



Murphy

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Andrew Carnegie

The poor boy who became the richest man of his time is perhaps best remembered for his philosophy: the man who dies rich dies disgraced.

by Kristi Birch

The life of Andrew Carnegie is the classic rags-to-riches American tale, the story of a poor immigrant boy who, by sweat and by wit, became the richest man of his time. It is also a story of irony and seeming contradictions. While his Scottish parents fought for the rights of common workers, Carnegie became one of the “captains of industry” who built the American steel empire—a union buster who squeezed the life out of his workers. He was a huge figure in American industrial history, but small in stature and devoted to his mother. At the end of his life, after spending decades accumulating wealth, he was a philanthropist who gave his fortune away.

Carnegie was born in Dunfermline, Scotland, the center of the Scottish linen industry, in 1835. His father, William Carnegie (accent on the second syllable), was a hand-loom weaver; his mother, Margaret, the daughter of a tanner and shoemaker. William was a self-educated man and politically active; he fought for laws to ensure the safety of workers and was opposed to any sort of inherited privilege, including monarchies.

In 1847, steam-powered looms replaced

William’s trade. Margaret Carnegie, the backbone of the family, went to work to support them, mending shoes and opening a small grocery store. But it wasn’t enough. In 1848, she borrowed 20 pounds for ship fare, and the Carnegies moved to the United States to live with two of Margaret’s sisters in Pittsburgh, Pa.

Pittsburgh was, at the time, a great industrial city and where most of the country’s iron was manufactured. William went to work in a cotton factory, and 13-year-old Andrew also got a job there as a bobbin boy, working sunup to sundown for \$1.20 a week. Eventually William Carnegie left the factory, and started making hand-loomed tablecloths to sell door to door. The family struggled, and when Andrew saw his mother crying over their poverty, he pledged that one day he would have enough money to return with his mother to his Scottish hometown, where they would ride through the streets in a fine carriage with horses.

Two years later, Andrew landed a job as a messenger boy for the Pittsburgh telegraph office. He was thrilled. Besides getting to work in sunlight, he could also spend his Saturdays at a local library and

schedule his theater deliveries around evening showtimes to catch a Shakespeare play for free. “That is how in 1850 I got my first real start in life,” he wrote in his autobiography. “There was scarcely a minute in which I could not learn something. ... I felt that my foot was upon the ladder and that I was bound to climb.”

He did. To do his new job faster, Carnegie memorized the streets of Pittsburgh and the names and addresses of the important people he made deliveries to. He managed to impress Thomas A. Scott, superintendent of the Pittsburgh Division of the Pennsylvania Railroad. Scott hired Carnegie as his personal assistant and telegrapher in 1853 for \$35 a month—\$10 more than he had been making. Carnegie worked his way up through the company and eventually succeeded Scott as superintendent of the Pittsburgh Division. In 1855, on Scott’s advice, he invested \$500 in 10 shares of Adams Express, a shipping company. His family had to mortgage the home they had finally purchased, but Adams Express paid off. Later, he invested in sleeping cars for the Pennsylvania Railroad, another successful venture.

When the Civil War started in 1861, Scott was hired to supervise military transportation for the North, and he put Carnegie in charge of the military railroads and telegraphs of the government. Carnegie supervised reopening the Union railway lines to Washington that the Confederates had cut, and oversaw transporting Union soldiers after their defeat at Bull Run. But the biggest effect the Civil War had on Carnegie’s life was its fueling of the iron industry. The demand for armor, cannons, shells and other industrial products made Pittsburgh, already an iron town, the center of the war industry. Carnegie knew he could take advantage of it.

He left his position with the railroad to develop the Keystone Ironworks and Union Ironworks. Keystone made iron bridges for railroads, to replace the weaker wooden ones. Within three years, when he was 33, Carnegie was making \$50,000 per year (about \$9.8 million in today’s U.S. dollars). As his wealth grew, so did his consciousness of having it. In a memo he wrote to himself from the St. Nicholas Hotel in New York where he had moved with his mother (his father died in 1855), he pledged to resign from business at the age



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of 35, never to make more than \$50,000 a year, and to spend any excesses on “benevolent purposes.”

But his drive and vision pushed him on. Just two years later, Carnegie started using a new refining process to convert iron into steel. Steel is more flexible than brittle iron, and Carnegie knew it would be profitable. He borrowed money to build a new steel plant near Pittsburgh. In 1888, he bought his rival company, Homestead Steel Works, and then continued to buy smaller steel mills. By the late 1880s, Carnegie Steel was outproducing all of Great Britain.

Comfortably wealthy, Carnegie now had time to pursue more than business. He was a friendly, happy man, and prone to enjoying himself. He traveled and patronized the arts. He also wrote about the social issues and politics of his day. He wrote *Triumphant Democracy*, a book about the superiority of American democracy over British monarchy. In 1889, he wrote an essay called “The Gospel of Wealth,” in which he argued that while ambitious men were entitled to accumulate great wealth, they were also obligated to return that money to society for the public good.

He was also hugely influenced by Herbert Spencer, the



The riots at Carnegie's plant in Homestead were front-page news. A depiction from a *Harpers* magazine of the time (left); one of Carnegie's steel plants was Ohio Works in Youngstown, Ohio (below); Carnegie built some 2,500 libraries. The Carnegie Museum and Library is in Pittsburgh, PA (right).

English philosopher who applied Charles Darwin's "survival of the fittest" theory to human society. As much as he admired Spencer's Social Darwinism, Carnegie did not believe in complete *laissez-faire* capitalism, and he even published an essay on the rights of workers to organize. Nonetheless, the men in his plants often worked 12 hours a day, seven days a week. The only holiday he gave them was the Fourth of July.

In 1892, the price of steel had started to fall, and in the spring, Carnegie's general manager at the Homestead plant, Henry Clay Frick, wanted to slash wages and break the Amalgamated Association of Iron and Steel Workers. On vacation in England, Carnegie wrote Frick a letter supporting him. When Frick slashed wages, the workers rebelled. So Frick locked 1,100 men out of the plant, hired strikebreakers, built a fence three miles long and 12 feet high around the plant, and brought in Pinkerton detectives to guard it. The result was bloody. Nobody knows who fired the first shot, but the strikers and the Pinkertons fought for 14 hours. Three detectives and nine workers died. State militia eventually took over the plant, which enabled the strikebreakers to keep working. That was the end of the union at Homestead.

It was a scene that would have made Carnegie's grandparents turn in their graves. It was also one he came to regret: "It is expecting too much of poor men to stand by and see their work taken by others," he later wrote. "The Works are not worth one drop of human blood. I wish they had sunk." To some, these words are hypocritical. They are, if nothing else, evidence of the conflict between the working-class life he was born to and the privileged one he had created for himself. Carnegie wanted to respect labor, but he also wanted his company to succeed.

All this time, Carnegie was still living with his mother, now in the Windsor Hotel on Fifth Avenue. Margaret Carnegie was possessive of her son, and he remained devoted to her. In 1881, he fulfilled his promise to return with his mother to Scotland. They were cheered by the townspeople



as they rode in a fine coach through Dunfermline, as the rich people who had bequeathed the town's new library. After Margaret died five years later, Carnegie was finally free to marry his longtime girlfriend, Louise Whitfield. They had a baby girl and named her Margaret.

In 1900, banker J.P. Morgan approached Carnegie. Morgan wanted to buy Carnegie Steel and several other producers and integrate them into one company. At age 64, Carnegie was beginning to think about retirement, and he agreed. When they settled on a price of \$480 million (about \$10 billion today), Morgan congratulated Carnegie on becoming the richest man in the world. Morgan's company became U.S. Steel.

Carnegie, who was fond of saying that "the man who dies rich dies disgraced," spent the rest of his life giving his money away. He founded the Carnegie Endowment for International Peace and several scientific research centers including the Carnegie Institute of Technology, which is now part of Carnegie-Mellon University, and the Carnegie Institute in Washington, D.C. He also founded and supported art galleries, museums and music halls, including New York's Carnegie Hall. He is probably most famous for the more than 2,500 libraries that bear his name. By the time he died in 1919, he had given away more than \$350 million. He is buried in a modest cemetery plot at his estate in Massachusetts, with his wife and servants. ●

