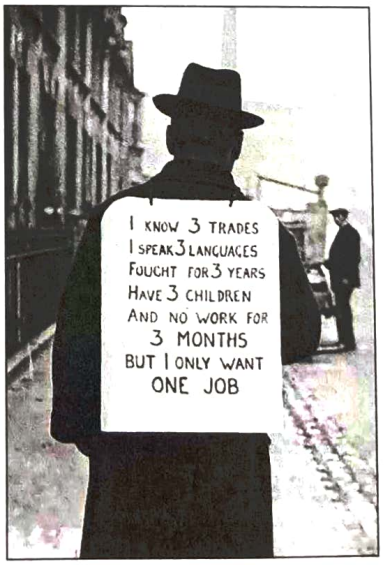
Heed the signs

1873: THE FIRST GREAT DEPRESSION AND THE MAKING OF THE MODERN WORLD
By Liaquat Ahamed,
Hutchinson Heinemann, ₹1,499

Trading on the stock market and speculative investing come as easily to this reviewer as building a brick-and-mortar house does to a grizzly bear. But the biggest benefit that Liaquat Ahamed's book has for potential readers is the accessibility of its prose and the author's innate ability to craft a gripping story out of dry statistics. The reasons for the Panic of 1873 in the United States of America — paralleled by similar economic depressions in cities across Europe — are fleshed out in cinematic detail, giving the reader a creeping fear about the consequences of such "speculative fever" on the 21st-century global economy.

For readers interested in the establishment of the West's financial hegemony, this book offers a detailed compendium of cause and effect. There is the litany of usual suspects: bankers, brokers, middle-class investors and the "great railroad robber barons of the era". From a minute analysis of the expanding empire of the Rothschilds in an increasingly antisemitic Europe, to sneak peeks into the private lives of Jay Gatsby-esque American *nouveau riche* profiteers like Jay Cooke, to the derision for the irresponsible personal expenses of the crumbling royalty in the Ottoman Empire, including occasional digressions to discuss cultural context offered by writers like Mark Twain in his "social satire that would mock the greed, crass materialism, and moral decay of post-Civil War America", Ahamed's narrative has it all. Over four separate sections, he conducts a methodical exposition of the economic acceleration of the 1850s and the 1860s, the frenzied moneymaking during the prosperity, the eventual bust of 1873, and the hellish aftermath: a depression which even the California Gold Rush couldn't rescue for six-odd years.



Unfortunately, some glaring deficiencies prevent the book from being placed on a shelf of all-time classics. Firstly, Ahamed glosses over the role played by the ill-gotten gains from colonialism in Europe's prosperity in the mid-19th century, focusing exclusively on the bond market financed by the Rothschilds and the indemnity paid by France after the Franco-Prussian War. The opening of the Suez Canal is mentioned in brief, but the trade it brought into Europe from South and Southeast Asia is wholly ignored. The Orient, instead, is portrayed as a burden on the coffers of the European monarchies. The wealth of Nizam of Hyderabad isn't mentioned even in passing; the moniker of the world's wealthiest man is contested between a Rothschild and a Vanderbilt. The book would also have benefited from thorough proofreading — the bank run by the Baring family is variously mentioned as both Barings and Baring throughout the book.

Ultimately, *1873* is a book documenting "just how fragile the market was" — a prescient warning that a certain Karl Marx also issued several times. The book could as easily be talking about 2026 as 1873. Adventurous investors of the world, beware!

Rishav Paul