

Lance McConkey

Lesson Plan #1

PowerPoint Lecture Inventors and Innovators #2

This lesson will discuss Henry Bessemer and the Bessemer process, Andrew Carnegie and his steel business, along with John D. Rockefeller and his oil business.

This meets the state of Tennessee Curriculum standards 6.8

Lesson Plan #2

Carnegie's Gospel of Wealth

The student will gain an understanding of Carnegie's Gospel of Wealth.

Instruction:

After giving the lecture Inventors and Innovators #2 do this activity.

1. Place your students into pairs
2. Make copies of Carnegie's Gospel of Wealth pass out a copy to each group.
3. Have the students read the entire essay
4. There are two options at this stage. A: Assign each group a different paragraph from the Gospel of Wealth. B: Assign students the entire essay.
5. Once you decide which option you are going to use from step 4, you tell the students to re-read the assigned paragraph and to re-write the entire paragraph in their own words. Once your students have finished writing their version of Carnegie's essay have them read their paragraph out loud in the order of Carnegie's original essay.

JUNE 1889.

# WEALTH

BY ANDREW CARNEGIE.

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 to-day 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 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. Without wealth there can be no Mæcenas. The "good old times" were not good old times. Neither master nor servant was as well situated then as to-day. A relapse to old conditions would be disastrous to both--not the least so to him who serves--and would sweep away civilization with it. But whether the change be for good or ill, it is upon us, beyond our power to alter, and there fore to be accepted and made the best of. It is a waste of time to criticise the inevitable.

It is easy to see how the change has come. One illustration will serve for almost every phase of the cause. In the manufacture of products we have the whole story. It applies to all combinations of human industry, as stimulated and enlarged by the inventions of this scientific age. 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, the latter living with the master, and therefore 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. To-day the world obtains commodities of excellent quality at prices which even the generation preceding this 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. The laborer has now more comforts than the landlord had a few

generations ago. 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.

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, which brings improved conditions in its train. But, whether the law be benign or not, we must say of it, as we say of the change in the conditions of men to which we have referred : It 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. The experienced in affairs always rate the MAN whose services can be obtained as a partner as not only the first consideration, but such as to render the question of his capital scarcely worth considering, for such men soon create capital; while, without the special talent required, capital soon takes wings. Such men become interested in firms or corporations using millions ; and estimating only simple interest to be made upon the capital invested, it is inevitable that their income must exceed their expenditures, and that they must accumulate wealth. Nor is there any middle ground which such men can occupy, because the great manufacturing or commercial concern which does not earn at least interest upon its capital soon becomes bankrupt. It, must either go forward or fall behind : to stand still is impossible. It is a condition essential for its successful operation that it should be thus far profitable, and even that, in addition to interest on capital, it should make profit. It is a law, as certain as any of the others named, that men possessed of this peculiar talent for affair, 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. 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 not sow, thou shalt not reap," and thus ended primitive Communism by separating the drones from the bees. 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. But even if we admit for a moment that it might be better for the race to discard its present foundation, Individualism,--that it is a nobler ideal that man should labor, not for himself alone, but in and for a brotherhood of his fellows, and share with them all in common, realizing Swedenborg's idea of Heaven, where, as he says, the angels derive their happiness, not from laboring for self, but for each other,--even admit all this, and a sufficient answer is, This is not evolution, but revolution. It necessitates the changing of human nature itself a work of aeons, even if it were good to change it, which we cannot know. It is not practicable in our day or in our age. Even if desirable theoretically, it belongs to another and long-succeeding sociological stratum. Our duty is with what is practicable now ; with the next step possible in our day and generation. It is criminal to waste our energies in endeavoring to uproot, when all we can profitably or possibly accomplish is to bend the universal tree of humanity a little in the direction most favorable to the production of good fruit under existing circumstances. We might as well urge the destruction of the highest existing type of man because he failed to reach our ideal as favor the destruction of Individualism, Private Property, the Law of Accumulation of Wealth, and the Law of Competition ; for these are the highest results of human experience, the soil in which society so far has produced the best fruit. Unequally or unjustly, perhaps, as these laws sometimes operate, and imperfect as they appear to the Idealist, they are, nevertheless, like the highest type of man, the best and most valuable of all that humanity has yet accomplished.

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.

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. Even in Great Britain the strict law of entail has been found inadequate to maintain the status of an hereditary class. Its soil is rapidly passing into the hands of the stranger. 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? Observation teaches that, generally speaking, it is not well for the children that they should be so burdened. Neither is it well for the state. Beyond providing for the wife and daughters moderate sources of income, and very moderate allowances indeed, if any, for the sons, men may well hesitate, for it is no longer questionable that great sums bequeathed oftener work more for the injury than for the good of the recipients. Wise men will soon conclude that, for the best interests of the members of their families and of the state, such bequests are an improper use of their means.

It is not suggested that men who have failed to educate their sons to earn a livelihood shall cast them adrift in poverty. If any man has seen fit to rear his sons with a view to their living idle lives, or, what is highly commendable, has instilled in them the sentiment that they are in a position to labor for public ends without reference to pecuniary considerations, then, of course, the duty of the parent is to see that such are provided for *in moderation*. There are instances of millionaires' sons unspoiled by wealth, who, being rich, still perform great services in the community. Such are the very salt of the earth, as valuable as, unfortunately, they are rare; still it is not the exception, but the rule, that men must regard, and, looking at the usual result of enormous sums conferred upon legatees, the thoughtful man must shortly say, "I would as soon leave to my son a curse as the almighty dollar," and admit to himself that it is not the welfare of the children, but family pride, which inspires these enormous legacies.

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 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. Besides this, it may fairly be said that no man is to be extolled for doing what he cannot help doing, nor is he to be

thanked by the community to which he only leaves wealth at death. 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. It is not to be wondered at that such bequests seem so generally to lack the blessing. -

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. The State of Pennsylvania now takes--subject to some exceptions--one-tenth of the property left by its citizens. The budget presented in the British Parliament the other day proposes to increase the death-duties; and, most significant of all, the new tax is to be a graduated one. 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.

It is desirable; that nations should go much further in this direction. Indeed, it is difficult to set bounds to the share of a rich man's estate which should go at his death to the public through the agency of the state, and by all means such taxes should be graduated, beginning at nothing upon moderate sums to dependents, and increasing rapidly as the amounts swell, until of the millionaire's hoard, as of Shylock's, at least

" \_\_\_\_\_ The other half

Comes to the privy coffer of the state."

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. Nor need it be feared that this policy would sap the root of enterprise and render men less anxious to accumulate, for to the class whose ambition it is to leave great fortunes and be talked about after their death, it will attract even more attention, and, indeed, be a somewhat nobler ambition to have enormous sums paid over to the state from their fortunes.

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.

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.

We might even go so far as to take another instance, that of Mr. Tilden's bequest of five millions of dollars for a free library in the city of New York, but in referring to this one cannot help saying involuntarily, how much better if Mr. Tilden had devoted the last years of his own life to the proper administration of this immense sum; in which case neither legal contest nor any other cause of delay could have interfered with his aims. But let us assume that Mr. Tilden's millions finally become the means of giving to this city a noble public library, where the treasures of the world contained in books will be open to all forever, without money and without price. Considering the good of that part of the race which congregates in and around Manhattan Island, would its permanent benefit have been better promoted had these millions been allowed to circulate in small sums through the hands of the masses? Even the most strenuous advocate of Communism must entertain a doubt upon this subject. Most of those who think will probably entertain no doubt whatever.

Poor and restricted are our opportunities in this life; narrow our horizon; our best work most imperfect; but rich men should be thankful for one inestimable boon. They have it in their power during their lives to busy themselves in organizing benefactions from which the masses of their fellows will derive lasting advantage, and thus dignify their own lives. The highest life is probably to be reached, not by such imitation of the life of Christ as Count Tolstoy gives us, but, while animated by Christ's spirit, by recognizing the changed conditions of this age, and adopting modes of expressing this spirit suitable to the changed conditions under which we live; still laboring for the good of our fellows, which was the essence of his life and teaching, but laboring in a different manner.

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.

We are met here with the difficulty of determining what are moderate sums to leave to members of the family; what is modest, unostentatious living; what is the test of extravagance. There must be different standards for different conditions. The answer is that it is as impossible to name exact amounts or actions as it is to define good manners, good taste, or the rules of propriety; but, nevertheless, these are verities, well known although indefinable. Public sentiment is quick to know and to feel what offends these. So in the case of wealth. The rule in regard to good taste in the dress of men or women applies here. Whatever makes one conspicuous offends the canon. If any family be chiefly known for display, for extravagance in home, table, equipage, for enormous sums ostentatiously spent in any form upon itself, if these be its chief distinctions, we have no difficulty in estimating its nature or culture. So likewise in regard to the use or abuse of its surplus wealth, or to generous, freehanded cooperation in good public uses, or to unabated efforts to accumulate and hoard to the last, whether they administer or bequeath. The verdict rests with the best and most enlightened public sentiment. The community will surely judge and its judgments will not often be wrong.

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 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. 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; 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 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. 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 alms-giving more injury is probably done by rewarding vice than by relieving virtue.

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. -

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. The best minds will thus have reached a stage in the development of the race iii 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. But a little while, and although, without incurring the pity of their fellows, men may die sharers in great business enterprises from which their capital cannot be or has not been withdrawn, and is left chiefly at death for public uses, yet the man who dies leaving behind many 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."