The Essence of Social Democracy  
(September 3, 1900)  

Terre Haute, Ind., Sept. 3, 1900.

The economic basis of society is changing more rapidly today than ever before in human history, and as the character of society and all social institutions change unerringly to correspond to their economic formation, this is preeminently an age of social evolution.

In swift succession change follows upon change in the mode of production and distribution. Cheaper and cheaper production, more rapid and still more rapid methods of communication and transportation are demanded to supply the world’s elusive and shifting markets.

Everything must be done on a gigantic scale to be done successfully, or even at all, for in the operation of the remorseless law of competition the weak, the aged, infirm, and all who lack the latest modern equipment are driven from the arena by the more powerful rivals with as little compunction as a champion of the prize ring experiences when he sees his “opening” and administers the “knockout” blow which determines the fate of his ill-starred competitor.

At this very hour — believed by many to mark an era of unparalleled prosperity — commercial collapses are occurring at the rate of a thousand or more a month, 40 for each business day in the round year, in the United States.

Concentration, swift and irresistible, is a part — an inevitable part — of the economic development. The individual businessman has long since been supplanted by the firm, the firm by the company, the company by the still more powerful corporation, and latterly the corporation has been swallowed up by the trust. And this concentration not only continues in spite of threat and protest, uttered by the thousands ruined or menaced by it, but is steadily accelerated as each revolution increases the momentum of a train rushing downward on a heavy grade.

Victims More Numerous.
McKinley thinks it isn’t right, and Bryan is certain it ought to be stopped.

Why? Because evolution is a crime? No; because the victims are more numerous than the beneficiaries, and they have votes.

This accounts for the opposition (?) of McKinley to the trusts; likewise that of Croker.¹ The rapidly declining middle class is still powerful; not nearly so large as the working class, but very much larger than the big capitalist class, and hence a potential factor in the control of elections.

Totally oblivious, seemingly, of the plain and unmistakable trend of the economic transformation in progress, the middle class is easily made victim of the illusion that, Joshua-like, the politicians can halt, not only the sun, but make the whole world stand still.²

Concentration and cooperation are supplanting diffusion and competition. Scattered small property is being absorbed and concentrated in colossal enterprises. Every failure, every bankruptcy hastens the end. The propertyless class grows large in inverse ratio.

Here are some approximate estimates: Of our total population, 6 percent are in the capitalist class, 19 percent are in the middle class, and 75 percent in the working class. Of our nation’s wealth, 82 percent is owned by the capitalist class, 75 percent by the middle class [sic.], and 3 percent by the working class.

The day of small production and competition is passing, and the state of society it developed is passing with it.

**The Era of Socialism.**

Socialism, the new (and destined to be the controlling) force in the social and economic progress of mankind, is evolving steadily from the existing capitalist system, which has reached the climax of its development and bears increasing signs of decline and decay.

One state of society succeeds another in the ceaseless process of evolution, by virtue of which mankind reaches higher elevations in the scale of being, and each period is so distinctive, so clearly marked that it is readily distinguishable from all others which preceded or succeeded it.

The present capitalist system was quickened into life in the womb of feudalism, and sprang from that system. In its early stages it was received with ridicule and contempt, and the incipient capitalist was treated with
the same lofty scorn by the feudal baron and subjected to the same social ostracism that the modern capitalist has decreed for the socialist “agitator.”

The progenitor of the full-blown capitalist was the socialist of his day and generation. Capitalism has had its day; it has served its time, run its course, fulfilled its mission, and must now give way, by the inexorable law of economic evolution, to its successor, which already appears upon the arena, and those with ears attuned can hear the lusty urchin shouting with imperious authority his decrees to clear the road for socialism, which henceforward has the right of way on the track of the centuries.

Social democracy is revolutionary in character and international in scope. The machine has been the germ of the transformation which is annihilating space and drawing all the nations of the earth into the socialist bands of harmonious cooperation. The struggle for the world’s markets will determine the period of transition.

Death Rattle of Capitalism.

The massacre in the Philippines, the conquest in South Africa, the invasion of China are the death rattles in the throat of capitalism.

These civilized crimes are, at bottom, economic and not political issues.

The fierce international struggle for control of the world’s markets makes wars of conquest inevitable. The large capitalist class have the surplus products they must get rid of, or their fate is sealed. These are the “patriots” who wage wars for “humanity” and “civilization.”

The small capitalist class have no surplus products to dispose of, and they are fiercely opposed to these wars on “high moral grounds.”

As a matter of history and of fact, the ethical follows the economic development, and is fashioned and molded by it.

Chattel slavery only became immoral by the popular verdict when it became economically impossible. It can be easily demonstrated that chattel slavery could not exist in highly developed capitalist society.

Capitalism is rushing to its doom. Every new machine abridges its reign, every competitor crusted limits its regime, and every workingman displaced hastens its downfall.

As already intimated, the machine is the vital force in the transformation of the social organism. The machine increases production, displaces workers, intensifies competition, and lowers wages. Production
increases, while consumption, determined by wages, diminishes. There is bound to be a surplus.

One nation after another is becoming a manufacturing nation. The customers of yesterday are the competitors of today. How long will it be before the crisis, international in scope, is reached?

Social democracy solves the problem. There is no escape from it. Retarded it may be, and is, by ignorance and prejudice, but its triumphant consummation can not be prevented. All the laws of social and economic evolution are pledged to its supremacy, and the gates of hell can not prevail against it.

Social democracy is the only democracy. Our politics are not chainless so long as industry is in fetters.

To Disenthrall Industry.

Politics in our country have been nominally democratized, but until industry is disentralled there can be no true freedom in the land.

One man used to manage our politics. This was the King, and he declared by all that was holy that the people were not fit to govern themselves. But they finally concluded otherwise, overthrew the King, and declared the republic. Since then the people themselves have managed their politics, and, although they may not have made a glittering success of it, they will never go back to king rule. Just so with our industrial system. It must be rescued from one-man rule, notwithstanding the ancient blasphemy that the people are not fit to manage their own affairs.

If the people are fit for political equality, why not for economic equality?

Politics concerns the liberty of the citizen — industry involves his very life. Without employment he can not live, and the individual who controls that is his king.

Social democracy proposes the collective ownership of all the means of production and distribution, the operation of industry in the interest of the whole people, the utilization of every machine and every worker in reducing the hours of daily labor, the equality of all races and sexes in respect to rights and opportunities, the elimination of rent, interest, and profit, the full product of labor to the producer, the abolition of poverty, the end of war, the economic freedom of every human being — and thus emancipated from the cruel and degrading thralldom of the capitalist
system, the twentieth century will be, as Victor Hugo prophesied, “the century of humanity.”

Seven million men and women are marching proudly beneath the banner of international socialism. Almost 100,000 voters were registered for socialism in the United States in 1898.

What shall be the poll in 1900? Wait and watch!


1 The Irish-born Richard W. Croker, Sr. (1843-1922) was the top boss of New York’s Tammany Hall for the entire decade of the 1890s. A loss of political clout in the first years of the 20th century led to his return to Europe in 1905.
2 Allusion to Joshua, chapter 10, verses 12-13.