

Transcription, April 2021:

New York Herald No. 18007 (10 December 1885): 4b. (anon.).

[p. 4]

‘The Depression of Trade.’

We print in other columns a review of Mr. Alfred Russel Wallace’s analysis of the persistent depression of trade, which, though specially applicable to Great Britain, makes particular reference to the United States.

What will attract most attention is the author’s classification of the enormous foreign loans and investments of English capitalists as the most potent of the seven causes he assigns; for an allegation that the distress of England’s trade is largely due to the tributary relation of other countries to herself—to her being the great creditor nation of the world—is a paradox. But examples of the suffering of individual traders from a like cause are familiar. It needs only to individualize the creditor and the debtor nations, and consider how indiscriminate have been England’s loans and investments, to perceive the soundness of the argument. For examples, Egypt in one hemisphere and Peru in the other are much poorer customers of England to-day than if the Khedive Ismail and President Balta had not been able to borrow a dollar from English coffers.

We think, however, that it was due to certain nations, and particularly to the United States that Mr. Wallace should insist more than he does upon lack of discrimination on the part of the lenders rather than upon the mere fact of the loans. British investments in our national securities and in our industrial enterprises have, as a whole, been vastly remunerative, and, as he confesses while treating another branch of the subject, “there is no country to which British exports have increased more largely since 1874 than to the United States.”

Next in the order of attention will be Mr. Wallace’s assignment of the increasing disproportion in the distribution of wealth as a potent cause of the distress. The sudden death of the greatest American capitalist—the wealthiest man in the world, in the amount of his annual income—makes criticism on this theme uncommonly pertinent at the present moment. The London *Times* yesterday questioned whether the message of the President to the Congress of the United States, discussing the foreign relations and domestic politics of a nation of sixty million people, “will occupy so large a space in the thoughts of the world as the death of Mr. Vanderbilt.”

But here again Mr. Wallace’s treatment of the subject is partial. His demonstration is clear enough that the personal expenditure of a millionaire gives “small direct employment to the great manufacturing industries of a country” in comparison with what would be given were the wealth distributed among “five hundred families.” But he omits to debate the demand of modern civilization for aggregations of wealth to accomplish industrial objects desirable to the welfare of the community, which has compelled the organization of corporations on a scale unparalleled in history, and he does not consider and explain how and why such aggregations in the hands of individuals may not likewise serve those desirable purposes for the common benefit. He dwells on the bad effects of the concentration of much capital in few hands without making any allowance for offsets save in the way of serving art and luxury.

But while on these points and many others we must deem Mr. Wallace’s essay imperfect and one-sided, it is full of fertile suggestions, and the advent of so distinguished a scientific thinker—one who shares with Darwin the honor of independent discovery of the great law of the survival of the fittest to explain the origin of species—as a vigorous debater of the social problems of English speaking people is no less a matter for notice and congratulation here than in his own country.