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EDITORIAL

## IS HISTORY REPEATING ITSELF?

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**T**HE economic student reading David A. Wells' work, *Recent Economic Changes*, is strongly impressed with the similarity between the conditions preceding the crisis of 1873 and the causes of the latter, described and enumerated in that work, and the conditions preceding the oncoming crisis, together with the causes alleged to be responsible for its approach.

Discussing the prosperity that raged prior to 1873 Wells says:

“It is also universally admitted that the years immediately precedent to 1873—i.e., from 1869 to 1872—constituted a period of most extraordinary and almost universal inflation of prices, credits and business; which, in turn, has been attributed to a variety or sequence of influences, such as excessive speculation; excessive and injudicious construction of railroads in the United States, Central Europe, and Russia (1867–’73); the opening of the Suez Canal (1869); the Franco-German War (1870–1871), and the payment of fifty-five hundred million francs (\$1,100,000,000) which Germany exacted from France (1871–’73). The contemporary comments of two English journals of authority, on the course of events in 1872, constitute also an important contribution to our information on this subject. Under date of March, 1873, the *London Economist*, in its review of the commercial history of the preceding year, says:

“Of all the events of the year (1872) the profound economic changes generated by the rise of prices and wages in this country, in Central and Western Europe, and in the United States, have been the most full of moment.’

“And the *London Engineer*, under date of February, 1873, thus further comments on the situation:

“The progress of events during 1872 will not soon be forgotten by engineers. The position assumed by the working classes, and the unprecedented demand for iron and machinery, combined to raise the cost of all the principal materials for construction to a point absolutely without parallel, if we bear in mind that the advance of prices was not localized, but universal, and that the duration of the rise was not limited to a few weeks,

but, having extended already over a period of some months, shows little signs at this moment of any sensible abatement. In 1872 scarcely a single step in advance was made in the science or practice of mechanical engineering. No one had time to invent or improve, or try new things. The workingman is setting spurs to his employers with no gentle touch, and already we find that every master with capital at stake is considering how best he can dispense with the men who give him so much trouble. Of course, the general answer always assumes the same shape—use a tool whenever it is possible instead of a man.”

If Wells were describing the period of prosperity precedent to year 1903, he would, with some variations, draw almost the same capitalist pictures. “The years immediately precedent to 1903—i.e., 1896 to 1902—also “constituted a period of most extraordinary and almost universal inflation of prices and credits and business,” in which excessive speculation; excessive and injudicious construction, not of railroads, so much as industrial enterprises, played a part in the United States, Central Europe and Russia; and in which wars and their indemnities, together with the new fields of exploitation that they brought—i.e., the Spanish-American, Boer-Britain, and Chinese wars, and the development of the Philippines, South Africa and China—played an important part.

Wells could also duplicate his quotations. Has not the steel and iron industry been so busy that the mills could not stop even for repairs, and, as a result, no new machinery was installed, while hundreds of workers were slaughtered, owing to this abnormal activity? And has not the workingman, according to the statement of Mark Hanna, printed in *The People* last Sunday,<sup>1</sup> “set spurs to his employer” so that he too is considering how best he can dispense with him, only using retrenchment rather than invention as a means to that end?

There is no doubt Wells could draw pictures between the two antecedent periods that would be similar in many respects; but it is only in the review of causes assigned for both the crisis of 1873 and the oncoming one of 1903, he could make the picture accurate in nearly every detail. Says Wells, reviewing the causes assigned for the crisis of 1873:

“Nearly all investigators are agreed that the wide-spread and long

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<sup>1</sup> [See “Hanna on ‘Graft,’ appended to the editorial, “A New Application of ‘Graft,’” October 25, 1903.—R.B.]

continued 'depression of business' is referable not to one but a variety of causes, which have been more or less influential; and among such causes the following are generally regarded as having been especially potential: 'Over-production'; 'the scarcity and appreciation of gold,' or 'the depreciation of silver, through its demonitization'; restrictions of the free course of commerce through protective tariffs on one hand, and excessive and unnatural competition occasioned by excessive foreign imports contingent on the absence of 'fair' trade or protection on the other; heavy national losses occasioned by destructive wars, especially the Franco-Prussian War; the continuation of excessive war expenditures; the failure of crops; the unproductiveness of foreign loans or investments; excessive speculation and reaction from great inflations; strikes and interruption of production consequent on trades-unions and other organizations of labor; the concentration of capital in a few hands, and a consequent antagonizing influence to the equitable diffusion of wealth; 'excessive expenditures for alcoholic beverages, and a general improvidence of the working class.'"

Who doesn't hear almost all these capitalist "causes" assigned by the Republicans, Democrats, free-silverites, populists, anti-trusters, temperance reformers, manufacturers' associations, etc., to-day, as the "causes" that are producing the crisis of 1903 in this list? Wells does not agree that these causes are responsible for the crisis of 1873 and the long years of depression following. This he attributes to great economic changes destroying capital, displacing labor, and generally affecting exchange values in a manner detrimental to the institutions existing prior to their inauguration.

Is history repeating itself? Are recent economic changes, that is, the worldwide concentration of industry, not yet internationally perfected—which increase the stealings of unpaid labor—surplus value—and intensify the evils of capitalism in a universal manner—leading to another 1873, with its subsequent years of "prolonged business depression"? The above striking similarity from Wells impresses the dispassionate thinker with the belief that they are.

Transcribed and edited by Robert Bills for the official Web site of the Socialist Labor Party of America.

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