

Mine Company Scrip

by Dave Johnson and Manfred Stutzer

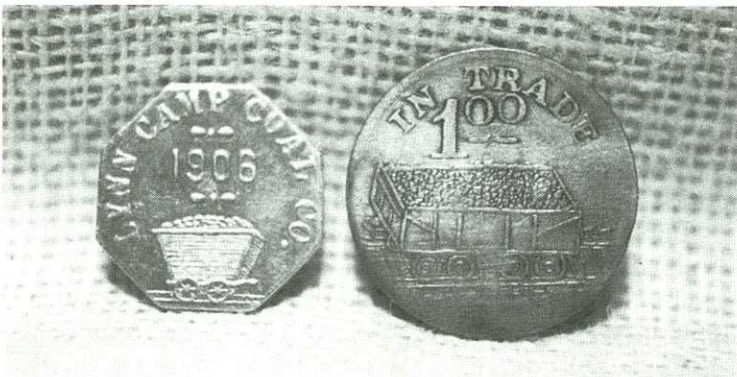
There was a time when most major mining regions in the United States were not as accessible as they are today. There were no cars, highways, or rapid public transportation. Due to the isolation of many mining regions large amounts of currency were not always available on a regular basis. It became a matter of convenience, and at times necessity, for the mining companies in isolated areas to produce their own currency to pay their employees.



1861 Michigan Copper Mining Co. \$10 Scrip bill (D. Johnson collection)



\$1 and \$5 tokens from W. VA, KY and TN.



Pictorial scrip tokens (D. Johnson collection)

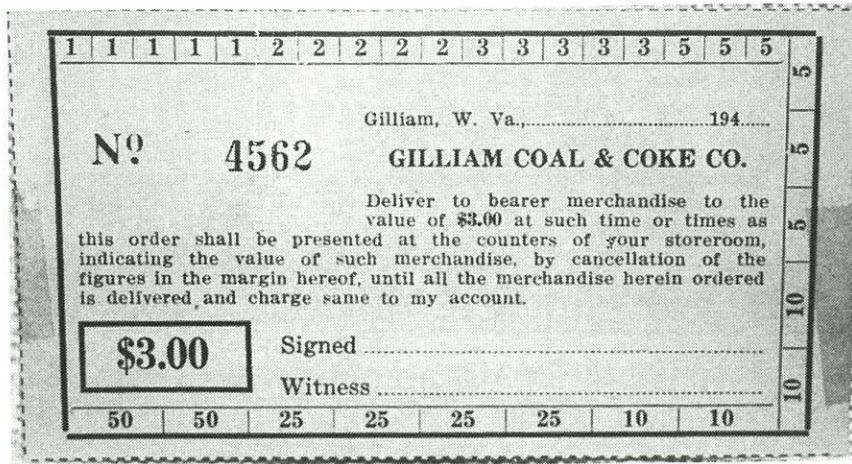
As early as the 1860's, Michigan copper mines and some Pennsylvania coal mines were issuing paper scrip in \$1, \$5, \$10 and \$20 denominations. By the 1870's, Michigan's iron mining companies were following suit and issuing company backed scrip. The scrip bills closely resembled U.S. currency so as to make them more acceptable to the miners. The bills were often accepted in the nearby mining communities when regular currency was in short supply. The issuing company would later redeem them for U.S. currency when it became available.

Scrip in both token and paper form saw its greatest use among coal mining companies. The Appalachian coal regions of Kentucky, Tennessee, West Virginia, and Virginia saw a rapid infusion of token scrip in the 1880's and 1890's. Coal company scrip tokens were produced in denominations of 1¢, 5¢, 10¢, 25¢, 50¢, \$1, \$5 and \$10, with 1¢ - \$1 being the most common.

The hardrock mining regions had all but discontinued the use of scrip by 1900. Meanwhile, the coal mining companies continued to expand the use of scrip. We

have all heard the line from Tennessee Ernie Ford's song, "16 Tons", which states "St. Peter don't you call me 'cause I can't go, I owe my soul to the company store". This wasn't far from the truth.

This system forced the miner to shop at the company store where prices were grossly inflated. The company store could supply just about anything the miner or his family might need - clothing, hardware, groceries, animal feed, building supplies, and mining supplies. Large mining companies were able to purchase goods for their stores in large quantities. This, combined with inflated prices, made company stores very profitable. The miner was sometimes able to use his scrip in other stores, but the scrip was always discounted 10 to 40 percent, depending upon the greed of the store owner.

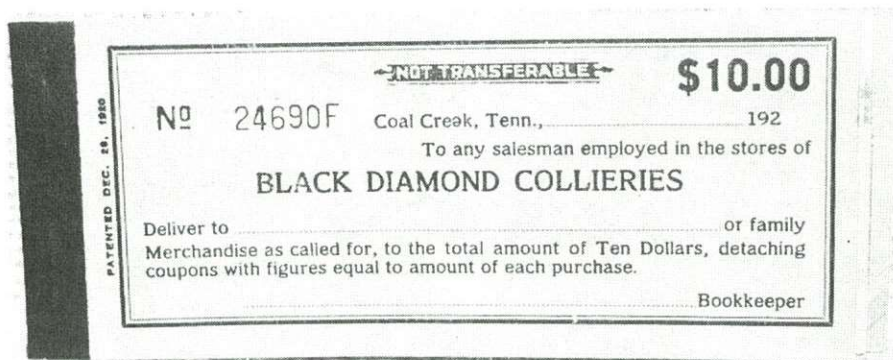


1940's Coal Mining Co. Scrip punch card (D. Johnson collection)

As well as scrip tokens, the mining companies used two forms of scrip coupons. The first was coupon books in \$1, \$5, \$10, and \$25 denominations. The second was coupon cards in \$1, \$2, \$5, \$10, and \$25 denominations, that were punched around the edges to denote the amount used from the total until the card was used up.

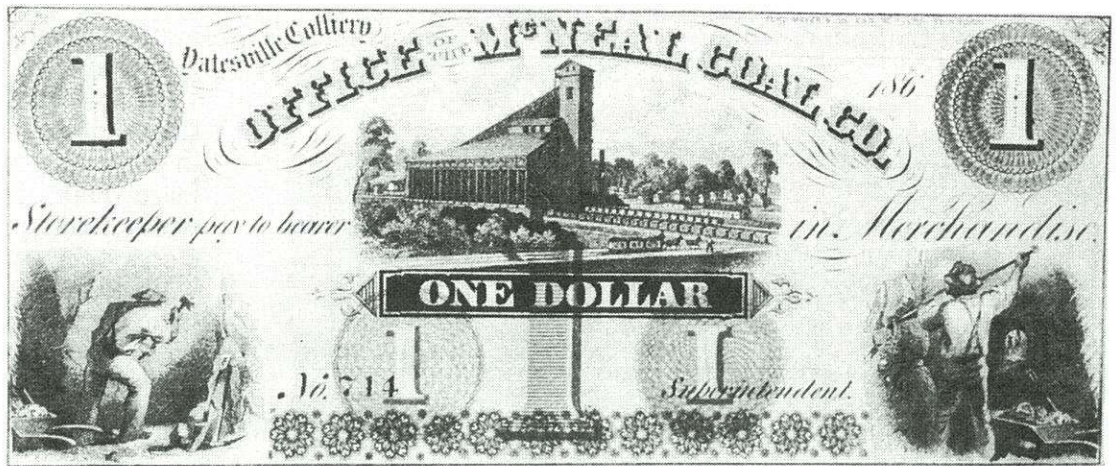
Miners could receive U.S. currency from the coal companies as long as they didn't owe any money to the company. However, the payroll system was set up to virtually ensure that the miner *always* owed the company, thus instituting a system of near serfdom. In most companies the miner was paid every two weeks. Their pay was never for the period just completed, but rather was for the prior two weeks. Thus, a miner starting work the first of the month might not see his first pay before the end of the month, or two pay periods. In order to eat, pay rent, and buy supplies (powder, fuse, lamp fuel, etc.), the miner was forced to get an advance on his wages in scrip. The scrip could only be spent at the company store. The miner was also required to pay a fee for the company doctor, a funeral fund, water, and later for electricity. After deducting the company fees and any scrip advanced, the miner might receive some U.S. currency...that is, if his father or son did not owe the company any debt. Many of the mining companies had their own police force or controlled the County Sheriff, who made it impossible for a miner and his family to leave the community if any debt was owed the coal company.

By the 1940's the use of scrip had declined greatly and by the late 1950's had virtually disappeared. Today miners are no longer the serfs of the coal companies, but are paid a decent living wage and may shop where they please.

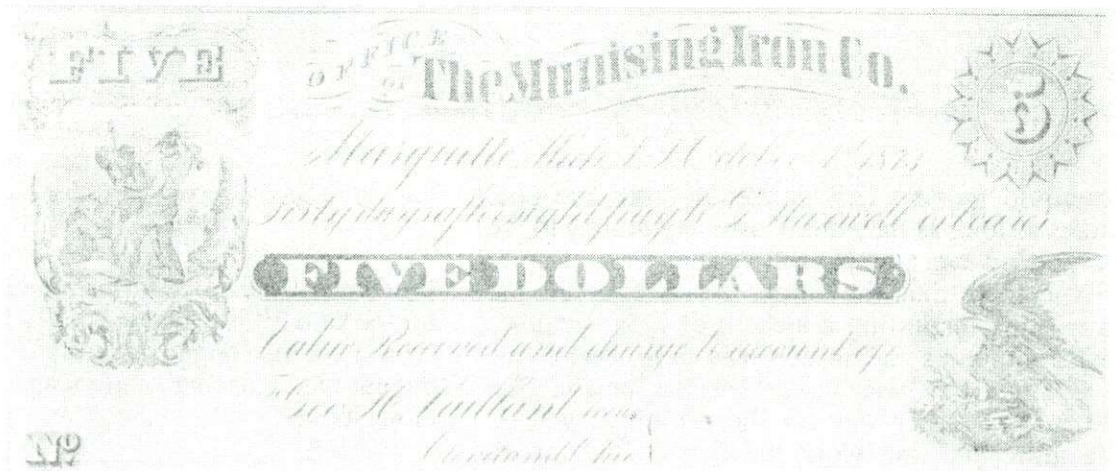


1920's Coal Mining Co. Scrip Coupon booklet (D. Johnson collection)

1860's
 Pennsylvania
 Coal Mining
 Co. \$1 scrip
 bill
 (D. Johnson
 collection)



1873
 Michigan
 Iron
 Mining Co.
 \$5 scrip
 bill
 (D. Johnson
 collection)



1864
 Michigan
 Copper
 Mining
 Co. \$5
 scrip bill
 (D. Johnson
 collection)



The use of scrip tokens in Europe predates their use in the U.S. by almost 100 years. By the 1780's coal, copper, tin, and lead mining companies in England, Wales, Scotland, and Ireland were issuing scrip tokens. These early scrip tokens were generally in denominations of half-pennies and pennies.

While scrip tokens used in the U.S. were most often brass or nickel-plated brass, others were made of nickel, aluminum zinc alloy, and pressed fiber board. The European scrip tokens were all copper. Many of these copper tokens were quite large and heavy.



1811 Cornish Copper Co. 1/2 and 1 penny tokens (M. Stutzer coll.)



1789 and 1811 British scrip pennies (M. Stutzer collection)

Some pennies were the size of modern U.S. 50¢ coins and half again as thick, a substantial amount of copper for a penny.

Many of the European scrip tokens have interesting mining vignettes. The 1789 Irish Miners Penny (above) shows a hand windlass, three picks and two shovels. The pictured 1811 Cornish Penny (right) shows a Cornish pump and horse powered whim. The 1812 Cornish Penny has a scene almost identical to the 1811 Penny with the statement that 240 tokens are worth one English Pound.

Whether American or European in origin, scrip tokens are a very interesting item, along with scrip bills, for the collector of mining memorabilia. An organization of scrip collectors exists to demonstrate the popularity of scrip collecting. Those interested can contact one of our Editors, Mark Ballard who is President of the National Scrip Collectors Association. Mark will be bringing us some interesting information on scrip collecting in future issues.



1811 and 1812 Cornish pennies (M. Stutzer collection)