

Wealth (soon after re-titled **The Gospel of Wealth**)

Andrew Carnegie, 1889

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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 Indians are today where civilized man then was. When visiting the Sioux, I was led to the wigwam of the chief. It was just like the others in external appearance, and even within the difference was trifling between it and those of the poorest of his braves. The contrast between the palace of the millionaire and the cottage of the laborer with us today 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 "good old times" were not good old times. ... 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 criticize the inevitable. ...

Formerly articles were manufactured at the domestic hearth or in small shops which formed part of the household. The master and his apprentices worked side by side, ... subject to the same conditions. When these apprentices rose to be masters, there was little or no change in their mode of life, and they, in turn, educated in the same routine succeeding apprentices. There was substantially social equality, and even political equality, for those engaged in industrial pursuits had then little or no political voice in the State.

But the inevitable result of such a mode of manufacture was crude articles at high prices. Today the world obtains commodities of excellent quality at prices which even the generation preceding this would have deemed incredible. ... The poor enjoy what the rich could not before afford. What were the luxuries have become the necessities of life. The laborer has now more

comforts than the landlord had a few generations ago. ... The landlord has books and pictures rarer, and appointments more artistic, than the King could then obtain.

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 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, whether the law be benign or not, we must say of it, ... [i]t is here; we cannot evade it; no substitutes for it have been found; and while 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.

Having accepted these, it follows that there must be great scope for the exercise of special ability in the merchant and in the manufacturer who has to conduct affairs upon a great scale. That this talent for organization and management is rare among men is proved by the fact that it invariably secures for its possessor enormous rewards, no matter where or under what laws or conditions. ... Such men become interested in firms or corporations using millions; ... it is inevitable that their income must exceed their expenditures, and that they must accumulate wealth. Nor is there any middle ground ..., because the great manufacturing or commercial concern ... must either go forward or fall behind: to stand still is impossible. ... It is a law, as certain as any of the others named, that men possessed of this peculiar talent for affairs, 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, for civilization took its start from the day that the capable, industrious workman said to his incompetent and lazy fellow, "If thou dost not sow, thou shalt not reap," and thus ended primitive Communism by separating the drones from the bees.

... 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.

... As to the second mode, that of leaving wealth at death for public uses, ... [m]en 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 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. ... By taxing estates heavily at death, the state marks its condemnation of the selfish millionaire's unworthy life. ...

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 ... requiring only the further evolution of existing conditions, not the total overthrow of our civilization. ... 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. ...

... 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. ...

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 dollars] 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. ...

In bestowing charity, the main consideration should be to help those who will help themselves... . Neither the individual nor the race is improved by alms-giving. 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. ... 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... .

... 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. ... [T]he 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 someday to solve the problem of the Rich and the Poor, and to bring "Peace on earth, among men Good-Will."