

Diversifying the Economy of the Anthracite Regions, 1880-1900

ECONOMIC dislocation dramatized the perils of being dependent upon one industry for the communities of the anthracite regions of Pennsylvania. Peaking at 100,445,299 tons in 1917, hard coal production has drastically declined.¹

Year	Tonnage	Employees	Year	Tonnage	Employees
1940	51,526,454	90,790	1954	26,612,312	44,731
1941	53,942,177	88,849	1955	25,934,792	37,397
1942	57,939,629	83,849	1956	28,175,633	35,029
1943	60,511,730	79,369	1957	25,163,406	32,767
1944	64,112,589	78,145	1958	20,456,474	26,738
1945	55,901,235	76,265	1959	19,670,615	24,112
1946	61,978,710	80,556	1960	17,721,113	20,269
1947	58,227,985	80,730	1961	16,506,612	16,971
1948	59,108,810	80,390	1962	16,496,315	14,704
1949	44,710,118	79,209	1963	17,416,202	14,323
1950	46,339,255	75,231	1964	16,524,687	13,584
1951	42,389,055	70,357	1965	14,229,817	11,839
1952	40,067,130	66,438	1966	12,031,375	9,621
1953	30,495,391	56,952	1967	11,552,441	7,828

While employment levels fell with production, during the 1930's more efficient deep mining techniques and an increase in strip mining forced a more than corresponding reduction in the number of men hired by the anthracite industry.

The decline in employment was disastrous for the mining communities. Some of the smaller "mine patches" became ghost towns as their inhabitants found work elsewhere. Even the larger communities, which served as regional entrepôts, suffered an alarming loss of population. Indeed, it was quite probable that, if the trend

¹ Commonwealth of Pennsylvania, Department of Mines and Mineral Industries, *Annual Reports of Mine Inspectors, 1967 Anthracite Division*, 41-42.

continued, they too would become mute testimonials to the reign of "King Coal."²

Community	Population		
	1940	1950	1960
Hazleton	38,009	35,491	32,056
Mount Carmel	17,780	14,222	10,760
Pottsville	24,530	23,640	21,659
Scranton	140,404	125,536	111,443
Shamokin	18,810	16,879	13,674
Wilkes-Barre	86,236	76,826	63,551

In the late 1940's, however, the citizens of the coal towns launched an earnest campaign to reverse the trend by diversifying the economies of their communities. Today almost every coal town boasts an organization dedicated to the importation of new industries. By advertising their communities, building plant shells, and offering other inducements, the industrial associations have enjoyed some success. Recently one, CAN-DO, Inc. of Hazleton, achieved national acclaim when Hazleton received the coveted "All-American City" award from the National Municipal League and *Look* magazine.³

While applauding the efforts of a depressed area to rejuvenate itself, some are tempted to condemn earlier community leaders for remaining content with a one-industry economy. Such condemnation, however, is unwarranted. During the last decades of the nineteenth century businessmen in the anthracite regions decided that the economies of their various communities should be diversified and vigorously implemented their decision.

Several factors influenced their desire to create a broader economic base for the coal towns. One of the most important was a large pool of unemployable labor. Since coal mining was man's work, women experienced great difficulty in securing gainful employment. The more ambitious females might find work outside the region but, freed from parental supervision, others might drift into a life of sin. "Hundreds of girls," lamented a coal-town editor, "are driven

² United States, Bureau of the Census, *United States Census of Population, 1960*, Vol. I, *Characteristics of the Population*, Part 40, *Pennsylvania*, 17-19.

³ Hazleton received the award in 1964. See also John R. Fernstrom, *A Community Attack on Chronic Unemployment* [United States, Department of Commerce, *Community Development Series*, No. 1] (Washington: Government Printing Office, 1960).

from this valley every year to become harlots."⁴ Clearly community leaders had an obligation to keep the girls home and chaste.

More mundane reasons reinforced the concern over jobless women. Independent merchants could hope to strike a blow against the dreaded company store by securing work for the female members of the families of the mine workers.⁵ Where the mine workers were not captives of the company store, businessmen could hope to raise the consumption levels of labor by providing an additional source of family income.

Consumption patterns of the anthracite mine workers reflected their low earnings. In 1884, for example, contract miners, the highest paid class, earned \$2.70 per day while outside laborers received \$1.40.⁶ Reductions for tools, oil, and powder lowered the take-home pay.⁷

Inconsistent employment decreased the low earning capacity of mine workers. Dependent upon the domestic fuel market, anthracite production followed seasonal fluctuations in demand. "When things begin to improve," an operator explained, "we must have enough employees on hand to satisfy the demand, and that means, when business slacks up, that many have to be idle."⁸ Theoretical and actual wages in 1884 were as follows:⁹

Class	Theoretical Wages (At Full Time)			Real Wages		
	Day	Week	Year	Day	Week	Year
Contract miner	\$2.70	\$16.20	\$842.40	\$2.70	\$8.84	\$459.68
Miner on wages	2.00	12.00	624.00	2.00	7.00	364.00
Inside laborer	1.78	10.68	553.36	1.78	6.14	319.28
Outside laborer	1.40	8.40	436.16	1.40	4.91	255.32
Driver	1.43	8.58	446.16	1.43	5.32	276.64
Blacksmith	1.91	11.46	595.92	1.91	7.16	372.32

⁴ *Daily Record of the Times* (Wilkes-Barre), May 25, 1881, 2.

⁵ It could be hoped that the portion of family income not derived from mining would be spent in independent establishments rather than in the company store.

⁶ Commonwealth of Pennsylvania, Secretary of Internal Affairs, *Annual Report, 1884*, Part III, *Industrial Statistics*, 4.

⁷ *Daily Republican* (Pottsville), Oct. 26, 1887, 1; Joseph F. Patterson, "Reminiscences of John Maguire After Forty Years of Mining," *Publications of the Historical Society of Schuylkill County*, IV (1914), 312.

⁸ Quoted by J. G. Brooks, "Impression of the Anthracite Coal Troubles," *Yale Review*, VI (1897), 307.

⁹ Commonwealth of Pennsylvania, Secretary of Internal Affairs, *Annual Report, 1884*, Part III, *Industrial Statistics*, 4.

Management's attempt to compensate for the basic weakness of the industry, overinvestment, accentuated the employment caused by seasonal demand. An overbuilt plant easily outstripped demand causing a decline in coal prices.¹⁰ The domination of the industry by a few railroad-carrying-mining corporations permitted management to limit production through a coal pool. Instituting three-quarter, one-half, and one-quarter time, and, whenever necessary, the total suspension of work, the coal pool maintained prices at the expense of labor.¹¹ Worse, from a mercantile view, the operation of the coal pool made planning difficult. Many businessmen agreed that their town should "free itself from dependence upon the fickel [*sic*] coal trade."¹²

Labor's response to low wages and short work made the future even more unpredictable. Although often supporting the mine workers, local merchants realized that strikes played havoc with their own interests.¹³ Strikers cut back on their purchases thus reducing the revenue of local businessmen. During the strike of 1887-1888, for example, the firm of Fowler, Dyke, and Walker found business at Hazleton so poor that it closed its doors.¹⁴ Observing the decline of business during this strike, a prolabor editor concluded "if the strike in this region teaches Hazleton one lesson more than another it is that we should have more home industries."¹⁵

Social considerations buttressed the moral and economic arguments for diversification. As property owners, the merchants considered themselves the natural leaders of their communities; most subscribed to the opinion expressed by the editor of *The Plain Speaker* on July 23, 1891:

Those who own the town should take care of its future. If the people who don't own it, but imagine they do, because they own the coal under it, are

¹⁰ United States, House, Subcommittee of the House on Interstate and Foreign Commerce, *Report and Testimony in Regard to the Alleged Combination of the Philadelphia and Reading Company and Other Railroad and Canal Companies and Producers of Coal*, 52nd Congress, 1892, Report 2278, 21.

¹¹ G. O. Virtue, "The Anthracite Combinations," *Quarterly Journal of Economics*, X (1896), 296-323; Eliot Jones, *The Anthracite Coal Combination in the United States with Some Account of the Early Development of the Anthracite Industry* [*Harvard Economic Studies*, XI] (Cambridge, 1914).

¹² *Daily Republican*, Sept. 21, 1887, 3.

¹³ *Shenandoah Herald*, Mar. 23, 1871, 4; *Daily Republican*, Dec. 6, 1887, 1.

¹⁴ *Daily Republican*, Sept. 21, 1887, 3.

¹⁵ *The Plain Speaker* (Hazleton), Dec. 1, 1887, 2.

permitted to run the town, the real estate owners and businessmen of Hazleton will have only themselves to blame. . . . We must look *above ground* for the real owners of the town—the people who most concern themselves for its welfare.

Yet the middle class was painfully aware that it could not equal the power and influence of the great railroad companies which dominated the anthracite industry and which were based in New York City and Philadelphia.¹⁶ The fact that corporation bureaucrats, who simply managed but did not own property, wielded the power of the coal industry increased the frustration of regional businessmen.¹⁷ To the more astute members of the middle class their gaining a position of leadership could be achieved only by freeing their communities from economic dependency upon the mining industry.¹⁸

These businessmen could not see any reason why the anthracite regions should be solely dependent upon coal. The area abounded with attractions for manufacturers, perhaps the most obvious of which was a plentiful fuel supply. It also enjoyed a strategic market location. From their nearest point the hard coal fields are 90 miles from Philadelphia, 140 miles from New York, 265 miles from Buffalo, and 250 from Pittsburgh.¹⁹ An excellent railroad network promised quick and inexpensive transport to these consuming centers.²⁰ Finally, the coal communities contained a large reservoir of unemployed female labor.

Coal region merchants, however, needed an organization to advertise the advantages of their communities to prospective industrialists. In some towns interested men formed "improvement associations" to import factories.²¹ Local Boards of Trade, however,

¹⁶ *The Daily Standard* (Hazleton), Sept. 11, 1897, 4; *Scranton Republican*, Sept. 20, 1877, 4; *The Plain Speaker*, Sept. 26, 1887, 2. See also Rowland Berthoff, "The Social Order of the Anthracite Region, 1825-1902," *The Pennsylvania Magazine of History and Biography*, LXXXIX (1965), 275-278.

¹⁷ Corporation bureaucrats were not the product of only the large corporation; many of the small independent operators were absentee owners and depended upon managers.

¹⁸ *The Plain Speaker*, July 21, 1891, 2; *Daily Republican*, Dec. 12, 1884, 2.

¹⁹ Jules Irwin Bogen, *The Anthracite Railroads: A Study in American Enterprise* (New York, 1927), 5.

²⁰ Eleven railroads served the anthracite regions and many communities enjoyed the services of two or more lines. Pottsville, for example, had three railroads. *Weekly Miners' Journal* (Pottsville), Sept. 20, 1887, 2.

²¹ *The Hazleton Weekly Sentinel*, Jan. 27, 1898, 4; *Weekly Miners' Journal*, Feb. 3, 1882, 6.

usually functioned as the agencies of economic diversification. In 1891, for example, the merchants of Frackville formed a Board of Trade "whose business it will be to invite manufacturers to visit [Frackville] with a view of locating there."²²

Advantageously situated individuals often supplemented the efforts of the local organizations. The editor of *The Plain Speaker* opened negotiations with a steam bakery company in the hope of having it locate a plant in Hazleton.²³ The Chief Burgess of Pottsville corresponded with George W. Fulton and Company, silk manufacturers at Paterson, New Jersey, concerning the inducements his city might offer to secure the location of their silk mill.²⁴

Quickly discovering that the natural attractions of the area were insufficient inducements, promoters of economic diversification lured manufacturers into their communities with a variety of other offers. Some towns donated land to industrialists; Wilkes-Barre secured the Wightman Manufacturing Company with a gift of twelve acres.²⁵

Promotional organizations also provided plant shells for interested industrialists. The Pottsville Board of Trade advertised in Boston papers that it would rent at "a nominal figure for two years" a building equipped with some machinery to any shoe company willing to begin operations in that coal town.²⁶ In 1896 Hazleton businessmen organized the Hazleton Improvement Company to buy land and build factories for lease.²⁷

Promises of stock subscriptions could also attract industrialists. Pittston merchants offered Frank Rosebook a \$5,000 stock subscription if he would settle his electrical products firm in their community.²⁸ The citizens of Hazleton secured a silk mill by supplying \$90,000 of the company's capital.²⁹ Occasionally the prospective manufacturer made excessive demands. Pottsville businessmen balked at the request of a property and an investment of

²² *Daily Republican*, Apr. 23, 1891, 2.

²³ *The Plain Speaker*, Dec. 12, 1891, 2.

²⁴ *Daily Republican*, Oct. 4, 1895, 2.

²⁵ *Scranton Republican*, May 22, 1881, 5. See also *Daily Republican*, Nov. 24, 1890, 2.

²⁶ *Ibid.*, June 12, 1885, 1.

²⁷ *The Hazleton Weekly Sentinel*, Oct. 21, 1897, 6.

²⁸ *Scranton Republican*, Mar. 8, 1886, 3.

²⁹ *Wilkes-Barre Telephone*, May 21, 1886, 2.

\$30,000 by the Foltrell Insulated Wire Company, while the Scranton Board of Trade found it difficult to raise the \$150,000 necessary to secure the location of the Sheldon Axle Works.³⁰

The payment of a large inducement did not guarantee the permanent location of a new factory. Indeed, every coal town had to maintain a constant vigilance lest some jealous neighbor attempt to lure its new employers away.³¹ In 1888 the *Daily Republican* warned the citizens of Pottsville that parties from Williamsport, Pennsylvania, offered the Distin Horn Manufacturing Company a new building and \$30,000 if it would move its plant to their city.³² Two years later the same paper reported the loss of the Kurtz Refrigerator Company.³³ Mount Carmel businessmen were able to secure the removal of the Tamaqua Manufacturing Company by subscribing "liberally" to its new stock issue.³⁴

While a few communities experienced disappointment in their attempts to diversify, most anthracite region towns were successful in securing other industries. In 1897 Hazleton boasted a "Factory Hill" which contained a planing mill, a flax mill, and a brewery, while other industrial establishments were scattered throughout the city.³⁵ In Pottsville the *Daily Republican* proudly announced "all our surplus female population is now profitably employed and the town is reaping the benefit."³⁶ By the turn of the century almost every anthracite coal town contained at least one factory or mill.³⁷

There are some who may argue that the success of the first effort to broaden the industrial base of the anthracite regions was more illusory than real. The industries attracted to the hard coal fields could hardly provide a solid economy. Weak financial structures evidenced by demands for capital donations made the new factories dubious assets. Many of the new industries proved quite willing to "flee" from their adopted communities when offered a more substantial inducement elsewhere.

³⁰ *Daily Republican*, Oct. 26, 1889, 4; May 21, 1886, 2.

³¹ *Scranton Republican*, Mar. 8, 1896, 4; May 29, 1891, 5; *Daily Republican*, Oct. 8, 1895, 2.

³² *Ibid.*, Dec. 19, 1888, 1.

³³ *Ibid.*, Apr. 4, 1890, 4.

³⁴ *Ibid.*, Nov. 11, 1893, 4.

³⁵ *The Hazleton Weekly Sentinel*, Aug. 19, 1897, 6.

³⁶ *Daily Republican*, Oct. 22, 1889, 2.

³⁷ *Daily Record of the Times*, Apr. 6, 1882, 3; *Daily Republican*, July 27, 1887, 4; Dec. 8, 1888, 4.

More important, perhaps, was the nature of the new industries. Most were engaged in pursuits which added low value to the total economy and paid low wages.³⁸ "The factory inspector will tell you," F. H. Nichols reported, "'the mills locate in [the] anthracite [regions] because they all employ girls and girl labor is cheaper here than elsewhere.'" ³⁹ It was quite impossible for such industries to provide a prosperous economy when the mining industry declined.

Superficially convincing, the argument that this early effort to diversify was unsuccessful becomes less valid when placed in the proper perspective. Local businessmen in the late nineteenth century simply could not anticipate a decline in the coal-mining industry. Although anthracite surrendered its primacy as an iron-producing fuel to bituminous coal and coke, it still retained a firm grip on the domestic fuel market. Furthermore, a continuous yearly increase in both production and employment figures gave every indication that the anthracite industry had a prosperous future.⁴⁰

The local merchants, therefore, were not trying to replace the mining industry. Rather they sought to provide employment opportunities for women and thereby add a crucial marginal income to the families of the mine workers as a buffer to the mining industry's sporadic employment practices. The accent on the importation of small female employers also reflected the merchants' social needs. The employment of regional women freed the middle class from a complete dependency on the coal companies without providing an additional rival to the position of community leadership to which the middle class aspired. Finally, the industries imported during this first drive provided the economic cushion which absorbed the initial shock of the dislocation of the mining industry and permitted the anthracite coal communities to embark upon their second drive for economic diversification.

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³⁸ Eugene W. Miller, "The Southern Anthracite Region: A Problem Area, 1920-1952," *Economic Geography*, XXXI (1955), 339.

³⁹ F. H. Nichols, "Children of the Coal Shadow," *McClure's*, XX (1902-1903), 440.

⁴⁰ Commonwealth of Pennsylvania, Department of Mines and Mineral Industries, *Annual Reports of the Mine Inspectors, 1967 Anthracite Division, 41-42.*