

Chapter 24

Economic Expansion and Nationalism

ANDREW CARNEGIE AND THE GOSPEL OF WEALTH ♦ Section 1 (pages 547–551)

In 1848, at the age of 13, Andrew Carnegie emigrated from Scotland to enter the United States where he went to work in a cotton mill. When he retired 52 years later, his monopoly on American steel production had made him one of the world's richest men. Like others of his time, Carnegie was concerned about the widening gap between rich and poor. In 1889, he proposed the following solution.

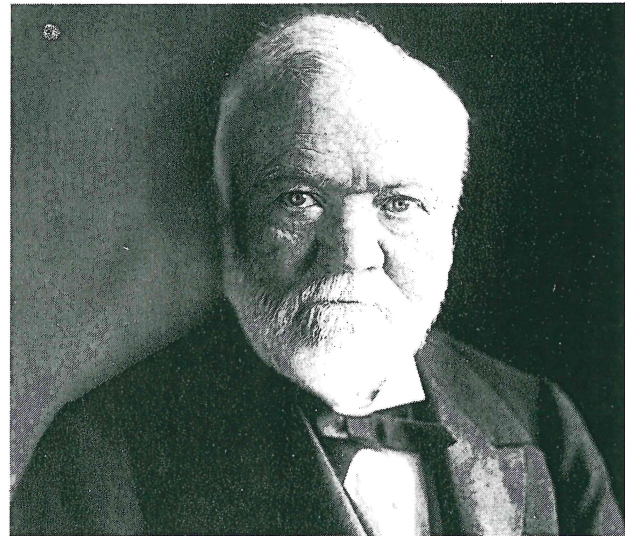
The conditions of human life have not only been changed, but revolutionized, within the past few hundred years. In former days there was little difference between the dwelling, dress, food, and environment of the chief and those of his retainers. . . . The contrast between the palace of the millionaire 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. . . . 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—and would sweep away civilization with it. . . .

[Today 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.

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 mistrust. Each caste is without sympathy with the other; and ready to credit [believe] anything disparaging in regard to it. . . .

The question then arises . . . 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



Andrew Carnegie

question that I offer the true solution. . . .

There remains, then, only one [best] mode of using great fortunes . . . [that is to] set an example of modest 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 . . . in the manner which, in his judgment, is best calculated to produce the most beneficial results for the community—the man of wealth thus becoming the mere trustee and agent for his poorer brethren, bringing to their service his superior wisdom. . . .

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, . . .

Such is the true gospel concerning wealth, obedience to which is destined to solve the problem of the rich and the poor, and bring "Peace on earth, among men good will."

(Continued)

Name _____
Class _____

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1. How, according to Carnegie, has the Industrial Revolution changed the conditions of human life?

2. According to Carnegie, is it better that wealth be in the hands of a few or that everyone be poor but equal?

3. Carnegie looks at both the advantages and disadvantages of the social system that developed as a result of industrialization.
 - (a) What are the disadvantages that he sees?

 - (b) What are the advantages?

4. (a) What is the question that Carnegie poses?

- (b) What solution does he offer?

5. List some possible objections that might be raised by some against Carnegie's solution to the administration of wealth.

THE COMMUNIST MANIFESTO

In 1847, Karl Marx and Friedrich Engels published the *Communist Manifesto* as a platform for the Communist League, a small German workers' party. In the excerpt below, they present their view of "bourgeois society."

The history of all hitherto existing society is the history of class struggles. Freeman and slave, patrician and plebeian, lord and serf, guildmaster and journeyman, in a word, oppressor and oppressed, stood in constant opposition to one another, carried on an uninterrupted, now hidden, now open fight, a fight that each time ended, either in a revolutionary reconstitution of society at large, or in the common ruin of the contending classes. . . .

The modern bourgeois society that has sprouted from the ruins of feudal society, has not done away with class antagonisms. It has but established new classes, new conditions of oppression, new forms of struggle in place of the old ones.

Our epoch, the epoch of the bourgeoisie, possesses, however, this distinctive feature: It has simplified the class antagonisms. Society as a whole is more and more splitting up into two hostile camps, into two classes directly facing each other—bourgeoisie and proletariat. . . .

The bourgeoisie, wherever it has got the upper hand, has put an end to all feudal, patriarchal, idyllic relations. It has pitilessly torn asunder the motley feudal ties that bound man to his "natural superiors," and has left no other bond between man and man than naked self-interest, than callous "cash payment." It has drowned the most heavenly ecstasies of religious fervor, of chivalrous enthusiasm, of philistine sentimentalism, in the icy water of egotistical calculation. It has resolved personal worth into exchange value, and in place of the numberless indefeasible [incapable of being annulled] chartered freedoms, has set up that single, unconscionable freedom—Free Trade. In one word, for exploitation, veiled by religious and political illusions, it has substituted naked, shameless direct, brutal exploitation.

The bourgeoisie has stripped of its halo every occupation hitherto honored and looked up to with reverent awe. It has converted the physician, the lawyer, the priest, the poet, the man of science into its paid wage-laborers.

1. According to Marx and Engels, on what struggle is the history of society based? _____
2. Who is the oppressed in each of the following relationships? (a) patrician and plebeian (b) guildmaster and journeyman (c) bourgeoisie and proletariat

3. According to Marx and Engels, there has always been oppression. Why, then, do they feel that their epoch is worse than previous epochs?

4. (a) According to Marx and Engels, what ties bound the lord to his serfs?

(b) What ties now bind the bourgeoisie to the proletariat?

(c) Why do Marx and Engels believe that the ties between a lord and his serfs were more acceptable than those between the bourgeoisie and proletariat?

