

Extract from a chapter entitled Philanthropy Becomes Big Business 1901-1911 in Joseph Frazier Wall's book "Carnegie"

Pages 882 & 883

Most discouraging of all was the fact that no matter how fast he had run during those ten years of giving, he had not run fast enough. The interest on his bonds kept gaining on his dispersal of those bonds. He had given away \$180,000,000, but he still had almost the same amount left. His friend, Secretary of State Elihu Root, said to him when he was feeling at his lowest, "You have had the best run for your money I have ever known." Carnegie could not share his friend's enthusiasm. It had been a good run, all right, but the capitalistic system at 5 per cent was faster than he. He told Root that he would have to die in disgrace after all, for he could not possibly get rid of all his wealth in the few years that were left to him. Root had a simple solution. Why didn't Carnegie set up a trust, transfer the bulk of his fortune to others for them to worry about, and die happy in a state of grace?

And so it was done. Carnegie created the Carnegie Corporation of New York in November 1911, and in a series of grants he transferred to it the bulk of his remaining fortune, \$125,000,000, "to promote the advancement and diffusion of knowledge among the people of the United States by aiding technical schools, institutions of higher learning, libraries, scientific research, hero funds, useful publications, and by such other agencies and means as shall from time to time be found appropriate therefor." As a board of trustees, he simply brought together the presidents of all of his other American philanthropic trusts—Pritchett, Woodward, Charles L. Taylor of the Carnegie Hero Fund, Samuel H. Church, who had succeeded William N. Frew as president of the Carnegie Institute of Pittsburgh, and Elihu Root, president of the Carnegie Endowment for International Peace—as well as his faithful secretaries, Robert Franks, James Bertram, and John A. Poynton. He himself, as was only fitting, assumed the presidency of the Corporation. As United States Steel had been the super-corporation in industry, so the Carnegie Corporation of New York was the super-trust in the history of philanthropy. For not until the expansion of the Ford Foundation following the death of Henry Ford in 1947 would the world know a greater accumulation of capital in a single organization devoted to philanthropic causes. There remained only one last thing for Carnegie to do in this "business of benevolence"—to provide for a continuation of the library and church organ grants in Great Britain after his death. At first he thought that a simple order to the Carnegie Corporation of New York to transfer \$10,000,000 to a new Trust, to be called the Carnegie United Kingdom Trust, would be sufficient. Root, however, informed him that he was bound by the terms of his own charter. The money was no longer his to spend, and the charter stipulated that the Carnegie Corporation funds had to be used in the United States and Canada. So, in 1913, Carnegie was obliged to dig down into his own remaining resources in order to endow the United Kingdom Trust.