Boom and Bust: A Global History of Financial Bubbles. *By William Quinn* and *John D. Turner*. Cambridge, UK: Cambridge University Press, 2020. 288 pp. Hardcover, $24.95. ISBN: 978-1-10842-125-6.
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Reviewed by Juliette Françoise

In *Boom and Bust*, William Quinn and John D. Turner make a stand by refusing to view financial bubbles as mysterious phenomena nurtured only by "irrational exuberance" (p. 230). Rather, their foremost objective is to understand the causes of financial bubbles, taking into account their whole complexity and placing each bubble in its broader political, economic, social, and cultural context. Borrowing Charles Kindleberger's definition, they describe a financial bubble as an "upward price movement over an extended range that then implodes" (p. 4). To explore this price phenomenon, in the book's first chapter they propose a new metaphor and analytical framework: namely, a financial bubble is a fire and just as fire is fostered by three essential components (oxygen, fuel, and heat), a financial bubble requires marketability, money and credit, and speculation to spark. The key issue the authors raise is one of temporality: how can we know when a financial asset price increase becomes a bubble and when it will burst? They suggest that one needs to look at what triggers first the spark of the bubble and then the reversal of the upward price trend. One of their main insights is that the spark can come from two sources: technological innovation and government policy. Moreover, according to the authors, a bubble ends when the size of the market reaches its limits in terms of players (the pool of speculators) and resources (money and credit). "The size of the bubble and its centrality within the wider economy" determine the nature and the scope of the positive and/or negative consequences of its burst (p. 11). The extent to which the banking system is involved and the number of people engaged in speculative operations are two important elements reinforcing the magnitude of the negative effects of certain bubbles leading to financial crisis, economic downturn, and human costs.

To test their analytical framework, Quinn and Turner elaborated a set of criteria and selected ten historical case studies across the world, from 1720 to 2015. Their global and comparative methodology is based first on an extensive review of the existing literature in both financial economics and financial history. Second, the authors carefully collected data on asset prices and macroeconomic fundamentals to quantify the size of each bubble and the magnitude of its consequences. Third, they surveyed a wide range of primary sources (newspaper archives, contemporary commentators' writings, and politicians' speeches) to contextualize each bubble. Thus, the book makes valuable and original contributions

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to the field of financial history as it systematically describes the economic mechanisms leading to the bubbles and their burst, while anchoring them in a broader cultural atmosphere.

For each case, the authors provide a useful description of the context, covering, for instance, the Spanish Succession War (chapter 2) and post–World War II Japan (chapter 8). Then, they offer an overview of the economic mechanisms that foster an upward trend in asset prices. One recurring element is the use of monetary policy to enhance money and credit expansion. In some cases, it is to aid the conversion of illiquid government debt into liquid equity (chapters 2 and 11). In contrast, banking intermediaries are not always involved in the promotion of a financial bubble. Thus, as with the British bicycle mania of the 1890s (chapter 6), the spark of the bubble does not always lead to a banking crisis. Throughout the book, Quinn and Turner stress a series of transformative trends in corporations, the banking system, and financial markets, thanks to both technological innovation and change in the regulatory framework. Business historians might be particularly interested in the progressive rise of limited-liability companies and how financial leverage fits into their business model. The authors pay close attention to the generalization of speculative practices such as short selling and trading on margin, which accompanied the democratization of speculation, not yet in the 1840s in England (chapter 4) but surely in the 1920s in the United States (chapter 7) and from 2007 onward in China (chapter 11). Innovation in specific sectors can encourage firms to go public with the prospect of raising finance, like the new technology companies involved in the dot-com crisis in the late 1990s (chapter 9). But innovation also transforms the realm of finance. In the case of land and housing booms, homes and land became marketable objects of speculation thanks to financial engineering in Australia in the 1880s (chapter 5) and during the 2008 subprime crisis (chapter 10).

Moreover, one compelling insight of the book is the blurred frontier between legal and illegal practices that accompany the development of a bubble. These practices are encouraged by a weak regulatory framework resulting either from the government's inability to enforce the law or from collusion between business and politics. A question repeatedly asked throughout the book is about the role of the media in promotion booms and financial bubbles' euphoria. From eighteenth-century pamphlet literature to contemporary social media, the authors scrutinize how new media both gain access to financial information and frame it to reach their audience.

Furthermore, the authors discuss economic theories concerning financial market efficiency and economic models of bubbles in the light of their ultimate goal, which is to predict future bubbles. Yet they

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fail to do so, as they acknowledge in the final chapter that neither government policy nor the effect of technological innovation on the economy can be predicted. Despite tracing financial bubbles from eighteenth-century western Europe to contemporary China, the global scope of the book is in fact limited to the core capitalist economies. The criteria of selection as well as the availability of data might explain this inclination, but one wonders about the role of peripheral countries in these stories beyond the cases of Latin America (chapter 3) and Australia. Nevertheless, in stressing the continuity over three centuries, the book opens up the debate on how government policy, the media, and individual responsibility play a recurring part in financial bubbles.

Juliette Françoise is completing a joint PhD at the University of Geneva and University Paris 1 Panthéon-Sorbonne. Her research focuses on monetary sovereignty in the context of the French Empire in Asia in the early modern period.

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Sustaining Empire: Venezuela's Trade with the United States during the Age of Revolutions, 1797–1828. *By Edward P. Pompeian*. Baltimore: Johns Hopkins University Press, 2022. 344 pp. Illustrations, maps, notes, index. Hardcover, $64.95. ISBN: 978-1-42144-338-6.
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Reviewed by Lindsay Schakenbach Regele

The conclusion of *Sustaining Empire* opens with a scene from a Colombian dignitaries' dinner in 1823, at which two US agents were mildly rebuffed for their lack of sophistication. More offensive was the agents' association with a nation that "had not come forth as the Champions of Liberty" (p. 225). Even worse, in the opinion of the dignitaries, merchants from the United States had helped perpetuate Spanish imperialism. Edward P. Pompeian charts the effects of US policies of neutrality on the Spanish captaincy general of Venezuela (which became part of Gran Colombia after independence), a "fundamentally Caribbean region" more similar to Cuba than to neighboring New Granada (p. 8). He does so with a "translocal analysis," studying the geopolitical, political, social, and economic elements of *comercio neutral* in new ways and drawing conclusions that challenge much of the historiography on US-Latin American relations, which tends to highlight revolutionary sympathies and/or neocolonial relationships (p. 14). Pompeian convincingly argues that Spanish colonists, not US merchants, demanded freer trade. In profiting from the Spanish Empire's trade

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