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EDITORIAL

## “EXCEPTIONAL ABILITY,” ETC.

By DANIEL DE LEON

**W**HEN Wm. A. Mallock, M.A., of England, was in this country last year “demolishing” Socialism, he demolished on several occasions in this wise:

“The world’s great increase in productivity is due to two factors. One of them is the development of machinery. The other is the increasing application of exceptional intelligence, knowledge and energy to the direction and co-ordination of the variety of individual operations into which the manual labor of others on an increasing scale divides itself. It is to this latter factor that the development of modern machinery is itself due. . . .

“Capitalism, regarded under its productive aspect, is essentially a device for imposing the intellect and the knowledge resident in an exceptionally gifted minority, on the manual operations of the average majority of mankind. . . .

“The able minority of men who direct the labor of the majority are the true producers of that amount of wealth by which the total output exceeds what would have been produced by the laborers if left to their own devices.”

So far, Mallock. In *Human Life* for January, is a sketch of the rise of John W. Gates, the steel trust man of Chicago.

“Gates was born fifty-two years ago on a farm near Turner’s Junction, thirty-one miles from Chicago,” it says. “At eighteen he was making a living, nothing more, from a little hardware store at the Junction. Isaac Elwood, the pioneer manufacturer of barbed wire, came along and invited him to try his hand at introducing it in the cattle country, so John W. put a spool of wire in his trunk and went to Texas. He built a fence and invited the cowboys to test it, and though they laughed at the notion of that stuff holding a steer, they promptly got their eyes open. In one day the young drummer took orders for more barbed wire than Elwood could make in a month.

“But barbed wire was then worth 18 cents a pound, and it struck Gates that there would be more money in selling it for himself than for somebody else. Back North he went, raised \$8,000, and started manufacturing. He had no right to do it, as he admits. All the same he did it, and when the patentees tried to serve papers on him, he moved his machines from Missouri to Illinois, or back again, as occasion demanded. ‘Moonlight Gates’ they called him in those days. His factory was on trucks, and it frequently changed its location after dark.”

After forcing Elwood into a partnership with him and then buying him out, Gates incorporated one steel wire company after another, until, “by 1895 our friend had made enough money to invest \$100,000 in the Illinois Steel Co., of which he became president. Three years later the Illinois was merged with the Federal Steel Co., very much to Gates’ financial advantage. In 1897 he organized the American Steel & Wire Co. of Illinois, capital \$24,000; and when he saw the big boom coming he prepared to help harvest it by organizing the American Steel & Wire Co. of New Jersey, capital \$90,000,000. These last few years he has been active in the stock market.”

Violation of patent rights, dodging of the agents of the law, squeezing out of his own partners, stock manipulation—such are the “exceptional intelligence, knowledge and energy,” by which the “able” and “gifted minority,” Gates, has risen in the world of capitalism. Mr. Mallock is welcome to this noble and living embodiment of his “demolishment.”

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

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