

## Andrew Carnegie, from "The Gospel of Wealth" (1889)

*Written in 1889 for The North American Review, this piece justified the fortunes made by industrialists like Carnegie and provided a model for the distribution of their wealth. Carnegie believed laissez-faire economics were tied to social responsibility. Carnegie was born in Scotland and worked in the United States as a messenger for Western Union and a bobbin boy before, through shrewd salesmanship and investment, he became the head of Carnegie Steel Company, which, after it was sold to J. P. Morgan, became United States Steel.\**

The problem of our age is the proper administration of wealth, 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. This change, however, is not to be deplored, but welcomed as highly beneficial. It is well, say, 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. Without wealth there can be no Meccenas.

...to-day the world obtains commodities of excellent quality at prices which even the preceding generation would have deemed incredible. In the commercial world similar causes have produced similar results, and the race is benefited thereby. The poor enjoy what the rich could not before afford. What were the luxuries have become the necessities of life....

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 other which has

\* From Andrew Carnegie, "Wealth," *North American Review*, 1889.

been tried....No evil, but good, has come to the race from the accumulation of wealth by those who have had the ability and energy to 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....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 by its possessors during their lives....

There remains, then, only one mode of suing 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 most intense Individualism. ...Under its sway we shall have an ideal State, in which the surplus wealth of the few will become, in the best sense, property of the many, because administering for the common good; and this wealth, passes through the hands of the few, can be made much more potent force for the elevation of our race than if distributed in small sums to the people themselves. Even the poorest can be made to see this, and to agree that great sums gathered by some of their fellow-citizens—spent for public purposes, from which masses reap the principal benefit, are more valuable to them than if scattered among themselves in trifling amounts through the course of many years.

If we consider the results which flow from the Cooper Institute, for instance..., and compare these with those who would have ensured for the good of the man form an equal sum distributed by Mr. Cooper in his lifetime in the form of wages, which the highest form of distributing, being work done and not for charity, we can estimate of the possibilities for the improvement of the race which lie embedded in the present law of the accumulation of wealth....

This, then, is held to be the duty of the man of wealth: 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 trustee and agent 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. Those worthy of assistance, except in rare cases, seldom require assistance....

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—free libraries, parks, and means of recreation, by which men are helped in body and mind; works of art, certain to give pleasure and 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.

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 if 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....

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."

#### DOCUMENT ANALYSIS

1. What does Andrew Carnegie assert to be the duty of the "man of wealth"? Does Carnegie's formula seem practical?
2. Does Carnegie's "Gospel of Wealth" promote or inhibit democratic opportunity?