

Was Andrew Carnegie a Hero?

After the surrender of Robert E. Lee and the passing of Abraham Lincoln in 1865, where was America to find its heroes? The country was between wars, between successful reform movements, and between famous presidents. Baseball was in its infancy; basketball and football were still to be invented. There were no movie stars because there were no movies, no radio or TV personalities because there was no radio and no television. So where to look for heroes?

With a respectful nod to the Wild West, it was probably business that offered the best possibilities. Certain marquee players were becoming household names – men like oil tycoon John Rockefeller, banking giant JP Morgan, and railroad magnate James J. Hill. There were James Duke in cigarettes, Leland Stanford in railroads, Cornelius and William Vanderbilt in even more railroads – each man building his own little empire, each making the grand gesture of leaving America a university in his own name.

But no man of business drew more attention than the king of steel, Andrew Carnegie. It is possible to argue that until Teddy Roosevelt poked his head out from behind the stage curtains, much of the world regarded Carnegie as the most famous living American.

Life Before Steel

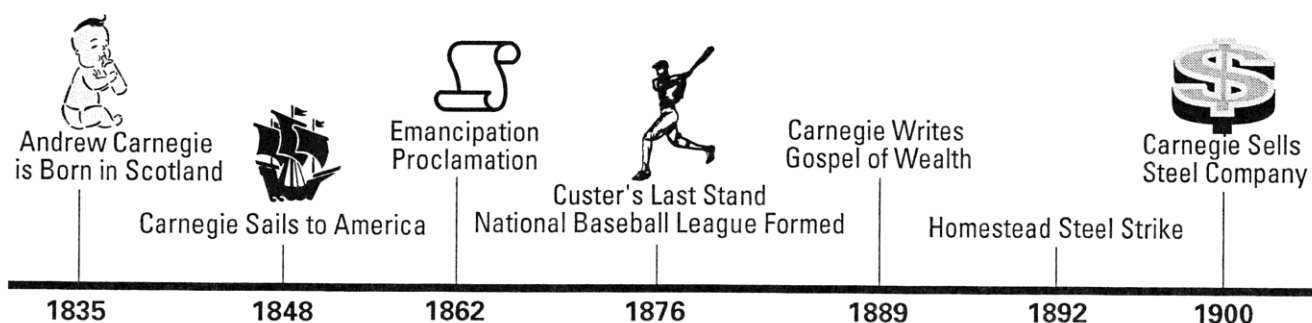
Andrew Carnegie grew up poor. He was born in November 1835, in an attic room of a weaver's cottage in Dunfermline, Scotland. At age eight, he began his limited formal education

in a one-room school crammed with 150 students. Driven out by the arrival of power looms and the fallout of the Irish potato famine, the family left Scotland for the United States in 1848. From Ellis Island in New York, it was west on the Erie Canal to Buffalo and then on to Pittsburgh.

The twelve-year-old Carnegie went to work almost immediately. His family needed \$7.50 a week to make ends meet, and to earn even that small amount wasn't easy. Andy got a job at a local textile mill setting and removing bobbins as they filled with spun yarn. He was working six 12-hour days for \$1.20 a week. A year later Andrew found a more challenging job delivering telegrams. He got to the point where he could recognize most Pittsburgh businessmen by sight and was noted for his hustle.

On the side, Andrew taught himself how to tap out Morse code telegraph messages and at sixteen he was promoted to telegraph operator. He became locally famous for being able to decode the dot-dot dash-dash messages by ear, one of only three telegraph operators in the country who could do so. Andrew was now earning \$4.00 a week!

One year later, at age seventeen, young Carnegie was noticed by the general superintendent of the Pennsylvania Railroad and was hired at \$8.00 a week. Andy's job involved setting schedules and untangling train wrecks. Within seven years he had worked himself up to supervisor of the Pennsy's entire Western Division. Andrew was just 24 and making a solid \$1,500



a year. His future with one of America's strongest railroad companies seemed set.

But for Carnegie the Pennsylvania Railroad was only a beginning. In 1855 Andrew discovered the world of investment. At considerable risk, he mortgaged the house he shared with his mother, and invested \$610 in a package delivery company that did business with the Pennsylvania Railroad. Luckily, his gamble paid off. It impressed Carnegie that money wisely invested could make more money. By 1863, and now just 28 years old, Carnegie was receiving dividends from his investments that far exceeded his salary with the railroad.

Carnegie's march to business success was not always in a straight line. In the spring of 1861 the nation was in the first weeks of civil war. Washington D.C. was in danger of being taken by Confederate troops. Andy's boss at the Pennsylvania Railroad, Tom Scott, was asked to supervise rail transport of materials and troops in the D.C. area. Scott asked Andy to join him. Andrew played a key role in the evacuation of wounded and retreating Union soldiers from Bull Run, riding the last locomotive out from the besieged pickup station.

Carnegie's next brush with Civil War combat took place in the safety of his Pittsburgh office. Three years into the war, Carnegie received a draft notice from the Union army. Carnegie followed the practice of many wealthy Northern draftees and hired a Pittsburgh draft agent to find a replacement. For \$850 Carnegie bought his way out of military service. It was a legal transaction. An Irish immigrant took the money and served in Carnegie's place.

As the Civil War came to a close, Carnegie decided to leave Pennsylvania Railroad. After a five month trip to Europe, Carnegie moved to New York City with his mother. He loved the idea of living in the business power center of America. But Carnegie had conflicting thoughts. In the Christmas season of 1868, he sat down in his plush room at the St. Nicholas Hotel and wrote himself a letter:

*Dec. '68
St. Nicholas Hotel
N York*

Thirty three and an income of \$50,000 per annum. By this time two years I can so arrange all my business as to secure at least \$50,000 per annum. Beyond this never earn – make no effort to increase fortune, but spend the surplus each year for benevolent purposes. Cast aside business forever except for others.

The letter went on but his intention was clear – he had enough money and would soon devote himself to higher purposes. Or would he?

Life With Steel

In 1872, at just the time he had planned to get out of business, Carnegie made a trip to England. There he met Henry Bessemer. Some 20 years before, Bessemer had developed a special technique for converting iron into the purer, stronger material we call steel. Carnegie was aware of the steel-making process – one of his business properties back in Pittsburgh was the Union Iron Mills – but now he saw it up close and he was excited. As Carnegie put it, he “got the flash.” He would adopt the Bessemer system and build a steel mill in America. So much for retirement!

There were several steps in the steel-making process:

1. Iron ore was removed from giant open-pit mines.
2. The ore was transported by rail and ore boat to a large blast furnace.
3. The iron ore was mixed with limestone, heated with a coal-based fuel called coke and then subjected to powerful blasts of air.
4. The molten iron was poured off and cooled.

5. The resulting iron ingot was then transported from the blast furnace to the steel mill where it was reheated and the impure carbon burned off in a Bessemer furnace.
6. The iron ingot was now a steel ingot and was rolled into a heavy steel bar called a bloom.
7. These huge bars could then be shaped into rails for railroads, into I-beams for bridge or building construction, or rolled into plate for cladding a battleship.

Carnegie was good at making things happen. Within months of his return to the States, he had acquired 107 acres of land outside of Pittsburgh. He raised \$700,000 in investment capital, \$250,000 of it his own. Within twelve months of meeting with Bessemer, construction of a large steel mill was under way. The mill would be called the J. Edgar Thomson Works.

Carnegie was on the march. With the Union Iron Mills and the Thomson Steel Works under his wing, in 1883 Carnegie and partners bought a second steel mill at Homestead. This was followed by a range of other acquisitions which are part of the document story that follows.

Life After Steel

By the end of the century Carnegie was finally ready to put the world of steel behind him. Carnegie had married late in life, and he and his wife Louise had a four-year-old daughter. Carnegie was sixty-five. When the famous banker J.P. Morgan indicated he and his partners were interested in buying the Carnegie Steel Company and all of its holdings, Carnegie wrote down a price on scrap of paper – \$480,000,000 – and had it shuttled downtown to Wall Street. Morgan gave it a glance and said, “I accept this price.” The world’s most famous businessman

was about to become the world’s richest ex-businessman. In March 1901, Carnegie sailed with his small family to the Mediterranean, a happy man.

Carnegie’s share of the sale was \$225,000,000. For much of the next two decades Carnegie’s primary concern was how to give this money away. The story of Carnegie’s philanthropy we will leave largely to the documents.

Andrew Carnegie died in 1919, one year after the end of World War I. The war had been hard for Carnegie. He had hoped that the new dawn of big business, transatlantic travels, international cable – all of this would tie the world together and make war a thing of the past. In this he was greatly disappointed. Survived by his wife and daughter, Carnegie was laid to rest in a cemetery in the Sleepy Hollow Cemetery in North Tarrytown, New York. A cross marked his grave with these simple words:

*Andrew Carnegie
Born in Dunfermline, Scotland,
25 November, 1835
Died in Lenox, Massachusetts,
11 August, 1919*

Andrew Carnegie was gone, but his life had been large and his legacy remains very much alive. The question before us is how do we measure this life. Examine the documents that follow and decide on your answer to the question – *Was Andrew Carnegie a Hero?*

