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ANDREW CARNEGIE, Chapter 2

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2 years ago, I shared with you the history of the Homestead Strike of 1892 and Andrew Carnegie's involvement in that event. I began by relating my background growing up in Western Pennsylvania on the Monongahela River two blocks from a steel plant; that among them, my father and two brothers had a total of 135 years of service in the steel mills; that the coke ovens of Henry Clay Frick, the source of his wealth, were within 10 miles of my hometown; that my father attended Carnegie Tech (now Carnegie Mellon University) in 1914 shortly after its founding and that I attended Carnegie Tech in 1960.

I said then that I approached Carnegie with something less than an open mind. I fully expected to confirm my perception of Andrew Carnegie as a ruthless, union busting, power hungry man who was interested only in accumulating wealth on the backs of others.

Well, again, so much for perceptions.

As with many such people in history, studying Carnegie can be like floating down a river lined with what appear to be interesting tributaries that one is tempted to explore until one realizes that time is limited and focus is important, especially tonight.

Our understanding of Carnegie is helped by the fact he was a prolific writer and anxious to share his views with the public. His published writings include 8 books, 63 articles, 10 speeches, and a large volume of personal letters on all subjects.

Let me begin with a brief biography.

Andrew Carnegie was born on November 25, 1835 in Dunfermline, Scotland and died on August 11, 1919 at the age of 84. He was the son of William Carnegie, a skilled weaver and Margaret Morrison Carnegie, a strong and determined personality. The woman's college at Carnegie Mellon University is The Margaret Morrison College. He married Louise Whitfield six months after his mother died in 1887 and they had one daughter, Margaret.

His father was a relatively prosperous weaver and they lived a comfortable middle class existence in Dunfermline. Then came the industrial revolution. His fathers' inability to adapt to the new environment rendered him unemployed and the family watched their economic health and social position deteriorate around them. This experience affected him and his mother all their lives.

In 1848, the family immigrated to Pittsburgh to join two of Mrs. Carnegies' sisters who had immigrated in 1840. He quickly began his career as a telegrapher with the Pennsylvania Railroad progressing rapidly under Thomas Scott, a superintendent for the Western Pennsylvania District and with whom he was to maintain a relationship throughout his career.

He quickly demonstrated his business acumen, vision and willingness to take investment risk. His first major investment involved the Keystone Bridge company which, in 1870, built the Eads Bridge at St. Louis, the first bridge across the Mississippi. It also provided the beams and plates for the Brooklyn Bridge, and the iron and steel for 46 bridges across the Allegheny, Monongahela, Ohio and Mississippi rivers.

He soon concentrated his total resources in the steel industry and in 1877 built the most modern steel mill in the world. This mill utilized the Bessemer process developed in England. He built it on the site of the Battle of Braddock's field in the French and Indian War and, in his oft-demonstrated strategy to curry favor with important people, named it the J. Edgar Thompson Works for the president of the Pennsylvania Railroad. The mill was successful beyond his fondest dreams and when he saw the financial results after only 6 months, he uttered his rather famous statement, "where is there such a business".

What made Carnegie so successful is that he created a vertically integrated capacity to manufacture steel, a commodity of increasing importance, at a cost that was clearly and substantially below any of his competitors giving him, for some period of time, an advantage that no competitor could overcome.

I drove by this plant two weeks ago and it is now the only major steel plant left on the Pittsburgh riverfront. Ironically, the Homestead plant, where the strike occurred, has been dismantled and the land will be used to expand Kennywood Park, the old Amusement Park in the Pittsburgh area.

He was essentially Chairman of the Board of Carnegie Steel and had a chief operating officer, Henry Clay Frick, wealthy in his own right from vast coal and coke holdings in Western Pennsylvania.

From the beginning, these two exhibited quite different approaches toward life, people and the operations of this steel empire. One big difference between Carnegie and Frick was their public attitude toward the workingman and unions.

From an early age, Carnegie espoused a very democratic (with a small d) attitude toward the workingman, the accumulation of wealth and the social responsibilities associated with wealth. There were times in his life when Carnegie was accused of not living these very publicly stated values.

Frick, on the other hand, was a fierce opponent of the unions and was unapologetically ruthless in his pursuit of wealth and power. One thing that Frick never forgave was Carnegie's statement, 6 months after the Homestead strike, to a group of Homestead employees that had he, Carnegie, been there to "look you men in the eye", the results would have been different. Frick felt this was the height of hypocrisy since Carnegie chose to remain in Scotland throughout the strike and let Frick "take the heat". As with many aspects of Carnegie's life, the relationship between him and Frick could be one of those tributaries. But that is for another night.

By 1900, Carnegie had spent his working life accumulating one of the largest fortunes the world has ever seen. While it was done with what appeared to be a relatively enlightened attitude for the times, it is clear that in today's regulatory environment, all of these giants of business including Carnegie, Frick, Rockefeller, Morgan and others would operate far differently or be in jail whether it be for stock manipulation, OSHA violations, EEOC violations or any one of 100 other reasons.

In 1900, Frick and Carnegie engaged in a bitter public fight over Carnegie Steel. Carnegie prevailed but this resulted in a final end to their relationship. It is said that years later Carnegie sent a message to Frick suggesting they have lunch to which Frick supposedly replied, "Tell Carnegie I will see him in hell".

Soon thereafter, Carnegie made the decision to sell the steel operation to JP Morgan who was to combine it with his vast holdings of iron ore deposits in the upper Midwest to form what would become US Steel, the largest corporation in the world at that time.

The story goes that at a dinner one evening in New York, Morgan indicated to Carnegie an interest in buying Carnegie Steel. Carnegie did not reject the idea so within a short time, Morgan communicated to Carnegie on a single sheet of paper saying essentially "I will buy Carnegie Corporation for \$421 million." The next day, Carnegie responded in a handwritten note saying essentially, "I accept your offer of \$421 million" and the deal was done. Sometime later in a conversation between the two, supposedly Carnegie asked Morgan – what if I had asked for another hundred million and Morgan supposedly said "I would have given it to you".

Not only did Carnegie sell his vast holdings; he took in payment no equity but only fixed income securities. Therefore in one day, he went from being a very hands on manager of the largest industrial complex in the world to being only a

bondholder, not even a voting shareholder, and thus lost all influence over his "child".

This very sudden and dramatic change in life focus was a challenge for Carnegie. He went through a short period of depression and second thoughts about this decision.

But, consistent with his unflappable optimism and enthusiasm, his depression did not last.

He moved into the second chapter of his life, which in many ways he had been preparing for in the first 65 years. He had now gone through the accumulation period and it was time to enter the payout period.

He would bring to philanthropy the same need to "do it right" applying his strongly held beliefs, process analysis and attention to detail with the same intensity he had used in the manufacture of steel.

Interestingly, there is a third chapter we will not address tonight which was his involvement with the world peace movement in the second decade of the 20th century including a close relationship with his friend Woodrow Wilson and significant contact with Kaiser Wilhelm II.

Tonight I will address only Chapter 2, his philosophy of wealth and its distribution.

While debate will continue regarding Andrew Carnegie, his actions, his motivations, and, in today's vernacular, whether he actually "walked the talk", there can be no question that he was a very complex person who had a profound influence on the world around him.

Carnegie's life was a constant struggle to satisfy three basic beliefs or needs---first, that of friend of the common man i.e. democrat; second, a drive to be economically successful and secure; and third, a need to justify his life and affirm his successful balancing of these first two needs. One source of information for me was a Carnegie Mellon graduate student's dissertation called, "Andrew Carnegie: A Physohistorical Sketch" which attempts to explain the psychological factors which shaped Carnegie's beliefs and actions.

Carnegie's faith in and loyalty to the working man was rooted in the Carnegie Morrison heritage in Scotland. The Carnegie family motto was "Death to Privilege". Carnegie's father and maternal grandfather were active Chartists, a British working class movement which grew out of the protest against social injustices caused by the industrial revolution. As a youngster, he heard his father and grandfather address many rallies advocating these views.

In his book, Problems of Today, he made it clear that greatness did not emanate from wealth stating, "Seldom if ever to the palace or stately home of wealth comes the messenger of the gods to call men to such honor as follows supreme service to the race---wealth robs life of the heroic element, the sublime consecration, the self sacrifice of ease needed for the steady development of our powers ."

His support of labor unions was also well known. In a 1886 magazine article, he declared, "The right of working men to combine and to form trade unions is no less sacred than the right of manufacturers to enter into associations with his fellows . . . my experience has been that trade unions on the whole are beneficial both to labor and capital."

In a later article, he stated: "It is not asking too much of men entrusted with the management of great properties that they should devote some part of their attention to searching out the causes of dissatisfaction among their employees and where they do exist that they should meet the men more than halfway in the endeavor to allay them. I would have the public give due consideration to the terrible temptation to which the workingman on strike is sometimes subjected. To expect that one dependent on his daily wage for the necessaries of life will stand peaceably by and see a new man employed in his stead is to expect much. The employer of labor will find it much more to his interest, wherever possible, to allow his works to remain idle and await the result of a dispute than to employ a class of men that can be induced to take the place of other men who have stopped work. Neither the best men as men, nor the best men as workers are thus to be obtained. There is an unwritten law among the best workmen, "Thou shalt not take thy neighbors job."

Not only does he make a case for unions, he concludes that workmen who are members of a union will be both the best people and the best workman.

The second, often conflicting need, was for economic success and security. This need too was deeply rooted in his experience as a child which saw his family's economic condition deteriorate. In his autobiography, Carnegie said "My father did not recognize the impending revolution.....it became necessary for that power which never failed in any emergency---my mother---to step forward and endeavor to repair the family fortune....I began to learn what poverty meant.... It was burnt into my heart then that my father, though neither 'abject, mean or vile' as Burns has it, had nevertheless to 'beg a brother of the earth to give him leave to toil'. And then and there came the resolve that I would cure that when I got to be a man." And so he spent his life assuring that he and his mother would never again experience poverty.

Third, he had an equally strong need to justify his success as being motivated not by the mere accumulation of wealth but rather motivated by a need to accumulate resources in a socially responsible way for ultimate redistribution for

the benefit of the community. What we might refer to as a good case of Catholic or Jewish or Calvinist guilt.

Carnegie's unusual and complicated approach to wealth became evident early in his public life. He constantly preached the dangers of inherited wealth believing that the worst thing a father could do for his son was to leave him wealth and security thus robbing him of the character development opportunity associated with making ones own way in life.

He became increasingly outspoken on the subject of wealth until, in June 1889, he published in the widely read North American Review an article entitled, "Wealth". Julius informed me the other night that this article continues to be required reading in a survey course at Lynchburg College.

Carnegie set forth in this article a very clear philosophy regarding wealth that can be outlined easily.

The first tenant is that the free market system of capitalism, while not perfect, is better than any known alternative such as communism or socialism. Second, that under such a system, it is both inevitable and desirable that certain individuals amass large fortunes. Third, this wealth does not rightly belong to the individual but represents funds held by him in trust for the community. Fourth, it is one's duty to return these to the community while one is still alive. Fifth, these sums should be generally given to public institutions and not individuals to avoid encouraging slothful behavior. And last, he presented his views as to which institutions should be the beneficiary of these funds.

Carnegie states his philosophy so clearly that the best way to understand his philosophy is to quote extensively from Wealth.

Carnegie begins by laying out the problem as he sees it.

"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 also 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 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."

He posits that this is a good result.

“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. 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.”

His first reference to the inevitability of this result.

He concedes that we pay a dear price for this change.

“The price we pay for this salutary change is, no doubt, great. We assemble thousands of operatives in the factory, and in the mine, of whom the employer can know little or nothing and to whom he 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 with the other, and ready to credit anything disparaging in regard to it.”

He does recognize a problem with which we are quite familiar.

“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.”

Not too different from much of the “bottom line” rhetoric of today.

“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 than its cost – 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,.... 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 condition 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 to the future progress for the race.”

He once more justifies this result.

“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. Every man must be allowed “to sit under his own vine and fig-tree, with none to make afraid,” if human society is to advance, or even to remain so far advanced as it is. To those who propose to substitute Communism for this intense Individualism, the answer therefore is: The race has tried that. All progress from the 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 had the ability and energy to 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 eons, even if it were good to change it, which we cannot know.”

He then lists the three ways of disposing of wealth.

“There are but three modes in which surplus wealth can be disposed of. It can be left to the families of the descendents; or it can be bequeathed for public purposes; or; finally, it can be administered by its possessors during their lives. ... The first is the most injudicious. ... The condition of this class in Europe today teaches the failure of such hopes or ambitions. 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.”

“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.”

“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 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 he 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 acquires it, to use wealth 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. It is not to be wondered at that such bequests seem so generally to lack the blessing.”

He goes on to give an enthusiastic endorsement to higher estate taxes.

“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 from which it chiefly came, 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.”

And then he states his solution.

“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 prepared to put it in practice by degrees 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 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 themselves in trifling amounts throughout the course of many years.”

“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 fellow’s 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 Tolstoi 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.”

He summarizes the duty of a man of wealth as:

“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 judgement, 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.”

He continues,

“The day is not far distant when the man who dies leaving behind him millions of available wealth, which was free for him 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.”

He then ends with the most well known quote from this article:

“Of such as these the public verdict will then be: “The man who dies 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.”

This article was first published under the title Wealth. A British editor took liberty and, based on Carnegie's reference to Gospel, re-titled it The Gospel of Wealth which is commonly used today.

The original article stopped here but after much public discussion, there was a demand for Carnegie to provide further detail about the proper beneficiaries of this wealth. Thus, Part 2 was published in December 1889 and addresses the distribution of wealth. Most of Part II was an identification and elaboration of seven "best uses to which a millionaire can devote the surplus of which he should regard himself as only the trustee."

"The seven were:

- 1. The founding of a university**
- 2. Free libraries**
- 3. Founding or extension of hospitals, medical colleges, laboratories and other institutions connected with the alleviation of human suffering, and especially with the prevention rather than the cure of human suffering**
- 4. Public parks**
- 5. Providing halls suitable for meetings of all kinds, and for concerts of elevating music**
- 6. Public swimming baths**
- 7. One's own church and churches in poor neighborhoods."**

In the final paragraph, he becomes uncharacteristically religious saying,

"The gospel of wealth but echoes Christ's words. It calls upon the millionaire to sell all that he hath and give it in the highest and best form to the poor by administering his estate himself for the good of his fellows, before he is called upon to lie down and rest upon the bosom of Mother Earth. So doing, he will approach his end no longer the ignoble hoarder of useless millions; poor, very poor indeed, in money, but rich, very rich, twenty times a millionaire still, in the affection, gratitude, and admiration of his fellow-men, and – sweeter far—soothed and sustained by the still, small voice within, which, whispering, tells him that, because he has lived, perhaps one small part of the great world has been bettered just a little. This much is sure; against such riches as these no bar will be found at the gate of Paradise."

This paper immediately generated much public interest. The North American Review, in existence since 1815, was the preeminent journal of ideas of the times. Its history included such contributors as Daniel Webster, John Adams, Henry Wadsworth Longfellow, Walt Whitman, and Henry James. Contemporary contributors included William Gladstone, Oliver Wendell Holmes, Mark Twain and

H. G. Wells. William Cullan Bryant's "Thanatopsis" was first published in the North American Review.

Carnegie was happiest with the reaction from his long time friend and confidant, William Gladstone, the British Prime Minister and contemporary and rival to Disraeli. He wrote a very positive review of the article in another popular journal of the times. His only minor criticism was that Carnegie had been too hard on inherited wealth.

There remained a great deal of controversy around the article. It included expected negative reactions from certain groups which were ranked low or not included in the areas he felt should be supported. For example, many ministers took offense that churches were 7th on his list just after swimming baths and people in the Arts thought they should have been more clearly included.

The more serious controversy addressed his basic foundation including his assumption of inevitability, his assumption that this system did result in the most good for the most people, and his assumption that the wealthy were the only and best people to make the decision as to what was best for the community.

One of the more critical views of Carnegie's Gospel was offered by William Jewett Tucker, a professor of religion at Andover Seminary and later to be the president of Dartmouth College. In an article in the Andover Review, Tucker struck at the very heart of Carnegie's Gospel and found it wanting.

He first took issue with the inevitability premise pointing out that Carnegie had changed the gospel from "the poor you will have with you always" to "the rich you will have with you always".

Tucker summarized his concern quite clearly ". . . I can conceive of no greater mistake, more disastrous in the end, to religion if not to society, than of trying to make charity do the work of justice . . . the assumption that wealth is the inevitable possession of the few and is best administered by them for the many, begs the whole question of economic justice now before society, and relegates it to the field of charity, leaving the question of the original distribution of wealth unsettled, or settled only to the satisfaction of the few . . . the ethical question of today centers, I am sure, in the distribution rather than in the re-distribution of wealth."

While there are many examples of Carnegie publicly responding to critical comments, there appears to be no direct reply by Carnegie to Tucker's criticism, but as Joseph Wall, in his biography states, "if Carnegie read it, it could not help but disturb him".

Carnegie, in this approach to wealth, has justified his life. This was important to him because he was very concerned with the social and moral implications of

wealth. He said in an article he published in rebuttal to some of the criticism, "the wealthy can, perhaps, also find refuge from self-questioning in the thought of the much greater portion of their means, which is being spent upon others". He does focus on the responsibility to return that wealth in a way that will not destroy society's own responsibility to preserve individual initiative. To give through the usual charitable outlets is wrong for such charity is primarily concerned with the hopeless which he referred to as the "submerged" 10th. It keeps the weak weak and upsets the equality of opportunity. To give libraries, universities, parks and hospital buildings is right, for it makes them available to all.

What Tucker implies is that Carnegie can not have it both ways: he cannot reconcile his belief in political democracy with economic feudalism. You can believe in inevitability if you are a Calvinist or a Marxist or a Social Darwinist but it is difficult to believe in inevitability if you are a democrat. So by process of elimination, Carnegie had to be a social Darwinist and not a democrat.

It is interesting that Herbert Spencer, the very popular and leading proponent of Social Darwinism, was a friend of Carnegie and someone who Carnegie held in awe as the great intellectual of the time.

The Gospel of Wealth is not so much a seamless philosophical system, but rather a very practical approach to the justification of wealth. Therefore, his system would not necessarily withstand a rigorous philosophical analysis. What it does represent is a very clear statement of Carnegie's beliefs. While it introduces little new thinking, it does justify the socially liberal, wealthy democrat.

Interestingly, I recently came across in a bookstore a new book entitled "Die Broke". I was rather excited because I thought it might be a current treatment of the Carnegie premise. You can appreciate my disappointment when I scanned the book and learned that it addressed only how to spend your money before you die. In 250 pages, based on the index, there were only two references and 5 pages discussing the concept of philanthropy or charitable giving. The references addressed only gift annuities and charitable remainder trusts. The message appeared to be "well, if you're going to give it away, you might as well do it in the most tax efficient method."

After the appearance of this famous essay, Carnegie began to pursue in earnest, his own dictates regarding philanthropy. In *Wealth*, he had placed libraries as second in his list of worthy recipients. He stated that "the result of my own study of the question, What is the best gift that can be given to a community? Is that a free library occupies the first place, providing the community will accept and maintain it as a public institution, as much a part of the city property as its public schools".

Thus, his actions were consistent with his belief that using wealth to create a better community with opportunity for all was the only way to justify the huge

economic differences between people in the community. He felt access to books and information through libraries accomplished this.

An obvious parallel can be drawn between Andrew Carnegie in 1900 and Bill Gates in the year 2000. It would seem natural for Bill Gates to conclude that not even he can spend \$50 billion and that he would take a substantial portion and dedicate it to assuring that all people would have easy access to the revolutionary new world of communication and information that has allowed him to make this \$50 billion.

In the beginning, it was much easier for Carnegie to give libraries in Scotland than in the United States for there were no taxation restrictions on British municipalities. In the United States, most states and municipalities did not have authority to tax to support such things as libraries. Pittsburgh, for example, could not accept Carnegie's original offer to provide a library building until the Pennsylvania legislature provided for such tax assessments. Pittsburgh quickly requested and received a renewal of the original offer which included not only a library but a great museum, a music hall and an art institute located at the edge of Shenley Park and right next to what is now Carnegie-Mellon University.

Library giving quickly became an efficient and routine procedure similar to fulfilling orders for billets in a steel mill. A town council would apply for a Carnegie library, provide a site and make a commitment for annual appropriations for books and maintenance in the amount of at least 10% of the Carnegie gift. Generally, the size of Carnegie's gift was based upon the population of the town usually approximating \$2.00 per person.

This approach worked very well for cities from 25,000 to 100,000 in population but did not work quite so well in smaller towns. One of the few criticisms ever leveled at the library program was that a better approach would have been to encourage small neighboring towns to combine resources for a single library but even including this detail, public opinion on the library program was almost universally positive. Carnegie stated, "I believe that it out ranks any other one thing that a community can do to benefit its people. It is the never failing spring in the desert."

Many believed that Carnegie insisted his name be engraved on the libraries. This was not true. While he certainly enjoyed the prominence, and never objected to this being done, only about one-third of the libraries bear his name. He would also provide a portrait if requested. One thing he did request was that somewhere over the entrance be inscribed the phrase, "Let there be light", but not even all communities complied with this request.

At the end of the day, Carnegie was responsible for 2,811 free public libraries of which 1,946 were located in the United States, 660 in Britain and Ireland, 156 in Canada, 23 in New Zealand, 13 in South Africa, 6 in the British West Indies, 4 in

Australia and 1 each in the islands of Seychelles, Mauritius, and Fiji. The total cost was \$50,364,808 with those in the United States costing \$44,854,731.25. Every state except Rhode Island had at least 1 Carnegie library. The leading recipients were 3 Midwestern states, 164 to Indiana, 114 to Illinois, and 104 to Iowa and California which received 122.

He knew that no other gift was as popular or had as direct an impact on as large a number of people as did his public libraries. Virtually non-existent in the United States before 1880, the free library, largely as a result of his philanthropy, became almost as much a part of America as the schoolhouse or church. Carnegie also felt that by requiring the city to commit to ongoing maintenance of the library, he leveraged his funds producing benefits to society far in excess of his own contributions.

Another interesting area of giving involved the providing of church organs. This began in 1873 when he gave an organ to a church in Scotland that his father had once attended. When his interest in church organs became known, requests came from throughout the world. This grant process also became routine and ultimately Carnegie gave 7,689 church organs at a cost of \$6,248,312 with 4,092 in the United States, 2,119 in England, 1,005 in Scotland and the rest throughout the world.

With libraries and organs no longer needing his attention, he struck out for new horizons. Carnegie now turned to education and announced in the spring of 1901 a venture involving the four major Scottish universities of St. Andrews, Aberdeen, Edinburgh and Glasgow. He proposed to establish a fund of \$10 million for these four universities whose combined total endowment at that time was less than \$500,000.

In keeping with the usual Carnegie approach, the terms of the trust had implications far beyond the mere giving of money. The trust stipulated that the annual income was "to be applied toward the improvement and expansion . . . for scientific study and research, and for increasing the facilities for acquiring a knowledge of history, economics, English literature and modern languages and such other subjects connate to a technical or commercial education . . . by the erection of buildings, laboratories, classrooms, museums or libraries . . .". The other half of the income "shall be devoted to the payment of the whole or part of the ordinary class fees exigible by the universities from students of Scottish birth or extraction."

Both these conditions were subject to controversy among educators and politicians alike. First there were those who criticized the heavy emphasis on scientific or technical education as compared with the traditional Scottish university education centered on the classics. Carnegie's reply included, "you knew and I knew that for us, yes, even for me, practical as I am, the flavor and

philosophy of poets and wise men is the sweetest of all foods but for others, not so and these the vast majority who must earn a living.”

Sound like a familiar refrain.

The idea of providing “scholarships” for those young men who had no other way of attending the university was quite revolutionary. In Scotland and in most other countries, the upper class felt that universities existed for those who could afford to attend them and there was no widespread demand for change to make university education available to those who could not afford it. This scholarship idea was largely attributable to Lord Shaw of Dunfermline who argued for the abolition of all university fees in Scotland to fulfill a dream of free education for all Scottish youth. Carnegie met with Shaw and decided to give \$5 million for scholarships and \$5 million for equipment.

But the battle wasn’t yet over. Those who opposed the opening of Scottish universities to all persuaded Carnegie that this was not a good idea and that he should give everything for equipment. At a very dramatic meeting, when Shaw learned of this decision, he began to walk out of the meeting saying that, “I took you for a democrat and here you have been consulting with aristocrats and giving away endowments right enough . . . but why not build on your democracy, get the people of Scotland on your side by giving them this free charter that I want?” Carnegie finally said, “I favor both and we will give \$5 million for each.”

The trust agreement introduced another innovation for the time. The trustees were given substantial freedom to amend the original trust agreement in any way they saw fit.

Throughout his life, Carnegie discouraged gifts which continued in perpetuity. He actually encouraged some minimal but regular spending of principal combined with wide trustee latitude to assure the continuing relevancy of an institution.

Carnegie stated, “I do not believe any body of men wise enough to legislate for future generations. I know that at any time in the future, two-thirds of my trustees will not error.” The wisdom of this trustee latitude became clear in this instance. When a free education for all became a reality in Scotland, the trustees were able to divert most of the income into equipment and instructional resources.

Again, Carnegie was proud of having leveraged his money to encourage basic changes in Scottish higher education. This Trust also served as a catalyst which brought the presidents of the universities together for the first time and, for years, they met every summer at Skibo to discuss common interests.

Carnegie’s next endeavor also involved his beloved hometown of Dunfermline and had a very personal significance. There was a beautiful estate in Dunfermline named Pittencrief that was owned by Colonel Thomas Hunt. There

had been a long-standing feud between the Hunt's and the Morrison's, Carnegie's maternal ancestors. The Hunt's were what we would call today nouveau riche and the Morrison's were rabble-rousing anti-aristocratic democrats. The Hunts were required to open Pittencrief to the public one day a year to maintain its status. James Hunt had decreed that no Morrison or descendent of Morrison would ever set foot on the property. Thus Carnegie was pleasantly surprised when approached by Tom Hunt, through an intermediary, to consider the possibility of purchasing Pittencrief. 18 months later, he completed the purchase and immediately transferred the estate in perpetuity to the City of Dunfermline. He kept for himself during his lifetime a small portion of the estate allowing him to retain his proud new title, Laird of Pittencrief.

Carnegie now turned his interest to education to America.

He had always been interested in establishing an American university in Washington, D.C. At the time, he became a friend with Daniel Gilman, the President of John Hopkins University. John Hopkins had become a leading center of graduate study in the United States. Gilman related to Carnegie that John Hopkins planned to build an entirely new campus in Baltimore. Carnegie expressed an interest in building this campus, not in Baltimore, but in Washington with extensive funding by Carnegie. It would become the national university at Washington. After much discussion, the Hopkins board of trustees would not agree to move the university from Baltimore and Carnegie gave up on his idea of a national university.

The next thing he did was to establish the Carnegie Institution in Washington to "... Provide social and scientific inquiry to augment the world's knowledge". He endowed this with \$15 million and it was one of his most successful philanthropic ventures and one that probably received the least amount of criticism from the public, the press and the academic world.

As Carnegie's contributions to higher education occupied a bigger part of his time and interest, it became clear that he had relatively little interest in the large, well known universities like Harvard, Yale and Columbia. He was far more interested in smaller colleges with small endowments and what we would today label "niche markets".

In 1900, he announced his intention to endow Carnegie Institute of Technology in Pittsburgh within sight of his steel mills. The first students entered Carnegie Tech in October, 1906. This school was to provide professional training in engineering, fine arts and home economics, quite a range of disciplines, including an adjunct Margaret Morrison Carnegie College for the education of women. He gave over \$7 million for this endeavor which was the only institution of higher education to bear his name.

Carnegie's relative lack of interest in large, famous schools was probably best demonstrated by the lack of success which his good friend, Woodrow Wilson had in convincing Carnegie to make a sizable contribution to Princeton. As President of Princeton, Wilson turned to Carnegie as a major source of funds. He finally persuaded Carnegie to visit Princeton and he and Grover Cleveland conducted the tour.

As anecdotes would have it, Princeton's love for football combined with Carnegie's strong aversion to football, resulted in Carnegie finally agreeing to give Princeton \$400,000 to construct Lake Princeton so they could have a rowing crew to "... compete with Harvard, Yale and Columbia. That will take young men's minds off football."

Other than many small gifts including one to Lynchburg College, substantial grants from Carnegie went to schools like Berea, Hampton Institute and Tuskegee Institute. Carnegie was a close friend and admirer of Booker T. Washington which I will talk about later. These schools appealed to his sense of social justice and he liked their curricula and the composition of student bodies.

Also in speaking with Julius, I learned of the interesting history of Carnegie Hall here at Lynchburg College. In his State of the College address in 1905, President Hopwood referred to the growth of the school and made it clear that additional facilities were desperately needed to continue this growth. They approached various people regarding large gifts but all were unsuccessful except Andrew Carnegie.

He ultimately agreed to give the college \$20,000 but he attached two very stringent financial conditions. First, as proposed in the original request, the college must raise an additional \$30,000 for the erection of a "college building" which ultimately became Hopwood Hall. Second, a demand that Carnegie surprisingly imposed, the college must discharge the \$15,000 of existing debt.

The negotiations involved in obtaining this contribution from Carnegie are quite interesting.

Mr. G. O. Davis, I assume today's equivalent of the "Development Officer", went to Hot Springs in March of 1906 attempting to meet with Carnegie to discuss this subject. He did not get the interview but he quickly wrote a lengthy letter making the request. He received a prompt reply from James Bertram, Carnegie's personal secretary. The letter was very discouraging with such wording as "such an unreasonable request as to give you an amount equal to one-half your total present resources" and "Mr. Carnegie can not take any notice of general appeals for assistance nor can he consider a request not in modest proportion to what exists already in the shape of buildings, equipment, endowment, etc." Mr. Davis replied that they would commit to raising the \$30,000 for the college building. Mr.

Bertram then replied that Carnegie would agree to provide the \$20,000 provided the college raises \$30,000 and discharges the debt of \$15,000.

After quite an effort, the funds were raised and the \$20,000 was obtained. Carnegie Hall was opened in 1909. Again, Carnegie used the leverage of his contribution to encourage actions which he thought were in the best long-term interest of the donee.

The history of this is very well set out in *Orville Wake's Doctoral Dissertation, a history of Lynchburg College, 1903 - 1953*. An interesting aside – in discussing how the money was to be raised, the fundraisers concluded they could raise \$30,000 by finding three major donors at \$5,000, five at \$1,000, fifty at \$100, and one hundred at \$50 each. Fund raising strategies haven't changed much in 90 years, have they?

Carnegie now began a project which was to have a most significant impact on higher education in the United States.

When he was elected a trustee of Cornell University in 1890, at his first meeting he was shocked to learn of the low salaries of college professors. He discovered that most college professors also had no provision for retirement. He found little interest among others in addressing this situation so he dropped it.

But in 1904, Harry Pritchett, the President of MIT, visited Carnegie at Skibo to discuss the work of Carnegie Institute. In the course of his visit, he discussed professor compensation explaining that he was having difficulty in recruiting technical professors to MIT because of competition with companies who could pay the same engineer 3 to 5 times what they could make as a teacher. He also discussed the lack of pension plans for professors throughout the system of higher education.

After further discussions, in 1905 Carnegie announced his newest project. He established the Carnegie Foundation for the Advancement of Teaching (CFAT) endowed with \$10 million to which he would ultimately add another \$6.5 million. The list of trustees read like a Who's Who in American Education and included the presidents of Yale, Harvard, The University of Chicago, Columbia, Cornell, Princeton, Smith, Stevens Institute, Tulane, Overland, Western Reserve, Drake, Washington & Lee, McGill, Lawrence College, Stanford, Allegheny, University of Pennsylvania, and Western University of Pennsylvania. Pritchett served as Chairman and remained in that position for 25 years.

In the letter establishing the trust, Carnegie specifically excluded state-related schools, schools with significant sectarian ties and empowered the trustees to require “. . . such conditions as you may adopt from time to time.”

This provision ultimately provided the basis for a group of outstanding educators to address the task of setting certain standards for higher education.

The first act of the trustees was to send a questionnaire to 627 institutions of higher education throughout the United States and Canada requesting information. 421 institutions replied. The trustees then proceeded to establish standards for admission to the pension plan. They decided that no school with an endowment of less than \$200,000, no school which received a substantial portion of its funds from the state and no school which had an active sectarian relationship would be eligible. In addition, no school that did not require of its students what the trustees regarded as minimum academic requirements would be admitted. Of the 421 applicants, the trustees accepted only 52 for initial admission to the pension plan.

There were some surprising rejections, one of which will be of special interest tonight.

The University of Virginia was eliminated from the list of applicants.

But this was only the "tip of the iceberg". Information provided me by Carolyn Copp, the archivist at TIAA-CREF, tells, as Paul Harvey says, "the rest of the story".

One of the requirements which the CFAT Trustees established was that a college or university must require a minimum of 14 units of high school or secondary school credits for admission. At the time, UVA required only 6.5 units. But what appears to be a relatively weak academic standard traced its roots back to the establishment of UVA by Jefferson and to a prevailing attitude throughout the south regarding college preparation.

Jefferson founded UVA based on the very democratic premise that any resident of the state of Virginia could attend with no proscribed entrance requirements. He believed that performance while attending the University and not entrance requirements should be the discretionary determinant as to who may continue as a student. This general attitude of less emphasis on entry requirements was common throughout Southern colleges. While an attractive concept, one most unfortunate byproduct is to lessen the role of a high school education in the education process.

This problem was recognized and by 1900, most schools had progressed to some entry requirements but many, especially in the south, remained significantly less than the CFAT requirement of 14 units.

When the CFAT established this requirement there was an outpouring of protest. Few, if any, were opposed to the requirement but lobbied strongly for a longer "phase in" time during which they could still be members based on a

demonstrated commitment to satisfy the requirement within some reasonable time. The southern schools advocated a split along geographic lines where the requirement would be phased in for southern schools but immediate for all others.

Again, after much debate, the Trustees decided to not change the standard and require immediate compliance. While southern Universities were already moving to strengthen entrance requirements, this requirement forced universities to deal with the problem immediately. Increasing admission requirements certainly had a profound effect on the role of secondary education in Virginia.

In spite of this controversy, the 2nd Annual Report of CFAT in 1907 when discussing the definition of a University states "This institution was the expression of the ideals of Thomas Jefferson and he undertook to transplant to the sparsely settled Commonwealth of Virginia a true European university. For the first fifty years of its history the University was conducted in a larger spirit of freedom, and had about it more of the atmosphere of a true university than any other institution in the country. Jefferson underestimated the fact that a university must rest upon strong preparatory schools and the lack of such schools has greatly affected the influence and the life of the institution which he founded."

Based on a resolution approved by Governor Swanson and ratified by an act of the legislature on February 12, 1909, the University of Virginia applied for membership in the CFAT. This resolution stated, in part, "The Rector and Visitors of the University of Virginia appreciate the high purpose of Mr. Carnegie in establishing the CFAT. They perceive clearly its far-reaching and beneficent results in advancing the dignity of the teachers office, in protecting the old age of unselfish public servants, and increasing the efficiency and promoting the elevation of the standards of American colleges and Universities."

The University was granted admission on June 8, 1911. The 1911 annual report of the CFAT included 6 pages on the history of UVA and its success in furthering the ideals of higher education. Incidentally, by the time of admission, there were at least two professors who were already receiving pension benefits from CFAT.

After much public debate, the Foundation trustees soon removed the prohibition against membership for state schools.

The non-sectarian requirement did not receive the same reversal. There was much debate as to the appropriateness of this requirement. And even more heatedly, since many institutions had long standing but relatively loose sectarian relationship, how distant did the relationships need be to be labeled sectarian. But the trustees and Carnegie himself never relinquished on the subject of sectarian schools. Many schools strongly disagreed with the Foundation and tried in every way to get this provision put aside or at least have it interpreted

such that they would qualify. Abram Harris, then president of Northwestern, lobbied very publicly to have this condition changed. The arguments were to no avail and the condition stood.

Another interesting sidelight. The Foundation assigned a young man, Abraham Flexner, to inspect medical schools throughout the country and report on the condition of medical education in the United States. The area of medical philanthropy had been one that Carnegie had avoided stating that he left that to John D. Rockefeller who was quite interested and generous in the field of medicine.

For two years, Flexner studied medical schools and in 1910, published a report which shocked the public and forced the medical profession into action. He showed clear evidence that many medical schools throughout the country were little more than diploma mills with no standards and few requirements. With this publicity, many such schools promptly went out of existence while those that survived greatly tightened their standards for admission and graduation. The report remains today a model for educational investigation. Ironically, Carnegie, who had done little in the field of medicine provided the funds for the study that arguably did more to improve the quality of medical education in this country than any other single act. Again, implications far beyond the dollars involved. Flexner was ultimately hired by Rockefeller to serve as secretary of the General Education Board which gave over \$50 million to medical education in the next 20 years.

Back to the pension plan. This plan certainly had many critics who predicted that the academic profession would reject out of hand this patronizing act of charity from Carnegie. For example, William Jennings Bryan, who had been a long time opponent of Carnegie over many populist issues including the monetization of silver, upon learning that his college, Illinois College, had been admitted into the pension system immediately sent his letter of resignation to the board of trustees saying, "Our college can not serve God and mammon. It can not be a college for the people and at the same time commend itself to the commercial highwaymen who are now subsidizing the colleges to prevent the teaching of economic truth. It grieves me to have my alma mater converted into an ally of plutocracy, but having done what I could to prevent it, I have no other recourse than to withdraw from its management." The college accepted Bryan's resignation and kept the pension program.

Another benefit of the plan was that the pensions were completely portable thus enabling professors to move with no loss of pension benefits.

It soon became obvious that this free pension system could not be the ultimate solution to the problem. Based on a study funded by the foundation of the pension problem, an independent legal reserve life insurance company was created in 1917 and chartered under the laws of New York State. It was called

the Teachers Insurance and Annuity Association of America. The Carnegie Corporation gave \$1 million to the association for initial capital and surplus and the stock of the association was owned by the Carnegie Corporation until 1938 at which time was transferred to the trustees of TIAA making it a totally independent non-profit insurance company. The existing obligations of the foundation were retained and some payments are still being made under those pensions.

TIAA has an interesting corporate structure. It was organized as a legal reserve life insurance company but under the charter, ownership is held by a special purpose corporation (TIAA Board of Overseers) which is a not-for-profit organization. All contracts are non-par but since the charter prohibits the stockholders from receiving any profit, distribution of earnings are made to policyholders in the form of policyholder dividends.

And thus was created TIAA-CREF, one of the largest, highly rated and respected insurance companies in the country. It dominates the pension fund market for people in education. Today TIAA-CREF has assets in excess of \$200,000,000,000.

While still in existence, Carnegie's foundation was out of the pension business but it had two major accomplishments. First, it was the initial step in providing pensions to college professors and it made them portable. Second, it established certain educational standards and served as one of many catalysts that evolved into a needed accreditation system for institutes of higher learning. The *Times of London* cited the foundation as "one of Mr. Carnegie's most significant accomplishments in this supremely difficult art of spending large sums of money and undertakings to be a permanent advantage to the public".

The foundation was to be Carnegie's last major philanthropic endeavor in the field of education. After 1905, he became increasingly involved in politics because of his deep commitment to the cause of world peace. (And in two years, that could be Andrew Carnegie Chapter 3.)

Philanthropy had proved a far more difficult task than he had envisioned in his *Gospel of Wealth* where "the man of wealth becomes the trustee for his poor brethren". He often said that he had not worked one-tenth as hard acquiring his wealth as he did in giving it away. In many ways it had been fun but on the other hand, throughout this portion of his life, there was often bitter criticism of both his actions and his intentions. With the exception of the Homestead Strike, nothing he had done in his business activities was subject to the same criticism as that which he did in the name of the love of man. Conservatives regarded him as a socialist and liberals accused him of trying to prostitute the colleges, science and the general public with his millions.

Also discouraging was the fact that no matter how fast he gave money away, the interest on his bonds kept gaining to where he had given away \$180 million and still had almost that same amount left.

He told his good friend and secretary of state, Elihu Root that he would “die in disgrace” since he could not possibly get rid of his wealth in the few years that were left to him.

Root had a simple solution; establish a trust and transfer the bulk of his fortune to others for them to worry about and thus die happy and in a state of grace. He agreed and in 1911 he established the Carnegie Corporation of New York, transferring to it the bulk of his remaining fortune of \$125 million with the stated purpose, “to promote the advancement and defusion of knowledge among the people of the United States by aiding technical schools, institutions of higher learning, libraries, scientific research, hero funds, youthful publications and by such other agencies and means as show from time to time be found appropriate therefore.”

He assumed the presidency of the corporation and brought together the presidents of his other American philanthropic trusts to be the board. Just as US Steel had been the super industrial corporation, the Carnegie Corporation was the first super trust in the history of philanthropy.

Ironically, after this trust was established, he wanted to provide for a continuation of the library and church organ grant in Great Britain after his death. He attempted to transfer \$10 million from the Carnegie Corporation to a new trust for this purpose. His friend, Root, however informed him that he was bound by the terms of his own charter. The money was no longer his to spend and the charter stipulated that the funds had to be used in the United States and Canada. So in 1913, Carnegie was obliged to dig into his own remaining resources in order to endow the United Kingdom trust.

No doubt the creation of the Carnegie Corporation contradicted one of the basic tenants of philanthropy as expressed in the Gospel of Wealth by admitting that a fortune as great as his could not possibly be administered and dispersed by a single man no matter how “superior his wisdom”. But he had now given away over 90% of his fortune during his lifetime and as the New York Herald stated at the time, “the final box score on the contest between Carnegie and Rockefeller: Carnegie, \$332 million; Rockefeller, \$175 million.” This certainly was not the final score since John D. Rockefeller’s bequests ultimately exceeded \$500 million and subsequent Rockefeller bequests exceeded \$2 billion.

Before we adjourn, I would like to spend a few minutes on one of the tributaries which I found most interesting in knowing and understanding Carnegie.

In 1907, Carnegie was asked to deliver the opening address for the Edinburgh Philosophical Institution, an organization which traced its heritage to the Scottish Enlightenment of David Hume, William Robertson and Adam Smith. This was quite an honor especially for a native son of Scotland with only 4 years of formal education.

Carnegie chose as his topic, "The Negro in America".

He presented a very optimistic picture of what had been accomplished since the war. He validated these accomplishments by citing statistics on literacy, land holdings and the accomplishments of African Americans as artists, poets, scientists, lawyers, teachers and even capitalists.

Notwithstanding his consistently optimistic view of the future, he realistically admitted:

"Lest you separate holding the view that there remains little more to be accomplished in the Negro problem, let me say that all that has been done encouraging as it undoubtedly is, yet is trifling compared with what remains to be done.

"The bright spots have been brought to your notice but they're only small points surrounded by great areas of darkness."

He did end on a positive note saying:

"What is to be the final result of the white and black races living together in centuries to come need not concern us. They may remain separate and apart as now or may inter-mingle. That lies upon the lap of the gods. That they will henceforth dwell in peace cooperating more and more as patriotic citizens of the republic is, I believe, already assured. I believe also that the Negro is to continue to ascend morally, educationally, and financially. I am quite resigned to our own and the Negro races occupying the south together, confident that as time passes the two will view each other with increasing regard, and more and more realize that, destined as they are to dwell together, it is advantageous for both that they live in harmony as good neighbors and labor for the best interest of their common country."

What is remarkable is that Carnegie should have chosen this topic for his address. He had always demonstrated sympathy for African Americans and believed slavery to be the one great unforgivable blotch of what he regarded as the nearly perfect democracy in America. During the Civil War and reconstruction, he had supported the radical position on racial equality and, unlike many, never lost his interest in this issue.

Some of his most generous contributions to colleges had gone to Tuskegee and Hampton Institute. He was an admirer and good friend of Booker T. Washington who had been Carnegie's guest at Skibo Castle in Scotland and was on a private pension list reserved for Carnegie's closest friends and family. He described Washington as "...the combined Moses and Joshua of his people. History is to tell us of two Washington's, the white and the black, one the father of his country and one the leader of his race."

Of particular interest in the address is Carnegie's reference to education. He states that, "Education is a moral dynamite. Ignorance is the only possible foundation upon which dominion over others can rest."

Obviously, I could go on but I will stop for the evening. I thank you for your indulgence in listening and thank you for providing me the incentive to learn more about a most interesting personality and his struggle with many of the same problems which face us today. As we are all aware, there are few new problems, only new science, new social environments, new political environments and new people to put a current "spin" on the problems. We face today the same widening gulf between rich and poor, the same focus on "bottom line", the same depersonalization of the business world, and the same pressure on the working man although the type of pressure has moved from the physical stress of hard labor to the mental stress associated with today's workplace and the pressure for economic success.

But this too is a tributary for another night.

Again, thank you for your patience and I will be happy to take any questions.

SPXMAST

ANDREW CARNEGIE, Chapter 2
Sphex club
March 19, 1998

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Note: Since this paper was prepared only for oral presentation, it does not include footnotes. The paper draws heavily on Mr. Wall's biography, Andrew Carnegie and the other publications listed in the bibliography.

THE GOSPEL OF WEALTH

Andrew Carnegie

Part I: The Problem of the Administration of Wealth

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 also 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 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. Without wealth there can be no Maecenas. The "good old times" were not good old times. Neither master nor servant was as well situated then as today. 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, therefore, to be accepted and made the best of. It is a waste of time to criticize 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 the 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 that 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 succeeding apprentices in the same routine. There was, substantially, social equality, and even political equality for those engaged in industrial pursuits had then little or no voice in the State.

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 that 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. The laborer has now 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, and in the mine, of whom the employer can know little or nothing and to whom he 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 with 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 than its cost – 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 condition 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 to the future progress for 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 enormous rewards for its possessor, 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 render the question of his capital scarcely worth considering for able men soon create capital; in the hands of those 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 expenditure and that they must, therefore, 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 to 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 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 all other that has been tried. Of the effect of any new substitutes proposed we can not 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 when the capable, industrious workman said to his incompetent and lazy fellow, "If thou dost not sow, then 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. Every man must be allowed "to sit under his own vine and fig-tree, with none to make afraid," if human society is to advance, or even to remain so far advanced as it is. To those who propose to substitute Communism for this intense Individualism, the answer therefore is: The race has tried that. All progress from the 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 had the ability and energy to 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 cons, 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 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 to favor the destruction of Individualism. Private Property, the Law of Accumulation of Wealth, and the Law of competition; for these are the highest result 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 from which are required for the comfortable, maintenance and education of families. This is not wealth, but only competence, which it should be the air of all to acquire and which it is for the best interest of society should be acquired.

There are but three modes in which surplus wealth can be disposed of. It can be left to the families of the descendents; or it can be bequeathed for public purposes; or, finally, it can be administered by its possessors during their lives. 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 unimpaired to succeeding generations. The condition of this class in Europe today teaches the failure 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 a 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 often 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 to the community. Such are the very salt of the earth, as valuable as, unfortunately, they are rare. It is not the exception, however, 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 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 he 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 by them. 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 acquires it, to use wealth 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 from which it chiefly came, 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 get 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 dependants, and increasing rapidly as the amount swell, until of the millionaire's board, as of Shylock's at least:

The other half
Comes to the pricy 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 by far the 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 prepared to put it in practice by degrees 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 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 themselves in trifling amounts throughout the course of many years.

If we consider the results which 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 ensued 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 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. Tildens' 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 fellow's 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 Tolstoi 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; 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 judgement, 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.

We are met there 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 is chiefly known for display, for extravagance in home, table, or equipage, for enormous sums ostentatiously spent in any form upon itself – if these were 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, free handed cooperation in good public uses, or to unabated efforts to accumulate and hoard to the last, or 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. Those who would administer wisely must, indeed, be wise for one of the serious obstacles to the improvement of our race is indiscriminate charity. It was better for mankind that the millions of the rich were thrown into the sea than so spent as to encourage the slothful, the drunken, and the unworthy. Of every thousand dollars spent in so-called charity today, it is probably that nine hundred and fifty dollars is unwisely spent – so spent, indeed, as to produce the very evils which it hopes to mitigate or cure. A well-known writer of philosophy 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 the 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 will do good which its thoughtless donor will ever be able to give in true charity. 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 more 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 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 almsgiving. Those worthy of assistance, except in rare cases, seldom require assistance. The really valuable men of the race never do, except in case of accident or sudden change. Every one has, to 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 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, 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 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. Men may die without incurring the pity of their fellows, still sharers in great business enterprises from which their capital cannot be or has not been withdrawn, and which is left chiefly at death for public uses; yet the day is not far distant when the man who dies leaving behind him millions of available wealth, which was free for him 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.”

Part II: The Best Fields for Philanthropy

This part of the essay was actually written after Carnegie had received many responses to the original “Gospel”. Most of Part II was an identification and elaboration of seven “best uses to which a millionaire can devote the surplus of which he should regard himself as only the trustee.”

The seven were:

1. The founding of a university
2. Free libraries
3. Founding or extension of hospitals, medical colleges, laboratories and other institutions connected with the alleviation of human suffering, and especially with the prevention rather than the cure of human suffering
4. Public parks
5. Providing halls suitable for meetings of all kinds, and for concerts of elevating music
6. Public swimming baths
7. One's own church and churches in poor neighborhoods.

After outlining these seven, Carnegie went on to say:

Many other avenues for the wise expenditure of surplus wealth might be indicated. I enumerate but a few – a very few – of the many fields which are open and only those in which great or considerable sums can be judiciously used. It is not the privilege, however, of millionaires alone to work for or aid measures which are certain to benefit the community. Every one who has but a small surplus can give at least a part of their time, which is usually as important as funds, and often more so.

It is not expected, neither is it desirable, that there should be general concurrence as to the best possible use of surplus wealth. For different men and different localities there are different uses. What commends itself most highly to the judgment of the administrator is the best use for him, for his heart should be in the work. It is as important in administering wealth as it is in any other branch of a man's work that he should be enthusiastically devoted to it and feel that in the field selected his work lies.

Besides this, there is room and need for all kinds of wise benefactions for the common weal. The man who builds a university, library, or laboratory performs no more useful work than he who elects to devote himself and his surplus means to the adornment of a park, the gathering together of a collection of pictures for the public, or the building of a memorial arch. These are all true laborers in the vineyard. The only point required by the gospel of wealth is that the surplus which accrues from time to time in the hands of a man should be administered by him in his own lifetime for that purpose which is seen by him, as trustee, to be best for the good of the people. To leave at death what he cannot take away, and place upon others the burden of the work which it was his own duty to perform, is to do nothing worthy. This requires no sacrifice, or any sense of duty to his fellows.

Time was when the words concerning the rich man entering the kingdom of heaven were regarded as a hard saying. Today, when all questions are probed to the bottom and the standards of faith receive the most liberal interpretations,

the startling verse has been relegated to the rear, to await the next kindly revision as one of those things which cannot be quite understood but which, meanwhile, it is carefully to be noted, are not to be understood literally. But is it so very improbably that the next stage of thought is to restore the doctrine in all its pristine purity and force, as being in perfect harmony with sound ideas upon the subject of wealth and poverty, the rich and the poor, and the contrasts everywhere seen and deplored? In Christ's day, it is evident; reformers were against the wealthy. It is none the less evident that we are fast recurring to that position today; and there will be nothing to surprise the student of sociological development if society should soon approve the text which has caused so much anxiety; "It is easier for a camel to enter the eye of a needle than for a rich man to enter the kingdom of heaven." Even if the needle were the small casement at the gates, the words betoken serious difficulty for the rich. It will be but a step for the theologian from the doctrine that he who dies rich dies disgraced, to that which brings upon the man punishment or deprivation hereafter.

The gospel of wealth but echoes Christ's words. It calls upon the millionaire to sell all that he hath and give it in the highest and best form to the poor by administering his estate himself for the good of his fellows, before he is called upon to lie down and rest upon the bosom of Mother Earth. So doing, he will approach his end no longer the ignoble hoarder of useless millions; poor, very poor indeed, in money, but rich, very rich, twenty times a millionaire still, in the affection, gratitude, and admiration of his fellow-men, and – sweeter far—soothed and sustained by the still, small voice within, which, whispering, tells him that, because he has lived, perhaps one small part of the great world has been bettered just a little. This much is sure; against such riches as these no bar will be found at the gate of Paradise.