**Andrew Carnegie, Wealth and Its Uses (1907)**

*Andrew Carnegie’s life is the classic “rags-to-riches” story. Born in Scotland, Carnegie came to the United States as a teenager. His first job was in a textile factory. By the end of the Civil War, however, he was on his way to becoming the leader of the U.S. steel industry and the richest man in the world. Despite his success, however, Carnegie did not believe in simply amassing wealth. Rather, he felt that wealth should be used to improve society, not through “hand-outs,” but through socially conscious investments. In his lifetime he gave away approximately $350 million, a large portion of which was used to establish more than 2500 libraries and several institutes of higher learning. The Carnegie Corporation, along with a number of endowments, continues to operate today and funds a huge array of grants and other endeavors. The excerpt below explains Carnegie’s theories about wealth, poverty, and the working class.*

It is the fashion nowadays to bewail poverty as an evil, to pity the young man who is not born with a silver spoon in his mouth; but I heartily subscribe to President Garfield's doctrine, that "The richest heritage a young man can be born to is poverty." . . . It is not from the sons of the millionaire or the noble that the world receives its teachers, its martyrs, its inventors, its statesmen, its poets, or even its men of affairs. It is from the cottage of the poor that all these spring. . . . There is nothing so enervating, nothing so deadly in its effects upon the qualities which lead to the highest achievement, moral or intellectual, as hereditary wealth. And if there be among you a young man who feels that he is not compelled to exert himself in order to earn and live from his own efforts, I tender him my profound sympathy. . . .

The principal complaint against our industrial conditions of to-day is that they cause great wealth to flow into the hands of the few. . . . It was formerly so. . . . To-day it is not true. Wealth is being more and more distributed among the many. The amount of the combined profits of labour and capital which goes to labour was never so great as to-day, the amount going to capital never so small. . . .

You may be sure, gentlemen, that the question of the distribution of wealth is settling itself rapidly under present conditions, and settling itself in the right direction. The few rich are getting poorer, and the toiling masses are getting richer. Nevertheless, a few exceptional men may yet make fortunes, but these will be more moderate than in the past. This may not be quite as fortunate for the masses of the people as is now believed, because great accumulations of wealth in the hands of one enterprising man who still toils on are sometimes most productive of all the forms of wealth. . . .

The bees of a hive do not destroy the honey-making bees, but the drones. It will be a great mistake for the community to shoot the millionaires, for they are the bees that make the most honey, and contribute most to the hive even after they have gorged themselves full. It is a remarkable fact that any country is prosperous and comfortable in proportion to the number of its millionaires. . . .

But assuming that surplus wealth flows into the hands of a few men, what is their duty? How is the struggle for dollars to be lifted from the sordid atmosphere surrounding business and made a noble career? Now, wealth has hitherto been distributed in three ways: The first and chief one is by willing it at death to the family. Now, beyond bequeathing to those dependent upon one the revenue needful for modest and independent living, is such a use of wealth either right or wise? I ask you to think over the result, as a rule, of millions given over to young men and women, the sons and daughters of the millionaire. . . . Nothing is truer than this, that as a rule the "almighty dollar" bequeathed to sons or daughters by millions proves an almighty curse. It is not the good of the child which the millionaire parent considers when he makes these bequests, it is his own vanity. . . .

There is a second use of wealth, less common than the first, which is not so injurious to the community, but which should bring no credit to the testator. Money is left by millionaires to public institutions when they must relax their grasp upon it. There is no grace, and can be no blessing, in giving what cannot be withheld. It is no gift, because it is not cheerfully given, but only granted at the stern summons of death. The miscarriage of these bequests, the litigation connected with them, and the manner in which they are frittered away seem to prove that the Fates do not regard them with a kindly eye. We are never without a lesson that the only mode of producing lasting good by giving large sums of money is for the millionaire to give as close attention to its distribution during his life as he did to its acquisition. . . .

The third use, and the only noble use of surplus wealth, is this: That it be regarded as a sacred trust, to be administered by its possessor, into whose hands it flows, for the highest good of the people. Man does not live by bread alone, and five or ten cents a day more revenue scattered over thousands would produce little or no good. Accumulated into a great fund and expended as Mr. Cooper expended it for the Cooper Institute, it establishes something that will last for generations. It will educate the brain, the spiritual part of man. It furnishes a ladder upon which the aspiring poor may climb; and there is no use whatever, gentlemen, trying to help people who do not help themselves. You cannot push any one up a ladder unless he be willing to climb a little himself. When you stop boosting, he falls, to his injury. Therefore, I have often said, and I now repeat, that the day is coming, and already we see its dawn, in which the man who dies possessed of millions of available wealth which was free and in his hands ready to be distributed will die disgraced. . . .

**Document Analysis**

1. What are the three ways Carnegie identified to distribute wealth? Which did he endorse?
2. What trend did he see in the “distribution of wealth” in the United States? Has his prediction come true?
3. Were you surprised that such a rich man offered this commentary? Why or why not?

**APPARTY**

[](http://www.google.com/url?sa=i&source=images&cd=&cad=rja&docid=AXteH6skHCXpZM&tbnid=_U4-lDZVVjmitM:&ved=0CAgQjRwwAA&url=http%3A%2F%2Fhylee223.wordpress.com%2F2011%2F03%2F21%2Fresearch-paper-ida-tarbell-and-the-standard-oil-company%2F&ei=H0yfUs-ZJ9K_kQeJhIC4BQ&psig=AFQjCNGam6zopJlLBceeG-lTfaMkkPUtmw&ust=1386257823737049)

**"Modern Colossus of (Rail) Roads," 1879**



Cornelius "the Commodore" Vanderbilt is shown towering over his rail empire and pulling the strings to control its operations. The sign reads "all freight leaving the seaboard MUST pass here and pay any tolls we demand."(Library of Congress)