The Gospel of Wealth (1901)

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Andrew Carnegie was one of the great industrialists of the nineteenth century. Though he arrived in America as an immigrant and went to work at thirteen, he nonetheless accumulated one of the largest fortunes in history as the founder of Carnegie Steel, which became the core of the future U.S. Steel. He came from nothing, and the meaning of his ascent to stupendous wealth weighed on his conscience as Americans began to wrestle with the meaning of the industrial revolution's success. During the 1880s, he wrote a succession of essays that were eventually gathered into a short book titled *The Gospel of Wealth*, in which he explained how the extreme inequality of industrial capitalism could be squared with a notion of justice. Despite its nod to Christianity, Carnegie dismissed charity to the poor. He believed that the best philanthropy provided education to the poor, who then would be able to better themselves. His *Gospel* was extremely influential in the Gilded Age, and we can see its echoes today in philanthropic organizations like the Gates Foundation.

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. In former days there was little difference between the dwelling, dress, food, and environment of the chief and those of his retainers. 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.

The farmer has more luxuries than the landlord had, and is more richly clad and better housed. The landlord has books and pictures rarer, and appointments more artistic, than the King could then obtain.

But whether the change be for good or ill, it is upon us, beyond our power to alter, and therefore to be accepted and made the best of. It is a waste of time to criticise the inevitable.

The price we pay for this salutary change is, no doubt, great. We assemble thousands of operatives in the factory, in the mine, and in the counting-house, of whom the employer can know little or nothing, and to whom the employer is little better than a myth. All intercourse between them is at an end. Rigid Castes are formed, and, as usual, mutual ignorance breeds mutual distrust. Each Caste is without sympathy for the other, and ready to credit anything disparaging in regard to it. Under the law of competition, the employer of thousands is forced into the strictest economies, among which the rates paid to labor figure prominently, and often there is friction between the employer and the employed, between capital and labor, between rich and poor. Human society loses homogeneity.

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 advantage of this law are also greater still, for it is to this law that we owe our wonderful material development

Objections to the foundations upon which society is based are not in order, because the condition of the race is better with these than it has been with any others which have been tried. Of the effect of any new substitutes proposed we cannot be sure. The Socialist or Anarchist who seeks to overturn present conditions is to be regarded as attacking the foundation upon which civilization itself rests, for civilization took its start from the day that the capable, industrious workman said to his incompetent and lazy fellow, "If thou dost net sow, thou shalt net reap," and thus ended primitive Communism by separating the drones from the bees. To these who propose to substitute Communism for this intense Individualism the answer, therefore, is: The race has tried that. All progress from that barbarous day to the present time has resulted from its displacement. Not evil, but good, has come to the race from the accumulation of wealth by those who have the ability and energy that produce it.

We start, then, with a condition of affairs under which the best interests of the race are promoted, but which inevitably gives wealth to the few. Thus far, accepting conditions as they exist, the situation can be surveyed and pronounced good. The question then arises,—and, if the foregoing be correct, it is the only question with which we have to deal,—What is the proper mode of administering wealth?

It will be understood that fortunes are here spoken of, not moderate sums saved by many years of effort, the returns on which are required for the comfortable maintenance and education of families. This is not wealth, but only competence which it should be the aim of all to acquire.

There are but three modes in which surplus wealth can be disposed of. It call 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. 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. Under republican institutions the division of property among the children is much fairer, but the question which forces itself upon thoughtful men in all lands is: Why should men leave great fortunes to their children? If this is done from affection, is it not misguided affection?

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. The cases are not few in which the real object sought by the testator is not 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. It is well to remember that it requires the exercise of not less ability than that which acquired the wealth to use it so as to be really beneficial to the community. Men who leave vast sums in this way may fairly be thought men who would not have left it at all, had they been able to take it with them. The memories of such cannot be held in grateful remembrance, for there is no grace in their gifts.

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. 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 the 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. Even the poorest can be made to see this.

These who, would administer wisely must, indeed, be wise, for one of the serious obstacles to the improvement of our race is indiscriminate charity. It were better for mankind that the millions of the rich were thrown in to the sea than so spent as to encourage the slothful, the drunken, the unworthy. Of every thousand dollars spent in so called charity to-day, it is probable that $950 is unwisely spent; so spent, indeed as to produce the very evils which it proposes to mitigate or cure. He only gratified his own feelings, saved himself from annoyance,—and this was probably one of the most selfish and very worst actions of his life, for in all respects he is most worthy.

If we consider what results flow from the Cooper Institute, for instance, to the best portion of the race in New York not possessed of means, and compare these with those which would have arisen for the good of the masses from an equal sum distributed by Mr. Cooper in his lifetime in the form of wages, which is the highest form of distribution, being for work done and not for charity, we can form some estimate of the possibilities for the improvement of the race which lie embedded in the present law of the accumulation of wealth. Much of this sum if distributed in small quantities among the people, would have been wasted in the indulgence of appetite, some of it in excess, and it may be doubted whether even the part put to the best use, that of adding to the comforts of the home, would have yielded results for the race, as a race, at all comparable to those which are flowing and are to flow from the Cooper Institute from generation to generation. Let the advocate of violent or radical change ponder well this thought.

The rich man is thus almost restricted to following the examples of Peter Cooper, Enoch Pratt of Baltimore, Mr. Pratt of Brooklyn, Senator Stanford, and others, who know that the best means of benefiting the community is to place within its reach the ladders upon which the aspiring can rise—parks, and means of recreation, by which men are helped in body and mind; works of art, certain to give pleasure and improve the public taste, and public institutions of various kinds, which will improve the general condition of the people; in this manner returning their surplus wealth to the mass of their fellows in the forms best calculated to do them lasting good.

Individualism will continue, but the millionaire will be but a trustee for the poor. "The man who dies thus rich dies disgraced."

Questions

1. Carnegie advocates that the wealthiest dispose of their wealth while still alive to form institutions that are "ladders upon which the aspiring can rise," that is, free libraries, free schools, and free universities. His vision of justice focuses not on present inequality but intergenerational inequality. Do you think his outlook would justify extreme inequality? Should the present-day "appetites" of underpaid workers be neglected for their children's future educated entrepreneurship?
2. Why does Carnegie oppose simple charity?
3. Why does Carnegie oppose waiting until death to dispose of wealth?
4. In the era of the internet, with all its free information, what might Carnegie advocate? Do you think this free information (like MOOCs and Wikipedia) has eliminated barriers to class mobility?
5. The libraries that Carnegie funded were closed by the time his steelworkers got off work each day. Does this undermine his argument?