Consolidation Coal Co. (1860-1935) 75 Years of Growth

by Dave Johnson

The Consolidation Coal Co. came into being when several small independent coal operators in the Georges Creek Region of Maryland combined into a single firm. While the Consolidation Coal Co. incorporated on March 9, 1860, through an act of the Maryland State Legislature, its official organization did not occur until April 19, 1864 due to the Civil War.

The first mining operations for the new firm took place on the Big Vein Georges Creek coal seam in the western portion of Allegany County, Maryland, known as the Georges Creek Region. In 1865 Consolidation was ranked sixth among coal producers in this region, but through aggressive business practices were able to rise to number one position with production of 287,605 tons of coal within a few years.

Consolidation continued an aggressive expansion program and acquired the Cumberland Coal and Iron Company in 1870 and by the end of that year owned five-sixths of all Big Vein coal in the region. By 1873 regional production had risen to 2,674,101 tons, but the financial panic of the same year drove sales, and thus, production down for several years to follow. Regional production for 1877 was only 1,574,339 tons. Production for the region rose to 2,136,160 tons in 1880.

In 1881, the extensive shops of Consolidation Coal located at Mount Savage began producing locomotives and railway cars for general sale. Nineteen locomotives were produced in 1882 and 16 in 1883. While the railroad business fared well for Consolidation Coal, the mining end of the business suffered in 1882 as the result of a miner' s strike called by the Knights of Labor. As a result of the strike which lasted from March 15 through August 28, coal production for Consolidation dropped from 844,368 tons in 1881 to just 472,048 tons in 1882.

The strike was broken by the unified effort of all coal operators in the region and the miners were forced to accept the operators' terms. Another strike followed in 1886, led by the Federation of Miners and Mine Laborers beginning March 1 and continuing for ten weeks with no concessions being granted by the operators.

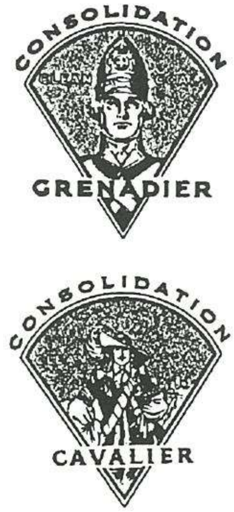
In 1894, all mines in the region reduced wages precipitating a strike in the mines except for three of those owned by Consolidation. The Maryland Militia was called in to quell disturbances caused by the striking miners who had been called out by the relatively young and untried United Mine Workers. The strike lasted from May 7 to June 29 and its end broke the strength of the UMWA in the region until the region's miners were reorganized under the leadership of William Warner of the UMWA in 1899.

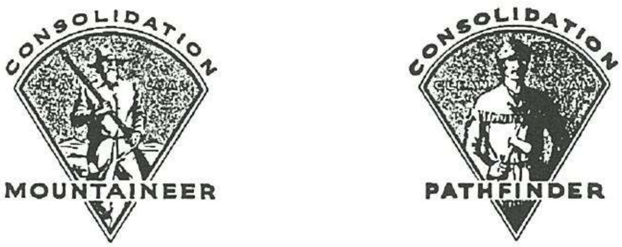
April 1, 1896 saw Consolidation, along with all regional coal producers increase the wages of miners from 40 cents to 45 cents per ton of coal mined. The payroll system was simultaneously changed from monthly to biweekly paydays. Total coal production for Consolidation in 1896 was 1,296,064, a new annual production highwater mark. Production continued to climb yearly so that production in 1899 was 1,720,844 tons mined. In 1899 consolidation owned approximately 14,000 acres of coal land in the Georges Creek Region.

All operators in the region increased miner's wages from 45 cents to 55 cents per ton mined in early 1900. However, in April of the same year, the miners struck, arguing that they should be paid the 60 cent rate then prevailing in the regions with thinner and more difficult to work coal seams. Consolidation believed that the better working conditions prevalent in the region due to the thicker coal seams justified the lower pay rate and refused to make any concessions. The strike ended after 4 months with no gains for the miners.

By 1901, Consolidation coal was being shipped by rail as far as San Francisco, with earlier shipments having been made by ship around Cape Horn. That same year the first Georges Creek coal was shipped to Yokohama, Japan.

During 1901 and 1902 over 36,000 acres of coal land was purchased by Consolidation. Among these purchases was the Milholland Coal Field in West Virginia, which consisted of 12,000 acres underlaid by the Pittsburgh seam. This was





Four Well-Known Consolidation Trade-Marks.

Consolidation's first purchase of coal lands outside of Maryland and marked the beginning of a move to coal regions in other states. This purchase was followed in January of 1903 by the purchase of controlling interests in the Somerset and the Fairmont Coal Companies, both of which were already combination firms with holdings in Pennsylvania and West Virginia respectively.

At the time that consolidation took controlling interest of the Fairmont Coal Company, Fairmont owned 37 working mines and 1,060 coke ovens, along with the recently purchased dock and coal distributing facilities of the North Western Fuel Company.

Holdings were further increased in 1904 by the purchase of 25,000 acres of coal lands in Somerset County Pennsylvania known as the Stony Creek Field.

The Somerset Coal Company had been incorporated in 1901 and by 1902 it operated 18 mines and 210 coke ovens in Somerset County and owned 10,500 acres of coal land which increased by 20,000 acres in 1903.

These new acquisitions increased the annual production of Consolidation from 1,299,374 tons in 1900 to 8,437,109 tons in 1903.

The period of 1900 to 1910 was one of continuing expansion for Consolidation. In July of 1903, the Fairmont Coal Co. acquired a majority of stock in the Clarksburg Fuel Company, adding its eight mines to the Consolidation holdings. November of 1903 saw the purchase by Consolidation of a controlling interest in the Metropolitan Coal Company of Boston, a move that gave Consolidation the best facilities for storing and marketing coal in New England.

In 1904, the Pittsburgh and Fairmont Fuel Company was added to the Fairmont Coal Co. portfolio which worked five mines and controlled 18,000 acres of coal land in Harrison and Wetzel Counties in West Virginia. More mines and acreage was acquired in 1906 through purchase of the entire capital stock of the Southern Coal and Transportation Company, which owned 4,500 acres of coal land in Barbour and Harrison Counties in West Virginia.

Production increased to more than 10,000,000 tons in 1906 and the company owned more than 200,000 acres of coal land.

The next year, 1907, was one of disaster for Consolidation. From a business perspective, the financial panic of 1907 greatly hurt sales. On the human side, 1907 was the year of the Monongah Mines disaster. At 10 a.m. on December 6, an explosion tore through the Monongah No. 6 and No. 8 mines killing all but one of 360 miners working at the time. More than 250 widows and 1,000 children were left without a means of support by this disaster.

The end of the first decade of the 20th century saw Consolidation enter the Kentucky coal fields for the first time. In 1909 Consolidation purchased 30,000 acres in Johnson, Martin and Lawrence Counties and in 1910 purchased 100,000 acres in Letcher, Knott and Pike Counties, adding Millers Creek Block and Elkhorn Coking coals to the list of company brandnames. This area had been evaluated by mining experts and was believed to be most valuable undeveloped coal land in the U.S. The property was expected to yield no less than 12,000 tons of coal per acre from mines that were later found to be almost self-draining. This field was later declared to produce the best quality coal in Kentucky. More than 500,000,000 tons of grade bituminous coal was available from a single seam, a second minable seam raised the potential available coal to over 900,000,000 tons, coal that was unsurpassed for coking and by-product use at that time.

The problem with developing the Millers Creek coals was the topography of the area. The land was covered by innumerable wooded mountainous ridges. The narrow valleys and steep hillsides made it very difficult to locate mine facilities and housing for the miners, what little flat land existed in the valleys was reserved for railroad lines and side tracks. Consolidation picked a site at headwaters of Elkhorn Creek for the principal town on the eastern end of the coal field, Jenkins. On the western end the town of McRoberts was built. In 1913 this field produced 1,345,471 tons of mined coal from 14 Consolidation mines.

In January of 1922 Consolidation purchased the Rivesville Mine and Stafford Mine in West Virginia, which included 3,500 acres of Pittsburgh Vein coal and 1,000 acres of Sewickley coal. February of the same year saw Consolidation enter into a long-term agreement with the Carter Coal Company covering the operation of its ten mines and 37,000 acres of coal lands in Bell and Knox Counties, Kentucky, McDowell County, West Virginia, and Taxewell and Buchanan Counties, Virginia. This agreement stayed in affect until March of 1933 when it was canceled.

After years of being second in production nationally, Consolidation became the largest producer of bituminous coal in the U.S. in 1926.

Consolidation became entirely non-union in May of 1927. Prior to 1927, 40% of Consolidation mines had been unionized. The unions were replaced with Consolidation Miner's Associations at each mine.

With passage of the National Industrial Recovery Act in 1933, the United Mine Workers of America succeeded in unionizing all bituminous coal mines in the U.S., under the Act's collective bargaining provisions.

In the 1930's Consolidation was working coal seams as thin as 30 inches in some mines and as thick as 10 feet in other mines. There were mines where 40 tons of water had to be handled for every ton of coal mined and other mines with negligible water. There were 9,000 employees, with 5,675 company homes rented to employees. There were 25 company stores for employees.

During this time period Consolidation was divided into five operating divisions owning 300,000 acres of coal land, with calculated reserves of over 1,800,000,000 tons and operating 22 mines in 4 states. These divisions were as follows:

Maryland Division, which consisted of 14,000 acres of coal land and mines in Allegany and Garrett Counties, Maryland. These mines work the Pittsburgh vein (locally known as the "Big Vein" due to its average 9' thickness), the Tyson and Georges Creek veins.

Pennsylvania Division, which consisted of 54,000 acres of coal land and mines in Westmoreland and Somerset counties, Pennsylvania. The mines worked the Upper Kittanning and Upper Freeport veins.

West Virginia Division, which consisted of 104,000 acres of coal lands and mines in Barbour, Harrison, Monongolia, Marion, Taylor and Wetzel Counties, West Virginia. The mines in this division worked the great Pittsburgh vein, a vein with portions in 4 states, and the Sewickley vein, which is found only in the northern portion of the region. The Pittsburgh vein has a thickness of 6 to 10 feet. Eight mines were in operation in the 1930's. Coals from this division carried the trade names of Pathfinder and Mountaineer.

Millers Creek Division, which consisted of 31,000 acres of coal lands with mines in Johnson, Lawrence and Martin Counties, Kentucky. The coal vein work varied in thickness from 30 to 54 inches. Originally worked from five separate mines, by the 1930's two mines were worked out and the remaining three were combined into a single mine. Coal from this division carried the trade name Grenadier.

Elkhorn Division, which consisted of 101,000 acres of coal land with mines in Knott, Letcher and Pike Counties, Kentucky. The three mines operating in the 1930's worked the Elkhorn vein, which varied in thickness from 4 to 10 feet. A11 coal from this division carried the trade name Cavalier.