The Interactive Emergence of Capitalist Trade-Cycle Dynamics in Maritime Asia, 1640s–1760s: Overview and Prospectus

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Abstract

The analysis of cyclic movements in overseas trade provides a tool for exploring the emergence of capitalistic dynamics. Regularly recurring cycles of prosperity and recession have been considered a characteristic and novel feature of the modern type of capitalist economy that emerged in the early nineteenth century. In a strong form of this idea, credit-funded cycles of expansion and retrenchment are the basic process through which capitalist development happens. What then should we make of data that suggest the presence of regular cycles, similar in duration to classic industrial-era cycles, in East Asian maritime trade in the late seventeenth and early eighteenth centuries? These preliminary results warrant deeper investigation and provide new support for the idea that capitalist-type developmental dynamics did not simply arrive in eastern Asia from Europe but rather emerged interactively on the spot.

Keywords

trade cycles – Canton trade – Batavia trade – Nagasaki trade – East India Company – tea trade

The effort to chart out the conjunctural timescape of a time and space – the chronology of economic booms, crises, and depressions – is a classic task of historical political economy. It has also been relatively neglected by historians in recent decades, notwithstanding the spectacular boom-and-bust cycles of our own times. Decades of painstaking scholarly work have given us the data needed to begin such a conjunctural time-mapping for trade in maritime East
Asia in the seventeenth and eighteenth centuries, and the present article uses some of this work to suggest a preliminary schema. It begins with a simple question: Were there coherent cycles in trade in maritime Asia in the eighteenth century? The focus is on major cycles of roughly ten years in length of the type that emerged internationally in the nineteenth century.¹

Does the presence of cycles in trade of an apparently modern type indicate the operation of capitalist-style dynamics? Pursuing the question is a heuristic means of exploring how modern capitalism emerged as a global system. A strong form of the underlying idea is that by mapping out business cycles we are charting not only the historical rhythm of capitalist development but also the very mechanism through which capitalist development happened. This idea was argued more than a century ago by Joseph Schumpeter, who had adapted ideas on this point from Karl Marx. Schumpeter's idea directs attention to the creation of new purchasing power by means of the creation of credit and to the deployment of that credit-capital in trade and production.² This essay does not attempt to chart out economy-wide business cycles – whether such cycles existed in the early eighteenth century is an open question. It instead surveys cycles in particular geographic channels or commodity lines of trade for which there is clearer evidence. For convenience, these are called “trade cycles,” defined here as cycles in particular channels or lines of trade (rather than according to the older British usage in which trade cycle was synonymous with the American term business cycle). A cycle is defined here as a distinct multiyear expansion in trade followed by a multiyear phase of contraction or leveling off. We recognize these movements as cycles when several of them happen in succession. Rather than simple responses to external events, these are recognizably continuous sequences in which an expansionary movement reinforces itself for a time but ultimately generates its own limits (e.g., overindebtedness, oversupply of markets) and then gives way to a counterphase of contraction and/or consolidation. Contraction in turn creates conditions for a new expansion. Such cyclic movements imply a kind of systematicity in systems-theory terms. In a stronger form of the definition, the expansions are funded by credit and the contractions are associated with excess debt.

¹ A thank-you to Shigeru Akita: This article is part of a special issue to honor Professor Shigeru Akita’s active and generous work in leading global history initiatives within Japan and internationally. It centers on the question, to quote Professor Akita, of “Asian dynamism in the ‘long eighteenth century’” and particularly the “development and networkization of Asian port cities” (Akita 2013, 8). I have presented variations on the theme of economic cycles in several international workshops organized by Professor Akita; the present paper pushes that story back in time and is part of a larger global history project.

² Metzler 2013, especially chapter 3; Schumpeter 1934 (1926).
To understand economic cycles especially according to the stronger form of the definition will require actual historical grounding and cycle-by-cycle analysis; the present survey remains prospective and aims to offer some starting points for analysis.

The focus here is on a few major branches of China’s overseas trade for which there are continuous multidecade runs of year-by-year data, such as numbers of ships and volume of trade. These include the private China-Japan trade during the relatively less regulated phase from the 1650s to the beginning of the 1700s; the private Chinese trade to Batavia; and the English company trade to Guangzhou (Canton). A synopsis of cycles in these trades is then given, and they are compared with the English East India Company’s trade at its three main ports in India. Year-by-year analysis is necessary for understanding the specific timing of these movements as closely as possible. To the extent that any one place is centered in this connection-oriented account, it is the trading metropolis of Guangzhou, which became one of the world’s largest cities at the time and was, de facto, China’s designated foreign-trade port for European merchants arriving from the south as well as being the center of its own manufacturing and agricultural hinterland.

A first view is offered by fluctuations in the trade conducted by private Chinese merchant ships to Nagasaki from the 1640s to about 1710.

1 Fluctuations in the Chinese Trade to Japan, 1640s to Early 1700s

Japan was the biggest destination for overseas Chinese shipping in the seventeenth century, and the number of Chinese ships arriving at Nagasaki is one basic measure of relative boom and recession in Chinese overseas shipping networks. Continuous annual ship numbers exist from the late 1630s. The decade of the 1630s is also when Japan’s “Nagasaki system” in foreign trade was fully established. After 1635 Japanese ships were strictly prohibited from sailing to foreign countries (with exceptions for the trade from Tsushima to Busan [Pusan] in Korea, and from Satsuma to the Ryūkyū Islands). All foreign trade at Japan’s single designated foreign-trade port of Nagasaki was thereafter carried by private Chinese shipping (including Chinese shipping based outside of China), joined after 1640 by Dutch ships belonging to the United East India Company (VOC).³

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³ See among others Shimada 2006; Hellyer 2009.
Peak years in Chinese shipping to Nagasaki (beginning here with data compiled by Innes [1980]) were as follows:\(^4\)

**Peak year: 1641 (97 ships).**

A phase of *higher trade* (74–97 ships a year) in 1639–41 was followed by a phase of *lower trade* (20–55 ships a year) in 1642–48 (except for a booming year in 1645).

**Peak year: 1650 (70 ships).**

*Higher trade* in 1649 and 1650 (59 ships, 70 ships), followed by *lower trade* (40–57 ships) in 1651–58.

**Peak year: 1659 (60 ships).**

This was a one-year peak rather than an extended boom and was followed by a phase of *lower trade* (29–45 ships) in 1660–67.

**Peak year: 1668 (43 ships; followed by a second peak of 43 ships in 1672).**

1668–72 were years of relatively *higher trade* (36–43 ships) but would not appear as a boom except compared with the *lower trade* that followed in 1673–78 (20–29 ships).

**Peak year: 1679 (33 ships).**

The peak in 1679 was followed by *lower trade* (9 to 27 ships) in 1681–84. Chinese exports of Japanese copper also peaked at 2.49 million pounds in 1679 after surging in the 1670s.

**Peak year: 1688 (192 ships, including 75 turned away from Nagasaki).**

*Higher trade* in 1685–88 (85–192 ships, including those turned away) – these were by far the highest numbers of the entire period. The continuing arrival of large numbers of ships that were turned away suggests that they were able to trade illegally elsewhere. Chinese exports of Japanese copper reached a new peak of 5.37 million pounds in 1687.

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\(^4\) Innes 1980, appendix 1, table A (and pp. 639–41 for discussion of sources and their conflicting reports); Shimada, Appendices (including data on copper shipments); Iwao 1953, whose pioneering study includes details of departure ports; see also Zhao 2013, 33–40, 129–136. The number of VOC ships trading at Nagasaki did not show the kind of cyclicity seen in Chinese shipping. About eight Dutch ships per year arrived in the 1650s and 1660s. The number declined to a steady level of four ships in most years from 1675 to 1713, and after this to two ships a year.
Peak year: 1697 (103 ships, including 33 turned away).
Stabilized higher trade in 1689–97 (70 ships permitted, and a peak of 33 ships turned away in 1697), followed by somewhat lower trade in 1698–1701 (53 to 73 ships). There was a historic peak in Chinese exports of Japanese copper in 1696 and 1697 (8.77 million pounds; 8.01 million pounds).

Peak year: 1708 (103 ships: 59 ships permitted, 44 turned away).
Stabilized higher trade in 1702–07 (80 ships permitted, 80 to 93 arriving). These numbers were reduced after 1709 to about 50 ships. Then in 1715, with the enactment of new trade regulations, only 7 ships were permitted to trade and 13 were turned away. This was the beginning of a century and a half of much lower trade.

A first point to note about these ups and downs is the great diminishment of trade from the 1640s to the early 1680s, during the disaster-filled transition from the Ming dynasty to the Qing, a time of serial trade prohibitions by the Qing government including the draconian coast-clearing policy of 1661. Each successive peak in trade during these years was lower than the previous peak, while ships sailing from China itself were substantially replaced by Chinese-owned ships operating from Taiwan, Tonkin, and other overseas bases outside of Qing authority. Altogether, from the late 1660s to 1684, direct shipping from the Chinese mainland to Japan was fewer than ten ships per year; Chinese shipping originating outside of China only partially compensated for this decline. This was the overseas trade aspect of China’s long Kangxi-era deflation and depression of ca. 1656–80.5

A second salient point is the epoch-making boom that followed the Kangxi emperor’s reopening of overseas trade at the end of 1684.6 This was a kind of regional big bang in maritime trade with spillover effects in every direction. It was probably East Asia’s greatest maritime boom in history up to that time.

Third and most to the point here, despite the policy revolutions of the period this private trade was remarkably rhythmic, as successive peaks in trade had a regular timing of nine to eleven years from peak to peak.

The great boom of the late 1680s caused Japanese authorities to limit the number of ships permitted to trade to Nagasaki each year, initially to seventy ships after 1689, then raised to eighty ships in 1702–07, then reduced again.

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5 This is Kishimoto’s dating of the long depression (Kishimoto-Nakayama 1984); Marks 1998, chap. 4, especially pp. 151–56; Holroyd 2018, chap. 1. For long policy cycles in early modern Japan, see also Metzler 2010.

6 Holroyd 2018; Zhao 2013.
These quantitative restrictions diminished the cyclicity of the trade and ended an era of seemingly more market-driven dynamics that we could call the “cyclic era” in Sino-Japanese trade. They were followed by more radical restrictions after 1715. By the 1760s, the end of the period under discussion in this article, only thirteen or fewer Chinese ships came to Nagasaki each year.7

2 Fluctuations in Chinese Trade to Batavia

Like Japan’s Nagasaki system and China’s Canton system, a “Batavia system” was set up by the Netherlands’ United East India Company (VOC) in its own sphere of control, with all foreign ships being required to trade at Batavia.8 Today the site of megacity Jakarta, Batavia took on a significant place in world history in the seventeenth and eighteenth centuries. By the end of the eighteenth century, Batavia and its immediate hinterland had a Chinese population of around 100,000 people.9

Peak years in the number of Chinese ships trading to Batavia were as follows:10

Peak year: 1686–87 (35 ships each year).
   China’s great trade-opening boom came to Batavia in 1686, a year after it came to Nagasaki. In the early 1680s, only 3 or so Chinese ships visited Batavia per year (4 in 1685). Of the 35 ships that came in 1686, 15 were from Xiamen (Amoy), 7 from Guangzhou and Macau, and 6 from Tonkin (northern Vietnam) and Quang Nam (or “Quinam”) in central Vietnam. Of the 35 ships that arrived in 1687, 20 were from Amoy. Ship numbers fell off in 1688, and data is missing for the early 1690s.

Peak year: 1694 (21 ships) [Souza’s data].
   Late 1690s data is missing from Blussé’s data set.

Peak year: 1703 (24 ships) [Souza’s data].
   There was an extended boom in 1699–1706 (an average of 16 ships per year).

10 Batavia ship numbers are from Blussé’s archived data set (1983) and, where indicated, from Souza 1986, tables 6.3 and 6.4. The Blussé data set includes significantly more ships than Souza’s but lacks data for many years in the earlier decades of the trade that are covered by Souza.
Peak year: 1712 (21 ships).
The peak of 1712 was followed by a secondary peak in 1714 (19 ships). Most of these ships were now large junks of 150–200 tons, as opposed to the mix of junks and many smaller ships that came to Batavia during the early years of China's trade reopening after 1685.

Peak year: 1723 (26 ships).
There was very little Chinese shipping to Batavia in 1718–21 because of the Kangxi emperor’s ban on “South Sea” trade in 1717. Portuguese shipping from Macao to Batavia filled in the gap left by Chinese shipping and enjoyed a record boom in 1719–22. In 1722, the Guangdong junks began to return, and in 1723 the Amoy junks returned. Chinese trade continued strong through the 1720s (13–19 ships per year; 1725 was the lowest year, with 13 ships).

Peak year: 1730 (23 ships).
Trade continued strong through the 1730s, with an average of more than 17 ships per year.

Peak year: 1738 (24 ships).
1738: 15 ships from Amoy junks, 4 from Canton. The Dutch effort to mass-deport Chinese workers in 1740, the Chinese rebellion, and the Dutch massacre of Chinese at Batavia in October 1740 signified a crisis in the system of de facto Dutch-Chinese condominium under which the entire Batavia system had developed.\textsuperscript{11}

Peak year: 1748 (14 ships).
The 1748 peak was well below past peaks. Chinese shipping to Batavia in the 1750s and 1760s ran at a level of 10 or fewer ships per year.

Peak year: 1760 (16 ships).
Fewer than 10 Chinese ships arrived in most years after 1762. By this time the average large junk sailing to Batavia was a ship of 250 tons with a large crew of about 100 and frequently carrying also a still larger number of emigrants.\textsuperscript{12}

Peak year: 1766 (11 ships).
The number of Chinese ships diminished further in the 1770s.

\textsuperscript{11} Blussé 1986, 94–95.
\textsuperscript{12} Van Dyke 2011a, 226–28.
The early peaks in Chinese trade to Batavia thus show a similar cyclicity, with similar peak years, to the Chinese trade to Nagasaki. The later eighteenth-century peaks were mostly congruent with peaks in the British Canton trade discussed below.

The number of Chinese ships trading to Batavia during the trade-reopening boom era of 1686–1715 was a third or less than the Chinese ships trading to Japan. After the Japanese trade restrictions of 1715, the two trades became similar in scale. The Fujianese trade to Manila was also very similar in scale to the Batavia trade. With the exception of the first twenty years of the eighteenth century, it showed similar ups and downs.13

3 Fluctuations in the English East India Company’s Trade to China

A third view is offered by the British trade to China, which became a regularized annual trade in the first decade of the 1700s. This is also when Guangzhou was established as the de facto designated foreign trade port for British and other European company trade to China – the “Canton system.” By the middle of the eighteenth century the combined urban population of Guangzhou plus neighboring Foshan was somewhere between 750,000 and 1.5 million14 – notably, this is larger than London was at the time and similar in scale to Beijing and Edo (now Tokyo), meaning that Guangzhou had become one of the world’s very largest metropolises. Guangzhou’s sheer urban scale had large consequences for the division of labor across wide regions, for commercial and financial development, logistics, and resource-sourcing – these deserve deeper consideration.15

One can begin by noting peak years of trade as revealed in statistics of the English East India Company (EIC) given by K. N. Chaudhuri (1978). I refer here to numbers for the company’s shipments from Asia to London, for the EIC was essentially a great importing machine. The company’s own shipments to Asia, measured by value, consisted mostly of silver until the great turning point of 1757. Giving primacy to the EIC’s import trade also means giving primacy to Asian exports.

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13 Ruiz Stovel 2019, 31. The Fujian-Manila trade also had fallen off sharply in the 1640s and 1650s to a very low level in the 1660s, and then to almost nothing in the early 1670s. It increased somewhat from the late 1670s and took off from the late 1680s (Chaunu 1962).

14 Marks and Chen 1995, 144.

15 See also Marks 1998, chaps. 9 and 10.
The East India Company’s early trade to Canton was very limited, and no company ships at all sailed to Canton in many years. This intermittent trade showed peaks as follows:16

Peak year: 1680 (£14,000 – values are in English pound sterling rounded to the nearest thousand).17

A first peak in trading came in 1677–80. (Compare the peak in China-Japan trade in 1679.)

Peak year: 1689 (£23,000).

A second phase of active EIC trade to Canton was in 1687–91 during China’s great trade-opening boom. (Compare the peak in China-Japan trade in 1688.)

Peak year: 1697 (£24,000).

(Compare the peak in China-Japan trade also in 1697.)

Notwithstanding its intermittency, the company’s early trade to China thus had peaks of activity that coincided with years of high Chinese trade to Japan. These results need further assessment but certainly raise some questions.

A second indicator is the number of English ships trading at Canton. Beginning in 1704, Canton was the destination of practically all English ships. Peak years in the number of English ships sailing to Canton (following Van Dyke’s ship lists) were as follows:18

Peak year: 1704 (7 EIC ships, ranging from 250 to 495 tons).

1700–04 was a phase of higher trade (4 to 7 ships), followed by a long phase of lower trade from 1705 to 1719 (no ships in 1705–06 and 1 to 2 ships in other years except for 3 ships in 1716).

Peak year: 1723 (5 EIC ships, ranging from 380 to 490 tons, plus 3 private English ships).

1720–23 was relatively a phase of higher trade (6 to 8 ships), followed by lower trade in 1726–27 (3 ships each year).

16 Chaudhuri 1978, appendix 5, table C.2.
17 Morse (1926) gave the following conventional equivalents for the trade at Canton: £1 = 3 silver taels = 4 Spanish silver dollars.
18 Data is from Van Dyke 2020, Appendices (data archived at https://hkupress.hku.hk/+extras/1778/), and for the years before 1720, from Morse 1926, vol. 1, “Table of English Ships Which Traded to China ... 1635 to 1753.”
Peak year: 1731 (4 EIC ships and 5 private ships).
1728–32 was a phase of higher trade (6 to 9 ships, now mostly of 450 to 500 tons), followed by lower trade in 1734–35 (3 ships, 4 ships).

Peak year: 1739 (5 EIC ships, which were now uniformly just under 500 tons, and 1 private ship).
There was a peak of activity in 1738 and 1739 (5 EIC ships each) but there was a recession of private shipping, and this peak was far below previous peaks in total volume. It was followed by lower trade in 1743–45 (3 to 4 ships each year).

Peak year: 1749 (11 EIC ships).
1746 to 1755 were years of higher trade (7 to 11 ships, except for 1748 [5 ships]). There was a sharp fall-off of shipping in 1756–58 (4 to 6 ships a year).

Peak year: 1759 (12 EIC ships and 2 private ships).

Looking at the number of ships in this period, we thus see ups and downs as follows:


Measured by the number of ships sailing, the first cycle in the East India Company’s Canton trade is thus double the duration of later cycles. After 1720, the timing of these ups and downs (eight to ten years from peak to peak) looks like the timing of major business cycles of the classic nineteenth century type.

The tea trade emerged as the company’s leading growth trade during the period of reduced shipping in the 1710s. China was then the world’s only source for tea, and the tea trade did more than any other to connect China and Europe economically. (Japan had developed its own tea culture, but tea was not yet an export good.) The tea trade also showed a pattern of growth through cycles with markedly regular peaks from its beginning in the early 1700s into the 1750s. The volume of tea shipped fluctuated as follows (with data being somewhat fragmentary or inconsistent before 1717): 19


Chaudhuri’s data for EIC trade ends with 1760, which was a year of record-high tea shipments. Elizabeth Schumpeter’s data of English tea imports shows a boom continuing from the 1750s (with an interim peak in 1756) to a great peak in 1760, followed by new major peaks in 1766 and again in 1772. In the tea trade and seemingly in the generality of trade cycles, the timing of troughs was more irregular.

How did these movements in the Canton trade mesh with those in the company’s trade in Bombay, Madras, and Bengal? A first observation (again from Chaudhuri’s data) is that the ups and downs of trade at the EIC’s three Indian ports were frequently synchronized with each other but in general do not show a picture of cyclic regularity. A second observation is that only very occasionally were booms in the Indian trade synchronized with those in the East Asian trade. Altogether, there was not a common “EIC trade cycle” across both the East Asian and Indian Ocean regions.

4 A Synoptic Summary

A quick summary of the foregoing gives the following picture of cyclical peaks of trade in the late seventeenth century.

**Peaks in Chinese trade to Nagasaki (by numbers of ships):**
1641 1650 1659 1668/72 1679 1688 1697 1708

**Peaks in Chinese trade to Batavia (by numbers of ships):**
– – – – – 1686–87 1694 1703

**Peaks in British imports from China (by value, in £):**
– – – – 1680 1689 1697 1702

Then, for the first half of the 1700s, we have the following (this is when the Nagasaki trade entered an era of stricter control).

**Peaks in Chinese trade to Batavia (by numbers of ships):**
1703 1712 1723 1730 1738 1748 1760

**Peaks in British trade to Canton (by numbers of ships):**
1704 – 1723 1731 1739 1749 1759

**Peaks in British imports from China (by value, in £):**
1702 – 1721 1730 1743 1747 1755 1760

**Peaks in British tea shipments from Canton (by weight):**
Each of these individual movements will require exploration in detail, but on the face of it, these data suggest the presence of relatively coherent seven-to eleven-year cycles across several major lines of East Asian trade involving both Chinese and European merchants. To reiterate, the statistics of British imports from India show a substantially different trade conjuncture, with only a few synchronized trade booms across the East Asian and Indian Ocean regions. Economic fluctuations within Britain appear to be different still.20 Each of these points raises fundamental questions.

5 Questions for Future Research

If regular trade cycles are a characteristically capitalist phenomenon – and this is a working hypothesis – then these preliminary results suggest that capitalist trade dynamics were operating internally in East Asia at this time. Some of these conjunctural movements, particularly those in the China-Japan trade, appear to have been largely independent of European commerce. The mapping out of trade cycles across time serves here as a heuristic or searching method. It is a practical one because cycles in individual lines of trade are much easier to trace than are comprehensive business cycles that may or may not have been present across entire national economies. In thinking about the eighteenth century, we must also ask to what extent any place was part of an integrated national economy in the modern sense. It is also plausible that distinct trade cycles might appear first only in certain lines of trade, and only later become more generalized and comprehensive. To discover whether and how that happened will direct us toward deeper questions, and this method will enable doing that in a manageable, explicitly time-structured way. This leads to a second point, that the conjunctural analysis of trade cycles is a step toward historical theory-building. Some questions that follow from this are: Which channels or lines of trade conform to this type of pattern, and which do not conform? What were the relations between these various trades, in an age when provision of credit was specific to particular trades and there was as yet no overarching equilibrating credit market?

The regionwide salience of Chinese shipping in East and Southeast Asia is a fundamental fact to consider. The Chinese junk trade was organized according to a logic of collective (or collectively individualistic) credit-funded entrepreneurship that made each ship a kind of floating marketplace; the system

20 Mirowski 1985; Ashton 1959.
showed up even in the ships' compartmentalized architecture. A second basic fact is that the port-plus-hinterland economies of Dutch-ruled Batavia and Spanish-ruled Manila were coproductions of European colonial agencies and overseas Chinese entrepreneurs and workers. The Chinese, above all from South Fujian, supplied their own organization, technical knowhow, much of the capital, and most of the hard work. Similar dynamics were at work in new economic hub areas in Siam and other indigenously governed parts of Southeast Asia. A third, related fact is the emergence of Chinese overseas production across a wide range of trades and industries, including small-scale plantation and mining enterprises, which supported new bulk trades in sugar, tin, and so on. For some time, historians have emphasized the role of Indian and Chinese merchant capitalists as investors in the European trade in Asia. If we view capitalist development as a credit-funded, entrepreneurially driven cyclic process, it follows that research into this trans-national credit nexus is fundamental.

How important were movements in overseas trade in relation to the domestic commercial dynamics of the massive Chinese economy? In one view, the scale of foreign trade seems modest. For Canton, the reception center for European shipping, the locally based junk trade in the 1760s is calculated by Van Dyke to have been similar in volume to the EIC trade. Trade ran on a larger scale at Amoy, a rarely used stopping point for European ships but the main hub connecting China's own coastal and overseas trade. Fujianese shippers based in Amoy were the most active foreign traders but were more active still in coastal and Taiwan trade. Ng cites numbers suggesting that by volume Fujian's coastal trade was at least ten times the scale of its overseas trade. After 1718, Amoy was mainland China's single designated trade port for Taiwan – there was an "Amoy system" also. By the 1720s specialized sugar junks were making at least five hundred to seven hundred voyages a year from Taiwan to Amoy. These were some of the larger ships in the coastal trade, with a capacity of 1,000 to 2,000 shi ($\text{T}$), or about 70 to 140 tons. Amoy ships then carried most of this sugar north to Suzhou, Shanghai, Ningbo, and other cities. Amoy ships also brought a similar volume of rice from Taiwan each year, probably mostly for local consumption in Fujian. So overseas trade was relatively modest in

22 Blussé 1986, chap. 5; Ruiz Stovel 2019; Kwee 2013; Xu 2017; and for some wider considerations Wills 1993 and Hellyer 2013.
24 Subramanian 1987; Cheong 1997; Van Dyke 2005, chap. 8; Van Dyke 2011, chap. 2.
volume compared with coastal trade, but when considering the enterprise supported by foreign trade one is nonetheless led to some large numbers. A contemporary estimate was made by Qing Fu, governor of Guangdong and Guangxi, in discussions among Qing officials in response to news of the 1740 Batavia massacre, when he defended the continuation of the trade with Java by saying that a hundred ships from China’s southern and southeastern coast traded to various overseas locations each year, providing employment for 500,000 to 600,000 people and bringing in 10 million taels worth of silver annually. These relatively small ships, mostly ranging from under a hundred tons to a few hundred, carried surprisingly many people, often several hundred per voyage, meaning that economically active people themselves were the most important cargo. Tea exports especially had big effects, reaching from Guangzhou some 500 kilometers north and east to the upland tea gardens of eastern Fujian. From growing to processing, to packaging and transportation, this commodity chain was funded by credit from beginning to end. The questions of credit and of imported silver and copper connect us to macrolevel monetary dynamics affecting the entire Chinese economy.

As for the early appearance of seemingly modern-type trade cycles in maritime East Asia, could it be that these apparently capitalist dynamics were, globally speaking, most visible in long-distance trade, including intra-Asian trade? This suggestion reminds one of Fernand Braudel’s idea that capitalism originated in long-distance trade and finance. It suggests further a developmental process arising out of multiple centers and networks, ebbing and flowing over centuries. Rather than a story of convergence or divergence, this may better be described as one of interactive emergence, lending support to connection-oriented accounts of the creation of modern capitalism. This idea will not surprise historians who work on maritime Asia, but it is not how most economic historians have thought of business cycles nor, for that matter, of the emergence of modern capitalism. It also directs attention back to the classic question of the social and especially political forces that acted locally and at the state level to promote capitalistic developments or to contain and inhibit them.

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28 Van Dyke 2011a.
29 Gardella 1994, chap. 1; Liu 2020, chap. 2.
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