

# **The Andrew Carnegie Story (1835-1919)**

## **Key Dates**



- 1856 First investment on the advice of Thomas Scott to purchase 10 shares in the Adams Express Co. (forerunner of American Express) for \$600. Borrows money to buy stock, repays loan when Margaret Carnegie mortgages house. On receiving first monthly dividend cheque for, \$10 exclaims “Eureka, here`s the goose that lays the golden egg”.  
Scott and Carnegie promoted within Pennsylvania Railroad Co. to General Superintendent and Secretary.  
The family move to Altoona, 99 miles North East of Pittsburgh the house in Rebecca Street having been sold for \$1,500. Andrew's salary \$50/month.
- 1858 Met T. T. Woodruff who had patented the design for a sleeping car in 1856. Was offered 1/8<sup>th</sup> share in the new company to make sleeping cars, Borrowed money to pay for stake from bank without security but loan was soon repaid from the dividends he received. Earned \$5,000 in two years.  
Met John Piper bridge building engineer.
- 1859 Carnegie appointed superintendent of Western Division of Pennsylvania Railroad Co. on a salary of \$1,500/year. Returns to Pittsburgh and rents a large house on Hancock Street (now 8th Street). Soon moves to a new house in Homewood 15 miles North East of Pittsburgh.  
Brother Tom appointed as Andrew's private secretary.
- 1859-61 Oil wells exploited in Oil Creek, Titusville 90 miles North of Pittsburgh. Andrew, Tom, Tom Miller etc. buy Storey Farm Oil Creek for \$40,000 and this is to be the basis of the Columbia Oil Co. with capital of \$200,000. Carnegie uses dividends from Woodruff Sleeping Car Co. to buy 1,100 shares. Columbia Oil Co. produces 2,000 barrels of oil per day and Andrew earns \$17,868 in one year. Storey Farm land soon worth \$5 million.
- 1860 Abraham Lincoln elected President.
- 1861 Outbreak of American Civil War on 12th April when Confederate forces open fire on Fort Sumter in Charleston Harbour. Scott and Carnegie detailed to Washington to organise railroad and telegraphic services for the Union cause.  
Carnegie organises the Freedom Iron Co. to make iron rails.  
First battle of Bull Run (Manassas) occurred on the 21st July, Union forces heavily defeated with much bloodshed. Railways used for troop movements. Carnegie transferred back to Pittsburgh, becomes very ill as an after effect from sunstroke while at battle of Bull Run.  
Goes into partnership with Piper and Shiffler to make iron bridges, Carnegie has 1/5<sup>th</sup> share.
- 1862 Carnegie granted 3 months leave by Pennsylvania Railroad Co. and he returns to Dunfermline with his mother and Tom Miller. Travels 1<sup>st</sup> class on board “Aetna” and voyage takes 2 weeks.  
While in Dunfermline becomes seriously ill after catching pneumonia.
- 1863 Battle of Gettysburg, Union victory which turns the tide of the Civil War. Carnegie writing anti-slavery pamphlets and letters.

By this time Carnegie was almost a millionaire and his stated earnings were \$47,860.67. He joins with Tom Miller and Henry Phipps in the Kloman Iron Works which was busy fulfilling government contracts. Tom Miller soon ousted from partnership.

- 1864 Carnegie and Miller build Cyclops Iron Works as a rival to Kloman.
- 1865 Cyclops and Kloman Iron Works merged to form Union Iron Mills Co..  
Keystone Bridge Co. formed to work in conjunction with Union Iron Mills.  
Carnegie offered job of General Superintendent of Pennsylvania Railroad Co. but he resigns on 28th March to concentrate on his own investments.  
Sells Columbia Oil Co. for cash.  
In April the American Civil War ends when the Confederate forces surrender.  
Carnegie takes trip to Europe for walking holiday but business interests never far away as he secures several manufacturing patents.
- 1866 Freedom Iron Co. converted to steel making.
- 1867 Brother Tom marries Lucy Coleman and they live in Homewood. Andrew and his mother move to New York and stay at the St. Nicholas Hotel on Broadway.  
Carnegie forms the Pullman-Pacific Car Co..
- 1868 Carnegie draws up statement of income, he has investments in 16 companies, assets of \$400,000, and an annual income of \$56,110. On 31st December he writes memo to himself to give up work in two years and spend his time educating himself. Memo put away but not forgotten even though it was only found after his death.  
Exploits iron ore from Lake Superior.
- 1867-72 Acted as his own super salesman selling railroad and bridge bonds in Europe and earned \$3 million in commission.
- 1869 Transcontinental railroad completed.
- 1870 Carnegie Kloman and Co. formed with Andrew having a controlling interest.
- 1871 Keokuk-Hamilton Bridge contract for bridge across Mississippi between Iowa and Illinois. Carnegie has interests in Bridge Co., Keystone Bridge Co. who were building the bridge, Carnegie Kloman Co. who supplied iron to Keystone Bridge Co., Iowa Constructing Co. building railroad to bridge and various commissions to sell bonds and stocks for the Keokuk Bridge Co. and the Iowa Constructing Co., Buys into the Henry Clay Frick Coke Co.,
- 1872 Meets Henry Bessemer inventor of Bessemer Converter which was the first method for the mass production of steel and sees steel rails. Carnegie Kloman and Co. build the Lucy Furnaces and so begins their rivalry and competition with the Isabella Blast Furnace.  
Carnegie McCandless and Co. formed to build a new Bessemer steel works at Braddock's Field.

- 1873 Financial collapse in America follows as J. Cooke's Bank in Philadelphia goes bust. Partners in Carnegie McCandless and Co. have to pull out and Carnegie has to sell stock in Pullman to cover costs of building steel works which had just began, Carnegie now holds controlling interest in steel works.  
Both Andrew Kloman and Thomas Scott go bust. Carnegie refuses to help Scott and their twenty year friendship comes to an end.  
Carnegie appoints Dr. Fricke for chemical research and analysis in iron and steel making process. Captain Bill Jones appointed to supervise building of Braddock steel works and his loyal work force follow him.
- 1874 Carnegie McCandless and Co. becomes the Edgar Thomson Steel Co. Ltd, (named after the President of the Pennsylvania Railroad Co.). The bridge over the Mississippi at St. Louis built by the Keystone Bridge Co. and designed by Captain James B. Eads was opened (one of the most important bridges to be built by the Keystone Bridge Co.).
- 1875 Edgar Thomson steel plant opens, in the first month of production it makes \$11,000 profit, the Pennsylvania Railroad Co. places an order for 2,000 rails.
- 1877 Carnegie made a Freeman of Dunfermline, 12<sup>th</sup> July, after he opens the swimming baths in the town which he had provided - his first act of philanthropy with the initial gift being made in 1873 - and the first Freedom he received, the one he regarded as the greatest honour he ever received.
- 1878 Edgar Thomson Steel Co. Ltd. re-capitalised at \$1.25 million, Carnegie holds 59% of the shares. Keystone Bridge Co. wins the contract to build the superstructure for the Brooklyn Bridge.
- 1879 Thomas Carnegie becomes Chairman of Edgar Thomson Steel Co. Ltd. William P. Shinn, General Manager and partner in the Edgar Thomson Steel Co. Ltd., sues Carnegie when he leaves the company and is offered only the book value for his shares in the company (eventually settled out of court).  
Carnegie takes a holiday and travels round the world.
- 1880 Edgar Thomson works producing 1/7<sup>th</sup> of all the Bessemer steel produced in the United States. Two new blast furnaces are built at Braddock to supply Edgar Thomson Works with pig iron. Carnegie meets Louise Whitfield of New York.
- 1881 The various Carnegie interests in the Edgar Thomson Steel Works, the Union Iron Mills, the Lucy Furnaces, coal mines and coke ovens at Unity, and an 80% interest in the Lorimer Coke Works are consolidated when Carnegie Bros. and Co. Ltd. is formally organised on the 1st April and capitalised at \$5 million. Carnegie controls 55% of the capital and the company makes \$2 million profit that year.  
Andrew Carnegie and his mother travel on a coach trip through Britain travelling from Brighton to Inverness. When the coaching party arrives at Dunfermline Margaret Carnegie lays the Memorial Stone for the library which her son had endowed, the first Carnegie Library to be given (the library opened in 1883 by Lord Roseberry),

- Carnegie offers \$250,000 to Pittsburgh for a free library. City Council has to refuse this offer because under the existing laws the City had no power to raise money for the upkeep of a library.
- 1883 Carnegie holds a majority interest in the H. C. Frick Coke Company. The Homestead Steel Works are bought by Carnegie Bros. Co. to produce structural steel for new skyscrapers, elevated railroads, pylons, etc..
- 1884 "Round the World" is published, it had been privately printed for circulation amongst the author's friends in 1879.
- 1885 Andrew Carnegie gives \$50,000 to establish the first medical research laboratory in the United States, at Bellevue Hospital in New York. Publication of "An American Four-in-Hand in Britain" which like "Round the World" had been privately printed at first under the title "Our Coaching Trip" in 1882.
- 1886 Publication of "Triumphant Democracy" and two articles on labour relations, "An Employer's View of the Labor Question" and "Results of the Labor Struggle". Carnegie gifts library to Allegheny.  
Death of brother, Tom, leaving a widow and 9 children.  
Death of mother, Margaret, from pneumonia. Carnegie not informed of her death for a week because he himself was ill with typhoid.  
Homestead merges with the Lucy Furnaces to become Carnegie Phipps and Co. Ltd.. Carnegie has a controlling interest in the two organisations - Carnegie Brothers (54.5%) and Carnegie Phipps (52.5%). Frick given stake in Carnegie Brothers and Co. Ltd. and becomes director of company.
- 1887 Carnegie returns from convalescing in Florida and marries Louise Whitfield in New York on the 22nd April. They spend their honeymoon on the Isle of Wight and in Scotland. During their honeymoon in Scotland Andrew lays the Foundation Stone for the Central Library, George IV Bridge, Edinburgh and receives the Freedom of the City.
- 1888 Carnegie gave money to send 4 children to Paris to be treated by Louis Pasteur.
- 1889 Carnegie Bros. able to produce steel for \$25 a ton. Henry Frick becomes Chairman of Carnegie Bros.. Publication of the articles "Wealth" and "Wealth II" in North American Review in June and December. These articles were subsequently re-titled "The Gospel of Wealth" and "The Gospel of Wealth II - Best Fields for Philanthropy".
- 1890 Frick buys the Duquesne Steelworks for Carnegie Bros. for \$1,000,000. Company profits for year \$5.3 million. In 1887 the City Council of Pittsburgh had passed laws to enable money to be raised for the upkeep of a library and Andrew Carnegie offers not less than \$1,000,000 to provide a library, art gallery & museum, music hall and branch libraries.
- 1891 Carnegie Hall opens in New York. Company profits for year \$4.3 million.
- 1892 Carnegie Bros. and Carnegie Phipps consolidated into Carnegie Steel Co.

Ltd. with a capital of \$25 million. Andrew Carnegie holds \$13,833,333 (55.33%), Frick and Phipps each hold \$2,750,000 (11%) and nineteen other partners hold 1% each with 3.66% held in trust by the company. The new company included four steel plants Edgar Thomson, Homestead, Duquesne, and Hartman Steel at Beaver Falls - the Upper and Lower Union Iron Mills, the Lucy Furnaces, the Keystone Bridge Works, the Scotia Mines, and the Larimer, and Yonghiogheny Coke Works. Homestead strike begins on 1<sup>st</sup> July after talks between management and Amalgamated Association of Iron and Steel Workers on new wage rates breakdown. Andrew Carnegie staying in Scotland at the remote Rannoch Lodge in Perthshire and Henry Frick in command. Frick locks out workers after the deadline for the acceptance of his proposals has passed, within days both skilled and unskilled workers are on strike. 300 Pinkerton agents are employed by the Company to protect the plant. On the 6<sup>th</sup> July there is a 12 hour battle on the river front between strikers and Pinkertons, the Pinkertons surrender and lay down their guns. As the Pinkertons are marched through the town they are attacked by both strikers and the townspeople. On the 10<sup>th</sup> July the State Militia is ordered out and the next day 8,000 troops arrive to restore order. On hearing news of the battle Carnegie prepares to go back to America to take charge but his other partners urge him to stay away. On 23<sup>rd</sup> July Henry Frick is shot twice and stabbed in his office by an anarchist called Alexander Berkman. After receiving treatment in his office Frick completes his work and sends the following telegram to Carnegie "Was shot twice but not dangerously. There is no necessity for you to come home. I am still in shape to fight the battle out." Within weeks of the arrival of the State Militia some departments of the steel plant are working with new workers employed. On the 21<sup>st</sup> November the Amalgamated Association of Iron and Steel Workers calls the strike off, the Union is broken. This marks the beginning of disagreement between Carnegie and Frick. Carnegie attacked in the press on both sides of the Atlantic and the Republican Party blames the conflict at Homestead for the loss of the Presidential elections. Carnegie builds his own railroad to supply his mills. Company profits for year \$4 million.

Foundation Stone of the Carnegie Institute of Pittsburgh laid.

- 1894 Frick resigns as Executive head of Carnegie Steel Co..
- 1893-97 Economic recession in United States. Carnegie as major shareholder blocks payment of dividends to partners so that profits can be re-invested in the business. Company emerges much stronger once recession ends. Company profits for 1893 \$3 million, in 1894 \$4 million, in 1895 \$5 million, in 1896 \$6.7 million, in 1897 \$7 million.
- 1895 Dedication of the Carnegie Institute of Pittsburgh.
- 1896 Carnegie leases Mesabi ore fields from Rockefeller. Company now controls all aspects of production, ore fields, coal fields, coke ovens, limestone deposits, transport systems, blast furnaces and steel plants - vertical integration. Carnegie provides an endowment of \$1,000,000 for the art gallery, museum and music hall of the Carnegie Institute of Pittsburgh.
- 1897 Daughter Margaret born on the 30th March.

- 1898 Buys, restores and enlarges Skibo Castle on the Dornoch Firth in Scotland. Company profits for year \$11.5 million.
- 1899 Carnegie's competitors in the iron and steel industry begin to merge and a price war starts. Company profits for year \$21 million.
- 1900 Frick resigns from Carnegie Steel Co. Ltd.. Company reorganised as the Carnegie Co. of New Jersey with capital of \$320,000,000 - see table below. Carnegie threatens to add manufacturing plants which would have been built at Conneaut on Lake Erie. Pierpoint Morgan organises competitors to buyout Carnegie. Schwab detailed to ask the price. Company profits for year \$40 million. Publication of 'The Gospel of Wealth and Other Timely Essays'.

Carnegie Co. of New Jersey - Capitalisation.

<b>Carnegie Co. of New Jersey - Capitalisation</b>	<b>Value in US \$</b>
Carnegie Steel Co. Ltd	219,358,818
Oliver Iron Mining Co.	20,000,000
Pewabic Co.	100,000
Pittsburgh Steamship Co.	283,333
Carnegie Natural Gas Co.	1,500,000
Union Railroad Co.	2,107,257
Slackwater, Connecting R. R. Co.	10,000
Pittsburgh, Bessemer & Lake Erie R. R. Co.	6,108,600
Conneaut Dock Co.	255,890
Pittsburgh Limestone Co.	45,000
Mingo Coal Co.	236,100
H. C. Frick Coke Co.	68,425,068
Youghiogheny Northern R. R. Co.	407,714
Youghiogheny Water Co.	113,636
Mt. Pleasant Water Co.	254,576
Trotter Water Co.	276,577
Union Supply Co.	522,426
<b>Total</b>	<b>\$320,004,995</b>

- 1901 Carnegie sells out and is merged with other iron and steel plants organised by Pierpoint Morgan to create United States Steel. Company sold for \$400,000,000, Carnegie holds 58.5% of the stock and retires the richest man in the world with a fortune close to \$240 million.

Carnegie makes his first distribution of surplus wealth - \$4 million to create a pension fund for workers in the Carnegie Co., \$1 million as an endowment to look after the libraries in Braddock, Homestead and Duquesne, \$5.2 million to provide 65 branch libraries in New York and \$1 million for libraries in St. Louis.

- 1902 Publication of "The Empire of Business".  
Establishment of the Carnegie Trust for the Universities of Scotland with an endowment of \$10,000,000.  
Establishment of the Carnegie Institution of Washington with an initial endowment of \$10,000,000.  
Carnegie awarded Honourary Degree, LL.D., from the University of St. Andrews and elected Rector of the University.
- 1903 Establishment of the Carnegie Dunfermline Trust with an initial endowment of \$2,500,000 and transfer of Pittencrieff Park and Glen to the Trust.  
Gift of \$1,500,000 to build the Peace Palace at the Hague.
- 1904 Establishment of the Carnegie Hero Fund Commission with an endowment of \$5,000,000.  
Gift of \$1,500,000 for the erection of a building in New York for the use of the National Engineering Societies in America.
- 1905 Publication of "Life of James Watt".  
Establishment of the Carnegie Foundation for the Advancement of Teaching with an endowment of \$10,000,000,  
Establishment of the Simplified Spelling Board.
- 1907 Carnegie lays the Foundation Stone for the Peace Palace at the Hague.  
The endowment for the Carnegie Institution of Washington is increased by \$2,000,000.
- 1908 Establishment of the Carnegie Hero Fund Trust with an endowment of \$1,250,000.  
Publication of "Problems of Today - Wealth, Labour, Socialism".  
Carnegie gifts \$100,000 to build the Central American Court of Justice in Cartago, Costa Rica.
- 1909 Launch of "Carnegie" the non-magnetic survey ship for the Carnegie Institution of Washington.  
Establishment of Fondation Carnegie in France with an endowment of \$1,000,000.
- 1910 Establishment of the Carnegie Endowment for International Peace with an endowment of \$10,000,000.  
Establishment of Carnegie-Stiftung Fur Lebensretter in Germany with an endowment of \$1,500,000.  
Dedication of the Pan American Union Building in Washington for which Mr. Carnegie had given \$850,000 over the years 1907 - 1910.  
Opening of the Central American Court of Justice which was destroyed by earthquake shortly after.

- 1911 Establishment of the Carnegie Corporation of New York with an initial endowment of \$125,000,000.  
Establishment of the Carnegie Heltefond in Norway with an endowment of \$125,000,  
Establishment of the Fondation Carnegie pour les Sauveteurs in Switzerland with an endowment of \$130,000.  
Establishment of the Carnegie Heldenfonds in Netherlands with an endowment of \$200,000.  
Establishment of the Carnegie Stiftelsens in Sweden with an endowment of \$230,000.  
Establishment of the Carnegies Belonningsfud for Heltemod in Denmark with an endowment of \$125, 000.  
Establishment of the Fondazione Carnegie in Italy with an endowment of \$750,000.  
Endowment of the Carnegie Institution of Washington is increased by a further \$10,000,000.  
Endowment of the Carnegie Dunfermline Trust is increased by a further \$1,250,000.
- 1912 Establishment the Carnegie United Kingdom Trust with an endowment of \$10,000,000.  
The Carnegie Technical Schools in Pittsburgh re-organise to become the Carnegie Institute of Technology with the right to award degrees.
- 1913 Dedication of the Peace Palace at the Hague.
- 1914 Establishment of the Church Peace Union with an endowment of \$2,000,000, in 1961 the Union took on a new name to become the Council on Religion and International Affairs.  
Outbreak of the First World War. Carnegie at Skibo Castle when he hears the news, leaves for America and never returns to his homeland.
- 1915 Carnegie makes his last public appearance when he is called as a witness before the Industrial Commission.
- 1916 Death of his sister-in-law Lucy (Coleman) Carnegie. Andrew Carnegie buys Shadowbrook House, Lennox, Ma. as a replacement for Skibo.
- 1917 America enters First World War.
- 1918 End of the First World War.
- 1919 Marriage of daughter, Margaret, to Mr. Roswell Miller on 22nd April.  
Death of Andrew Carnegie from pneumonia on 11th August. Buried in Sleepy Hollow Cemetery, near Tarrytown, New York.
- 1920 Publication of Andrew Carnegie`s autobiography.
- 1935 Centenary of birth of Andrew Carnegie with celebrations taking place in America and in Dunfermline - reference "Andrew Carnegie Centenary 1835 - 1935", Carnegie Corporation of New York, 1935.
- 1946 Death of Louise Whitfield Carnegie on 24th June.

- 1985 Sesqui-centenary of birth of Andrew Carnegie. Celebrations occur throughout the year, culminate in the gathering in Dunfermline of representatives from the Carnegie Trusts and Foundations worldwide for a conference on the role of philanthropy.
- 1990 Death of Margaret Carnegie (1897-1990).