

CARNEGIE, ANDREW

1835-1919,

industrialist and philanthropist. Andrew Carnegie's awesome prowess in getting wealth and giving it away enriched his adopted nation even more than himself. The circumstances of his boyhood fostered both passions. His mother exemplified the proverbial thrift and enterprise of his native Scotland. The plight of his father, a weaver whose skill was made worthless by new machinery, brought home the pain and humiliation of poverty. But money was not the sole concern of Carnegie's family; his father and uncles were zealous in the cause of political democracy and social justice. When Andrew was twelve, the family set out for America, the land of promise for both material ambition and social idealism.

Kin and countrymen in the new land smoothed the Carnegies' way and led them to Pittsburgh, well fitted by natural resources and river transport to soar with American industry in its rocketing takeoff. Young Andrew rose with it. As a bright, alert, cheerful telegrapher he won the favor of Thomas A. Scott, a high official of the Pennsylvania Railroad. At twenty-four, Scott's protégé became superintendent of the western division of the railroad. With Scott's help in the form of a loan, advice, and influence, Carnegie was already making money in stocks, and by his thirties he was a wealthy investor, promoter, and entrepreneur in a variety of enterprises. During the depression of the seventies, with properties cheap and the Bessemer process coming into its own, Carnegie concentrated all his resources and energies in the making of steel. He hired the best people in steel technology and plant management, shrewdly held on to absolute control of his enterprise the better to plow back profits into capital improvements, and outgeneraled all his

rivals in the field. By applying the coordinating and cost accounting techniques he had learned from the Pennsylvania Railroad, holding down wages and salaries, keeping up with the latest technology, and "hard-driving" both his men and his furnaces, he held costs to a minimum and prices below his competitors', thereby capturing an ever-growing share of the market and maximizing return on plant investment. By his sixties, having vertically integrated his holdings from ore to finished products, he dominated the American steel industry, which he had done much to make first in the world. When he sold out to the Morgan-created United States Steel Corporation in 1901 for \$250 million in U.S. Steel bonds, he found himself one of the world's richest men.

But despite his wealth-getting, his wage-cutting, and his responsibility for a bloody labor dispute at his Homestead plant in 1892, Carnegie had not forgotten his heritage of concern for social justice. In his 1889 article "Wealth," he gloried in the cheap steel his leadership had given the American consumer but also proclaimed the moral duty of all possessors of great wealth to plow back their money into philanthropy with the same judgment, zeal, and leadership they had devoted to getting rich. And he lived up to that precept, paying for thousands of library buildings, setting up trusts and foundations, endowing universities, building Carnegie Hall in New York and the Peace Palace at The Hague, and much more. He once wrote that the man who dies rich dies disgraced. He had some sins to answer for, and it took him a while, but in 1919 at eighty-three Andrew Carnegie died in a state of grace by his own agnostic definition.

Harold C. Livesay, *Andrew Carnegie and the Rise of Big Business*(1975); Joseph F. Wall, *Andrew Carnegie* (1970).

Robert V. Bruce