

## Excerpt from *The Gospel of Wealth*

BY ANDREW CARNEGIE

The problem of our age is the proper administration of wealth, so that the ties of brotherhood may still bind together the rich and poor in harmonious relationship.

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...

Thus is the problem of Rich and Poor to be solved. The laws of accumulation will be left free. Individualism will continue, but the millionaire will be but a trustee for the poor; intrusted for a season with a great part of the increased wealth of the community. The man who dies leaving behind many millions of available wealth, which was his 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."



By 1911, Carnegie had given away a huge amount of money -- 90 percent of his fortune. He donated to the creation of libraries, funding of education and established the Carnegie Endowment for International Peace and funded the building of the Hague Palace of Peace, which houses the World Court, in the Netherlands.

**All Hail the Entrepreneur!**  
**By “P.J. Morton”**

We should celebrate the invention of the corporation as a great advance. And, we should praise as heroes the people who run the most successful corporations.

Corporations allow people to undertake big business projects that individuals cannot afford on their own. For example, only a corporation can afford the expense of starting a textile factory, steel mill, oil refinery, or railroad.

And, because of these big projects, clothing, food, communication, and transportation are all less expensive. More Americans can afford such luxuries as telephones, electric lights, fresh meat, fruits and vegetables, and several changes of clothes, all because of the corporation.

Naturally, the people who run the most successful corporations get rich. But, the only way they can get rich is if they offer something people want to buy. Rockefeller sells oil and Carnegie sells steel at a lower price than their competitors. That benefits everyone who buys their products.

Some complain that the low prices charged by corporations bankrupt family-owned businesses. Well, when did charging low prices suddenly become a crime? Are we next going to complain because the quality of the products made by corporations is too good?

Corporations also invent creative methods of making the economy more efficient. For example, railroads offer discounts, called rebates, to big oil, coal or cattle companies. The railroads can do this because big shippers keep the trains full. And since the shipper's transportation cost is less, it will sell its products for less. This benefits anyone who eats steak or uses oil or coal.

America's workers benefit from the corporation, too. Not only can low-income people afford things that used to be luxuries, but also there are more job opportunities than ever before. And working conditions and pay are higher than ever before. This is because the only way a corporation can get people to work for it is if it pays and treats its workers well. Otherwise workers will work somewhere else.

One reason America has risen from a minor, second-rate country to a world power is because our government has left its citizens free to start businesses and benefit from their success. How hard would Carnegie or Rockefeller have tried if they knew the government was going to tell them how to run their business or take in taxes half of what they earned?

Our economic system benefits everyone who wants to work hard. And its greatness is due to the fact it is free. Let's keep it that way.

## American Standard of Living

1900

- 76 million people lived in the U.S.
- Wealthiest economy in the world (income on level with Great Britain, 2x France and 4x Japan)

Gross Domestic Product (GDP): monetary value of all goods and services produced

1820- 1257

1870- 2445

1913- 5301

\*average 1.73% growth

GDP 1913:

Germany 3648

Italy 2564

United Kingdom 4921

United States 5301

Spain 2255

France 3485

Life Expentancy

1880- 39.4 years

1890- 45.2 years

1900- 47.8 years

1910- 53.1 years

## Morgan helps end the Panic of 1893

In an effort to shore up the U.S. gold reserves, J.P. Morgan & Co. formed a syndicate in 1895 to sell \$65 million in gold bonds for the U.S. Treasury.



On February 20, 1895, J.P. Morgan & Co. led a bond offering that helped rescue the United States from a severe two-year economic depression.

The crisis stemmed from the post-war railroad boom that triggered a series of bank failures and a run on gold. By 1895, the country's gold reserves had dwindled.

J. Pierpont Morgan promised to form an international syndicate to buy gold and protect the Treasury from further withdrawals. As he saw it, his efforts to stem the drain, avert default and restore confidence in the dollar would protect the billions invested in the U.S. and restore the channels for foreign capital. But in early February, President Grover Cleveland decided instead to compel Congress to authorize gold bonds for sale.

As the situation worsened, Morgan told the president he had located a still-valid 1862 law, passed during the Civil War, that authorized the Secretary of the Treasury to issue bonds to buy gold coins without having to get congressional approval.

The president asked if Morgan could guarantee that the gold being purchased would not simply join the flow out of the country. The financier signed the contract, knowing that with his connections he could keep that guarantee.

Twelve days later, J.P. Morgan & Co. led a syndicate of bankers to sell U.S. bonds to buy back gold from foreign investors. The firm offered the bonds for sale at \$112.25 and sold out the entire issue in New York within 22 minutes.