

Andrew Carnegie and the steel industry assignment

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Andrew Carnegie was a Scottish-American who lived during the 19th century. Carnegie was an industrialist who played a pivotal role in the expansion of the American steel industry. Although he sometimes used methods that hurt the people to make profit, Carnegie contributed to America's growth as a nation economically because he connected different parts of America by building bridges and railroads and he helped cities to grow by building modern structures such as skyscrapers. Carnegie was born in Dunfermline, Scotland in the attic of a small house on November 25th, 1835. He was named after his grandfather, Andrew Carnegie, who as a popular man in the district, being the head of the lively ones of his day and the chief of their club, "Patiemuir College." ² He grew up having little formal education, but his family held books and learning at a high level of importance. ³ In 1848, when he was 13 years old, Carnegie and his family moved to the United States and made a home in Allegheny, Pennsylvania. He worked in a factory and later worked his way through the telegraphing business.

Carnegie's ability to get his foot in the door of the railroad business enabled him to learn the tricks of the trade and also about business altogether. With the experiences he acquired, he was well on his way to becoming one of the most successful business men in America of his time. Carnegie's life was one full of many events, ups and downs, gains and losses, but it certainly can be said that it was a life well lived. |Andrew Carnegie, Louise W. Carnegie, and John C. Van Dyke, *Autobiography of Andrew Carnegie* (Boston: Houghton Mifflin, 1920), 2. ² Ibid. ³ "Andrew Carnegie," The Biography Channel website, <http://www.biography.com/people/andrew-carnegie-9238756> (accessed Nov 17, 2012). ⁴ Ibid. ??????? After the death of his mother, who

lived with him until the day she died, he married Louise Whitfield and together, they had their daughter, Margaret. Carnegie began working in a telegraph office when he was fourteen and it was there where he was spotted by Thomas Scott, the superintendent Western Division of the railroad industry. Scott hired Carnegie to be his secretary and telegrapher and later recalled; "It was as though I was lifted to paradise, felt that my foot was upon the ladder and I was bound to climb. 5 Carnegie worked his way up in the railroad business and eventually came to succeed Scott as superintendent of the Pennsylvania Railroad, earning about \$1,500 a year, which would amount to roughly \$38,730 today. Scott helped Carnegie start investing and later helped him invest in the Adams Express, a publicly traded diversified stock fund. Eventually, he gained shares in T. T. Woodruff's Sleeping-Car business which also played a pivotal role in his later success. In 1861, at the start of the Civil War, Scott was acting as the Assistant Secretary of War and once again, he called upon Carnegie to help with the military railroads and telegraphs of the Government. 7 The telegraph service proved to be a significant factor in assisting the victory of the Union. In 1865, Carnegie began to focus his attention on forming the Keystone Bridge Company, which replaced wooden railroad bridges with steel. On a trip to England, Carnegie met with Henry Bessemer, an Carnegie," Andrew Carnegie's Start in the PRR Telegraph Office, 1892. " Explore PA History . 6 Andrew Carnegie, Louise W. Carnegie, and John C. Van Dyke, *Autobiography of Andrew Carnegie* (Boston: Houghton Mifflin, 1920) (accessed Nov 17, 2012).. 7 Ibid. ??????? in 1860, also known as the Bessemer process, in which carbon, silicon, and other impurities are removed from molten pig iron by oxidation in a blast of air.

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This convinced Carnegie that steel would be the future of American industry. 8 He would eventually prove himself right. The Keystone Bridge Company gains most of its recognition from the Eads Bridge in St. Louis. 9 The bridge crosses over the Mississippi, essentially connecting the United States.

Because the bridge was of such an intimidating stature, the public was skeptical of its stability. Carnegie proved to the people that his bridge in fact was sturdy. He managed to get an elephant to cross the new bridge, which was the biggest bridge in the world in its time, and when the people saw the bridge was able to withstand the two ton animal, they proceeded to parade behind. 10 Carnegie was a tenacious tycoon at the peak of his career, “ Andrew Carnegie made his fortune in steel, turning the industrial world on its ear in the process. “ 11 He made his fortune by monopolizing the iron and steel industry.

Because he used the extremely cost efficient Bessemer process, his steel quickly became the shining star on the stage of construction. It was used for railway lines and girders for bridges and buildings. Carnegie vertically integrated all suppliers of raw material. Vertical integration is a system of management in which companies are joined by a single owner. During the late 1880s, Carnegie Steel was the leading producer of pig iron, steel rails, and coke. 8 Carnegie Council, [http:// www. carnegiecouncil. org/people/data/andrew_carnegie. html](http://www.carnegiecouncil.org/people/data/andrew_carnegie.html). (accessed Nov 17, 2012). A Rivalry Is Born, Film, Directed by Patrick Reams, NY: History Channel, 2012. 10 History Channel, 2012, [http://www. history. com/shows/men-who-built-america/ articles/the-men-who- built-america](http://www.history.com/shows/men-who-built-america/articles/the-men-who-built-america). (accessed Nov 17, 2012). 1 1

PBS, http://www.pbs.org/wgbh/amex/carnegie/sfeature/mf_flames.html. (accessed NOV 17, 2012). Henry Clay Frick was Carnegie's business partner and their partnership seemed to be beneficial at first, but it later proved to be one of the biggest mistakes in the career of each man. Frick was an American financier, industrialist and a patron of the arts. One thing is clear: Carnegie and Frick represent the American ethos of limitless possibility more forcefully than any fictional over-achieving shoeshine boy or chimney sweep. " 12 " The Impact of their steelmaking enterprise on the economy at the end of the nineteenth century was as profound as the American Revolution had been on this country's politics and philosophy a century before. The business practices of Carnegie and Frick and the principles they embodied not only made them the industrial potentates of their time, but continue to influence boardroom and labor relations practices to this day.

And the rupture of their once ' perfect partnership' illuminates the contradictions embodied in those two hallowed pillars of our thinking: capitalism and Protestant ethic. " 13 Carnegie would bring Frick the two most important things he was after: money and empire. Their partnership would indeed Frick was a leading producer of coke and in 1881, Carnegie and Frick got together so Carnegie could get his hands on the coke he wanted. Frick was able to get the money to expand, but he quickly lost his company and Carnegie became the major stockholder.

The two men were at opposite ends of the spectrum when it came to certain work ethics and their partnership was full of conflict and tension. Although this was true, Carnegie knew an able 12 Les, Standiford, Meet You In Hell,

New York: Random House, 2005. 13 Ibid. ??????? executive when he saw one and he was willing to take a risk. Carnegie appointed Frick as chairman of Carnegie Steel. 14 This one poor choice would only lead to more trouble down the road. Frick started an exclusive club high above Johnstown, Pennsylvania, placed where the South Fork Dam used to be.

The South Fork Fishing and Hunting Club has been blamed for the catastrophic Johnstown Flood in 1889. The dam was built and abandoned by the commonwealth and the land was owned by different groups, and eventually fell into the hands of the club. There are many speculations as to who was truly responsible for the eventual breakdown of the dam, which caused the flood, but the easiest to blame would be the club started by Carnegie's business partner. The stability of the dam was already extremely questionable, so naturally, building a club on that land would not be the wisest thing to do.

On May 31st, 1889, the dam gave way and twenty million tons of water flooded the town and took 2,209 lives. The flood weighed heavy on Carnegie's conscience. A year before the flood, 1888, Carnegie bought rival company, Homestead Steel works, and along with his and his associates assets, combined them all and launched Carnegie Steel in 1892. Because Carnegie's business partner was against the idea of unifying steel workers, because that would of course get in his way of an empire, leaving him in charge during heavy times was not Carnegie's best move.

The Amalgamated Association of Iron and Steel was an American Labor union formed in 1876 which concentrated on iron works. The AA put together

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the independently- owned Bessemer Steel Works at Homestead in 1882 and won. The AA organized and conquered many strikes. At least up until 1892. Frick was out to put down the union and thanks to Carnegie's mistake of leaving 14 PBS, http://www.pbs.org/wgbh/amex/carnegie/sfeature/m_partner.html. (accessed Nov 17, 2012). ??????? him in charge for a brief period of time, was able to do so.

The 1892 Homestead Strike lasted 143 days and was one of the most serious in the history of the United States. Carnegie made the mistake of leaving Frick in charge for a brief period of time and indirectly allowed him to put down the union, just how he always wanted. After a recent increase in profits by 60%, the company refused to raise worker's pay by more than 30%. When some of the workers demanded the full 60%, management locked the union out. Workers considered the stoppage a "lockout" by management and not a "strike" by workers.

As such, the workers would have been well within their rights to protest, and subsequent government action would have been a set of criminal procedures designed to crush what was seen as a pivotal demonstration of the growing labor rights movement, strongly opposed by management. Frick brought in thousands of strikebreakers to work the steel mills and Pinkerton agents to safeguard them. 15 16 Despite these low points in his career, he was an extremely successful business tycoon that gained him his reputation and fortune.

Although he was not well educated as a child, as an adult, he was a successful scholar and activist. He donated massive amounts of money for <https://assignbuster.com/andrew-carnegie-and-the-steel-industry-assignment/>

the betterment of the public and made many contributions to society. During the later part of his life, when he finally retired, he spent his final years as a philanthropist. One of the most well-known of Carnegie's contributions as a philanthropist is The Gospel of Wealth. The Gospel of Wealth essentially states that if you were fortunate enough to work your way to the top and make a luxurious lifestyle for yourself, you are to donate money to your fellow men.

Between 1886 and 15 Standiford, Les, Meet You In Hell, New York: Random House, 2005. 16 A Rivalry Is Born, Film, Directed by Patrick Reams, NY: History Channel , 2012. ???????? 1917, Carnegie reformed both library philanthropy and library design, encouraging a closer correspondence between the two. The Broome County Public Library in New York opened in October 1904. The building was designed to serve as both a public library and a community center. He gave \$2 million in 1901 to start the Carnegie Institute of Technology at Pittsburgh and the same amount in 1902 to found the Carnegie Institution at Washington, D. C.

In 1911, Carnegie became a sympathetic benefactor to George Ellery Hale, who was trying to build the 100 inch Hooker Telescope at Mount Wilson, and donated ten million dollars to the Carnegie Institution with the following suggestion to expedite the construction of the telescope. " I hope the work at Mount Wilson will be vigorously pushed, because I am so anxious to hear the expected results from it. 17 In addition to a library, Carnegie also bought the private estate which became Pittencrieff Park and opened it to all members

of the public, establishing the Carnegie Dunfermline Trust to benefit the people of Dunfermline.

Carnegie lived a full life from being successful and wealthy to achieving a sense of self-satisfaction by giving back as a philanthropist. His story is definitely of the "rags to riches" sort and that is only one of the several factors that make him such an interesting historical figure. Like most prominent and influential characters, he faced trials throughout his time, but he still managed to go down in history as one of the "men who built America". As mentioned earlier, he was not just a successful and wealthy business man, but a beyond decent human being.

He made it a point to share with others his views on charity and community service. Many men in his time were focused on being the richest and most successful, willing to stomp on anyone and anything 17 "Mount Wilson Observatory." 6SIJ Astronomy. <http://www.chara.gsu.edu/CHARA/MWO/his/art/gla4.php> (accessed December 7, 2012). that stood in their way of that goal. Andrew, on the other hand, knew the value of hard work and could truly appreciate the fruits of his labor because of his poor background and the fact that he worked as hard as he did to reach such high points.

Carnegie says, "The man who acquires the ability to take full possession of his own mind may take possession of anything else to which he is justly entitled." 18 This statement would be Carnegie's sermon in a nutshell if he had one. If one is able to own his mind and take control of it, he is also entitled to do so with anything else, so long as it is just. The eventful life of <https://assignbuster.com/andrew-carnegie-and-the-steel-industry-assignment/>

Carnegie is an inspiring model to live life as best as possible, doing all you can with all you have.