

**Robert Bickers, *China Bound: John Swire & Sons and Its World, 1816-1980***, London: **Bloomsbury**, 2020. ix + 534pp., illustrations, photographs, archival sources, notes, index. Cloth; ISBN: 9781472949943, £27.00.

The organization chart of John Swire & Sons Limited (<https://www.swire.com/en/about/organisational-chart.pdf>) is a profusion. It displays, as of this writing, 106 boxes, each representing a company in which the privately held group holds a stake. There are cold storage warehouses in the United States, hotels in Papua New Guinea, a biodiesel company in Holland, and tea estates in Sri Lanka – but also Goodrich TAECO Aeronautical Systems (35% owned by Taikoo Aircraft Engineering, which is 59% owned by Hong Kong Aircraft Engineering Company, which is 100% owned by Swire Pacific Limited, which is 35% owned by John Swire & Sons (H.K. Limited), which is 100% owned by the London-based parent). Pity the poor historian who seeks to tell a cogent story about it all.

That's the challenge Robert Bickers has taken on. A professor at the University of Bristol, Bickers has written extensively about the United Kingdom's long engagement with China. *China Bound* was commissioned by John Swire & Sons and draws heavily on the company's archives. Its origin notwithstanding, it is a solid history offering fascinating insights into how foreign businesses developed in China and new perspectives on the origins of the multinational corporation.

Swire dates to 1816, when John Swire, the son of a bankrupt merchant in West Yorkshire, set up shop not far away in Liverpool. The Treaty of Ghent, ending the War of 1812, had taken effect the year before, reopening trade across the North Atlantic. As the port boomed, Swire prospered handling cargo for shipowners, but modestly so: as Bickers establishes, he was very risk-averse and avoided investing in ships himself.

His sons, John Samuel and William Swire, inherited the firm upon John Swire's death in 1847. Opportunities beckoned from the East, where British warships were forcibly opening China's economy to foreign control and gold rushes were drawing hundreds of thousands of emigrants to Australia. Leaving William to run the business in Liverpool, John Samuel went out to Australia in 1854 and quickly built a successful trading house. He returned to Liverpool in 1858, freed of his father's aversion to owning ships and with much grander ambitions. An investment in Ocean Steam Ship Company, a new British-owned shipping line serving China, and a short-lived partnership with another Liverpool trading house, R.S. Butterfield, transformed the business. Under John Samuel Swire's control, Butterfield & Swire – the name stuck long after Butterfield withdrew – would become a force in Shanghai and Hong Kong.

Bickers colourfully describes how a British trading house functioned in that era, hiring young men at headquarters, training them how to buy tea for export or arrange a freight shipment, and sending them out to Asia on a one-way passage. These junior clerks knew not a word of Chinese, nor were they expected to learn any. They lived in one of the international concessions that British gunboats had forced the declining Qing dynasty to yield. They socialized with other expatriates, and did business through a well-connected Chinese "comprador" who was in charge of the Chinese staff. Often enough, clerks, assistants, and compradors engaged in business for their own account, simultaneously serving and competing with their employers. Marriage was

allowed only with the firm's permission. China was a commitment, not a short-term assignment; anyone returning to Britain had to cover his own fare. The prevalence of epidemics meant that many of these British fortune-seekers never made it home.

At the end of the 1860s, John Samuel Swire determined that his modest trading company should force its way into the steamship business. The American firm Russell & Co. held a near-monopoly on navigation on the Yangtze River, while shipping along the coast was controlled by Jardine Matheson and other British firms. Swire executed a meticulous plan, amassing capital from Liverpool merchants, building vessels in Scotland, and acquiring docks and warehouses at major ports. By 1873, Swire's China Navigation Company carried half the tonnage on the Yangtze, seeking out Chinese merchants who had been shunned by other shipping lines. In the process, Bickers writes, "The Swire enterprise was steadily embedding itself into the Asian scene, transforming itself from an agency business into a different kind of company." (82)

It is possible that Bickers overemphasizes John Samuel Swire's role, as his letters comprise most of the surviving records of the firm's early ventures in China. But Bickers makes a strong case that until his death in 1898, John Samuel's ambition and decisiveness separated Butterfield & Swire from the pack. He knew little about China, but he was a master at building relationships in a period when personal networks were immensely important. "John Samuel Swire remains a driven man," Bickers concludes. "News of his imminent arrival at any of the firm's offices must have clouded the day." (108)

One of John Samuel's ventures, a Hong Kong sugar refinery opened in 1884, brought the firm face to face with Chinese consumers, who needed persuading that white Taikoo sugar was the best and purest way to satisfy a sweet tooth. A Hong Kong dockyard followed in the early 1900s as the center of Swire's Asian operations shifted south from Shanghai. Investments in manufacturing brought a large industrial workforce and an oppressive business model in which Chinese workers were hired and controlled by Chinese bosses, disciplined by imported Sikh guards, and given no opportunity for advancement with Swire.

That legacy became a problem in the 1920s, as resurgent Chinese nationalism put an end to foreign companies' privileges. Swire raced to transform itself into a Chinese-facing company, putting many longtime British managers out to pasture, giving its brands Chinese names, and bringing Chinese capital into its shipping lines. The Japanese occupation of coastal China beginning in 1937 destroyed what was left of its business model. Its ships and dockyards were seized and its British executives sent to internment camps.

Swire's attempt to rebuild its prewar empire was disrupted by the Communist takeover of China in 1949. By the start of 1955, most of its Chinese holdings had been expropriated. "This radical break with the past in China might arguably be viewed as one of the best things that could have happened to John Swire & Sons," Bickers contends, (333). Shorn of its mainland operations, Swire transformed itself into a global conglomerate, manufacturing house paint, bottling Coca-Cola, controlling a major container shipping line and building a tiny air carrier, Cathay Pacific, into a household name across Asia. Bickers ends his story as 88-year-old Jock Swire, John Samuel Swire's grandson, departed Hong Kong for the final time in 1981, well before the British handover of Hong Kong to China would force Swire to change course once more.

At times, the sheer diversity of Swire's operations can make the book hard to follow; it comes as a surprise to learn that the group controlled 32 companies in 1967, and we are not told how much any of them contributed to the bottom line. Family trees, organization charts, and displays of financial data would have made life simpler for the reader. Nonetheless, *China Bound* tells a fascinating story. The Swire of today, run by the founder's great-great-great grandsons, is a testament to the firm's success in reinventing itself repeatedly over two centuries.

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