

# A business leader that helped shape america essay sample

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**ASSIGN  
BUSTER**

The story of Andrew Carnegie is a convincing example of the American opportunities. Born in Scotland in 1835 and following the family emigrating to the US with only 20 pounds to support them, Carnegie later turned into one of the most powerful magnates of the nation. With his achievements in business, his philosophy and the spectacular story of his life, Carnegie left an imprint on the American business and culture of a nation.

Andrew Carnegie was born in a small Scottish town on November 25, 1835, in his own words, “ of poor but honest parents, of good kith and kin.”[1] His family included many “ political activists, radicals, and eccentrics”, which left an imprint on the young Andrew, instilling in him many radical beliefs that later conflicted with his rapid progress from a poor man to a tycoon[2].

In the 1840s his father, William Carnegie, found himself without an income as the new factory system replaced the home-based weaving production he had engaged in. This pushed him to move to the US where some of his relatives already lived, naturally taking along his children, including Andrew. First arriving in New York, the Carnegies then moved to Pennsylvania where the father took up a job in cotton production.

Andy found his first job in the US when his father was put out of work due to the strike as a Bobbin boy, one of those who “ scurried about the factory floor with supplies of bobbins to be loaded on the spindles” for only \$1.20[3]. However, Andrew’s energy and learning aptitude helped him to make quick progress in his career. He then went on to be a messenger, worked in the telegraph as an operator. Identifying the railroad as employment that offered great opportunities, he joined the Pennsylvania Railroad first as a

secretary, later rising to the rank of the superintendent in the western branch of the company. In the Civil War he distinguished himself organizing the repairs of the road.

In this time, Carnegie, apart from moving up the organizational hierarchy, learned to invest, an art that greatly benefited him later on. He received advice on investment from Tom Scott, the vice president of the Pennsylvania Railroad who recommended Andrew to buy shares in the Adams Express Company[4]. Carnegie made other promising investments including the Woodruff Palace Car Company, an iron foundry, and the Keystone Bridge Company. These investments brought Carnegie an income of over \$40, 000 a year, in addition to his pay of \$2, 800 from the railroad[5]. He also made investments in oil fields that proved to be very lucrative, putting his funds into the fields in Pennsylvania and in the post-war period in Texas.

However, the real wealth came to Andrew Carnegie out of his involvement in the steel and iron industry. Like many great men, Carnegie had a vision for the importance of oil and steel production in the America of the post-war period. Working in the railroad, he could well envisage the need for iron in the development of railways, as iron was to be used in the rail production, manufacturing of cars, locomotives, and bridges. Iron was increasingly needed in different areas such as agriculture, industry, transportation, construction and many other areas.

Carnegie's involvement in this business began with his investment in Andrew Klomans foundry. When the price of iron shot to about \$130 per ton in the

Civil War, manufacturing of metal was “ not so much a question of money as of delivery”[6]. To meet the growing need for rail manufacturing and make use of the profitable business opportunity, Andrew Carnegie organized Superior Rail Mill and Blast Furnaces in Pittsburgh in 1864. Another venture, the Pittsburgh Locomotive Works, organized in 1866, proved equally successful, a fact that Carnegie himself attributed to the adherence to the slogan: “ Make nothing but the very best.”[7] Gradually, his investments became so important to him that he resigned his office with the Pennsylvania Railroad in 1865.

When Carnegie began his iron production, Britain was the absolute global leader in steel production, accounting for 5, 963, 000 tons in 1870, while the United States produced 1, 865, 000 tons[8]. It was to a great degree thanks to the efforts of Andrew Carnegie that the United States was able to develop steel production and build its industrial might. During one of his visits to Europe, Carnegie was impressed with the demonstrations of the innovative steel production method invented by Henry Bessemer. The American businessman immediately realized that this process that removed a lot of impurities and made steel harder than ever before held a great promise for the industry. In 1872 Carnegie made a brave move: he sold all other investments and put all his wealth in steel business. He explained his position with the words: “ Put all your eggs in one basket, and then watch that basket, is the true doctrine the most valuable rule of all.”[9]

It was not long till Andrew Carnegie began to dominate the US steel-making industry. Within several years, he owned the Homestead & Edgar Thompson

Steel Works and later went on to become the head of Carnegie, Phipps & Company and Carnegie Bros. & Company. Acquiring these businesses and a variety of other mills and works, Carnegie consolidated them all in 1892, founding the Carnegie Steel Company. The company proved successful and helped the US outstrip Britain in terms of steel output, much of which was owned by Andrew Carnegie.

Carnegie is not only known for his role in business. He was also a prolific writer, putting in prose his radical ideas about business and labor. He is the founder of the Carnegie Library, an idea that came to him during his trip to Britain and Scotland in 1881 during which he visited his native town of Dunfermline. Although his attitude toward Britain and its political system was often critical, shaped by the negative experiences of his ancestors in the country, through personal charm, Carnegie was able to make many friends on his trip, including the Prime Minister Gladstone. Carnegie's attitude toward the wealth he had so successfully accumulated was always socially responsible. Thus, he proclaimed the right of the workers to assemble in unions[10]. In one of his famous works, "The Gospel of Wealth", he expressed the conviction that "the rich are mere "trustees" of society's wealth, having earned the right to administrate charity through their demonstrated superiority in amassing money"[11]. In his autobiography he remembers with special tenderness his efforts put in the establishment of an educational fund in June 1905. This fund, including investments of \$50 million and serving aged university professors, was called the Carnegie Endowment for the Advancement of Learning[12].

His responsible attitude was also demonstrated by his attitude toward state matters. Thus, in 1907, right before one of the great stock market crashes, he “ called for strict federal regulations to govern Wall Street and encouraged the president” to act more toughly toward financial gamblers[13].

The life of Andrew Carnegie is one of the great examples in the history of American business. With his intuition and vision for the future, Carnegie was able to take the American steel industry to a new level. In this sense, he helped create American economic power and secure the nation’s economic future. In addition, with his philanthropically oriented activities, Carnegie contributed to the development of the national spirit and established the important role of the rich in sponsoring charitable and cultural projects.

#### Works Cited

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[2] Peter Krass, *Carnegie* (New York: Wiley, 2002), 3.

[3] Krass 29.

[4] Ronald G. Greenwood, and Daniel A. Wren, “ Business Leaders: A Historical Sketch of Andrew Carnegie”,

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[5] Greenwood & Wren 106.

[6] Carnegie 115.

[7] Carnegie 115.

[8] Greenwood & Wren 106.

[9] Greenwood & Wren 106.

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[11] Wm. M. Phillips, “ Tropes and Parodies of Capitalist Biography: Carnegie’s “ Gospel of Wealth” vs. Herrick’s ‘ Memoirs.’”, *Mosaic* (Winnipeg) 32. 1 (1999): 17.

[12] Carnegie 268.

[13] Krass 472.