

## QUESTIONS FOR ANDREW CARNEGIE “THE GOSPEL OF WEALTH” (1889)

What is the relationship between genius and money? Are they independent or interdependent? In many ways, question centering on genius parallel those centering on wealth. Is it (genius/wealth) equally assigned to all for general happiness, or is it placed in the hands of a few to move society forward?

A thought question throughout: Why might unbridled capitalism, which reached its peak in the U.S. around 1890, map well onto 19<sup>th</sup>-century American beliefs (myths?) having to do with “manifest destiny,” the frontier, and a “you eat what you kill” mentality?

[Preliminary note: Andrew Carnegie (henceforth AC) made a fortune in the steel industry in the United States, in Pittsburgh and then New York City, around the turn of the 20<sup>th</sup> century. Once having earned his fortune, he, like John D. Rockefeller, spent the rest of his life trying to give it away intelligently. By the time of his death in 1919, AC had indeed disposed of most of his fortune through the Carnegie Foundation, which, among other things, built public libraries around the world and established a pension fund (TIAA) for high-school and college teachers to encourage good minds to go into teaching, and endowed Carnegie Mellon University. A far more complete list of the institutions that AC established by his philanthropy can be found in the basic Wiki article.]

p. 1: What does AC think about wealth inequality. In AC’s day (and today) is it getting greater or lesser?

- a. greater b. lesser

p. 1: Does AC think that this a healthy development or a pernicious one?

- a. healthy b. pernicious

p. 1: Does AC seem to believe in the adage that “a rising tide carries all boats”? (or a “trickle down” theory of economics ?

- a. yes b. no

p. 2: According to AC, industrialization results in

- a. higher prices for goods b. lower prices for goods c. more imported goods d. shoddy goods

[Your personal opinion: Does AC’s appraisal that “everyone is better” seem plausible to you?]

p. 2: According to AC, what creates the friction that often arises between employer and laborer?

- a. monopolies b. competition c. the threat of Communism

p. 2: For AC, great wealth is a sign that the holder is benignly possessed with (it’s almost as if this is a sign of preordination!)

- a. a rare talent for organization and management b. an ability to keep income and estate taxes low

- c. a capacity to identify and exploit natural resources

p. 3: How is wealth accumulated?

- a. when income exceeds capital b. when income exceeds expenditures c. when expenditures exceed income

p. 3: [Here the argument begins to turn.]

p. 3: What alternative economic system is NOT discussed here by AC

- a. Utilitarianism b. Socialism c. Communism

p. 3 (toward the bottom) A key point in all of this discussion: WHY, according to AC, are economic systems other than capitalism ineffective?

- a. they are dependent on natural resources b. they are not market driven  
c. they run contrary to human nature.

p. 3: AC comes from Scotland and is a product of “The Scottish Enlightenment.” Which two Scottish philosophers had clearly and strongly influenced AC? Their initials are DH and AS. (Not coincidentally, Albert Einstein was also greatly influenced by DH.)

1. DH \_\_\_\_\_ 1. AS \_\_\_\_\_

pp. 3-4: AC's discussion of the failure of the capitalist to attain ideal economic conditions is reminiscent of

- a. Churchill's remark that democracy is a terrible political system, but it just happens to be better than all the others
- b. Bentham's notion of "the greatest good for the greatest number"
- c. Hegel's believe that dialectical forces will endure forever

p. 4: AC posits three modes for dispensing of wealth. In which order does he present them? (Put a number (1, 2, or 3) after each of the following.)

Wealth can be administered during their lives by its possessors \_\_\_\_

Wealth can be left to families or the decedents \_\_\_\_

Wealth can be bequeathed for public purposes \_\_\_\_

p. 4-5: Which of the following does AC advocate

- a. administering the distribution of wealth during the lives of its possessors
- b. leaving wealth to families or decedents
- c. bequeathing wealth for public purposes

p. 5: Why is AC against leaving large sums to descendants

- a. encourages idle lives
- b. it is tantamount to leaving them a curse
- c. it is done only for reasons of family pride
- d. all of the above

p. 5: Which is NOT a reason AC gives for not wishing to bequeath his money to public entities:

- a. there is no reason to wait to do good until after you are dead
- b. the desires of the testators might be thwarted
- c. public charities generate poorer financial returns than private foundations

p. 6: Strangely (but cleverly), AC now argues FOR heavy inheritance taxes. Why does he do this?

a. because they will scare a wealthy person into setting up trusts during his/her lifetime so as to avoid inheritance taxes.

b. because they will bring money into public coffers that can be distributed equally to all the people

p. 6: Is AC's advocacy of high inheritance taxes consistent with, or contrary to, his view about the liabilities of leaving great wealth to descendants

- a. consistent with
- b. contrary to

p. 6-7: Which does AC advocate?

- a. consolidating gifts so that large amounts can be given for targeted special public purposes
- b. distributing small sums equally and directly to all the people

(Thought question: What would AC think of the recent Paycheck Protection Plan?)

[p. 7: Refers to the Cooper Educational Foundation, which still exists as Cooper Union roughly at the corner of 5<sup>th</sup> Ave. and 90<sup>th</sup> Street in NYC. Then to the Tilden grant to the New York Public Library. Both were/are targeted public projects.]

p. 7: How does AC, who surely considered himself a good Christian, justify his accumulation of great wealth, seemingly contrary to the life of poverty(?) and public charity advocated by Christ.

- a. he says times have changed
- b. he says Christ got it wrong

p. 8: Which of the following does AC not advocate

- a. leaving your great wealth to your children
- b. living an unostentatious life
- c. realizing that you are only a temporary custodian of the wealth that you have

[Thought question: Do the geniuses that we have studied/are studying engage in ostentatious display?]

[Goes on to talk about how much to provide for your children

Again, AC argues against programs that give money directly to the people instead of establishing institutions and programs that will make their lives better. John D. Rockefeller later argued in the same fashion: is better to remove a problem, through scientific research, for example, than palliate those suffering from one.]

[p. 9: Your personal opinion: What do you think of AC's anti-almsgiving stance?]

[p. 9: Your personal opinion: What do you think of AC's believe that the millionaire should be the "trustee for the poor" and administering wealth "for the community far better than it could or would have done for itself." ]

Finally, this is the great quote for which we remember Carnegie's "The Gospel of Wealth." Which is it?

- a. "A man who dies thus rich will sit at the right hand of God"
- b. "A man who dies thus rich will be eager to see what he got for the house."
- c. "A man who dies thus rich dies disgraced."

Now that you have worked to the end of this, and in light of what you know about all of AC's accomplishments, do you think AC was a genius?

- a. Yes, because of all the ways his targeted special projects made the lives of others better
- b. Yes, because he made millions of dollars, thus being among the upper .000001 percent of income earners of his day—truly exceptional
- c. No, millionaires should never be considered geniuses, no matter how much they give away. The accumulation of so much capital in the hands of any one individual is immoral, and immoral people should not be considered geniuses.