**ANDREW CARNEGIE AND HIS LIBRARIES**

*“How much did you say I had given away, Poynton?”* Poynton his private secretary answered *“$324,657,399”.* *“Good heavens! Where did I ever get all that money*?” Andrew Carnegie

**WHERE DID HE GET ALL THAT MONEY?**

* Andrew Carnegie (1835-1919) a true Horatio Alger American Success story, starting at bottom up to the top – living in a mansion on upper 5th avenue New York NY
* At the creation of US Steel in 1901 J.P. Morgan said to Carnegie *“I want to congratulate you on being the richest man in the world”*

**THE 1868 MEMORANDUM**

* After Carnegie’s death in 1919 his executors found a 1868 memorandum to himself *“Thirty Three and an income of $50,000 per annum …Beyond this never earn make no effort to increase fortune, but spend surplus for benevolent purposes…Man must have an idol, the amassing of wealth is one of the worst species of idolatry…I will resign business at thirty five”*
* Instead of quitting business at age 35, he worked another 33 years and reluctantly retired, described by a biographer as “*The greediest little gentleman ever created*” – Carnegie conflicted, is ashamed of making money
* 1889 Carnegie wrote The Gospel of Wealth – “*The man who dies rich dies disgraced*” - the duty of millionaires is to distribute their wealth – also supporting Progressive Income taxation and Estate Taxing

**EARLY LIFE**

* Born November 25,1835 in Dunfermline, Scotland he grew up loving poetry especially Robert Burns (1759-1796) and later William Shakespeare (1564-1616) He knew whole dialogues from his plays by memory
* The Industrial Revolution steam mills put hand looms out of business including Andrew’s father – so the family emigrated to US in 1848 when Andrew was 12
* Settled in Allegheny, PA where Andrew worked in 1849 as a messenger for telegraphers in the Pennsylvania Railroad
* Carnegie’s education and passion for books and reading was helped by Colonel James Anderson, a educator and railroad manager, who owned a a personal library of 500 books which he made available to working boys each Saturday night
* Andrew became a telegrapher by learning Morse code at night at home
* Able to take messages “hot” from the wire, a rare gift impresses Thomas A Scott, local superintendent of Pennsylvania RR
* Working for Scott, Andrew goes up the ladder as Scott is promoted – Scott introduces Andrew to Stocks and earns money on interest on investments
* Carnegie is approached by T.T. Woodruff about an idea for RR sleeping cars, he invests and later helps merger with George Pullman, Andrew will be large stockholder in Pullman Sleeping Cars
* Railroad construction showed the heavy equipment needed – Keystone Bridge Company builds RR bridges and brings Carnegie into making iron
* 1865 Scott now VP of the Pennsylvania RR, Carnegie is a Superintendent
* Railroads need money to expend, British Capital is the answer – Carnegie becomes a Bond Salesman, the go between making a huge salary from his contacts to RR executives

**STEEL**

* In England Carnegie learns about and sees the Bessemer Converter steel process (volcanis, spectacular eruptions) – Carnegie becomes a prophet of steel
* Iron is a metal that occurs naturally, whereas steel is formed after mixing carbon and iron. The process starts by heating and melting iron ore in blast furnaces, removing the impourities and adding carbon. The addition of carbon makes a significant physical change, making steel stronger and harder than iron
* Under Carnegie his steel company grew quickly, through acquisition, merger, some commercial piracy, and on at least one occasion fraud
* But growth is mostly driven by three factors**: 1/** Steel replaced iron in railroads also ships, buildings, bridges, machinery – in 1885 England led world in steel production, by 1899 Carnegies company alone outproduced England by 695,000 tons, **2/** Carnegie assembled brilliant, talented personnel to work for him, three examples **Captain William Richard Jones** (1839-1889) Civil War Captain he became a steel making inventor and manager highly valued by Carnegie (Carnegie offered partnership but Jones wanted large salary, he was paid as much as the President made, $25,000), **Henry Clay Frick (**1849-1919) founded Henry Frick Coke Company (coke used to heat iron in steel making process) Frick’s violent opposition to steel unions leads to violent labor disputes including the Homestead strike resulting in a assassination attempt**, Charles M. Schwab** (1862-1939) led Bethlehem Steel and played critical role in creation of US Steel, **3/** Andrew Carnegie himself, a master salesman and a ruthless driver of men
* Marrying late in life (he had a daughter) Carnegie built Skibo Castle on Dornoch Firth in Scotland where Carnegie entertained literary and political people including Rudyard Kipling, Matthew Arnold, Lloyd George, Woodrow Wilson, Theodore Roosevelt, William Gladstone, Herbert Spencer (Carnegie approved of his Social Darwinism, survival of the fittest)
* J.P. Morgan created US Steel by paying Carnegie $492,000,000 for his company
* Carnegie’s view of the “Labor Question “was a problem, writer Hamlin Garland visited his steel towns describing them as ugly, brutal, exhaustive – Carnegie opposed labor in the infamous Homestead Strike of 1892 broken with an army of Pinkerton Detectives,

**LIBRARIES AS CARNEGIE SALVATION**

* Philanthropy was to be Andrew’s way to get back to his youthful ideals after 1901
* He will build over 3500 libraries worldwide (1689 in US, 105 in Illinois) costing $65,000,000
* Very few grants town applications are turned down – but towns must provide the site and create a budget to maintain the library – Carnegie is only making the building, town must stock books and it must be free, no charge
* The first library is in Dunfermline Scotland (his hometown), one of first in US is Allegheny PA (his adopted hometown) – initially starts supporting libraries in Carnegie steel towns but branches out
* Women’s Clubs in the post-Civil War period took the primary lead, building 75-80% in organizing local efforts to establish libraries including fundraising
* Building styles i.e., Classical, Baroque for example is chosen by the local community
* Carnegie Formula – at the time libraries used “Closed Stacks” policy meaning patrons requested a book and a staffer got it for them (like many research libraries today such as The Newberry in Chicago - , Carnegie libraries used “Open Stack” where books were available to patron’s self-service reducing operating expense and staffing and encouraging browsing to look at books
* Criticism – Carnegie built libraries in towns sometimes too small to maintain them

**EPILOUGE**

* In 1992 1554 out of 1689 in US still used as libraries
* Many are in middle to low-income communities and play vital roles there
* At his death in 1919 Carnegie was believed to have a fortune of $500,000,000 but in reality he had $22,881,575 – he had given away the vast majority of his fortune, over 90%

**BIBLIOGRPHY**

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