

# 'Abdu'l-Bahá and Andrew Carnegie's Gospel of Wealth

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THE WORLD'S RICHEST MAN when 1912 began was a Scottish immigrant from Dunfermline, County Fife, who emigrated with his family to Allegheny, Pennsylvania, at the age of twelve in 1848. He got his first job as a bobbin boy in a local cotton mill when he was thirteen, changing spools of thread twelve hours a day for \$1.20 a week. Two years later he was a messenger boy in the Pittsburgh office of the Ohio Telegraph Company: \$2.50 per week. At seventeen the Pennsylvania Railroad employed him as a telegraph operator: \$25.00 per month. The following year he got his first investment opportunity, ten shares in the Adams Express, for which he had to borrow \$500. The returns he reinvested . . . and reinvested . . . and reinvested, slowly built up Andrew Carnegie's base of capital.

Having spent the Civil War as Superintendent of the Pennsylvania Railroad's western division—and getting rich on oil investments during the war boom—Andrew Carnegie left the railroad and turned his attention to iron and steel.<sup>6</sup> By adopting the railroads' cost accounting methods, vertically integrating all his suppliers, driving huge economies of scale, and swiftly adopting new technologies, Carnegie could convert raw iron ore into fine steel twenty-four hours a day with a minimum of skilled workers.<sup>7</sup> By the 1880s he was the largest producer of pig iron, rails, and coke in the world,<sup>8</sup> and he dominated the American steel market, making "most of the steel that

<sup>&</sup>lt;sup>1</sup> Andrew Carnegie, *Autobiography of Andrew Carnegie* (Boston: Houghton Mifflin, 1920), 2, 25, 30. During 1912 John D. Rockefeller's \$300 million fortune almost tripled, exceeding Andrew Carnegie's, as the share prices of Standard Oil's thirty-three successor companies skyrocketed on the New York Stock Exchange. Ron Chernow, *Titan: The Life of John D. Rockefeller, Sr.* (New York: Vintage Books, 2004), 556–557.

<sup>&</sup>lt;sup>2</sup> David Nasaw, *Andrew Carnegie* (New York: Penguin, 2006), 34.

<sup>&</sup>lt;sup>3</sup> Carnegie, Autobiography of Andrew Carnegie, 36–38; Nasaw, Andrew Carnegie, ????.

<sup>&</sup>lt;sup>4</sup> Carnegie, Autobiography of Andrew Carnegie, 59.

<sup>&</sup>lt;sup>5</sup> Carnegie, *Autobiography of Andrew Carnegie*, 79–80; Nasaw, *Andrew Carnegie*, 59–60. The Adams Express was a courier company, similar to Wells Fargo and American Express, that had been contracted by the Pennsylvania Railroad to deliver its packages between Pittsburgh and Philadelphia.

<sup>&</sup>lt;sup>6</sup> Nasaw, *Andrew Carnegie*, 73, 76–79, 99–100; "By the 1860s, half the iron rolled in the country was being bought by the railroads; by 1880, three quarters of the nation's steel would be used to manufacture rails." Nasaw, *Andrew Carnegie*, 99.

<sup>&</sup>lt;sup>7</sup> Nasaw, *Andrew Carnegie*, 179; Jean Strouse, *Morgan: American Financier* (London: The Harville Press, 1999), 139–140, 154....

<sup>&</sup>lt;sup>8</sup> "History of the Steel Industry (1850–1970)," Wikimedia Foundation, last modified April 3, 2019, 00:17, https://en.wikipedia.org/w/index.php?title=History\_of\_the\_steel\_industry\_(1850–1970)

built America's tools, factories, tall buildings, ships, streetcars, and machines." He retired in 1901 at the age of sixty-six, selling his steel interests to J. P. Morgan for \$480 million and becoming the richest man on earth. 10

But even as he was living the life of a robber baron during the Gilded Age, piling up capital and repressing striking workers, Carnegie was already formulating a different outlook on wealth than most of his tycoon friends. 11 "Man must have an idol," he wrote, "the amassing of wealth is one of the worst species of idolatry—no idol more debasing than the worship of money! . . . To continue much longer overwhelmed by business cares and with most of my thoughts wholly upon the way to make more money in the shortest time, must degrade me beyond hope of permanent recovery." 12

'Abdu'l-Bahá participated in several peace gatherings sponsored by Carnegie, including the Lake Mohonk Conference on International Arbitration, which Carnegie's millions had underwritten. In November Carnegie called on 'Abdu'l-Bahá in New York, and, it seems, gave him a copy of his book, *The Gospel of Wealth*. In it Carnegie had argued for the responsibility the rich had to improve society. Not only should they give away all their wealth, but they had to administer it themselves, focusing their resources on enterprises that would elevate the masses of society "in the forms best calculated to do them lasting good," not merely frittering it away on indiscriminate charity. In 1900 he refused to establish a peace and arbitration society that a friend had suggested, because he believed that his money would cause harm instead of good. "I am certainly not wrong," he wrote, "that if it were dependent on any millionaire's money it would begin as an object of pity and end as one of derision. I wonder that you do not see this. There is nothing that robs a righteous cause of its strength more than a millionaire's money. Its life is tainted

<sup>&</sup>lt;sup>9</sup> Ibid., 517; Strouse, *Morgan: American Financier* (London: The Harville Press, 1999), 140.

<sup>&</sup>lt;sup>10</sup> Strouse, Morgan: American Financier, 403.

<sup>&</sup>lt;sup>11</sup> "He differed from his contemporary Gilded Age industrial barons not in the means with which he accumulated his fortune, but in the success he achieved and the ends to which he put it." Nasaw, *Andrew Carnegie*, xii.

<sup>&</sup>lt;sup>12</sup> Carnegie, Autobiography of Andrew Carnegie, 157n.

<sup>&</sup>lt;sup>13</sup> Report of the Eighteenth Annual Lake Mohonk Conference on International Arbitration, May 15th, 16th and 17th, 1912 (Mohonk Lake, NY: Lake Mohonk Conference on International Arbitration, 1912), 42-44, http://www.archive.org/details/reportstdannual09unkngoog/; See also "Reception to Abdul-Baha by the New York Peace Society at Hotel Astor, May 13, 1912 (Afternoon)," Star of the West 3, no. 8 (August 1, 1912): 10-15; "Address by Abdul-Baha at Grace Methodist Episcopal Church, West 104th St., New York," Star of the West 3, no. 9 (Aug. 20, 1912): 12–16; Robert M. Stockman, 'Abdu'l-Bahá in America (Wilmette, IL: Bahá'í Publishing, 2012), 156-158. This talk was to a gathering of the International Peace Forum. Stockman suggests that the event was sponsored by the New York Peace Society; "Address at Metropolitan Temple Reception, Seventh Avenue and 14th Street, New York City, May 28, 1912," Star of the West 3, no. 7 (July 13, 1912): 14-15, 19-21. <sup>14</sup> Mahmúd-i-Zarqání, Mahmúd's Diary: The Diary of Mírzá Mahmúd-i-Zarqání Chronicling 'Abdu'l-Bahá's Journey to America, trans. Mohi Sobhani (Oxford: George Ronald, 1998), 387; Andrew Carnegie, The Gospel of Wealth and Other Timely Essays (New York: The Century Co., 1901; Internet Archive, 2007), https://archive.org/details/gospelofwealthot00carnuoft. Carnegie's original essay, titled "Wealth," was published in the North American Review in June, 1889 (see n15 below). Due to the sensation it provoked, it was republished immediately in London's Pall Mall Gazette under the title "The Gospel of Wealth." Carnegie adopted the title and in 1901 published a collection of his essays with "The Gospel of Wealth" as the title piece. 'Abdu'l-Bahá likely read this book, but I have found no source to indicate for certain how he acquired it. Nasaw, Andrew Carnegie, 344-345; See also Carnegie, Autobiography of Andrew Carnegie, 255n.

<sup>&</sup>lt;sup>15</sup> Andrew Carnegie, "Wealth," *North American Review* 148, no. 391 (June 1889): 660–663, http://www.jstor.org/stable/25101798; See also Carnegie, *Gospel of Wealth*, 12–18.

thereby."<sup>16</sup> He also approved of the high estate taxes that had been established in England. "By taxing estates heavily at death," Carnegie wrote, "the State marks its condemnation of the selfish millionaire's unworthy life. It is desirable that nations should go much further in this direction."<sup>17</sup>

'Abdu'l-Bahá had upheld similar views on the responsibilities of the wealthy at least since 1875, when he wrote *The Secret of Divine Civilization*, an open letter to Iranians proposing an ambitious program of social, legal, religious, and educational reform. "Wealth is praiseworthy in the highest degree," 'Abdu'l-Bahá wrote, "if it is acquired by an individual's own efforts and the grace of God, in commerce, agriculture, art and industry, and if it be expended for philanthropic purposes. Above all, if a judicious and resourceful individual should initiate measures which would universally enrich the masses of the people, there could be no undertaking greater than this." <sup>18</sup>

'Abdu'l-Bahá read *The Gospel of Wealth* and wrote back to Andrew Carnegie on January 10, 1913, shortly after he had arrived in London after his American journey. Carnegie was so impressed with the letter that he sent it to the *New York Times*. <sup>19</sup> In his reply, 'Abdu'l-Bahá contributed the observation that to redistribute wealth successfully it was essential to make sure that the act of doing so did not create further rifts between the classes.

"To state the matter briefly," he wrote, "the Teachings of Bahá'u'lláh advocate voluntary sharing, and this is a greater thing than the equalization of wealth. For equalization must be imposed from without, while sharing is a matter of free choice. Man reacheth perfection through good deeds, voluntarily performed, not through good deeds the doing of which was forced upon him." Although he believed redistributive legislation was necessary, he argued that the ultimate solution to the problem of rich and poor was that the rich should change their fundamental attitudes, and go out of their way to give lavishly without being coerced. "For the harvest of force is turmoil and the ruin of the social order. On the other hand voluntary sharing, the freely-chosen expending of one's substance, leadeth to society's comfort and peace. It lighteth up the world; it bestoweth honour upon humankind." 22

<sup>&</sup>lt;sup>16</sup> Andrew Carnegie to William T. Stead, 1900, quoted in David S. Patterson, "Andrew Carnegie's Quest for World Peace," *Proceedings of the American Philosophical Society* 114, no. 5 (October 20, 1970): 376, http://www.jstor.org/stable/985802.

<sup>&</sup>lt;sup>17</sup> Carnegie, "Wealth," 659. See also Carnegie, Gospel of Wealth, 18.

<sup>&</sup>lt;sup>18</sup> 'Abdu'l-Bahá, *The Secret of Divine Civilization*, 2nd ed. (Wilmette: Bahá'í Publishing Trust, 1983), 24.

<sup>&</sup>lt;sup>19</sup> 'Abdu'l-Bahá to Andrew Carnegie, 10 January 1913, quoted in "Abdul Baha's Tribute to Mr. Carnegie," New York Times, February 9, 1913, http://nyti.ms/17kekeg. In this article I have used a more recent translation, printed in 'Abdu'l-Bahá, Selections from the Writings of 'Abdu'l-Bahá (Haifa, Israel: Bahá'í World Centre, 1978), 114–115, http://reference.bahai.org/en/t/ab/SAB/sab-80.html.
<sup>20</sup> 'Abdu'l-Bahá, Selections, 115.

<sup>&</sup>lt;sup>21</sup> "[I]n order to establish a better economic and social condition you must abide by certain laws. We will have economic laws so that the Socialists may demand legally and not by force or strike. . . . Laws and regulations set forth rightful demands." "Extracts from a Talk Given by Abdul-Baha July 23, 1912, in Answer to Questions Asked by Mrs. Campbell and Dr. Guy, at Hotel Victoria, Boston, Mass.," Star of the West 4, no. 7 (July 13, 1913): 122.

<sup>&</sup>lt;sup>22</sup> 'Abdu'l-Bahá, Selections, 115.

By the time the two men met in November, 1912, Carnegie had already built hundreds of public libraries, <sup>23</sup> given pensions to retired college professors, <sup>24</sup> funded Booker T. Washington's Tuskegee Institute in Alabama, <sup>25</sup> and endowed Carnegie Mellon University and Britain's University of Birmingham. <sup>26</sup> On December 14, 1910, he set aside his earlier skepticism about endowing a peace organization, and established the Carnegie Endowment for International Peace:

Gentlemen—I have transferred to you as trustees of the Carnegie Peace Fund \$10,000,000 in 5 per cent. first mortgage bonds . . . the revenue of which is to be administered by you to hasten the abolition of international war, the foulest blot on our civilization. Although we no longer eat our fellow men nor torture prisoners, nor sack cities, killing their inhabitants, we still kill each other in war like barbarians. Only wild beasts are excusable for doing that in this, the Twentieth Century of the Christian Era, for the crime of war is inherent, since it decides not in favor of the right but always of the strong. <sup>27</sup>

In May, 1915, in the midst of the war, 'Abdu'l-Bahá's praise of the philanthropist was effusive. "A number of souls who were doctrinaires and unpractical thinkers worked for the realization of this most exalted aim and good cause [i.e. a basis for universal peace], but they were doomed to failure, save that lofty personage [Carnegie] who has been and still is promoting the matter of international arbitration and general conciliation through words, deeds, self-sacrifice and the generous donation of wealth and property." "Rest thou assured," 'Abdu'l-Bahá wrote, "that thou wilt become confirmed and assisted in the accomplishment of this most resplendent service and in this mortal world thou shalt lay the foundation of an immortal, everlasting edifice and in the end thou wilt sit upon the throne of incorruptible glory in the Kingdom of God."<sup>28</sup>

Today's richest man, the Mexican telecom magnate Carlos Slim,<sup>29</sup> enjoys a net worth of \$69 billion, and Bill Gates of Microsoft, the second on *Forbes* magazine's 2012 World's Billionaires List, clocks in at \$61 billion.<sup>30</sup> Back in 2007, two *Forbes* writers published a list of the wealthiest Americans of the past, comparing their relative

<sup>&</sup>lt;sup>23</sup> Nasaw, *Andrew Carnegie*, 607.

<sup>&</sup>lt;sup>24</sup> Ibid., 671

<sup>&</sup>lt;sup>25</sup> "\$600,000 for Tuskegee and B.T. Washington," *New York Times*, April 24, 1903, http://nyti.ms/17CDcOv.

<sup>&</sup>lt;sup>26</sup> Henry C. Zabierek, "Interests Transcended: The Early History of Carnegie Tech," Western Pennsylvania Historical Magazine 53, no. 4 (October 1970): 349–350, http://journals.psu.edu/wph/issue/view/327; R. H. Thurston, "The University of Birmingham," Science, New Series 12, no. 295 (Aug. 24, 1900): 315–316, http://www.jstor.org/stable/1628317.
<sup>27</sup> "\$10,000,000 for Peace New Carnegie Gift: Perpetual Fund Set Apart for Task of Removing Blot of War from Earth," New York Times, December 15, 1910, http://nyti.ms/1Gd9knU.

<sup>&</sup>lt;sup>28</sup> 'Abdu'l-Bahá to Andrew Carnegie, 1 May 1915, quoted in "Carnegie Exalted by Bahaist Leader," New York Times, September 5, 1915, http://nyti.ms/17BJm1e.

<sup>&</sup>lt;sup>29</sup> As of this story's original publication date, November 20, 2012.

<sup>&</sup>lt;sup>30</sup> Luisa Kroll, "Forbes World's Billionaires 2012," *Forbes*, March 7, 2012, accessed February 11, 2015, http://www.forbes.com/sites/luisakroll/2012/03/07/forbes-worlds-billionaires-2012/. Note that these numbers are current as of November, 2012, when my essay was originally published.

wealth expressed as a percentage of inflation-adjusted Gross Domestic Product (GDP).<sup>31</sup> They estimated Andrew Carnegie's personal fortune at \$281.2 billion in 2006 dollars, or, in other words, almost five Bill Gateses.<sup>32</sup> And by the time Carnegie died in 1919, he had given almost ninety percent of it away.<sup>33</sup>

On April 15, 1912, 'Abdu'l-Bahá's fifth day in America, he received Hudson Maxim, the arms inventor, for an interview at the Hotel Ansonia. In the course of the conversation 'Abdu'l-Bahá encouraged Maxim to give up his business interests—supplying raw materials for the armaments of a militarizing world—and to turn his efforts to building peace. "Then will your life become pregnant and productive with really great results," 'Abdu'l-Bahá told him. "God will be pleased with you and from every standpoint of estimation you will be a perfect man." When 'Abdu'l-Bahá met Andrew Carnegie a few days before he sailed from New York, he met an American who had done exactly that.

<sup>&</sup>lt;sup>31</sup> Peter W. Bernstein and Annalyn Swan, eds., *All the Money in the World: How the Forbes 400 Make—and Spend—Their Fortunes* (New York: Alfred A. Knopf, 2007), 17.

<sup>&</sup>lt;sup>32</sup> Bernstein and Swan, *All the Money*, 17. My statement "almost five Bill Gateses" is a little misleading, since we are comparing Carnegie's fortune in 2006 dollars to Gates's wealth in 2012. Bernstein and Swan list Gates's net worth as \$53.0 billion in 2006 dollars, which would make Carnegie's fortune *more than five* Bill Gateses. Converting the dollar value of large fortunes to a percentage of GDP in order to compare them across time produces a more appropriate measure of economic power than adjusting for inflation alone. See Lawrence Officer and Samuel Williamson, "Better Measures of Worth," *Challenge* 49, no. 4 (July–August 2006): 86–110, http://www.jstor.org/stable/40722395.

<sup>33 &</sup>quot;Andrew Carnegie's Legacy."

<sup>&</sup>lt;sup>34</sup> "Interview of W. H. Short, Secy. N. Y. Peace Society and Hudson Maxim with Abdul Baha at Hotel Ansonia, New York City, April 15th, 1912," *Star of the West* 3, no. 7 (July 13, 1912): 11; See also Jonathan Menon, "An Arms Dealer Tries to Sell War to 'Abdu'l-Bahá," *239 Days In America: A Social Media Documentary*, ed. Jonathan Menon and Robert Sockett, April 15, 2012, http://239days.com/2012/04/15/an-arms-dealer-tries-to-sell-war-to-abdul-baha/.

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