

In the June 1889 issue of *North American Review*, steel magnate Andrew Carnegie published an essay titled, "Wealth," more commonly known as "The Gospel of Wealth." In this essay, Carnegie argued that the super-rich, like himself, should carefully give away the bulk of their wealth before they die for the benefit of society. Labor activists, on the other hand, questioned whether someone like Carnegie should be founding civic institutions, such as libraries, with money that perhaps should have gone toward workers' pay in the first place. "The Gospel of Wealth" fueled public debate back then and still raises issues today about the rich, the poor, business, labor, economic fairness, and philanthropy.

### **Andrew Carnegie's "Gospel of Wealth"**

...Today the world obtains commodities of excellent quality at prices which even the generation preceding this would have deemed incredible.

...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 employed, between capital and labor, between rich and poor...

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, which brings improved conditions in its train. ...while the law may be sometimes hard for the individual, it is best for the race [Carnegie's use of the word "race" refers to humanity or the human 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. ...It is a law, as certain as any of the others named, that men possessed of this peculiar talent for affair [business], under the free play of economic forces, must, of necessity, soon be in receipt of more revenue than can be judiciously expended upon themselves; and this law is as beneficial for the race as the others.

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. ...The Socialist or Anarchist who seeks to overturn present conditions is to be regarded as attacking the foundation upon which civilization itself rests... One who studies this subject will soon be brought face to face with the conclusion that upon the sacredness of property civilization itself depends—the right of the laborer to his hundred dollars in the savings bank, and equally the legal right of the millionaire to his millions. 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 after the laws upon which civilization is founded have thrown it into the hands of the few? And it is of this great question that I believe I offer the true solution. 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.

...The growing disposition to tax more and more heavily large estates left at death is a cheering indication of the growth of a salutary change in public opinion... Of all forms of taxation, this seems the wisest. Men who continue hoarding great sums all their lives, the proper use of which for public ends would work good to the community, should be made to feel that the community, in the form of the state, cannot thus be deprived of its proper share. By taxing estates heavily at death the state marks its condemnation of the selfish millionaire's unworthy life.

...This policy would work powerfully to induce the rich man to attend to the administration of wealth during his life, which is the end that society should always have in view, as being that by far most fruitful for the people...

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 projected to put it in practice by degree 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 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, and to agree that great sums gathered by some of their fellow-citizens and spent for public purposes, from which the masses reap the principal benefit, are more valuable to them than if scattered among them through the course of many years in trifling amounts.

...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.

...The best uses to which surplus wealth can be put have already been indicated. 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 today, it is probable that \$950 is unwisely spent; so spent, indeed as to produce the very evils which it proposes to mitigate or cure. A well-known writer of philosophic books admitted the other day that he had given a quarter of a dollar to a man who approached him as he was coming to visit the house of his friend. He knew nothing of the habits of this beggar; knew not the use that would be made of this money, although he had every reason to suspect that it would be spent improperly. This man professed to be a disciple of Herbert Spencer [the philosopher who developed Social Darwinism]; yet the quarter-dollar given that night will probably work more injury than all the money which its thoughtless donor will ever be able to give in true charity will do good. 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.

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 use 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 almsgiving. Those worthy of assistance, except in rare cases, seldom require assistance. The really valuable men of the race never do, except in cases of accident or sudden change. Every one has, of course, cases of individuals brought to his own knowledge where temporary assistance can do genuine good, and these he will not overlook. But the amount which can be wisely given by the individual for individuals is necessarily limited by his lack of knowledge of the circumstances connected with each. 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 almsgiving more injury is probably done by rewarding vice than by relieving virtue.

The rich man is thus almost restricted to following the examples of...[those] 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.

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; entrusted 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...