

Signet Classics



THE
AUTOBIOGRAPHY
OF
ANDREW
CARNEGIE

AND HIS ESSAY
THE GOSPEL
OF WEALTH

WITH A NEW INTRODUCTION
BY GORDON HUTNER

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AND
THE GOSPEL OF
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Andrew Carnegie

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Andrew Carnegie was born on November 25, 1835, in Dunfermline, Fife, Scotland, son of a hand loom weaver. In 1848, the family emigrated to the U.S. and settled in Pennsylvania. Carnegie found work in various industries, such as telegraphy and the railroad industry. After Carnegie and partner J. P. Morgan invested in the steel mills in the 1880s, he became the second-richest person in the world, behind only John D. Rockefeller. Andrew Carnegie spent his last years as a philanthropist, providing the capital for purposes of public interest and social and educational advancement. Carnegie disseminated his riches to public foundations, hospitals, and schools throughout the world and even owned Carnegie Hall in New York City. In his lifetime, Carnegie gave away more than \$350 million. After his death, his last \$30 million was also given away to foundations, charities, and pensioners.

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Introduction

When Andrew Carnegie's autobiography was published in 1920, a year after he died at the age of eighty-four, it marked the appearance of the first truly notable memoir of an American capitalist. Contemporary readers need to remember that the celebrity autobiographies abounding today had not yet come to the fore. Of course, people of public standing had written about themselves; in fact, the historian Henry Adams's posthumous *Education* (1918) had recently been a much-admired bestseller. Autobiography, however, was usually seen as the domain of statesmen or generals, or leading social figures like Booker T. Washington or Jane Addams. The idea that the public would be interested in a businessman's life story was fairly new. There had been dozens of conduct books written for young people who wished to get ahead in business, but these were ephemeral handbooks that outlined the habits of highly effective people. Despite the sensational appeal of business tycoons for newspapers and magazines, a whole life story of success—and failure—was different.

Although the first American autobiographies were personal narratives of spiritual revelation, the era of popular American autobiography begins with the monumental tale of self-making by a famous representative American, someone who has good cause to assume that his life might well serve as a model. Not only was Ben Franklin well known and influential in his day, but he also construed his life story as a recounting of those incidents by which he flourished and those "errata," or mistakes, that the reader

ought to avoid. In giving rules and examples by which he expects the reader to profit, Franklin inspired a secular American tradition of autobiography as a success manual. (The first American edition appeared in 1818; the complete work in 1867). So integral were those lessons for nineteenth-century American ideals of self-making that Franklin's autobiography is the frequent inspiration for the heroes of Horatio Alger's tales of boys dauntlessly climbing the socioeconomic ladder. In explaining how he managed the occasions that presented themselves, Franklin drew on a Puritan concept of Providence—the working out of God's plans and purposes—but for following generations, the idea of luck supplanted this religious principle. For the truly ambitious, however, luck was what you made of it. Ultimately, Carnegie's account of his achievements and challenges finds its roots in this tradition.

In part, our pleasure in success stories comes from an old literary form, the exemplum. We like tales that model how readers might learn the virtues, strategies, convictions, even tricks that will bring business success. For a business executive of Carnegie's era to assume that his particular trail was worth laying bare for readers would have been a little odd for reasons that may not make much sense today, given the commercial success of contemporary autobiographers like Sam Walton, Donald Trump, or Oprah Winfrey. As enthralled as the public was by famous American business executives, making a million dollars was not really the same as commanding the Union troops or escaping from slavery. Making money alone did not guarantee the *interest* of a business person's life, as it does now. Nor were the makers of the great American fortunes in the nineteenth century always a savory or cultured lot.

Carnegie, by contrast, regularly socialized with thinkers, artists, educators, and writers. He truly preferred their company and enjoyed thinking of himself, perhaps with too broad a flourish of modesty, as worthy of the attention of people like Mark Twain, Matthew Arnold, and Herbert Spencer, the social philosopher whose ideas about the survival of the fittest most resembled his own. Carnegie could lay claim to being a writer because he had authored sev-

eral books and dozens of articles. Throughout his career, the world of letters not only offered Carnegie relief from business pressures, but it also gave him the chance to write about the larger contexts he discerned. He was poised to commit his life to the page because he had done more with it than simply make millions. His philanthropies as well as his writing on cultural and political issues established him as a figure even more redoubtable than his peers. Writing a book about their lives would have been uncharacteristic for William Vanderbilt, John Rockefeller, or James J. Hill, but for Carnegie, telling his life story seemed inevitable.

Carnegie's success story takes shape through an immigrant's tale of assimilation and success, and during the roughly twenty years of his retirement, a wide variety of immigrant memoirs were published. The audience for them was not so much other immigrants. Although they sometimes read as how-to books in becoming Americanized, their audience was likelier to be native-born Americans who enjoyed the instructive and entertaining stories of immigrants attaining their ambitions and contributing to their adopted country—especially during a period when immigration policy was the subject of volatile debate, argued as fiercely then as it is today. Carnegie's memoir is part of this tradition, since his opening chapters tell of his leaving his beloved Scotland for a penurious life in America, where he had to go to work in a cotton factory at the age of twelve, ending the formal schooling he loved. Throughout the *Autobiography*, Carnegie speaks of his home country and of the many altruistic projects he instituted there, but he doesn't emphasize how formative the experience of leaving Scotland must have been. Painful as that experience was, he generally concentrates on his works and days. Still, he never completely leaves this side of him behind, since the trauma of leaving Scotland for the grimy discomfort of Allegheny, Pennsylvania, left him fiercely determined to improve his lot in society and to take advantage of the great resources of the United States. Carnegie counts as the twin sources of his ambition his great desire to please both his mother, to whom he credits his remarkable industry, and his maternal uncle, whose ex-

ample of political and moral benevolence he found inspiring. Uncle Thomas Morrison nurtured in young Andrew both a love of Scotland and the progressive ideals of what was called Chartist politics, a thoroughgoing commitment to equality of opportunity and representation as well as a distrust of privilege. At times, these two impulses could not be fused, horribly so in the case of Carnegie's worst public hour, the Homestead Strike of 1892 (to which I will turn soon).

Carnegie favored his native country with great philanthropic gifts, like his trust for Scottish higher education, but the American charity for which he was most famous in his lifetime—the building of libraries—drew on his memories of finding respite and imaginative spark as a hardworking immigrant boy given access to an employer's book collection. It was his unofficial college too. Libraries seemed to him among the best ways to dispose of his wealth, because they were places, he imagined, where his own success could be replicated by another young worker who felt the call to reading as zealously as he once did. He provided the funds for more than two thousand such "Carnegie Libraries."

Deprivation and dispossession made a deep impression on Carnegie's character, and it may be that the industrialist's unflagging determination and relentless striving come out of his experience of having so little once he arrived in America. Carnegie sometimes explained his conduct as a result of his need to "push inordinately," to pursue his ends with implacable energy. No reader can fail to notice his ferocious will, resiliency, and love of competition. They might not see his capacity, as some critics thought of it, for piracy—Carnegie's gruesome reputation for taking advantage of worried customers, exploiting weaknesses of foes and friends, or raising his profits through schemes and shenanigans.

Carnegie could see business opportunities and potential wealth in circumstances that made less compelling sense to competitors. William Dean Howells—the American writer whose career spanned Carnegie's life and who, in 1885, was one of the few writers to cast a monopoly capi-

talist as a realist hero in *The Rise of Silas Lapham*—speaks of money being the “poetry of the age,” the years of busy industrialization when Carnegie’s fortune rose to its stupefying heights. Beyond Carnegie’s imperious drive lies the unmistakable reality that his business creativity was virtually unlimited. He may not have matched the wizardry of financiers like J. P. Morgan or Jay Gould, but he rarely failed to make a great deal out of his entrepreneurial vision.

Telling a life story draws on the power to fabricate, which means both to make material and to make up, to fictionalize. The latter means the author will tell lies—by embellishing, withholding, conveniently forgetting. The typical autobiographer wants to share the happy instances of what she or he made out of good judgment, the opportunities cleverly found, the challenges withstood, and mistakes prudently (or luckily) averted. On the other hand, the autobiographer will hesitate to acknowledge greedy motives or share instances of bad judgment, chances missed, and blunders made (unless they lead to unexpected gains). One may even conceal such details from oneself. As much as we may trust the authors’ accounts, their personae shift; they can be more disingenuous than they know. Sometimes, an autobiographer may admit to one flaw or error by way of obfuscating a larger, grosser misdeed. Can we be surprised if they distort inconvenient facts? After all, it’s a story, not legal testimony. Carnegie’s life story is no different: he overstates, for example, his role in getting the railroad sleeping-car business going, by making it seem as if the true originator was feckless and needed Carnegie’s help, when it seems quite apparent that, however much he may have profited from that success, Carnegie’s role was much smaller than he represents.

Sometimes, the exaggerations are much less forgivable than an older man’s selective memory about the part he played in various business negotiations. As tough as his reputation was among other businessmen, the true stain on Carnegie’s public career is doubtless his role in suppressing the 1892 strike at the Homestead steel mills and the breaking of the steelworkers’ union. Reading the auto-

biography, you would scarcely know how disturbing his conduct was to workingmen, to the country at large, and even to the international community. It pained Carnegie to be understood as having broken a labor strike, since he had earlier written of the rights of workers to band together, so he tries to minimize the part he played. About to sail for Scotland for his summer holiday, Carnegie instructs his lieutenant, the young tycoon Henry Frick, to end the troubles quickly, as they had planned months before; he then reports his dismay when their scenario goes awry, violence erupts, and thirteen strikers are killed and hundreds injured while protests drag on through the fall. Normally Carnegie praises his subordinates and partners, but he closes his version not by affirming his loyalty to Frick but by recalling—maybe even inventing—the words of one of his longtime “boys”—the former mayor and a leader of the riot—that all would have been well if “Andy” had been available. The truth was that Carnegie was in close contact with Frick and knew well enough the steps his partner was ordering. It was to be a painful separation, when, several years later, Carnegie tried to take advantage of Frick by misvaluing his stock in their steel company and, when Frick sued, had to pay six times what he had offered.

In the autobiography, Carnegie loves to recollect the warm faithfulness with which his employees regard him, as much as he enjoys naming the important cultural and political figures who find his counsel illuminating and his company pleasurable. All of that is true, but that is not the whole story. It pays to remember that Carnegie was never blinded by sentiment (except perhaps the time he bought a British newspaper syndicate in the hope of shaping public opinion there, a personal defeat and a bad loss) or made decisions on a basis other than business sanity. One of his great lessons is the importance of discerning the difference between short- and long-term welfare and when it pays to take a small profit or loss if the potential gains remain high; the trick is always to know which to pursue when. As Carnegie once summarized his business philosophy: “Put all your eggs in one basket, and then watch that

basket!" He inverts the cliché, not so much to suggest that diversification is a weakness but to emphasize single-minded concentration. The fact is, he did diversify, developing railroads, building bridges, and manufacturing steel most prominently. The key was to attend as vigorously as possible to the egg basket at hand and not to distract yourself with dreams of profit ventures you could not supervise as fully as your vigilance and acumen allowed.

Such a value on self-reliance speaks to another of Carnegie's double-sided virtues—his individualism. Carnegie's story of how the telegrapher's clerk becomes a captain of the railroad industry and then a steel magnate is so compelling because it makes legendary the power of the individual. In truth, Carnegie disliked corporations and believed that the only worthy business executive drew a salary out of a company's profits. Only through such faith in one's own efforts would a business continue to prosper. Business success depended on the risks that individuals took, not by the labors of caretakers hired for the purpose. Responsibility to a board of trustees ruling corporations made no sense to Carnegie; why should they profit by dint of his work? For all of his conviction, he did form partnerships, shrewdly capitalizing on resources he himself lacked. Moreover, his belief in individualism also leads him to undervalue the help he receives along the way of his rise. Most memorable, perhaps, is the assistance he gets from a mentor who teaches him early on about making investments and getting dividends. Receiving that first dividend check seems like a transcendent moment to Carnegie, since he has learned the key business lesson of using your money to make more money. His success, however, did not result from incisively discovering a situation after careful research; he simply follows a tip by a well-placed insider and persuades his mother to mortgage their house. The idea of the business tycoon as the uncompromising individualist is one of our society's favorite myths, but the truth is, even tycoons have to work with other people and they are often more in debt to someone else than they like to tell—or perhaps we like to hear.

The era of Carnegie's ascendancy especially loved tales

of self-invention, whether it was Horatio Alger's tales of plucky boys who are bound to rise or hardy migrants who go west and grow with the country, or immigrants who discover that through hard work they would find streets really paved with gold, or African-Americans, like Madame C. J. Walker, whose industry enabled them to rise above the prejudices of race and gender. Much was made of efforts to overcome one's first circumstances, like Abraham Lincoln himself, and thus to live out America's legendary promise. Carnegie's youth coincided with the advent of industrialization in America, the dizzying transformation of the nation's vast natural resources into capital; so, in the sense that he came to the U.S. at precisely the right time to take advantage of his prodigious talents, the fortuitous timing for which he was later famous began early. His bridge-building and railroad interests also met perfectly the needs of an expanding society, one that continually had to improve the transportation of goods and supplies from the manufacturing East to the developing West. By the time Carnegie turned to steel, the nation was being urbanized—supported in large part by the building materials Carnegie's steel mills produced. He wisely followed the advice of an associate who saw how to make the famous Bessemer process pay on an unprecedented scale, and his profits rose steadily. Even in bad economic times, Carnegie continued to buy up other companies so that when growth returned, he had the resources to respond to increased needs. At the same time, Carnegie was on confidential terms with Republican lawmakers, both in Pennsylvania and in Washington, D.C., a situation conducive to business that the *Autobiography* scarcely mentions.

Relatively early in his career, Carnegie had an epiphany about the vanity of pursuing wealth. When he realized he was worth the then incredible sum of \$50,000, he resolved that he did not need to make more than that in any year. Of course, his love of business competition spurred him on, and when he finally retired, he sold his steel company stock for \$250,000,000. Still, early on, he knew the course his later years would take: giving away his money. It was a disgrace, he wrote in "The Gospel of Wealth" (1889),

for a rich man to die rich. Because a rich man must make his money useful, Carnegie described how the wealthy should divest themselves of their fortunes. He favored public works, like music halls and public baths, but also libraries and universities. In our day, we see how Carnegie's famous lesson illuminates the decision of a stock-market billionaire like Warren Buffett to give half his fortune to Bill Gates' charitable foundation. Buffet may have even had Carnegie's lesson in mind, since the idea of such vast contributions to welfare organizations probably starts with this famous essay. Carnegie's charities were numerous—his Hero Fund (to reward good acts), his Relief Fund (for families beset by disasters), the donation of church organs, the libraries, a university (once Carnegie Tech, now Carnegie Mellon), the Tuskegee Institute, various public buildings in Pittsburgh, not to mention Carnegie Hall and the New York Public Library, the World Court in the Netherlands—part of his activities on behalf of world peace—his support for scientific research and for teaching, and his Carnegie Corporation, the body that distributed millions a year for almost a century. Carnegie knew how to make money, even unscrupulously, and knew how to give it away, even breathtakingly.

Perhaps because Carnegie the investor and deal maker is so fascinating a figure and because his altruism was so unprecedented and wide-ranging, little attention is paid to Carnegie's writings. That's to be lamented, because he was a clear and lively stylist who wrote a great many articles and gave many speeches. He had an unswerving faith in America and often tried to sustain mutual understanding between the U.S. and England. As a matter of course, he addressed a wide range of business topics ("The Bugaboo of Trusts," "Results of the Labor Struggle"), but he wrote a great deal devoted to social and political interests ("The Negro in America," *Triumphant Democracy*), international politics ("Americanism vs. Imperialism," "The Next Step—A League of Nations"), and travel (*An American Four-in-Hand in Britain, Round the World*), among many occasional essays. The *Autobiography*, however, is very likely to be the work for which Carnegie will best be

remembered as a writer, since his career gave force to the arguments he posed. The *Autobiography*, for all of its flaws, has entered American literature as a resonant documenting of a complex American figure whose presence is so decisive and distinguished that no one version will accommodate his career and legacy.

—Gordon Hutner

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