

Scrip: The Coal Miner's Credit Card

By LYNN THORNTON

Mention the words "Visa" or "Mastercard" and almost everyone will recognize them as credit cards. Mention the words "Flickers" or "Clacker" and it is likely that there will be many puzzled

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looks. These and various other terms were used for scrip. Scrip was used as a means of exchange in place of hard money, and it was issued in paper form as coupons or metal rounds called tokens.

Those of us who are familiar with coal mining know that scrip was the coal miner's money or his "credit card." Like today's credit cards scrip came in many designs, but scrip could not be used worldwide

because its use was usually limited to the company stores of the issuing mines.

Throughout history many substances have been used as a means of exchange: salt, spices, gems. The use of scrip as a means of exchange did not begin with coal mining and was not exclusive to it. Whenever hard money was scarce or for cost efficiency (moving and handling hard money in remote areas was expensive), mining and lumber companies, as well as merchants, issued scrip redeemable in merchandise or in cash.

Some of the earlier examples of scrip include:

Hard Times Tokens (1834-1844)

These were pieces struck in copper about the size of a cent piece. They were issued because hoarding caused a shortage of hard coinage. Some were fashioned for political protests against the National Bank, others were made for the use of tradesmen.

Civil War Tokens (1861-1864)

With the scarcity of government coins during this time period, tradesmen's tokens were issued which promised redemption in money or goods and served as change and advertisement for merchants.

Hawaiian Island Tokens (1871-1887)

Different plantations issued these as a means of payment. They are very collectible today.

Joseph Leshner Referendum Dollar (1900-1901)

Leshner coined these in Victor, Colorado, with the primary motive of advancing the cause of Free Silver in the United States. The Leshner dollars were issued to a number of merchants who gave them in change to customers who later redeemed them in goods.

Alaska Rural Rehabilitation Corporation Tokens (1935)

The U.S. government issued these for Federal aid to the people of the Matanuska Valley colonization project. These tokens called "Bingles" were redeemable only at the AARC stores.

In the 1970's and the 1980's, the use of tokens became popular in game and pizza parlors. Customers purchased these tokens to use in game machines of these establishments. Some of you may still have some "Chuck-E-Cheese" or Show Biz" tokens around the house. You might want to hang on to them for future collectability.

The above examples are given to illustrate what scrip is and how it functioned. The primary focus of this article will be coal mining scrip since coal mining was once a major industry in the Big South Fork region.

The discussion of coal mining scrip must start with the company town, because the company town usually had a company store. Without the company store there would have been little need for a scrip system.

The coming of the railroad into remote areas like the Big South Fork made the mining of coal possible by making it profitable. Coal corporations began expanding their operations into these coal rich regions. With them they would bring a new way of life to the people of this region. They would create entire towns for their workforce complete with homes, schools, churches, and company stores.

At the Chicago World's Fair of 1893, L. E. Bryant (Roberta, Bear Creek) would call attention to this region by displaying a one-ton block of coal he had excavated.

Coal mining was going on in the Big South Fork before 1900. There was the Crooke Coal and Coke Company (1881) operating in Glenmary, Tennessee. In Kentucky, the Premier Coal Company, a West Virginia concern, ran the Yamacraw mine; the Carmago (Coleman, Marlowe, and Gorman) mine was also an independent operation until it was acquired by the Stearns Company. North of Whitley City was the Barren Fork mine opened in 1889. It was owned by the American Hoe and Fork Company.

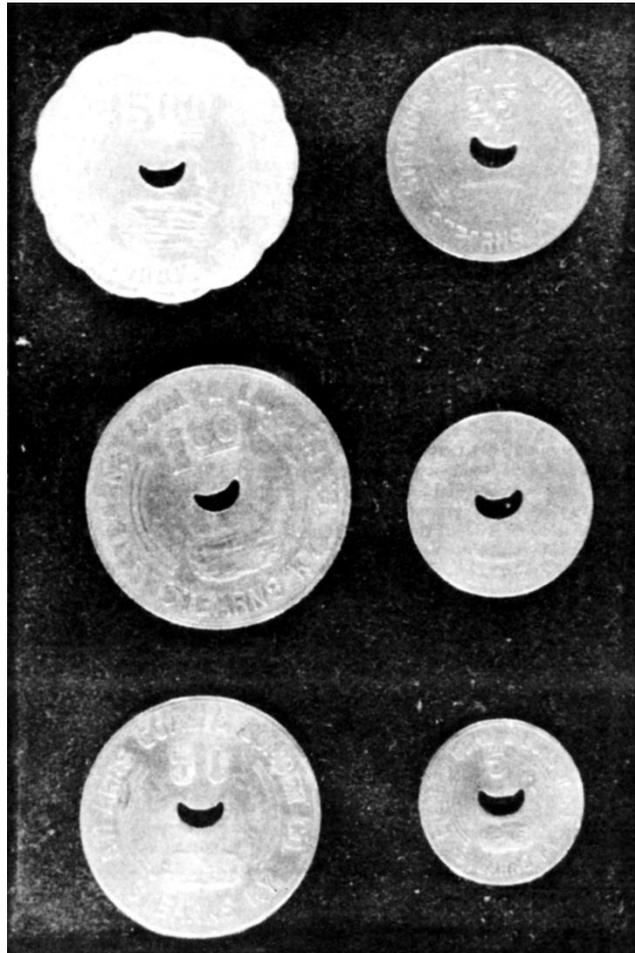


Figure 1 – A set of Stearns Coal Company scrip. Note the half moon shaped cutout which distinguished this coinage from other scrip.

The most significant years for coal mining in the Big South Fork lay ahead with the coming of Michigan businessman, Justus S. Stearns. Well-known as a lumber entrepreneur in Ludington, Michigan, Stearns became interested in the virgin timber on the Tennessee-Kentucky border in the Big South Fork. Eventually, he would buy 50,000 acres in Tennessee and 25,000 acres in Kentucky which would become the start of a lumber business, a coal mining operation, and a railroad.

Michigan surveyor, W. A. Kinne, related in his 1928 book, *The Gum Tree Story*, how, on May 22, 1902, he and E. E. Barthell, acting as agents for Justus Stearns, sat underneath a black gum tree in the future town of Stearns and drew up articles of incorporation for the Stearns Lumber Company, the Stearns Coal Company, the K & T (Kentucky and Tennessee) Railway AND – the town of Stearns. The town was one square mile and had been purchased from the Bryant family.

Justus Stearns would consolidate these ventures into the Stearns Coal and Lumber Company, and he would succeed in making it the second largest coal operation in Kentucky by 1929.

The first Stearns coal town was Barthell built on the banks of Roaring Paunch Creek in 1902. The K & T Railway was extended to Barthell which shipped the first load of coal on June 1, 1903.

The Stearns Company would go on to develop or acquire other mines: Worley, Comargo, Yamacraw, Oz, Exodus, Co-operative, Fidelity, and Blue Heron. These communities in addition to Stearns and Barthell would have a total of fifteen company stores.

Coal mining has always been a grueling and dangerous occupation; it was particularly so before the turn of the century. Machinery had not yet taken the place of the back-breaking human labor used to excavate coal. Mules instead of motor cars pulled the coal cars from the mines. The individual coal miner faced numerous dangers from rock falls to explosions. Most miners had to have their own tools, the price of which was deductible from their pay. The living



Figure 2 – Store No. 1 and Store No. 3 in Stearns, Ky. are seen in this photo. Note the neon sign atop the roof which was erected in 1937.



Figure 3 – Downtown Stearns, Ky. today with a view of the restored railway depot which now serves the Big South Fork Scenic Railway.

accommodations for miners were bleak as well. At first only tents were provided followed by tarpaper shacks. Soon, boardinghouses would be built providing a little more comfort.

Most companies would come to realize that it was to their economic advantage to attract and keep a stable work force. Harshness soon gave way to paternalism when coal companies began constructing entire villages with frame houses – all looking alike of course! The terrain dictated the style; often houses had to be built on stilts due to the lack of land space. The benevolent coal operators built churches and schools; some even provided bowling alleys, movie houses, and soda fountains.

Justus Stearns was a good example of this benevolence. He was concerned for the welfare of his workers by providing good housing, schools (the company provided for an additional two months of schooling), and comforts like electricity and running water. Other amenities were provided in the town of Stearns—a movie theatre, soda fountain and a hotel. The inhabitants of his communities took pride in their surroundings. The citizens of Blue Heron even went so far as to whitewash the trees! Perhaps the best example of Stearns' feelings for his workers is evidenced by his company's keeping the workers employed during the Depression even if the hours and wages were cut, and even though the company lost money. Maybe this was one of the reasons why the town sought to honor his memory by erecting a sign over downtown Stearns in 1937.

Not all coal towns were created equal. In spite of the "model" towns with their electricity and sanitation facilities, there were far too many with dirt streets and roads, drafty houses, and sewage which ran into the creeks.

No matter how crude or elaborate a coal town was, its most imposing structure was the company store. An examination of numerous Kentucky and West Virginia coal town photographs of this time period often revealed handsome structures with arched walkways, patterned wood, detailed



Figure 4 – The shelves are well stocked with items you can't purchase anymore. The Stearns Museum brings back a lot of memories for a lot of people who were around when coal was king.

trim, and long, covered porches. How magnificent these buildings must have seemed to many who had come from humble surroundings!

The first company store constructed by the Stearns Company was Store No. 1 in the town of Stearns. This 1600 square foot building had two floors. The first floor housed the commissary, while the second contained the post office, the Stearns office, and an area for railroad supplies and dry goods.

A second store was built at Barthell. It was also a two-story wooden structure with the post office and store on the first floor and the timekeeper's and railroad manager's offices upstairs.

The third company store was added in Stearns as a grocery store and a meat market.

Blue Heron's company store (1938) began as a toolshed at the front steps of its "state-of-the-art" coal tippie.

W. A. Kinne stated that in 1928 the total retail business for all Stearns stores was \$1,000,000.00.

The company store was the economic and social center of the coal town. It was usually well-stocked with everything from clothing, groceries, and furniture to miner's tools. In the case of Stearns, its stores carried "first-rate, name brand merchandise," with names, like Florsheim and Swift. Former Blue Heron residents recalled the following items in stock at their store: "Miners' lamps, safety shoes, bubble gum, candy and pop."

The company store thrived because it offered an extensive array of merchandise making it convenient for the miner and his family. More importantly, it provided easily obtained credit in the form of scrip. At one time, there were over 20,000 company stores issuing scrip on the North American continent.

The company store was also the major social center of the community. The women of the community could shop for needed items, while picking up the mail. Here they would encounter neighbor women with whom they would chat about their daily lives and their children while waiting for the store clerk to fill their orders. Men often congregated there after work or on



Figure 5 – Company store exhibits in the Stearns Museum Collection features everyday items from a bygone era as well as items utilized by miners in their work.



Figure 6 – A solitary coin date 1894 is a \$1.00 value piece of scrip from the Glenmary Coal & Coke Co. A rare find these days as are many of the coins from this era.

weekends to talk, enjoy a bottle of coke or like the men in Zenith, play a game of rook or checkers.

Planned or not, meeting at the company store was a way to relax and catch up on local news. Many stores were large enough to contain recreation centers and meeting rooms which contributed to additional opportunities for socializing.

Coal companies did not risk much by offering credit to its miners. There was no need for extensive credit checks on the miners as in today's world, since the company had the power to withhold any money due it. Any credit it issued through scrip was recouped through the store through sales or redemption of that scrip for goods.

It is this dark side of scrip which Tennessee Ernie Ford sang about in "Sixteen Tons" – "I owe my soul to the company store". It is a widely-held belief that all coal miners had to draw their pay in this artificial money, and then turn it in for overpriced goods at the company store which made them have to borrow more from their next payday to cover their present living expenses.

Recent documented studies into the functioning of coal towns have concluded that this was not the case for the majority of miners. Scrip was used as credit between paydays, and most miners used it judiciously. Figures will show that the average miner had some of his pay left over even after deductions for rent, tools, and scrip. This is quite amazing since wages in non-union times was about \$5.00 per day in 1925. Wages per capita went from a high of \$852.00 per year in 1923 to \$235.00 per year in 1933 (a Depression year)!

Although the majority of miners were not paid in scrip, this is not to dismiss the fact that a few West Virginia and Kentucky coal operators paid their miners wages only in scrip which could only be used in their company stores. This resulted in the operators getting their workers salaries returned to them with a nice profit. Also, it left those miners "another day older, and deeper in debt".

The Stearns Company paid its miners in cash every two weeks. If a miner was short on cash before the next payday, he could go the pay window at the company store and request an advance. The advance would be issued in scrip and deducted from his next paycheck.

Miners used these scrip advances in various ways. Some did use it to buy food, but most used scrip for bigger purchases like furniture and clothes. A few miners used advances of scrip to help



Figure 7 – Helenwood Coal Co. was another local mining concern which issues its own scrip.

their fellow workers who had been injured and were waiting for Workman's Compensation checks. In rare cases, it is known that scrip was used to buy ingredients to make moonshine!

Most companies, as did Stearns, first issued paper scrip which was in the form of coupons with designated values or with varied values that were punched out as they were used. These coupons were good only at the issuing company store. More importantly, they were not transferable. This was not what the miners wanted, but the operators had the clear advantage. As a result, the discounting of scrip became a common practice. Some merchant or individual would buy the scrip from the miner paying about seventy-five cents to the dollar. Then the "middleman" would turn in the scrip to the issuing company and receive about ninety cents in value. Many merchants began accepting scrip for the goods they sold at only twenty-five cents to the dollar! This was the case in Fentress County where scrip was discounted 25% to 50%.

In 1918, the United States Supreme Court ruled that scrip was transferable and redeemable in cash. Coal operators in a number of states lobbied to have laws passed forbidding transferability. Eventually, Kentucky passed such a law in

1932, but it did little to curb discounting. Paper scrip was replaced by metal tokens which stated their redemption in cash or merchandise, but also claimed that they were "nontransferable". In spite of this, scrip continued to be accepted outside the issuing company store. The Stearns company's financial stability was so respected that private merchants accepted Stearns scrip for goods and services.

Although merchandise was usually more expensive at company stores than their retail counterparts, many people believed that the merchandise was better in quality and reasonably priced when the cost to travel out of the coal town to other merchants was considered.

Competition would eventually come along and threaten the company stores – Sears Roebuck and Montgomery Ward were accessible by mailbox, and orders were easily delivered by regular daily



Figure 8 – Cooper's Store in Oneida used its own scrip for a number of years. Here are six coins ranging from a 10C piece up to one valued at \$5.00. This scrip was traded at the store up into the 1960s.

trains. In 1939, only 43.5% of the \$796,000.00 in scrip issued by the Stearns Company was used in its company stores. Stearns would continue to use the scrip system until 1964.

Now that the background of scrip has been discussed, it's time to take a look at the physical characteristics of coal mining scrip and some of the stories behind a few of these tokens.

Not much paper scrip survives today, but what does exist can be recognized by the name of the coal company, the monetary value, and the words "not transferable" and "redeemable in merchandise", or "redeemable in merchandise or cash".

Metal tokens were issued by thirty-four states between 1870 and 1960. They were issued in denominations from 1 cent to \$5.00. Metal was most commonly used, but some tokens were made from fiber. Only about 4% of the tokens which have been catalogued are from Tennessee and 18% from Kentucky. About 55% come from West Virginia where coal mining was concentrated in the early years of this century. Earliest issues in 1870 were from the Beury and Mud River mines in Ohio. The Columbus and Hocking Coal and Iron Company issued tokens in 1884. Coal company tokens can be identified by the following:

1. Quints – issued beginning in 1895 with monetary denominations as the only markings.
2. Insurance Credit System of Dayton, Ohio (ICS). These were issued from 1919-1931, marked with "PAT'D June '19, and with a triangle in the center on the reverse.
3. Ingle System (IS-09). These were issued from 1909-1914 and were marked "Ingle System."
4. Ingle System (IS-14). Issued from 1914-1929 and marked "PAT.APR. 7, 1914," and "Ingle System."
5. Ingle Schierloh Co., Dayton, OH. (ISC-1). Issued from 1922-1941, marked "PAT.PEND."
6. Ingle-Schierloh Co., Dayton, OH. (ISC-2). Issued from 1928-1958, marked "DES. PAT. 75656".
7. Master Metal Scrip. This was issued by the Ingle-Schierloh Co. (MM-1), issued from 1924-1933, marked "PAT.PEND."
8. Master Metal Scrip (Ingle-Schierloh Co., MM-2), issued from 1934-1941, marked DES. PAT. 75656.



Figure 9 – Huntsville Supply Store issued scrip as change to its customers. These two sets of 5c to \$1.00 coins show both sides.

9. Osborne Register Co., Cincinnati, OH. (ORCO-1), issued from 1914-1930, marked PAT.PEND.
10. Osborne Register Co. (ORCO-2), issued from 1930-1936, marked "REG. U.S. PAT. OFF.'
11. Osborne Register Co. (ORCO-3), issued from 1938-1939, marked "PATENTED".
12. Osborne Register Co. (ORCO 4), issued from 1939-1958, marked with bars on reverse, with or without date. Dates began 1939.

The above description is based upon a chart prepared by Walter Caldwell of the National Scrip Collectors Association and published in *Orrahood's Coal Notes and Token Atlas*.

What makes scrip tokens so unusual are the unique "punch marks" or "cutouts" of each individual company. These are done in numbers or symbols and identify the company which issued them. The Stearns Company used a "half-moon" punch mark. Its tokens were issued in denominations from 1 cent to \$5.00. All were of brass except the cent piece which was made of aluminum. The cent piece is rare, making the entire set very expensive (over \$200.00). If you can't afford one, take a trip to the Stearns Museum where you can see one with the complete set and view an extensive variety of paper and metal scrip from all over the Big South Fork.

What makes scrip truly fascinating are the stories behind the pieces---stories of success and tragedy, courage and brutality. They are the ghosts of towns which only exist now in name and memory; they are souvenirs of once prosperous coal companies now a page of long-forgotten history. They speak to us and tell us to remember a time when there were no diesels, no computers, and no nuclear energy.

Who are the fortunate ones to possess a token from the Monongah, West Virginia, mine? The most devastating explosion in coal mining history took place there on December 6, 1907, killing 362 men.

How many have ever heard of the Borderland Coal Company? What started out as a prosperous enterprise in Mingo County, West Virginia, and Pike County, Kentucky, ended in its demise

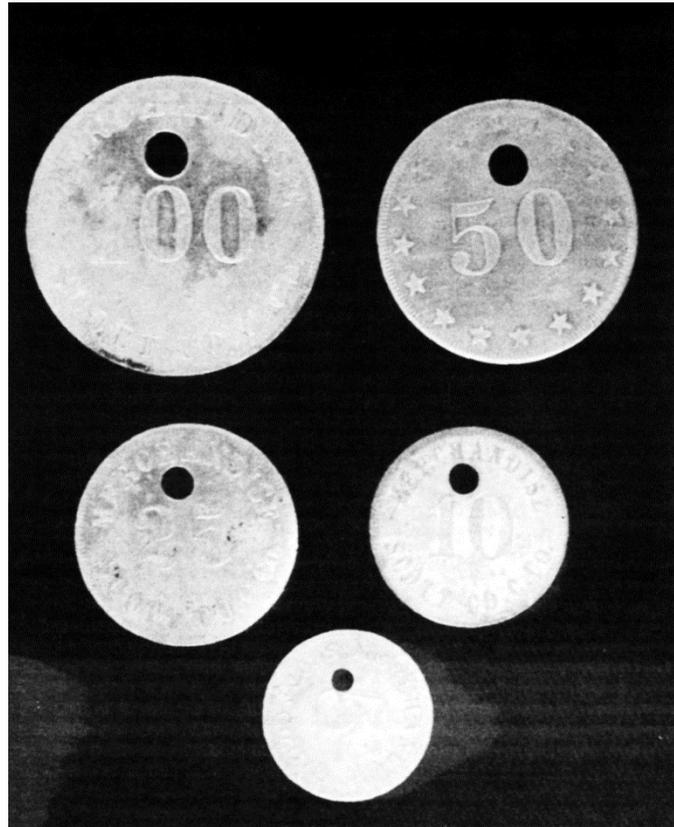


Figure 10 – Scott County Coal Company scrip had a distinctive look, which included a circular hole. These coins were valued from 5¢ to \$1.00 and were traded at the company store.

after a bitter union struggle in the 1920's. By 1932, Borderland was bankrupt having spent over \$3,000,000.00 against the union's efforts.

Scrip tokens from the Stuart Colliery in Fayette County, West Virginia, tell the story of a town called Stuart whose name was changed to Lochgelly after a terrible explosion killed 84 there in 1907.

Another Fayette County operation, The Branch Coal & Coke Company, tells of companies with coke ovens or "Bee Hives" whose number of coal gondolas was allotted by the railroad according to the number of ovens. This resulted in too many ovens.

Seekers of the Consolidation Coal Company scrip will find many interesting stories behind its tokens. Consolidation's purchase of thousands of acres in the Elkhorn, Kentucky coal fields in 1910, would lead to its establishment of a model town at Jenkins, Kentucky – a town complete with garbage service, a sewer system, and a dairy. By WWI, Consolidation, along with U.S. Steel and Clinchfield Coal, would control over two million acres of coal in Kentucky, West Virginia, and Virginia. It would go on to build the famous coal town of Wheelwright and acquire other operations to add to its dynasty such as Pocahontas Fuel. It would merge with the Pittsburg Coal Company in 1945.

The names are there – the great and the small: Peabody, Southeastern, Tennessee Coal & Iron, New River, Winding Gulf, Peerless, and Black Star to mention a few. Their tokens say, "We existed"; we were once the servants of "King Coal."

Although coal company scrip is no longer issued, it is a tangible part of history. Its fascinations now lies with collectors who find excitement and challenge in the quest of that rare piece.

To hold a coal mining token in your hand is to reach back in time to the hand of a coal miner. Every coupon and token tells a story of thousands of men all across the coal fields of America – men who braved danger each

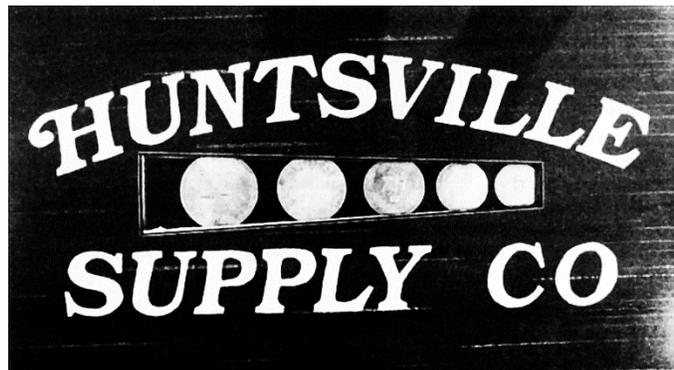


Figure 11 – Oneida's Bill Hamilton came up with this distinctive frame for a set of Huntsville Supply Co, scrip, which has glass on both sides and allows the viewer to see the other side of the coins.

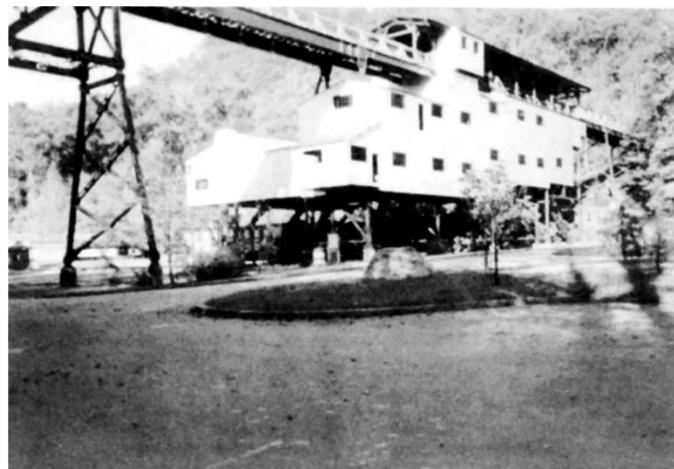


Figure 12 – Blue Heron Coal Tippie at Blue Heron, Ky. A retired tippie once a busy site on the K&T Railroad and now, fully restored, an attraction for visitors to the Big South Fork National River & Recreation Area.

day to enter the dungeons of the earth, to blast, pick, and load 'King Coal, once the lifeblood of a nation.

As long as there is scrip to be found, their stories will be told.