

Andrew Carnegie, "Wealth," *North American Review*, June 1889

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 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
5 retainers. The Indians are to-day where civilized man then was. When visiting the Sioux, I was led to the wigwam of the chief. It was like the others in external appearance, and even within the difference was trifling between it and those of the poorest of his braves. The contrast between the palace of the millionaire and the cottage of the laborer with us to-day measures the change which has come with civilization. This change, however, is not to be deplored, but welcomed as highly beneficial. It--is well,
10 nay, essential, for the progress of the race that the houses of some should be homes for all that is highest and best in literature and the arts, and for all the refinements of civilization, rather than that none should be so. Much better this great irregularity than universal squalor. Without wealth there can be no Mæcenas. The "good old times" were not good old times. Neither master nor servant was as well situated then as to-day. A relapse to old conditions would be disastrous to both--not the least so to him
15 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
20 human industry, as stimulated and enlarged by the inventions of this scientific age. Formerly, articles were manufactured at the domestic hearth, or in small shops which formed part of the household. The master and his apprentices worked side by side, the latter living with the master, and therefore subject to the same conditions. When these apprentices rose to be masters, there was little or no change in their mode of life, and they, in turn, educated succeeding apprentices in the same routine. There was,
25 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. To-day the world obtains commodities of excellent quality at prices which even the preceding generation would have deemed incredible. In the commercial world similar causes have produced similar results, and
30 the race is benefited thereby. The poor enjoy what the rich could not before afford. What were the luxuries have become the necessities of life. The laborer has now more comforts than the farmer had a few generations ago. The farmer has more luxuries than the landlord had, and is more richly clad and better housed. The landlord has books and pictures rarer and appointments more artistic than the king could then obtain.

35 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
40 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
45 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, there fore, as
50 conditions to which we must accommodate ourselves, great inequality of environment; the
concentration of business, industrial and commercial, in the hands of a few; and the law of
competition between these, as being not only beneficial, but essential to the future progress of the race.
Having accepted these, it follows that there must be great scope for the exercise of special ability in the
merchant and in the manufacturer who has to conduct affairs upon a great scale. That this talent for
55 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
60 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, there fore, 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;
65 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 them selves; and this law is as beneficial for the race as the others.