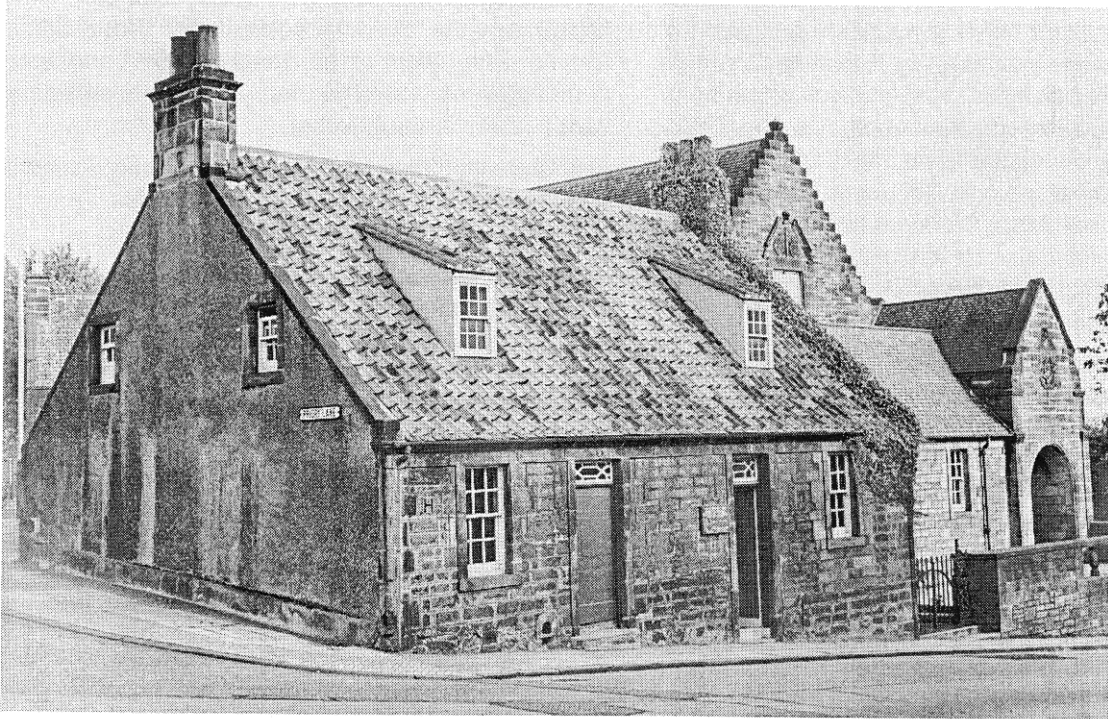
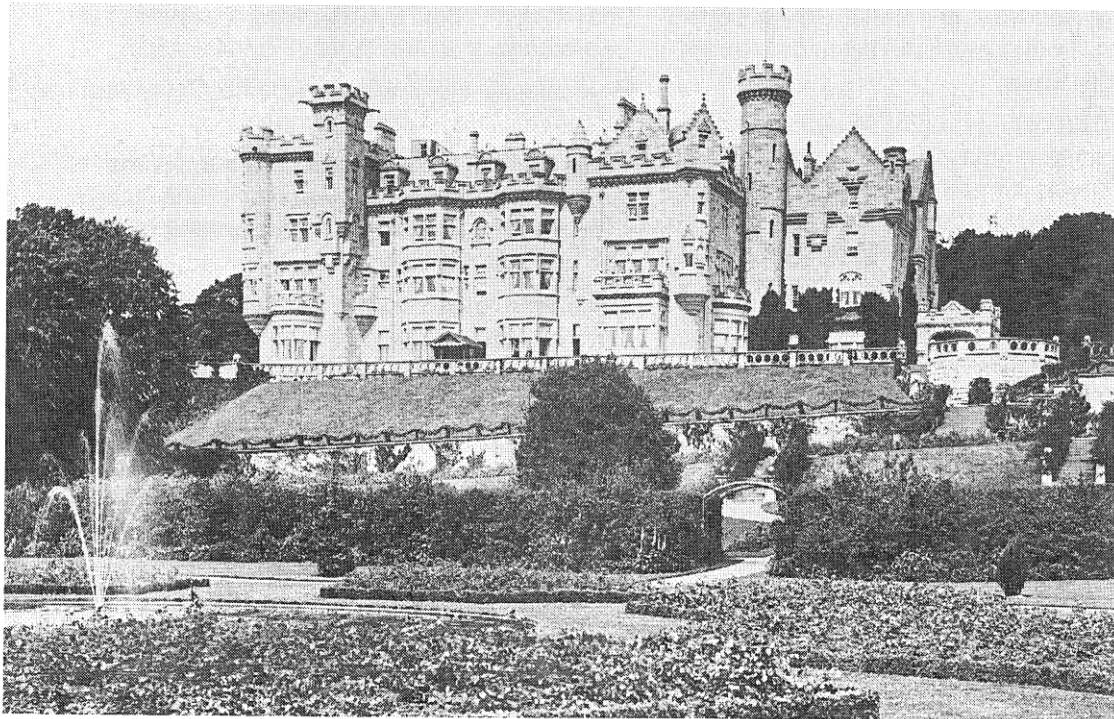


Document A

Source: Photos courtesy of the Carnegie Library of Pittsburgh.



Note: Birthplace cottage of Andrew Carnegie, Dunfermline, Scotland. Carnegie and his family of four lived in an attic room above his father's weaver's shop. The building was shared with another family. Years of residence: 1835 - 1848. Annual rent: \$20



Note: Skibo Castle, Dornoch Firth, Scotland. Andrew Carnegie purchased Skibo Castle in 1897 and made long, frequent visits, occasionally residing there. Renovation cost: about \$10,000,000

Document B

Source: Andrew Carnegie, "Wealth," in the *North American Review*, June, 1889.

The contrast between the palace of the millionaire and the cottage of the laborer with us today measures the change that 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 today. Formerly, articles were manufactured at the domestic hearth, or in small shops which formed part of the household.... The inevitable result of such a mode of manufacture was crude articles at high prices. Today the world obtains commodities of excellent quality at prices which even the preceding generation would have deemed incredible....

(I)t is to this law (of competition) that we owe our wonderful material development, ... while the law may be sometimes hard for the individual, it is best for the race, because it insures the survival of the fittest in every department. We accept and welcome, therefore, ... the concentration of business in the hands of the few....

Not evil, but good, has come to the race from the accumulation of wealth by those who have the ability and energy to produce it.



Source: Harold C. Livesay, *Andrew Carnegie and the Rise of Big Business*, edited by Oscar Handlin, Harpers Collins Publisher, 1975.

Carnegie's watch on costs never let up in his first twenty-five years in the steel business. He grew more fanatical as years passed and competition stiffened. On one occasion in the 1890s, Carnegie asked his friend Frank Doubleday, a publisher, "How much money did you make last month, Frank?" Doubleday replied that he did not know; in his business, statements were drawn up only once a year.

"Do you know what I would do if I were in that kind business?" Carnegie asked.

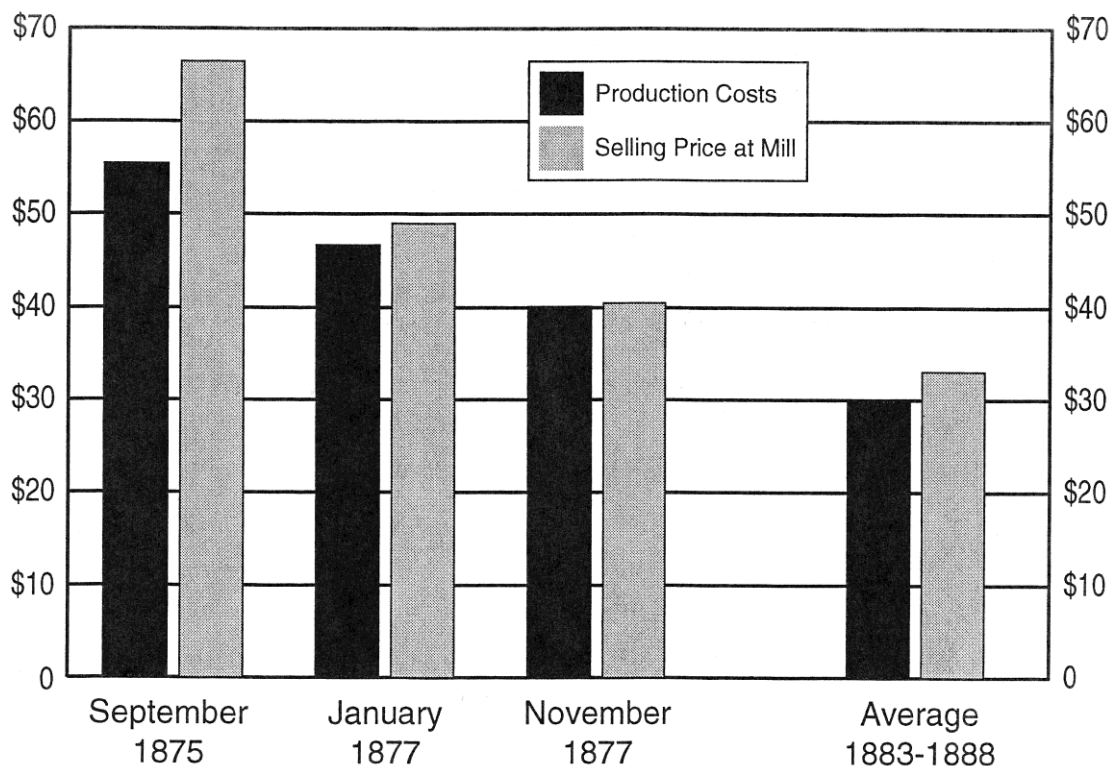
"No, what?"

"I would get out of it."

Document D

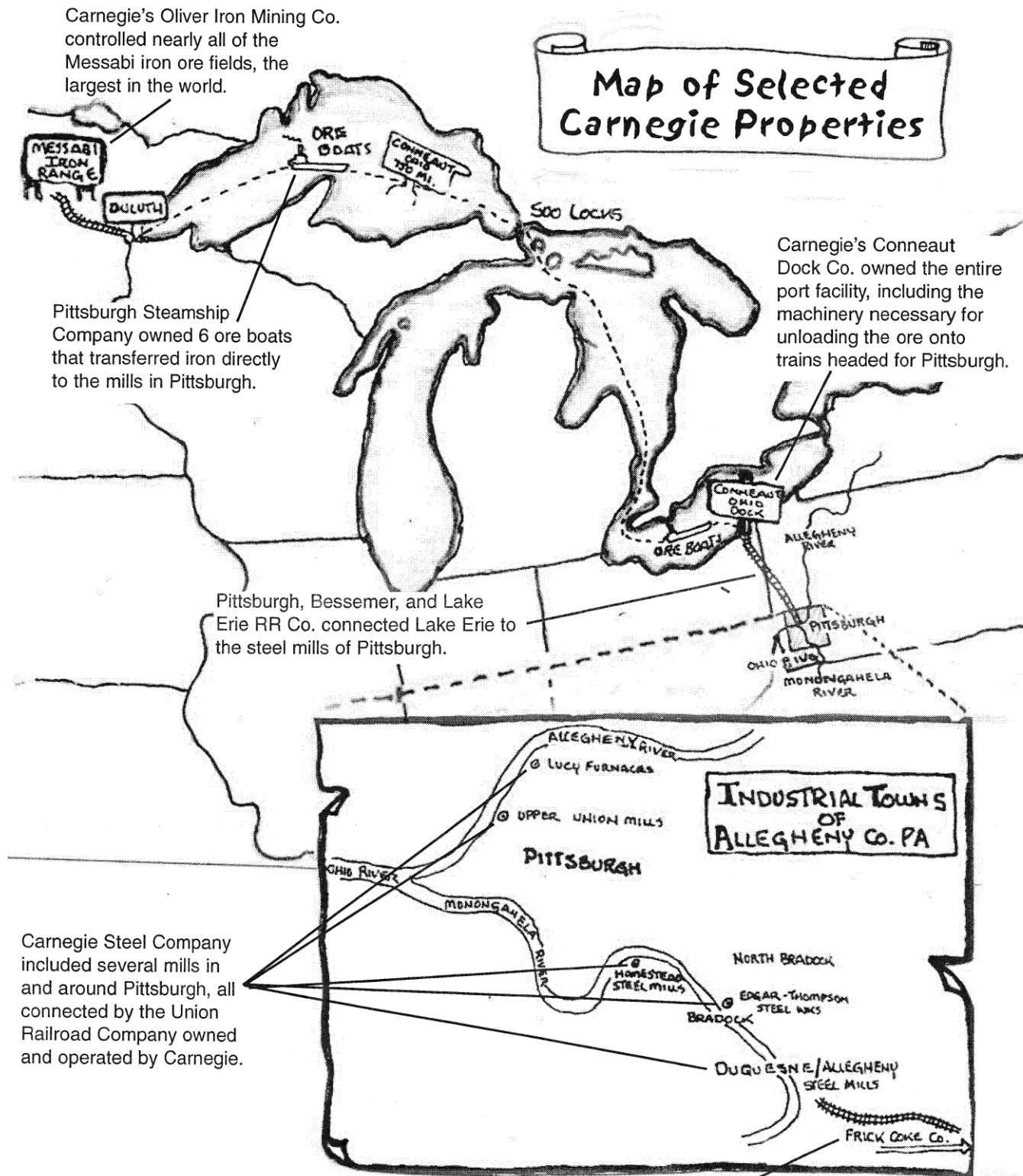
Source: Adapted from William P. Shinn, General Manager, Edgar Thomson Steel Works report; and James Bridge, *The Inside History of the Carnegie Steel Company*, New York, 1903.

Production Costs and Selling Prices for One Ton of Steel Rails
(Carnegie's Edgar Thomson Steel Works)



Source: Map created from various sources. Artist, Robert Negronida.

Document Note: *Vertical integration* is control of the production process from raw material to manufacture and sale of finished product. Carnegie was a pioneer of this business technique.



Carnegie owned the Frick Coke fields. Coke is a fuel used to melt iron ore into molten iron which then is blasted with air to make steel.

Document H



Source: Hamlin Garland, "Homestead and Its Perilous Trades," *McClure's Magazine*, June 1894.

Document Note: The Homestead steel mill in Pittsburgh was the site of one of the major strikes in American history. Hamlin Garland, a journalist, visited Homestead two years after the strike and observed these conditions.

A cold, thin rain was falling as I took the little ferryboat and crossed the Monongahela River to see Homestead and its iron mills....

Everywhere in the boiler plate mill were pits like the mouth of hell, and fierce ovens giving off a glare of heat, and burning wood and iron, giving off horrible stanches of gases. Thunder upon thunder, clang upon clang, glare upon glare! Torches flamed far up in the dark spaces above. Engines moved to and fro, and steam hissed and threatened.

Everywhere were grimy men with sal-low and lean faces. The work was of the inhuman sort that hardens and coarsens.

"How long do you work?" I asked of a young man who stood at the furnace near me.

"Twelve hours," he replied. "The night set go on at six at night and come off at six in the morning. I go on at six and off at six."

"For how much pay?"

"Two dollars and a quarter." (a day)

"How much do those men get shoveling there in the rain?"

"One dollar and forty cents." (A cut has since taken place.)

"What proportion of the men get that pay?"

"Two-thirds of the whole plant, nearly two thousand. There are thirty-five hundred men in the mills. They get all prices, of course, from a dollar and forty cents up to the tonnage men, who get five and ten dollars per day when the mills run smooth."

"I suppose not many men make ten dollars per day."

"Well, hardly." He smiled....

(H)igh above ... an engine backed up with a load of crude molten iron....

"Yes, the men call this the deathtrap," repeated my guide; "... they wipe a man out here every little while.... Sometimes a chain breaks, and a ladle tips over; and the iron explodes --- like that.... Sometimes the slag falls on the workmen from the roadway up there. Of course, if everything is working smooth and a man watches out, why, all right! But you take it after they've been on duty for twelve hours without sleep, and running like hell, everybody tired and loggy, and it's a different story."

Document I

Source: Adapted from Historical Statistics of the United States, Part 1. Bureau of the Census, Washington D.C., 1975.

Average Daily Hours and Average Daily Wages in US Manufacturing: 1892

Industry	Average Daily Hours	Average Daily Wages
Textiles	10.20	\$1.09
Shoemaking	9.81	\$1.58
Paper makers	10.87	\$1.33
Machine shop workers	10.06	\$1.87
Iron and steel workers	10.67	\$1.81
All industries	10.04	\$1.46

Note: \$600 a year supported a typical six-member family.

Note: In 1900 Andrew Carnegie personally made \$23,000,000. Figuring that Carnegie worked a 50-hour week and a 50-week year, Carnegie's hourly "wage" in 1900 would have been equal to \$9,200. His daily "wage" was therefore about \$92,000.

Document M



Source: Andrew Carnegie, "Wealth," in the *North American Review*, June, 1889.

... What is the proper mode of administering wealth after the laws (of survival of the fittest) upon which civilization is founded have thrown it into the hands of the few?

There are but three modes in which surplus wealth can be disposed of. It can be left to the families of the decedents; or it can be bequeathed for public purposes; or, finally, it can be administered by its possessors during their lives....

The first is the most injudicious.... Why should men leave great fortunes to their children? If this is done from affection, is this not misguided affection?

As to the second mode, that of leaving wealth at death for public uses, (why should a man) wait until he is dead before he becomes of much good in the world? ... Men who leave vast sums in this way may fairly be thought men who would not have left it at all had they been able to take it with them....

There remains, then, only one mode of using great fortunes; ... the duty of the man of wealth (is to) set an example of modest ... living...; and ... to consider all surplus revenues ... as trust funds ... to produce the most beneficial results for the community – the man of wealth thus becoming the ... agent for his poorer brethren, bringing to their service his superior wisdom, experience, and ability to administer; doing for them better than they would or could do for themselves....

The man who dies rich dies disgraced.

Document N



Source: Chart created from Joseph Frazier Wall, *Andrew Carnegie*, New York, Oxford University Press, 1970.

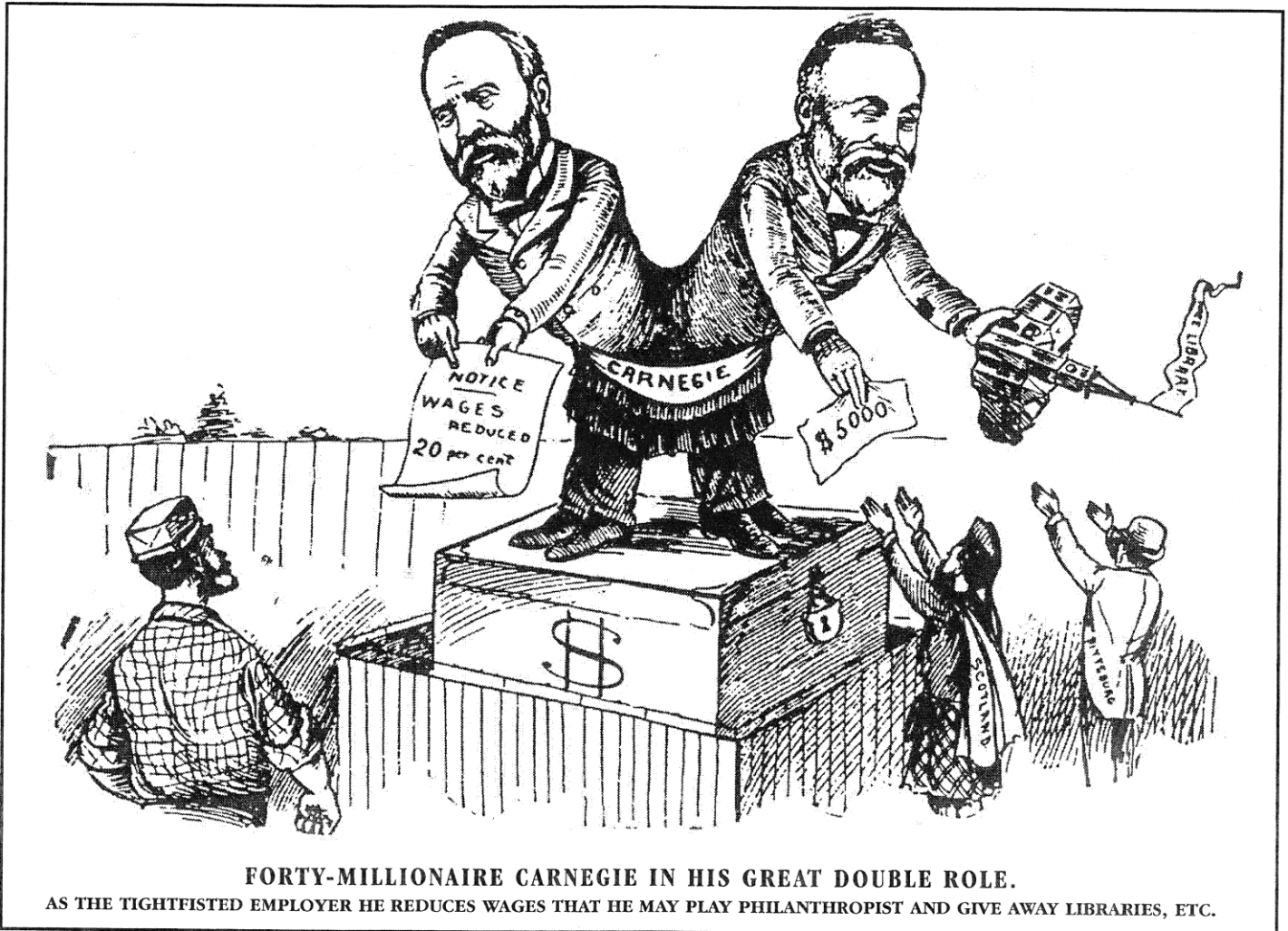
Carnegie's Philanthropy (Partial List)

Gifts	Amount	Note
Princeton University	\$400,000	To create Lake Carnegie for rowing
TIAA	\$1,000,000	Teachers' Insurance & Annuity Assoc.
Dunfermline Trust	\$4,000,000	Carnegie's boyhood home town
Homestead Relief Fund	\$4,000,000	Fund for steel workers and families
Church organs	\$6,248,000	Total number, 7689
Carnegie Peace Endowment	\$10,000,000	To "hasten the abolition of war"
Universities of Scotland	\$10,000,000	Endowment for four universities
Teachers' Pension Fund	\$15,000,000	Old age help for poor professors
Carnegie Institution	\$25,000,000	To promote scientific research
Free public libraries	\$50,365,000	Total number, 2811, mostly in US
Carnegie Corporation*	\$145,000,000	Supertrust for administering a large part of Carnegie's remaining fortune
Total (This list only)	\$271,013,000	
Total Giving Overall	\$350,695,653	

*The Carnegie Corporation's net assets in 2005 were listed at \$2,167,000,000. The foundation is currently giving out about \$100,000,000 a year, most of it to education.

Document O

Source: *The Saturday Globe*, Utica, New York, July 9, 1892.



SCAFFOLDING QUESTIONS: Was Andrew Carnegie a Hero?

DOCUMENT A:

1. When did Andrew Carnegie live in the Dunfermline cottage?
2. In what country were both homes located?
3. What was the Carnegie rent at Dunfermline? What was the fix-up cost of Skipbo?
4. Does this document help you decide if Carnegie was a hero? Provide details to support your opinion.

DOCUMENT B:

1. Why is Andrew Carnegie comfortable with the fact that some people are rich and some people are poor?
2. Does Andrew Carnegie believe in the “survival of the fittest”? Support your answer with ideas from the document.
3. Can a person who believes in survival of the fittest be considered a hero? Explain why or why not.

DOCUMENT C:

1. In the business world of steel-making, what would be two (2) examples of costs?
2. What were Andrew Carnegie's ideas about costs?
3. Does this document help explain why Carnegie was a successful businessman? Elaborate with specific details to support your opinion.
4. Should success be a measure when considering whether someone is a hero? Explain why or why not.

DOCUMENT D:

1. Over time, what happened to the cost of producing a ton of steel in Carnegie's Edgar Thompson steel works?
2. Over time, what happened to the price at which Carnegie sold his steel?
3. Who benefitted from the lower costs and lower prices? How might they have benefitted?
4. How might this document help explain why Carnegie was, or was not a hero? List some specific details that support your opinion.

DOCUMENT G:

1. What is vertical integration?
2. From Minnesota mines to Pittsburgh mills, list all the steps of the steel production process that Carnegie controlled.
3. Is there a connection between vertical integration, lower costs, and lower prices for the consumer? Explain.
4. Carnegie was the first to establish vertical integration in America. Does this innovation make him a hero? Explain why or why not.

DOCUMENT H:

1. Who owned the Homestead Steel mill land and where was the mill located?
2. What happened at Homestead two years before the article was written? According to the article, how many hours long was the average work day at Homestead?
3. What was the average wage earned by two-thirds of the men?
4. Describe what the article says about the safety in the mill.
5. Who was the author of this article? Do you think he was biased against Carnegie? What evidence might support your opinion?

DOCUMENT I:

1. Compare this document to Document H. How did hours and wages at Homestead compare to the national average for iron and steel workers?
2. In 1900, how much did Andrew Carnegie earn in one day?
3. Based on this document, do you believe Andrew Carnegie was a hero? Explain why or why not.

DOCUMENT M:

1. According to Carnegie, what “throws” wealth into the hands of the few?
2. What does Carnegie believe should be done with this wealth?

DOCUMENT N:

1. How much money did Andrew Carnegie give away during his lifetime?
2. Is the Carnegie Foundation still active? Is this fact important in deciding if Carnegie is to be considered a hero? Explain why or why not.

DOCUMENT O:

1. Who are the two figures standing on the cash box?
2. What is the cartoonist saying about Andrew Carnegie? Do you agree with this opinion?