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Hubert Bonin, *French Banking and Entrepreneurialism in China and Hong Kong: From the 1850s to 1980s*. London: Routledge, 2020. 200 pp. \$160.00 U.S. (hb). ISBN 9781848935822; \$54.95 U.S. (pb). ISBN 9781138495548; \$49.46 U.S. (eb). ISBN 9781315621098.

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Hubert Bonin has done as much as anyone to advance French banking historiography, but much of the literature on the topic has remained on the fringe of the field, at least in the English language, over the last few decades.[1] This is surprising given how much attention scholars currently devote to France's place in the world. Would France have had much of a global legacy without the support of its banks? In this book, the author recounts how French banks--and primarily the Banque de l'Indochine--established themselves, performed, and adapted to changing circumstances in China and Hong Kong from the late nineteenth to the late twentieth century. Against the caricature of French banks' "backwardness" (p. 88), Bonin emphasizes their dynamism. He writes that in this part of Asia, a region largely under British domination during this period, "no private turf could crystallize...as...was the case in the French colonies, like in Indochina or in Oceania. The French representatives had thus to lead offensives ceaselessly reinvented, often threatened by the political and military events, always stimulated by competition" (p. 177). Bonin's observations are a useful reminder of the centrality of banks to structuring French imperial and international networks, but his book falls short of its potential to write a more critical history of French banking, one that considers how financial institutions may have reproduced certain versions of a French worldview and helped organize broader facets of social, cultural, and political life in this part of the world.

Bonin divides his book into two parts. The first part situates French overseas banking in the context of imperial competition and cooperation, and discusses the challenges and opportunities confronting French banks as they carved out a niche in China.

Chapters one through three provide the economic and geopolitical context for French banking activity in China. Chapter one charts the development of a "Chinese strategy" among French bankers and diplomats during the "scramble for China" in the nineteenth century. Banque de l'Indochine, which was created in 1875, provided short-term loans, carried out currency exchange operations, and issued securities. It did less, however, to expand into the Chinese provinces or to finance local business given the perception that such activity was too high risk. The bank's main goal was to support French business. It had the backing of the French state in its efforts to counter the influence of Britain's Hong Kong & Shanghai Bank (HSBC) and Standard Chartered.

Business and geopolitical interests were thereby fused in a strategy of “impérialisme à la française.”

Chapter two places French banking in the broader history of French imperialism. Banks helped structure the French empire by managing the means of payment between the metropole and overseas territories, by creating a monetary system and local central banks that helped integrate local commodities into the international trading system, by building trust between Europeans and locals doing business together, by developing expertise about risk assessment, and by financing local infrastructure projects. Bonin claims that “the establishment and the extension of *Banque de l’Indochine* were landmarks of the intimacy between colonization and central banking” (p. 13). *Banque de l’Indochine* obtained a monopoly in Tonkin in the 1880s and in the Chinese concessions thereafter. Bonin reminds readers of the limits of studying the French Empire as solely a relationship between metropole and colony. Claims about the “colonial pact” do not stand up to the evidence. Boundaries between one empire and another were not watertight, as money circulated among them, and as business was conducted within other empires and between different peripheries. Bonin concludes that “Imperial banking’ might seem a far-fetched concept” (p. 22), and that “French imperial banking could not be conceived without the other imperial banking systems” (p. 23) because of the financial networks that bound them together.

In chapter three, Bonin turns to the British empire, analyzing its powerful presence in China in the early twentieth century—from its dense network of banks, to a growing expat community, to relatively easy access to Chinese authorities. The HSBC was a central agent of British power in the region. Although a vibrant silk trade developed between France and China, France could not compete with Great Britain in the region. Bonin observes that the British houses had stronger business connections, a deeper knowledge of Asian markets, more capital, a more robust supply chain, and a stronger reputation.

Chapters four through six look more specifically at how French banks operated in this economic and geopolitical context and made inroads into China from the late nineteenth to the mid-twentieth century. Chapter four discusses how French authorities laid the basis for “diplomacy, industry, banking, and trade” in China (p. 42). From a modest starting point, trade between the two countries grew through French Indochina, as French industrialists, traders, and bankers sought cooperation with the Chinese business community living in Saigon-Cholon and Phnom Penh. Trade between metropolitan France and China, however, remained small. France exported luxury products like silk cloth and wine; China exported light manufactured goods like cotton umbrellas, glassware, and perfumes.

Chapter five examines the creation and expansion of French banks—most notably the *Banque de l’Indochine*—as they helped create, and profited from, financial and commercial flows between France and China and between Indochina and China. Gradually, the *Banque de l’Indochine* opened branches in other parts of southeast Asia. By 1914, about 5 percent of total French investment abroad occurred in the Pacific and South China Sea region; in comparison, the British invested 14 percent and the Germans 4 percent. Bonin writes that the state required *Banque de l’Indochine* to open branches throughout East and Southeast Asia to contain British power. In some cases, French banks worked with Belgian banks to weaken British influence over Chinese affairs; in other cases, especially as French banks grew in strength, they cooperated with the British on infrastructure projects in China. Imperial rivalry was thus strong, but the European empires also depended on one another.

While chapters four and five discuss French banking strategy and performance in the context of imperial competition and cooperation, chapter six is interesting for its attention to local challenges and forms of resistance to French banking in China. French banks had to overcome the risks inherent in information asymmetries and a lack of trust. French charges of “bad practice”—fraud, swindling, the gray economy—were often leveled against locals who had different ideas about doing business. To overcome the cultural divide and gain legitimacy, French banks had to learn about the local environment. They relied on the *comprador*—a native go-between—to bridge China’s areas of production to regions that were open to international trade. These compradors spoke the local language—unlike most French bankers—and provided necessary knowledge of local conditions. Trust had to develop between bank managers and the compradors for this network to function successfully. In some cases, the compradors hoodwinked bank managers or simply disappeared, thus compounding the challenges that French banks faced in establishing their place in China. However, and perhaps surprisingly, not one bank “was shut due to losses, even their profitability was not too affected by such inconveniences” (p. 82). This chapter’s takeaway is that French banks did not totally Europeanize the peoples they came into contact with but instead melded into their local environment.

The second part of the book turns to Hong Kong, where French companies were even less active than their British counterparts. Chapter seven explains how French banks established themselves in a region dominated by HSBC and Chartered. We learn about the French managers and Chinese compradors who got businesses off the ground. The Banque de l’Indochine Hong Kong supported French business across southeast Asia, acquired information about political and military events across southern China, and linked Hong Kong to the foreign exchange market. Chapter eight surveys how Banque de l’Indochine Hong Kong became more embedded in its local environment. As its reputation for creditworthiness grew, and as its directors mingled in Hong Kong’s social scene, the bank expanded its activities—for example, it was authorized to provide credit services to non-French customers, offered loans to big Chinese merchants, and financed cash flows from Hong Kong to London, sometimes through India through the opium and textile trade. Chapter nine assesses the performance of Banque de l’Indochine Hong Kong amid the turbulence caused by the Russo-Japanese war, the Chinese civil war, and the Great Depression, among other events. Bonin observes that the bank survived the Great Depression and the Chinese Civil War without a crisis of trust or a bank run. He credits this to cautious managers and loyal compradors.

Chapters ten and eleven continue with some of the themes found in chapter nine, recounting how French banks in Hong Kong coped with broader economic and geopolitical crises, from World War II to the Communist Revolution in China. During the Japanese occupation of Hong Kong and Indochina, French business and banking faced major uncertainties. There were even internment camps, though Bonin does not make clear whether or not any bankers were imprisoned. Similarly, during the Communist Revolution in China, French companies were nationalized, which threatened financial and commercial flows. Chapter eleven shows how in some cases French banks maintained their connections in communist China, and in particular how Banque de l’Indochine Hong Kong preserved its position against HSBC and Chartered despite the loss of the Indochinese market following decolonization.

Chapters twelve and thirteen focus on how French banks adjusted to a new age of globalization from the 1960s to the 1980s. From a “gateway to Chinese business” (p. 147), Banque de l’Indochine Hong Kong, along with its successor Indosuez, diversified its portfolio as it financed exchanges between Hong Kong and other parts of Asia. It now entered into competition with

other French banks, notably Banque nationale de Paris (BNP), Crédit lyonnais, and Crédit agricole, that came to Hong Kong in order to profit from a bustling local economy and the opening of China to global capitalism. Overall, the story that Bonin tells is one of French banks confronting challenges--sometimes overcoming them, sometimes not.

As an historian of French capitalism, I see enormous potential in studying the international presence and impact of French banks; but unfortunately, Bonin misses an opportunity to drive home why scholars such as myself should care about this topic. Readers who are interested in the history of French banking will likely find some value in this book; however, those outside of this niche audience may want more. The author expects too much of his readers. He introduces concepts that recur throughout the book--"impérialisme à la française," "the Asian Mediterranean," and "the great divergence"[2]--without thoroughly explaining them or demonstrating how they apply to his analysis. A more deliberate effort to engage with these concepts would help clarify the author's argument and could help the book attract a wider scholarly audience beyond those interested in banking in East Asia.

All but experts will wonder how Bonin departs from earlier scholars who have studied this topic. Bonin is not the first to write about the history of the Banque de l'Indochine.[3] Yet he cites its historians without providing much of an explanation of how his research and conclusions are different from theirs. Moreover, he draws to a greater extent on the work of other scholars than he does on archival sources, despite occasionally alluding to archives (such as on pp. 22 and 74). The first archival sources he cites are in chapter six, nearly halfway through the book. Bonin also has a tendency to confound. In referencing D. K. Fieldhouse's significant work, he writes that "Imperial banking' could be perceived as mere 'economics of empire' and part of the 'colonial economic system' as a whole; or it could be a component of economic 'imperialism,' all the more than several French academics debated about the reality and extent of French 'imperialism'" (p. 11). Heads may spin as they struggle to grasp Bonin's point of entry into the historiography, whether on French banking or on French empire. The book's originality, therefore, remains in question.

Given his references to "impérialisme à la française," Bonin could highlight the political part of his story more thoroughly. Banking interests shine brighter than state and diplomatic interests, and the connections between them are not thoroughly explored. This may reflect the fact that Bonin consulted internal bank archives instead of state archives and conducted a firm-level analysis rather than broadening the scope to the French state and local indigenous officials who would have taken an interest in French banking behavior in China and Hong Kong. Still, it is not always clear the degree to which political interests fuel and/or follow banking interests in east Asia, an unfortunate gap in Bonin's work given that he situates French banks in the context of imperial rivalry. To what extent did the banks carry out the work of the French state abroad? And to what degree did French banks use the French state and its diplomatic and legal machinery to advance their own financial interests abroad? Bonin frequently refers to the French banks' "economic patriotism," but did they serve their own interests, those of the French nation, or both? What experiences did locals have with French banks? Questions of sovereignty are seldom at stake in Bonin's account. Addressing some of these complexities would help readers understand both the common ground and the contradictions between politics and economics.

Bonin hints at the social and cultural history of the bankers and the people they did business with, such as in chapter six; but some readers might want more from this perspective. The author

portrays French banks as overcoming great odds to carve out a place in British-dominated China and Hong Kong, almost like a “great man” history; but readers hear less about the costs of this success, if indeed there were costs. Bonin suggests that his story is a “story of adventures,” “of conquering parts of the Chinese and bordering markets” (p. 178). Readers may take issue with his definition of “adventure.” We learn that adverse circumstances challenged French banks; but the banks themselves do not appear as major agents of change within China and Hong Kong, nor did they appear to create much local adversity or meddle in other people’s personal or political affairs. Readers may be left wondering how French banking and financial institutions may have influenced this world region beyond banking itself. Bonin makes little mention of how French financial practices collided with local financial practices. I worry that the author’s focus on “adventurism” elides other stories. After all, banks are not neutral actors.

Most disappointingly, this book reads like a rough draft rather than a polished and publishable piece of work. This shortcoming is most apparent in the book’s organization, use of language, and prose. Bonin structures his book unevenly. He would have done well to include a first section where he sets up the framing of the book and provides the necessary historical background; instead, he lumps it into his section on the French presence in China. In the second part of the book on Hong Kong, Bonin makes regular and sometimes abrupt returns to China without explaining the various and changing economic and political relationships between the two. For this reason, the narrative can occasionally be hard to follow.

Worse still, Bonin seems to have translated this book himself, with the result that it is riddled with language and grammatical problems that will bewilder readers. “Every year,” Bonin writes, “the *Banque de l’Indochine* branch had to conquer its *raison d’être*” (p. 90). In just another example, “*Banque de l’Indochine* Hong Kong activated altogether its strategic action and the social construction of its economic perception on the Hong Kong market” (p. 107). Idiomatic errors besiege the reader. Bonin notes that “the profit margin was screwed by the leading bank” (p. 109), and the *Banque de l’Indochine* “drilled a few niches” (p. 112). Certain oddly chosen words recur, like “place,” as in the “Paris financial place” (p. 3) or “the Parisian banking place” (p. 61), or the “Hong Kong place at a turning point” (p. 132), by which I suspect Bonin may mean either “marketplace” or “financial center” or something along those lines. Bonin refers to the French state as a “he” (p. 4); and notes that “our market is completely de-organised,” by which one presumes he means “disorganized” (p. 122). My aim is not to be petty about language and prose, but these flaws add up and serve only to weaken the book’s clarity and persuasive force.

In general, the book downplays the ways in which banks and economic activity impacted real people, whether in East Asia or in Europe, and how they are embedded in particular ideologies and social relations. They are always more than mere economic institutions. Banks and bankers have been central actors in France’s economic and social development, in its political system, and in its foreign relations.^[4] They are too important to be ignored, and their historians must convince others of this.

NOTES

[1] Just one recent example of another aspect of French banking history that deserves more attention is Eric Monnet, *Controlling Credit: Central Banking and the Planned Economy in Postwar France, 1948-1973* (Cambridge, UK: Cambridge University Press, 2018).

[2] Jean Bouvier, René Girault, and Jacques Thobie, *L'impérialisme à la française* (Paris: La Découverte, 1986); François Gipouloux, *La Méditerranée asiatique: Villes portuaires et réseaux marchands en Chine, Japon et en Asie du Sud-Est, XVIe-XXIe siècles* (Paris: CNRS Éditions, 2009); and Kenneth Pomeranz, *The Great Divergence: China, Europe, and the Making of the Modern World Economy* (Princeton, NJ: Princeton University Press, 2000).

[3] Seminal works on the Banque de l'Indochine include Marc Meuleau, *Des pionniers en Extrême-Orient: La Banque de l'Indochine, 1875-1975* (Paris: Fayard, 1990); and Yasuo Gonjo, *Banque colonial ou banque d'affaires? La Banque de l'Indochine sous la IIIe République* (Paris: Comité pour l'histoire économique et financière de la France, 1993).

[4] For examples of how banks were embedded in broader ideological, social, and political contexts, we can turn to recent histories of American banking, among them Peter James Hudson, *Bankers and Empire: How Wall Street Colonized the Caribbean* (Chicago: University of Chicago Press, 2017); Susie J. Pak, *Gentlemen Bankers: The World of J. P. Morgan* (Cambridge, MA: Harvard University Press, 2013); and Christopher W. Shaw, *Money, Power, and the People: The American Struggle to Make Banking Democratic* (Chicago: University of Chicago Press, 2019).

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