

and Qing achievement. He cites evidence that trade was declining as interior regions filled up, and that previously well-integrated markets were beginning to fray. In his view, “Without major breakthroughs in the urban sector that would have allowed it to absorb labor far more productively—much less provide truly transformative new technologies—the redistribution of rural industry across China’s landscape could do only so much to compensate for increasing demographic pressure—pressure which was, in many ways, an unsurprising result of the rural economy’s long-running dynamism” (520). For Pomeranz, environmental degradation, deteriorating markets, and a less-effective state—to say nothing of looming military threats from the West—signaled critical times ahead. It is on that less-effective state that Lamouroux and von Glahn (Chap. 9) focus their conclusions: the Qing court’s decisions to forgo key levers of fiscal power—by minimizing its land-tax quotas, rejecting the use of public debt in times of crisis, and allowing population registration to lapse—all left the Qing state “with an immobile fiscal system with diminished capacity to capture or generate new revenues.” As a consequence, “when confronted by the urgent need to cope with the military crises of the nineteenth century, the Qing state lacked the infrastructural capacity to mobilize and control fiscal resources.” (377–87).

Taken as a whole, the chapters in *CEHC I* describe an economy animated for the first millennium and a half of the Chinese empire—from Qin through Yuan—by the fiscal imperatives of the state, and then giving way for the four centuries of the Ming and High Qing to the ingenuity of farmers, artisans, and merchants, who variously assumed responsibilities that had once been the prerogatives of the state. That *laissez faire* political economy generated remarkable prosperity for a massive population, but by 1800 it had reached the limits of its capacity to manage the growing stresses of over-population, environmental degradation, and resource depletion. For the next century and a half, China’s agrarian empire was to be buffeted and shaped by the militarized, capital-intensive, industrialized nation-states of the West and Japan. How well it fared is the subject of *CEHC Volume II*.

Foreign Banks and Global Finance in Modern China: Banking On the Chinese Frontier, 1870–1919

By Ghassan Moazzin. Cambridge: Cambridge University Press, 2022. 352 pp. \$99.99 (cloth)

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A bond, at least at first glance, appears as simplicity itself. One party, usually a government or corporation, agrees to a series of interest payments at given intervals, followed by repayment of the principal amount five, ten, thirty, or sometimes even one hundred years in the future. But matters are not so simple. Everything is up for negotiation: the

interest rate on the bonds, the length of the term, whether they will be issued at par (full value) or at a discount, and whether bondholders will demand certain covenants to protect their investment. Each bond—and its later fate in the market, rising or falling in price, based on interest rates, political and economic news, optimism or panic—contains a story full of clashing personalities, power dynamics, private profit motives, international relations, hubris, and miscues. These are just some of the topics Ghassan Moazzin explores in *Foreign Banks and Global Finance: Banking on the Chinese Frontier, 1870–1919*. Moazzin importantly shifts the focus away from British and American financial institutions in the English-language academic literature and examines the history of Deutsch-Asiatische Bank (DAB) from its founding in 1886, by a consortium of leading German banks and with the encouragement of the German government, to the liquidation of its China operations in 1917 during World War I.

Moazzin argues against a consistent strain of historiography in Chinese-language scholarship that emphasizes how foreign banks dominated or took advantage of the Qing Dynasty's, and later the early Republic's, precarious political and financial position: the idea that they were "important tools for the economic invasion of China by the West" (5). He also criticizes a tendency to suggest that "foreign banks essentially acted in accordance with and as a component of these governments' imperialist policies" (6). By charting the detailed history of DAB in China, Moazzin instead posits that the "operations of foreign banks and the internationalization of Chinese finance were not one-sided impositions by foreign financiers." Instead, he looks at the "common interests and cooperation of foreign and Chinese actors financially connecting China to the global economy and providing Chinese actors with access to foreign financial institutions and capital" (266). The key word is not dominance, but interdependence.

Everyone saw different things in the bank. For German statesmen, DAB was an avenue to expand international influence and help develop German trade in China. However, the government could not issue orders to bankers. For German bankers, the idea of a financial institution based in China appealed, both in terms of potential profits and prestige, but the thirteen German firms that eventually founded DAB had a history as competitors. During discussions about creating the bank, Otto Von Bismarck complained that "the personal resentment between two individual firms could not inhibit such an endeavor of national importance" (50). In fact, such resentment and tension did delay the creation of the bank. The bankers themselves also disagreed about the new institution's overall strategy: how aggressive should it be in courting business and what was the best use of the firm's capital? For Qing Dynasty officials, the bank initially represented a way to balance the power of other foreign financial institutions and provide another source of capital for various industrial projects. Importantly, as Moazzin points out, the narrative of domination obscures the agency and ability of officials in the Qing Dynasty and early Republic, treating them as static individuals across time, without the ability to adapt and maneuver. The main narrative arc of the book explores how tensions between these different groups played out over time and in different financial transactions.

Moazzin first explains how the bank worked. In the early 1890s, DAB had no business with the Qing Dynasty and instead focused on trade financing: accepting or discounting the bills of exchange that served as the backbone of international trade, as well as taking deposits and issuing loans. Within the discussion of this institutional background, historians of China will likely be most interested in the case study of DAB's comprador, Xu Chunrong. Moazzin persuasively argues against putting too much emphasis on Xu's title of comprador because it does not capture the full extent

of Xu's myriad business dealings. In fact, Xu was so occupied with other matters that he rarely showed up to DAB headquarters. Xu and other people like him hoped to "complement their existing network of business enterprises with a connection to a foreign bank" (79). We should replace the term-comprador with entrepreneur. Moazzin juxtaposes the discussion of Xu's career with a description of the relationship between foreign banks and "native banks" (*qianzhuang*), concluding that DAB "had to adapt their business practices to the Chinese environment, accepting the loan practices of the Chinese business partners and becoming part of existing credit networks" (106). Helping finance trade and enmeshing itself in the Chinese money market was profitable for DAB, but by the middle of the 1890s competition intensified as the number of foreign banks in China increased and the bank sought other sources of revenue.

There was another prestigious line of business—helping the Qing Dynasty, and later early republican governments, issue bonds abroad. Here Moazzin comprehensively charts the negotiations for indemnity loans after the first Sino-Japanese War, for railroad construction in 1908, and for various loans in the early 1910s. He aptly explains the negotiating positions of different parties and—crucially—how they changed over time. Fleshing out the minute details of often tortuous negotiations emphasizes his overarching point that foreign banks in China did not simply dominate or dictate financial terms. Sometimes just the opposite happened. In the second and third loans to pay the indemnity for the Sino-Japanese War, the Qing government was able to play off various financial groups and receive better terms in the final contract than in the initial offer from DAB and a group of British banks. The same was true of the lengthy negotiations for the railway loans: the final contract signed in 1908 was different and, for the Qing, much better than, the initial proposal in 1889. A loan negotiation that takes nearly two decades is hardly domination. Moazzin perceptively describes how Qing officials were not only able to play competing foreign banks and consortium off against each other, but their knowledge of foreign finance and European bond markets became much more sophisticated between 1895 and 1908, while "foreign financiers still knew little about Chinese public finance" (184). In 1912, during the uncertainty of the final days of the Qing, DAB and other foreign bankers remained committed to maintaining the credit of China, providing funds for the payment of existing bond coupons, when no money was forthcoming from the Chinese government. Their motives were not entirely altruistic: the banks hoped to mollify bondholders in Europe and make sure they could issue future loans to the Chinese government, but it is another example Moazzin highlights to move beyond narratives of domination and pressure.

The final chapter provides a new angle on China's involvement World War I by chronicling the liquidation of DAB. The years directly preceding the war, a time of "cosmopolitan finance," saw DAB profit. However, at the outset of the war, the bank's branches in India and Japan were closed and its assets liquidated. The same fate awaited the DAB branches when China entered the war in 1917. The war "led to the disentanglement of the cooperation among foreign banks in China that had not only been important for providing the Chinese government with loans, but also critical for the functioning of the banking sector in the treaty ports" (249). In 1917, the Chinese government stopped payments on all loans that DAB serviced and put two key DAB officials on an arrest list (one of whom, dressed as a monk, absconded, and spent the rest of the war hidden in the villages of North China). Later, the government began the liquidation of the DAB's properties and assets in China. Though the corporate form of DAB remained, in the 1920s it was only a shell of itself, without as many assets, or as much influence, as before.

Foreign Banks in China is a deeply researched history of DAB and its operations in China as well as a study that makes broader points about the integration of China into world financial markets. These two points are related, and Moazzin's in-depth case studies provide convincing evidence of the multifaceted and dynamic relationship between DAB bankers, German government officials, bankers from other countries, merchants, and representatives of the Qing Dynasty and early Republican government. Potential readers should not be put off by worries about more technical aspects of banking practices, as Moazzin aptly explains the essential things to know and, even though it may not seem like it from the title, the book contains much drama.

Foreign Banks in China also perhaps represents, sadly, one of the last of truly globally oriented books in Chinese history that we might see for a few years. Based on multiple archives from Beijing to Berlin, from Taipei to Tokyo, and from Shanghai to London, it is the result of many years of work. Looking back from late 2022, it was much easier for a PhD student to carry out multi-continent and multi-archival research in the middle of the 2010s than it has been for the past several years. From Coronavirus lockdowns to the Zero Covid policy in China, to potential economic and academic decoupling between China, Russia, and the rest of the world, it will be a challenge for young scholars to produce such dynamic and richly textured books in the future. With such worries in mind, we must appreciate volumes such as this one.

Kingdom of Characters: The Language Revolution That Made China Modern

By Jing Tsu. New York: Riverhead Books, 2022. xix + 314 pp. \$28 (cloth)

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It would be virtually impossible for readers of the *Journal of Chinese History* to be ignorant of Jing Tsu's new book, *Kingdom of Characters*. With numerous reviews and several dozen podcasts, the word is out, to say the least; knowing I would be reviewing this work, I have tried to ignore them all, so as not to be influenced.

I am not entirely sure what the title or subtitle of the book mean. If the Chinese language constitutes a kingdom, that hardly justifies "revolutionary." By the same token, I have always assumed that the extraordinary and long tradition of the Chinese people sprang from the fundamental consistency and longevity of the Chinese language over the centuries: again, what is revolutionary about that? But titles in contemporary Western scholarly writing rarely convey the work's content directly; they bring to mind the late Achilles Fang's famous alleged saying regarding "radicals" (< classifiers) in the written Chinese language: "As in politics, so in Chinese, radicals mean nothing."