

Carnegie. *By Peter Krass*. Hoboken: John Wiley, 2002. ix + 612 pp. Index, notes, illustrations, photographs. Cloth, \$35. ISBN: 0-471-38630-8.

By Kenneth Warren

Some individuals embody such qualities of eminence, character, or complexity that long after they are dead they continue not only to fascinate but also to severely test their biographers. Among this number are the towering leaders who bestride an epoch, like Napoleon or Hitler, or who are great democratic politicians, like Roosevelt or Churchill. In the all-too-often prosaic world of industry, Andrew Carnegie was of comparable stature. To penetrate, interpret, and present a highly readable account of such a man is a formidable task for any author. In his new biography, Peter Krass has risen to this challenge.

The perennial interest in Carnegie lies not so much in his outstanding business success or in the prodigious fortune he made from it—reckoned by Krass as equivalent to over \$100 billion at present values—as in the fact that his personality combined such a wide diversity of characteristics. From his teenage arrival in the United States as a member of a poor immigrant family through his meteoric climb to the upper reaches of society, before he retired he had become one of the most successful of all the industrial tycoons in what would later be recalled as the golden age of American capitalism. The keenest of commercial competitors, he was also the greatest and most imaginative of the multimillionaire philanthropists. He succeeded in the cut-and-thrust of the most basic of modern manufacturing activities but retained his lifelong aspirations to culture. Almost uniquely among his peers, he was driven by an insatiable urge to convey his ideas on a wide range of topics through newspaper interviews and in magazine articles, pamphlets, and books. Over many years he advocated arbitration as a means to peace in both industrial and international relations, but he was also implicated in the Homestead strike, one of the most notorious labor disputes in American history, and during his later years in business he was an enthusiastic manufacturer of war materials. Remaining so much a lover of his Scottish homeland that he spent a large part of each year there, he also became a passionate advocate for his adopted country. How could an aspiring biographer

resist such a subject? But how too could he or she manage to unlock the riddle of these multiple facets, even opposites, contained within the same individual and present the story clearly? Over the century since he retired from business, Carnegie has been analyzed in a large number of essays and in brief lives, but he has figured in less than a handful of major biographies. Some accounts have simplified the story by stressing one side or another of his character and career; some have recognized the contrasts and conflicts but failed to explain them.

One of the earliest, harshest, and, even now, most useful studies of Carnegie was the first, which was the unauthorized 1903 history of his company by James Bridge, who had been his “literary assistant” and had access to many of the Carnegie Steel Company records. The business writer Herbert Casson, who was bewitched by Carnegie’s achievements, wrote about him in 1907. Carnegie himself eventually offered his own interpretation in his autobiography, written between 1911 and 1914 but published after his death. This revealing account contains many inaccuracies and omissions that seem not to have been due to advancing age. Interpretative essays on Carnegie, written from differing perspectives and of varying length and originality, have included two from the depression years, by John Winkler (1931) and Matthew Josephson (1934). Much later, three useful studies of his life and work were written by Johnathan Hughes (1965), Harold Livesay (1975), and Stuart Leslie (1989). Three important biographies have been published, by Burton Hendrick (1932), Joseph Wall (1970), and now by Peter Krass (2002), and a major television documentary was aired by WGBH in 1997. Hendrick was helped by being able to converse with men who had known and worked with Carnegie and by his contacts with some of the steel magnate’s family. As an academic historian, Wall worked assiduously through the abundant archives and produced what has been justly praised as a “magisterial” study. Krass’s outstanding achievement has been to consult an even wider range of records and to present his subject’s life in a form that, while in no way lacking scholarly quality, manages to be highly readable at the same time. To a greater extent than his predecessors, he has succeeded in tracing the roots of the contradictory features of Carnegie’s personality. His study has not replaced the earlier ones, but in this vital respect it has exceeded them.

Krass makes excellent use both of secondary sources in sketching the context for Carnegie's career and of primary sources in presenting a detailed analysis. Like other biographers, he has depended above all on the vast archive of the Carnegie papers in the Library of Congress, with its many volumes of bound correspondence, memoranda, and company minutes. He has also tracked down other material, notably documents that have been held since 1901 in the United States Steel Corporation's huge records collection. In order to discover more about the period of Carnegie's retirement, he consulted the portion of the company's records that are now deposited with the Historical Society of Western Pennsylvania. He has drawn as well from the extensive records of Carnegie's close colleague, Henry Clay Frick. These records were inaccessible to scholars before the late 1980s, but their removal to the University of Pittsburgh has made the sections dealing with business, and therefore relevant to Carnegie, available to researchers. The New York Public Library also has some Carnegie papers. In his use of these records Krass has not been partisan, picking out what might support a pet theory, but has let the evidence be the guide to his interpretation.

Although as a biography this account is difficult to fault, the business or economic historian—whose special interests, it must be stressed, Krass did not set out to satisfy—will find the picture less clear. The unique organization of the Carnegie companies, however, is covered very well. This involved a careful collection and grooming of senior managers, securing their usually unwavering commitment to steadily increasing production and sales and reducing costs by rewarding their successes with grants of minor shares in the partnership. Those lower in the hierarchy received bonuses. Workingmen, whose sole contribution to the production process was their physical labor, were driven mercilessly and paid as little as possible. At the top of this hierarchy, Andrew Carnegie retained a commanding share of the nominal capital and consequently received the largest income from the conservative annual distribution of profits, eventually benefiting far more than the other partners from the increasing real value of the company. Most critically, his opinion on any important development or policy was usually decisive. Unquestionably he showed exceptional ability in recognizing men he could make members of a team that would labor unstintingly for the company's good, contributing to their prospects of future wealth but above all building up his own. For

most of his business career, he was an absentee supreme commander and therefore needed first-rate generals in the field.

Over the years he employed four key deputies, men in whom he placed exceptional trust and each of whom, during his time of service, was occasionally reverently labeled “the man” in Carnegie’s letters. Unfortunately their preeminence meant they were not always easy to control. In this respect, Tom Carnegie, his younger brother, was an exception. Quieter than Andrew, he was an able manager of both business and men, loyally serving as senior deputy from the early days, when Andrew began taking extended vacations in Europe, and continuing to oversee the business even after Andrew moved home and office to New York. Tom died in 1886. William Shinn successfully ran the vital Edgar Thomson works but aspired to a greater degree of control and was expelled—“ejected”—in 1879. Ten years later, Henry Clay Frick became “the man” and achieved a great deal, but after a number of serious differences and conflicts he was forced out of involvement in the management of Carnegie Steel. The bitter controversy that accompanied his dismissal threatened to split the company. Charles M. Schwab was in charge for the last four years of Carnegie Steel’s existence. He was an undoubted business genius and was devoted to Carnegie. In the spring of 1901 his term of office was cut short by the sale of the company. Without leaders of such exceptional quality, the achievements of the Carnegie enterprises would have been much more modest.

The growth of the iron-and-steel industry, the setting for Carnegie’s operations and path to success, receives little attention in Krass’s account. Why did the Carnegie companies make stupendous profits, whereas other major firms were only modestly successful or sometimes even recorded losses and failed? There is little in the book about location and the economics of locational change. Pittsburgh’s twentieth-century reputation as a bulk steel center was due, above all, to its connection with the Carnegie operations. In Carnegie’s own colorful imagery, the city was the basket in which his eggs had been placed and whose well-being he assiduously guarded. If he had not been so thoroughly committed to the city in which he had grown into manhood his business genius could well have been harnessed to industrial development elsewhere, to Johnstown perhaps, or later to Chicago, Cleveland, or Detroit. It is interesting to note

that in the course of the 1890s some of his colleagues pressed him in vain to consider steelmaking in both Calumet, Illinois, and Sparrows Point, Maryland. By the time the Carnegie Steel operations passed to U.S. Steel, he had begun at last to modify his commitment to Pittsburgh and was vigorously pressing ahead with the construction of a major new steel plant on Lake Erie.

Among the “vital few” of the industrial tycoons, the men who built the foundations for twentieth-century America, Carnegie and John D. Rockefeller command special interest, not because they so dominated their respective industries and built up fortunes of unprecedented size, nor even because of their philanthropy, but above all because both combined ruthlessness in competition, acquisition, and accumulation while apparently being committed to very different value systems. Rockefeller had a simple Christian faith; time and again the surface of Carnegie’s solid capitalist values was disturbed by the upwelling of various radical convictions and emotions implanted in his early years. For the last fifty years of his life he was convinced of the shame of dying rich. The origins of this sensibility can be traced in part to the political convictions of his wider family in Dunfermline, where he spent his boyhood, and in part to the deprivation that, in both the Old World and the New, affected his father, who suffered unemployment caused by technological change. His concern about the accumulation of wealth was at odds with his insatiable urge for success, which seems to have owed much to the influence of his fiercely independent mother. The effect of this remarkable woman on his development well into middle age is a topic worthy of fuller psychological analysis. In rationalizing his business drive, Carnegie espoused the doctrine of Herbert Spencer, a proponent of the social implications of the Darwinian struggle for survival. He continued to revere Spencer even after personal contact with him had revealed some of his deficiencies as a man. Amazingly, Carnegie’s adherence to the idea of human progress, in which the benefits of wealth creation would spread from a privileged few to the masses, survived even the tremendous psychological blow of the carnage and destruction of World War I.

As late as his eightieth birthday, in November 1915, he asked his wife to issue a statement that contained the remarkable claim: “The world grows better . . .” Yet, well before his death in August 1919, Andrew Carnegie had lost much of his ebullience and

confidence in the future. As the man whose success far exceeded the achievements of any other businessmen, and who had given away by far the largest part of his wealth with remarkable wisdom, quietly declined at Shadowbook, he must have mulled over the motivations that had so driven him. Unfortunately there is no record of those thoughts.

Carnegie's autobiography was published in the year after his death. Krass draws attention to the fact that, in this and other writings and statements, there was some "revisionism." A more emphatic word for this process might have been better, for Carnegie, and later others too, were involved in myth-making on a grand scale. Before congressional committees this absentee but eagle-eyed watcher of his company's progress maintained that he had not been in close contact with his business and that he had not looked closely at his company's reports. He mentioned a telegram in which the Homestead strikers had asked him what they should do, but he was unable to provide evidence that this telegram ever existed (pp. 510–11). His autobiography made no mention of Shinn, and though he wrote of Frick as having a "positive genius" for management, his account confined his manager's superior ability to the arena of the coke industry, whereas, in fact, Frick had played a central part in building up steel as well. To a greater or lesser extent, biographers have tended to adopt Carnegie's bias on disputed issues: one of the main virtues of this account is that it presents a more balanced picture.

Carnegie contains some striking descriptions of the physical settings for Andrew Carnegie's career, detailing, in the preface, the contrast between Homewood and the Monongahela Valley mill towns, the Pennsylvania Railroad's Pittsburgh depot in the early 1850s (p. 42), and vividly evoking the approaches to Skibo castle forty-five years later (pp. 351, 352). But Krass's great achievement is to identify, unravel, and interpret the various strands of a complex character. Carnegie was relentlessly ambitious, a genius in selecting the men he drove ruthlessly in pursuit of success at whatever cost to themselves or others. At the same time, he was so anxious to be well thought of that he cultivated the friendship of the great and good and perverted the record of events. Self-interest and vanity ruled the heart of the man whom the world judged to be great. Various referred to as an "egoist" or "egotist," looking at the world as a field for his own satisfaction, he was not at ease with himself. In fact, his diverse motivations meant he was often in an internal ferment. Krass brings out these aspects of Carnegie very well.

He writes clearly and concisely, and as a result, though covering a full life with its many different facets, his narrative flows smoothly and reads well. Scholars and the reading public at large are fortunate to have been provided with such an outstanding biography.

Important studies of Andrew Carnegie, in chronological order, are listed below:

1903. James H. Bridge. *The Inside History of the Carnegie Steel Company*. New York: Aldine Books.

1907. Herbert Casson. *The Romance of Steel*. New York: A. S. Barnes.

1920. Andrew Carnegie. *Autobiography*. Boston: Houghton Mifflin.

1931. John K. Winkler. *Incredible Carnegie*. New York: Vanguard Press.

1932. Burton J. Hendrick. *The Life of Andrew Carnegie*. New York: Doubleday, Doran.

1934. Matthew Josephson. *The Robber Barons: The Great American Capitalists, 1861–1901*. New York: Harcourt Brace.

1966. Jonathan Hughes. *The Vital Few: American Economic Progress and Its Protagonists*. Boston: Houghton Mifflin.

1970. Joseph F. Wall. *Andrew Carnegie*. New York: Oxford University Press.

1975. Harold C. Livesay. *Andrew Carnegie and the Rise of Big Business*. Boston: Little, Brown.

1989. Stuart W. Leslie. "Andrew Carnegie," in P. F. Paskoff, ed., *Iron and Steel in the Nineteenth Century*. New York: Facts on File.

1997. WGBH. *The Richest Man in the World: Andrew Carnegie*. Television documentary.

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