

YOUNG ANDREW CARNEGIE BECOMES A BUSINESSMAN

By ANDREW CARNEGIE
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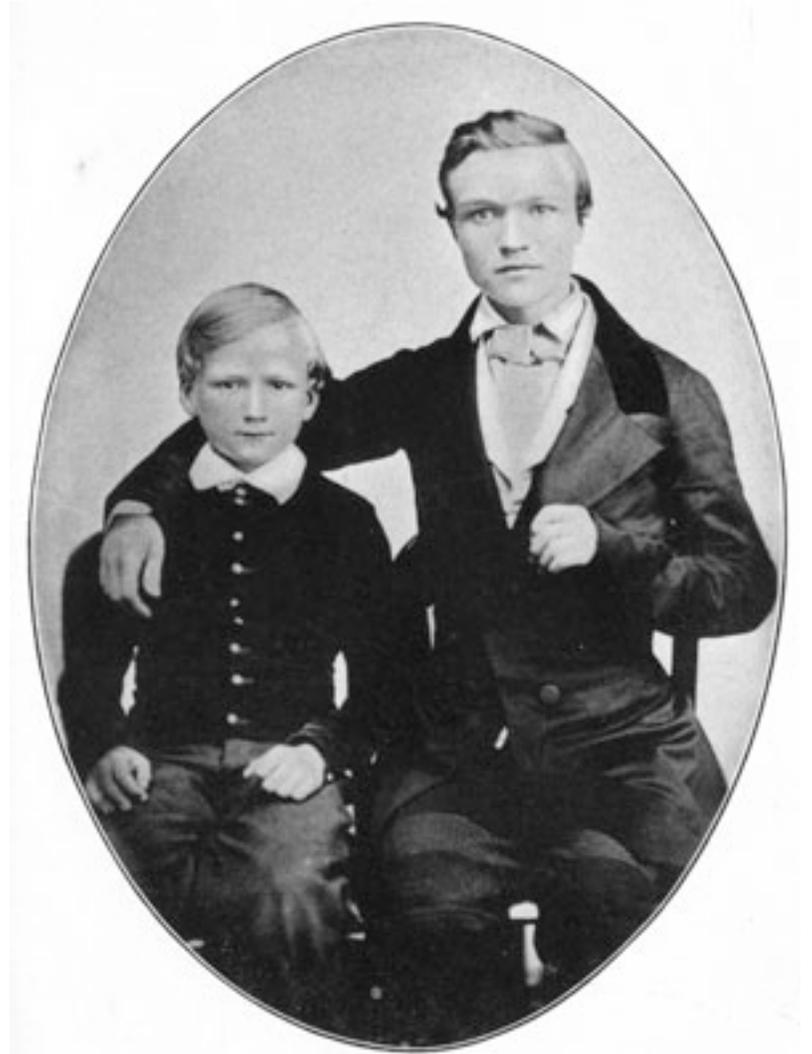
...I am sure that I should never have selected a business career if I had been permitted to chose.

The eldest son of parents who were themselves poor, I had, fortunately, to begin to perform some useful work in the world while still very young, in order to earn an honest livelihood...What I could get to do, not what I desired, was the question.

When I was born my father was a well-to-do master-weaver in Dunfermline, Scotland. He owned no less than four damask looms and employed apprentices. This was before the days of steam factories for the manufacture of linen. A few large merchants took orders and employed "master-weavers," such as my father, to weave the cloth, the merchants supplying the materials.

As the factory system developed, handloom weaving naturally declined, and my father was one of the sufferers by the change. The first serious lesson of my life came to me one day when he had taken in the last of his work to the merchant and returned to our little home greatly distressed because there was no more work for him to do. I resolved then that "the wolf of poverty" would be driven from our door some day, if I could do it.

The question of selling the old looms and starting for the United States came up in the family council, and I heard it discussed from day to day. It was finally resolved to take the plunge and join relatives already in Pittsburgh. I well remember that neither father nor mother thought the



Andrew Carnegie at age 16 posing with his younger brother Thomas.

change would be otherwise than a great sacrifice for them, but that “it would be better for our two boys....”

Arriving in Allegheny City, four of us, -father, mother, my younger brother and myself, - father entered a cotton factory. I soon followed and served as a “bobbin boy,” and this is how I began my preparation for subsequent apprenticeship as a business man. I received one dollar and twenty cents a week, and was then just about twelve years old.

I cannot tell you how proud I was when I received my first week’s own earnings. One dollar and twenty cents made by myself and given to me because I had been of some use in the world! No longer entirely dependent upon my parents, but at last admitted to the family partnership as a contributing member and able to help them! I think this makes a man out of a boy sooner than almost anything else.... It is everything to feel that you are useful....

For a lad of twelve to rise and breakfast every morning, except the blessed Sunday morning, and go into the streets and find his way to the factory, and begin work while it was still dark outside, and not be released until after darkness came again in the evening, forty minutes’ interval only being allowed at noon, was a terrible task.

But I was young...and something within always told me that...I should some day get into a better position....

A change soon came, for a kind old Scotsman, who knew some of our relatives, made bobbins and took me into his factory before I was thirteen. But here for a time it was even worse than in the cotton factory, because I was set to fire a boiler in the cellar, and actually to run the small steam-engine which drove the machinery.

The firing of the boiler was all right, for fortunately we did not use coal, but the refuse wooden chips, and I always liked to work in wood. But the responsibility of keeping the water right and of running the engine, and the danger of my making a mistake and blowing the whole factory to pieces, caused too great a strain, and I often awoke and found myself sitting up in bed through the night trying the steam gauges. But I never told them at home that I was having a “hard tussle.” No! No! Everything must be bright to them.

This was a point of honor, for every member of the family was working hard except, of course, my little brother, who was then a child, and we were telling each other only all the bright things. Besides this no man would whine and give up - he would die first....

My kind employer, John Hay, peace to his ashes, soon relieved me of the undue strain, for he needed some one to make out bills and keep his accounts, and finding that I could write a plain schoolboy hand, and could “cipher”, I became his only clerk. But still I had to work hard up-stairs in the factory, for the clerking took but little time....

I come now to the third step in my apprenticeship, for I had already taken two, as you see, the “cotton factory” and then the “bobbin factory”...I obtained a situation as messenger-boy in the telegraph office of Pittsburgh when I was fourteen. Here I entered a new world.

Amid books, newspapers, pencils, pen and ink and writing pads, and a clean office, bright windows and the literary atmosphere, I was the happiest boy alive.

My only dread was that I should some day be dismissed because I did not know the city; for it is necessary that a messenger-boy should know all the firms and addresses of men who are in the

habit of receiving telegrams. But I was a stranger in Pittsburgh. However, I made up my mind that I would learn to repeat successively each business house in the principal streets, and was soon able to shut my eyes and begin at one side of Wood Street, and call every firm successively to the top, then pass to the other side and call every firm to the bottom. Before long I was able to do this with the business streets generally. My mind was then at rest upon that point.

Of course, every ambitious messenger-boy wants to become an operator, and before the operators arrived in the early mornings the boys slipped up to the instruments and practiced. This I did and was soon able to talk to the boys in the other offices along the line, who were also practicing.

One morning I heard Philadelphia calling Pittsburgh and giving the signal, "Death Message." Great attention was then paid to "Death Messages," and I thought I ought to try to take this one. I answered and did so, and went off and delivered it before the operator came. After that the operators sometimes used to ask me to work for them.

Having a sensitive ear for sound I soon learned to take messages by the ear, which was then very uncommon - I think only two persons in the United States could then do it. Now every operator takes by ear, so easy is it to follow and do what any other boy can - if you only have to. This brought me into notice, and finally I became an operator and received the - to me - enormous recompense of twenty-five dollars per month, three hundred dollars a year!

This was a fortune; the very sum that I had fixed when I was a factory-worker as the fortune I wished to possess, because the family could live on three hundred dollars a year and be almost, or quite, independent. Here it was at last! But I was soon to be in receipt of extra compensation for extra work.

The six newspapers of Pittsburgh received telegraphic news in common. Six copies of each dispatch were made by a gentleman who received six dollars per week for the work, and he offered me a gold dollar every week if I would do it, of which I was very glad, indeed, because I always like to work with news and scribble for newspapers....

I think this last step of doing something beyond one's task is fully entitled to be considered "business." The other revenue, you see, was just salary obtained for regular work' but here was a "little business operation" upon my own account, and I was very proud indeed of my gold dollar every week.

The Pennsylvania Railroad shortly after this was completed to Pittsburgh, and that genius, Thomas A. Scott, was its superintendent. He often came to the telegraph office to talk to his chief...and I became known to him in this way. When that great railway system put up a wire of its own, he asked me to be his "clerk and operator." So I left the telegraph office...and became connected with the railways.

The new appointment was accompanied by a, to me, tremendous increase of salary. It jumped from twenty-five to thirty-five dollars per month. *[Ed. Note: Andrew's \$35 a month would be the equivalent of \$636 a month in 2012 dollars]* Mr. Scott was then receiving one hundred and twenty-five dollars per month, and I used to wonder what on earth he could do with so much money.

I remained for thirteen years in the service of the Pennsylvania Railroad Company, and was at last superintendent of the Pittsburgh division of the road, successor to Mr. Scott, who had in the meantime risen to the office of vice-president of the company.

One day Mr. Scott, who was the kindest of men, and had taken a great fancy for me, asked if I had or could find five hundred dollars to invest.

Here the business instinct came into play. I felt that as the door was opened for a business investment with my chief, it would be willful flying in the face of providence if I did not jump at it; so I answered promptly:

“Yes, sir, I think I can.”

“Very well,” he said, “get it; a man has just died who owns ten shares in the Adams Express company, which I want you to buy. It will cost you sixty dollars per share, and I can help you with a little balance if you cannot raise it all.” *[Ed. Note: In 2012 dollars, the stock would cost \$845 per share.]*

Here was an awkward position. The available assets of the whole family were not five hundred dollars.... Indeed, had Mr. Scott known our position he would have advanced it himself, but the last thing in the world the proud Scot will do is to reveal his poverty and rely upon others. The family had managed by this time to purchase a small house, and paid for it in order to save rent. My recollection is that it was worth eight hundred dollars.

The matter was laid before the council of three that night, and the oracle spoke. “Must be done. Mortgage our house. I will take the steamer in the mourning for Ohio and see uncle, and ask him to arrange it. I am sure he can.” This was done. Of course her visit was successful - where did she ever fail?

The money was procured; paid over; ten shares of Adams Express Company stock was mine, but no one knew our little home had been mortgaged “to give our boy a start.” Adams Express Stock then paid monthly dividends of one per cent, and the first check for ten dollars arrived. I can see it now, and I well remember the signature of “J.C. Babcock, cashier...” *[Ed. Note: The Adams Express Company is still in business today after over 150 years. Today is a financial company operating as a closed-end investment fund.]*

Here was something new to all of us, for none of us had ever received anything but from toil. A return from capital was something strange and new. How money could make money...led to much speculation upon the part of my friends, and I was for the first time hailed as a “capitalist.”

A very important incident in my life occurred when one day in a train a nice, farmer-looking gentleman approached me, saying that the conductor had told him I was connected with the Pennsylvania Railroad, and he should like to show me something. He pulled from a small green bag the model of the first sleeping-car. This was Mr. Woodruff, the inventor. Its value struck me like a flash. I asked him to come to Altoona the following week, and he did so.

Mr. Scott, with his usual quickness, grasped the idea. A contract was made with Mr. Woodruff to put two trial cars on the Pennsylvania Railroad. Before leaving Altoona Mr. Woodruff came and offered me an interest in the venture, which I promptly accepted. But how I was to make my payments rather troubled me, for the cars were to be paid for in monthly installments after delivery, and my first monthly payment was to be two hundred and seventeen dollars and a half.

I had not the money, and I did not see any way of getting it. But I finally decided to visit the local banker and ask him for a loan, pledging myself to repay at the rate of fifteen dollars per month. He



Andrew Carnegie circa 1878

promptly granted it. Never shall I forget his putting his arm over my shoulder, saying, "Oh yes, Andy, you are all right."

I then and there signed my first note. Proud day this; and surely, now, no one will dispute that I was becoming a "business man." I had signed my first note and, more important of all, - for any fellow can sign a note, - I had found a banker willing to take it as "good."

My subsequent payments were made by the receipts from the sleeping-cars, and I really made my first considerable sum from this investment in the Woodruff Sleeping Car Company, which was afterward absorbed by Mr. Pullman - a remarkable man who is now known all over the world.

Shortly after this I was appointed superintendent of the Pittsburgh Division, and returned to my dear old home, smoky Pittsburgh. Wooden bridges were then used exclusively upon the railways, and the Pennsylvania Railroad was experimenting with a bridge built of cast-iron. I saw that wooden bridges would not do for the future, and organized a company in Pittsburgh to build iron bridges.

Here again I had recourse to the bank, because my share of the capital was twelve hundred and fifty dollars and I had not the money; but the bank lent it to me, and began the Keystone Bridge Works, which proved a great success. This company built the first great bridge over the Ohio river, three hundred feet span, and has built many of the most important structures since.

This was my beginning in manufacturing; and from that start all our other works have grown, the profits of the one works building the other. My "apprenticeship" as a business man soon ended, for I resigned my position as an officer of the Pennsylvania railroad company to give exclusive attention to business.

I was no longer merely an official working for others upon a salary, but a full-fledged business man working upon my own account.