

ANDREW CARNEGIE, "THE GOSPEL OF WEALTH" (1889)

Questions:

1. How does Andrew Carnegie justify the contrast between the wealthy and the working poor?
2. According to Carnegie, what is the "proper administration of wealth"?
3. Why would some people criticize Carnegie's proposal?

A new intellectual tenet - Social Darwinism-helped justify the position of wealthy businessmen while simultaneously explaining poverty, misery, and unemployment. Social Darwinists, led by Englishman Herbert Spencer, who coined the phrase "survival of the fittest," broadened the theory of evolution to include all phenomena, especially society. Spencer argued that industrial leaders were products of natural selection: the best prospered while the unfit fell by the wayside. Any attempt to criticize or limit these survivors was contrary to natural law, and those less fortunate were the price modern society had to pay for progress. Andrew Carnegie, who amassed a fortune from the steel industry and was one of the few immigrant "rags to riches" examples of the era, understood that Social Darwinism could weaken democratic ideals. He published "Wealth," excerpted as follows, in the prominent journal, North American Review, in an effort to encourage businessmen to administer their wealth properly. Carnegie set the example and followed his "Gospel of Wealth" until the day he died.



The problem of our age is the proper administration of wealth, so that the ties of brotherhood may still bind together the rich and poor in harmonious relationship. The conditions of human life have not only been changed, but revolutionized, within the past few hundred years....The contrast between the palace of the millionaire and the cottage of the laborer with us to-day measures the change which has come with civilization. . . .

This change, however, is not to be deplored, but welcomed as highly beneficial. It is well, nay, essential for the progress of the race, that the houses of some should be homes for all that is highest and best in literature and the arts, and for all the refinements of civilization, rather than that none should be so. Much better this great irregularity than universal squalor. . . .

The price which society pays for the law of competition, like the price it pays for cheap comforts and luxuries, is also great; but the advantages of this law are also greater still, for it is to this law that we owe our wonderful material development, which brings improved conditions in its train. But....the law may be sometimes hard for the individual, it is best for the race, because it insures the survival of the fittest in every department. We accept and welcome, therefore, as conditions to which we must accommodate ourselves, great inequality of environment, the concentration of business, industrial and commercial, in the hands of a few, and the law of competition between these, as being not only beneficial, but essential for the future progress of the race. . . .

We start, then, with a condition of affairs under which the best interest of the race are promoted, but which inevitably gives wealth to the few. Thus far, accepting conditions as they exist, the situations can be surveyed and pronounced good. The question then arises,....What is the proper mode of administering wealth after the laws upon which civilization is founded have thrown it into the hands of the few? . . .

There are but three modes in which surplus wealth can be disposed of. It can be left to the families of the decedents; or it can be bequeathed for public purposes: or, finally, it can be administered during their lives by its possessors. Under the first and second modes most of the wealth of the world that has reached the few has hitherto been applied. Let us in turn consider each of these modes. The first is the most injudicious. In monarchical countries, the estates and the greatest portion of the wealth are left to the first son, that the vanity of the parent may be gratified by the thought that his name and title are to

descend to succeeding generations unimpaired. The condition of this class in Europe to-day teaches the futility of such hopes or ambitions. The successors have become impoverished through their follies or from the fall in the value of land. . . .

As to the second mode, that of leaving wealth at death for public uses, it may be said that this is only a means for the disposal of wealth, provided a man is content to wait until he is dead before it becomes of much good in the world. Knowledge of the results of legacies bequeathed is not calculated to inspire the brightest hopes of much posthumous good being accomplished. The cases are not few in which the real object sought by the testator is attained, nor are they few in which his real wishes are thwarted. In many cases the bequests are so used as to become only monuments of his folly. . . .

There remains, then, only one mode of using great fortunes; but in this we have the true antidote for the temporary unequal distribution of wealth, the reconciliation of the rich and the poor—a reign of harmony—another ideal, differing, indeed, from that of the communist in requiring only the further evolution of existing conditions, not the total overthrow of our civilization. It is founded upon the present most intense individualism, and the race is prepared to put it in practice by degrees whenever it pleases. Under its sway we shall have an ideal state, in which the surplus wealth of the few will become, in the best sense, the property of the many, because administered for the common good, and this wealth, passing through the hands of a few, can be made a much more potent force for the elevation of our race than if it had been distributed in small sums to the people themselves. . . .

This, then, is held to be the duty of the man of Wealth: First, to set an example of modest, unostentatious living, shunning display or extravagance; to provide moderately for the legitimate wants of those dependent upon him; and after doing so to consider all surplus revenues which come to him simply as trust funds, which he is called upon to administer, and strictly bound as a matter of duty to administer in the manner which, in his judgment, is best calculated to produce the most beneficial results for the community—the man of wealth thus becoming the mere agent and trustee for his poorer brethren, bringing to their service his superior wisdom, experience, and ability to administer, doing for them better than they would or could do for themselves. . . .

In bestowing charity, the main consideration should be to help those who will help themselves; to provide part of the means by which those who desire to improve may do so; to give those who desire to rise the aids by which they may rise; to assist, but rarely or never to do all. Neither the individual nor the race is improved by alms-giving. . . . He is the only true reformer who is as careful and as anxious not to aid the unworthy as he is to aid the worthy, and, perhaps, even more so, for in alms-giving more injury is probably done by rewarding vice than by relieving virtue. . . .

Thus is the problem of Rich and Poor to be solved. The laws of accumulation will be left free; the laws of distribution free. Individualism will continue, but the millionaire will be but a trustee for the poor; intrusted for a season with a great part of the increased wealth of the community, but administering it for the community far better than it could or would have done for itself. The best minds will thus have reached a stage in the development of the race in which it is clearly seen that there is no mode of disposing of surplus wealth creditable to thoughtful and earnest men into whose hands it flows save by using it year by year for the general good. This day already dawns. . . . yet the man who dies leaving behind him millions of available wealth, which was his to administer during life, will pass away "unwept, unhonored, and unsung," no matter to what uses he leaves the dross which he cannot take with him. Of such as these the public verdict will then be: "The man who dies thus rich dies disgraced."

Such, in my opinion, is the true gospel concerning Wealth, obedience to which is destined some day to solve the problem of the Rich and the Poor, and to bring "Peace on earth, among men Good-Will."