

# CARNEGIE: STEEL KING - PHILANTHROPIST, AND HIS FRIENDS

## THE FREEST-HANDED MULTI-MILLIONAIRE THE WORLD HAS EVER KNOWN

**H**EREB is a present-day view of one of the most astonishing characters in all the world's history—Andrew Carnegie, freest-handed multi-millionaire ever known.

The name of this man, Scottish born, but American by adoption, has probably been more continuously before the English-speaking public of two continents, both in print and in the talk of the people, for the last few years than that of any other individual now living. It is doubtful whether any other name, not that of a ruler, a statesman or a fighting man, has ever been so widely brought to the front and kept there so long. There is a suspicion here and there that this prominence is not altogether displeasing to Mr. Carnegie; that it has been brought about God-forsakenly and with benevolent oversight. Yet he was well known, and deservedly, years before he began his amazing career of diversified liberality.

Carnegie began to earn money at the age of 12.30 a week, when 11. Fifty-two years later, at 63, when he retired from further money getting, he had accumulated \$10,000,000, according to schedules then published and taken from the records of his various holdings. He had gathered this fortune at the average rate of \$1,000,000 a year, from the time he began work as a bobbin boy in Pittsburgh at 20 cents a day.

According to a published estimate by Henry C. Frick, once Carnegie's close associate, his yearly income when the great steel trust was formed was between \$1,000,000 and \$2,000,000. If it really was as large as Frick said, Carnegie's wealth, estimated on the 5 per cent basis, then aggregated more than \$400,000,000, and, despite his vast largess, he is now credited by many financiers with being worth that vast sum.

While getting his millions together Mr. Carnegie had been one of the greatest individual forces in the wonderful material development of his adopted country that was beginning when he first appeared upon the industrial stage. He was one of the first telegraph operators to read the writing wire by sound. He helped introduce the sleeping car on the Pennsylvania Railroad, of which he was an employe. He was one of the earliest oil producers. He led in the substitution of iron bridges for wooden ones. He helped replace the iron rail with one of steel. He was one of the leading factors, perhaps the most important, in the development of Pittsburgh into the greatest wealth-producing center in America.

At the time his properties were swallowed up by the steel trust he employed more wage-earners than any other person or corporation in the country. It is possible that he was then the largest employer of labor in the world. National governments excepted, though Krupp, the great German ironmaster, may have had a more extensive pay roll.

Fewer, little less than imperial, came, as a matter of course, along with the vast industrial enterprises, and the income larger than that of any living ruler, which was his. There came, also, gigantic contests with other financial and industrial princes, some of them longer established than he and some of them rising rapidly, contemporaneously with him. Out of these titanic fights, most of which he won, by the way, grew hatreds as acrid and lasting as any the world has known. Thus, while he has been celebrated for the friends he has made, he has not been without enemies, and bitter ones at that.

But the world at large feels very kindly toward this man of small stature, great wealth, and big benefactions. And it is certain that his wholesome establishment of technical schools, of libraries, of the great Carnegie Institution at Washington, of hero funds and of various educational institutes, his gifts of organs to poor churches, a peace palace to the world's governments and the endowments of the Scottish universities will make millions remember him long after many of his now famous contemporaries have been forgotten.

Unlike some philanthropists, he does not seek to hide his gifts; all are made public. Only the other day, in a public address, he gave a list of the library buildings he had erected, and told how much money they had cost. Naturally, his name is attached to the institutions he establishes, and stone and metal tablets, well nigh imperishable, will perpetuate it in more places than the name of any other man that has ever been thus displayed. By the time he has erected the number of public libraries he proposes, it has been calculated by an ingenious figure, his name will be printed fifteen million times in the books alone. Nothing short of a complete overturning of the present organization of human society could much lessen its vogue for centuries to come.

Benjamin Franklin left only one or two public benefactions behind him, yet they alone would have kept his name alive, regardless of his eminent public services. Peter Cooper established only one, but he will be remembered as long as the institute which bears his name shall stand. Carnegie will leave thousands of libraries, endowments for half a dozen schools and universities, and most of all the Hague Palace of Peace, to say nothing of other and probably greater future endowments, as yet unannounced.

### Mr. Carnegie's Famous Musical Breakfast

**P**ROMPTLY on the stroke of 8, every morning in the week at this time of the year, a door opens upon the stately main hall of the stately granite mansion which faces Central Park at the corner of Fifth avenue at Ninety-first street.

At exactly the same moment a man, seated at the grand organ forming one

end of the hall, presses his fingers on the keys and the whole house is filled with music.

Presently a short, slender, "pony-bull" man, as he terms himself, with bright eyes and gray hair and beard, who looks about 50, but is really nearer 70, steps out of the open door. His bearing is that of one quite satisfied with himself and his lot in life. After a turn or two up and down the hall he re-enters the door, to appear again after the lapse of 20, 30 or 40 minutes.

The man at the organ is still playing when the little man, who, meanwhile, has breakfasted, emerges the second time. It is the organist's duty to minister musically to his employer till 9 o'clock. Sometimes during the remainder of the hour, the latter paces back and forth; sometimes he sits and dreamily drinks in the harmonies. Almost always the suggestions of the playing of some particular piece of music. At least four times a week he asks for Handel's "Largo." Always he listens with the air of a genuine music lover, which, indeed, he is.

Of course you recognize the little man as Andrew Carnegie. He at the organ is Walter G. Gale, organist at Dr. McConnell's All Souls' Church. Professor Gale is one of the highest paid musicians here or anywhere else, but Mr. Carnegie doesn't balk at the price. In selecting Gale to play for him the organist-steelmaster has merely continued the scheme he adopted nearly 30 years ago, when he began to pile up the millions which enable him now to begin his days and end them exactly as he pleases.

His scheme may be epitomized in this five-word sentence: The best is good enough. He found it satisfactory in the conduct of the Keystone Bridge Works, where he made his first big success. Later, when he had created America's biggest steel works, he carried the scheme to greater lengths than anyone else ever has. He then paid his two score department heads and partners so well that, with few exceptions, each is now a millionaire. While some of them have many millions.

It was because he made his service so profitable to them that Carnegie's lieutenants made themselves so valuable to him. He helped them, they helped him, and everybody hustled. "No favoritism and a share of the business for those who make the business," was an oft-repeated expression of the steelmaster in the formative days.

### First Step in the Organization.

The first step in the organization of what ultimately became the great steel trust was the formation of Carnegie Bros. & Co., Limited, in 1899. This was followed by the Carnegie Company of New Jersey. It was organized under the laws of that state with a capital stock of \$100,000,000 and a bonded debt of a like amount. The par value of the shares was \$100, and the ten largest stock and bondholders were as follows:

Name	Stock	Bonds
A. Carnegie	\$5,000,000	\$5,000,000
Henry Frick	17,227,000	17,227,000
C. Frick	12,447,000	12,447,000
George Laidlaw	4,452,000	4,452,000
C. M. Schwab	3,880,000	3,880,000
H. M. Clark	2,820,000	2,820,000
William M. Singer	2,820,000	2,820,000
L. C. Folsom	2,624,000	2,624,000
A. F. Fowkes	2,624,000	2,624,000
L. C. Carnegie	2,458,000	2,458,000

The other leading stockholders were: Thomas Morrison, James Gayley, W. W. Blackburn, J. Ogden Hoffman, James Scott, W. E. Casey, Louis T. Brown, S. J. Lindsay, H. E. Lester, Jr., W. B. Dickson, John McLeod, A. R. Hurst, A. T. Berg, D. M. Clemson, H. M. Morland, John C. Fleming, George E. McCague, H. P. Pope, James E. Schwab, B. G. Kerr, E. F. Wood, G. E. Bosworth, G. D. Palmer, H. C. Case, C. W. Baker, A. C. Dickey, Charles McCroery, Henry Fhipps, Jr., E. L. T. Loveloy, George F. Whitman, A. R. Whitney, Millard Hunsicker and George McGraw.

### Carnegie's Early Friends and Partners

**T**HESSE men, nearly all young, vigorous and enthusiastic, were the ones to whom Mr. Carnegie referred as "my indispensable and clever partners," when J. Pierpont Morgan undertook the gigantic work of organizing all the leading steel and iron concerns, with their allied industries in mining, coke making, bridge building, structural steel manufacturing and railroad lines into one concrete whole under the now famous name of the United States Steel Corporation.

Few of them had ever been heard of outside of Pittsburgh, and some of them were by no means prominently known there. Henry Clay Frick was widely known as a man of many millions before he became identified with the Carnegie concern. He had practically built up the coke business of the Conneville field. He was a strong man, for years, in the Carnegie concern, and it was this very strength which led to the rupture between him and Carnegie. Each wished to dominate, but Carnegie insisted on being obeyed, whatever the objection. Frick himself was accustomed to being obeyed; when he encountered a similar nature to his own, he refused to bend and the break came. He is still interested in the United States Steel Corporation, but not actively.

Captain William R. Jones was a Pittsburgh ironworker of established fame before he became a stockholder, and the principal technical expert of the Carnegie company. He was killed by an accident in the mills before he could enjoy the full benefit of the wealth that came to him.

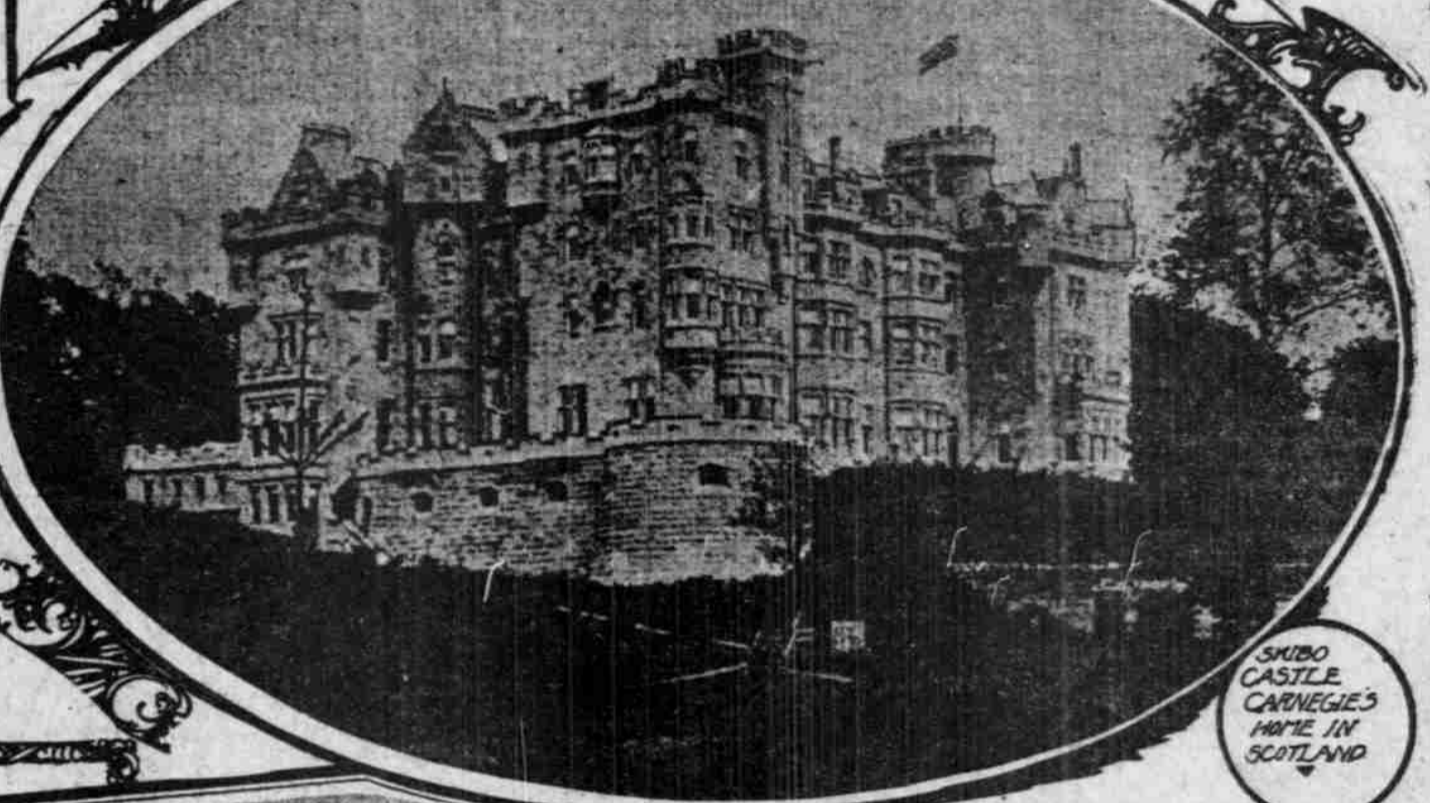
Charles M. Schwab, who was made the United States Steel Corporation's first president, at Mr. Carnegie's dictation, was employed originally in the Carnegie works by Mr. Jones, and, although then ignorant of the mysteries of steel making, the young man applied himself and became an invaluable factor in the practical conduct of the concern. His collapse as the head of the greater combination seems now to have passed away. Anyway, with his Bethlehem Steel Company and his prospective Russian contracts, he looks very much like a man on horseback, so far as steel is concerned, but you never can tell about the future. Schwab has a brother, Joseph, who is active in Steel Corporation affairs.

W. K. Corey, who succeeded Schwab as the Steel Corporation's president, was not one of the partners and re-



ANDREW CARNEGIE

ANDREW CARNEGIE'S FAVORITE PHOTOGRAPH OF THE HIGHLANDS OF FIFTH AVENUE



SKIBO CASTLE, CARNEGIE'S HOME IN SCOTLAND



THE CARNEGIE MANSION ON THE HIGHLANDS OF FIFTH AVENUE, NEW YORK



HENRY CLAY FRICK, FIRST PRESIDENT OF THE STEEL TRUST



CHARLES M. SCHWAB, PRESIDENT OF THE UNITED STATES STEEL CORPORATION



JAMES G. BLAINE

warding heroes, is building model tenements and establishing hospitals for consumptives.

Thus it will be seen that while some of the Carnegie lieutenants are still active in Steel Corporation affairs, many of them, no longer spurred to activity by their stimulating chief of other days, have settled down to the enjoyment of the wealth they got while working with and for him. Most of them are modest enough in their semi-retirement. One of them, A. R. Peacock, who was a salesman for a decorating-house in New York when Carnegie picked him up, has had fame thrust upon him in the newspapers, which often refer to his big private palace in Pittsburgh as "the house with 23 bathrooms."

Hermit among Multi-Millionaires.

Mr. Carnegie is now a hermit in his relations to men of great business affairs," said a prominent captain of industry the other day. Yet Mr. Carnegie likes to foregather with the great folk of Great Britain, and when on the other side of the water he entertains all sorts of titled people, from King Edward down, and is entertained by them. To society,

### Present Intellectual and Artistic Friendships

**M**R. CARNEGIE still keeps up relations with his "boys," as he sometimes terms his former "clever partners," and, once a year, entertains them gen-

erally at a "reunion" in his New York mansion.

But he looks among men of entirely different type for his intimates today. He seems to crave the companionship, mainly, of men of brains as such, not men who have harnessed their mental powers in the building up of vast fortunes, but rather those who employ their minds in strictly intellectual pursuits.

He is on good terms with many of the world's multi-millionaires, but he prefers college professors to captains of industry, writers of books to railroad kings. He is friendly to J. P. Morgan, for instance, so far as any one knows, but he would rather spend an hour with John Morley, the historian and publicist, than a year with the great combiner.

### Carnegie's Dollars at Teddy's Disposal.

Carnegie's friendship with the President is a matter of common knowledge. His preference for the Republican cause last Fall was announced as prominently as he knew how, early in October, on his return from Skibo. It may not be so generally known, though, that he professed to be ready to back his preference with cold cash should it be necessary. On hearing that "Wall Street" reputedly meant to raise a big Republican campaign fund every fourth year, had decided to throw its influence and money against Roosevelt, the steelmaster sought a man high in Republican councils and said substantially:

"If the Wall-street men do raise a big fund for Parker, I will match them dollar for dollar. I will give more than they fund, if necessary, to help the election of Roosevelt; so there is no occasion to feel alarmed at that story."

Mr. Carnegie is proud of the fact that in Mr. Gladstone's lifetime the two were close friends, and he has a big collection of personal letters from the great English liberal, which he delights to show to his intimates. They are written in the Grand Old Man's most difficult hand, and bear upon almost every topic of human inter-

est. You mightn't think it, but many of the Gladstone missives are inscribed upon postal cards.

Those who have been conversant with the steelmaster's political views during the last 30 years remember very well that he was once a strenuous advocate of the high protective tariff policy, but that later he changed front, declaring for lower tariffs, on the ground that the purposes of high protection, good when adopted, and necessary to the proper development of the country's industries, had now been served. The industries had been built up and needed protection no longer.

Certain persons have been uncharitable enough to attribute this change of heart to the fact that Carnegie himself had profited enough by the tariff on iron and steel to be ready to disprove with it. It was pointed out as a singular coincidence, also, that the change came soon after there had been trouble between the Carnegie works and the Government over armor plate, and at a time when Mr. Cleveland was in the Presidential chair.

Those who should know something of his motives say, however, that Mr. Carnegie was probably more profoundly influenced in that matter by his talks and correspondence with Mr. Gladstone, whose conviction that free trade was the true solution of every nation's ills, and whose splendid persuasive powers are well known by any other considerations.

### Carnegie's Bookshelf Friends.

Mr. Carnegie has profited a great deal by his close study of the human volumes he has met in his journey through life, but he holds his friends, the books that fill the shelves of his extensive private libraries, in Skibo Castle and the mansion on the Highlands of Fifth avenue, in higher regard than he holds most men. He is as close a student of books as either James J. Hill or Theodore Roosevelt, though he does not read the classics in the original, as they do.

In both castle and mansion the books are housed superbly. Shelves packed with volumes reach from floor to ceiling. They are arranged and classified with well-nigh perfect system, and there is hardly any

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