1975

The history of an industrial community, Bethlehem, Pennsylvania, 1741-1920

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THE HISTORY OF AN INDUSTRIAL COMMUNITY:  
BETHLEHEM, PENNSYLVANIA,  
1741-1920 

A Dissertation 
Presented to  
The Faculty of the Department of History  
The College of William and Mary in Virginia 

In Partial Fulfillment  
Of the Requirements for the Degree of  
Doctor of Philosophy 

by  
Thomas P. Vadasz  
1975
APPROVAL SHEET

This dissertation is submitted in partial fulfillment of
the requirements for the degree of

Doctor of Philosophy

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ABSTRACT

The purpose of this dissertation is to describe how one particular community, Bethlehem, Pennsylvania, was transformed from a religious commune into an industrial city between 1741 and 1920. The focus of this essay is on social change, for industrialization involved more than just economic development; it also affected the social institutions and value systems by which people lived. Moreover, since none of the events which comprise Bethlehem's history took place in isolation, local developments are considered in the light of the national experience. Thus, this examination of Bethlehem's past should be viewed as more than just an exercise in local history: it should be seen as a case study in the industrialization of the United States.
THE HISTORY OF AN INDUSTRIAL COMMUNITY:

BETHLEHEM, PENNSYLVANIA,

1741-1920
Introduction

The theme of this dissertation is social change. Its focus is the experience of a particular American community, Bethlehem, Pennsylvania, during the period 1850 to 1920—a period which marked the emergence of the United States as a modern industrial nation. Although Bethlehem is the subject of this essay, the intent is not to present a local history per se. Rather, Bethlehem is to be seen as a microcosm of the national experience. In other words, it should be viewed as a case study in the impact of industrialization.

All discussion of social change, whether it be of a national or a community orientation, cannot escape the debt owed to the work of Ferdinand Tönnies. Tönnies' classic Gemeinschaft—Gesellschaft typology has been the theoretical starting point for all discussion of social organization since he first presented his ideas in 1887. In fact, although a number of theorists have subsequently attempted to supplant Tönnies' theories with their own, none have succeeded. For the most part, they have merely modified his ideas in regard to specific problems; Gemeinschaft and Gesellschaft remain as a relevant conceptual framework for the study of social change.¹

Tönnies' theories grew out of his attempts to place those changes, which he saw taking place in Western society during a period of rapid industrialization, in a coherent conceptual framework. As he saw it, alterations in societal organization occurred along a continuum whose opposite poles he labelled Gemeinschaft and Gesellschaft, terms which are usually translated as community and society. Tönnies stressed that these were theoretical types and, in their pure forms, would not be found in the real world. As constructs, however, they could be employed as models against which any existing society might be measured. Thus, for Tönnies, Gemeinschaft was approximated by the small pre-industrial village, and Gesellschaft by the modern industrial state. Moreover, since Tönnies posited these two types as comprising opposite ends of a spectrum, all existing societies fall somewhere in between, and incorporate, to greater or lesser degrees, elements of both Gemeinschaft and Gesellschaft. It should be pointed out, however, that Tönnies did not feel that the mere existence of a continuum, in which any given society could be placed, meant that social change developed in a linear fashion. Social change, he was careful to point out, did not proceed uniformly, but varied in its details according to time and place.²

Because of the importance of Tönnies' concepts to this essay, a

²This and the following paragraphs are based on Tönnies, Community and Society, passim.
brief discussion of what the Gemeinschaft and Gesellschaft typology involves is in order at this point. In Gemeinschaft, then, the basic social unit is seen to be the group itself, not the individual. Individual identity is derived from membership in the group, not from personal achievement. The group is viewed by its members as an organic whole, and they have internalized its values and goals. There is little or no room for individual striving or success at the expense of the community, and social relationships are based on a clear understanding of each person's place in the social order. Ties of kinship and religion are usually quite strong, and, as such, reinforce the group's moral codes. The community tends to be homogeneous and rooted in a specific locality. The tribe, village, and town are, in degrees of increasing social complexity, examples of Gemeinschaft. The town is its highest form of development, and as it increases in size and complexity, it gradually loses the characteristics of Gemeinschaft, and acquires those of Gesellschaft.

If the village typified Gemeinschaft, Gesellschaft is typified by the capitalistic society. It develops out of Gemeinschaft, and its presence is marked by the widespread acceptance of a philosophy of individualism. The basic social unit is no longer the group, but the individual. In Gesellschaft, every man strives for his own advantage, and membership in the larger society presupposes no preexisting condition of unity. Convention replaces mutual understanding as the means by which Gesellschaft maintains its continued existence.

In Gesellschaft, economic activity is assumed to be the most important aspect of human behavior. Quoting Adam Smith, Tönnies notes
that "Every man ... becomes in some measure a merchant,..." As the town develops the characteristics of Gesellschaft, it becomes a commercial town, and as commerce dominates its productive labor, a factory town. Increasingly, human relationships become contractual ones.

The development of Gesellschaft is neither a uniform nor a coherent process. Elements of Gemeinschaft often continue to exist within the industrial city. Neighborhoods and voluntary social organizations provide a sense of community which many feel to be otherwise lacking in their social environment. In fact, it is Tönnies contention that only the upper strata of society have the opportunity to take advantage of the possibilities of freedom and individual development inherent in Gesellschaft. They set the standards to which the lower classes conform, and the lower classes conform out of a desire to achieve the power and independence which the upper classes already possess.

Although Gesellschaft is based upon a philosophy of individualism, it eventually develops a need for rational organization. The contractual nature of relationships in the capitalistic society leads to the emergence of a number of associations whose goals, like those of the single individuals, are to maximize profit. Because Gesellschaft is based on economic conflict, or at least competition, there exists a large degree of uncertainty. By permitting individuals to pool their resources, the corporation reduces risk and uncertainty, and replaces them with order and predictability.

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3 The quotation from Adam Smith is to be found in ibid., p. 76.
Society's concern with order and stability, which Tönnies saw as giving rise to the modern corporation, led him to predict that the state would eventually emerge as the most powerful guardian of order in society. Only the authority of a powerful state could produce harmony in a society of individuals whose main preoccupation was economic gain. Eventually, all aspects of life, not just the economic, would be regulated by the state, because it alone would have the capacity to produce order out of disorder. It was Tönnies' belief that the ultimate form of Gesellschaft would be socialism of a national, and eventually, an international variety.

Tönnies' theories of social change have been dealt with here at some length because they provide the basic conceptual framework for our examination of Bethlehem as a case study in the industrialization of the United States. However, before examining Bethlehem's development in detail, it becomes necessary to indicate how our conceptual structure can be applied to changes in American society prior to 1920 in order to place local events in proper perspective.

Americans of the mid-nineteenth century were separated from their colonial forebearers by a gulf of ideology as well as one of time. A value system based on individualism formed the basis of their lives, while a belief in the importance of community had structured the thinking of

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4 It is interesting to note that Alexis de Tocqueville, after visiting the highly egalitarian and individualistic American society of the 1830's, also predicted the rise of the state to a position of great power. Tocqueville, however, was far less sanguine about the meaning of this development than was Tönnies. See Tönnies, Community and Society, pp. 216-218, and Alexis de Tocqueville, Democracy in America, J.P. Mayer and Max Lerner Eds., New York, c. 1966, pp. 665-669.
most colonists. For them, religion, politics, the relief of the poor, and the punishment of the wicked took place within the context of the local community. Even expansion of the areas of settlement usually occurred in terms of group experience. Thus, while the family farmstead was not unknown in the colonial period, it usually existed within a community framework. In a word, the dominant form of social organization for most of the colonial period came close to approximating Gemeinschaft.

The eighteenth century saw the gradual replacement of the values appropriate to Gemeinschaft by those of Gesellschaft. The intellectual current of the Enlightenment with its stress on progress, individual dignity, and hostility to revealed religion certainly made inroads into the established values of the time. However, the Great Awakening, with its emphasis on the importance of individual religious experience, and the aggressive republicanism of the American Revolution were crucial factors in making individualism a major part of the American value system. Indeed, the later social and political turmoil of the so-called

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Jacksonian period of American history can be seen as marking the point at which individualism finally triumphed over a communal ethic. The egalitarian society so vividly described by Alexis de Tocqueville in his classic work Democracy in America bears an unmistakable resemblance to Tönnies' Gesellschaft.

Even though most Americans of 1850 lived in small towns, much as their colonial predecessors had, they nevertheless rejected the belief that the community, rather than the individual, formed the basis of society. The colonial practice of denying strangers access to a town if the residents disapproved would have seemed inconceivable to most Americans of 1850. On the contrary, individual mobility, whether social or geographic, appeared worthy of praise. Each individual was expected to make every effort to attain economic success. Mobility indicated the individual's efforts to do so. Indeed, the prevailing beliefs assumed that acceptance of one's lot in life indicated weakness of character and moral failure.

Individualism, and its accompanying belief in laissez faire economics, encouraged the industrialization of the United States, but industrialization itself eventually gave rise to an ethic hostile to

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individualism. The value system of 1920 differed from that of 1850 in that it stressed the necessity of order and regularity as crucial to the smooth functioning of society.

In the course of seventy years, the nation had been once again transformed. A nation-wide railroad network and the mass production of both consumer and industrial goods proclaimed the United States an industrial society. Moreover, as the nation had industrialized, it had become a truly national society, and, as such, tremendously complex. Contributing to the complexity had been enormous increases in the growth rates of urbanization and immigration. The social mechanisms which had sufficed to regulate behavior when most Americans lived in small towns, and shared similar cultural and ethnic backgrounds, no longer seemed to apply. To those Americans concerned with the apparent instability of their society, the prevalent belief in the value of an unrestricted individualism seemed to be leading the country toward destruction. A rational organization of society seemed to offer the only hope. ⁹

The factory and the new industrial corporation of the late nineteenth century offered disturbed Americans a model for the proper organization of society. The corporations had developed new methods of management to regulate their increasingly complicated and far-flung operations. These new methods were, in a word, bureaucratic. They involved the centralization of decision-making, hierarchical chains of command, specialization of tasks, and, above all, a rational and logical

ordering of activity by means of impersonal rules and sanctions. Scientific management, as the organizational techniques were known, made for predictability and continuity in operations, and this, in turn, made for profit. Then as now, the majority of Americans have looked with favor upon economic success. Consequently, it was not long before the techniques of scientific management were being advocated as the solution to the ills of society. A proper management of society would, it seemed, resolve the tensions and uncertainties created by complexity.

The first two decades of the twentieth century, the so-called Progressive Era, witnessed an outpouring of proposals to reform various aspects of American life. Most, if not all, of the reforms involved the application of some form of bureaucratic procedures to the problems facing the country. Thus, the regulation of economic activity by the federal government, the rationalization and professionalization of teaching and social work, efforts to Americanize immigrants, as well as political reforms on the local, state, and national levels, all proceeded out of a desire to introduce rationality and order in American society.  


Many of the leaders of the various reform movements came from the ranks of the country's business elite. As a group, the most admired people in American society have been the economically successful. In the absence of an established church or an hereditary aristocracy, Americans have often turned to the business community for their leaders. Moreover, the familiarity of businessmen with the techniques of management encouraged them to take the lead in many of the reform movements. To be sure, not all businessmen were reformers, nor were all reformers businessmen. However, many of the reform-minded members of society shared similar approaches to their different areas of concern, and felt that the methods of organization applicable to business activities could be used to regulate social activities as well. Even those reformers hostile to business interests had no quarrel with the ideas of order and efficiency.

The involvement of businessmen in reform movements grew out of an awareness that economics was not a sphere of life separate from social or political activities. Although some business-oriented reformers clearly sought reforms beneficial to their own interests, there is no need to impute sinister motives to them. Such reformers often sincerely felt that the actions they advocated would benefit the nation as well as business. To bring order out of chaos, and forestall social collapse by creating a stable society would improve the quality of life for all.  

The First World War marked the triumph of the new bureaucratic value system. Businessmen devoted themselves wholeheartedly to the war effort, and, in the process, familiarized the country with the techniques of scientific management. Moreover, they showed that these techniques worked. In a sense, the war ended the Progressive Era, not because all the nation's problems had been solved, but because the methods of problem-solving had become a permanent part of the American scene. All that seemed to remain was to put those methods into wider practice. Indeed, it can be argued that American history since the end of the First World War has involved just that; the application of bureaucratic methods of management to larger and larger segments of American life. By 1920, in any case, Tönnies' predictions as to the tendencies inherent in Gesellschaft seemed to have borne fruit.

If Tönnies' *Gemeinschaft--Gesellschaft* continuum can be applied to the study of national societies, it can be used as a means to study local communities as well. Both sociologists and historians have viewed the development of the local community as a process involving its increasing integration into the national society. Indeed, some sociologists have claimed that as a result of the related processes of urbanization, bureaucratization, and industrialization, there no longer exists, at present, true local communities with unique identities, but only local manifestations of a national, mass

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Whether, this be the case or not is far beyond the scope of this dissertation. What is relevant here, however, is the use of the Gemeinschaft--Gesellschaft typology as a conceptual tool, because it is within this framework that our examination of Bethlehem is placed. The developments described as taking place in Bethlehem must therefore be seen as occurring within the context of an emerging national society, and being related to it.

Although this dissertation covers nearly two centuries of Bethlehem's history, the core of our discussion is devoted to an examination of a movement to reform Bethlehem's municipal government in 1917. As such, it is an attempt to study the tendency to apply the newly emergent bureaucratic value system to local problems, and can therefore be approached as a case study in municipal reform during the Progressive Era. It should be noted, however, that this reform movement must be examined as the culmination of a process of social change which had taken place over a long period of time. Consequently, the chapters which precede the discussion of the reform movement are to be considered as an indication of the specific milieu in which the reform movement originated. At the same time, these chapters on Bethlehem's Moravian origins, its economic growth, ethnic composition, social hierarchy, and labor conflicts, are intended to show how developments relating to industrialization on the national scene manifested themselves in the

experience of one particular community. Chronologically, the dissertation ends at a point where locally, as nationally, the business-oriented techniques of scientific management had been applied to political activity with the hope of producing a stable and orderly society. By 1920, then, in Bethlehem as elsewhere, the values of Gesellschaft had achieved maturity.
CHAPTER ONE:

MORAVIAN BETHLEHEM: 1741-1845

Bethlehem, Pennsylvania was founded in the 1740's by members of the Moravian Church. Only in the 1840's, after a century of existence, did the community permit non-Moravians to settle within the town's limits. The reversal of a century-long policy of exclusion did not herald a radical change in behavior on the part of the community's residents. What it did mark was the culmination of a series of changes which had already transformed Bethlehem from a religious settlement into a secular town. In the years between 1741 and 1845, the inhabitants of Bethlehem had exchanged an ethic of religious communalism for a value system based on secular individualism. A *Gemeinschaft* orientation had been exchanged for a value orientation appropriate to a *Gesellschaft*. It is the purpose of this chapter to indicate how this alteration in values came about.

Bethlehem's early history can only be understood in the light of the background and beliefs of its Moravian founders. They belonged to the *Unitas Fratrum*, as the Church is officially known. It is a Church which traces its origins to Jan Hus, a pre-Reformation opponent of the Roman papacy. Hus' followers formally seceded from Rome in 1467, and acquired an episcopacy for themselves through the agency of the Waldensians, another anti-papal group. The Brethren then settled...
near Prague to devote themselves to lives which stressed piety and moral conduct, but not doctrinal orthodoxy. Although the Church had many adherents at the start of the seventeenth century, it was almost totally destroyed during the Thirty Years War. For the next century or so, a period of dispersion known to Moravian historians as the Time of the Hidden Seed, the Church barely managed to survive. Only in the eighteenth century did the Moravian Church once again experience growth.¹

The revival of the Moravian Church can be laid to the efforts of one man: Count Nickolas Ludwig von Zinzindorf. The Count, a devout Lutheran of a pietist inclination, permitted members of the Moravian Brethren to settle on his estates in Saxony where, in 1722, they established the village of Herrnhut, meaning "in the Lord's care." Zinzindorf had originally hoped to convert the Moravians to his own beliefs, but found himself converted to theirs instead. He received ordination as a bishop of the church, and, in fact, became its unofficial, but very real, head.²

Under Zinzindorf's leadership, the revived Moravian Church developed a strong pietistic orientation. Emotion, not reason, dominated


the Moravians' view of religion. God, they felt, could not be understood by use of rational thought processes alone. Indeed, God had only become comprehensible to mankind when He chose to reveal Himself in the person of Jesus. God thus became accessible to man through Jesus, and Jesus, through his sufferings on the Cross, had atoned for man's sins. The Atonement made it possible for men now to love and adore God without undergoing a painful process of guilt, pain and sin. For Zinzindorf, the worship of God expressed itself in a profound emotional experience in which man became joyously united with Christ. 3

In all this, however, Zinzindorf and his followers laid a strong emphasis on interpreting man's comprehension of God as a communal rather than an individual experience.

A world-wide missionary activity developed as an outgrowth of the Moravians' stress on community as the basis of religious enthusiasm. The Moravians viewed their Church as an ecumenical movement to promote religious experience, not merely a denomination. To maintain both church discipline, and inter-denominational cooperation, Zinzindorf created a system of "tropes" as forms of worship. Under this system, members of other churches, which, in Germany, meant primarily the Lutheran and Reformed, could associate with the Moravian Church without abandoning their previous affiliations. 4

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3 Gollin, Moravians in Two Worlds, pp. 10-11.
5 Lewis, Zinzindorf, pp. 139-161.
Such missionary activity soon spread all over Germany, and, from there, to the American colonies, where large numbers of German immigrants lived without ministerial leaders. Attractive, too, were the many heathens to be brought into the fold. By 1741, there already existed Moravian missionary communities in such widely separated places as Greenland and the West Indies.  

The establishment of Bethlehem in 1741 grew out of an attempt by the Moravians to create a settlement in Georgia in 1735. The outbreak of war between Spain and England subjected the Moravians to harassment because of their pacifist stand. In 1740, the Moravians abandoned their settlement. The survivors traveled north to Pennsylvania where they purchased a tract of land along the Lehigh River in Northampton County from a friend of Zinzindorf's, George Whitefield, the famous Methodist preacher. On Christmas Day 1741, with Zinzindorf in attendance, the site was named Bethlehem.  

From the start, Moravian Bethlehem reflected its founders' concern with the communal experience of religion. Planning, not chance, characterized the town's development. The Moravians laid out streets and squares with an eye toward orderly growth. They placed the dormitory-like choir residences and other community structures in patterns based on the buildings' functional relation to one another.  

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7 Levering, Bethlehem, pp. 35-37.
planning and regulated growth could only occur in a closed environment where economic, social, and political goals could be subordinated to religion. To permit non-Moravians to settle permanently in Bethlehem would threaten the whole reason for the town's existence. Consequently, Bethlehem remained an exclusive community for more than a century after its founding. It did not become incorporated as a political unit, and thus open to residence by anyone, but remained a private estate owned by the Moravian Church. 10

Living in a closed religious community, Bethlehem's Moravian residents felt little need to separate religious and secular activities. Within their communal framework, nothing existed to distinguish one sphere of life from the other. Indeed, because Jesus had been declared the community's Chief Elder, theocratic authority prevailed. However, Jesus' membership in the community did not mean that village authorities had the opportunity to make their own decisions, and then to declare them to be God's will. On the contrary, in order to ascertain Jesus' verdict on a given issue the Moravians resorted, not only to prayer, but also to the device of the lot. Use of the lot involved the drawing of a slip of paper from a box which usually held three ballots: one affirmative, one negative, and one blank. Moravians resorted to the lot to ascertain God's will in a wide variety of situations ranging from questions of community policy to matters affecting only a few individuals. Thus, the admittance of a new member to the community, the new member's decision to marry, as well as the name of his spouse,

10Levering, Bethlehem, p. 269.
the selection of individuals to staff missionary or political posts, erection of new buildings, economic policies, or establishing the date of a synod were matters often submitted to the lot.\textsuperscript{11}

In the day to day administration of Bethlehem, when the lot did not come into service, the Moravians practiced rule by committee. The Elders' Conference stood at the top. This consisted of the Chief Ordinarius, who was the main administrative officer, his deputy, the supervisors of the choirs—the basic social unit—and the general overseer of economic affairs. Below this lay a general supervisory council whose members represented the various branches of the community's economy and dealt with its routine matters. A community council of all adult church members formed the bottom of the committee structure. However, this council had only advisory powers, and did not participate in decision-making.\textsuperscript{12} Religion, not democracy, gave direction to the community's decisions.

Bethlehem's social organization reflected the Moravians' desire to subordinate individual desires to the maintenance of religious community. Thus, the family did not constitute the basic social unit in Bethlehem. Instead, this role belonged to the choir (from the German Chor, a group organized to sing the praises of God). The choir served as a family surrogate, and functioned so as to replace distracting


\textsuperscript{12}\textit{Ibid.}, 39-40.
familial loyalties with communal ones. Indeed, the choir system stratified the community in terms of age, sex, and marital status. Ideally, an individual would spend his entire life, from birth to death, belonging to one choir or another. Separate choirs existed for infants, boys, girls, single men, single women, married couples, widows, and widowers. The choirs provided their members with food, clothing, and communal housing, as well as taking care of the raising and education of children. No one who lived in Bethlehem could remain outside the choir system.

Communal organization dominated Bethlehem's economic life in much the same fashion as it did social life. In fact, the choirs, which served as the basic social units, carried on economic functions as well. A communal sharing of property, labor, production, and consumption characterized Bethlehem's economic life. Moreover, the community had the right to determine which occupation an individual should pursue. This, of course, reflected the Moravian belief that all labor belonged to God, and that the community's spiritual welfare demanded the subordination of the individual's desires to the group's. The idea of private property never received official condemnation by church authorities, but conditions, as they existed in Bethlehem, prevented individuals from effectively making use of whatever private possessions

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they may have had. In any case, neither profits nor wages accrued to the benefit of the individual. The choirs provided their members with all their material needs, and all profits from the community's enterprises went to the Church.

Economic activity in Bethlehem revolved around manufacturing rather than agriculture. Nearly half of the community's labor force in 1750 devoted itself to skilled crafts while only about a quarter engaged in farming. The community had been designed as a manufacturing center from which surrounding mission posts, itinerant missionaries, as well as the residents of Bethlehem, would receive the necessities of life. In fact, the third building erected in Bethlehem was a tannery, built in 1743. The same year saw the completion of a grist mill, and a second mill followed ten years later. Textiles and clothing made up another significant part of the town's economy. A fulling mill and a dye works came into being in the 1750's. Several of the trades practiced in Bethlehem—those of stocking weaver, baker, chandler, locksmith, nailsmith, fuller and dyer—had not been followed in Northampton County before the arrival of the Moravians. This, plus a work ethic similar to Calvinism, in


that devotion to work was essential to one's state of grace, helped
Bethlehem to prosper.

By the 1750's, Bethlehem had become a regional manufacturing
center. Its location on the frontier gave it a near-monopoly on
the sale of manufactured goods in that part of eastern Pennsylvania.
Settlers from the nearby agricultural regions came to Bethlehem to
have their grain milled as well as to purchase needed articles. To
accommodate them, as well as to enhance the community's treasury,
the Moravians in Bethlehem opened up the first general store in
Northampton county where goods of local manufacture could be pur-
chased as well as items imported from Philadelphia. The Moravians
had, by this time, established a thriving trade with certain
Philadelphia merchants who supplied them with such things as glass,
salt, and gun powder in exchange for textiles, pottery, and hardware.
Indeed, by 1760, after twenty years of existence, Bethlehem appeared
to have accomplished its founder's every dream. It throve spiritually
and economically, providing for its own needs as well as those of the
missionaries it supported. Unfortunately, appearances are often
deceptive, and in Bethlehem's case, success and failure came hand in
hand.

The Bethlehem of the 1740's and 1750's clearly comes quite close

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18 Gollin, Moravians in Two Worlds, p. 222.
19 James T. Lemon, The Best Poor Man's Country: A Geographical
   History of Early Southeastern Pennsylvania, Baltimore, c. 1972,
   pp. 134, 147.
20 Murtagh, Moravian Architecture, pp. 69-73, Gollin, Moravians
to the classic description of Gemeinschaft. The community of goods and labor, and the social and religious bonds which united the inhabitants of Bethlehem clearly belong in the same category of mechanism which Tönnies found to be the operative factors producing a Gemeinschaft. 21 Unfortunately for the Moravians, eighteenth century Pennsylvania proved to be the wrong time and the wrong place to establish such a community. Pennsylvania, not to mention the rest of the Western World, was a society whose value system reflected a growing shift away from the attitudes of Gemeinschaft in the direction of Gesellschaft. This change in values would soon make itself felt in Bethlehem and gradually transform it.

In a social sense, the values of community, as expressed by Bethlehem's Moravian residents, appeared to most Pennsylvanians as belonging to a system of beliefs rapidly becoming obsolete. 22 The word which can best be used to describe Moravian Bethlehem's relation to contemporary Pennsylvania society is anachronism. The Moravian Church placed great stress on the importance of community in the lives of its members, but among other residents of Pennsylvania, the concept of community received a great deal less veneration. Pennsylvania was a liberal society in the classic sense of placing greater emphasis on individual freedom and material gain than on the public interest. By mid-century, this philosophy of individualism had come to dominate the

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22 Lemon, Best Poor Man's Country, p. 98ff.
value system of Pennsylvanians, whether they lived in the commercial metropolis of Philadelphia, the few county seats and commercial centers like Reading, Carlisle or York, or in the province's rural area. This reflected a trend taking place, since the seventeenth century, all over rural western Europe. As feudalism declined in Europe, the idea of the peasant village as the social basis for the organization of agriculture began to disappear as well. The agricultural village had had meaning only in the feudal open-field system which accompanied a social ethic that encouraged an equitable distribution of all qualities of land. With the disappearance of the medieval ethic of social justice, a rise in individualism encouraged the creation of family farms operated by the heads of nuclear families. This, in turn, encouraged the further individualization of opinion and decision-making which would eventually turn Western society into a Gesellschaft.

Given the conditions of its settlement, Pennsylvania can easily be described as the most liberal society in the world of the mid-eighteenth century. The agricultural villages, linked together in a series of townships, which William Penn envisioned when he established his colony, failed to materialize. Instead, family farmsteads became


dispersed over the countryside, and indiscriminate settlement led to irregular holdings. Townships existed, but only as political units which had few claims on their residents in terms of community.

Moreover, the system which Penn had desired had been an idealized version of feudal England, but few peasants could afford to migrate and few aristocrats wanted to. The bulk of the migrants to Penn's province came mostly from the ranks of the skilled and the middle classes who had been the very elements in European society benefiting from the rise of individualism. They were not about to abandon a philosophy which they found encouraging.

Besides being an individualistic society, Pennsylvania also had the distinction of being a pluralistic one as well. The social map of the province described a mosaic of different ethnic and religious groups most of whom felt somewhat suspicious of their neighbors. The necessity of mutual tolerance as well as the lack of the necessary ministerial leadership, prevented the rise of strong parishes which could serve as the basis for community. The township likewise failed to serve as the nucleus for community even though many had been settled almost exclusively by members of one or another ethnic or religious group. This resulted from the location of political authority on the county level, not on that of the township. As a result, only a very

26 Lemon, Best Poor Man's Country, pp. 98-106.
29 Ibid., p. 69, Lemon, Best Poor Man's Country, pp. 110-111.
few groups, such as the Moravians, who possessed strong social organization to begin with, managed to create a real sense of community.

The Moravians established Bethlehem with the purpose of using it as a center of missionary activity among the inhabitants of Pennsylvania. Lacking Lutheran and Reformed ministers, the German church people of the province appeared to offer an open field for eager missionaries, and Zinzindorf hoped to create a sense of ecumenical unity among them. For several years Moravian missionaries pursued a course of almost feverish activity among the Germans. Moravian ministers established Lutheran and Reformed "tropes" to provide for their charges. All this was in vain, however, for this missionary activity took place during the religious revival of the Great Awakening, the immediate effect of which was an increase in denominational consciousness. By 1748, in fact, the Moravians found that they could no longer compete with the ministerial efforts of the various revived churches. They retreated to their headquarters in Bethlehem, and abandoned the interdenominational congregations they had established. From the 1750's on, the Moravians concentrated their missionary efforts solely on the Indians--efforts which had a great deal of success.

If the Great Awakening increased denominational consciousness in Pennsylvania, it also had the paradoxical effect of increasing the secularization of provincial society. The Moravians had failed in their

30 Rothermund, Layman's Progress, p. 30.
31 Ibid., pp. 30–34, Levering, Bethlehem, pp. 119–123, 141.
missionary efforts because of their emphasis on ecumenical unity, and on the communal nature of religious experience. For most Pennsylvanians, however, the significance of the Great Awakening lay in the fact that it emphasized the importance of an individual religious experience. This, in turn, meant an emancipation of the individual from the judgment of authority and dogma. Denominations became voluntary societies for personal identification and salvation rather than institutions which gave direction and focus to the totality of life. The religious enthusiasm soon vanished but the emphasis on individualism remained. The encouragement given to individualism in time gave rise to a spirit of secularization and participation in politics. The squabbles and controversies accompanying the Great Awakening had heightened disrespect for figures of religious authority and their political supporters. Individual judgment and enthusiasm gradually shifted from religion to politics. A secular, rather than a religious, commonwealth of individuals became the goal. Party politics developed an intensity in Pennsylvania, during the 1750's and 1760's, which had not been seen before. As one historian has noted, "The new piety was patriotism." In the course of the thirty years between 1740 and 1770, the consciousness of Pennsylvanians had been transformed. The American Revolution would emerge as the secular heir

of the Great Awakening.

The increasing secularization of Pennsylvania society in general made itself felt in Bethlehem. The long range effect of the Great Awakening would be the transformation of Bethlehem from a religious community to a secular town. The change, however, would be gradual, for social change is neither continuous development nor mere mechanical response to the impact of events on people or institutions. Rather, it results from the reaction of individuals to changes in their environment, and the way they attempt to cope with them in terms of the conceptual, institutional, and social frameworks they are already familiar with. In Bethlehem change would come, but it would come slowly; its pace would be gradual, but its effect would be total.

The 1760's marked the start of Bethlehem's decline as a religious community. Despite their exclusiveness, the Moravians found themselves unable to resist the effects of being located in the midst of an individualistic society. With the decline of missionary activity came a decline in religious enthusiasm, and a corresponding rise in the spirit of secular individualism. This new spirit first made itself

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felt in the economic area. The choir system of social and economic organization had made Bethlehem prosper. By the 1760's, a growing number of the town's residents began to demand a share in that prosperity, not as members of a religious community, but as individuals. To permit the individuals in a given enterprise to operate according to a profit system, they argued, would increase productivity and thus benefit everyone. By 1761, the clamor for a profit system had become so great that the church authorities, fearful of the community's secession from the Unitas Fratrum, agreed to the abolition of the General Economy in that year.

Abolition of the General Economy did not mean the overnight transformation of Bethlehem into a secular community. That transformation would indeed take place, but it would take place within the framework of the institutions Bethlehem's residents were already familiar with. Thus, the end of the General Economy meant that many who had worked for the Church-owned enterprises, in return for their material needs, would now receive wages instead. Others were permitted to set themselves up as independent craftsmen. In all this, however, the church still retained a say in the community's economic affairs. The businesses and industries given up by the Church were not sold, but leased to private individuals, and all land within the boundaries of the town continued to remain the property of the

church. Under a perpetual lease system, the purchaser of a house as well as his heirs, had to respect the right of the owner of the land, the Church, to approve of all transactions involving such property. Moreover, no business could be started or expanded without official permission. In other words, the Church authorities attempted to maintain Bethlehem's character as a religious community by permitting private economic activity, but under strict communal supervision. They hoped that in this way the forces of secularism could be excluded from Bethlehem. In this they erred.

The end of Bethlehem's General Economy also spelled the end for its choir system of social organization. Without a communal economy, it made little sense to maintain the social organization which accompanied it. In any case, married couples began to regard communal living as an encumbrance, and demanded the right to raise their own children. The Church authorities yielded to their requests, and, by the late 1760's, the construction of individual family housing had begun. By the time of the American Revolution, the married couples' choir no longer retained any viability. The choirs for single men and women had degenerated to the status of boarding houses whose lodgers paid rent. The Single Brethrens' Choir and the Single Sisters' Choir went out of existence in 1817 and 1841 respectively. The Widows' and Widowers' Choirs remained in existence but as pension societies not as communes; an indication of the decline in the religious zeal of

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37 Levering, Bethlehem, pp. 379-80.

38 Gollin, Moravians in Two Worlds, pp. 96-98.
The American Revolution hastened the transformation of Bethlehem into a secular community. In many respects, the Revolution had the appearance of a secular crusade: its adherents sought the creation of an earthly commonwealth both republican and egalitarian. Aware of the Revolution's nature, and, aware too, of its possible deleterous effects on Bethlehem, the Moravian authorities sought to remain neutral, but this proved impossible. Rumors, news, refugees, and, eventually, armies arrived in Bethlehem, bringing with them ideas and attitudes inimical to the continued existence of an exclusive community. From December of 1776 to June of 1778, Bethlehem served as the General Hospital for the Continental Army. Try as they might, the Church authorities could not keep the world from Bethlehem's doors. Moreover, cut off from contact with the Church's headquarters in Europe, Bethlehem's residents grew more American and less Moravian.

The resumption of peace did not mark a return to the conditions of Bethlehem's early days. On the contrary, the post-war years saw the decline already apparent before the Revolution continue at an accelerated pace. The authorities' policy of limiting the number of

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individuals who might engage in a particular trade created antagonisms. Many of Bethlehem's younger residents left the town in search of greater economic opportunity, and the bustling metropolis of Philadelphia lured many with the freedom it presented for an individual to choose his own destiny. Population also declined. In 1750, Bethlehem had supported 1,000 inhabitants; in 1800 there were only 543. Most serious of all, from the point of view of the Church, was the abatement of religious zeal. In the early days all had felt themselves to be a part of the missionary community. Everyone could feel that whatever activity he engaged in had a religious purpose; the craftsman or the agriculturalist saw himself as part of a band of heroic Christians laboring in the wilderness to spread the Word of God. Now, however, few inhabitants felt that the support of missionary activity was the direct and immediate concern of all Moravians. So much had religious zeal abated, that, in 1787, the Church authorities found it necessary to create a Society for Propagating the Gospel Among the Heathen to encourage laymen to support such matters. By the start of the nineteenth century, Bethlehem had deteriorated to the point where visitors would describe it as a "quaint church village". Enthusiasm had become stagnation.

If Bethlehem appeared to observers as an economic and social backwater, American society at large did not, and the same forces which

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43 Yates, Bethlehem, p. 173.
operated on the larger national stage would eventually manifest themselves in Bethlehem. The first half of the nineteenth century has been labeled the "era of the common man" in American history. Accounts of this period have laid stress on its loudly proclaimed egalitarianism, either to glorify it or to deny its reality. To argue whether or not American society had truly become egalitarian during the Jacksonian period is not the issue at hand. What is important to note here is that the vehemently proclaimed social equality marked the triumph of individualism. Individualism and equality are not identical, of course, but they are related in the sense that individualism cannot operate in a society in which inequality is considered a natural or a desirable state of affairs. The egalitarianism of the Jacksonian era did not necessarily reflect a belief that all men were equal, but it did reflect a belief that, given the absence of restrictions, the superior individual would improve his lot in life. Moreover, in a secular society economic achievement became the most demonstrable indication of superiority. As a result, the successful businessmen emerged as the most respectable members of society and thus as its leaders. They had proven themselves to be above the common run of


mankind.

Major economic change accompanied the egalitarianism, social mobility, and political turmoil of the Jacksonian period. Between 1800 and 1850, the outlines of a national economy began to emerge. Production of goods for market became a major factor in the economy, replacing the traditional household manufacture of goods for personal consumption. By mid-century, improvements in the technique, organization, and scale of production had culminated in the emergence of the factory system as the most efficient means of organizing labor and capital for production. Regional isolation decreased with the growth of a national transportation network based on turnpikes, canals, and later, railroads. Improved transportation facilities reduced the cost of moving goods over long distances, and this, in turn, stimulated the growth of manufacturing. The rise and spread of banks and other financial institutions likewise indicated a burgeoning economy. Indeed, the financial panic of 1837, and the depression which followed in its wake, which had resulted from speculation and unsound fiscal policies can be seen as a sign of the emergence of a national economy. Had a national economy not been in existence, the depression's effects would never have been so widespread.

The economic expansion of the first half of the nineteenth century drew Bethlehem out of its isolation and stagnation. The construction of the Lehigh Coal and Navigation Company's canal along the

Lehigh River brought Bethlehem into extensive contact with the outside world.\textsuperscript{47} The canal reached Bethlehem in 1829. Local businessmen welcomed the canal, for they recognized the opportunities which it presented. Bethlehem, after all, was more in tune with the commercial and industrial revolutions of the period than its official policy of exclusion might indicate. The town had never depended heavily on agriculture for its existence, but, rather, on craft industries and trade. Indeed, from the start of its existence until the time the canal reached Bethlehem, the community functioned as a regional manufacturing center. By now, of course, most of the old Moravian industries were in the hands of local businessmen not those of the church. These businessmen recognized much more quickly than did the church authorities that prosperity for the town would depend on the operation of outside forces, now more than ever before. Businessmen would be the specific agents of change in removing from Bethlehem the last vestiges of its exclusively Moravian character.

Pressure from businessmen led church authorities to remove the restrictions which they had placed on economic activities. Aware that the Church did not have the resources to ensure the material well-being of the community, the Moravian authorities agreed to the demands of the businessmen for a modification of the lease system. As a result,


\textsuperscript{48} Yates, \textit{Bethlehem}, p. 204, Levering, \textit{Bethlehem}, p. 653.
the church began selling off businesses and industries which had previously been leased to individuals. Among the sales made in 1829 and 1830, for example, were the tannery and the grist mill. The church authorities made such sales in the hope that the purchasers, all Moravians, would continue to act in a spirit beneficial to the community, for they were well aware of the destructive effects of an unrestrained economic individualism. 

The fears of some of the church authorities about the dangers of economic individualism for Bethlehem soon appeared justified. The presence of the canal and the modification of the lease system encouraged most businessmen to expand their activities, and led some to engage in speculations that soon proved unwise. The panic of 1837, and the subsequent depression which lasted until 1844, found local businessmen over-extended. Some were forced to sell out, while others went bankrupt. To prevent several businesses from falling into the hands of non-Moravians through sheriff’s sales, the Church found it necessary to purchase these enterprises from their owners. As a result, the church’s indebtedness increased dramatically. The year 1842 saw Bethlehem hit by a series of economic disasters which compounded the problem. The tannery closed down, and the mercantile enterprises of Owen Rice, the town’s most important businessman, failed.

49 Yates, Bethlehem, p. 205, the question of restraining businessmen arises in Kammen, People of Paradox, p. 261, see also Rothman, Discovery of the Asylum, pp. 125-127.

50 Levering, Bethlehem, pp. 648-650.
The Lehigh River's spring floods of that year destroyed Lewis Doster's woolen mills as well as other local enterprises. For the Church to continue its policy of rescuing its members from business failures would mean the Church's financial ruin. The Church simply did not have the wealth to subsidize local businesses during periods of economic depression. As a result, local church authorities began to listen more favorably to the petitions of Bethlehem's residents for a total abolition of the lease system, and the opening up of the community to settlement by non-Moravians.

The demands for the abandonment of exclusiveness were not new; they had been growing in intensity from the start of the nineteenth century. In all but name, Bethlehem had already developed into a secular community. By the 1840's, in fact, the Church authorities no longer controlled the town's political affairs. A democratic system of elections similar to that in purely secular communities had replaced Church Administrators in determining the course of non-religious affairs. Elections were held every January by voters assembled in a congregation council. After 1819 they chose a secular administrator who, with the title of Burgomaster, combined the duties of street supervisor, chief of police and health supervisor. Along with the members of the tax board, and the Overseers of the Poor, the Burgomaster was elected annually, and like them, had to present the council with annual reports and explanations of their policies. These positions, along with those of a public school board which came into

existence in 1836, were staffed primarily by businessmen, not church leaders. Given this spirit of secularization, the abandonment of exclusivism became merely a matter of time.

The fully developed spirit of secular individualism as well as the Church's financial difficulties ended the policy of religious exclusiveness for all time. A Church committee, formed in 1843 to study the Church's financial problems, unanimously recommended the abolition of the lease system, and, by implication, exclusiveness. When the leaders of the Moravian Church in Europe declared their unwillingness to advance the Bethlehem congregation money to maintain the old system, the end was at hand. On January 11, 1844, the congregation voted to abolish the lease system, and the old church village was dissolved. On March 6, 1845, the governor of Pennsylvania approved an Act of Assembly incorporating the Borough of Bethlehem. From now on, the Moravian congregation would no longer be identical with the town. Bethlehem was no longer "a company of heroic Christians and enthusiastic evangelists." In the course of a century, Bethlehem had undergone a transformation in values. The original settlers had possessed an ethic not unlike that of the Puritans in 17th century New England. One's occupation was related to one's salvation. Hard work was a virtue, and to

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52 Yates, Bethlehem, pp. 208-209.
54 Ibid., p. 678.
follow diligently at a calling was a religious duty. In the early communal days, this ethic had been the major factor in Bethlehem's economic success. To the degree that Bethlehem ceased to function as an active missionary center, religious zeal declined, and a secular spirit arose. Gradually, the values of an individualistic society replaced the communal ethic formerly held by Bethlehem's inhabitants. By the middle of the nineteenth century, the achievement of economic success had ceased to function as a means to an end; it had become an end in itself. The Bethlehem of 1850 had ceased to be a Moravian communal settlement, it had become a secular town some of whose residents belonged to the Moravian Church.
CHAPTER TWO:
THE BOROUGH OF BETHLEHEM: 1850-1900

Change came slowly to Bethlehem in the years after 1845, but come it did, and, by 1900, Bethlehem would no longer be a homogeneous, tightly-knit community, but a town reflecting the growing social complexities of a modern nation. To be sure, Bethlehem would be dominated for years by the Moravians, who were concerned lest Bethlehem be destroyed by an unrestrained industrial growth. They succeeded in preserving Bethlehem's aesthetic charms, and maintaining a peaceful residential character. Even after the arrival of non-Moravians with their diverse needs and wants, Bethlehem remained a rather sedate community rather than developing into an industrial center.

When Bethlehem became a borough in 1845, the influence of the Moravian Church did not disappear. Bethlehem's business and political leadership remained almost entirely in Moravian hands for several decades after the abolition of exclusivism. Between 1845 and 1879, for example, fifteen men filled the annually elected office of Chief Burgess, and all but one, who served a one-year term, belonged to the Moravian Congregation. During the same thirty-five year period, eight of these former Chief Burgesses were elected to seats on the borough council. Taken together, these eight served a total of forty-seven
years as councilmen. With the exception of one Moravian minister, 
all were businessmen.

The citizens of Bethlehem who had voted for the abolition of exclusivism in 1844, held great hopes for the future of the new Bethlehem. They felt sure that secularization would bring prosperity to a community whose recent past had been marked by economic woes. At the same time, they likewise believed that the businessmen who had led the move for secularization would remember their responsibilities to the community as they carried out their affairs. This did not appear to be merely an idle dream, for, although the end of exclusiveness had marked the triumph of a spirit of individualism, this individualism had to find its expression within the context of a local culture influenced by a century of Moravian experience. Businessmen were expected to act like Moravian businessmen. In other words, the awareness of their Moravian heritage should temper the entrepreneurial spirit of the town's economic leaders. Such expectations did not go totally unrealized, and Bethlehem found itself spared the worst ravages of industrialization.

Although Bethlehem experienced a measure of prosperity in the second half of the nineteenth century, it never developed into a major


2 Yates, Lehigh Valley, p. 123.
industrial center. For the rest of the century it continued pretty much as a residential and commercial community. For the most part, this was due to choice. Both Church and community leaders preferred to retain the natural beauty of the town at the expense of attracting new industry. The Moravian Church, being the largest individual property owner in the borough, used its economic powers to thwart unrestricted expansion. In 1849, for example, the Church prevented the erection of several anthracite furnaces along the north shore of the Lehigh River. Even among business leaders, many of the older traditions held strong sway. "Although," as one writer has noted, "at times, the influence of men who attach no value to any interests or activities beyond those covered by the word business, bore down hard on the town, there were always more people than in most Pennsylvania communities of like size who welcomed what the men of literature and science, the musicians and the artists had to despense." Boosterism, so common to many similarly-sized towns of the period, was remarkable in Bethlehem mostly by its absence.

If the inhabitants of Bethlehem had no desire to see the town subjected to unrestricted industrialization, they had no quarrel with manufacturing per se. Indeed, Bethlehem had served the agricultural areas of the Lehigh Valley as a regional manufacturing center since its establishment in the 1740's. The Bethlehem of the post-Moravian period

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3Ibid.


continued to provide for the material needs of the town as well as the surrounding rural areas. Three flour mills, a tannery, a brass foundry, a distillery, a piano factory, a brewery, and three carriage factories were to be found within the borough's limits in 1860. Technically outside the town's boundaries, but nevertheless part of the community's economic life, were a woolen mill, a barrel factory, a sawmill, an agricultural implements factory, and an iron foundry. Bethlehem also possessed a number of mercantile establishments both wholesale and retail. The town thus enjoyed a modest, but very real, prosperity: a prosperity indicated by the existence of three banks, all established before 1877.  

Bethlehem did not suffer economically from its failure to encourage extensive industrialization; in fact, it benefitted. The charms which the Moravians sought to preserve encouraged Bethlehem's development as a summer resort during the second half of the century. To be sure, Bethlehem had attracted tourists ever since its foundation. Travellers, both famous and forgotten had visited Bethlehem through the years, and European travellers considered a visit to the Moravian community a "must." Moreover, a boarding school for girls, established in 1788, resulted in members of the country's elite families coming to

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Bethlehem. This, in turn, had made Bethlehem a summering place for some ante-bellum southern gentry.

However, in the post-Civil War period, Bethlehem saw the annual summer arrival of "hundreds of the best families of Philadelphia, Boston, and New York." They came each year to sample the quiet charms of Bethlehem, and spent their time in promenades along shady streets, visits to spots of local historic interest, boat and canoe rides on the Lehigh River, and picnics in the local parks or on the river islands. Such sedate pleasures would have been inconceivable in a town which stressed the importance of industry and economic expansion. As late as 1890, a Guide to the Industry and Wealth of the Principal Points in Northeastern Pennsylvania considered Bethlehem's most economically significant interest to be the business offices of Weston Dodson and Company, an anthracite mining firm whose nearest collieries were forty miles away.

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9 Ellis, Northampton County, p. 203.

10 Ibid., and also Clauder, Almanac, pp. 45-46, 54.

11 New York, 1890, p. 121.
If Bethlehem's inhabitants looked askance at industrialization, they did not oppose innovations of obvious benefit to the community. Thus, they welcomed the formation of a gas company whose lamps began illuminating streets and homes in 1854. Macadamized road surfaces made their appearance in 1884 with the purchase of a steam stone-crusher by the borough. The following year saw the introduction of electric street lighting, and in 1890 Bethlehem acquired its own telephone exchange. Without becoming an industrial center, Bethlehem was nevertheless quick to accept technological improvements. In so doing it slowly but surely came under the influence of an emerging industrial culture.

For several decades after becoming a secular borough, Bethlehem retained much of the semblance of being a rather closely-knit community. For one thing, population growth, although respectable, was not excessive. In 1845, the population numbered 1,050. In 1890 the federal census listed 6,762 inhabitants. Moreover, the population was relatively homogeneous. Only sixty-seven Negroes lived in the borough in 1890, and only 478 members of the white population were foreign-born. In spite of this seeming homogeneity, Bethlehem had nevertheless, developed a population of varied interests.

Ethnic diversity did not characterize Bethlehem in the years after secularization. On the contrary, people of German background

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comprised the majority of the town's population for decades after 1845. Bethlehem had been established by Germans, and Germans had also been the original settlers in that part of Pennsylvania. Until well into the twentieth century, German served as a primary language for many people in the area, and large numbers of people spoke it as a second. Many of the Moravians spoke German fluently, and German served as the language of ordinary discourse in Bethlehem for years after secularization. The use of German in Bethlehem was not limited to Moravians, however. Many of the people who settled in Bethlehem after 1845 likewise spoke German, but this did not necessarily contribute to feelings of solidarity on the part of the old and new residents of the community. On the contrary, it led to an increase in stratification, for the newcomers could be distinguished from the Moravians by their dialect. Because of the close ties the Moravians had maintained with their European co-religionists, they mostly spoke the continental variety of high German. On the other hand, the newcomers, and the local German dialect they spoke, have both been given the label Pennsylvania Dutch. Thus, rather than being united by use of a common language, the two groups were made aware of their differences. Moreover, most of the newer inhabitants of the town had just recently left the farm, and had brought with them the age-old suspicion of rural peoples for town-dwellers.¹⁴ Only as English gradually replaced German as the most commonly heard language, did

antagonisms between the two groups melt away. By then, however, the original sense of community had suffered a degree of strain.

The establishment of congregations by a variety of religious denominations marked the growth of an increasingly stratified local community. In American society, the various denominations have not drawn their membership from all social classes, but have generally reflected the outlook and status of particular groups within the social hierarchy. In Bethlehem, the establishment of churches by non-Moravians indicated a growing diversity of interests among the town's inhabitants, and indicated the degree to which Bethlehem, in spite of its conservative character, had moved toward a greater acceptance of the values common to the national society.

The Pennsylvania Dutch were the first non-Moravians to settle in Bethlehem, and they brought with them a desire to establish their own Lutheran and Reformed congregations. Lutheran services were held in Bethlehem as early as 1849 in a rented hall known as the Armory. The congregation remained fairly small for a number of years and could not afford the construction of its own church building. As a result, the Lutherans united with a Reformed congregation, which had likewise begun to hold services in Bethlehem, to build jointly and share what became known as Salem Church. The two congregations used the church on alternate Sundays until 1868. By that year, both the Salem Lutheran and Christ Reformed congregations had grown to the point where the same building could not serve both. They consequently

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separated, with the Lutheran congregation purchasing the Reformed Church's interest in the building.

Both congregations held services in German, but by the 1870's, a growing proportion of the Lutheran congregation began to demand that English be used. Alternating the use of English and German satisfied no one, and in 1872, the English-language, Graue Evangelical Congregation, was formed out of Salem Lutheran. According to an 1877 account, only one other Lutheran church in Northampton County used English in its services, and that was in Easton, the county seat. Salem retained its use of German until the First World War. Other Lutheran Churches, established in following years, retained German while others used English. Holy Trinity Lutheran, founded in 1887, maintained the use of German until 1901, but St. Stephen's Lutheran, which was established in 1895, held services in English.

Christ Reformed Church also served as a parent organization for other congregations. Unlike the Lutherans, however, no split occurred between English and German-speaking members. Rather, the increase in the congregation's size required the creation of new churches. Christ Reformed held German services until 1894 when


English came into use on alternate Sundays. Three years later an English sermon preceded one in German. Its daughter organizations, First Reformed Church of South Bethlehem (1867), St. Paul's (1888) Bethany (1897) and Zion (1898) likewise used German as the language of their religious services.

Another religious denomination which used German in its services was the Evangelical Association. Its ministers held services in private homes beginning in 1848, and later in the Odd Fellow's Hall. Members of this denomination organized themselves into a congregation in 1854, and built a church shortly thereafter. Circuit ministers served the congregation until 1866, when it had become of sufficient size and stability to warrant its own pastor. This church too became a parent organization for other congregations: St. Luke's in South Bethlehem (1885), Olivet (1889) and Emmanuel (1894).

As in the case of the Protestant churches, the members of Bethlehem's first Roman Catholic congregation spoke German as their primary tongue. The congregation's early history also resembled that of other denominations, with services being first held in private homes and then, after 1856, in the congregation's own small church.

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18 Christ Evangelical and Reformed Church, Bethlehem, Pennsylvania, 1849-1949: One Hundredth Anniversary, Bethlehem, Pa., 1949, pp. 7-10.

19 Henry, Lehigh Valley, p. 231, Emmanuel Evangelical Congregational Church, Bethlehem, Pa., 1945, unpaginated.

building. The Church of the Nativity grew slowly, and did not have a resident pastor until 1871. The parish's growth did not continue, however, for most of the German speaking Catholics who came to the area tended to settle across the Lehigh River in the newly incorporated borough of South Bethlehem. In 1886, the church lost most of its membership with the creation of the Church of St. Bernard in that community. After this, Nativity became a mission church, as it had earlier, with Sunday services being performed by clergy from other parishes. In 1917, the building became the property of the newly-organized English-speaking congregation of Sts. Simon and Jude.21

The Roman Catholics were not the last German-language denomination to establish a church in Bethlehem. The Mennonites founded Ebenezer Bible Fellowship Church in 1884. Calvary Baptist Church was also a congregation which used German in its services. It came into existence at the rather late date of 1911.22

To be sure, Bethlehem did not remain a community inhabited exclusively by people speaking only German. Many of the newcomers knew only English, and, as time passed, that language tended to replace German as the primary means of communication. However, only four denominations which used English in their services from the beginning established themselves in Bethlehem before 1890: Methodists


in 1854, Baptists in 1869, Episcopalians in 1872, and Presbyterians in 1876. Their presence indicated a growing diversity of interest and an increase in stratification.23

Members of the various congregations were well aware that their churches represented specific status positions within the social hierarchy. The Methodists were felt to be an essentially working-class group, while the Episcopalians came from the upper rungs of the social ladder. A history of Bethlehem's First Presbyterian Church clearly shows this awareness of the relationship between religion and social status. "It was believed," says the congregation's historian, "that there was an English speaking portion of the people, which is not reached by the German pastors. That there is a quiet and order-loving portion which is not in sympathy with our excitable and demonstrative Methodist brethren. That there are those who are strongly averse to Ritualism, especially with high and dry tendencies wherever practiced." Nor, despite the "profound respect entertained for the Moravian Church," could many feel at ease as members of that body. 24 By a process of elimination, then, the Presbyterian Church of Bethlehem came into being in 1876.


24 Robinson, First Presbyterian Church, p. 8.
The presence of non-Moravian Church in Bethlehem meant the gradual erosion of the foundations on which the Moravians based their community leadership. New churches meant new social groups, with new interests and new needs to be met. The social institutions appropriate to a purely Moravian village could not serve the requirements of a heterogeneous, secular town.

Political changes reflected changing social conditions. Before 1880, all but one of Bethlehem's Chief Burgesses had been Moravians. After that date, election of a Moravian to that post would not be a foregone conclusion. Between 1880 and 1897, four men served as Chief Burgess, none of whom was a Moravian. George H. Meyers, a Lutheran, held office for seven years, and Jacob Kemmerer, a Presbyterian, served for six years. Paul Kemple, another Lutheran, and C.M. Dodson, an Episcopalian, each held office for two years. Moravians would again be elected to this office, but only as representatives of one of several religious organizations, not as a matter of course.

If the presence of a variety of non-Moravian churches marked the breakdown of community in Bethlehem, so did the presence of a large number of social and fraternal organizations. Such voluntary organiza-

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25 For dates of service of these men see Ordinances of Bethlehem, pp. 186-194, and Ordinances of Town Council; Borough of Bethlehem, Pa., Bethlehem, Pa., 1903, p. 194. For their religious affiliations see Portrait and Biographical Record of Lehigh, Northampton and Carbon Counties, Pennsylvania, Chicago, 1894, pp. 156-157, John P. Chamberlin, One Hundred Years of Nativity, Bethlehem, Pa., 1963, pp. 35, 144-145, and Records of Salem Lutheran Church, Bethlehem, Pa., 1851-1919, typescript on deposit in the Bethlehem Public Library, p. 204.
tions attempted to provide a sense of community for their members. As such, they represented a desire to maintain elements of **Gemeinschaft** in a society already far along the path toward **Gesellschaft**. The creation of such fraternal lodges in Bethlehem reflects the growing integration of the borough into the industrialized national society. Twenty-three of these organizations existed in Bethlehem by 1892.

An examination of the dates of their founding reveals the rate at which the sense of community disintegrated. Of the nineteen organizations whose founding dates could be established, thirteen came into being after 1870; three in the 1870's, three in the 1880's and eight in the years between 1890 and 1892. By that point, a meaningful sense of community had clearly disappeared. On the other hand, despite the congregation's initial disapproval, an Odd-Fellow's lodge had been established in Bethlehem as early as 1842; a clear indication that the process of erosion was already underway. The creation of an American Mechanic's Lodge in 1848, a Masonic chapter in 1854, two more in the 1860's as well as a second Odd Fellow's lodge, and a Grand Army of the Republic post, point to both a lessening sense of

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community in Bethlehem and a decline of Moravian dominance.

Between 1845 and 1900, Bethlehem gradually developed the social complexity of a town whose citizens partook fully of the life of a national society. By the start of the twentieth century, Bethlehem no longer belonged to the Moravians. The presence of a number of religious denominations indicated that the town's inhabitants had interests and needs which the Moravian Church could not meet. On the other hand, the Moravians did manage to dominate local affairs for years after Bethlehem became a secular borough, and their desire to avoid excessive industrialization gave Bethlehem a commercial and residential character which the newer residents in the town continued to maintain. Thus while Bethlehem did acquire the aspects of Gesellschaft, such acquisition took place gradually, and the Bethlehem of 1890 had the enviable reputation of a modern community which still retained the charms of an earlier day.
CHAPTER THREE:
SOUTH BETHLEHEM: ORIGINS AND ECONOMIC DEVELOPMENT

Located on the South bank of the Lehigh River opposite Bethlehem, South Bethlehem came into existence in the 1850's, and was formally incorporated as a borough in 1865. Unlike Bethlehem, South Bethlehem welcomed industrial development. Its growth as a prosperous industrial community mirrored the rise of the United States as an industrial nation and, indeed, contributed to the nation's prosperity. The construction of the Lehigh Valley Railroad in the 1850's made South Bethlehem a part of an increasingly integrated national economy. The railroad made it possible for South Bethlehem's industries to exploit local mineral resources such as iron and zinc and to sell their finished products in a national market. South Bethlehem never experienced the Gemeinshaft existence of Bethlehem. From its birth, the town's economic life endowed it with the characteristics of Gesellschaft.

Economic prosperity highlighted South Bethlehem's existence as an industrial community. Bethlehem, to be sure, shared in that prosperity. Its residents found employment in the industries across the river, invested in the iron and zinc companies located there, and sold merchandise to South Bethlehem's citizens. For all that, however, the two towns differed in spirit. Bethlehem remained a quiet

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residential community, while South Bethlehem acquired all the
characteristics of a "boom town." Prior to the creation of the city
of Bethlehem out of the two boroughs in 1917, South Bethlehem was the
larger of the two communities. As the location of the steel works,
it served as the economic backbone of the area. ¹ "There was a vitality
here," a former resident has noted, "a basic industrial thrust, a
roaring go ahead, get ahead atmosphere of America on the move."²

South Bethlehem's economic prosperity had its origin in the
proximity of the town to the anthracite coal fields of northeastern
Pennsylvania. The valley of the Lehigh River gave direct access to
the coal fields, and it became the major route by which coal was
transported from the mines to the markets of New York and Philadelphia.³
The construction of the Lehigh Coal and Navigation Canal had brought
about the doom of Moravian Bethlehem, while completion of the Lehigh
Valley Railroad in 1855 ultimately resulted in the birth of South
Bethlehem.

Asa Packer, the moving spirit behind the Lehigh Valley railroad,
was a child of his age. He devoted his life to an entrepreneurial
career well suited to take maximum advantage of the economic oppor-
tunities available in the individualistic American society of the

¹Raymond Walters, Bethlehem Long Ago and Today, Bethlehem, Pa.,
1923, p. 63.

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York, 1946, p. 18.
nineteenth century. Born in Connecticut in 1805, Packer moved to Pennsylvania in 1822, and apprenticed himself to a cousin as a carpenter. By 1831, he had opened a boat yard, and engaged in the construction of canal boats used in hauling coal from the anthracite fields to Philadelphia. Successful at this, Packer expanded his activities by taking out large contracts for the construction of a series of dams and canal locks on the upper reaches of the Lehigh River. Familiar by now with the economics of the anthracite industry, Packer acquired his own mining properties, and began shipping his own coal on his own boats. By the 1840's, he had become a wealthy man and a recognized leader in both the business and political life of Pennsylvania. After serving two terms in the state legislature, Packer secured the creation of Carbon County with the county seat being located at his home of Mauch Chunk. Upon the completion of his second term of office in the legislature, Packer received an appointment as a county judge in Mauch Chunk. He later served in Congress from 1853 to 1857. His political position in Democratic Party politics in Pennsylvania became so secure that, at the Party's 1868 presidential convention, he received a favorite son nomination. Four years later, the Democrats chose him as their candidate for governor, but in this

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he was unsuccessful. At the time of his death in 1879, Packer had the reputation of being one of Pennsylvania's wealthiest men.

In 1846, the Pennsylvania legislature granted Packer and a group of associates a charter for a railroad. The proposed Delaware, Lehigh, Schuylkill, and Susquehanna Railroad would run from Phillipsburg, New Jersey, across the Delaware River to Easton, from where it would run along the southern and western banks of the Lehigh to Mauch Chunk. At Mauch Chunk, a connection would be made with the Beaver Meadow Railroad which penetrated deeper into the coal region. Completion of this proposed line would open the coal fields to the markets of New York and Trenton via the Central Railroad of New Jersey and the Morris canal. It would also permit the shipment of increased quantities of coal to Philadelphia, a market which had been opened by the construction of the Lehigh Canal in 1829.

Although chartered in 1846, the railroad company undertook no construction for the next five years largely because of internal dissension among its directors. Moreover, in spite of the potentially

6Portrait and Biographical Record of Lehigh, Northampton, and Carbon Counties, Chicago, 1894, p. 154.
9Ibid., pp. 63-64.
profitable future of the road, few investors could be found. Finally, in 1851, Packer announced that he would build the road himself in return for $2,500,000, of which $1,500,000 would be in company stock and the remaining $1,000,000 in 6 percent bonds on the first mortgage. 11

Freed from the restrictions of his former associates, Packer initiated construction in 1851. In April 1855, the tracks of the renamed Lehigh Valley Railroad reached a point opposite Bethlehem. By September, tracks had been laid to Mauch Chunk, 46 miles from their point of origin. 12

In the years after 1855, the Lehigh Valley Railroad grew steadily. Within a relatively short time, the road was double-tracked. Moreover, since the company's success depended on carrying anthracite—seventy-five percent of its income derived from the transportation of coal—it soon branched into mining to insure itself a constant supply. In 1889, for example, coal from its own collieries amounted to forty percent of the tonnage shipped on the line. Through construction, and the acquisition of other railroads by purchase or lease, the Lehigh Valley had acquired slightly more than 1,800 miles of track by 1890. It had become a veritable empire: one could travel on Lehigh Valley tracks from New York City through Pennsylvania to Buffalo. 13

The Lehigh Valley was not the only railroad to lay its track

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13 Yates, Lehigh Valley, pp. 76-77.
opposite Bethlehem. In 1852, the Pennsylvania legislature issued a charter of incorporation for the Philadelphia, Easton, and Wind Gap Railroad. The company, which changed its name to the North Pennsylvania Railroad the following year, had its origin in the fears of Philadelphia businessmen for the continued prosperity of their city once the Lehigh Valley Railroad had linked the anthracite fields with New York City. The solution to their problems appeared to lay in the construction of a railroad of their own to connect Philadelphia with the coal fields. Work on the line started in 1852, and, by July of 1857, the North Pennsylvania had reached a junction with the Lehigh Valley at a point opposite Bethlehem. The hopes of the Philadelphia promoters had been thwarted: the completion of the Lehigh Valley Railroad eliminated the possibility of a direct link between Philadelphia and the anthracite regions. The North Pennsylvania would henceforth be dependent on the Lehigh Valley for its connections to the mining areas of the north. Much of its future business would result from the transfer of shipments from the Lehigh Valley's lines to its own at the new junction. 14

South Bethlehem came into existence at the point where the two railroads met. The activity which would take place at the junction made it a natural site for a town. As the terminus for the North

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14 Jay V. Hare, History of the North Pennsylvania Railroad, Phila., 1944, pp. 1-10, Yates, Lehigh Valley, pp. 82-83.
Pennsylvania line, South Bethlehem was the obvious location for an engine house. The original structure built in 1857 had become inadequate by 1870. In that year, a roundhouse with fifteen engine stalls and a turn-table replaced it. Although primarily an anthracite railroad, the North Pennsylvania also served as the principal passenger link between the Lehigh Valley region and Philadelphia. By 1879 seven daily trains ran each way between Philadelphia and South Bethlehem. Moreover, since South Bethlehem acted as a transfer point between the two railroad lines, it stood in need of a depot. The two railroads had shared a depot since 1859, but by 1867 it no longer met the community's needs. A new union depot costing twenty-four thousand dollars replaced the older structure in that same year. The economic and social ramifications of these actions were obvious: they meant prosperity for South Bethlehem. They also meant that South Bethlehem's future would be determined by forces at work in the arena of national affairs to which it had been linked by the railroad.

Railroads played a key role in the development of a national industrial society. The integration of many separate railroad lines into a nation-wide transportation system linked the various sections of the country together. Railroads provided a cheap and efficient means of transporting goods of all kinds from one part of a continental-

16. Ellis, Northampton County, p. 211.
sized country to another. Manufacturers increasingly produced goods for national, rather than local markets. Moreover, production for national markets had as its concomitant the creation of sources of supply far from the location of the original place of manufacture. In other words, the railroads encouraged the growth of an integrated national economy. 17

The railroads did more than just provide American society with a transportation system. They also provided a direct impetus to economic growth. The initial construction of railroads as well as their subsequent operation provided many Americans with jobs. Moreover, while railroads transported the products of American industry, they also created a demand for those products themselves. They consumed huge amounts of iron, steel, coal, and lumber. A large and growing demand for rails, locomotives, and rolling stock aided the growth of the American iron and steel industry. Likewise, the management techniques developed by railroad companies to control their far-flung operations were eventually imitated by manufacturing concerns whose activities had expanded as the railroad network had grown.

The stimulus which railroads gave to the nation's economic growth, they also gave to South Bethlehem. Indeed, even before the Lehigh Valley or North Pennsylvania railroads had established themselves physically in the community, they were responsible for increased local business activity. The knowledge that railroads would locate on the south bank of the Lehigh River encouraged what would be a major South Bethlehem economic activity for decades: real estate speculation. Prior to 1847, four farms owned by the Moravian congregation of Bethlehem occupied the site of what later became South Bethlehem.

In that year, Charles A. Luckenbach, Bethlehem's first Chief Burgess, procured an arrangement of sale for all but a few acres of this land from the church. The property was conveyed to him in April of 1848. On the same day he acquired title to the properties, Luckenbach began selling off portions to various entrepreneurs, retaining only one, the largest, for himself. In 1852, he laid out his property in town lots, naming the result Augusta. The next year saw the construction of three large frame houses, the first dwellings in the future borough. In 1854, three other speculators, Charles and Ambrose Rauch and Charles Brodhead, added their adjoining properties to the town plots of Augusta. They renamed the town Wetherill, after John P. Wetherill, a prominent manufacturer of Philadelphia and father of a business associate of Brodhead's. The name Wetherill did not last long. The

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18. J. Davis Brodhead, Historical Sketch of South Bethlehem, South Bethlehem, Pa., 1886, pp. 3-5.
growing settlement was variously referred to as "the southern addition to the Borough of Bethlehem", Bethlehem South, and, finally, upon its incorporation as a borough in 1865, as South Bethlehem. 19

The prospect of railroad construction along the Lehigh River gave encouragement to other economic activities besides real estate speculation. South Bethlehem's first major industrial enterprise, a zinc works, became a reality with the arrival of the Lehigh Valley Railroad. A huge deposit of zinc ore, about eight miles long and two and a half miles wide, existed in the nearby Saucon Valley. The presence of the deposit had been known for years, but the identity of the ore had remained a mystery. In the early 1830's, Jacob Ueberroth, a farmer on whose property part of the deposit lay, thinking the mineral might be iron ore, took a wagon-load of it to a furnace in Berks County to be smelted. The effort proved a failure, and mining was forgotten for some years. In 1845, a Bethlehem minerologist, William T. Roepper, chanced upon samples of the ore, and correctly identified it as calamine, the hydro-silicate of zinc. For several years Roepper and Robert Earp of Philadelphia tried to produce a marketable zinc oxide. Failing at this, they sought to sell the rights which they had acquired to the deposit to the New Jersey Zinc Company, but the company's directors declined the offer. Samuel Wetherill, the company's superintendent, saw potential in the Saucon Valley deposit,

19 Ibid., p. 6, Ellis, Northampton County, p. 210, Levering, Bethlehem, pp. 720-726.
and personally purchased Earp and Roepper's rights. He had recently invented and patented a process to extract zinc oxide from its ore, and, in 1853, he set up two furnaces on a four acre lot purchased from Charles Luckenbach. Two years later, the state legislature granted a charter of incorporation for the new Pennsylvania and Lehigh Zinc Company which had a capital of one million dollars.²⁰

The company had its ups and downs over the next few years, but it did succeed in turning out large quantities of various zinc products. For example, the company's furnaces produced the first zinc white manufactured in the United States. Renamed the Lehigh Zinc Company in 1860, the corporation continued to expand its activities. Joseph Wharton of Philadelphia had replaced Wetherill as superintendent in 1857. He contracted with a Belgian firm to construct furnaces for the production of metallic zinc, and several Belgian workmen and experts were brought in to supervise the work. In July of 1859, the company produced its first metallic zinc. The first sheet zinc was rolled in 1865.²¹

The presence of the railroad in South Bethlehem made it advisable for the zinc company to locate its plant there rather than at the mine site four miles away. From South Bethlehem, the company's products could be shipped by rail almost anywhere in the country. The decision to locate the plant in South Bethlehem made it a boon for the town's


²¹Ellis, Northampton County, p. 212.
economy. The construction costs of the plant totaled $276,000, and, by 1873, the company employed some 700 men at its works. For more than half a century, the zinc plant served as a mainstay of the local economy. In 1897, the works were taken over by the New Jersey Zinc Company which ran them until 1911 when operations were discontinued and the site sold to the Bethlehem Steel Company.

The railroads did more for South Bethlehem's economy than provide the community with transportation links; they also provided a market for the products of local industry. In the first years of operation, the Lehigh Valley Railroad had no rolling stock of its own, and had been obliged to rent it. To meet this need, the firm of Abbot and Cortright came into being in 1856. Setting up a foundry and machine shop, the company began to manufacture ore, gravel, and freight cars for the Lehigh Valley. The firm prospered and expanded its activities to include precision machine work. By 1907, the firm was employing some 300 skilled machinists who turned out high grade machine parts and castings.

South Bethlehem's most important enterprise, the Bethlehem Iron Company, also benefitted from the railroad. The discovery of iron ore deposits in the Saucon Valley in the 1850's created a stir in the area. The discovery itself was not particularly startling, for iron ore

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22 Guidebook of the Lehigh Valley Railroad, p. 43.
deposits of various types—limonite, black magnetite and gray carbonate—had been known and mined in the area since the early eighteenth century. However, the small iron furnaces scattered throughout the region had never been able fully to exploit these resources. The high cost of the charcoal used as fuel in smelting, as well as an inadequate transportation system, made all but small-scale operations prohibitive. What made the difference in the discovery of local iron ore deposits in the 1850's had to do with changes in technology. In the 1830's, anthracite coal came into use as a fuel in the smelting of iron. Moreover, an expanding national transportation network made it possible to move the products of the iron furnaces to markets some distances away.

Construction of the Lehigh Valley Railroad presented local entrepreneurs the perfect opportunity to exploit the newly discovered iron deposits. They realized that the railroads could bring coal from the anthracite fields to the furnaces as well as transport ores and limestone from nearby mines and quarries. Moreover, besides giving access to distant markets, the Lehigh Valley Railroad would also create its own demand for iron.

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Seeing in an iron furnace possibilities for the future expansion of South Bethlehem, Charles Brodhead, a speculator in local real estate, endeavored to have a government foundry established there. With the aid of his uncle, Richard Brodhead, Senator from Pennsylvania, he managed to convince the Secretary of War, Jefferson Davis, of the desirability of such a project. Davis recommended to the Congress that a foundry be established, and a Senate committee reported favorably on the project. However, conflicts over the exact location of the proposed foundry prevented it from obtaining Congressional approval. Backers of the project thereupon abandoned their efforts to gain government support in favor of a privately financed project.\(^\text{27}\)

In the meantime, a Bethlehem businessman, Augustus Wolle, had obtained possession of the ore deposit in the Saucon Valley, known as the Gangwere mine, and proposed erecting a furnace at the mine site. In 1857, in fact, he had secured a charter of incorporation for an organization called the Saucona Iron Company. This would have been a disaster for those businessmen such as Charles Brodhead who had invested heavily in South Bethlehem real estate. With his financial future at stake, Brodhead convinced Wolle to locate the proposed iron company across the river from Bethlehem and also to expand the company's activities to include the manufacture of a wide variety of iron products instead of just limiting its output to pig iron. Persuaded by Brodhead's arguments, Wolle had the company's charter amended

\(^{27}\)Levering, \textit{Bethlehem}, p. 724.
in March of 1859 to embody this expansion of activities. The company
now became known as the Bethlehem Rolling Mills and Iron Company.
Unfortunately, only a few subscribers to its initial stock issue could
be found. Wolle, Brodhead, Charles and Ambrose Rauch, and Charles B.
Daniels, all Bethlehem men, and, all but Daniels, speculators in
South Bethlehem real estate, were the first subscribers. With the
exception of the Moravian Congregation, few additional investors
could be found to put their money into the new company because of
the financial crisis which gripped the country at the time. 28

The company's fortunes improved with the decision to hire John
Fritz as superintendent of the proposed works in 1860. The thirty-
eight year old Fritz had already acquired a national reputation as an
iron-master of note when he left his post as superintendent of the
Cambria Iron Works at Johnstown for South Bethlehem. His decision
to take the job with the new firm caught the attention of potential
investors such as Joseph Wharton of Philadelphia, and this enabled
the company to proceed with its plans. The confidence which Fritz
inspired was not misplaced. During the next thirty-five years,
Fritz served as the company's chief engineer and general superintendent,
and, in the process, achieved an international reputation as a steel-
maker of genius. 29

28 Arundel Cotter, The Story of Bethlehem Steel, New York, 1916,
p. 8, Levering, Bethlehem, pp. 724-725.
29 Walters, Bethlehem, p. 68, Heller, Northampton County, Vol. II,
p. 8, Peter Temin, Iron and Steel in Nineteenth Century America: An
Revived by the appointment of Fritz, the company elected its first board of directors in June of 1860, and the board, in turn, appointed the firm's officers. Asa Packer was among the company's first directors, an indication of the important role which the Lehigh Valley Railroad would play in the company's future. Robert Sayre, a Packer protege, and, like him, an official of the Lehigh Valley Railroad, later replaced Packer on the board. The directors named Alfred Hunt of Philadelphia as president, but the real heart and brains of the company was John Fritz. Fritz designed the plant, supervised its erection, and, for years to come, would personally direct all the various branches of its operations.30

Ground-breaking ceremonies for the renamed Bethlehem Iron Company took place in 1861, but progress came only slowly at first. The outbreak of the Civil War created difficulties which delayed completion of the first blast furnace until January of 1863. The first rolling mill did not go into operation until the summer of 1863. The first iron was puddled that July, and the company produced its first commercial product, iron rails, for the Lehigh Valley Railroad in September.

For the rest of the century, the history of the Bethlehem Iron Company involved technological improvements and the consequent expansion of its markets. A machine shop began operations in 1865, and a second furnace came into service in 1867. 1868 saw the erection

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of a foundry. That same year the company acquired the properties of
the Northampton Iron Company, located a short distance to the south-
east of the Bethlehem works, and a third furnace thus became part of
the plant. Construction of a Bessemer plant began in 1868, and in
October of 1873, the Company produced its first heat of steel. 31

The completion of a Bessemer plant indicates the close ties
between the Bethlehem Iron Company and the Lehigh Valley Railroad.
Railroads had long used iron rails for their tracks, but iron had its
drawbacks. For one thing, it wore out. The average iron rail had a
useful life of only about four years. Replacement of worn-out rails
caused frustration and delays as well as high maintenance costs for
the railroads. Steel rails were superior, but, before the intro-
duction of the Bessemer process, steel could not be produced in the
quantities required to replace iron rails with steel ones. This
process, invented by an Englishman, Henry Bessemer in 1859, resulted
in the sale of English-made steel rails to American railroads. 32
The Lehigh Valley Railroad began experimenting with steel rails as
early as 1865. The railroad's directors rapidly became convinced of
the superiority of steel over iron rails, and persuaded the Bethlehem
Iron Company to include a Bessemer plant in its works. Assured of a

31 Levering, Bethlehem, p. 725, Billinger, "Iron and Steel," p. 5.
Cotter, Bethlehem Steel, pp. 3-4.

32 Temin, Iron and Steel, pp. 44-50, 222, Burton J. Hendrick, The
Life of Andrew Carnegie, 2 Vols. Garden City, N.Y., 1932, Vol. I,
pp. 234, 262-264.
market for its products, the company built a Bessemer plant and began turning out steel rails for sale to the Lehigh Valley Railroad in October of 1873. This made Bethlehem one of the first companies in the United States to use the Bessemer process. By 1885, the Bethlehem Iron Company was reputed to be one of the largest producers of steel rails in the country. \[33\]

Prior to 1885, the Iron Company's output consisted principally of such products as rails and pig-iron billets, much to the dismay of John Fritz. He had urged the company's directors to include structural steel as one of its specialties, but was unsuccessful. In his autobiography Fritz criticized the conservative directors for letting too many opportunities pass by. "I could plainly see the end of the Acid Bessemer, everywhere," he wrote, "and especially with us, as the company had let every ore property that was available and suitable for the Bessemer process pass beyond their control, and the end was in sight." \[34\] To forestall the doom he saw coming for the company, Fritz once again pushed for expansion, and campaigned for an armor plate plant. \[35\] This time he succeeded.

Fritz brought pressure to bear on the directors for an armor plate and ordnance works because of an increasing interest shown by the

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34 John Fritz, the Autobiography of John Fritz, New York, 1912, pp. 174-175, the quotation is on page 184.

35 Ibid., pp. 182-188.
Federal government in the domestic manufacture of such products. The government hoped to free itself from its reliance upon foreign steel makers. In 1884, members of the U.S. Gun Foundry Board visited the Bethlehem plant as part of a tour to examine the capacities of American steel mills for ordnance work. However, the company's directors remained unwilling to accept Fritz's proposals until 1886 when William C. Whitney, the Secretary of the Navy, persuaded them of the government's need for armor plate.36

Having committed itself to the creation of an armor plate works, the company expanded its facilities also to include a plant for the manufacture of heavy forgings and castings. Between 1888 and 1891, the Bethlehem Iron Company erected the first armor plate plant in the United States. The cost of constructing open-hearth furnaces and various other facilities required major expenditures by the company, and in 1889, the capital stock of the Bethlehem Iron Company increased from two million to three million dollars.37

After 1887, when the company received a four and a half million dollar contract from the government, Bethlehem devoted itself almost exclusively to military work. By 1892, it had obtained over eleven million dollars in government contracts. Placing an increased emphasis on the manufacture of guns and other high-grade forgings, the company

36 Bethlehem Times, Nov. 13, 1884, p. 1, Cotter, Bethlehem Steel, pp. 4-5.

abandoned its Bessemer works and rail mills in the 1890's. In the depression of the 1890's, the company's reliance on government contracts helped it to survive the crisis, and the military requirements of the Spanish-American War helped it to prosper. During this same period, the Bethlehem Iron Company produced the first high-speed tool steel to be made in the United States, a product of such superior quality as to astonish European competitors. In 1899, the company was reorganized as the Bethlehem Steel Company with a capital of $7,500,000.

The residents of South Bethlehem observed the fortunes of the Bethlehem Iron Company with undisguised interest, for their livelihoods and the town's future depended upon the company. As the company's activities expanded, the town grew. The immediate effect of the company's presence in South Bethlehem, of course, was that it gave employment to the town's residents. In 1873, some 700 men were employed in the plant. By 1885, the number had risen to 3,000. Including the families of employees, some 7,000 people depended directly upon the company at that point. By 1910, the company employed slightly more than 9,000 men.

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The fortunes of the Iron Company affected others beside those residents directly employed by it. The merchants, professionals, and all those whose livelihoods depended on providing goods and services for South Bethlehem's residents likewise prospered or suffered in direct relation to the ups and downs of the iron and steel trade. With a monthly payroll of $110,000 in 1885, the company had a major impact on the business community. In good times payday meant a boom for the merchants, in hard times possible bankruptcy. For the workers, hard times meant less work and either a reduced income or none at all.  

South Bethlehem's first major economic activity had been real estate speculation. Both real estate speculation and housing construction continued to play major roles in the town's economy for decades. As the company expanded its activities, and, as more people were employed there, the borough's housing needs grew in proportion. The building of houses for company employees provided employment for many from the late 1850's onward. In the 1880's, for example, J. Stewart Allam, a local contractor, found his business so increased that he had to establish his own planing mill. He employed over 300 men, of whom 200 were carpenters. The announcement of the Bethlehem Iron Company's decision to manufacture armor plate under contract to the Federal government set off an orgy of speculation. Many came to

South Bethlehem to purchase real estate or to establish businesses in anticipation of a boom. In the early 1890's, a local lawyer and politician, J. Davis Brodhead, purchased several farms to the east of the borough and laid them out in lots. By 1901, these former farms had become the borough of Northampton Heights, a suburb of South Bethlehem. 

The construction and real estate businesses in South Bethlehem remained in a seller's market from the early days of the borough through the First World War. A shortage of housing and consequent high rents prevailed throughout this period. Indeed, during the First World War the Bethlehem Steel Company found it necessary to resort to public meetings and publicity campaigns encouraging property owners to rent their houses and spare rooms to company employees. Unable to secure sufficient housing for its workers, the company persuaded the Federal government to step in and launch a massive building campaign, an ironic development in view of the company's often-expressed hostility to government interference in private enterprise.

Building and loan associations reflected South Bethlehem's

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43 Frank Koester, City Planning Report for the City Planning Commission (mimeograph), New York, 1919, p. 67; Bethlehem Times, Jan. 24, 1884.

prosperity and accompanied its real estate boom. The high rents which prevailed in South Bethlehem encouraged people to buy their own homes. Moreover, home ownership was considered a sure sign of respectability for both the American-born working man as well as his immigrant counterpart. The real estate developers and building contractors knew this, and launched several of these savings associations. To be sure, the developers sought to improve their own finances by doing so, but they also felt that, by helping the workingman to attain the status of a property owner, they were improving the community itself. By 1915, South Bethlehem had five building and loan associations, a point of pride to community leaders. The building and loan associations made it possible for many of those who had been lured to South Bethlehem by its prosperity to have a share in it. 45

By 1900, South Bethlehem had become a thriving and prosperous town. Asa Packer's Lehigh Valley Railroad had created an industrial community where only farms had existed before. The railroads had made it possible to exploit the natural resources of the Lehigh Valley, and had bound South Bethlehem to the rest of the nation with ties of iron and steel. South Bethlehem's growth and development

had not been an isolated series of events, but were an integral part of the nation's emergence as an industrial society.
CHAPTER FOUR:
THE POPULATION OF SOUTH BETHLEHEM

Population growth accompanied South Bethlehem's economic development. By 1910, the town had nearly 20,000 inhabitants. They were a diverse lot: some had come from villages in Eastern Europe or along the shores of the Mediterranean, while others had journeyed but a short distance from nearby farms. The result was a socially complex, heterogeneous town. South Bethlehem did not become a melting pot. On the contrary, the narrow confines of the town contained a number of distinct ethnic communities each with its own traditions, values, and institutions. In short, as South Bethlehem became an industrial town, it also acquired many of the social characteristics of much larger metropolitan centers. The processes of industrialization, immigration, and urbanization, so obviously present on the national scene, also had their manifestations in the much smaller arena of South Bethlehem.

Local topographical conditions imposed strict limits on South Bethlehem's potential for growth. The railroad junction, and the industrial plants which gave life to the community, had all been located on a narrow flood plain of the Lehigh River. This flood plain extended south of the river for only a few hundred yards before it met the lower slopes of South Mountain, a northern extension of Virginia's...
Blue Ridge, which paralleled the river at this point. Since the town's industrial establishments occupied most of the available level areas, South Bethlehem's residential areas developed on the lower slopes of the mountain. At the point of its greatest development, South Bethlehem thus covered an area only little over a mile in length and only about a quarter of that in width. Within the compass of these narrow limits, thousands of people from a wide variety of ethnic and religious backgrounds lived and worked.¹

South Bethlehem grew rapidly. In 1861, the fledgling community had but 947 residents. In 1870, the number had risen to 3,556. By 1910, South Bethlehem's population had grown to 19,973. A major part of this population growth resulted from the arrival of immigrants in the borough. In 1870, for example, 1,106 of the town's 3,556 residents had been born abroad. The census of 1890 similarly revealed 2,694 immigrants among South Bethlehem's 10,302 inhabitants. By 1910, the foreign community of South Bethlehem, made up of immigrants and their American-born children, comprised two-thirds of the borough's population or 13,841 out of 19,973. By contrast, a similar segment of Bethlehem's population comprised only one-sixth of the total, or 2,238 out of 12,837.²


ethnic groups were reported to be living in South Bethlehem. As a municipal official later noted, this was indeed a community to which the word polyglot aptly applied.\(^3\)

South Bethlehem's economic development, rapid population growth, and ethnic diversity made it a town which differed in spirit from Bethlehem. South Bethlehem's rampant growth made it typical of what Page Smith has called a "cumulative" town. That is, it did not come into existence as the result of careful planning by an organized group. On the contrary, South Bethlehem blossomed and grew as a result of many individual decisions made by people from a wide variety of backgrounds. They all came to South Bethlehem in search of economic opportunity, and only similar economic motives united them. Chance and the common desire to achieve a degree of financial success alone gave this random conglomeration of people the semblance of a community.\(^4\) Indeed, to Catherine Drinker Bowen, who lived in South Bethlehem during this period, the town had the aspect of "another place and another planet, a Wild West of its own."\(^5\) In a town whose inhabitants could be unkindly characterized as "border ruffians", social integration was at a minimum.\(^6\)

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\(^3\)Archibald Johnston, Message of Archibald Johnston, Mayor of the City of Bethlehem, Bethlehem, Pa., 1919, p. 27.


\(^6\)The quotation is from ibid., p. 25, see also Smith, City Upon a Hill, pp. 32-35.
South Bethlehem, in other words, fitted Ferdinand Tönnies' concept of Gesellschaft.

Little beyond the political institutions of the borough existed to give South Bethlehem's residents a sense of membership in a community. However, in an age which valued individualism so highly, little power had been placed in the hands of governmental authorities. This held true for all levels of government, from the national down to the municipal. State laws limited the power of borough governments to such activities as laying out and maintaining streets, regulating markets, preventing animals from running at large, keeping the peace, regulating sewers and cesspools, and providing fire protection. To create a sense of community in a time when economic success had greater value in most men's eyes, was the task of the people who settled in the town. Some would seek to achieve this goal and attempt to create those institutions which would provide a sense of security and order, but, others, their eye on the main chance, would not.

The diverse ethnic origins of South Bethlehem's residents made for a minimum of social integration. Distinctions between ethnic groups stratified the town's population much more rigidly than did class differences. Indeed, in a very real sense, ethnic groups were

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themselves social classes. Each group maintained their traditional beliefs, values, and behavior patterns and created their own religious and social institutions. Life was lived within the framework of an ethnic community, and the members of one group usually remained indifferent to, if not ignorant of others. Thus while some people attained positions of wealth and leadership within their own community, their status did not necessarily cross ethnic boundaries. John Gosztonyi, and Anthony Costelucci, for example, might be recognized as wealthy and respected leaders of the Slovak and Italian communities, but this did not gain them entry into the upper social class of South Bethlehem. Psychologically, there were thus many South Bethlehems in existence at the same time, and the boundaries of one did not often coincide with the boundaries of another.

Many of the early inhabitants of South Bethlehem had German backgrounds. Some came as immigrants from Germany and Austria, while others, speaking Pennsylvania Dutch, had been born in the Lehigh Valley. A few German-speaking Moravians moved to the south side of the Lehigh River from Bethlehem.

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Moravians never exercised the same influence in South Bethlehem that they did in the older town across the river. Their numbers remained small, for most of their co-religionists had little interest in the affairs of South Bethlehem, and preferred to remain in Bethlehem. Nevertheless, a small contingent of Moravians did settle in South Bethlehem, and they provided the town with its first institutional religious services. Beginning in the summer of 1859, Moravians living in South Bethlehem held religious services in private homes. In 1861, some sixty Moravians petitioned their Church's Home Mission Society for authorization to establish a congregation in South Bethlehem. A regular congregation was organized on Christmas Day 1862, and construction of a church building begun the following year. However, financial difficulties delayed completion of the structure, and the congregation sold the unfinished building to the newly organized Lehigh University in 1866. The congregation then began work on a second church building which they consecrated in 1868.9

South Bethlehem's Moravian congregation held its services in German. This did not please everyone, and a second, English-speaking congregation of twenty members, came into being in 1868. This second Moravian congregation did not remain in existence for very long. When its pastor transferred his allegiance to the Presbyterian Church, so did most of his flock. They organized a Presbyterian

9Levering, Bethlehem, pp. 731-732.
congregation in 1869, and completed construction of a church building by 1872.  

The establishment of Lutheran and Reformed churches in South Bethlehem indicated the presence of the Pennsylvania Dutch in the borough. A Lutheran congregation, St. Peter's, came into being in 1863, and, within a year, it had built its own church. The congregation grew rapidly. On January 1, 1870 alone, it admitted 72 new communicants to membership. Moreover, as St. Peter's grew in size, it grew in importance as well. By the 1870's, its minister had taken on the pastoral duties of churches in nearby Freemansburg and Lower Saucon Township.  

The Lutherans of St. Peter's also assisted in the establishment of the First Reformed Church of South Bethlehem. Founded in 1867, the Reformed congregation did not complete its own church building until 1872, and it had the use of St. Peter's for services until then.  

Most of South Bethlehem's Pennsylvania Dutch residents clung tenaciously to their ethnic identity. Thus, German remained the language used in St. Peter's religious services until 1919. Only at that point did the congregation's members assent to alternate the use of German with English in Sunday Services. The Church did not finally abolish German language services until 1938. Lutherans desiring to attend services in English sought membership at St. Mark's Church, a


11 St. Peter's First 100 Years, Bethlehem, Pa., n.d., pp. 10, 15, 19, 50.
The Pennsylvania Dutch were not South Bethlehem's only German-speaking residents. Immigrants from Germany and Austria also settled in the borough. Although German immigrants began to arrive in the town in the 1860's, nearly two decades earlier than the Austrians, the Austrians eventually outnumbered them. In 1920, for example, the town claimed 584 residents of German birth compared with 1,351 born in Austria.

Immigrants from Germany never formed a self-conscious ethnic community in South Bethlehem. Most of the Germans had Lutheran backgrounds, and, by joining the already existing Lutheran congregations, were rapidly assimilated by the Pennsylvania Dutch. To contemporary observers, it seemed remarkable how quickly German immigrants adopted Pennsylvania Dutch ways. "It takes but a short time", wrote one, "to twist their German into a sense of the local vernacular. The work of amalgamation between the two tongues is rapid and often very nearly complete." Identifying themselves with the Pennsylvania Dutch made it easier for German immigrants to enter into American life than they might have otherwise. As they settled in South Bethlehem, German

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13 Manuscript Census schedule, Ninth Census of the United States, Fourteenth Census of the United States, Vol. III, Washington, 1922, p. 889. This census gives a more precise indication of the ethnic origins of immigrants because of the dismemberment of the Austrian Empire after World War I.

immigrants found themselves mingling with a native American group which had itself recently left the farm for an urban-industrial environment. The German immigrant of Protestant background thus did not have to undergo the distressing struggle for acceptance that his Catholic counterpart did. As a result, no social organizations of a distinctly German immigrant nature came into being in South Bethlehem. Instead, the German newcomers could join existing social and fraternal organizations such as the Elks, or Knights of the Golden Eagle which in South Bethlehem had a large Pennsylvania Dutch membership. German political clubs which elsewhere might have been composed exclusively of German immigrants had speakers address them in both Pennsylvania Dutch and High German.

Unlike the Germans, Austrian immigrants did not become part of the Pennsylvania Dutch community. Most of the Austrian immigrants were Roman Catholics, and the Pennsylvania Dutch, like most Protestant Americans, viewed the Catholic Church with suspicion and distrust. As a result, the Austrians created a community life of their own.

The Austrians organized a Catholic Parish in 1886. Named in


honor of St. Bernard, this church had become inadequate by 1895. In that year, the congregation began work on a new church, this one dedicated to the Holy Ghost. The old church continued in use as a parochial school. In both the church and the school, German served as the language of instruction.

The Irish appeared on the scene in South Bethlehem about the same time as the Pennsylvania Dutch. Irishmen settled in the town even before it had been formally incorporated as a borough. The first Irish residents in the town came as laborers helping to construct the Lehigh Valley Railroad. Later, more of them arrived in the borough seeking employment in the iron and zinc works. An 1861 survey of South Bethlehem's population revealed that of the town's 947 residents, 387 were Irish Catholics. By 1863, South Bethlehem's first Catholic parish, the Church of the Holy Infancy, had been created to serve the Irish community's religious needs.

Prior to the arrival of immigrants from Southern and Eastern Europe in the 1880's and 1890's, the Irish comprised the largest ethnic group in South Bethlehem. In 1870, of 1,106 immigrants living in the borough, 672 came from Ireland. Moreover, another 435 of the

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19 Levering, Bethlehem, p. 731.
town's inhabitants had Irish-born parents. Since the total population of South Bethlehem numbered only 3,556 at the time, the Irish community accounted for nearly one-third of the town's population. In 1880, the Irish community totalled 1,658 out of 4,925, again nearly a third of the town. By this time, however, the American-born children of Irish parents far outnumbered those born in Ireland: 1,042 to 616.21

Considering their numbers, the Irish in South Bethlehem naturally became a potent political force. Moreover, being present in South Bethlehem at the time of its incorporation as a borough, the Irish had the opportunity to assist in the creation of local political parties. Thus, they did not have to serve apprenticeships in already established organizations, but could start near the top. Most of the Irish in South Bethlehem became Democrats. As a result, South Bethlehem's wards usually returned a heavily Democratic vote in almost every election. This contrasted sharply with the Republican majorities usually found in the cities and larger boroughs elsewhere in the Lehigh Valley.22

The Irish shared political power in South Bethlehem with the Germans. The Irish dominated the partnership, however. For example, South Bethlehem's first Chief Burgess, James McMahon, had been born in County Limerick.23 Moreover, out of a total of 178 terms available

21 Manuscript Census schedules, Ninth Census of the United States, and Tenth Census of the United States.


on the borough council between 1865 and 1886, 87 were filled by men with Irish surnames and 44 by those with German ones. The remaining 48 terms were held by individuals whose names give no clear indication of ethnic background. The relationship between the Irish and the Germans in local politics can be seen in a quarrel which resulted over the appointment of an Irishman as postmaster in 1892. "The office by natural rotation should go to a German this time," a disappointed office-seeker wrote to the local newspaper, "for the Irish have had it for two terms." 

Before the advent of the "New Immigration" which began to make itself felt in the borough in the 1880's, no other ethnic groups in South Bethlehem had an importance equal to that of the Irish and Germans. Although the 1870 census listed only 74 Belgians living in South Bethlehem, they comprised the next largest immigrant group. They had originally come to South Bethlehem at the request of the Zinc Company's owners to help set up and run the plant. There were never enough of them to form a stable community: no Belgian church or social organizations came into being in South Bethlehem.

Only a handful of immigrants from Great Britain settled in the

24 A list of officeholders is included in J. Davis Brodhead, *Historical Sketch of the Borough of South Bethlehem, South Bethlehem, Pa.,* 1886, pp. 127-134.

25 *Bethlehem Times,* Nov. 19, 1892, p. 4.

borough. The 1870 census returns reveal the names of only 31 English and 24 Welsh-born residents. By 1880, the number had dwindled to 22 and 13 for the English and Welsh respectively. In neither case did a significant ethnic community arise.

Only a few Negroes lived in South Bethlehem. In 1900, they numbered 115 out of a population of over thirteen thousand. Given the importance of color distinctions in American life, the Negroes did not achieve acceptance as members of the native American society in South Bethlehem, and had to create their own community life. The organization of an African Methodist Episcopal congregation in 1894 reflects its existence. However, the members of the congregation were too few in numbers, and too lacking in wealth to erect a church building of their own for several years. Until the dedication of St. John's Zion A.M.E. Church in 1902, the congregation worshipped in a room in South Bethlehem's Municipal Building. Perhaps because Negroes received a cool reception when applying for work at the steel mill, the Negro community remained small. In any case, the Steel Company failed to make use of Negro labor in the local plant even during the

27 Manuscript census schedules, Ninth Census and Tenth Census.
1920's, when Southern Negroes began migrating to northern industrial centers to act as replacements for the immigrant laborers excluded from the United States by restrictive immigration laws. Instead, the Bethlehem Steel Company preferred to send representatives to northern Mexico and southern Texas to recruit Mexican labor. Over a thousand Mexicans thus arrived by train from Mexico in April and May of 1923. 31

A shift in the geographical origins of American immigration took place toward the end of the nineteenth century. Prior to the 1880's most immigrants had come to the United States from such places in the northern and western parts of Europe as England, Ireland, Germany and Scandinavia. From the 1880's on, however, an increasingly larger percentage of immigrants came from lands in the south and east of Europe: Austria-Hungary, Russia, Italy, Greece and Turkey. Disturbed by the unfamiliar appearance and cultural patterns of the more recent immigrants, many Americans considered them to be inherently different from immigrants who had come to the United States in the past. A distinction between the "old" immigration and the "new" immigration passed into general usage. It became an article of faith among many Americans that the newcomers were not readily assimilable to American society. Such reasoning would eventually lead to the restriction of immigration in the 1920's. 32 Before that happened, however, millions of these "new"

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immigrants arrived in the United States, and, from among those millions, some made their way to South Bethlehem.

By the 1920's, representatives of several of the newer immigrant groups had established flourishing colonies in South Bethlehem. Slovaks, Hungarians, Poles, Slovenes, Italians, Greeks, Russians, and Eastern European Jews settled in the borough. Although many of these immigrants originally intended to return to Europe after working in the United States for a few years, numbers of them became permanent residents instead. In the case of each of these ethnic groups, the creation of churches and mutual benefit societies signalled the presence of a stable and permanent community.

The Slovaks were the first of the new immigrant groups to settle in South Bethlehem. They first appeared in the borough in the late 1870's. They had come from the anthracite regions where immigrants from Eastern Europe had been finding work for the previous decade or so. From the coal fields Slovak immigrants made their way to South Bethlehem and other small industrial towns which lay along the tracks of the Lehigh Valley Railroad. The newcomers obtained jobs at the Iron Company, and, in time, were joined by others of their fellow countrymen. Transiency characterized most of the early Slovak arrivals in South Bethlehem, but gradually members of the colony developed roots in the community and became permanent residents. In January of 1891,

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34 Bethlehem Times, July 22, 1890, p. 4.
the Roman Catholic Parish of Sts. Cyril and Methodius was organized for the benefit of South Bethlehem's Slovaks, and the contractors completed work on the church building by October of that year. With its own regular pastor, this became the first Slovak parish in the diocese. By 1903, the original structure had become inadequate and the congregation replaced it with a new building. The old church continued in use as a parochial school. In 1915, the school had an enrollment of 400 pupils.

Not all of the borough's Slovaks belonged to the Catholic Church. Lutherans accounted for a small percentage of the total. Unlike the Catholics, the Lutherans were too few in number to establish a church of their own for a number of years. Until 1911, they attended Slovak language services held for their benefit at St. Peter's Lutheran Church. In August 1911, the Slovak Lutherans formed St. John's Slovak Lutheran Church, and purchased two building lots. However, the congregation's small size and consequent lack of funds delayed construction of a church building until 1918. The congregation acquired its own minister in 1922.

Once an ethnic group had attained a degree of stability and permanence, it followed in the footsteps of the Irish, Germans, and

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36 John Daniels, A History of St. John Evangelical Lutheran Church, Bethlehem, Pa., 1951, pp. 1-2.
Slovaks and organized a church. Consequently, the founding dates of an ethnic group's church can thus be looked upon as a benchmark indicating the point at which transiency ceased to be a major factor in the development of an immigrant group's community life. Thus, in 1902 both the Magyars and the Italians established their own Catholic parishes: St. John Capistrano for the Hungarians and Our Lady of Pompeii of the Holy Rosary for the Italians. 37 South Bethlehem's Polish community organized St. Stanislaus parish in 1905. Slovenian Catholics—known locally as the Windish—formed a congregation named in honor of St. Joseph in 1913. 39

Not all of the Magyars or Slovenes in South Bethlehem were Catholics, and the Protestants among them founded their own churches. Magyar Protestants organized the First Hungarian Reformed Church in 1906. 40 Slovenes of the Lutheran faith set up St. John's Windish Lutheran Church in 1914. 41

Two Orthodox Churches named after St. Nicholas came into existence in South Bethlehem within a year of each other. The earlier of the two churches, started in 1914, belong to the borough's Greek


community, while the second, founded in 1915, was a White Russian congregation.  

In 1917, Ruthenians from Eastern Hungary established St. Peter and Paul's Catholic Church of the Byzantine Rite. This group had but few members, and, although the congregation erected a basement church in the year of its organization, the church building was not completed until 1942.  

A small Jewish community came into being in South Bethlehem in the 1880's. Its members came mostly from Russia, Hungary, and Lithuania. After several attempts they organized the congregation of Brith Sholom in 1889, and constructed a permanent synagogue in 1897.  

To members of ethnic communities, their churches meant more than just a religious association for common worship. In many respects, the parish replaced the peasant village which most of the immigrants had so recently left. In the peasant mind, religion had little to do with personal conduct, rather it was a magical process by which man came into contact with the mysterious forces that ruled the universe. By integrating man into the scheme of things, the Church made life  

intelligible for him. As such, the Church served as the locus of all social activity, by its sanctioning of the mutual obligations of family and village life. The seeming social disorder of the individualistic society around them dismayed most immigrants. Unfamiliar with the language and customs of the Americans, they attempted to recreate a semblance of the more orderly society from which they had come. Thus the establishment of a Church in an ethnic community had a high priority. A Church of their own would act as a center of social life for immigrants and provide them with a meaningful sense of membership in a community.

In a similar fashion, every ethnic community also created mutual benefit societies. Besides providing their members with insurance benefits, these associations had another, more important function. Like the Church, they provided the ethnic community with a sense of cohesion and unity. Such societies reinforced the immigrant's sense of participation in a collective entity far less confusing than the individualistic American society. Indeed, in South Bethlehem's

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46. Ibid., Vol. II, pp. 1523-1526; Handlin, Uprooted, pp. 125-143.
ethnic communities, the creation of a mutual benefit society proceeded the creation of a parish church. Those societies established after a church had been founded were usually intimately connected with it as well. Thus, the Irish had their Emerald Beneficial Association and Ancient Order of Hibernians, the Austrians their Franz Joseph Society, and the Poles a St. Stanislaus Society. Other such organizations included the First Hungarian Sick and Beneficial Society, the Slovak Catholic Union, the Slovak Evangelical Jednota, the South Bethlehem Windic Society, the Brotherhood of St. Nicholas and the Italian Mutual Benefit Society. 48

As a form of Gemeinschaft, the immigrant community depended on the strength of primary group relationships as well as on formal institutions such as churches and benefit societies for its continued existence. The primary group serves to relate the life of the individual to the society around him. The warm, intimate, and personal associations of such primary groups as families, friendships, neighborhoods, and villages gave direction and meaning to life. Such relationships are, of course, developed in a cultural context. Since immigrants could but rarely gain immediate acceptance by American primary groups because of cultural differences, they re-created in the United States, those primary group relationships they had known at home. 49 Thus, the ethnic


49 On primary groups see, Milton M. Gordon, Assimilation in American Life: The Role of Race, Religion, and National Origins, New York, 1964, pp. 31-32, see also Charles P. Loomis and John C. McKenney, "The Application of Gemeinschaft and Gesellschaft as Related to other Typologies," in Tönnies, Community and
communities of South Bethlehem did not consist of random conglomerations of strangers sharing nothing but similar ethnic backgrounds. On the contrary, the members of the town's immigrant colonies almost always came from limited geographical areas. They had usually been born in the same province, and often in the same village.

A process of chain migration operated to bring together people who had shared close ties in Europe. As individuals settled in South Bethlehem, they wrote home describing conditions in the town. Their letters generally received a wide circulation among relatives and friends. Often these letters contained requests that wives or friends join the writers, or, in some cases, the letters simply stirred up a desire among those still at home to emigrate. In any case, most later immigrants to South Bethlehem often came to the town bearing letters addressed to friends and relatives. Thus, in South Bethlehem, the Catholic Slovaks came mostly from the province of Saris, while their Lutheran compatriots came from Zvolen. The borough's Italian community came from a group of villages near Naples. The Greeks originated on the island of Khios, off the Turkish coast, and in two adjoining villages on the nearby mainland. The Poles came from Austrian Galacia. The Magyar community was populated by immigrants from the four counties of Vas, Veszprem, Sopron, and Zala in northwestern Hungary. The Slovenes in the town originated in the

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district of Prekmunje, in what is now northeastern Yugoslavia. The Austrians came from the province of Carniola. A survey of the town's immigrant population, taken in the 1920's revealed that the Austrians, Magyars, and Slovenes who settled there had all come from an area of a hundred miles square, where today the borders of Austria, Hungary, and Yugoslavia meet.

Although large metropolitan areas saw the emergence of ethnic enclaves inhabited solely by one or another immigrant group, such ghettos did not develop in South Bethlehem. Indeed, as Kenneth Miller pointed out some years ago, such ethnic neighborhoods were rarely to be found in the smaller industrial towns of Pennsylvania. In South Bethlehem, the chronic housing shortage and the town's limited size prevented the creation of ethnic residential districts. Instead, the "foreign section" of South Bethlehem served as one big ghetto where a variety of ethnic groups rubbed elbows. The only exception to this rule occurred in the case of the Catholic Slovaks. When their church had been built in the early 1890's, no housing construction


had as yet taken place in the immediate area. The church's pastor took the opportunity to purchase land surrounding the building which he then sold to his parishioners as building lots. By the time the other new immigrant groups organized churches, South Bethlehem had been built up considerably, and the Slovak example could not be duplicated. In any case, the Slovaks did not completely dominate the area around their church; Poles, Slovenes, and Magyars lived there as well. Moreover, by 1915, six other ethnic churches could be found within a five minute walk of the Slovak church: two Hungarian, one Italian, one Polish and two Slovene or Windish, as they preferred to be known.

Among the immigrants from Eastern Europe, intergroup hostility was rare. Being peasants, the immigrants displayed little of the nationalistic feelings common to their middle-class countrymen. Even the Slovaks who had been subject to the discrimination of the Hungarian policy of "Magyarization" in Europe, expressed little of the antipathy toward Magyars that many Slovak leaders and editors insisted they should feel. On the contrary Slovaks, Magyars, Poles, and Slovenes mingled freely in South Bethlehem. They attended one another's weddings, funerals, and christenings, and in some cases established ritual kinship

54 Souvenir History, p. 22.


relations across ethnic lines by becoming the godparents of one another's children. The ease with which members of these various groups interacted can be seen in the membership of Catholic Poles, Magyars, and Slovenes in the Slovak parish prior to the creation of their own congregations.  

If the recent immigrant groups did not display antipathy toward one another, ethnic hostilities did, nevertheless, manifest themselves in South Bethlehem. For the most part, such hostilities came from native Americans and members of the "old" immigration, and were directed against the new-comers. Nor did anti-alien sentiments originate with the less respectable members of the society. On the contrary, both the local rowdies as well as members of the middle class referred to Eastern Europeans as "Huns" and "Hunkies" and to Italians as "Dagoes". Such derogatory terms appeared regularly in local newspaper articles as generic designations rather than as conscious labels of abuse. As small-town organs the local newspapers were hardly likely to express attitudes of which their readers disapproved. Moreover, in the absence of opposition to the unfavorable image drawn of the immigrants, the hostile opinions expressed in the newspapers must be assumed to reflect the values and prejudices of


their subscribers more or less accurately.

Immigrant status in itself did not serve as the criterion by which an individual or group was judged. Neither the Irish nor the Germans came in for any abuse; rather, they themselves expressed antipathy for the newer immigrants. Indeed, so alien did immigrants from Southern and Eastern Europe appear to local observers, that the Irish and the Germans acquired de facto status as native Americans. The Germans had mingled with the Pennsylvania Dutch and had become indistinguishable from them. Consequently, their status as Americans never came into question. Likewise, the Irish, who clearly had immigrant status, had been among the first groups to inhabit South Bethlehem and could therefore be viewed as being among the community's "founding fathers." The local Irish residents thus had a relatively high status within the town's social hierarchy from the start. They had not been forced to struggle for social acceptance in the same way their countrymen, settling in the large metropolitan areas, had. It is a significant indication of status rankings in the borough that a Souvenir History, issued on the occasion of South Bethlehem's 50th anniversary, did not list either the Germans or the Irish in the pages devoted to the "Foreign Population."

Yet according to the Federal

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61 See Souvenir History, pp. 21-23.
Census of 1910, people of German and Irish birth made up sizeable portions of South Bethlehem's population. \(^{62}\)

Ethnic hostilities in South Bethlehem arose out of social and economic differences. The newcomers were different in both customs and appearance from the natives, and Americans simply could not comprehend life-styles other than their own. They attributed such immigrant behavior as boisterous parties or strong displays of emotion to an inherent inferiority. More importantly, however, very real status anxieties motivated the antagonism of the Irish and Germans toward the new immigrant groups. German and Irish workingmen in South Bethlehem feared for their jobs. Eastern Europeans, after all, came to the borough seeking employment in the steel mills where many Irish and Germans worked. In time, the newcomers began moving from positions as common laborers to the furnaces; jobs once held exclusively by members of the older groups. Perceiving themselves threatened, the "old" immigrants reacted in a hostile fashion. Competition thus increased ethnic tensions. The anti-immigrant sentiments which found expression in South Bethlehem may have had local causes, but they also had national causes


\(^{64}\) Bethlehem Times, May 27, 1894, p. 1. This was a widespread phenomenon in the steel industry, see John A. Fitch, The Steelworkers, New York, 1911, p. 31, see also Higham, "Another Look at Nativism," pp. 156-158.
as well, and the two cannot be separated. In the main, such feelings developed in response to the continuing industrialization of the United States. As industrialization proceeded, it lessened the validity of the standards and values which had served as guidelines for behavior in an older society. A national, industrial society did not operate in accord with the standards appropriate to life in a small town. Society had become increasingly impersonal, and so, too, had human relationships. When decisions made in some distant city could change his whole life, the individual began to feel lost and helpless. Nor could the social mechanisms of community pressure alter the state of things, for often those whose decisions influenced local affairs lived at a distance, and were not subject to community sanctions. Indeed, the creation of a national transportation network had made the local community itself dependent upon outside forces. In such a situation, then, the immigrant, whose presence in the community was a direct result of industrialization, became a symbol of all that appeared to be wrong with the new society. Americans could not separate the strangeness of the aliens in their midst from the strangeness caused by industrial change.

Thus, anxiety characterized the native Americans' view of the immigrant. The natives saw the world they had known disappearing in

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a complex society in which variety of classes and ethnic groups vied for status and power. A racist ideology extolling the genetic superiority of Anglo-Saxons and positing the inferiority of the new immigrants emerged out of the status anxieties of New England's patrician intellectuals. They felt that immigrants from Southern and Eastern Europe could not be assimilated into the mainstream of American life because of the newcomers' supposed inherent inability to adopt civilized behavior. The dissemination of such beliefs helped to create a climate of opinion which would eventually lead to immigration restriction.

In spite of ethnic hostilities, ambivalence often characterized the attitudes expressed about South Bethlehem's immigrants. On one hand, some newspaper articles often derided immigrant life-styles and appearance, while others made the immigrants appear picturesque. Moreover, the local newspapers did not promote efforts to assimilate the newcomers, and editorials about "the immigrant problem" reflected wire service descriptions of metropolitan conditions rather than the local situation.

While local residents indicated their dislike of the newcomers, they also realized that the newcomers contributed to South Bethlehem's


prosperity—a prosperity which they welcomed. The Hungarian and Slovak steelworkers and the Italians employed in the local construction industry were recognized as contributors to the local economy. Moreover, the cigar and textile factories which began to dot South Bethlehem after 1900 all employed immigrant women. Indeed, these factories had been established in the town precisely because the immigrant communities provided a large pool of previously untapped female labor. No one expressed any desire to remove the steel mills and textile factories simply to rid the town of immigrants.

In spite of the fact that many wished the immigrants would go away, they did not, and, instead, continued to be an important element in the growth and development of the community. In the course of time attitudes changed, and instead of treating members of ethnic groups with contempt, native Americans actively sought their assimilation with American culture. Assimilation took time, however, and as late as 1937 a survey of the town's educational facilities asserted that the primary task of local schools was "amalgamating cultures in order to mold a desirable American cultural product." Yet, in spite of the desire to eliminate all national differences in an American melting pot, ethnic identities continued to persist. In 1939, the authors of the Northampton County Guide, a W.P.A. project, considered


the following paragraph to be indicative of life in the community:

Along Third Street are Greek restaurants, redolent with boiled lamb and syrupy coffee; Italian groceries with windows strung with fiery sausages and Parmegiano and Coccoarollo cheese; Russian tea houses and Roumanian restaurants and Polish pool rooms and Hungarian societies. National, fraternal and musical clubs flourish, and native costume celebrations of the various nationalistic groups are held with pomp and ceremony every Sunday during the summer in Central Park, and are known as "Nationality Days." 70

South Bethlehem, in the fifty years between 1865 and 1915, contrasts sharply with the Bethlehem of the same period. The town on the north side of the river resisted industrialization and grew slowly. Even though diversity of interests separated its inhabitants somewhat, the population remained fairly homogeneous, and the town presented the world with the picture of a sedate appendage to an industrial nation. South Bethlehem, on the other hand, was anything but a sedate, homogeneous community. Compared to Bethlehem, the younger community appeared to explode rather than grow. It welcomed industrialization, and rapidly filled up with people of diverse ethnic, religious, and cultural backgrounds. The inhabitants lived in a bustling town which contained a bewildering variety of small ethnic communities. Diversity of interest among Bethlehem's inhabitants seemed like rock-ribbed solidarity when seen in the light of the multitude of linguistic and cultural barriers which divided the residents of South Bethlehem. Rather than an appendage of the industrial society of late nineteenth century America, South Bethlehem was that society in microcosm.

70 Northampton County Guide, Bethlehem, Pa., 1939, p. 147.
CHAPTER FIVE:

THE SOUTH BETHLEHEM ELITE

Comprising an ethnic community, not unlike those formed by immigrants, a small group of upper class families dominated South Bethlehem from its beginnings until the turn of the century. Residing in an area known as Fountain Hill, these elite families directed the activities of the Lehigh Valley Railroad, the Bethlehem Iron Company, and other enterprises. In so doing, they controlled the fate of the community. Fortunately for South Bethlehem, the local elite did not act irresponsibly toward the community. On the contrary, taking their religious obligations as members of the Episcopal Church seriously, they used their wealth to benefit the town, providing it with such things as a hospital and an orphanage. However, by the turn of the century, the elite community's founding generation began to die off, and few of their successors felt a compulsion to maintain the tradition of noblesse oblige.

South Bethlehem's elite families constituted a self-conscious, well-defined community, with a strong sense of its own identity. A major factor in the emergence of this group as a coherent community was the connection of many of its members with Asa Packer's various enterprises, a fact reinforced among some by ties of both blood and
marriage with the industrialist and his descendants. Moreover, since the children of South Bethlehem's elite frequently married one another, their community was, in reality, one large family. As a result, primary group socialization served to inculcate a strong sense of group identity and distinctiveness.

A common membership in the local Episcopal parish, the Church of the Nativity, provided additional support to the elite's sense of community. Having originally initiated the movement for organizing a congregation, members of South Bethlehem's elite continued to serve on the parish vestry. Indeed, membership on the vestry came to represent a clear indication that an individual belonged to the elite community.

In 1858, Robert H. Sayre, the chief engineer of the Lehigh Valley Railroad, decided to establish his headquarters in South Bethlehem, where the tracks of the North Pennsylvania Railroad and the Lehigh Valley formed a strategic junction. This marked the effective start of South Bethlehem's upper class community. Sayre built a permanent residence on a spur of South Mountain known as Fountain Hill, located at the borough's western edge. Others soon imitated his example. William H. Sayre Jr., Robert's brother and general agent for the Lehigh Valley as well as assistant to the

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president, constructed his own rambling Victorian mansion across the street. With him came his father, the elder William Sayre, a business partner and friend of Packer's.²

Shortly after the Sayres moved to South Bethlehem, they were joined by Elisha Packer Wilbur and his family. A nephew of Asa Packer, Wilbur became president of the Lehigh Valley after Packer's death in 1879. The Wilbur family was destined to be of major importance in the economic development of South Bethlehem. They actively involved themselves in banking as well as the Iron Company and the Lehigh Valley Railroad.³

Garrett B. Linderman, Packer's son-in-law, moved to South Bethlehem in 1870. Trained as a physician, Linderman had graduated from the New York City College of Physicians and Surgeons. In 1856, he married Lucy Packer, and retired from the medical profession in order to take an active interest in his father-in-law's business affairs. Like the Wilburs, Linderman was active in banking and the affairs of the Lehigh Valley Railroad and the Bethlehem Iron Company.⁴

The Sayre, Wilbur, and Linderman families served as the core of


⁴Portrait and Biographical Record of Lehigh, Northampton, and Carbon Counties, Chicago, 1894, pp. 8-13.
South Bethlehem's elite, but other families also belonged to this
group. William W. Thurston, president of the Bethlehem Iron Company,
H. Stanley Goodwin, superintendent of the Lehigh Valley Railroad,
Andrew N. Cleaver, a banker and manager of several coal mining firms
owned by the Packer interests, William L. Dunglison, another banker,
and John Smylie, a major stockholder in the Iron Company and owner of
a firm manufacturing precision parts for locomotives, became members
of the local elite. So, too, did Tinsley Jeter who moved from
Philadelphia to South Bethlehem in 1860 so that he might supervise
more closely the construction of the Ironton Railroad, a project
connecting his iron mines with the Lehigh Valley Railroad. These men
all built their mansions in the Fountain Hill area, and became part of
South Bethlehem's upper class.\(^5\)

The men heading South Bethlehem's upper-class families in the
nineteenth century did not fit the pattern of rags-to-riches so
beloved of Horatio Alger. Theirs was not the story of poor boy making
good.\(^6\) On the contrary, they began their careers already well prepared
for success. In this they conform to a profile first developed by
Frances W. Gregory and Irene D. Neu for industrial leaders of the
1870's. Of old, Anglo-American stock, their families had roots in


\(^6\)For a discussion of Alger see, Richard Weiss, "Horatio Alger, Jr.
and the Response to Industrialism," in Frederic Cople Jaber, Ed.,
*The Age of Industrialism in America; Essays in Social Structure
and Cultural Values*, New York, c. 1968, pp. 304-313.
New England. They generally received a better than average education, and did not obtain their first employment until about age eighteen, much later than the average American of the time. Usually of an Episcopal, Congregational, or Presbyterian background, they had been raised in an atmosphere in which business and a relatively high social standing were intimately associated with family life.

Most of the South Bethlehem elite conformed rather closely to this typology, as did Asa Packer, the elite's spiritual father. The Sayre and Wilbur families, for example, originated in New England, belonged to the Episcopal faith, and had received fairly high levels of education. Tinsley Jeter and Garrett B. Linderman deviated from this norm only in that the former was the scion of an old Virginia family, and the latter of a Pennsylvania one.

An entrepreneurial background was not a necessary prerequisite for entry into the South Bethlehem elite. A ranking position in certain local institutions, plus, of course, a decent family background, made an individual acceptable. Thus the director of St. Luke's Hospital, William L. Estes, became an honored member of the local establishment. The presidents of Lehigh University were also warmly

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8 Heller, Northampton County, Vol. II, pp. 3-5.


received by the residents of Fountain Hill as the acceptance of Henry Coppee, Robert A. Lamberton, Thomas M. Drown, or Henry S. Drinker attested. Professors could also be numbered among the elite. For example, William H. Chandler, Professor of Chemistry married a daughter of Robert Sayre and served on the Board of Trustees of St. Luke's Hospital, a position of no little prestige. Benjamin W. Frazier, another Lehigh professor, served as a vestryman of Nativity Episcopal Church, another position highly regarded by the upper class.

Since the Episcopal Church loomed so large in the elite's social life, its rectors were included in the upper-class community as a matter of course. This was no condescending gesture on the part of parishioners, for many of the clergy came from backgrounds which would have granted them access to local society in their own right. Indeed, several young men from prominent South Bethlehem families later became Episcopal clergymen.

Besides a common social background, ties of kinship and marriage helped to unite the Fountain Hill elite into a self-conscious community. Garrett B. Linderman, for example, married Asa Packer's

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12 Chamberlain, Nativity, pp. 18, 72, for a discussion of the relation between the clergy and small town elites, see Page Smith, As a City Upon a Hill: The Town in American History, New York, 1966, p. 74.
daughter, Lucy. Their son, Robert Packer Linderman, married Ruth May Sayre, the daughter of Packer's chief engineer, Robert H. Sayre. Linderman's daughters, Sally and Lillian, married two of Elisha Wilbur's sons, Warren and Eldridge Packer. Elisha Wilbur was Asa Packer's nephew and his successor as president of the Lehigh Valley Railroad. Another of Elisha Wilbur's sons, Rollin, married Nancy Lamberton, daughter of a Lehigh University president.13

Robert H. Sayre, married four times. His three daughters by his first wife married into the local elite. Ruth married Robert P. Linderman, Elizabeth married Andrew N. Cleaver, an official of the E.P. Wilbur Trust Co., and Eliza married William H. Chandler, a Lehigh Professor. Sayre's second wife was the widow of the late Senator Richard Brodhead and an aunt by marriage of Garrett B. Linderman. Sayre's third wife, whom he married in 1879, was a daughter of Asa Packer. Thus, Robert H. Sayre's family had ties throughout the local elite community and contributed to the feeling that Fountain Hill belonged to a clan of entrepreneurs.14

The Episcopal Church of the Nativity served as an institutional focus for the elite community's life. The appearance of Robert H. Sayre and Tinsley Jeter as permanent residents in South Bethlehem marked the start of Nativity parish. The families of both men were


devout Episcopalians, and attended the lay services Jeter held in his home every Sunday afternoon beginning in 1860. In May of 1862, the members of this small group established a Sunday school in the station of the North Pennsylvania Railroad. William H. Sayre Jr. became the superintendent, a post he held until his death in 1909.  

The creation of a Sunday school led to the formation of an Episcopal parish within a relatively short time. In July of 1862, the Diocese of Pennsylvania sent the Reverend Elephalet Potter as a missionary to Bethlehem and Allentown. In September, he began holding regular services in South Bethlehem. The presence of a clergyman encouraged the local Episcopalians to establish a legally constituted parish. On November 8, 1862, they organized a temporary vestry consisting of Jeter, Robert Sayre, his father and brother, John Smylie, and Ira Cortright, a founder of the Iron Company. The new vestry launched a fund-raising campaign, and, by the following August, $18,000 had been collected. On Christmas Day 1864, the congregation held its first religious service in the newly completed church.  

In May of 1863, the Annual Diocesan Convention, meeting in Philadelphia, accepted the parish into the diocese. In the course of the meeting, two new members were added to the vestry: Asa Packer and Solomon W. Roberts of Philadelphia. Neither of these men lived in South Bethlehem, and never attended any meetings of the vestry.

15 Nativity Annals, p. 4, Chamberlain, Nativity, p. 18.
16 Ibid., pp. 18-23.
As the parish historian notes, their inclusion was probably due to contributions they had made to the church. Packer, in any case, had close ties to the original vestrymen. In June of the same year, the Reverend Potter became Nativity's first rector.

Nativity Church acted as a parent organization for Bethlehem's Trinity Episcopal Church. In 1869, Nativity's vestry established a mission Sunday school in Bethlehem with H. Stanley Goodwin as superintendent. Shortly afterwards, the rector began holding services on Sunday evenings. A parish was soon organized, and by January of 1872, the construction of Trinity Church was completed. Several members of its first vestry also served on Nativity's: Charles Dodson, William Dunglison, H. Stanley Goodwin, and Robert Sayre. Only Dodson lived in Bethlehem, and he withdrew from Nativity's vestry in 1879. 18

The residents of South Bethlehem considered Nativity to be the Church of the borough's upper-class community, as indeed it was. This association between the elite and the Episcopal Church was not a merely local development, but reflected the national status of the Episcopal Church. In American society the various denominations have always served to unite people of similar outlooks and social standing, and, by the middle of the nineteenth century, the Protestant Episcopal Church had emerged as the major upper-class religious denomination in

17 Ibid., p. 23.

the United States. It had been the church of the southern planter aristocracy from earliest colonial times, and, during the eighteenth century, the merchant elite of the northern cities also turned to it in increasing numbers. To the upper classes of American society, the Episcopal Church represented a link with the aristocratic traditions of England which, they felt, their wealth should permit them to emulate. In the years after the Civil War, the Episcopal Church expanded its membership as newly rich industrialists eagerly conformed to the customs of the class they aspired to join. 19

The founders of Nativity Church came from families long affiliated with the Episcopal Church. They were not recent converts. William H. Sayre, Sr. had been instrumental in the creation of St. Mark's Episcopal Church in Mauch Chunk during 1835. Along with Asa Packer, Sayre had served on St. Mark's first vestry. This long-established relationship of the founders with the Episcopal Church became a source of no small pride to members of the parish. 20 Indeed, it would appear that more recent converts to the Episcopal faith received less than full acceptance by the Fountain Hill elite regardless of their wealth. In any case, the wealthy members of Bethlehem's Trinity Episcopal Church, some of whom were recent converts, did not socialize extensively with the residents of Fountain Hill.

20 Chamberlain, Nativity, p. 9.
The Church was not the only institution designed to buttress the Fountain Hill elite's sense of community. Like Episcopalians elsewhere, the local elite sought to perpetuate an upper-class life-style intimately connected with membership in the church. Thus, a school for the daughters of Fountain Hill families, Bishopthorpe Manor, opened its doors in 1868. It was located on a property which had come into the hands of Tinsley Jeter who suggested that it be used for a school. Jeter's proposal met with diocesan approval, and Nativity's rector and vestry became the school's board of trustees. Jeter acted as the school's first president. He improved the property at his own expense, and leased it to the trustees rent-free until they could raise the money to purchase the school. Jeter himself made the largest contribution to the fund. The school became church property in 1871. 22

Lehigh University was another local educational institution in which the Fountain Hill gentry took special interest. Founded in 1865 by Asa Packer as a "polytechnic college," its emphasis was on such subjects as engineering. Although Lehigh was founded as a non-sectarian institution, it had close ties with the Episcopal Church. A devout Episcopalian, Packer turned for advice in founding the school to William B. Stevens, the Episcopal Bishop of Pennsylvania. Bishop Stevens became the first president of Lehigh's board of trustees, and, until 1897, the Bishop of the Diocese of Eastern Pennsylvania always

became the board's president. Indeed, because of Lehigh's close connection with the Episcopal Church, the University received permission to send delegates to the diocesan convention of 1888. 23

The Fountain Hill gentry maintained a strong interest in the affairs of the University. The first board of trustees included Robert H. Sayre, William H. Sayre Jr., and Garrett B. Linderman. Nativity's rector, Reverend Elephalet Potter acted as the Board's secretary and Elisha Wilbur, who became a trustee in 1879, was its treasurer. 24 For years, these men gave of their time and money to Lehigh, and took a great interest in its success. The connection of the school with the local elite could also be seen in the close social relations between the Fountain Hill residents and the presidents and faculty of Lehigh. Members of the latter group served on Nativity's vestry and married into the families on what residents of South Bethlehem referred to as "Episcopal Hill." Students from the University, coming from the proper backgrounds, were likewise welcomed into the homes on Fountain Hill. Marriages between Lehigh students and daughters of the local gentry were not uncommon. 25 For most of the nineteenth century, the relationship between Lehigh and Fountain Hill was a family one.


24 Bowen, Lehigh University, pp. 84, 92.

The close ties of the Protestant Episcopal Church in the United States with the Church of England colored its view of society. The American Church had originated in the Anglican Communion, and had never lost touch with the medieval ideal of being a truly catholic church which ministered to the whole community, not just to elite groups. Strongly influenced by the Christian Socialism of their Anglican cousins, Episcopal clergymen organized and supported movements to improve the lot of the American workingman. Indeed, the Episcopal Church was clearly in the forefront of the Social Gospel movement of the late nineteenth century. To the degree that wealthy Episcopalians heeded their clergy's reminders of a Christian's responsibility toward society, they also followed their aristocratic impulses and acted out of a spirit of noblesse oblige.  

In South Bethlehem, the Episcopal elite took their religious responsibilities seriously. Indeed, Nativity was established in South Bethlehem in order to provide the many working men who lived there with a church. An 1862 circular requesting aid in the construction of a church noted that:

Bethlehem South is immediately opposite the Terminus of the North Pennsylvania Railroad. It now contains a population of one thousand inhabitants. Most of these are persons of very modest means, and a great majority are laborers, mechanics and workmen in the zinc and iron works of the place. The Iron

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Furnace and Rolling Mill of the Bethlehem Iron Company are now nearly completed, and will soon bring a large addition to the population. There is no church of any kind in the place, a want severely felt by all, but more especially by the laboring classes, who are less able and less disposed to go the distance required to reach the churches on the other side of the river.  

In spite of the good intentions of Nativity's founders, the parish did not acquire working-class members. Churches of other denominations more congenial to the town's working-class inhabitants soon came into existence in South Bethlehem, and most workmen joined them instead of Nativity. Moreover, the town's residents considered Nativity to be a church for the carriage trade. In an unsuccessful attempt to belie this, the families living near the church made it a point to leave their carriages at home and walk to services.  

Although the efforts to attract workmen from the zinc and iron works to services at Nativity failed, the Episcopalians did not abandon efforts to reach members of the "laboring classes." Since the workmen did not come to Nativity, Nativity went to them. In August of 1873, Nativity's rector held services at the Leckaweki Springs Hotel about a mile west of the church. The hotel was located near the Shive Governor Company, a factory owned by John Smylie, a member of Nativity's vestry. Smylie had just moved his factory from Philadelphia and he wanted to provide a chapel for his employees.  

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With $1,000 provided by Robert H. Sayre, St. Mary's Chapel was built on a plot of land Smylie donated to the parish. The chapel was consecrated in April of 1875. From then on, regular services were held every Sunday, and Sunday school classes were led by Sayre until his death in 1907.

At the initiative of William W. Thurston, vice-president and later president of the Iron Company, a second chapel, St. Joseph's, was opened in 1882. It was located "at the foot of Lehigh Mountain, opposite No. 3 Furnace," about a mile to the east of Nativity. The services, held in a small cottage, attracted worshippers from among those employed in the Iron works, and, before long, a larger building was needed. Thurston persuaded Joseph Wharton of Philadelphia, a director of the Iron Company, to donate a plot of land for the purpose. The chapel was completed in 1884 with Thurston himself paying the construction cost of $2,500.

The Episcopal leaders did not confine their community activities to purely religious affairs. One of their projects was the establishment of St. Luke's Hospital. The idea originated with Nativity's rector, Cortland Whitehead who had come to the parish in 1870. At that time, the closest hospital was in Philadelphia. Not even the Bethlehem Iron Company had so much as a dispensary. Whitehead at first thought

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29 Ibid., p. 34.
30 Ibid., pp. 44, 50.
in terms of a small cottage hospital run by the parish, and suggested this to the trustees of Bishopthorpe Manor at a board meeting in 1872. The trustees responded enthusiastically to the idea, obtained a charter, and began soliciting funds. In June of 1873, St. Luke's Hospital was opened in a house in South Bethlehem.

Within a short time of its founding, the hospital outgrew its original facilities. Given financial assistance by Asa Packer, the hospital's trustees acquired the grounds of a former water cure known as the Hydropathic Institute located in the Fountain Hill area. Packer also bequeathed $350,000 to St. Luke's upon his death in 1879, and as a result, considerable expansion was undertaken. In 1881, the trustees recruited Dr. William L. Estes as director of the hospital. He remained in charge of St. Luke's for forty years, and under his direction it developed into a hospital whose reputation eventually attracted cases from all over the eastern United States. In 1884, St. Luke's established a training school for nurses, the third such in the United States.

The founders of St. Luke's at first intended the hospital to be a denominational institution. However, it quickly became apparent that only a non-sectarian hospital would receive community support, and the hospital's charter was amended to that effect. Although the new charter permitted members of other denominations to sit on the Board

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32 Souvenir History, pp. 54-55, Chamberlain, Nativity, pp. 30-32.
of Trustees, the hospital still retained its Episcopalian ties. The charter required the Bishop of the diocese to be president of the board, and for a majority of the board members to be Episcopalians. Among the residents of South Bethlehem serving on the board were Tinsley Jeter, Elisha Wilbur, Garrett B. Linderman, Robert H. Sayre, William H. Sayre, and H.S. Goodwin. These men and their families took an active interest in the hospital and gave freely of their money, time, and energy. Both Wilbur and Sayre donated wards to the hospital, and Sayre, shortly before his death in 1907, presented St. Luke's with a pathology laboratory.

The Episcopal gentry's concern for South Bethlehem's welfare was not limited to the establishment of a hospital. At the urging of Nativity's rector, the Reverend Kinlock Nelson, the vestry gave its support to the creation of a Workingman's Club in South Bethlehem. This club opened its doors in February of 1885, with Robert H. Sayre, William W. Thurston, Tinsley Jeter and other Fountain Hill residents serving on the executive committee. Nelson, like other Episcopal clergymen of the day, was aware of the social problems arising from an industrial society. By creating the club, he hoped to provide working men with "facilities for social intercourse, instruction and rational recreation at a very small cost." The club was non-

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36 Nativity Annals, p. 83.
37 Ibid., p. 84.
denominational and open to anyone who cared to join. The club furnished its members with evening classes in mechanical drawing and mathematics, a library, an athletic program, baths, and "Public Entertainments at frequent intervals."  

The club proved to be short-lived. Although 242 men joined within two months of its opening, by the spring of 1886 the club had closed down. Three factors accounted for the club's failure: the absence of level ground in South Bethlehem for the athletic program, the lack of a permanent staff, and the large number of rival social organizations competing for members.

The Fountain Hill gentry did not perform all of their community activities through the agency of the Episcopal Church. In 1882, for example, William W. Thurston used his own resources to establish an orphanage in South Bethlehem after a smallpox epidemic had ravaged the town and caused over a hundred deaths. For the next four years, Thurston finance the orphanage by himself. When Thurston's health began to fail in 1886, it became necessary to place the Children's Home on a more secure footing. Accordingly, the Home was incorporated in November 1886, with the directorship composed of members of the community's leading families.

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38 Ibid., p. 84.
39 Bethlehem Times, Apr. 9, 1886, p. 1, Chamberlain, Nativity, p. 43.
During the next few years, the number of children at the Home increased, and it became necessary to expand its facilities. Thurston purchased a plot of land, and public subscriptions raised $3,700. The Children's Home's new quarters were ready for occupancy in 1888. In 1895, a donation of land and buildings permitted the home to relocate on a six-acre tract in Salisbury Township, near the Lehigh County line. Between 1882 and 1910, the Home cared for nearly a thousand children ranging in age from 2 to 14. After 1918, the Children's Home was financed by the Bethlehem Community Chest.  

The Fountain Hill elite did not limit their involvement with South Bethlehem to philanthropy. They took an active role in the town's political and economic life as well. Elisha P. Wilbur sat on South Bethlehem's first borough council. He served two more terms as councilman before being elected to serve five one-year terms as Chief Burgess. The voters of South Bethlehem likewise chose H. Stanley Goodwin, Superintendent of the Lehigh Valley Railroad, to eighteen terms as Chief Burgess, and he served continuously from 1875 until his death in 1892. Goodwin was a Republican, and maintained his popularity in a town so staunchly Democratic that local humorists declared the favorite sport of the inhabitants was stoning Republican parades.

The major economic interests of South Bethlehem's elite were

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42 Bethlehem Children's Home Momento, 1910, South Bethlehem, Pa., 1910, pp. 3-4, Bauman, "Fountain Hill," p. 50.

coal mines, the Lehigh Valley Railroad, and the Bethlehem Iron Company. As presidents, vice-presidents, superintendents, directors and major stockholders of these firms, the Sayres, Wilburs, Lindermans, and others held South Bethlehem's economic future in their hands. These same men were also involved in business activities of a more limited scope, and of more immediate effect on the community. When the Bethlehem South Gas and Water Company was organized in 1864, Elisha P. Wilbur served as president, and Robert and William Sayre, John Smylie, and H.S. Goodwin sat on the board of directors.

Elisha P. Wilbur organized South Bethlehem's first bank, the E.P. Wilbur Trust Company in 1870, and Garrett B. Linderman organized the Lehigh Valley National Bank across the river in Bethlehem two years later. Both directly and indirectly, then, the settlement of Fountain Hill was the locus of economic power which controlled South Bethlehem.

In 1900, Nativity became the Cathedral Church for the newly created Diocese of Bethlehem. The location of South Bethlehem as an Episcopal residence indicated Nativity's status as a church of the wealthy and powerful. In one sense, however, the choice of Nativity as a Cathedral served as both an epitaph as well as an encomium, for, by the turn of the century, the dominance of the

44 F. Ellis, History of Northampton County, Pennsylvania, Phila., 1877, p. 211.
46 Chamberlain, Nativity, p. 73.
Fountain Hill gentry in the affairs of South Bethlehem came to an end.

One reason for Fountain Hill's decline was the passing of the generation which had made the neighborhood a center of wealth and power. Garrett B. Linderman died in 1885, William W. Thurston died in 1890 and was followed by H. Stanley Goodwin in 1892. In 1907, Robert H. Sayre passed on, as did Elisha P. Wilbur in 1911. Their children did not follow in their footsteps. Only two members of the second generation achieved anything approaching the status of their fathers: Warren A. Wilbur and Robert P. Linderman, and Linderman died of blood poisoning in 1903 at the age of 39. The other surviving male children of the founders left South Bethlehem to pursue careers elsewhere. 47

Before 1900, membership on Nativity's vestry had been a sure sign of status in the community. However, the deaths of its original members left the vestry unable to make good its losses. After 1908, local businessmen instead of industrialists dominated the board. Only two vestrymen represented the older groups: Andrew N. Cleaver, a contemporary of the founders and Warren A. Wilbur. Indeed, interest in church affairs declined so much that by 1917 the rector was asked to prepare a schedule of vestrymen to usher on Sundays to insure their attendance at services. 48


48 Chamberlain, Nativity, pp. 73, 81.
Other signs of change accompanied the vestry's decline. By 1903, the Bethlehem Steel Company no longer belonged to the Fountain Hill elite, but had become the person property of Charles M. Schwab who was transforming it into a firm of international consequence. Likewise Bishopthorpe Manor closed its doors in 1902 because of a lack of endowment. When it reopened in 1908, it did so as a privately owned institution.

The disappearance of the Fountain Hill gentry was the local manifestation of a more general, national phenomenon. As industrialization had created the local elite community, continuing industrialization caused its decline. As the national economy became integrated, local elites were absorbed into an emerging national metropolitan elite. The centralization of economic power in the major urban areas of the country created a centralized national upper-class. Shared economic interests resulted in a shared life-style. New England boarding schools and fashionable eastern universities became family surrogates molding the various local aristocracies into a common national pattern. Exchanging a local orientation for an expanded cosmopolitan one, the new national elite nevertheless maintained its familiar life-style. The children of upper-class families continued to intermarry and to pursue careers of approved status in the elite community.

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50 Souvenir History, p. 35.

departure of the Fountain Hill elite from South Bethlehem was symbolized by the life of Francis B. Sayre, the son of Robert H. Sayre. In 1913 he married Jessie Wilson, daughter of President Woodrow Wilson, and later pursued a distinguished career in the Foreign Service. Sayre's marriage marked the end of an era in South Bethlehem's history.

The Fountain Hill elite gave South Bethlehem a group of leaders who exercised an enormous influence on the town's development. Their financial resources made them the unquestioned arbiters of the town's economic growth, and this resulted in their assumption of social and political leadership as well. Moreover, influenced by their membership in the Episcopal Church, the Fountain Hill industrialists also emerged as the community's moral leaders. Their concern for the local community's welfare, as well as their ability to implement that concern put them at the pinnacle of the local status hierarchy. No other local groups possessed the resources to challenge them, and, indeed, none wanted to. Moreover, in a South Bethlehem made up of many social and economic groups from a wide variety of ethnic and cultural backgrounds, the Fountain Hill leadership provided the town with a sense of community as well as continuity and stability. Whereas Bethlehem's Moravian traditions had served to assimilate newcomers

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into existing patterns of social relationships, South Bethlehem had to create its own patterns, a task which the residents of Fountain Hill found themselves obliged to carry out. The families on Fountain Hill had developed roots in the community and felt that they had responsibilities toward it. As a local historian once noted, "they had supplied a tone and a social life that were of the best American-Victorian tradition."  

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CHAPTER SIX

BETHELHEM IRON BECOMES BETHELHEM STEEL

The Bethlehem Iron Company was reorganized as the Bethlehem Steel Company in 1899. By this time the South Bethlehem elite no longer had much influence over its affairs, and control of the company passed into the hands of Charles M. Schwab who made it into the nation's second largest steel producer. With the change of ownership came methods of management based on impersonal bureaucratic principles to replace the informal procedures of the previous regime. Because Bethlehem Steel was the economic heart of the local community, it was the means by which the values of a mature industrial society, which these new techniques represented, became a part of the lives of the town's inhabitants.

Bureaucratic methods of industrial management comprised but the tip of an iceberg, for they were only one manifestation of a fundamental change taking place in American life. After a half-century of intensive industrialization, the individualistic philosophy which underlay the nation's economic expansion no longer seemed to be an appropriate guide to behavior in a complex society. A new ethos, one derived from the experience of the industrial corporation, and based on bureaucratic ideals of rationality, order, impersonal regulations, and centralized decision-making, came to dominate American life. It

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is the purpose of this chapter to describe this transformation, and, by using Bethlehem Steel as an example, show how the values of corporate industrialism became part of American life.

A philosophy of individualism held the allegiance of the American people for most of the nineteenth century. For Americans, the ideal man was totally self-reliant, and European visitors to the United States such as de Tocqueville noted that the complex network of obligations and relationships which, in Europe, bound the individual to the rest of society, simply did not exist in the United States. A belief in the equality of all men had replaced notions of social hierarchy, and Americans asserted that each man's destiny lay in his own hands. Thus, Americans resented any efforts by government or by society in general to interfere in the lives of individuals. The relatively fluid social structure of nineteenth century America, which alarmed Europeans, was a source of pride to the people of the United States. Where Europeans saw impending chaos, Americans believed that a natural harmony — much like Adam Smith's invisible hand — would preserve stability in a society of individuals freed from the artificial social order of Europe.

For Ralph Waldo Emerson, an unrestrained individualism appeared to be the means by which mankind could achieve moral perfection. To


most Americans, however, individualism appeared to be the means by which they could achieve economic success. The consequence of a wide-spread belief in uninhibited individualism was an era of restricted governmental authority and *laissez faire* economics. As Richard Hofstadter noted: "The same forces in American life that had made Jacksonian equalitarianism possible and had given to the equalitarian theme in the agrarian romance its most compelling appeal had also unleashed in the nation an entrepreneurial zeal probably without precedent in history, a rage for business, for profits, for opportunity, for advancement."  

A materialistic individualism dominated the values of post-Civil War America and encouraged economic growth. The absence of a traditional European social order meant that Americans lacked the European's traditional attitudes regarding property, occupation, and business activity. Instead, men's lives revolved around the quest for wealth, and most Americans gave their approval to an ethic of economic exploitation. Competition, ruthlessness, acquisition, and unequal wealth received the approbation of clergymen, academics, judges, lawyers, and politicians. Legislative enactments and judicial

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decisions institutionalized such values and gave them legal status. The mores of the time made it an age dominated by the spirit of the entrepreneur.

For many nineteenth century Americans, the entrepreneur personified the ideal man: the self-reliant individual who created his own destiny. A psychological profile of the entrepreneurial type, developed by the late economist Joseph Schumpeter, goes far to show how well such a mentality meshed with the mores of the time. The entrepreneur, Schumpeter noted, was first and foremost an innovator. Entrepreneurs were rarely either inventors or capitalists. They seldom possessed a deep understanding of technological processes, and few of them risked their own capital. Instead, the typical entrepreneur was one who saw the commercial value of other men's new ideas, and persuaded men with capital to invest in new ventures. As an innovator, the entrepreneur had to possess unbounded confidence in himself and his ideas, and needed the energy and drive to pursue them regardless of opposition. Moreover, as Schumpeter pointed out, the entrepreneur often made business an avenue of social advancement: through business he sought to gain recognition and social distinction. Thus, the entrepreneur aggressively pursued success, but he pursued success for its
own sake, not for the wealth it would bring. For him wealth served primarily as an indication of achievement, it did not bring pleasure in itself. The entrepreneur derived his real pleasure from the accomplishment of the tasks he set for himself. As an innovator, an adventurer, and an interloper, the entrepreneur embodied the values of American society, and men like Andrew Carnegie and John D. Rockefeller became heroes to the American public.  

If the American industrial economy owed its origins and growth to the competitive spirit of the nation's entrepreneurs, that same competitive spirit had little place in the highly developed and complex economy which had come into existence by the end of the nineteenth century. At that point, the nation's economy required stability rather than innovation, and control rather than competition. The modern industrial corporation proved to be the means by which these needs could be met.

Corporations had long been known as a device for limiting the liability of investors in a business venture only to the extent of their investment if a creditor brought suit against the firm. By the end of the nineteenth century, however, this financial aspect of the corporation had been superseded by the corporation's function as

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the administrative unit of industrial production. By combining many formerly competing firms under one centralized leadership, the new corporations brought stability to American industry. Besides horizontal combination, vertical integration of all manufacturing processes from the obtaining of raw materials to marketing also became a characteristic of the industrial corporation. In such complex organizations, managerial talents were of greater value than entrepreneurial ones, and by the first decade of the twentieth century, bureaucrats were replacing entrepreneurs as the dominant figures in the American business world.

Bureaucracy is characterized by centralized decision-making, hierarchical chains of command, impersonal regulations, and specialized departments staffed by career professionals who hold office by virtue of a technical competence or expertise in a particular field. Because a bureaucratic organization emphasizes the rationalization of activity it produces stability and order, and this enables the organization to plan for the future instead of being at the mercy of events.

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In the case of the industrial corporations, economies of scale resulted from the standardization of processes and the greater efficiency which bureaucracy made possible. All this made for profitability, and the success of the systematically organized corporation led to the spread of such managerial methods throughout the American business world.  

Large scale technological production required administrative procedures to cope with the demands made on corporations whose manifold activities involved them in an economy of continental scope and complexity. The nation's railroads, because they were the first to face the challenge of handling large amounts of men, money, and materials were the first business establishments to institute bureaucratic managerial controls. As mileage and traffic increased, railroads created specialized departments to carry out such tasks as maintenance, traffic, planning, and accounting, all of which were supervised by a central office. As examples of bureaucratic organization, railroads thus served as models for later corporations to emulate.  

Methods of systematic management were as necessary in the factory as they were in the administrative offices, because continuity and

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stability would be impossible without total control of manufacturing processes as well. The capacity of American factories to meet the demands of a growing market had grown. However, as companies expanded their operations, they often lost control of these operations, as new and specialized departments were added to existing factories. Coordination between departments performing separate, but related, functions was often nil, and the result was confusion, waste, and internal disorder. Thus, systematic management was necessary within the factory itself. Just as in the administrative structure, bureaucratic methods were used in the plant to standardize procedures and create chains of command. With professional experts in charge of technical processes control no longer depended on personality. A situation such as Captain Bill Jones' refusal of Andrew Carnegie's offer of a partnership because he feared it might create a gap between him and his men would not happen under the new system.

The implications of scientific management went beyond industrial organization to include the whole complex of relationships between technology and society, or, in other words, between man and machine. Its proponents often compared the functioning of a factory — and later

of society in general — to a machine. The machine was an example of rationalized organization whose every specialized part contributed to the machine's functioning. So it was with a social system; each individual was seen to be a part of a larger whole. Moreover, just as the functioning of a machine was based on the systematic application of scientific law so, too, could scientific systematization be applied to human social groups. There was, of course, a depersonalizing element in all of this; systematic management left little room for personal idiosyncracy or autonomy. As Frederick W. Taylor, "the father of scientific management," bluntly declared: "In the past man has been first; in the future the system must be first."\(^\text{18}\)

Taylor, moreover, was referring not only to the factory but to the general society as well. In a time when the social controls appropriate to an individualistic society proved inadequate in an urban-industrial world, an ethic of organization had great appeal. To thoughtful Americans the application of scientific methods to the social structure of the factory seemed applicable outside it as well. As Samuel Haber has noted, the rationally organized factory "became one of those places where an important segment of the American intelligentsia saw the


future -- and saw that it worked".  

The development of bureaucratic concepts of industrial organization had a major impact on the Bethlehem Iron Company. Moreover, because the company's affairs were of crucial importance to South Bethlehem, these concepts, and the value-system they represented, eventually influenced events in the community as well.

By the end of the nineteenth century, the Bethlehem Iron Company had shed its reputation as a small, locally owned firm specializing in the manufacture of rails for anthracite railroads. This change in status was the direct result of the company's decision to enter the ordnance and armor plate fields. The nature of the new market required company officials to familiarize themselves with a world previously alien to them, for they now found themselves dealing with politicians, government bureaucrats, and representatives of foreign governments. Moreover, to keep ahead of such competitors as the Carnegie Steel Company, Bethlehem's officials had to keep abreast of national political and economic developments as well as technological advances. In other words, for the Company to survive, its leaders had to abandon

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their previous local orientation for a more cosmopolitan one. 22

Related to the company's entrance into new fields of production was a change in the nature of its ownership. Prior to the late 1880's, the Bethlehem Iron Company had been owned and operated by the families of the local elite. However, in order for the company to enter the armor plate field, it needed additional capital. The funds came from Joseph Wharton of Philadelphia, a financier of note who later established the Wharton School of Business at the University of Pennsylvania. Wharton had been involved in the company's affairs since its creation in the 1860's, but after 1889, he possessed a quarter of the company's stock and majority of its bonds. 23 Wharton thus had an important influence upon the firm's activities and it was at his insistence that the company was reorganized in 1899 as the Bethlehem Steel Company. 24

In 1899, the Bethlehem Iron Company had a capital of $7,500,000. In that year, the newly organized Bethlehem Steel Company obtained control of the Iron Company's various properties on a 999 year lease on a guaranty of six percent on the outstanding stock. The lease was later cancelled, Iron Company stock was exchanged for Steel Company bonds paying six percent, and the properties were transferred outright

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22 For a discussion of local and cosmopolitan orientations, see, Merton, Social Theory, pp. 441-474.


24 Horace B. Davis, Labor and Steel, New York, c. 1933, p. 189.
to Bethlehem Steel. The reorganization ended the active involvement of the Fountain Hill elite in Company affairs. Edward T. Stotesbury, a Philadelphia banker and later a J.P. Morgan partner, as well as other Philadelphia and New York financiers joined Wharton on the company's board of directors. Of the seven members of the revised board of directors, only one, Robert P. Linderman, the company's president, was associated with a family that had founded the firm.

Joseph Wharton was one of the first financiers in the country to recognize the value of the systematic organization of industry, and it was at his initiative that Frederick W. Taylor went to Bethlehem in 1898 to improve the company's works. The Company's expansion of its operations in the 1890's had not been accompanied by a corresponding increase in managerial control. The office of general superintendent, as John Fritz had molded it, did not concern itself with plant operations, but with the design and erection of buildings and machinery, and with the planning of developments. Thus, no one man was responsible for coordinating the activities in the plant as a whole. The actual operation of the works was left to the heads of various departments, such as forging, melting, tempering, and machine shop. Since, at this time, the company employed between five and

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six thousand men, the resulting confusion and waste were intolerable. Thus, Wharton decided to secure the services of Taylor who had organized the works of the Midvale Steel Company, Bethlehem's competitor in the manufacture of ordnance. Taylor arrived in South Bethlehem in May of 1898 with the understanding that he was to improve the efficiency of the various shops by introducing a piece-work system to increase production.

Taylor did not have the same conception of his task as did the men who employed him. For Taylor, the entire plant was to be viewed as a whole whose parts had to be studied in detail, their operations systematized, and finally organized into a coordinated system. Thus, the introduction of a piece rate system in the company's machine shops meant first of all studying the methods, procedures, and tools used in the shop, and only then setting about the rational reordering of operations. Taylor's favorite tools were the slide-rule and the stopwatch, and, in fact, he was the originator of the time-motion study. As a result of his studies, Taylor at times went so far as to design

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28 Frederick W. Taylor to Russel Davenport, Jan. 4, 1898, Taylor Collection.


30 Kakar, Taylor, pp. 69-72, Frederick W. Taylor to Robert P. Linderman, May 27, 1898, Taylor Collection.
new tools and machinery for the shops whose activities was systematizing.

The scientific management of industry meant for Taylor the total control of all activities within a plant. He thus saw his task as including the introduction of standardized inventory controls, methods of cost accounting, hierarchical chains of command, and higher wages for labor. This latter caused Taylor's employers some difficulty. He had been brought in to increase productivity and reduce labor costs, and they could not seem to follow his argument that reduced labor costs had to be coupled with higher wages. His system was based on piece-work rates, and if company officials wanted the men to work harder they had to pay them more. "My experience," he wrote, "is that it is necessary to pay them on Piece Work from 25 to 50 per cent more than they can get on day work in order to stimulate them to their maximum." Taylor, as we have noted, saw the industrial plant as an integrated system, and, by paying labor higher wages, he sought to convince workmen that their interests were the same as their employer's. Taylor had no use for employers who cared only for profit and did not consider their worker's welfare. He believed

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32 Frederick W. Taylor to Robert P. Linderman, April 4, 1898, Taylor Collection.

33 Frederick W. Taylor to Russel Davenport, Jan. 4, 1898, Taylor Collection.

34 Frederick W. Taylor to Robert P. Linderman, Jan. 19, 1898, Taylor Collection.

35 Copley, *Taylor*, p. 54.
that the proper implementation of his programs would insure labor's cooperation with management, and that a contented labor force would feel no need to resort to labor unions to obtain decent treatment. 36

Taylor's approach to the problems of industrial activity can be seen in his systematizing of one of the most menial tasks in the Bethlehem Works: shovelling. 37 When he arrived at the works, the company employed some 600 men to move such materials as light ash, coal, coke, or ore about the steel yard wherever needed. The men owned their own shovels, worked in large groups, and their activities carried them all about the yard which, by that time, covered an area about two miles long, and, in places, about half a mile wide.

Taylor's first steps in reorganizing this activity was to run a series of tests to determine the optimum shovel load for a first-class worker. He concluded that a load of 21 pounds was the ideal weight for a first-class shoveller. He also concluded that one kind of shovel would not do for handling all types of material, but that special shovels should be designed for specific tasks; a large one for ashes, for example, and a small one for ore.

As a result of Taylor's investigations, work in the steel yard was systematized. The men no longer used their own shovels, but were given specially designed tools for each assignment. This meant the erection of tool rooms at various locations about the yard so that the

36 Frederick W. Taylor to William Crozier, Apr. 20, 1910, Taylor Collection, see also Taylor, Principles of Scientific Management, pp. 10, 17-19, 72-77.

37 This and the following paragraphs are based on ibid., pp. 65-71.
men would have the proper equipment immediately at hand. To eliminate the waste motion of men wandering about the yard, a yard staff was organized which planned work at least a day in advance, so that when individuals checked in, they would know what their jobs for that day would be. Large maps of the steel yard indicating the location of men and jobs permitted the staff to move gangs from one spot to another. A telephone network was installed in the plant to insure effective communication between the planning staff and the labor gangs. Once the yard was mapped, the relationship in time and space of various jobs could be seen, and reorganization of the yard itself soon followed. Materials were then delivered or dumped according to a logical sequence.

Taylor's efforts at systematizing the yard produced remarkable results. After three years, 140 men did the same amount of work 600 had done previously. The cost per ton of handling materials was reduced by 50 percent. During the last six months of Taylor's stay at Bethlehem, when all the work in the yard had been systematized, the savings to the company amounted to between $75,000 to $80,000 a year, after including the cost of a planning staff, new tools, and a wage increase of 60 percent for the workmen.

Taylor's efforts at reorganizing activities in the steel works did not meet with universal approval. For one thing, he was an abrasive, tactless man who stubbornly insisted that his course of action was always the right one, and that those who questioned him were his enemies. As important as his personality in creating

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opposition to Taylor's methods were the methods themselves. The most conspicuous element in Taylor's management system was its impersonality. As in all bureaucratic schemes, scientific management left little room for personal autonomy. At Bethlehem, the personal element dominated the company's management staff. After years of ownership by local families, the Bethlehem Iron Company had become a hotbed of nepotism. Nepotism, of course, was the traditional means of recruiting loyal staff when most firms were small family affairs and management was personal. By the time Taylor arrived at Bethlehem, the company had grown in size, and nepotism had become a synonym for incompetence. Taylor represented the winds of change at Bethlehem, and people who held positions because of personal connections resisted those changes.

Taylor was dismissed from the company's employ in May of 1901. His activities had resulted in the creation of two factions: pro-Taylor and anti-Taylor. The anti-Taylor faction was the larger of the two, and, moreover, it had the sympathetic ear of the company's president, Robert P. Linderman. In a sense, Taylor had been hired over Linderman's head by Wharton, a company director. Although nominally employed by Linderman, Taylor was, in reality, accountable to Wharton. It was to Wharton that he had to show results, but it


40 Copley, Taylor, Vol. II, pp. 7-8, 21, on nepotism in business see Miller, "The Business Elite", in Miller, Men in Business, pp. 292-293.
was to Linderman that he had to go for authority to produce those results. However adequate Linderman may have been in directing the company's financial affairs, he did not have a technological background and had to rely on his staff for information. Since many of his subordinates were hostile to Taylor, Linderman's understanding of Taylor's goals and methods was, naturally, limited. In any event, Taylor and Linderman did not get on very well, and in the spring of 1901, Linderman bowed to pressure from the anti-Taylor faction. Upon Taylor's return from vacation, Linderman informed him that after May 1, 1901, his services would no longer be required. The dismissal of "that man" caused a collective sigh of relief from many company employees. Three months later, the Bethlehem Steel Company acquired a new owner: Charles M. Schwab.

There were two legacies of Taylor's stay at Bethlehem. His attempts to improve efficiency led to the development of high-speed tool steel. His studies of the art of cutting metals resulted in the discovery that tools made from chromium-tungsten steels would do from two to four times as much work when heated to the melting point. This tool steel revolutionized the machine industry of the United

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42 Ibid., pp. 145-146, see also Haber, Scientific Management, p. 35, footnote 10.
43 Robert P. Linderman to Frederick W. Taylor, April 17, 1901, Taylor Collection.
States, and has been credited with enabling the United States to outstrip Germany in the production of munitions during World War One. Also, Taylor and an assistant, H.S. Gantt introduced a task-bonus system for piece-work in the Bethlehem plant. It involved payment of a straight hourly wage plus a bonus for additional work with a set time period. This was reinforced by a bonus paid to the shop foreman as an incentive encouraging him to teach and help his men. What Gantt and Taylor denounced as a misuse of this system under Schwab was to lead to serious labor trouble at Bethlehem in 1910.

When Charles M. Schwab purchased the Bethlehem Steel Company for $15,000,000 in August of 1901, he was thirty-nine years old, and the president of the United States Steel Corporation. Schwab's rise in the steel industry had been meteoric. At the age of eighteen he obtained a job as an engineer's helper for a dollar a day at the Carnegie-owned Edgar Thomson Steel Works. Six years later, at the age of 24, he advanced to superintendent of the company's Homestead Works. Two years after that he returned to the Edgar Thomson Works as its general superintendent. After the bitter Homestead strike of 1892, Carnegie ordered Schwab to restore normal relations in the plant.

45 Kakar, Taylor, pp. 102-105.
Upon the successful completion of this task, Schwab served as the manager of both the Homestead and Edgar Thomson Works. In 1897, at the age of 35, he became president of the Carnegie Steel Company. Receiving bonuses that amounted to six percent of the company's profits, Schwab was earning more than a million dollars a year.\footnote{E. Neal Hartley, "Charles Michael Schwab," in Dictionary of American Biography, Vol. 22, Supplement 2, New York, 1958, pp. 601-602. Joseph F. Wall, Andrew Carnegie, New York, 1970, pp. 31-534, 666, 668.}

When the United States Steel Corporation — the first American corporation to be capitalized for more than a billion dollars — was organized in 1901, Charles M. Schwab became its first president. Schwab's appointment was more than simply a recognition of his abilities as a steel-maker, it was also a reward for his efforts in making the corporation a reality. Indeed, the idea of a great corporation which would rationalize the steel industry, and end ruinous competition by combining rival firms into one organization, was first broached by Schwab at a dinner given in his honor in New York on December 12, 1900. In what may be the most important after-dinner speech in American business history he told an audience which included J.P. Morgan and Edward H. Harriman about the state of the contemporary steel industry. The promise of the American steel industry was great, he said, and American technology was far in advance of its European competition. He felt, however, that the industry was not living up to its promise: there was too much duplication of product and too much destructive competition. A single
giant firm, rationally organized, would end all that, and, by rationalizing production and distribution, create great profits. In such a firm, each of its plants, strategically located, would specialize in a single product and thus dominate its market area. A centrally directed sales force could coordinate production and distribution. The consequences of integration would be great economics in manufacturing, and great profits which, in turn, could be used to find new uses for steel, permitting the opening of new markets and the reaping of record profits. 49

Schwab was not making concrete proposals in his speech, but was giving voice to a vision he had of the steel industry's future. His visions were infectious, however, and, at least one of his listeners, J.P. Morgan, caught the disease. Morgan called Schwab aside after his speech, and interrogated the steel man for half an hour about his ideas. During the course of the next few weeks, Schwab drew up lists of what companies should be included in the proposed merger, and carried out the negotiations between Morgan and Andrew Carnegie, whose Carnegie Steel Company was to be the heart of the new firm. In all this he was a success, and the United States Steel Corporation, chartered in New Jersey with a capitalization of $1,403,000,000, came into being on April 1, 1901. On April 16, Schwab, then aged 39, became the new corporation's first president. 50

Schwab held his position as president of the United States Steel until August of 1903, when he resigned. His years at the head of U.S. Steel were not happy ones. He quarrelled often and bitterly over matters of policy with the board of directors, most of whose members were financiers, not practical steelmen. Moreover, he aroused the displeasure of J.P. Morgan by ill-considered speeches and a public deportment which did little to contribute to a reputation for maturity and a sense of responsibility. Since the initial public reaction to the formation of the "Steel Trust" as it became known was hostile, Schwab's construction of the largest and most lavish mansion in New York City, and his well-publicized presence at the gaming tables in Monte Carlo did not improve the firm's image. However, it was Schwab's involvement in the United Ship-building scandal, which his biographer calls "one of the seamiest scandals in American industrial history," which forced him out of the presidency of U.S. Steel. 51

Schwab's involvement in the Shipbuilding debacle grew out of his acquisition of the Bethlehem Steel Company in 1901, only a few months after he became president of United States Steel. He purchased 80,000 shares from Bethlehem's Chairman Joseph Wharton, 60,000 from its president Robert P. Linderman, and another 20,000 shares on the open market. Since the firm had only 300,000 shares outstanding, this was enough to give him a controlling interest. The transaction cost

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51 Hessen, "Schwab", pp. 213-280, the quotation is on p. 249, Wall, Carnegie, pp. 799-802.
him $15,000,000; $7,500,000 of it was in cash and he gave his notes for a like sum at six per cent. This was a personal investment of Schwab's, and he did not feel that ownership of Bethlehem conflicted with his role as president of United States Steel. J.P. Morgan disagreed, however, and convinced Schwab to turn Bethlehem over to him, with Schwab having the option to repurchase it at the original price should he ever decide to leave U.S. Steel. 53

In 1902, Schwab was persuaded to include Bethlehem Steel in a recently organized corporation called the United States Shipbuilding Company. Schwab repurchased Bethlehem from Morgan, and delivered it to the corporation. In return he received $10,000,000 in bonds, with Bethlehem's plant and properties as the collateral in case of default. He also obtained 10,000,000 each in preferred and common stock. Thus, if the merger failed, he would at least reacquire Bethlehem Steel, if it succeeded, he stood to make a fortune. 54

The United States Shipbuilding Company failed, and it failed spectacularly. Of the nine subsidiary companies in the corporation, only one, Bethlehem Steel, was solvent. When Bethlehem's officials were instructed to turn over its profits to the corporation, they refused, and the corporation collapsed. Buying out the other investors in the defunct firm, Schwab united the most valuable portions into the


53 Cotter, Bethlehem Steel, pp. 8-10.

Bethlehem Steel Corporation which was chartered in New Jersey on December 10, 1904 with a capitalization of $30,000,000.  

Schwab had nearly total control over the Bethlehem Steel Corporation. Owning three-quarters of its stock in the firm's early years, and remaining its largest stockholder for a long time afterwards, Schwab was in a position to do pretty much as he pleased. In the years after taking control of Bethlehem Steel, Schwab transformed the small, specialized company into the second largest manufacturer of a diversified line of steel products in the United States. He also established a steel empire east of the Pittsburgh district, an area which U.S. Steel had ignored. He was convinced that steel could be produced successfully on the East Coast with iron ores from Cuba and South America instead of being dependent on ores from the Lake Superior region. Through plant expansions and mergers Schwab reached his goal by the start of World War I, little more than a decade after his resignation from U.S. Steel.

Schwab found Bethlehem devoted to the manufacture of a specialized line of products such as heavy forgings, ordnance and armor plate. Although profitable, such products had a limited demand, and Schwab set off on a program of expansion into other areas of production. Bethlehem entered into the structural steel market, something that


John Fritz had failed to get the company's directors interested in during the 1880's. Taking a chance, Schwab purchased the patent rights to a structural steel beam recently invented by Henry Grey. Grey's invention was a design for making in one piece the big beams used in the construction of large buildings. In the past, structural beams had been formed by riveting together a number of different sections of steel. Grey offered the rights to his beam to virtually every important steel firm in the country, but without results. Only Schwab had seen the potential of Grey's beam, but when he sought to acquire the patent for U.S. Steel, he was overridden by the directors. Once in control of Bethlehem, Schwab decided to manufacture Grey's beam. Convinced of the new beam's potential, Schwab poured all the money he owned or could borrow into constructing a plant to produce it. The new Saucon Plant of the South Bethlehem works doubled the size of the existing plant as well as its labor force. Schwab's gamble paid off. Grey's light, strong, and inexpensive beam made feasible the erection of skyscrapers, and, Bethlehem for many years remained the major producer of structural steel in the United States.

Schwab's ownership of Bethlehem Steel also resulted in changes in the company's organizational structure, changes which had been resisted when Frederick W. Taylor proposed them. Under Schwab, a definite managerial hierarchy was established. Centralized control

of operations replaced the virtual autonomy of departments which had existed under the previous regime. The office of General Manager was created to coordinate sales and production, and the able Eugene G. Grace was named to the position. Schwab did not tolerate nepotism and inefficiency; if an individual did not produce he was asked to resign. Moreover, Schwab firmly believed in promotions from within; he brought no new people with him when he took over the company. The only immediate changes in personnel Schwab made were to ask for the resignation of the firm's president and vice president — men who could not accept Schwab's methods. As president he installed Archibald Johnston, a man whom Taylor considered to be one of the few really able executives under the old regime. As an incentive, Schwab introduced an executive bonus system similar to that which had been in effect when he was employed by Andrew Carnegie. Monetary rewards, he believed, would increase the productivity of his subordinates. As Bethlehem prospered, bonuses rose to fantastic heights, and Schwab became as famous for his "Boys of Bethlehem," as Carnegie had been for his "Young Geniuses." In a time when the bureaucrat was replacing the entrepreneur as the representative American business leader, Schwab's career marks him as a transitional figure. His rise to prominence in the steel

industry, had been the result of his promotions through the hierarchy of the Carnegie Steel Company to the office of president, and from there to the presidency of United States Steel. To be sure, his rapid advancement was the result of talent and ability, but they were talents and ability of a bureaucratic rather than an entrepreneurial nature. Schwab's rise had been the result of Carnegie's recognition of his talents: Schwab had not carved out his own pathway to the top. Only at a rather later age than usual, and only after he had been forced out of U.S. Steel, did Schwab launch an entrepreneurial career by gaining control of Bethlehem Steel.  

Although Schwab's career was essentially a bureaucratic one, his outlook was conditioned by the individualistic values of the era into which he had been born. He was, as William Miller has noted, a hostage to his image of a freer past. Thus, Schwab's view of his life and career was conditioned by a value system which celebrated the entrepreneur. In later years, for example, he referred to himself as a "barefoot boy" with little education who rose to prominence as a result of nothing more than hard work and a desire to succeed. In actual fact, however, Schwab's life did not conform to such a Horatio Alger-like formula. His family was not as destitute as he intimated. His father, John Schwab, owned a small woolen mill in

63 Ibid.
64 Whipple, "Notes," pp. 5-11.
western Pennsylvania, and had profited from providing the Union Army with blankets during the Civil War. He likewise owned part of a livery stable and a small stage-coach line. Although Schwab's family did experience some deprivation, it was not a grinding poverty, but more in the nature of a deferred satisfaction of immediate wants in the expectation of future success.

Schwab never expressed a great regard for the value of formal education in preparing a man for success. He considered practical experience of greater importance than a college education. He always pointed to himself as a man of limited schooling who had never the less risen to the top of his chosen field. However, like his stories of boyhood poverty, Schwab's description of his education was tailored by his view of himself as a self-made man. Schwab attended St. Francis College in Loretto, Pennsylvania. To be sure, the school provided little more than a high school education at the time, but in the 1870's even this was more education than most Americans received. In any case, Schwab completed courses of instruction in both surveying and engineering, valuable assets in an economy becoming more industrialized every day.

Of his early days in the steel industry Schwab liked to relate how, as a boy, Captain Bill Jones of Carnegie Steel found him working as a grocery clerk and offered him a job driving stakes for

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67 Hessen, "Schwab", p. 27.
an engineer for the sum of a dollar a day. This, like other aspects of Schwab's early life needs clarification. He did not enter the job market until the age of eighteen, somewhat later in life than the average workingman. His first job, and the only one he ever held outside of the steel industry, was as a grocery clerk—a white-collar position. His background and education had not prepared him to look forward to a career as a manual laborer. When he took the job as an engineer's helper he did so with the expectation of acquiring enough practical knowledge to obtain a higher-ranking position. Indeed, in many respects, Schwab conformed to the profile established by Neu and Gregory of industrial leaders in the 1870's: he came from a middle-class background, had acquired a better than average education, entered the job market at a later age than was customary, and had expectation of rapid job mobility.

To be sure, Schwab did differ from the standard profile. He was not of Protestant English stock or of New England background, but was the grandson of an early nineteenth century German immigrant to Pennsylvania. He also differed from the profile in that he belonged to the Catholic Church instead of the Episcopal or Presbyterian, but these differences were relatively less significant than the similarities.

Schwab's career at Carnegie Steel was the story of an incredibly

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68 Whipple, "Notes", p. 22.

rapid rise. It was, however, a rise through a bureaucratic hierarchy. Bureaucrats hold their positions and receive promotions because of their professional competence, and such competence was what brought Schwab to the attention of his superiors. At a time where the steel industry was still at the stage of rule-of-thumb operations, Schwab set up a chemistry laboratory in his home, and worked far into the night studying the relatively young sciences of chemistry and metallurgy. By making himself indispensable to Captain Jones, he acquired the post of Jones' chief assistant. In this way he became known to Andrew Carnegie who appointed Schwab, then aged 24, head of the Homestead Works. Possessing a photographic memory, Schwab developed an expert knowledge of all branches of steelmaking, a knowledge which helped him rise to the presidency of Carnegie Steel.

Schwab possessed more than a technical knowledge of steelmaking; he also possessed the valuable ability to convince people to do what he wanted. He was a born salesman and an accomplished speaker. Reportedly, he could sell anybody anything. He was, as a later critic once noted, "a born actor: with his baritone voice, his ready flow of language, his golden-toothed smile and, above all, his marvelous gift for bursting into tears without a moment's notice, he knows how to fascinate enemies, Senators, government prosecutors, 

70 Whipple, "Notes", pp. 15, 17.

justices and rebellious stockholders." Congenial and democratic, Schwab administered the various steel firms he headed with what one historian has called a "gay ruthlessness." At Bethlehem Steel, for example, he reorganized the managerial hierarchy and then subjected his subordinates to an almost constant pressure. If they did not meet expectations they were dismissed, but if they exceeded expectations they received substantial bonuses. Schwab's combination of bureaucratic talents and entrepreneurial drive transformed Bethlehem Steel from a manufacturer of specialized steel products to a diversified industrial giant.

In 1917 Schwab published a little volume entitled Succeeding With What You Have. In it, he gave the ambitious young man a series of helpful hints on achieving success in the business world. His formula was simply one of hard work and total devotion to the job. "If a young man entering industry were to ask me for advice I would say: Don't be afraid of imperiling your health by giving a few extra hours to the company that pays your salary," he wrote. Failure, in Schwab's mind, was the result of a reluctance to do more than what was expected. "I have yet to hear an instance where misfortune hit a man because he worked overtime. I know lots of instances where it hit men who did not...More serious than physical injury is the slow relentless blight

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that brings standstill, lack of advancement, final failure." The real key to advancement was to do more than one's fellow workers. "All successful employers of labor are stalking men who will do the unusual, men who think, men who attract attention by performing more than is expected of them. These men have no difficulty in making their worth felt. They stand out above their fellows until their superiors cannot fail to see them." Education was of little value compared to hard work, nor was genius required to achieve success. Ordinary men, using their normal abilities in a whole-hearted devotion to the job were as capable of reaching the top, Schwab believed, as those with a college education. Schwab's little homily on success gives some insight into the manner in which he adjusted the values he acquired during a more individualistic era to the realities of a society which had become increasingly organized. It will be readily observed that the advice which Schwab offered his readers contained nothing new. Rather, Schwab merely articulated values which Americans had long held dear: success and failure were both the result of an individual's moral qualities. The ambitious man succeeded because he worked hard and devoted all his energies to his chosen calling. Success was the reward for effort, and failure was the result of its absence. Other than a willingness to labor hard, success required no special talents; it could be achieved by anyone willing to pursue it. A man's destiny

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75 Schwab, *Succeeding*, pp. 11, 14, 26, 32-35.
lay in his own hand. Schwab's advice bore a close resemblance to the values expressed by Americans in Alexis de Tocqueville's day. However, there was a world of difference between Schwab's advice and that given by Ralph Waldo Emerson. Self-reliance played little part in Schwab's formula for success. Nowhere did he suggest to his readers that they strike out on their own, blaze new trails, or become entrepreneurs and create their own businesses. On the contrary, Schwab recommended that they apply their talents and energies within an organizational framework. Success came because an individual stood out from the crowd when he worked harder than his fellow employees, and thus gained the recognition of his superiors. Displays of zeal and competence would result in advancement in a corporate hierarchy. Success, as Schwab explained it, meant obtaining promotions not achieving independence. Thus, the expressions Schwab used seemed to indicate a continuity of values from the mid-nineteenth century to the first decades of the twentieth, but, in reality, close examination shows instead, a replacement of one set of values by another. In many respects, Schwab’s adaptation of his values to a changed reality mirrored a process which took place in the minds of many Americans as they attempted to cope with a complex urban-industrial society.

Although Americans displayed an initial hostility to bureaucratic values, an organizational ethos gradually became part of the

76 See above, pp. 134-138.
American scene. The dislike of the giant industrial combinations when they first began to appear in the American arena, soon gave way to acceptance as people recognized their importance to the continued functioning of an industrial economy. In a society grown increasingly complex and impersonal, a value-system stressing cooperation rather than competition appeared more and more appropriate. The transition from one set of values to another was not a difficult one for, as we observed in the case of Charles M. Schwab, bureaucratic ideas seemed to continue the reign of traditional small-town values. Energy, efficiency, frugality, promptness, perseverance and a host of other values were common to both systems. Thus, Americans redefined what they meant by individualism, and by the early twentieth century individualism had come to be measured by participation in society rather than maintenance of an aloof distance from it. As the analogy of a machine came to be used as a description of society, the true individualist was declared to be the person who devoted himself to functioning as a specialized part of that machine. Just such an attitude permeated Herbert Croly's *The Promise of American Life*, a book of great influence on the climate


of reform politics during the Progressive period. In bureaucratic organization, a professional competence is highly prized, and in a complex society, professionalism became the new individualism of the American middle class. Teachers, lawyers, doctors, social workers, engineers and other experts created professional organizations which set the standards for entrance into those professions. They thus became the recognized practitioners of their specialized occupations within an impersonal and variegated society. A collective individualism replaced an atomistic individualism or, to use David Riesman's terminology, Americans abandoned "inner direction" for "other-direction." The true individualist, it was now said, functioned as part of a team, and a homogeneous, not a pluralistic, society should be the goal for which Americans strove.

Although the residents of South Bethlehem were not aware of it, Schwab's acquisition of Bethlehem Steel meant that the relationship which had long existed between the company and the community was to change. As in most small industrial towns, the inhabitants took an

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83 For example, see Croly, *Promise of American Life*, pp. 399-454.
almost proprietary interest in the company's affairs. Since the company had been in the hands of local owners for decades, it was naturally assumed that Schwab's purchase of the former Linderman mansion indicated that Schwab would continue the traditions established by the old Fountain Hill elite. This was not the case, for Schwab's orientation was to a world of national and international financial and industrial affairs. He had no special loyalties to a small Pennsylvania steel town. He was a product of corporate industrialism, and it was the Bethlehem Steel Corporation not South Bethlehem on which he lavished his attentions. If he placed any value on the community, it was merely as a source of labor. The strike which occurred in February of 1910, precipitated a collision between these two value systems, which forced South Bethlehem to look at itself in an entirely new light.


CHAPTER SEVEN
THE STEEL STRIKE OF 1910

Charles M. Schwab brought to South Bethlehem a new and unfamiliar set of attitudes regarding the management of industrial operations when he acquired control of the Bethlehem Steel Company. The implementation of these attitudes led to the outbreak of a strike at the company's South Bethlehem Works in February of 1910. Although the strike originated in a dispute over wages and hours, it soon developed into something more than a conflict between labor and management. It became a struggle between the company and the community itself, and, as such, marked a collision between opposing systems of values. In that sense, the victory of the company, after a long and drawn-out struggle, meant the triumph of the values of an urban-industrial society over those of the small town.

Schwab often proclaimed himself the friend of labor. "The best understanding that can be reached between capital and labor is achieved when you make the workmen realize that they are as much a part of the business as the stockholders," he stated. ¹ "When reductions have to

be made the proper thing to do is to call the men in and take them into your confidence. Show them your cost and profit sheets. Demonstrate your position, frankly, and honestly, and you'll have no trouble." Congenial and accessible, Schwab was, as an individual, a favorite among his workers. This friendship for labor had its limits, however, for Schwab would not allow unions in the companies he ran. "I will not permit myself to be in the position of having the labor dictate to the management," he declared. To some of his critics, Schwab's stand on labor smacked of hypocrisy. "The fact to be observed in all this," one wrote, "is that where unpleasant things have to be said about labor, Charlie doesn't say them. Someone else does the talking, and thus it is with entire truthfulness that Charlie can declare that my happiest reflection on my past business career, has to do with my relation to the workingman."

Schwab's attitude toward labor was that of the entrepreneur. He viewed labor as simply one more factor in the production of steel which had to be accounted for; unions were a disruptive factor in attempts to rationalize business. Like Andrew Carnegie, Schwab saw

\[2\] Ibid., p. 74.


\[4\] Clarence W. Barron, They Told Barron: Conversations and Revelations of an American Pepys in Wall Street, New York, 1930, p. 82.

little connection between wages and productivity. Seeking to maximize profit, Schwab viewed the question of wages in terms of their relation to low operating cost. As president of Carnegie Steel, he consistently sought to cut wages, as an easy way to cut costs. Under Schwab, the wages paid at Bethlehem were said to be the lowest in the steel industry.

Of particular complaint among the Bethlehem Steel Company's employees was Schwab's bonus system. As designed by Frederick W. Taylor and H. S. Gantt, this system was intended to reward workers for efficiency and, by so doing, increase production. An increase of 30 to 60 percent in wages, they believed, would encourage the men to see that their interests and those of their employers were identical. For the employer, the bonus system would result in an increased productivity as well as lower his over-all costs. The bonus plan as employed by Schwab retained the mechanics of the system designed by

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Taylor and Gantt, but ignored its spirit. In practice, the plan called for an hourly rate and a bonus of 20 percent if the work assigned was completed within a specified time. If more than the assigned work was completed within the set time, an additional bonus of 50 percent was paid. Although Schwab was proud of his plan, and publicized its use, not all of his employees shared his enthusiasm. They claimed that the plan worked to their detriment, for, they said, it was used as a speed-up, and, under it, the normal work rate was gradually increased. The bonus, in effect, became a necessity in order to bring earnings up to the level of wages prevailing elsewhere. Since the men naturally sought to earn as much as possible during the regular work day, they were often tired by the end of their normal shifts and resented company demands that they work overtime.

The question of overtime work was an issue of particular bitterness among employees. Overtime work had been paid for at the rate of time and a half prior to the recession of 1907. Since that time, however, overtime work was paid for at the regular hourly rate. By 1910, the company was earning near record profits, and so its refusal to pay an increased rate was particularly irksome to the men who had to work overtime. Moreover, overtime work was not a question of choice: a refusal to do such work often meant dismissal.


10 Ibid., pp. 15-16.

Long hours were resented by both the company's skilled machinists as well as its unskilled laborers. In January of 1910, there were 9,184 men on the payroll. Over 97 percent of the work force had a normal work day of at least 10 hours 25 minutes, with 51 percent of the total force working 12 or more hours. For 29 percent of the company's employees, the work week was seven days long with no extra compensation for Sunday work. When the other 71 percent of the work force, those who had a six-day week, came in on Sunday, their labor was considered overtime, but, nevertheless, they received only the regular wage for their work. In January of 1910, 43.5 percent of the company's employees did Sunday work. 12

Work in a steel mill was dangerous, and long hours did nothing to ensure safety. During 1909, 10 percent of all the men employed by the company met with some kind of accident, with as many as 2 percent of the workers in two different departments being injured. Twenty-one men lost their lives while at work. 13 One resident of South Bethlehem noted that "we see the ambulance go three or four or five times a day, and sometimes six or eight, to and from the hospital; it passes by my office." 14

12 Report on Strike, pp. 9-16.
13 Ibid., p. 121. For a general discussion of the hazards involved for men working in steel mills see Brody, Steelworkers in America, pp. 100-101, 159-161.
For long hours of dangerous work, compensation was small. Payroll figures for January of 1910 show that of 9,184 men, 2,640 or 28 percent earned 12 to 14 cents an hour. Another 1,528 received 14 to 16 cents an hour. Of all the employees, 61.2 percent made less than 18 cents an hour or $2.10 for a day's work. Only 21 highly skilled individuals made more than 60 cents an hour.

Late in January of 1910, a skilled employee in the No. 4 Machine Shop was dismissed for refusing to work overtime. Shortly thereafter, a committee of three approached their superintendent with requests that the discharged machinist be reinstated, that Sunday work be eliminated, and overtime work in the shop be reduced to a minimum. These requests were refused, and a few days later the three delegates were themselves discharged for refusing overtime work. To their fellow machinists, these dismissals seemed to be a reprisal for the three men's earlier action, and in protest, the men in the No. 4 Machine Shop decided to strike. They were joined by men from Machine Shops No. 3 and No. 6, raising their number to about 800.

At this point the company's plant police forced the striking machinists to leave the plant. The strikers repaired to a nearby open field, where they established a committee to call on Schwab to discuss their grievances. Meeting with Schwab in his office, the delegates asked for the reinstatement of the dismissed men and for abolition of overtime work, or, if this could not be done, to pay
time and a half for such labor. Schwab gave the committee several reasons why overtime had to continue, and why the company could not pay time and a half for it. When pressed by the committee to attend a general meeting of the striking machinists that afternoon to explain his position, Schwab declined. Later, Schwab did attend the meeting but, by then, news of his earlier refusal had inflamed the strikers. They hooted and jeered his statement that if the men came back their grievances would be attended to on an individual basis, but that the company would not negotiate through the strikers representatives.

On Sunday, February 6, a committee approached the superintendent of the plant, C.A. Buck. The members came from a meeting in which the striking machinists decided to drop their demands regarding overtime work. They would return to work if everyone, including the three machinists previously dismissed, were reinstated. The strike might have ended then and there, but Buck, fearing this would appear as capitulation, and set a precedent in future demands for collective bargaining, refused. The men could all return to work, he said, but the company would decide whom it would employ. "In other words," Buck stated, "the company wants it understood that the Bethlehem Steel Company is running that plant." 16 Stunned by news of the rebuff, the strikers voted unanimously to stay out. 17

To observers, the most significant aspect of the strike was its

16 "Statement submitted by the Executive Committee of the Strikers," in ibid., p. 38.

spontaneity and unorganized character. No unions existed in the plant, and in South Bethlehem itself there were only a few organized bartenders and a small carpenter's union. Well aware of Schwab's dislike of unions, the strike's leaders deliberately avoided the subject of organization for several days in the hope that the dispute could be settled quickly. Only after Buck's refusal to reinstate all of the striking machinists did their executive committee permit union organizers to work among the men. In fact, the executive committee had not requested the assistance of organizers from the American Federation of Labor. The organizers arrived in South Bethlehem only after being informed of the strike by the president of the local bartender's union.

Upon their arrival, the labor organizers were dismayed by the informal character of the strike, and especially by the absence of any preparations for a long struggle. Indeed, their first advice was for the machinists to call off the strike and return to work. A strike was a long-term affair, and, in their present state, the men could not support one. The only alternative was to organize, a suggestion offered not only by the A.F.L. representatives but by a few South Bethlehem residents as well.


19 Report on Strike, p. 17, see also "Executive Committee Statement," ibid., p. 38, and "Statement submitted by the Company," ibid., p. 23.

From the start, an executive committee of thirty machinists controlled the strike. The organizers from the national unions worked with the committee and gave advice, but were regarded as distinctly subordinate to it. For the most part, the union representatives confined themselves to organizing the various trades and helping to formulate demands. The committee maintained its authority by holding daily mass meetings, presenting speakers, giving suggestions, planning fund-raising activities, and, above all, keeping the strike peaceful.

The strike began over a question of working conditions, and could have been settled easily. The machinists' original demand of time and a half for overtime work was made in the hope that such a pay scale would be so prohibitive as to result in the total abolition of Sunday and other overtime work. Since the machinists enjoyed the highest wages and shortest hours in the plant, they had to include the demands of men from other departments before new strikers would join their ranks. The organizers assumed the task of drafting proposed wage and hour scales for each department in the works. In most cases they suggested both increased wages and reduced hours. Drafting such proposals took time, and it was not until the strike was more than a month old, that specific requests for wage increases were presented to the company.

Although the machinists made their decision to strike without

\[21\text{ Report on Strike, p. 17.}\]
\[22\text{ See Ibid., pp. 26-32.}\]
reference to other workmen in the plant, they soon gained allies. Within a few days, they were joined by 500 unskilled immigrant laborers who left the plant en masse. They were followed by 150 molders and 200 riggers. These recruits joined the strikers ranks even before any wage demands were formulated.

For the strike to succeed, public support was a vital necessity, and the strike leaders made the greatest effort to avoid violence. The executive committee advised the men against gathering on street corners or in saloons to discuss their grievances. The strikers were also warned against fighting or even the mere discussion of violence. The committee chairman, David Williams, announced that he, personally, would report to the Chief Burgess the name of any striker carrying a weapon. The company, he counselled, desired an excuse to bring the State Constabulary to Bethlehem to break the strike. Those who advocated violence were sure to be in the pay of the company, he said, and should therefore be avoided. The striker’s self-policing activities were successful, and for several weeks, the strike was free from even minor incidents. In fact, a newspaper in a neighboring town characterized the strike as "one of the most orderly labor struggles in the history of the country." South Bethlehem was, in the words


of one resident, "About like an ordinary Sunday morning — quiet."\(^{26}\)

The arrival in South Bethlehem of organizers from the radical Industrial Workers of the World nearly upset the executive committee's plans to keep the strike peaceful. The I.W.W. representatives were given permission to address the strikers on the condition that they not advocate violent action. However, this was exactly what they did advocate, much to the committee's alarm. As a result, the committee requested the Chief of Police to refuse the Wobblies the use of the Municipal Hall where the strikers normally met. Undaunted, the men from the I.W.W. spoke to a meeting of the foreign-born strikers the next night and again suggested that the men pursue a course of violent action to obtain their rights. Their arguments were diluted, however, when they were followed by the remarks of a local Hungarian strike leader who reminded his audience that violence would result in the "Cossacks", that is, the State Constabulary, being brought to South Bethlehem. Having made little headway, the Wobbly organizers left town shortly thereafter, much to the committee's relief.\(^{27}\)

The peaceful nature of the strike in part reflected the support which residents of South Bethlehem, in general, gave to the striking

\(^{26}\) "Cyphers Testimony," in ibid., p. 10612.

steelworkers. The borough council, one of whose members was himself on strike, permitted the strikers use of the Municipal Hall for meetings and headquarters space free of charge. Moreover, the local police sympathized with the strikers, and winked at minor infractions of the law. Indeed, the local police made only one strike-related arrest, and it was of a strike-breaker for threatening people with a revolver. The open sympathy of the police for the strikers was, of course, a source of exasperation for company officials. 28

That local authorities gave support and sympathy to the strikers and not the company was not surprising. As Herbert G. Gutman has pointed out, this was often the case in small industrial communities in the latter half of the nineteenth century. Inhabitants of small towns did not share the hostility toward labor prevalent in large metropolitan centers. In the small town, social relationships were still face to face; the town's middle-class, its businessmen, lawyers and other professionals, had direct contact with the workers and knew their problems. Outside the large cities the impersonal ideology of an industrial society did not take immediate hold, and the small town's reaction to labor conflicts was based more on moral considerations than on economic ones. Thus the inhabitants of the small industrial community judged the situation in terms of a value system.

28"Statement of Mr. Hugh Kelly, Ex-Chief of Police," in Report on Strike, p. 43, "Company Statement," in ibid., p. 24, see also ibid., p. 21 for the opinion of the Labor Bureau investigators concerning police sympathies.
rapidly becoming outdated. Believing in the sanctity of private property and free enterprise, they also assumed that an employer had a moral duty to treat his employees fairly. They expressed little or no sympathy for the concerns of the industrialist seeking to rationalize production by use of impersonal rules and sanctions.  

The political structure of the small town likewise encouraged local officials to side with strikers in an industrial conflict. In a one or two industry town, workingmen had a great political influence because they made up a large part of the electorate. Moreover, a system of ward representation required that a councilman live in the ward he represented. Since wards often had definite socio-economic characteristics, a councilman from a working-class ward, if he were not a workingman himself, would almost surely share their values and aspirations. Consequently, employers often had to reach outside the local community for authority to impose their will on striking employees.  

Such conditions prevailed in South Bethlehem. Local businessmen encouraged the strikers to organize themselves into unions, and a member of the strikers' executive committee also served as a member of the borough council. Moreover, Charles M. Schwab's status in

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30 Ibid., pp. 33, 37.

the local community was ambivalent. Although he possessed great wealth and economic power, he did not also possess the moral authority which had formerly belonged to the Fountain Hill industrialists. In seeking to break the strike Schwab was not able to rely on the local police, but would have to rely on the State Police; an organization whose authority did not derive from the local community and whose values were those of an impersonal society.

Ethnic diversity and hostilities might have been expected to hinder a widespread community support of the strike but this was not the case. The large numbers of immigrant workmen participating in the strike from its start encouraged the feeling that the strike was truly a community affair. The native Americans welcomed the immigrant strikers into their ranks, and treated them as equals; both groups attended the same meetings where speakers addressed the audience in both English and Hungarian. Grateful for this recognition, the immigrants responded enthusiastically, and South Bethlehem's ethnic communities, not just individual workmen, supported the strike. Indeed, coming from village societies which encouraged a sense of group solidarity, immigrants made better strikers than their more individualistic American fellows. At a meeting of Hungarian women, for example, single girls took a pledge that they would not marry "scabs". Rather than go to work as strikebreakers, many men either left town for employment elsewhere or took the opportunity to return to Europe. Of 121 individuals named as "scabs" in a circular handed out by strikers, only 11 were Eastern Europeans. That their names were supplied by
other immigrants can be seen in the phonetic spelling of the men's addresses: Mekenek St. for Mechanic St. and Skuloli St. for School Alley.  

Only the local clergy expressed disapproval of the strike. Early in the strike, David Williams had exhorted his followers to appeal to their clergymen for support. "Go to your pastors and priests," he stated, "and tell them that it is in their interest to come to your aid; that the conditions robbing you of the rest needed and the work on Sundays have been fixed by one man — C. M. Schwab." Such appeals had little effect, however. In the opinion of the Federal Council of Churches, which sent observers to South Bethlehem, the Protestant ministers were too far removed from the workers to understand their problems. Most of them ministered to middle-class congregations, while many of the men employed by the company were Catholics: there was little contact between the two. Having spoken with Schwab, the ministers were convinced that the strikers' charges of excessive Sunday work were unfounded, and some expressed the opinion that workmen, in any case, abused their Sundays and holidays.

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by drunkenness, ballgames and the like. Although some ministers did attend strike meetings, they did not go to offer aid; they went to persuade the men to return to work. The sympathies of the local ministerial association were made clear in an open letter to the strikers published in the South Bethlehem Globe:

> Only the officials of the company can accomplish the righting of existing wrongs. Is it reasonable to expect that by attacking your employer, you can persuade him to deal generously and magnanimously with you?  

Similar questions were not addressed to the company.

The only clerical support the strikers received came from the Catholic priests whose parishioners were unskilled immigrant laborers. They were of little standing outside their ethnic communities, however, and of the two priests who did exert a community-wide influence, one was a personal friend of Schwab's while the other, who originally encouraged the strikers, withdrew his support after being persuaded by Schwab that the strike was being led by Socialists.

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35 South Bethlehem Globe, Apr. 20, 1910, p. 4.


As a whole, the response of the clergy was disappointing to the strikers. As an A.F. of L. Organizer declared, "We had expected that the ministers of the Gospel would remain at least neutral instead of coming to the rescue of this greedy corporation." 38

For the strike to succeed, the plant had to be closed. This, however, required organization which the strikers initially did not have. For the next three weeks, therefore, departmental committees, created by the A.F. of L. organizers, worked feverishly to unite the men still at work. When the men were sufficiently organized, those still within the works were to come out in a body, and the plant shut down.

On February 24, the strikers felt strong enough to display both their organization and their numbers by holding a parade in South Bethlehem. The parade, led by a Hungarian band, stretched for four blocks, and the marchers were orderly in spite of their numbers. Only two minor incidents marred the event: a worker had his dinner pail taken from him, and a young boy threw a brick through superintendent Buck's window. 39


The parade marked the climax of a successful organizing campaign, and the next day the strikers moved to close the works. Crowds of striking workmen gathered at the plant entrances to prevent anyone from entering or leaving. Threats were made, stones thrown, and workers had their dinner pails taken away. To enable men to leave the plant, the company had to put them in box-cars and take them out by rail. The attitude of the local police was particularly irritating to company officials. Although the Police Chief and most of his force were present, not one striker was arrested. Aided by this police inaction, the strikers succeeded in closing the plant.

Company officials reacted quickly to the strikers' action. The first step was to inform the borough government that it would be held responsible for any damage done to company property. Shortly thereafter, the burgess and chief of police met with company officials. When pressed to defend the inaction of his men, Hugh Kelly, the police chief, replied that his small police force could not handle large crowds. This was an admission the company had been waiting for, and they demanded outside protection. The borough council then requested the assistance of the Northampton County Sheriff.

Upon his arrival in South Bethlehem, Sheriff Robert Person went


43 Minutes of Special Council Meeting, Feb. 25, 1910, in ibid., p. 51.
to the offices of the Bethlehem Steel Company where company executives, not borough officials, described the situation to him. As a result of this meeting, Person sent a telegram to the governor in which he declared his fear of an outbreak of violence that evening, and requested the State Constabulary to assist him. 44 The governor replied that the situation did not warrant use of the State Police, and he reprimanded Person for not even attempting to exercise his powers as sheriff. 45 In answer to this, Person wired back that the whole town was in a lawless state and he could not control the situation. Serious rioting and bloodshed had already occurred, he said, and the State Police were necessary to prevent its repetition. 46 Person's description of conditions in South Bethlehem bore little relation to the actual circumstances. The crowd which closed down the plant had been disorderly and annoying, but no rioting had taken place and there had been no bloodshed. Indeed, the sheriff later testified in court that, at the time of his request for the State Police, the only violence he knew about was of a stone being thrown through an office window. 47 Nevertheless, Person's telegram convinced the governor of the situation's urgency, and he dispatched a troop of the constabulary to South Bethlehem.

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44 Sheriff Person to Governor Stuart, Feb. 25, 1910, in ibid., p. 56.
45 Governor Stuart to Sheriff Person, Feb. 25, 1910, in ibid., p. 56.
46 Sheriff Person to Governor Stuart, Feb. 25, 1910, in ibid., pp. 56-57.
Formed in 1905, the Pennsylvania State Police were notorious among union organizers for their strike-breaking activities. They replaced the Coal and Iron Police, an organization armed with police powers but paid by corporations. Called Cossacks by strikers, the tax-supported State Police provided corporations with well-trained strike-breakers. Although the constabulary claimed to be impartial in labor disputes, critics pointed out that, in every case, the State Police operated out of corporation property, never from strike headquarters. In a sense, the Pennsylvania State Police acted as agents of the newly-emergent urban-industrial society. It was their task to impose order in situations disruptive of the proper functioning of that society. Highly trained and well-disciplined, the Constabulary had no local ties. As a result, they partook of the same value system as did the corporation, and so keeping the peace and breaking strikes came to mean nearly the same thing. The presence of the State Police in South Bethlehem was more than just a challenge for the strikers; it was also a challenge to the integrity of the local community and its values.

48 See, "Testimony of Mr. James H. Maurer," in Final Report and Testimony, Vol. XI, pp. 10931-10942, see also James H. Maurer, The American Cossack, Reading, Pa., 1914, for an unfavorable account of the Pennsylvania State Police from labor's point of view.


A troop of State Constabulary reached South Bethlehem by train on the morning of February 26, and to the townspeople they, not the strikers, seemed to be the embodiment of lawlessness. Upon their arrival, the troopers went to the offices of the Bethlehem Steel Company where they were assigned quarters and received breakfast. By this time, news of the Constabulary's presence had spread, and a large crowd gathered to get a glimpse of them. Acting on the principle that "'There is no innocent bystander,' and when the order came 'Get your man, you pick anybody,'" the troopers rode their horses into the crowd. Unable to get out of the way quickly enough, many members of the crowd were beaten, with women and children being knocked down and trampled, among them the wife of the police chief.

Rather than dispersing the crowd by their actions, the troopers only enraged it. What had been a curious but peaceful group of onlookers became a mob, and the non-existent rioting of the day before now became a reality. The mounted troopers were pelted with bricks, stones, and chunks of ice, while they, in turn, rode down their antagonists and clubbed them with truncheons. The violence lasted for most of the day and the single troop of police sent to the borough

188-195, for an account of the State Police's role in South Bethlehem in just such terms.


could not handle the situation. Reinforcements had to be sent from Philadelphia and with their arrival the 91 troopers were able to restore order by nightfall.

During the events of the 26th, a trooper shot and killed a man. Because the dead man had done nothing to provoke the trooper, the incident became something of a local cause celebre. As the crowd was being chased off the streets, one trooper rode his horse up the steps of the Majestic Hotel, and fired several shots into the barroom. Two of the patrons, neither of whom had taken part in the events outside, were hit; one was wounded in the mouth and the other killed. The Chief of Police considered the shooting to be a deliberate act of terrorism. The Majestic Hotel, he noted, was the headquarters of the A.F. of L. organizers, and he believed the shooting to have been premeditated.

The trooper was arrested on manslaughter charges and held over to the county court. He was acquitted, however, when witnesses could not identify him. The number on the trooper's collar during the trial was not the one witnesses said he had been wearing at the time of the shooting. Although the witnesses' descriptions matched the defendant's features, the numbers did not, and the man was set free. Labor leaders were incensed by this action, and pointed out that

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inability to match numbers and descriptions often happened during labor disputes in which members of the constabulary were charged with criminal behavior. 55

The actions of the State Police had the immediate effect of driving the community closer to the strikers. It was well known that troopers beat people without provocation. On several occasions, it was reported that the Constabulary themselves provoked incidents by having troopers in plainclothes mingle with crowds and shout "scab". The result would be beatings from the uniformed troopers and indiscriminate arrests. Those individuals arrested were held in Steel Company offices, sometimes for days without hearings. When hearings were arranged, they were held in Charles M. Schwab's office and were closed to the public. The strikers and their sympathizers claimed that these hearings indicated frame-ups. 56

Nearly everyone in South Bethlehem resented the presence of the Constabulary: strikers, residents, businessmen, police, and most borough officials. In response to petitions drawn up by residents

55 South Bethlehem Globe, Feb. 28, 1910, p. 2, Apr. 9, 1910, p. 1, June 15, 1910, p. 1. The report of the officer in command at South Bethlehem to his superintendent stated that the trooper had been acquitted after the prosecution could not prove the shooting had been unjustified. Captain Robinson to Superintendent, June 16, 1910 in Final Report and Testimony, Vol. XI, pp. 11004-11005, see also "Testimony of Mr. John G. Sebald," in ibid., p. 10988.

and businessmen, the borough council passed a resolution asking the
sheriff to have the constabulary withdrawn. Sheriff Person refused
their request. Shortly thereafter, Police Chief Hugh Kelly resigned
his position in protest over the lack of cooperation from the
Sheriff and the Constabulary. Retail businessmen indicated their
dislike of the troopers by refusing to deal with them while at the
same time extending credit to strikers. 57

In spite of the Constabulary, the strikers remained unintimidated.
Although the State Police kept the plant open, some 3,800 men remained
on strike. They were organized into twelve unions. Since all but
800 of the strikers were skilled workers, they knew themselves to be
indispensable to plant operations and were thus confident of ultimate
success. 58 As a result, the company resorted to more traditional
methods of breaking a strike. They blacklisted strikers who left town
for work elsewhere, and threatened to annul the contracts of appren-
tices unless they returned to work. At one point the Company attempted
to evict strikers who rented houses from it, but this expedient failed
because of a state law requiring landlords to give tenants 55 days
notice before eviction. Local newspapers reported that troopers con-

1, Burgess to Sheriff, Mar. 15, 1910 and Sheriff to Burgess,
Mar. 16, 1910, in Report on Strike, pp. 54-55, "Kelly State-
ment," in ibid., pp. 42-43, Captain Robinson to Superintendent,
Mar. 10, 1910, in Final Report and Testimony, Vol. XI,
p. 11006.

confronted strikers in their homes with the option of returning to work or being arrested. 59

The strike continued, regardless of harassment, and on March 5, the strikers presented their demands to the company. Although specific demands were made for each department, in general, they were requests for increased wages and shorter hours. Sunday and overtime work were to be compensated for at a rate of time and half, and holidays such as Christmas and Thanksgiving would merit double time. Absent from the striker's demands was any request for union recognition. All they desired, the strikers said, was an end to Schwab's insistence that no employees be union men.

Schwab's answer to the striker's communication came the next day. The company had a special Sunday edition of the Bethlehem Times printed at its expense which contained Schwab's reply. It was short and subject to no ambiguities. It was a refusal:

We desire to notify the men who have left our employ as well as the general public, that we can give no consideration to the communication, since it does not emanate from men working in our plant.

It must be understood that under no circumstances will we deal with men on strike or a body of men representing organized labor.


60 "Executive Committee Statement," in Report on Strike, p. 39, the strikers demands are given in Ibid., pp. 26-32.
Having thus defined our position we shall refrain from further statements or acknowledgements of any sort whatever.\(^{61}\)

Other statements in this issue of the paper urged the men to return to work, but nothing was said about hours or wages.

After receiving Schwab's refusal to negotiate, the strikers tried a new tactic: they sent letters and petitions to President William H. Taft, various Congressmen, and the Washington embassies of foreign countries. In these letters they stated that, because of the strike by the company's skilled machinists, the work being done at South Bethlehem in fulfillment of contracts was defective. Unless the strike were settled, these contracts should be cancelled, they advised. They also urged President Taft to launch a full-scale investigation of the strike and conditions in the plant: the strikers were sure that such an investigation would reveal the intolerable working conditions to be found at South Bethlehem.\(^{62}\)

The strikers' petition met with a favorable response in Congress. A. Mitchell Palmer, later to become Attorney General under Woodrow Wilson, represented the area in Congress. He expressed sympathy for the strikers' plight, and persuaded Taft to order an investigation of the strike by the Bureau of Labor. Schwab, claiming that the company had nothing to hide, gave public assurances of cooperation with

\(^{61}\)South Bethlehem Globe, Mar. 7, 1910, p. 3. See also Report on Strike, pp. 25-26. Copies of the Bethlehem Times have not been preserved on microfilm or otherwise.

the federal investigation. Shortly afterwards, however, he made his greatest effort to date to crush the strike.

On the evening of March 30, a number of South Bethlehem's leading businessmen were summoned to a meeting with Schwab. He told them he was incensed by the letters the strikers had sent to Congress and various foreign governments urging them to cancel contracts they had made with Bethlehem Steel, and reminded the businessmen of the company's importance to the town. He was particularly indignant that these letters had borne the return address of the Municipal Hall, for this made it seem as if the community supported the strike. Unless some overt action were taken to remove the impression that the town backed the strikers, he would close down the plant permanently. As one of the businessmen present later reported; "Mr. Schwab criticized the municipal authorities for permitting the use of Municipal Hall by socialist agitators who had no interest in the town...and who besides were daily abusing and insulting Mr. Schwab."

Schwab's threat had the intended effect. The Commercial League met the next day and its members passed a number of resolutions condemning the strike led by "socialist agitators", and suggesting they be denied the continued use of the Municipal Hall. More importantly, they went on record supporting the company:

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64 South Bethlehem Globe, Mar. 31, 1910, p. 1, see also Hessen, "Schwab" p. 72.
We bear testimony to the business honor and integrity of the Bethlehem Steel Company... and point with pride to...the honest and efficient work of our fellow townsmen and its worldwide reputation for excellence of material and workmanship and our entire confidence in the maintenance of its reputation under Mr. Schwab's administration. 65

A delegation of businessmen carried copies of the resolution with them when they travelled to Washington the next day to meet with congressmen and President Taft on the company's behalf. 66 After the meeting was over, Schwab who was in attendance, stated that he had not sought to influence the businessmen to end the strike, and thanked them for their kindly feelings toward him. 67

The day following the actions taken by the Commercial League, the borough council held a special meeting. By a vote of 9 to 6, council instructed the strikers to vacate the Municipal Building. The votes themselves reflected the degree to which Schwab's threat split the community. South Bethlehem had five wards which ran consecutively from West to East. The character of the borough's population changed from old-stock and middle-class in the first and second wards to recent immigrant and working class in the fourth and fifth with the third ward being transitional in this respect. Of the nine councilmen favoring the ejection of the strikers, three each

68 Ibid., Apr. 4, 1910, p. 1.
came from the first and second wards, two from the third, and one from the fourth. Moreover, three of these men had signed the Commercial League resolutions defending the company against the strikers' charges. The others were businessmen with much to lose if Schwab closed the plant. On the other hand, none of the councilmen supporting the continued use of the Hall by the strikers had signed the resolutions and one of them, in fact, was himself a striking machinist.

The withdrawal of business support weakened the striker's effectiveness. The strike dragged on inconclusively during the month of April while both sides waited for the government to publish the results of its investigation. In the meantime, however, more and more men returned to work, and by early May, only 540 men remained out. 69

On May 4, the government published its report and the remaining strikers were momentarily heartened by its vindication of their claims of long hours and low wages. Although the report resulted in a storm of criticism being directed at Schwab, it did not improve the strikers' position, which had become hopeless. 70 Schwab was, in any case, eager to bring the strike to an end, and so enlisted the

aid of J. Davis Brodhead, a former congressman from the district,

to act as an intermediary between him and the remaining strikers.
Brodhead was making a bid for a return to Congress, and Schwab in-
dicated that Brodhead would achieve publicity and praise if he
achieved a settlement. Schwab desired Brodhead as an intermediary
because Brodhead's opponent in the Democratic primary would be the
incumbent A. Mitchell Palmer, and Palmer's advocacy of the strikers'
cause had annoyed Schwab. Brodhead met with the executive committee
while its chairman, and driving force, David Williams, was in
Washington, and on May 18, the strike was declared ended. 71

The terms of the settlement indicated a total victory for the
company. The men were permitted to return to their jobs, but not
those who had damaged either the company's property or its integrity.
There was to be no union recognition but workmen would be allowed to
approach company officials as individuals if they had any grievances.
There were no increases in wages. The situation thus remained the
same as it had before the strike. The only concession made by the
company was that Sunday and overtime work would be optional. However,
since wages had not increased, those who did not work overtime or
Sundays would face a loss in income. 72

The 104 day strike was a failure. The men went back with the
promise that overtime work was optional, but a year and a half later,

71 South Bethlehem Globe, May 18, 1910, p. 1, Coben, Palmer,
pp. 24-28.

the situation was the same as it had always been. If a man refused overtime work, he risked dismissal. There had been some improvement in wages. Men who received 12 1/2 cents an hour in January of 1910 earned 13 cents an hour in November of 1911, and those who had made 13 1/2 cents were now paid 15 cents. On the other hand, men paid by the ton had actually suffered a reduction in wages during the interval. The strike had accomplished little. 73

The strike had consequences of more than local significance. It received national publicity, which, in turn, focused attention on the conditions of labor in the American steel industry. The twelve-hour day and the seven-day week was called a disgrace to civilization, and a campaign to establish an eight-hour day on government contract work gained support. The Senate passed a resolution calling for a full-scale investigation of the steel industry and the House instructed the Attorney General to begin an investigation of the U.S. Steel Corporation -- an investigation which eventually led to an anti-trust suit. 74

For labor leaders, the South Bethlehem strike was a revelation. It indicated that immigrants from Eastern Europe could be unionized, and that, in fact, immigrants had a greater capacity to carry on a prolonged strike than most native Americans. Prior to the strike most


74"Will Bethlehem Follow Pittsburgh?" Literary Digest, p. 204, Brody, Steelworks in America, pp. 161-162.
labor leaders had believed the "Hunkies" too docile to be effective union members. The lessons learned from the South Bethlehem strike led to a drive to organize all steel workers, skilled or unskilled, native or immigrant under a single jurisdiction. 75

For South Bethlehem, the strike was a rude shock. Before the strike, the community's residents assumed that Charles M. Schwab was the heir to the Fountain Hill industrialists of the recent past. It was believed that Bethlehem Steel was a local operation with roots in the community; a company whose officials would always take local values and local needs into account. The strike revealed that this was not the case. Schwab and his subordinates had no loyalties to South Bethlehem as such: to them, South Bethlehem represented little more than a labor pool. It was only by chance that Schwab had located there; the company was in, but not of, the community. If Schwab and his associates were, in the future, to interest themselves in local social and political affairs, it was for the purpose of ensuring that a similar strike never reoccurred. Thus, the defeat of the strikers meant the defeat of a value-system based on a belief in the community's ability to manage affairs within its own boundaries. Although South Bethlehem had been an industrial community from the beginning of its existence, and thus part of an emerging national economy, its inhabitants had not fully adopted their values to the new system. The company's victory marked the overthrow of the older set of values by one more attuned to the needs of a complex, urban-industrial society.

75 Ibid., pp. 139-142.
CHAPTER EIGHT

POLITICAL CONSOLIDATION

In 1917, Bethlehem and South Bethlehem abandoned their identities as separate communities and united to form the city of Bethlehem. Although local boosters had long sought consolidation, it became a reality only after Charles M. Schwab added his support to the movement. City status meant the adoption of commission government, and Schwab knew that such a government tended to institutionalize the values of corporate industrialism in local affairs. Schwab thus led the drive to provide the community with a municipal administration responsive to the needs of business and industry. The success of the consolidation movement therefore guaranteed that the Bethlehem Steel Company would possess unquestioned influence over municipal affairs in the future.

In purely local terms the consolidation of the Bethlehems was a result of the strike of 1910. The strikers had experienced an initial success because they had the support of the community and controlled the borough government as well. The strike failed when Charles M. Schwab refused to accept the standards and values of the local community as a guide in his dealings with the strike workers. His actions were a shock to local residents for it made them realize just
how much their lives were dependent upon forces beyond their control. Local businessmen were especially impressed with the degree to which their fortunes were tied to the actions of the Bethlehem Steel Company, for they recognized that another such confrontation between company and community would result in their ruin. Their own self-interest thus demanded that they act to remove political power from the hands of those hostile to Bethlehem Steel and the values it represented. Bethlehem Steel, for its part, came to a similar conclusion. Schwab saw that future conflicts could be avoided once local residents became convinced that the community's interests and those of the company were identical. Like the business community, he recognized that a municipal government, sensitive to the company's needs, was essential to the preservation of labor stability on the local scene.¹ Thus, when Schwab and local businessmen joined forces in a consolidation campaign, they were acting to bring to the Bethlehems a system of municipal administration which incorporated the bureaucratic values of an industrial society in its approach to governmental affairs.

If consolidation of the Bethlehems had its immediate, local causes, it also took place in the context of a wave of reform movements which swept the country in the early years of the twentieth century, and which has helped to give the period from 1900 to 1920 the title of "The

Progressive Era.⁴ Although the terms "Progressivism" and "Progressive Movement" have been used to cover a multitude of changes and reforms in American life during these years, there was never a unified movement responsible for all these activities. The various reforms were the products of a wide variety of distinct groups each with its own goals, and membership in one reform group did not necessarily mean membership in, or even sympathy for, another. What many different reform groups did share was the application of similar techniques to their different problems. Almost all reformers saw the tasks confronting them in terms of administration and organization, and bureaucratic principles came to dominate most aspects of reform. Seeking to apply to society what they believed were the natural laws of organization, many reformers adopted the values and techniques of scientific management for use in their programs. Efficiency became the standard of judgement, and method, not morality, united reformers in their efforts to establish their visions of the good society.⁴


Municipal reform movements fit into this pattern. Originating in almost every case with local businessmen who pictured the ideal city as an extension of their commercial values, reform campaigns sought to restructure local governments and make them conform to the standards of efficient business enterprise. Thus, reform aimed at the centralization of authority and the application of impersonal managerial techniques to the problems of local government. Planning, efficiency, continuity, and economy, came to be the desired goals of government, and, as these were the values expressly espoused by the business community, a reformed government identified the needs of business as its own. The organizational procedures of the factory were now being applied to society, for, as Samuel P. Hays has observed, the new system of municipal administration was but "the elaboration of the processes of rationalization and systematization inherent in modern science and technology." 5

The commission plan met the requirements of most reformers for a municipal government sensitive to the needs of business and industry. It was devised in Galveston, Texas in 1901 after a great tidal wave left the city in ruins. Proposed by a committee of businessmen, the commission plan proved capable of quick and efficient action in re-building the devastated city. Significantly, the plan was based on

the most efficient organization known to its developers, the business corporation.

The Galveston plan called for a five-man commission vested with the powers of a mayor and a board of aldermen with each member heading a city department. Performing both the legislative and administrative functions of government, the commission could act promptly on matters affecting the city. With the later addition of the office of city manager and the introduction of non-partisan elections, the plan's original weaknesses were remedied, and it became the perfect vehicle of reform for businessmen seeking greater influence in municipal affairs.

Commission government appealed to businessmen and industrialists because it gave them political power while removing power from the hands of the community's working class citizens. The Galveston system abolished parochial ward politics and made the entire city a political forum. At-large elections for positions on the new councils almost always assured the business element of success because a city-wide campaign demanded more economic resources than the ward politician could obtain. Moreover, the business or professional man would be better-known on a community-wide scale, and could therefore present himself as concerned with the welfare of the entire community, not just one ward. Such candidates could also argue that a business-like

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7This and the next paragraph are based on Hays "Municipal Reform," pp. 157-169, Weinstein, Corporate Ideal, pp. 92-116, and Wiebe, Search for Order, pp. 177-178.
government would provide the city with more and better services at a lower cost than the old-style ward politicians could. Such arguments were effective, and by the First World War, some 600 cities had adopted commission governments.

Although the consolidation of Bethlehem and South Bethlehem which introduced the commission plan into local government took place in 1917, proposals to unite the boroughs were nothing new. Consolidation had been brought up at various times since the early 1890's. To local boosters, Bethlehem, South Bethlehem, and West Bethlehem, incorporated in 1886, seemed to comprise on large community, with the fortunes of one borough tied to those of the others. By the first years of the century, two more local boroughs had been incorporated, Fountain Hill in 1894 and Northampton Heights in 1901. The former adjoined South Bethlehem on the west and the latter on the east. To local businessmen, the consolidation of all these communities, or, at the very least, of Bethlehem and South Bethlehem, would be very desirable and beneficial for all. A consolidated community would attract new industry and new people; real estate value would increase; businessmen living in a manufacturing city would be able to secure better credit which, in turn, meant a larger variety and quantity of goods. Consolidation equaled prosperity in the arguments of its advocates. Seeking to gain the support of South Bethlehem residents, proponents of consolidation pointed out that local pros-

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perity resulted from the Bethlehem Steel Company's location in that borough, but Bethlehem was given the credit. Consolidation would remedy this inequity. Above all, consolidation meant progress.  

Bethlehem supported consolidation; it was South Bethlehem which presented the stumbling block. Only the borough's businessmen favored the move. For most of South Bethlehem's residents, Bethlehem's advocacy of consolidation was cause for suspicion. They believed that the middle-class, residential borough on the north side of the Lehigh River sought only to take advantage of South Bethlehem's prosperity. It was the residents of Bethlehem who first called South Bethlehem "Shanty Hill" a councilman opposed to consolidation pointed out. "They look upon us as the great unwashed," he continued, "and I think we should wash ourselves of them."  

To proponents of consolidation, such remarks indicated selfish motives on the part of local politicians. In the event that the boroughs achieved consolidation, such men would be deprived of power.

To a degree, this accusation contained some truth. Yet, if the local politicians were deprived of political power, they would not be the only ones to suffer. Their working-class constituents, with whom they identified, would likewise become powerless. Where businessmen

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saw only advantages in consolidation, their opponents saw only the opposite. As a councilman from South Bethlehem's strongly working-class and immigrant fifth ward noted in 1905, he opposed consolidation "because it would increase the taxes and rents of the poor and would afford no compensating increase of wages for the workingman. Adam Brinker [a pro-consolidation politician and businessman] and others would be benefitted by consolidation, for they could increase the rents of their buildings and tenements. It is all right for the rich and all wrong for the poor." 12

The first serious attempt to consolidate "the Bethlehems" was launched by local business leaders in 1903 when they persuaded the boroughs of Bethlehem, South Bethlehem and West Bethlehem to create consolidation committees to discuss the feasibility of a merger. 13

The main thrust, the unification of Bethlehem and South Bethlehem, proved abortive. The opposition forces in South Bethlehem were too great to overcome, but the meetings were not totally without results. In 1904, after an energetic campaign supported by local businessmen, West Bethlehem's population of nearly 3,500 was added to Bethlehem's 7,300. 14 Bethlehem now had the distinction of being the only borough in Pennsylvania to be located in two counties: Lehigh and Northampton.

In contrast to South Bethlehem, West Bethlehem's population was

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12 Ibid., Apr. 21, 1905, p. 1.
similar in character to Bethlehem's. It had grown up largely as a
suburb of Bethlehem, and its people were predominantly native-
American. Only 210 foreign-born individuals lived there in 1900.
There was little opposition to consolidation in West Bethlehem.
With 85 percent of the borough's voters going to the polls, West
Bethlehem favored the merger 690 to 157.15

In South Bethlehem, the leaders of the move to enlarge the
borough's boundaries and population remained undaunted. Thwarted in
their efforts to merge with Bethlehem, they sought union with the
boroughs of Fountain Hill and Northampton Heights. The South
Bethlehem Commercial League, composed of retail merchants from
the three boroughs, began agitation for unification in November of
1905. The only question in their minds was whether the new community
should be a borough or a city. By December, the League had convinced
the three borough councils and school boards to send representatives
to a meeting where the issues would be discussed.16

The efforts of the Commercial League to combine the three boroughs
on the south bank of the river failed. Consolidation advocates
attempted to make their proposal as appealing as possible. They
argued that the merger would attract new industry and the added employ-
ment would minimize the adverse effects of a depression in the steel
industry upon the community. Moreover, consolidation meant increased

retail trade and improved real estate values. It would also facilitate municipal ownership of the new community's water and electric power supplies. However, these arguments did not convince the proposed merger's opponents, and on December 18, the Fountain Hill council voted against consolidation. The benefits which the proponents of consolidation had said would result did not appear to be enough to offset the borough's loss of independence.

Events outside the immediate area altered the conditions under which all future attempts at changing the nature of local government would take place. In 1910, Pennsylvania business elements launched a campaign to introduce the commission form of government into the state. Three years later, their efforts bore fruit. On June 27, 1913 the governor signed into law a bill requiring all third-class cities, those with populations between 10,000 and 100,000 to adopt commission charters.

The new state law provided the opportunity for which local businessmen had been seeking. Ever since the failure of the consolidation efforts of the previous decade, proposals had been made that South Bethlehem itself incorporate as a city. On August 4,


19 South Bethlehem Globe, Apr. 22, 1907, p. 6.
1913, less than five weeks after the new state law took effect, 135 South Bethlehem community leaders signed and presented a petition to the borough council calling for a special election to determine if the borough should become a third-class city.

The next day, the South Bethlehem Globe ran an editorial giving enthusiastic support to a third-class city movement as "expressive of a progressive spirit." South Bethlehem had outgrown borough status, and the change would be the first step in the establishment of commission government, "the success of which is acknowledged in several cities, prominent among which are Memphis and Denver." Of particular benefit to the community, the editorial continued, would be the abolition of ward representation which was inefficient, uneconomical, and time-consuming.

When no election date had been set by August 13, another editorial appeared in the Globe, this time reprimanding the borough council for its tardiness. Action was taken the very next day at a special council meeting where the borough solicitor gave an opinion on the incorporation laws. Act No. 367, approved by the Governor on June 27, 1913, required a vote on city status to be taken at a general election with notification being made in local newspapers four weeks before the event. However, Act No. 391, approved on July 7, seemed to permit voting at a special election with announcements in the news-

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20 The petition and the names of the signers are reprinted in Ibid., Aug, 5, 1913, p. 1, 16.

21 Ibid., Aug. 6, 1913, p. 6.
papers one week before the election. Since South Bethlehem was seeking city status under the second act, which the borough attorney felt took precedence over that of June 27, a special election was set for August 22.

The *Globe* published a notice of the city charter in its next edition. It also ran an editorial commending the council for acting to correct "its late dilatoriness," and pointed out that South Bethlehem had double the population necessary to become a third-class city. The borough had been operating under a system made inefficient by the municipality's growth. During the following weeks, the *Globe* published a number of articles and editorials favoring the change in government.

The proposed reform did not arouse the enthusiasm of South Bethlehem's inhabitants. Only 42 percent of the eligible voters bothered to appear at the polls on August 22. Of these 59 percent favored the change. The returns by wards, as certified on August 23, and published in the *Globe*, showed that middle-class residential districts favored commission government, but working-class areas did not. Wards One and Two supported the proposal by votes of 312 to 68 and 240 to 98. The Third Ward which was closely balanced between middle-class and working-class elements favored the change by 147 to 117. Wards Four and Five, strongly working-class and immigrant

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did not approve. They voted against city status 158 to 71 and 146 to 58.  

The ultimate goal of the reformers was to achieve consolidation. By eliminating ward representation, the new system would produce an efficient government, and this, it was believed, would induce Bethlehem and Fountain Hill to seek a merger. The new city would thus not long remain a third-class city, but as its population passed the 100,000 mark it would become a city of the second class.  

In the opinion of one South Bethlehem citizen, the elimination of the ward system would overcome the obstacles to consolidation. "With the prospect of a city council under the old method divided by politics and ward representation, property owners and plain folks generally preferred to endure the known ills they bore," he stated. However, with "businesslike" methods of government in existence, consolidation was inevitable.  

The prospects of ultimate consolidation appeared good, at least for a while. Six days after the South Bethlehem council received the petition requesting city status for the borough, a similar petition was presented to the Bethlehem council. Unfortunately for the advocates of reform, Bethlehem, as a result of its 1904 merger with West Bethlehem, was located in two counties, and the state laws

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26 Ibid., Aug. 25, 1913, p. 6.
governing the incorporations of cities required that a community seeking city status be located in one county.

In South Bethlehem, preparations for the establishment of the new city government got off to a good start. A city charter was obtained, primary elections held, and on November 5, the date of the general election, a mayor and four councilmen were chosen as the new city's commissioners. They were all business or professional men. The mayor was a physician and the council was comprised of an architect, a banker, a chemist, and a department store owner. This was the kind of leadership the reformers had been seeking, and they were sworn into office on the first of December.

The establishment of a commission government in South Bethlehem did not go unchallenged. When the Chief Burgess applied for the city charter in Harrisburg in September, he was informed that a telegram had been received from Peter J. Sheehan, a South Bethlehem saloon keeper and politician, declaring that the August 22 election had not been in accordance with the law. Although opponents of the election claimed that it was unconstitutional, state officials, nevertheless, granted the charter.

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29 South Bethlehem Globe, Apr. 6, 1914, p. 1.
On January 12, 1914 proceedings contesting the validity of the August 22 election were begun in the Northampton County Court. The petitioner, Thomas Scott, was a former borough councilman who had had two years to serve when the charter was granted. He was also the proprietor of a small hotel in the Fourth Ward, and had been a keen supporter of the strikers while serving on the council in 1910. Scott's petition was vehement in tone, and he denounced the new city officials as "usurpers".  

The case was heard on September 15, 1914. The judge's decision set aside the charter, and removed the city officials on the grounds that the August election was unconstitutional. The vote, he said, should have been taken at a general election, and Act. No. 391, which permitted voting on city status in a special election, was in direct contravention of Article 15, Section 1, of the Pennsylvania Constitution. The verdict was appealed to the State Supreme Court. On March 22, 1915, the Court upheld the lower court's verdict; it ordered South Bethlehem returned to borough status, and the former borough officials to resume their positions. Several weeks of confusion ensued as city officials refused to give up their posts until officially notified. Meanwhile, the borough officials continued to claim that they represented the only legitimate local

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The movement for a business government had suffered a set-back, but its advocates remained undaunted. In 1915 they tried again. In both Bethlehem and South Bethlehem, petitions were presented to the borough council. The South Bethlehem petition was once again primarily a middle-class document. Thomas Scott, who had brought the suit against the city charter and had since returned as councilman, pointed out that the petition was not representative of the whole town. Of 272 signers, only one lived in the part of the borough east of Elm Street in the middle of the Third Ward. Scott, representing the old ward system clearly did not approve, but in November of 1915, the voters in both boroughs decided to seek city status. Nothing was done for the next year and a half, however. Other, more effective paths toward a new municipal government were being followed.

In 1912, a joint recreation committee of the boroughs suggested inter-borough cooperation in order to improve local playground facilities. When the committee was reorganized two years later, it did a complete survey of the boroughs' recreational facilities, and, again, recommended collaboration. In 1916, Dr. Cyrus L. Stimson, field secretary of the Playground and Recreation Association of America, was asked to do a study of the Bethlehems. At this point,

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the newly organized Rotary picked up the theme, and suggested consolidation. Stimson's report and the Rotary Club suggestions were presented to Charles M. Schwab in June of 1916. After examining these reports, Schwab met in October with Stimson, Robert S. Taylor, and A.C. Dodson, two prominent Bethlehem residents, at which time he voiced agreement with the recommendation, and promised to support a consolidation movement.

The playground report was not Schwab's first involvement in activities tending toward consolidation. He had, in fact, spoken out in favor of consolidation on a number of occasions. In 1913, during the campaign to make South Bethlehem a city, Schwab had stated that "the interest of the community soon will see the ultimate necessity of consolidation into a second class city." Only consolidation would promote industrial and commercial progress and ensure civic unity, he said. Ultimately, it was Schwab's participation in the inter-borough campaign to build a "Hill-to-Hill" bridge that made consolidation a reality.

The hostility of many South Bethlehem residents to merger with Bethlehem had not been the only factor keeping the two boroughs apart. Geography was also important. To the advocates of consolidation, the Lehigh River seemed to be, both literally and figuratively, the greatest obstacle to be overcome. Only two bridges crossed the

34 Ibid., June 22, 1916, p. 6, Nov. 28, p. 1.
river between the two communities. One, the New Street bridge, a steel structure built in 1867, was a toll bridge. The only free bridge was a covered wooden structure in poor shape, subject to periodic damage by the Lehigh's spring floods. Besides its poor condition, the free bridge also had the disadvantage of a bad location. There were railroad grade crossings at each end of the bridge. This was dangerous, and people sometimes met with fatal accidents.

To those seeking merger of the two boroughs, the need for a more adequate link across the river was obvious. A free bridge, by improving communication between the boroughs would increase understanding and lessen hostilities. The hoped-for result would be consolidation.

Although proposals for replacement of the wooden bridge by a more modern structure were put forward as early as the 1890's, progress was slow. The situation changed, in 1911, with the creation of a Joint Bridge Commission composed of leading business and political figures from the two boroughs. The committee studied

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36 Ibid., Feb. 26, 1898, p. 1, Apr. 18, 1902, p. 5.
a number of bridge designs, and finally came up with a plan for a
concrete structure to span the Lehigh, and eliminate the various
railroad grade crossings. Having acquired an adequate replacement
for the wooden structure, the committee next turned to the problem
of financing construction. By 1916, the committee had almost
achieved its goal. Both Lehigh and Northampton counties, the two
boroughs, and the railroads concerned, all agreed to donate various
sums. In the eyes of the Pennsylvania Public Service Commission,
however, the amount was insufficient. An additional $200,000 had
to be raised within 30 days or the commission would not give its
approval. In response, the two boroughs launched an intensive fund-
raising drive which not only produced the needed amount, but also
made consolidation a reality.\footnote{41}

The Hill-to-Hill Bridge campaign became a major community effort.
In over-all charge of the campaign was Archibald Johnston, formerly
president of the Bethlehem Steel Company and now a vice-president of
the parent corporation. A "Major" headed up the drive in each borough.
Each in turn appointed "Captains" to direct teams of 15 to 20 members.
The boroughs were divided into districts with a team to each district,
and the team workers were given lists of the people they were to
approach for donations. No amount was too small. Even school chil-
dren were encouraged to donate their small sums.\footnote{42}

\footnote{41} Keim, \textit{Bridge}, p. 17.
The results were gratifying to the project's supporters. The campaign brought in $450,000 — more than twice the required amount. The Bethlehem Steel Company alone pledged $100,000, and Charles M. Schwab, a member of the Joint Bridge Commission, pledged an additional $50,000 of his own. Indeed, Schwab's participation in the bridge campaign was of crucial importance in making the long-sought consolidation of the Bethlehems a reality. In a speech delivered at the conclusion of the fund-raising drive, Schwab made it clear that he did not view the bridge as an end in itself, but as a step toward consolidation. He urged the committee which had raised the money to begin the task of consolidating the two boroughs. "We have," he said, "reached a new era of civic pride, and the Bethlehem Steel Co. [sic] will help with money, influence and anything possible to aid the city." 44

Schwab did not limit his support of consolidation to mere encouragement. On November 27, 1916 he gave a banquet in the Colosseum, a large South Bethlehem Hall. In attendance were 800 local business and political leaders. They all belonged to organizations with an interest in consolidation: the South Bethlehem Chamber of Commerce, the Industrial Commission of Bethlehem, the Joint Bridge Commission, the members of the bridge campaign, and the two borough councils. Aided by two of his top executives, Archibald

43 Keim, Bridge, pp. 18-19.
Johnston and Eugene Grace, Schwab used the occasion to launch a consolidation campaign. In an after-dinner speech he suggested that those present lead a consolidation drive. Schwab's remarks were followed by those of Grace and Johnston, as well as by D.F. Stimson, Field Secretary of the Playground and Recreation Association, and Roy S. Smith, Vice-President of the American City Bureau of New York. Each speaker in turn urged consolidation.45

The banquet guests were not a hostile audience. They responded with enthusiasm to Schwab's suggestions. One member of the audience went so far as to propose Schwab for the consolidated city's first mayor. The audience gave its approval to Schwab's proposal that a committee of three prominent citizens be chosen which would, in turn, appoint a committee of fifty to later meet with Schwab and discuss consolidation. The committee of fifty was to be divided into two groups. A Legal Consolidation Committee, chaired by Archibald Johnston would initiate plans for merger. With Charles M. Schwab at its head, the Committee for Civic Improvements was to establish an amalgamated Chamber of Commerce.46

Consolidation became a legal possibility on May 25, 1917, when the governor of Pennsylvania signed two bills relating to the political status of boroughs. Act No. 143 allowed boroughs to hold special elections for the purpose of deciding on city status. Act. No. 159

permitted two or more contiguous boroughs to form a third-class city without regard to county boundary lines.\footnote{Laws of the General Assembly of the Commonwealth of Pennsylvania Passed at the Session of 1917, Harrisburg, Pa., 1917, pp. 262-265, 296-297.}

The change in state regulations signaled the beginning of an all-out campaign to consolidate the boroughs. On May 20, a petition signed by 400 voters calling for a consolidation election as soon as possible had been presented to the South Bethlehem Council. The Bethlehem Council received a similar petition on May 28. Each council appointed delegates to serve on a joint consolidation committee which would work out the final details.\footnote{South Bethlehem Globe, May 20, 1917, p. 1, May 29, p. 1.}

Meeting on June 1, the committee set July 10, 1917, as the date for a special election. The committee also decided that tax rates would be uniform, and that the new city would retain the existing ward boundaries of the two boroughs as well as assume their bonded and floating debts.\footnote{Ibid., June 2, 1917, p. 1.} The borough councils approved the committee report: South Bethlehem on June 4, and Bethlehem on June 11. The next step was to convince the voters to accept the proposed change.

Coming when it did, the consolidation campaign benefited from the outpouring of patriotic sentiment engendered by the entry of the United States into World War One. The consolidation movement was presented to the people of the two boroughs in such a way as to
identify it with the American war effort and thus with patriotism. A week long Red Cross fund-raising drive, begun on June 15, and organized in the same fashion as the Hill-to-Hill Bridge campaign, became linked with the merger movement. The personnel and organizational structure of both drives were identical, and people were informed that by supporting the Red Cross and consolidation campaigns, they were doing their part to make the nation stronger and more united in its battle against Germany.

The official consolidation drive began on July 3 with a banquet at the Colosseum. The rest of the week was taken up with meetings, speeches, and, on July 7, a huge parade. The local newspaper printed articles and editorials supporting the merger. A straw vote taken by the South Bethlehem Globe, favorable to consolidation, served as a major propaganda device.

The proponents of consolidation sought as much support for their program as possible. To gain it, they appealed to the leaders of various social groups and classes in the community by granting them status as representatives of their constituents in return for their support of the merger. Thus, the prestigious consolidation committee included not only steel executives, businessmen, and professionals, but also the clergymen and other recognized leaders of the various immigrant communities -- men who had received little


previous acknowledgement from the community at large. South Bethlehem's ethnic communities became the subject of a great deal of attention. Men such as Archibald Johnston, who as a vice-president of the Bethlehem Steel Corporation, normally had few dealings with immigrants, addressed them at meetings called for the purpose of gaining their support. Over 2,500 members of the various ethnic groups participated in a consolidation parade held on July 7. In almost every case, advocates of consolidation identified their cause with loyalty to the American flag, and support of the war effort.

The campaign was an overwhelming success. On July 10, the citizens of the two boroughs voted in favor of consolidation 5,988 to 169. On July 17, the Governor of Pennsylvania granted a charter for the new city of Bethlehem.

The achievement of city status did not mean the end of efforts to change the local political structure. To be sure, the newly instituted commission government pleased the reformers. At the same time, if the wrong people came to power, the whole point of consolidation, the placing of political authority in the hands of the community's major economic interests, would be nullified. Selection

52 For examples of this see the biographical sketches of the consolidation committee leaders in Fred L. Shankweiler, *Men of Bethlehem*, Bethlehem, Pa., 1918.


of officers for the new government could not be left to chance.

The problem of staffing a new government had arisen in other municipalities when the business community introduced the commission plan. It had been found necessary to circumvent the existing political processes and prevent candidates supported by the regular political parties from entering office. As representatives of the "old politics" such men would be hostile to the values of those responsible for the new system, and defeat the purpose of reform. The solution appeared in the form of the non-partisan election.

The non-partisan ballot, coupled with the at-large election of city officials, made it unlikely that any but well-known individuals—usually business or professional men—could be elected. Moreover, without the financial resources of a political party behind them, few candidates who did not have the support of the business community had much chance of success. Short of funds, a candidate lacking support from the business community was, in turn, unlikely to obtain the publicity or press coverage needed to win a city-wide campaign.

Bethlehem's first municipal election followed this pattern. No sooner was the consolidation campaign over, than a follow-up campaign to elect city commissioners began. At a July 30 banquet given for consolidation campaign workers, Archibald Johnston was proposed as mayor of the new city. In the primary election of September 19, he ran

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55 This and the following paragraph are based on Hays, "Municipal Reform," p. 160, Weinstein, Corporate Ideal, pp. 110-111. Karl, Executive Reorganization, pp. 92-97.
unopposed. The four remaining members of the council chosen in the regular November election were James E. Mathews, Manager of Ordnance of the Bethlehem Steel Company, August W. Schmich, retired superintendent of the steel plant, Alexander C. Graham, prominent real estate dealer and hosiery mill owner, and Thomas F. Rowan, a hotel proprietor.

Although consolidation had long been sought by local businessmen, it had been realized only with the backing of the Bethlehem Steel Company. The company saw the advantages of a commission form of government. A centralized municipal government, staffed by men aware that the local community was but a small part of a larger industrial society, would be responsive to the company's needs. No longer would the political power of working class voters force the local government to oppose the company as it had in 1910. Sharing the same vision of the proper functioning of society in an industrial nation, company and city officials could now cooperate in attempting to give concrete form to that vision on the local level.

For the city government and the Bethlehem Steel Company to be effective allies, both had to deny the existence of any undue influence by the company on city affairs. Thus Archibald Johnston found it necessary to repudiate charges that the company would dominate the new city administration. "As to the interest of the Steel Company," he

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56 South Bethlehem Globe, July 31, 1917, p. 1, Nov. 7, p. 1, for biographical information see Shankweiler, Men of Bethlehem, pp. 6, 18, 20, 28, 29.
stated, "my only complaint is that they have never shown enough interest. Past evidence shows that the interests of the Steel Company have always been in behalf of its employees, and I have failed to see any selfish motive in any of its dealings with the community. Mr. Schwab and the officers of the Steel Company have Bethlehem's interest at heart and are constantly planning to improve conditions."\textsuperscript{57} Schwab concurred in Johnston's assessment. "The thought is furthest from my mind that the so-called steel interests shall in any way be dictators in our community," he announced. "We are happy to be plain citizens, lending our efforts to the advancement of Bethlehem."\textsuperscript{58} Schwab was undoubtedly sincere in his desire to improve life in Bethlehem, but his assertion that the company's role in local affairs was minimal lacked conviction. In a brief description which he made of the consolidation campaign some years later, Schwab admitted as much: "We were interested in combining Bethlehem's... boroughs, to make a unified city and to stimulate a community pride. Arch Johnston was made, by main strength, its first mayor."\textsuperscript{59}

Historically, when large corporations have become involved in public affairs, they have generally preferred to remain in the background. To do this and still retain their influence over events,

\textsuperscript{57} South Bethlehem Globe, Sept. 20, 1917, p. 5.

\textsuperscript{58} Quoted in Walters, Bach Choir, p. 194.

\textsuperscript{59} Whipple, "Notes," p. 220.
they often created front organizations. In Bethlehem, the Steel Company worked through the Chamber of Commerce. This presented little difficulty for the company since those most likely to join were businessmen, aware of the company's importance to the community and in sympathy with its values. Indeed, the consolidation campaign was linked from the start with a drive to create an Amalgamated Chamber of Commerce whose members would come from both sides of the Lehigh River.

Two committees had been formed at the banquet given by Schwab on November 27, 1916, which launched the consolidation drive. One of these committees, headed by Schwab, had as its task the establishment of a Chamber of Commerce, but the consolidation campaign, being the most important, received priority. Only in December of 1917, after consolidation had become an established fact, did the effort to organize a Chamber of Commerce get underway.

Originally designated the Greater Bethlehem Association, the proposed Chamber of Commerce was presented to the public as a "citizen organization to bridge over the gap between the official governing body and the citizens at large." As such, the new organization would be more than a mere businessmen's association. Functioning as an unofficial partner of the new city administration, the Chamber

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61 Donald, "Two Bridges," p. 486.
of Commerce would aid in solving the problems confronting the city. Its goal was the betterment of the whole community.

The Civic Improvement Committee met in Schwab's office on December 14, 1916 to sketch a preliminary design for the organization of the Greater Bethlehem Association. Its first act was to hire experts from the American City Bureau, which specialized in creating civic organizations such as Chambers of Commerce, to conduct a membership drive and outline a program of work for the association. However, the membership drive did not begin until the following December. The campaign was launched on December 5, 1917 when Schwab addressed what the local newspaper described as "the greatest mass meeting of Bethlehem's Progressive men and women." During the next week the campaign became the center of public attention. Each day the newspaper published a listing of the number of members signed. The stated goal was an organization of 800 members paying annual dues of $25, and having a budget of $20,000. A week's campaigning produced a membership of 2,200 and an income of $60,000.

On the evening of December 22, 1917, the Greater Bethlehem

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64 Donald, "Two Bridges," p. 486.
Association was officially dissolved and replaced with the Chamber of Commerce. Officers and a board of directors were chosen. Three of the board's 15 members, including Schwab himself, were connected with the Bethlehem Steel Company. Moreover, the only woman member of the board, Alma Tobias, was married to a company executive. Acting through the chamber's officers, the board had the power to appoint all committee chairmanships. The chairman of the various committees, in turn, had the right to select the men with whom they desired to work.

The Chamber of Commerce had close ties with both the city administration and the Bethlehem Steel Company. Members of the organization held important posts in the city government. They included the Mayor, the City Solicitor, the City Treasurer, the head of the Civil Service Board, as well as all five members of the City Planning Commission among whom were Charles M. Schwab and Eugene Grace. Clearly, the Bethlehem Steel Company was now in a position to exert whatever influence it chose over the future development of the city.

Local businessmen had sought to unite the boroughs of Bethlehem and South Bethlehem into a single city for decades and by the end of 1917 consolidation became a reality. Seen in the context of the nation's development, consolidation was a local manifestation of a

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The Bethlehem in 1915

Scale of Miles

Lehigh County
Northampton County

Bethlehem Steel Co.
Lehigh River
Northampton Heights

Fountain Hill

South Bethlehem
trend toward institutionalizing the values of an industrial society. The advantages of the commission form of government, efficiency, stability, economy, and centralized decision-making, were precisely the values espoused by the advocates of scientific management in the factory and the business corporation. In many respects, however, the new administrative forms were destructive of traditional American concepts of political democracy. Municipal reform tended to remove effective political power from the hands of lower-middle and working-class voters with their narrow parochial interests and place it in the hands of business and professional men whose perspective was that of the entire city. The reformers' claim that commission government would be more responsive to the needs of "the people" was true, but only if one defined "the people" as those aware of the needs of an industrial society. Officials of the Bethlehem Steel Company were cognizant of the possibilities inherent in the new system and threw their weight behind the consolidation effort. The new government would be responsive to the Company's needs, not because of any sinister collusion, but because the men who staffed both organizations partook of the same values and shared the same vision of the good society.

Stability and order were requisite elements in the continued functioning of an industrial society both inside the factory and outside its gates. To prevent a repetition of the disruptive events of 1910, officials of the Bethlehem Steel Company, aided by the city government they had helped to create, worked to convince local residents that their interests were identical to those of the company. Since most of its employees were local residents, the company's efforts to improve working conditions in the plant, combined with an active involvement in civic and cultural affairs, did much to eliminate many of the antagonisms remaining as a result of the strike. Moreover, the company took advantage of the Americanization drives of the First World War to gain the loyalty of its many foreign-born employees -- the very men who had been its most steadfast opponents in 1910. The company's efforts proved their worth in 1919 when neither the community nor the majority of employees aided those strikers who sought to close the plant as part of the nation-wide steel strike of that year. In other words, Bethlehem Steel had become an integral part of the local community, and in the process, the residents of Bethlehem had accepted the values of an industrial society.

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Even before consolidation gave the Bethlehem Steel Company undisputed influence in local affairs, Charles M. Schwab endeavored to convince local residents of his concern for their welfare. Between 1904 and 1910, Schwab had shown little interest in matters of local concern, but after the strike the reverse was true. His involvement in community musical activities illustrates this.

In 1900, J. Fred Wolle, a local resident, organized the Bethlehem Bach Choir to present public performances of the choral works of Johann Sebastian Bach.

The Bach Choir ceased to exist in 1905 when Wolle departed to accept a position as chairman of the Music Department of the University of California at Berkeley. In 1911, during a business trip to San Francisco, Schwab stopped in Berkeley to speak with Wolle, and persuaded him to return to Bethlehem and resume direction of the Bach Choir.¹

Schwab's action in bringing Wolle back to Bethlehem endeared him to community leaders, because the Choir was more than just a musical organization. It was also a favorite institution of the local community's upper-class, as its lists of officers and executive committee members indicated. Moreover, Schwab displayed a continuing interest in the Bach Choir by becoming its chief

financial backer. He made up half the Choir's annual deficit. He would not assume the entire liability, Schwab explained, because then the Choir would be a private, rather than a community activity, and people would lose interest in its annual Festival. In 1919, upon the retirement of the Choir's president, Henry S. Drinker, the members of the Choir elected Schwab to the post. ²

Besides the Bach Choir, Schwab also aided other musical organizations. He gave financial support to the Lehigh Valley Symphony Orchestra which was located in Bethlehem. He also started the Bethlehem Steel Company Band in September of 1910. Led by a full-time director, the Band was composed of company employees. Schwab provided the Band with all the necessities: instruments, uniforms, and a rehearsal hall. At the Company's expense, the Band performed on civic occasions and even provided free public concerts during the summer months. ³

Although Schwab's involvement in the musical life of the community gained him the thanks of the middle and upper-classes, a large segment of the local population cared little for such cultural activities. Of far more interest to these people was the Bethlehem Steel Company's sponsorship of a professional soccer team

²Ibid., pp. 40-46, 230-238.

in 1914. To gain players, Schwab raided many of the crack soccer teams in the country for stars. The team was successful, even to the point of going on European tours, and local sport fans followed its fortunes with avid interest. For the use of the team and company employees, Schwab also built an athletic field and gymnasium costing $50,000. In addition, Schwab earned the gratitude of local sports fans by his contribution of $50,000 toward the completion of an athletic stadium at Lehigh University.  

Of greater importance to the community were Schwab's efforts to further the health and safety of both company employees and local residents. The Bethlehem Steel Company emerged from the 1910 strike with a bad reputation for the dangerous conditions under which many of its employees were forced to work, and for the many accidents resulting from those conditions. In response to the adverse publicity it received, Bethlehem Steel joined the growing number of corporations instituting industrial safety programs in their plants.

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In October of 1913, Bethlehem Steel announced the creation of a Safety and Welfare Department. Under its auspices each department in the plant was to have a safety committee of four men. A foreman would serve as the committee's permanent chairman, while its other three members would come from the rank and file. The latter would change at regular intervals, giving all members of a department opportunity to serve. Recommendations would be submitted to a plant safety committee which would in turn inform the appropriate company agencies of needed reforms.

The establishment of a Safety Department was followed the next year by the building of a $75,000 dispensary. Staffed by full-time physicians and nurses, the dispensary could treat all but the most serious cases. Before this time, the plant had possessed no medical facilities of its own, and it was necessary to take injured employees to St. Luke's Hospital. "This new method is designed to keep the company in touch with injured employees," a company official announced. When an injured worker's condition improved he would be given light employment at full pay, and upon full recovery, assigned to his former position.

Under the direction of the Safety and Welfare Department, employees were given first-aid training, and each department had its

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own first-aid team. Moreover, to generate interest in the program, as well as to sharpen its team members' skills, the company sponsored annual first aid meets. At first, competition was limited to teams from the various departments, but later, as the company expanded operations, teams from plants in other locations took part as well.

The concern of the Bethlehem Steel Company for its employees' health did not limit itself to the confines of the plant. During World War I, the Bethlehem Steel Company donated the cost of an entire ward to St. Luke's Hospital, and Schwab paid one half the cost of another. Also, South Bethlehem's large immigrant population benefitted from Schwab's financial support of a Baby Health Center.

The initiative for establishment of the Health Center came from Ernesta Drinker, daughter of the president of Lehigh University. Appalled to learn that the infant mortality rate in South Bethlehem was the highest in the entire state of Pennsylvania, she resolved to do something about it. Supported by the director of the local hospital, she approached Schwab with the idea for a baby health center. Schwab recognized the project's humanitarian value as well as its public relations potential and agreed to have the Bethlehem Steel


Company support it financially. 11

The Baby Health Center opened its doors in the summer of 1915, and began dispensing pasteurized milk for infants at a low cost. Within a short time, the center had developed into a child care clinic where the services of physicians and nurses were available free of charge. In 1920, the Health Center had three branches on Bethlehem's south side. In that year, physicians treated 12,959 cases and 59,879 quarts of milk were sterilized and dispensed. In 1921, the Health Center's services were expanded to include a pre-natal clinic. The operation's principal financial support came from the Bethlehem Steel Company which also provided the buildings free of charge. 12

The chief beneficiaries of the clinics were the children of South Bethlehem's immigrants. The project's chief function, according to Archibald Johnston, was to educate "those in our midst who do not know as well how, and where to secure assistance in maintaining the health of the babies of those of longer residence among us." 13 In keeping with the educational function, a local physician


gave bimonthly instructions, in their own languages, to immigrant midwives. The success of the station's medical staff in gaining entry "into many homes in the poorer quarters of the city," resulted in improved public health conditions among the immigrants.  

In his annual message of January 1921, Mayor Archibald Johnston pointed with pride to the fact that the infant mortality rate among the immigrant population was lower than that of "the districts inhabited by our prosperous citizens," not served by the clinic.  

The existence of the clinic was of great public relations value to the Bethlehem Steel Company. Mention of the Center was always accompanied by references to the company's support of it. Moreover, the company urged that the families of its employees take advantage of the clinic's services. In this fashion, the Baby Health Center forestalled the company's critics from claiming that it cared little for the welfare of the community, and it also served to ensure worker loyalty. Few parents who had obtained free care for their children at the clinic were likely to consider their employer totally unconcerned about their well-being.  

Although the Baby Health Center received most of its support from the Bethlehem Steel Company, it was technically a service of the city government. Such cooperation between the two was not an isolated  

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15 Johnston, Message, 1921, p. 23.  
16 Bethlehem Steel Company, Bethlehem Booster, No. 8, August 15, 1918, p. 16.
incident. Indeed, the prospect of such close relations between the city administration and the company had been the reason for the company's support of consolidation in the first place.

Archibald Johnston assumed his post as Bethlehem's first Mayor in January, 1918. He brought to the office a set of values shared by many other municipal reformers of the period. In his mind, the role of the mayor was that of an administrator, and he considered it his task to introduce the business methods of the contemporary corporation into local government. A new bookkeeping system, a civil service system to abolish political patronage, the hiring of a professional city manager and a city planner, as well as the creation of a city planning commission were part of an approach to municipal government shared by many of his contemporaries. Thus, in a public message delivered after his first full year in office, Johnston stated that his most important accomplishment was to introduce a modern bookkeeping system in the city government. Three years later, he announced that he was "more than ever convinced of the necessity of conducting civic affairs along modern business lines." City government, he continued, should be placed in the


19 Message, 1922, p. 4. Italics in the original.
hands of "citizens of business ability," and removed from those of professional politicians. Strong party affiliations resulted in election promises and patronage obligations, and these were fulfilled only at "the expense of successful, efficient and economical conduct of the city's affairs." 20

Within the limits imposed on him by the values he brought to government, Archibald Johnston was an effective Mayor. If the introduction of new bookkeeping methods reflected an approach to city administration conditioned by a desire to make government more businesslike, such a reform was sorely needed. An audit of the books of the boroughs of Bethlehem and South Bethlehem revealed bookkeeping systems which were, at best, haphazard. For example, the South Bethlehem Borough Sinking Fund was found to be $100,000 in arrears because funds had not been put aside to pay off municipal bonds. Thus, one of the new administration's first tasks was to pay South Bethlehem's creditors. Other projects had to be delayed until a sounder financial footing could be established for the city.

In his inaugural message, Johnston indicated his awareness of the problems arising out of urban conditions. High on his list of priorities was providing the city with an adequate supply of pure water, for part of Bethlehem's water supply came from an unhealthy source: the Lehigh River. The river water was contaminated with human and industrial wastes dumped into it from the towns, mines, and

20 Ibid., pp. 4-5.
factories up-stream. Although the borough of Bethlehem possessed a municipally-owned water supply dependent on wells outside the town limits, South Bethlehem was serviced by the Bethlehem City Water Company which drew its water from the Lehigh. As a result, South Bethlehem was periodically swept by typhoid epidemics in spite of the company's attempts to filter the water. At Johnston's urging, the city purchased the water company's franchise for 1.7 million dollars in September of 1918.

Johnston's four years in office saw the beginning of an extensive program of street paving and an expansion of sewerage facilities. In March of 1919, Bethlehem had 147.6 miles of streets of which only 15.9 were paved. In addition, the city had only 12.7 miles of sanitary sewers, and 4.2 miles of storm sewers under those streets. Bad streets and the lack of sewerage facilities had been the subject of chronic complaints for years, but prior to consolidation, the local governments had done little to improve conditions. Johnston's administration replaced the cesspools and privies so dangerous to public health with a city-wide network of sanitary sewers. Shortly thereafter, macadamized streets were

introduced on a wide scale.  

The creation of a municipal park system was a matter of particular pride to Johnston. In the teeming immigrant quarter of the city, only saloons existed as recreational centers, and there were no municipally owned and supervised playgrounds for children. Such facilities were not totally absent, however, for during the summer months, the Bethlehem Steel Company provided supervised playgrounds on lots which it owned in South Bethlehem. This was clearly inadequate, and Johnston took advantage of his close ties with the Steel Company to secure the establishment of a 92 acre park along Saucon Creek in the sparsely settled southeastern section of the city. When a public fund raising campaign raised the money to purchase 46 acres of land, the company announced the donation of an equal amount of land. In addition, the Company provided the park with a bandstand seating 1,200 people, extensive flower beds, the materials and labor for a suspension bridge across the creek, and $13,500 for the first year of the park's upkeep.

Acting as an unofficial liaison between the city and the company, the Bethlehem Chamber of Commerce also functioned as an agency


educating local citizens about the realities of life in an industrial society, and in the process weaning them from their adherence to an older, small-town, value system. The Chamber's task was both helped and hindered by the nation's participation in World War I. To fulfill the $150,000,000 in wartime contracts which it had obtained, the company increased its local work force from 10,000 to 30,000. This increase in population, however temporary, put a severe strain on the physical and psychological resources of the community. Moreover, this took place just at the time that Bethlehem's social and political leaders were seeking to transform Bethlehem into a model industrial city. In the midst of all this, the Chamber of Commerce sought to convince the city's permanent residents of the benefits to be derived from the Bethlehem Steel Company's presence in the community, for ultimately the company's activities affected almost every aspect of life in the new city.

In Bethlehem, public transportation was provided by the trolleys of the Lehigh Valley Transit Company. Because Bethlehem was part of a large interurban network covering the entire Lehigh Valley, the transit company considered Bethlehem's local traffic of minor importance and ignored the pleas of residents for improved service. The


increased demands of wartime, resulting from an expanded labor force at the steel mill, did not produce an increase in service. On the contrary, during the winter of 1917 and 1918, the Lehigh Valley Transit Company actually discriminated against the Bethlehem service in the distribution of its available car facilities. The result was a series of daily incidents, some of which achieved near-riot proportions. At the end of their shifts, steel workers mobbed the few available trolleys, and fist-fights among those seeking seats were common. Moreover, steelworkers from areas to the north of Bethlehem often waited in vain for streetcars to take them home, and when none appeared walked to the north side of town to obtain transportation. To add insult to injury, when they finally boarded a streetcar, the conductors would not accept their pass books, and made them pay regular fares. These seemingly minor episodes became a major problem as service deteriorated. Complaints directed toward the police department were passed on to the City Council with appeals that it take the matter in hand. However, the Public Safety Committee of the Council merely recommended that fares be kept at five cents.

In the absence of action by the City Council, the Chamber of Commerce stepped in. It obtained the services of Delos Wilcox, the

country's foremost public transportation expert, and asked him to report on Bethlehem's needs. The result was a sober document describing the failures of the Lehigh Valley Transit Company, and recommending public ownership of transportation facilities as well as the immediate inauguration of bus service. Although the City Council expressed an interest in Wilcox's report, it did not adopt his proposals. Instead, the Council used the report to goad the Lehigh Valley Transit Company into improving its local service. Anxious to have its franchise extended into the recently annexed East Bethlehem area of the city, the Transit Company agreed to meet the Council's demands.

The Chamber of Commerce came into existence at the height of World War I, and, from the start, most of its activities involved the war effort. The Chamber involved itself in raising money for the local War Relief Fund, promoting war gardens, publicizing the use of substitute foods, and assisting in Liberty Loan campaigns. Many of its wartime activities were carried out in cooperation with the Bethlehem Steel Company. In two areas, especially, housing and Americanization, the efforts of the two organizations were so closely allied as to make it difficult to discover where the activities of one ended and those of the other began.

31 Wilcox, Transit, pp. 7-8, 22.
Housing was a matter of important local concern during the war. The number of additional workers the company could employ to meet wartime demands depended largely on the housing available. Unfortunately, Bethlehem suffered from a chronic housing shortage, and even in the best of times there were employees who had to commute to work from nearby communities.\textsuperscript{34} To help alleviate the situation, the Chamber staged rallies to acquaint residents with the problem, and convince them that patriotic duty required renting spare rooms to war workers. In addition the Chamber undertook a house-to-house survey to determine the available facilities in the town. In all this the Chamber of Commerce acted as the Steel Company's junior partner. In fact, when the United States Housing Board requested the Chamber to act as its agent in determining housing needs, the Chamber refused and directed the Housing Board to the Company which already had charge of such matters.

The Bethlehem Steel Company, recognizing the existence of a housing shortage, planned an ambitious home building program. Through its subsidiary, the Saucon Land and Improvement Company, Bethlehem Steel purchased 480 acres of land east of Bethlehem where it proposed to build 1,500 houses for its workers.\textsuperscript{36} However, in

\begin{itemize}
\item [34] Koester, \textit{City Planning}, p. 41.
\end{itemize}
1917, passage of the War Revenue Act, an excess-profits bill, convinced company officials that such an undertaking was financially impossible. As a result, Bethlehem Steel, which normally resented government interference in business, appealed to the Federal Government for aid.

The Bethlehem Steel Company sold the properties it had acquired for a housing project to the United States Housing Corporation for $367,000. The government planned the construction of some 2,000 brick dwellings on the site along with such public facilities as schools, churches, stores, and a movie theatre. The war ended before this ambitious project could be completed, and only 277 houses had been built when the program was terminated in 1919.

Although the housing project was undertaken to provide housing for war workers, the results were not intended to be temporary, but rather permanent additions to the community. In consequence, Housing Corporation agents were instructed to act in cooperation with both city and Steel Company officials. It soon became obvious that the government was dealing primarily with the company. In a report on a conference with the Bethlehem City Solicitor about the cost to the

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37 Minutes of the War Industries Board from August 1, 1917 to December 19, 1918, Washington, 1919, pp. 59-60.


city of laying water mains at the project site, a government official stated that the Solicitor "pointed out that the majority of the City Council is composed of officers of the Bethlehem Steel Company, which has direct interest in facilitating the work of this Bureau." The cost of the mains, the lawyer stated, would be met by an upward reassessment of local properties from $22,000,000 to $71,000,000. The city could thus increase its bonded indebtedness without having to submit the proposal to a referendum as required by state law. "This submission he [the city solicitor] desired to avoid."40 Another government agent reported in apparent amazement that "This company is, in fact, the entire city practically."41

The Bethlehem Steel Company's involvement with the government housing project indicated its concern with more than the housing of temporary wartime employees. From the start, the company intended the houses for use by its machinists and other skilled employees. By providing such workers with permanent housing, the company sought to reduce labor turnover, and ensure labor stability.42 Since home-owning employees would be unlikely to jeopardize their jobs by engaging in union activity, the company put into effect a program designed to aid its workers in the purchase of their own homes. In

41 G.S. St. John to Dr. James Ford, Nov. 13, 1918, in ibid.
42 "Conference of Representatives of Housing Committee and Bethlehem Steel Corporation, Apr. 13, 1918," in U.S.H.C., Project Book, see also "Conference" Jan. 10, 1918, in ibid.
1917, for example, the Company loaned its employees $1,100,000 to purchase homes. In addition, the company loaned another $1,600,000 to employees seeking to build homes. A total of 77 houses were sold to employees without any down payments in lease purchase agreements.

Skilled workers were not the only subjects of the Company's efforts to insure worker loyalty. Taking advantage of the patriotic fervor sweeping the country, the Company strove to convince employees of the importance of their work to the war effort. Patriotic rallies, flag-raising ceremonies and Liberty Loan campaigns were used to reinforce patriotic loyalty to the nation, and, more importantly, to the company. Even though many of the company's employees were immigrants from Eastern Europe, appeals to their patriotic loyalty were not without sense. Although Poles, Slovaks, and Magyars were technically citizens of Germany and Austria, they were often hostile to their governments, and, in fact, local Poles and Slovaks contributed men and money to Polish and Slovak contingents fighting with the Allies. Moreover, when the United States declared war on Austria-Hungary in December, 1917, it decided not to classify such immigrants as enemy aliens, an action which gratified local

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Thus, the company's foreign-born employees needed little encouragement to form "Loyalty Leagues" declaring their adherence to the American cause, or to participate actively in Liberty Loan campaigns. If loyalty to the United States became identified with loyalty to the Bethlehem Steel Company, it was not by accident. Such loyalty would hinder immigrant participation in activities which the company designated as unpatriotic, namely, union membership. The company was aided in this by the Americanization drives of the wartime period.

Americanization programs grew out of a realization that a large proportion of the residents of American industrial centers were aliens. Given the emotional atmosphere created by the United States' entrance into World War I, this caused a certain amount of apprehension among native Americans. As a result, Americanization efforts, supervised by the United States Bureau of Naturalization, soon made their appearance in communities with large immigrant populations. Bethlehem, where 12,000 of the 18,000 local registrants for the draft were aliens, was no exception.

In large measure, the Americanization movement represented a desire to accommodate the immigrant to an industrial society. It was designed to break down the immigrant's strong group loyalties and thus eradicate his ethnic identity. By teaching the immigrant the fundamentals of English and Civics, the proponents of Americanization assumed that the foreigner would acquire the values and aspirations of native Americans. As such, then, Americanization grew out of the same desire to create a homogeneous, disciplined society required by an industrialized nation that had produced the municipal reform movement.  

Recognizing the applicability of Americanization to local conditions, Bethlehem Steel encouraged such efforts among its workmen.

Americanization activities began in Bethlehem in the fall of 1915, under the direction of J. Mark Frey, head of the Young Men's Christian Association of Lehigh University. The Y.M.C.A. had begun a program of English language instruction for immigrants on a national scale in 1907. The Robert's method of instruction, used by the Y.M.C.A., was designed specifically for use among the immigrants employed in American industry. Stressing the familiar and concrete, the lessons related to the men's industrial environment and emphasized such things as good work habits, discipline, and

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When Frey found himself unable to interest local school authorities in such a program, he turned to the Bethlehem Steel Company for help. Convinced of the program's utility, Company officials obtained the use of public school facilities for night school classes by promising to meet all the expenses involved. Supervised by Frey, seventeen Lehigh University students, paid by the company, began giving instructions in English in November, 1916. Classes were open to all aliens in the community whether or not they were employed by Bethlehem Steel.

On the whole, the response to the English language teaching program was favorable. In the 1916-1917 series of instructions, some 2,000 students representing 64 nationalities attended classes. Another 1,200 students enrolled in the 1917-1918 session. Although the program became coupled with the Americanization movement sponsored by the Bureau of Naturalization, company officials limited its activities to English language instruction, and declined to hold classes preparing aliens for citizenship. Although willing to place the school under the nominal supervision of local school authorities in order to obtain government assistance and teaching materials, the company refused to participate in a wartime naturalization drive.


52 Glazier to Chief Examiner, Jan. 6, 1916 in Ibid.
An Americanization drive sponsored by the Bethlehem Chamber of Commerce had almost destroyed the English language night school, company officials explained, for many of its immigrant employees feared that filing a declaration of intent to become a citizen made them liable to conscription. In the face of wartime labor shortages, the company feared that a naturalization drive would cause many aliens to seek work elsewhere.53

With the coming of peace, the company's attitude toward naturalization drives changed. Continuing its English language classes, the company expanded its program to include classes preparing aliens to pass naturalization examinations. Bethlehem Steel officials were aware of the value of company sponsored citizenship drives in helping their workmen to confuse loyalty to the company with loyalty to the nation. When the war ended, and labor shortages were no longer a problem, the company launched a naturalization campaign.54

For several weeks before the start of a new series of English language classes in December, 1918, great stress was placed on the desirability of the attendance of aliens at citizenship classes. Company representatives approached all the unnaturalized foreigners


54 H. Wilson to Chief Naturalization Examiner, Jan. 28, 1919, Naturalization Records, File E-520. See also Brody, Steelworkers, p. 189.
in the plant, and encouraged them to seek citizenship. Employees who attended the school would receive pay raises and promotions, but those who did not would be dismissed when work slacked off with the completion of war contracts. To make things as easy as possible for prospective citizens, papers for filing a Declaration of Intent could be obtained in the company offices. As a result of the campaign, some 5,500 men enrolled in the English and citizenship classes in the December, 1918 series of instructions.

If the company made use of the patriotic fervor of wartime to gain the loyalty of its employees, unions likewise used the opportunity to step up their recruitment activities in the American steel industry. Because military needs demanded uninterrupted production, the federal government needed the cooperation of organized labor in its efforts to win the war. In return for their support, labor unions obtained government recognition of their right to organize. The result was a spurt in unionizing activities because organizers could claim that joining a union was a patriotic act. At Bethlehem Steel, a drive to organize the company's machinists met with enough success to produce a walkout in April, 1918.

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55 J.M. Gurnett to Commissioner of Naturalization, Jan. 5, 1919, Naturalization Records, File E-520.
56 See "Free Night School for Non-English Speaking Men," a flyer in ibid.
57 J.M. Gurnett to Director of Citizenship, Dec. 1, 1919, in ibid.
The grievances voiced by the striking machinists in 1918 were similar to those which had led to the strike in 1910. They complained of an unfair bonus system, substandard wages, and inadequate overtime pay. In addition, the machinists stated that the company manipulated draft deferments to eliminate union men from the ranks of its employees. Because of Bethlehem Steel's important role in the production of war material, the National War Labor Board heard the case. After listening to the witnesses, the N.W.L.B. announced its decision on July 31, 1918. It ordered the bonus system to be eliminated, and replaced by pay scales conforming with the minimum hourly rates of the War and Navy Departments which included time and a half for work over eight hours and double time for holidays and Sundays. In addition, the company was ordered to meet with shop committees elected by the employees to discuss all future grievances.

The Bethlehem Steel Company was unhappy with the decision and did nothing to implement it. On November 17, Eugene Grace, president of Bethlehem Steel, informed a War Labor Board examiner that, since the war was over, the company was no longer bound by the board's decision. The company would not pay higher wage rates, and if the

N.W.L.B. wanted the machinists to have the back pay it said was owed them, the board could find the money itself. The shop committees elected under N.W.L.B. supervision were ignored, and their members discharged during postwar production cutbacks. After a public rebuke by ex-president William H. Taft, co-chairman of the N.W.L.B., Grace backed down and agreed to negotiate a new bargaining plan with the remaining committeemen. On April 3, 1919, a new plan was adopted which, on paper, gave the employees' representatives unusual independence. However, the men had little reason to believe in the company's good faith and in this they were justified. The company refused to adhere to the back pay provisions of the N.W.L.B. award and the intransigence of company officials made the collective bargaining plan useless.

When the National Committee for Organizing Iron and Steel Workers called an industry-wide walkout for September 22, 1919, Bethlehem was not included. Indeed, the National Committee desired to keep Bethlehem in operation. By applying competitive pressure on the struck companies, Bethlehem Steel would act as a de facto ally of the unions.

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62 Brody, Crisis, pp. 180-182.
The local union leaders at Bethlehem were willing to abide by the National Committee's order not to strike, but the men were not. Frustrated by the company's refusal to give them the back pay awarded by the N.W.L.B., as well as by the failure of the collective bargaining system, the men wanted to strike. They were encouraged by the initial success of walkouts in other areas, and wanted the American Federation of Labor to represent them as a bargaining agent. It seemed particularly galling to them that the company recognized unions and paid standard wages in its ship yards, but would not do so in its steel mills. 63

In the face of rank and file discontent, and fearful of losing members if they failed to act, local union leaders decided to call a strike. On September 21, they asked the National Committee to request a conference with company officials for the purpose of negotiating an agreement to abolish company unions, recognize the A.F. of L. as a bargaining agent, establish standard rates of pay, and discuss outstanding grievances such as the back pay award. If the company did not reply by 4 P.M., September 25, the National Committee was to issue an order for a strike on the twenty-ninth. 64

The call for a conference was a tactic to gain public support, for the company's anti-union stance was well known. Acting on the


assumption that no reply would be forthcoming, union leaders set about making preparations for a strike, and printed cards asking the men to stage a walkout. This was a tactical mistake, for it gave Grace the opportunity to accuse the union of a lack of good faith. In a public letter to the National Committee, Grace refused to confer with A.F. of L. representatives because, he said, the company already had a collective bargaining system, and were it defective, employees would certainly have informed the management. Since he had never received any complaints about the system, Grace stated that he therefore saw no need for a conference. 65

The walkout came on September 29, 1919 at 6 A.M. By all accounts, it was a great deal less than hoped for. Out of a workforce of some 13,500, only about 2,500 men struck. Most of the strikers were machinists and there were few unskilled workers in their ranks. Unionizing activities had been concentrated on the machinists. It was assumed that a strike by machinists would paralyze the company, and when the unskilled men saw that the company had been hurt, they would soon follow. This was not to happen.


In spite of the machinists claim to have crippled the company, their absence was not immediately apparent to observers. Although the company was more handicapped than officials admitted, the noisy, smoke-producing activities in departments other than machine shops continued. The continued activity within the plant had an adverse psychological effect on the determination of strikers to remain out, as well as on potential strikers still at work. 67

Company officials were aware of the machinists' strategic importance, and knew that it would not be long before their absence would noticeably affect production. Thus, despite claims that all was well, officials made a concerted effort to persuade the men to return. Supervisors visited the homes of striking machinists and offered them bonuses ranging from $25 to $100 to return. For those men fearing violence if they came back the company announced it would send automobiles to bring them to work. In the meantime, the company voluntarily raised the wages of men still at work. 68

The Company's efforts to end the strike were successful. Although many men stayed out longer, the strike was effectively over in little more than a week. The ranks of the strikers were thinned when the steam engineers returned to work in a body. The next blow

came when the railroad men on the plant system voted not to strike. This, added to the failure of the unskilled men to come out, meant the end of the strike. After this, the resolve of the strikers was broken, and in spite of the efforts of their leaders, there was a steady stream of deserters from the rank of the union men. 69

Perhaps the major reason for the strike's lack of success was the failure to include the unskilled immigrant workers, for without their staying power the strike had little chance of success. The absence of immigrant participation marks the major difference between this strike and the one which occurred in 1910. The individualistic native American strikers were subject to pressures which immigrants, receiving the support of their ethnic communities were not. In 1910, the strike went on for months, as it did elsewhere in 1919. In Bethlehem, the strike of 1919 was shortlived in the extreme.

If it appears obvious that immigrants should have been included in the strike for it to succeed, it remains to be asked why they were not. The answer seems to lie in the absence of discrimination by the company against immigrants. 70 War time propaganda about "enemy aliens" coupled with the normal prejudice against immigrants appears to have affected the skilled American workers

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70 Strike Investigation, pp. 1021.
greatly. At any rate, statements made by the striking machinists indicated a resentment of the fact that "alien enemies and other noncitizens," received the same wages they did. The union did not want such men in their ranks, and therefore made no effort to organize them. Even during the strike no effort was made to welcome foreign-speaking workmen. The leader of the union forces in Bethlehem was, in fact, proud to declare that "there was no foreign strike in Bethlehem; it was an American strike." In addition to the machinists' hostility, other factors contributed to the failure of the immigrants to strike. Quite obviously the wartime emphasis on patriotism and the Americanization program had borne fruit. The immigrants had assimilated the idea that loyalty to the United States meant loyalty to the company. Moreover, the preparations made by the local police department for the strike reinforeced this belief. The city hired 35 recently returned veterans as special police. These men wore their army uniforms with only a small button to indicate that they were police. This, it was said, was a deliberate attempt to intimidate foreigners by making them believe that regular soldiers were on guard, and that the national government opposed the strike. In 1910, the strikers had the support of the entire community,

71 Ibid., pp. 1011, 1021.
72 Ibid., p. 1015.
but this was not the case in 1919. By 1919, the company had succeeded in its goal of integrating itself into the midst of community life. Moreover, since consolidation, the company, not strikers, had a large influence in the local government, and on September 28, the Mayor, Archibald Johnston, prohibited picketing and public, that is union, meetings. Since the strikers were thereafter forced to meet in neighboring Allentown, the company took the opportunity to arouse community spirit on its behalf. The company denounced the strikers as non-residents and outsiders, and labelled the walkout an "Allentown strike." This was a telling argument and it struck home. There was little, if any, overt support for the strikers in Bethlehem, and no need to denounce strikers as Bolsheviks and radicals or to resort to the repressive violence which took place elsewhere in 1919.

The company's policy of good community relations had proved its worth. It had made a point of doing things for the community which were both conspicuous and pleasing. In the space of a month, during the same period as the strike, the local newspaper carried notices concerning company activities. On September 29, for example, the city council publicly thanked the Bethlehem Steel Company Band for providing free Sunday concerts during the summer and for

76 Brody, Crisis, pp. 119-159.
playing gratis at street dances. Articles on the sports pages noted the activities of the Bethlehem Steel Soccer Team and spoke of local boxers who were in training at the company’s gymnasium. Yet another article noted that the Bethlehem Steel was providing the furnishings and would pay the rent for a chess and checkers club in the city. Events had come to such a point that, on October 28, 1919, a candidate for city council was forced to defend himself in print by writing a letter to the newspaper in which he angrily denied that he had ever been hostile to the Bethlehem Steel Company or that he had ever said "Charles Schwab and his lieutenants were a positive detriment to this community."

Bethlehem's reaction to the steel strike of 1919 indicated the degree to which its residents had accepted the values of an industrial society as their own. Because the local citizens were in sympathy with the often expressed desire of the Bethlehem Steel Company for a stable and orderly local society, little support for the striking machinists was forthcoming. Whereas local residents had judged the strike of 1910 from the standpoint of a value system hostile to industrialism, their views were now determined by the benefits they derived from living in an industrialized community. In large measure, this change in attitude was the direct result of the concerted efforts

80 Ibid., Oct. 28, 1919, p. 10.
of the Bethlehem Steel Company to transform the potentially volatile local community into a stable labor pool. In the process of convincing local citizens that the Bethlehem Steel Company had the community's best interest at heart, the company also brought Bethlehem to full acceptance of the values of an industrialized society. By 1920, it had become a modern industrial city, integrated into the life of an industrial nation.
CONCLUSION

In the years between 1741 and 1920, Bethlehem changed from a religious commune into an industrial city. In the process, the standards by which the inhabitants lived also changed. The values and imperatives of an industrial society replaced those of a Moravian village, and the Bethlehem Steel Company, not the Moravian Church, was the community's dominant social institution. In the course of nearly two centuries, Gesellschaft had supplanted Gemeinschaft.

In the eighteenth century, the religious values of the Moravians influenced every aspect of life in Bethlehem. The village's social and economic institutions reflected the Moravian emphasis on the importance of communal piety for salvation. The choirs carried out the social functions usually associated with the family, and also provided their members with food, clothing, shelter, and employment. Individual economic activity was forbidden, and, in accord with the tenets of a Christian communalism, production and consumption were shared by all. Moreover, seeking to keep the distracting influences of the outside world at arm's length, the Church authorities permitted none but Moravians to settle within the limits of the town.

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The attempt to insulate Bethlehem from the rest of the world ended in failure. Eighteenth century Pennsylvania proved to be neither the time nor the place to establish a medieval, Christian utopia. Western society was becoming increasingly secular and individualistic, and its values gradually penetrated into Bethlehem, altering the lives of its inhabitants. By the middle of the nineteenth century, there was little about Bethlehem to distinguish it from any other American community of similar size. To be sure, most of Bethlehem's inhabitants gave their allegiance to the religious beliefs of their predecessors, but their lives were governed by a spirit of secular individualism rather than by the standards of communal pietism.

The spirit of secular individualism which brought an end to Bethlehem's exclusively Moravian existence, also gave birth to South Bethlehem as an industrial community. Social cohesion was at a minimum in South Bethlehem, for the members of the town's heterogeneous population had little in common except for a desire to achieve a measure of economic success. Motivated more by competition than cooperation, the inhabitants of South Bethlehem were divided into a variety of social and ethnic groups each possessing its own traditions and standards. Only the local elite's involvement in community affairs brought a sense of cohesion and continuity to the town.

By 1920, the local community had once again undergone a transformation in values. This time the shift was from an unrestrained
individualism to a sense of membership in a corporate whole. The need for order and stability in a complex, urban-industrial society led to the emergence of a value system based on bureaucratic principles of organization, and cooperation replaced competition as the ideal form of social behavior. As Bethlehem's dominant social institution, the Bethlehem Steel Company most fully embodied these standards, and it was through the company's involvement in community affairs that such a value system became part of the lives of the town's residents. The acceptance of this bureaucratic ethic marked Bethlehem's absorption by an integrated national society. It was the culmination of a process which had begun in the eighteenth century when Bethlehem was founded as a religious commune.

To the degree that the specific events which comprise Bethlehem's history are not repeated in the history of any community, its story is unique. Yet, seen in a broader context, Bethlehem's history is in many ways representative of the national experience. Bethlehem's transformation from a Moravian commune to a secular industrial city did not take place in a vacuum, for the forces which influenced Bethlehem's development were general forces affecting the nation as a whole. In this sense, then, an understanding of how one particular community became an industrial city can also help us to better understand how the United States became an industrial nation.
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