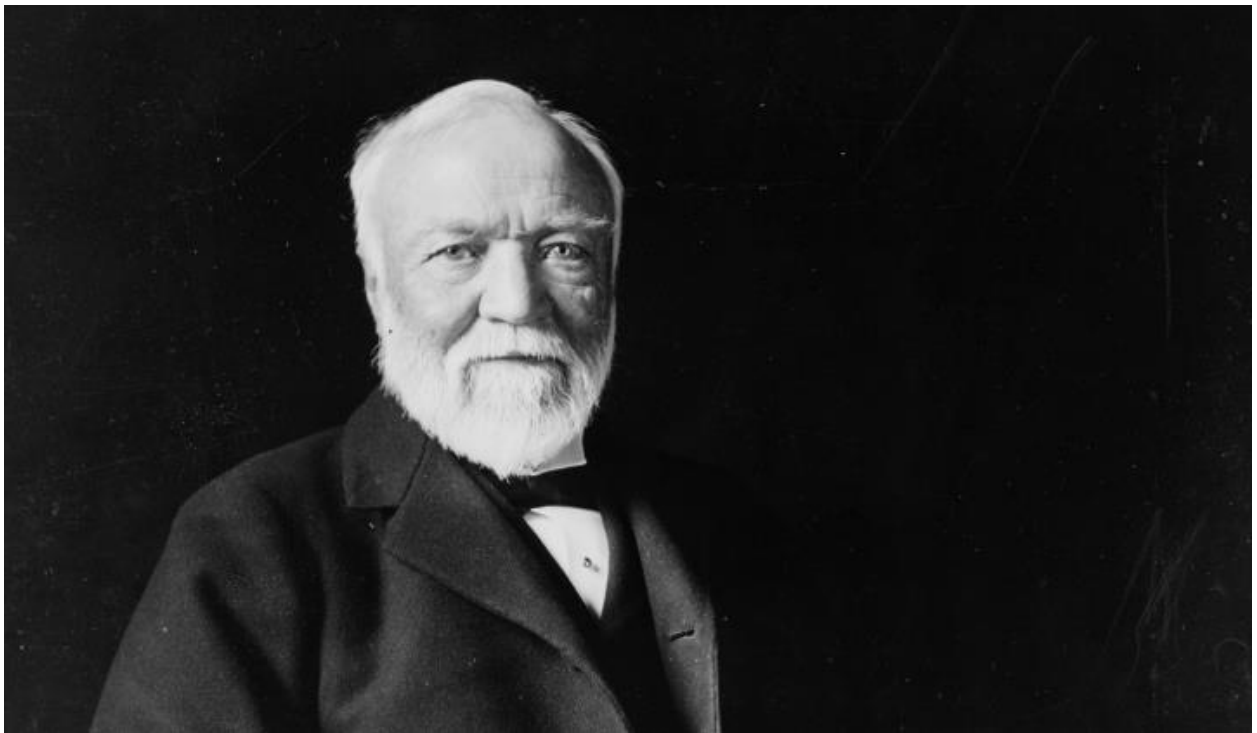


# *On Andrew Carnegie*

By Blas Moros



### *Summary*

Andrew Carnegie was born in 1835 in Dunfermline, Scotland and immigrated to America when he was 13 years old. Andrew started off with a negative net worth because his family borrowed money to be able to make the trip to America but through hard work, opportunism and luck, was able to rise quickly – first within the railroad business and later by creating his steel empire. He is one of the world’s greatest philanthropists and gave away the majority of his wealth while he was still alive; mainly to public libraries, new church organs, promoting world peace, improving the human condition and strengthening democracy.

### *Key Takeaways*

#### History & Childhood

The steam revolution hurt his father's business and they approached poverty. Mother stepped up, as she would often throughout his life, to make ends meet

His first school teacher and uncle very influential and taught him a great Scottish pride. Often asked himself what William Wallace would do in a given situation. *It is a tower of strength for a boy to have a hero*

From a young age Andrew was influenced by radical notions in Scotland which were frustrated with heritage and the fact that one's family name carried more weight than your accomplishments. Adopted the motto "death to privilege." "It would be safe to wager that 1,000 Americans in a new land would organize themselves, establish schools, churches, newspapers and brass bands – in short, provide themselves with all the appliances of civilization – and go ahead developing their country before an equal number of British would have discovered who among them was the highest in hereditary rank and had to best cleaners to leadership oh into his grandfather. There is but one rule among Americans: the tools to those who can use them."

Had an impressive memory and says he can't stress enough the importance of being able to memorize poems and passages by heart

Mother taught him and his brother from an early age that they could grow to become "useful men" if they always did what was right

Moved to Pittsburgh at 13 and worked long, hard hours. Has made millions but none made him happier than his first paycheck when he was able to help his struggling family. His greatest pride was his first promotion as a messenger boy

The interview was successful. I took care to explain that I didn't know Pittsburgh, that perhaps I would not do, would not be strong enough; but all I wanted was a trial. He asked me how soon I could come, and I said that I could stay now if wanted. And, looking back over the circumstance, I think that answer might well be pondered by young men. It is a great mistake not to seize the opportunity.

I had only one fear and that was that I could not learn quickly enough the addresses of the various business houses to which messages had to be delivered. I therefore began to notice signs of these houses up one side of the street and down the other. At night I exercised my memory by naming in succession of the various firms before long I could shut my eyes and beginning at the foot of the of a business street call off the names of the firms in proper order along one side to the top of the street and then crossing on the other side go down in regular order to the foot again. The next step was to know the men themselves, for it gave a messenger great advantage, and often saved a long journey, if he knew members or employees of other firms. He might meet one of these going direct to his office and it was a great triumph among the boys to deliver a message upon the street

In some instances it was alleged boys had now and then taking a dime message out of turn. This was the only cause of serious trouble among us. By way of settlement I propose that we should pool these messages and divide the cat equally at the end of each week I was appointed treasurer. Peace and good humor rained every afterwards this poorly of extra earnings not being intended to create artificial prices was really cooperation. It was my first essay in financial organization

Carnegie got a lot of responsibility at his railroad job at an early age. He was always confident in his abilities and constantly looked for ways to stretch himself whenever possible. Whenever one learns to do anything he has never to wait long for an opportunity of putting his knowledge to use

I was at an age when I thought I could manage anything. I knew nothing that I would not attempt but it had never occurred to me that anybody else much less Mr. Scott would entertain the idea that I was as yet fit to do anything of the kind proposed. He agreed to give me a trail and asked

me what salary I wanted. Salary I said quite offended what do I care for salary? I do not want the salary I want the position.

I was probably the most inconsiderate superintendent that ever was entrusted with the management of a great property, for, never knowing fatigue myself, being kept up by a sense of responsibility probably, I overworked the men and was not careful enough and considering the limits of human endurance. I have always been able to sleep at any time. Snatches of half an hour at intervals during the night in a dirty freight car were sufficient

One day, desiring to take a message in the absence of the operator the old gentleman who acted as copyist, resented my presumption and refused to copy for a Messenger boy. I shut off the paper slip took pencil and paper and began taking the message by ear. I shall never forget his surprise he ordered me to give him back his pencil and pad and after that there was never any difficulty between dear old Courtney Hughes and myself. He was my devoted friend and copyist

Mr. Scott asked his friend if he knew what his little Scotch devil of his dad and he said he ran every train on the division in my name without the slightest authority. And did he do all right? Oh yes all right. This satisfied me of course I had my queue for the next occasion and went boldly in. Mr. Scott rarely gave a train order after that

*The above two examples show the power competence, ambition and a willingness to learn and act has*

“The house was a new atmosphere and my intercourse with the family was a powerful stimulant the desire for improvement of my own mind and manners.”

*Carnegie learned quickly from his dealings with high social classes to improve his education through reading and by behaving well he could get a lot more out of people*

Carnegie was given the great honor of delivering checks and payroll but happened to lose it on the train. The kind of engineer and firemen reversed the train and they were able to find the package a couple miles back.

*This taught Andrew the power of kindness and patience – “Only experience teaches the supreme force of gentleness. Light but certain punishment when necessary is most effective. Severe punishments are not needed and a judicious pardon for the first offense at least is often best of all.”*

Captain Jones our superintendent of the steel works at a later day described me as having been born with two rows of teeth and holes punched for more so insatiable was my appetite for new works and increased production

This was perhaps the first occasion upon which my subordinates had an opportunity of making me the subject of any demonstration and the reception made a lasting impression. I knew how much I cared for them and it was pleasing to know that they reciprocated my feelings. Workingman always do reciprocate kindly feeling. If we truly care for others we need not be anxious about their feelings for us. Like draws to like.

### On Business

We were our own severest inspectors and would build a safe structure or none at all. This policy is the true secret of success. Instead of objecting to inspectors they should be welcomed by all manufacturing establishments. A high standard of excellence is easily maintained and better educated in the effort to reach excellence. I have never known a concern to make a decided success that did not do good, honest work and, even in these days of the fiercest competition, when everything would seem to be matter of price, their lies still at the root of great business success the very much more important factor of quality. The effect of attention to quality upon every man in the service, from the president of the concern down to the humblest laborer, cannot be overestimated. And bearing on the same question, clean, fine workshops and tools, well-kept yards and surroundings are of much greater importance that is usually supposed. Somebody must own each work and this is one of the secrets of success. The surest foundation of a manufacturing concern is quality. After that, and a long way after, comes cost.

A great business is seldom if ever built up except on lines of the strictest integrity. A reputation for cuteness and sharp dealing is fatal in great affairs. Not the letter of the law but the spirit must be the rule. It is essential to permanent success that house should obtain a reputation for being governed by what is fair rather than what is merely legal. A rule that we have adopted and that here too as giving greater returns than one would believe possible namely always give the other party the benefit of the doubt.

We began at the new mill by making all shapes which were required, and especially such as no other concern would undertake, depending upon an increase in demand in our growing country for things that were only rarely needed at first. What others could not or would not do we would attempt, and this was a rule of our business which was strictly adhered to. Also we would make

nothing except of excellent quality. We always accommodated our customers even although at some expense to ourselves and cases of dispute we gave the other party the benefit of the doubt and settled. These were rules. We had no lawsuits.

In any project, quality is of utmost importance and far after is cost. Always accommodate your customers, even if at some expense to yourself and give them the benefit of the doubt. That is how he won some of his first contracts to build bridges

I determined that the proper policy was to put all good eggs in one basket and then watch that basket. I believe the true road to preeminent success in any line is to make yourself master in that line. I have no faith in the policy of scattering ones resources and in my experience I have rarely if ever met a man who achieve preeminence in moneymaking - certainly never in manufacturing - who is interested in many concerns. The man who have succeeded or men who have chosen one mind and stuck to it. It is surprising how few man appreciate the enormous dividends derivable from investment in their own business. There is scarcely a manufacturer in the world was not in his works some machinery that should be thrown out and replaced by improved appliances or who does not for the want of additional machinery or new methods lose more than sufficient to pay the widest evident obtainable by investment beyond his own domain. And yet most business man whom I have known investing Bancshares in and far away enterprises while the true Goldmine lies right in their own factories. My advice to young man would be not only to concentrate the whole time and attention on the one business and life in which they engage but to put every dollar of their capital into it.

It may be accepted as an axiom that a manufacturing concern in a growing country like ours begins to decay when it stops extending

Attributes his great wealth not to his own genius but to his ability to choose those who knew better than he did and giving them freedom

It is not the rich man son of the young struggler for advancement has the fear in the race of life nor his nephew nor his cousin. Let him look out for them dark horse in the boy who begins by sweeping out the office

Success is to always expand your responsibilities and circle of competence by going beyond what others expect or have assigned you

What fools we had been! But then there was this consolation we were not as great fools as our competitors. It was years after we are taking chemistry to guide us that it was said by the proprietors of some other furnaces that they could not afford to employ a chemist. Are they known the truth then they would have known that they could not afford to be without one. Looking back it seems pardonable to record that we were the first to employ a chemist a blast furnaces – something our competitors pronounced extravagant. *The Lucy* furnace became the most profitable branch of our business because we had almost the entire monopoly of scientific management

I know I'm an experienced man who declared that if "Andrew Carnegie's brains did not carry him through his luck would." But I think nothing could be farther from the truth than the estimate thus suggested. I am sure that any competent judge would be surprised find how little I ever risk for myself or my partner's. When I did big things, some large corporation like the Pennsylvania Railroad Company was behind me and the responsible party.

There is one imperative rule for men in business: no secrets from partners

How foolish we are not to recognize what we are best fitted for and can perform not only with these, but with pleasure as masters of the craft

The man running in manufacturing operation must be capable and free if he has to decide wisely the problems which are continually coming before him. Nothing tells in the long run like good judgment and no sound judgment can remain with the man whose mind is the stirred by the mercurial changes of the stock exchange. The place is him under an influence akin to intoxication. He cannot judge of relative values or get the truth perspective of things. Speculation is a parasite feeding upon values, creating none.

I have been able to steer clear of many unfortunate troubles by strict adherence to what I believe to be my duty never to put my name to anything which I knew I could not pay at maturity. Regard for this rule has kept not only myself but my partners out of trouble.

Mr. Pullman was one of those rare characters who can see the drift of things and was always to be found, so to speak, swimming in the main current where movement was the fastest

There was no holding back a boy like Henry Phipps. It was the old story. He soon became indispensable to his employers obtained a small interest in a collateral branch of their business and then ever on the alert who is not many years before he attracted the attention of Mr. Miller who made a small investment for him with Andrew Kloman.



One of the chief sources of success in manufacturing is the introduction as strict maintenance of a perfect system of accounting so that responsibility for money or materials can be brought home to every man. Owner to in the office would not trust the clerk with five dollars without having a check up on him we're supplying tons of material daily demand in the Mills with that exacting an account of their stewardship by weighing what each returned in the finished form

Great businesses are always built on a foundation of integrity

Upon no account to man be in the same works with equal authority. An army with two commanders in chief, a ship with two captains, could not fair more disastrously then a manufacturing concern with two men in command upon the same ground, even though into different departments.

He could not judge the scientific merits of the technical excuses which a manager might cover his failure, but he could and did compare the man's performance with others in the same position

No investment returns such dividends as the trust and friendship of your employees

The number one lesson in iron and steel that I learned in Britain was the necessity for owning raw materials and finishing the completed article ready for its purpose

The sound rule in business is that you may give money freely when you have a surplus but your name, never. Neither as endorser nor as member of a corporation with individual liability. A trifling investment of a few thousand dollars, a mere trifle but a trifle possessed of deadly explosive power

Taking no account of the reward that comes from feeling that you and your employees are friends and judging only from economical results, I believe that higher wages to men who respect their employers are happy and contented are a good investment, yielding, indeed, big dividends

Capital, labor and employer are a three-legged stool, none before or after the others, all equally indispensable

I will never fight you. I know better to fight Labor. I will not fight, but I can bear any committee that was ever made at sitting down, and I have sat down

It is not solely, often it is not chiefly, a matter of dollars with workmen. Appreciation, kind treatment, a fair deal - these are often the potent forces with the American workmen.

It pays to go beyond the letter of the bond for your men. No expenditure returned such dividends as the friendship of our workmen. I believe the best preventive of quarrels to be recognition of, and sincere interest in, the men, satisfying them that you really care for them and that you rejoice in their success.

High wages are well enough but they are not to be compared with steady employment.

### On Philanthropy

Colonel James Anderson opened his library to all young men and this changed Carnegie's life forever and influenced his love of libraries. Libraries give nothing for nothing - have to give the effort to read and learn or else get nothing out of it. Got books which would have been impossible for me to obtain elsewhere or by wise generosity placed within my reach and to him I owe a taste for literature which I would not exchange for all the millions that were ever amassed by man. Life would be quite intolerable without it. Nothing contributed so much to keep my companions and myself clear of low fellowship and bad habits as the beneficence of the good Colonel.

Man must have an idol - the amassing of wealth is one of the worst species of idolatry - no idol more debasing than the worship of money. Whatever I engage in I must push inordinately therefore should I be careful to choose that life which will be the most elevating in its character. To continue much longer overwhelmed by business cares it with most of my thoughts wholly upon the way to make more money in the shortest time must degrade me beyond hope of permanent recovery. I will resign business of 35 but during the ensuing two years I wish to spend the afternoon in receiving instruction and reading systematically.

As US Steel began to grow and prosper, Carnegie started thinking more seriously of how to begin distributing his amounting wealth. First thing he did was set up a relief fund for his employees, then public libraries, other foundations, the Hero Fund and more.

## Quotes & Other

A sunny disposition is worth more than fortune

One gets so many kind offers of assistance when assistance is no longer necessary or when one is in a position which would probably enable him to repay the favor that it is delightful to record an act of pure and disinterested benevolence. People who are deserving necessary assistance in their career will usually receive it at critical periods. As a rule, those who show a willingness to help themselves need not fear about obtaining the help of others.

He is a bold man who calls anything a trifle. Who was it who, being advised to disregard trifles, said he always would if anyone could tell him what a trifle was? The young should remember that upon trifles the best gifts of the gods often hang.

Knowledge is sure to prove useful in one way or another. It always tells.

My two rules for speaking then and now were made yourself perfectly at home before your audience and simply talk to them, not at them. Do not try to be somebody else be your own self and talk never orate until you can't help it.

It was a lesson in public speaking which I took to heart. There is one rule I might suggest for you for orators. When you stand up before an audience reflect that there are before you only men and women. You should speak to them as we speak to other men and women in daily intercourse. If you are not trying to be something different from yourself there's no more occasion for embarrassment and if you were talking in your office to a party of your own people. None whatsoever. It is trying to be other than oneself that unmans one. I once asked Colonel Ingersoll, the most effective public speaker I ever heard, to what he attributed his power. He said, "Avoid elocutionists like snakes and be yourself."

Lincoln's manners were perfect because natural any other kind word for everybody even the youngest boy in the office. Is the tensions were not graduated they were the same to all as deferential in talking to the messenger boy as to Secretary Seward. His charm lay in the total absence of manner. It was not so much perhaps what he said as the way in which she said it that never failed to win one. I have often regretted that I did not know down carefully at the time some of his curious sayings for he said even common things in an original way. I never met a great man who so thoroughly made himself one with all men as Mr. Lincoln.

How reserved the Scot is; where he feels most he expresses least

When General Grant had nothing to say he said nothing but I noticed that he was never tired of praising his subordinates in the war. He spoke of them as a fond father speaks of his children

Tall oaks from little acorns grow

There is much in the way one puts things

It never ceases to amaze how much success turns upon trifles

If you want a contract, be in the spot when it is let.

The battle of life is already half won by the young man who is brought personally in contact with higher officials in the great aim of every boy should be to do something beyond this fear of his duties something which attract the attention of those over him

True indeed; most of the troubles of humanity or imaginary and should be laughed out of court. It is folly to cross the bridge until you come to it or to bid the devil good morning until you meet him perfect folly. All is well until the stroke falls, and even then, 9 times out of 10 it is not so bad as anticipated. A wise man is the confirmed optimist.

We accepted as proven that each stage of civilization creates its own God and that as man ascends and becomes better his conception of the unknown likewise improves. There after we all became less theological but I am sure more truly religious.

I have had many incidents such as that of the blacksmith in my life. Slight attentions or a kind word to the humble often bring back reward as great as it is unlooked for. No kind action is ever lost. I am indebted to these trifles for some of the happiest attentions in the most pleasing incidence of my life. And there is this about such actions: they are disinterested, and the reward is sweet in proportion to the humbleness of the individual whom you have obliged. It counts many times more to do a kindness to a poor workingman than to a millionaire who may be able to someday repay you the favor.

In any walk of life, knowing what is great helps you avoid the mediocre

When one party in a negotiation gets excited, the other should stay calm

A new horizon was opened up to me by this voyage. It quite change my intellectual outlook. Spencer and Darwin them high in the zenith and I had become deeply interested in their work. I begin to view the various phases of human life from the standpoint of the evolutionist. In China I read Confucius in India Buddha and the sacred books of the Hindus among the parties in Bombay I study Zoroaster. The result of my journey was to bring a certain mental peace. Where there have been chaos there is now order. My mind is at rest. I had a philosophy at last. The words of Christ, "The Kingdom of Heaven is within "you had a new meaning for me. Not in the past or in the future but now when here is heaven within us. All our duties light in this world and in the present and trying impatiently to peer into that what lies beyond is as vain as fruitless.

Among the conditions of life, or the laws of nature, some of which seem to us faulty, some apparently unjust and merciless, there are many that amaze us by their beauty and sweetness. Love home regardless of its character or location certainly is one of these. And what a pleasure it is to find that instead of the Supreme Being confined in revelation to our race or nation, every race has the message best adapted for it in its present stage of development. The Unknown Power has neglected none.

Above all his public libraries was the motto "let there be light"

What one does easily, one often does well

He is a happy man who only wishes happiness and prosperity to others.

The main root of trouble is ignorance, not hostility

Eight hours will be the rule – eight for work, eight for sleep, eight for rest and recreation

I have never known of a body of men capable of legislating for the generation ahead, and in some cases those who attempt to legislate even for their own generation are not thought to be eminently successful.

If it be asked which man of our age, or even of past ages, has risen from the lowest to the highest, the answer must be Booker Washington.

I have had far beyond my just share of life's blessings; therefore I never ask the Unknown for anything. We are in the presence of universal law and should bow our heads in silence and obey the Judge within, asking nothing, fearing nothing, just doing our duty right along, seeking no reward here or hereafter. It is, indeed, more blessed to give than to receive.

True it is, we only hate those we do not know.

There are times in most men's lives that test whether they be dross or pure gold. It is the decision made in the crisis which proves the man.

Men of action should learn to laugh at and enjoy the small annoyances or they themselves may become "small."

Not only had I got rid of theology and the supernatural, but I had found the truth of evolution. "All is well since all grows better" became my motto, my true source of comfort. Man was not created with an instinct for his own degradation but from the lower he had risen to the higher forms. Nor is there any conceivable end to his March to perfection. His face is turned to the light he stands in the sun and looks upward

One is known by the company he keeps.

#### *What I got out of it*

Just amazing. Carnegie is an inspiring example of a man who was able to rise from the lowest to the highest, yet remain humble and human. He was able to pursue his financial and business ambitions to fruition and when he had *enough*, was able to change his focus to giving back. 1/3 of life to learning, 1/3 of life to earning, 1/3 of life to giving back. By aiming for win/win relationships with everyone he dealt with, he was able to establish unparalleled trust, respect and deep, meaningful relationships. This was the *cause* of his financial success, not the result. His life and business philosophies are to be studied and emulated.

