domination by the economically powerful within Chinese society in quantitative terms). (2) With regard to Chinese capital investment, reasons must be found as to why there was an increase in the postwar period compared to the prewar era (or in other words, the history of capitalistic development of Chinese economies), or comparisons among Chinese assets, Chinese capital investment in the Keynesian sense and Chinese funds. (3) Interrelationship between Chinese incomes and Chinese investment should be made as mentioned above. (4) Time series or historical considerations of the above points should be studied.

I have, however, been dealt with some of these issues in my own work, for example, the comparison between per capita Chinese income and per capita income of other groups in particular countries, reasons for the postwar rise in Chinese investment compared to the prewar period and degree of capitalistic development in the Chinese economies.¹⁸

Although we have been able to arrive at a tentative estimate of Chinese income and investment, we must further our studies to have greater accuracy in such areas as (1) a closer approximation of the relative weight of the Chinese income in the total national income of each country (not to measure the absolute but relative economic power of overseas Chinese), an estimate of the primary and original income of the overseas Chinese rather than secondary and deriva-

¹⁸ See, for example, for a comparison of per capita Chinese income with per capita income of other groups of the population in the same country [35, pp. 58-59, Table 6] [37, Sect. 5]; due to the increase of Chinese capital investment in the postwar period [34, Chap. 5, Sect. 8]; and for the capitalistic development in the Chinese economies with emphasis on Thailand [34, Chap. 4] [36].

tive income, better estimates of the Chinese population in order to arrive at more accurate per capita income estimates, as well as defining *hua-ch'iao* ("overseas' Chinese") more precisely in contrast with *hua-jen* ("Chinese people"), *hua-tzu* ("Chinese race"), *hua-yi* ("people of Chinese descent"), or ethnic Chinese, (2) a better estimate of that part of Chinese investment which begets surplus value or profit, a closer and more accurate comparison with foreign investment, or (3) time series or historical analyses of the above points.

These are problems of a more general nature to be pursued in the future. There have appeared more urgent problems in recent years, more specifically in 1970s. The oil crisis, the United Nations' Special General Assembly on Resources in April 1974, the United Nations' Conference on Law of the Sea in the summer of the same year, and other international meetings all signify the rising political and economic status of the Third World countries. On the other hand, the IMF system is crumbling, the entire world is beset with an accelerating inflation, and the more recent few years have observed a world-wide recession. The problem is how positively or negatively these phenomena affect the Chinese income and investment not only in Southeast Asia but throughout the world.

I will be more than rewarded if this paper serves as a stimulus to further studies along these and any other lines.

(This paper was written before the end of Vietnam War.)

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