

Paul A. Van Dyke, *Merchants of Canton and Macao: Success and Failure in Eighteenth-Century Chinese trade* (Hong Kong, HKU University Press, 2016).

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Paul van Dyke has written an important book on the Chinese merchants trading with European chartered companies and private merchants in the eighteenth century. In the first volume of this study, Van Dyke focused on the early eighteenth century and the deals that were made with the European chartered companies. He also pointed to the Co-Hong as an efficient institution in the 1760s, as the organisation mediated between foreigners and the inland producers, making sure that trade continued and that the foreign merchants kept coming. This volume shifts the viewpoint to the second half of the eighteenth century, when the importance of the European chartered companies declined and the trade with private merchants increased. Moreover, this volume focuses more decisively on the porcelain and silk trades in China, whereas the first volume mainly focused on the junk and tea trade. Logically, the two volumes are complementary to each other, and as Van Dyke gives a very helpful summary of the first volume in his preface this book is also very interesting for those who have not extensively studied the first volume.

The book is an extremely important contribution to the field, drawing on Dutch, English, Flemish, Danish, Portuguese, American, Swedish and French sources: the amount of appendices and the information that these contain is impressive, especially since all the appendices have source references. The Chinese perspective, which has been long absent from the literature on the Europe-China trade in the eighteenth century, has recently started to be explored by a flurry of work, not least because of Van Dyke's efforts. However, Van Dyke's work is definitely one of the most comprehensive on this subject, spanning the full eighteenth century and taking a political economy perspective that effectively kills some of the myths surrounding the China trade in the eighteenth century. For instance, Van Dyke proves that the Qing had a real trade policy aimed at encouraging growth and protecting Imperial revenues; second, he proves that the market in Canton really set prices, despite the large influence of the Co-Hong over this process; and third, he points convincingly to the role of political connections that could make or break Chinese merchants. Moreover, the author points to the peculiarities of the Chinese concept of insolvency, which may constitute a very interesting starting point for comparative work in the future.

Like the first volume, the book follows several Chinese merchants in their trade, both within the Co-Hong and outside of the institution. After the preface and introduction that summarize the economic situation and introduce the Chinese framework, the next five chapters follow several merchant families in the second half of the eighteenth century. Especially interesting is the case study of the Chinese merchant Poankeequa in chapter 3, in which Van Dyke points to the subtle advantages that he had, including his political connections, language skills and his access to silver from Manilla (see below). Other case studies, such as the merchant Swequa and his brothers who later took over his trade, examine the issues that many Chinese merchants had with creditors. The credit issue is rightly seen by Van Dyke as one of the major issues for Chinese merchants, as the porcelain and silk trades needed especially significant amounts of credit to operate, something dealt with in chapters 6 to 10.

Van Dyke links this to his observation that many Chinese merchants diversified their trade, and is thus able to show how many merchant families were able to trade for so long in the eighteenth century, even in the circumstances of tight credit markets. As scholars have often wondered how the 'inefficient' local institutions in China could have dragged on for so long in the eighteenth century, this book is a step in the right direction of judging China's institutions on its own merits, rather than

studying the Chinese economy in the eighteenth century through a European lens of what 'efficient institutions' constitute. In this respect, Van Dyke could have even made some stronger and bolder claims on debates such as the Great Divergence, something from which Van Dyke (deliberately?) shies away. Especially in the light of New Institutional Economics (NIE), however, the conclusions of Van Dyke could have been stated more firmly and tackle Eurocentric perceptions of what role 'efficient' institutions have in the history of economic development, and how the interactions between Chinese and European merchants shaped institutions in historical spaces, in this case the port cities of Macao and Canton.

Although Van Dyke himself points to some nine areas of possible further research, there are indeed still some gaps that remain after having read this study. Van Dyke touches upon the subject of silver payments, one of the major issues in the historiography of the eighteenth-century Chinese trade. Although his example of the merchant Poankeequa proves the importance of the access to silver from Manilla, the introduction of the book only very briefly pays attention to the role of the monetary environment and the Manilla and Cádiz links. Some more analysis of this historiographical problem would have illuminated this study even further, making it even more interesting for global economic historians. However, this small omission should not make one wary of praising this book, as the massive amount of sources that have been consulted by Van Dyke makes this an impressive book, especially given the amount of information with which the appendices provide us. Van Dyke's monumental work has the merit that it puts the China trade forward as one of the central elements in eighteenth-century trade, explaining all the factors in political economy and the trade that have often been overlooked by scholars, without putting too much emphasis on the uniqueness of the Chinese situation. The book will most likely be, together with its accompanying first volume, the major source from which scholars of the China trade will draw information from and take inspiration for work on Chinese, comparative and global economic history.