

# Twentieth Century Industrial Development of Lancaster

William Shand and Dean Keller

---

To some of you, industrial development may seem to be a dry and tiresome subject, suitable only for a Chamber of Commerce committee. Let me assure you that it is no such thing; all of the members of our Lancaster County Industrial Development Bureau are completely fascinated by the work, and rarely miss any meetings which are scheduled regularly once a month or more often.

Lancaster did not just grow; our industries did not come here by accident. Thoughtful planning from the earliest stages was required; and a costly investment of time and dollars was expended to develop the interest of new industries suitable for our historic environment.

Let us try to trace some of the more important factors which led to the fortunate situation in which Lancaster finds itself today.

In the earliest period of its history, Lancaster County was a purely agricultural community; and agriculture continues to be a very important segment of the county's economy. As an industrial community, Lancaster County had its origin in the half century preceding the American Revolution. In that era, there were, perhaps, two major factors which influenced greatly its development as an industrial center. First was the discovery of rich iron ore deposits, which led to the establishment of iron working operations as early as 1726. Second was its location as the point from which

travelers and emigrants were outfitted for their journeys into the wilderness of the West. Thus, in addition to Lancaster County's great agricultural potential, the seeds for a center of commerce, transportation, and manufacturing were planted quite early.

By 1775, Lancaster was a thriving manufacturing town producing a wide variety of wood, metal, and leather products. Included among the earlier industrial operations were iron rolling mills, iron and brass foundries, forges, sawmills, leather goods fabricators, cotton and silk mills, etc. Major products included shoes, clothing, furnaces, forges, wagons, furniture, bricks, rifles, silverware, glass, locks, saddlery, clocks, tinware, food products and many similar items. Perhaps the most well known were the rifles (which later became known as "Kentuckey" rifles), the Conestoga wagons, and the saddles and harnesses required to equip an economy which depended largely on horses for transportation.

From this description, one can readily see that the diversity of today's manufactured products in Lancaster is certainly not a new phenomenon, by any means. Another benefit of Lancaster's long history of industrialization is the large pool of skilled and semi-skilled craftsmen who have been trained in the community's highly diversified plants. A rather large number of today's firms have been established for more than fifty years, a fact which has contributed greatly to the stability of the local labor market. Other factors are the industrious quality of our native population; the favorable attitude toward work, and the traditions of thrift as well as industry.

Another important factor in assessing the reputation of Lancaster as a well established industrial center, is the presence of a number of plants operated by nationally famous corporations. To name a few, there are Aluminum Company of America, Armstrong Cork Company, R. R. Donnelley & Sons Co., Hamilton Watch Co., Howmet Corporation, Jones & Laughlin Steel Corp., Lambert-Hudnut Manufacturing Laboratories Inc., J. L. Clark Manufacturing Co., New Holland Machine Division of Sperry Rand Corp., Radio Corporation of America, Raybestos-Manhattan Inc., Schick Electric Incorporated, American Hardware Corporation Safe Hardware Division, and many smaller concerns.

Lancaster's growth prior to the mid-forties of this century was steady and precise. Since the mid-forties it has been much more dramatic. Twenty-six years ago, in 1939, there were 27,718 hourly workers on local payrolls. In September of this year, that figure was 53,000, a 25-year gain of approximately 92 per cent. This pattern of steady growth exceeds that of all other industrial centers of Pennsylvania. Of the eleven industrial areas in the State which average 25,000 or more industrial employees, Lancaster ranks first in rate of growth. For example, during the decade 1952-1962 there were but two areas which gained anything at all in industrial employment; Wilkes Barre - Hazleton (3,400) and Lancaster (5,200), while all the rest lost anywhere from 300 to 81,000 employees. It is significant to note that the two areas showing gains are communities that have received wide publicity for the thoroughness and effectiveness of their industrial development programs. This illustrates the fact that Lancaster was unaffected by the decline of the mineral products operations which

had a drastic impact on employment in Pennsylvania.

On the other hand, agricultural employment has declined from 14,141 in 1932 to about 11,800 in September, 1965.

Our healthy industrial employment growth rate may be attributed to a number of factors, of which several are of particular significance:

1. A broad diversification of industrial operations.
2. The large number of small and medium sized plants as opposed to the dominance of a few very large employers.
3. The continuing growth and expansion of many industries already located here.
4. A carefully planned and controlled program to attract new industry.

Although industry in Lancaster County has traditionally been characterized by its broad diversification, until recent years more workers were employed in non-durable goods categories than in durable product lines. Many of our employers fifty years ago were to be found in the textile or apparel fields. Over the past 25 years, the trend has been changing rapidly. The textile and apparel fields have decreased in employment, while the number of employees engaged in producing durable goods has been increasing rapidly. Lancaster is not noted for heavy metal industries, but it has developed an ever increasing number of plants engaged in the field of light metal fabrication. It is in this category where the most dramatic growth pattern has been recorded again, in excess of 58.0% from 1947 to 1964. Again, the policy has been to try to attract small plants with prospects for growth, rather than the very large plants. We would rather have ten plants each employing 100 persons, than one plant employing a thousand.

An examination of our local economy proclaims the great value of the careful and conservative planning which has created our unusually stable economic climate conducive to commercial and industrial growth.

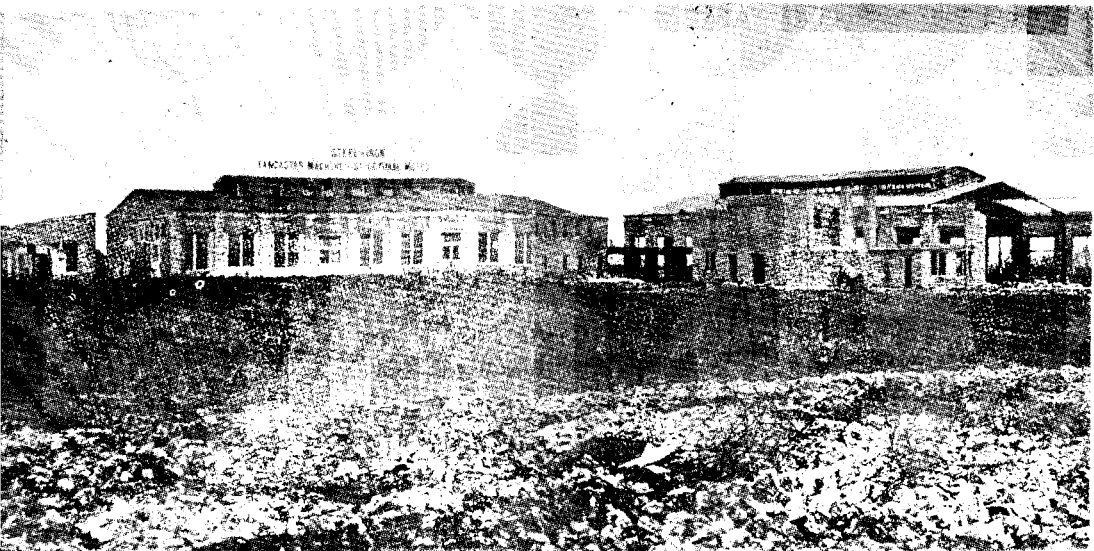
Lancaster is the most dynamic industrial center in Pennsylvania and one of the most dynamic in the nation. Manufacturing in Lancaster broke the billion dollar mark in value of goods produced in 1964 (a record \$1.046 billion). Our percentage of the total labor market unemployed was 1.2 per cent in October, 1965, the lowest in Pennsylvania, and one of the lowest in the nation. This year the number of persons employed (53,000 in September, 1965), has broken all previous records. Our rate of population growth from 1950 - 1960 was more than twice that of the state average. While it is true that almost every segment of our local economy is in a sound position today, we still face a challenge in planning for the continued orderly growth and development of commerce and industry.

In any community experiencing a healthy population growth rate, it is essential that the local economy be able to continue to provide an ever-increasing number of employment opportunities. In Lancaster County over 3,000 high school students graduate each year, more than half of whom enter the labor force each summer. Fortunately, we have been the beneficiaries of a successful industrial development program which has produced over 7,000 new jobs in the past decade.

It is basic fact that growing industrial payrolls are vital to a prosperous economy. Accordingly, it is necessary that our efforts on behalf of further industrial expansion not be relaxed. All of us have probably heard friends say, "Why are we always attempting to bring in new industries? Lancaster has always been such a pleasant place to live; we would like it to stay that way, without bringing in such crowds of strangers to man the new plants!" To one conversant with industrial matters, the answer is plain. Our older industries must contend with technological changes, with changes in tastes, with automation, with mechanization — all of which have a decided impact on employment. We must also take advantage of the production of new items to satisfy demands for previously unheard of products. For instance, 20 years ago, who knew anything about television? Yet today we have a plant employing over 4,000 persons making color television, industrial, defense and space electron tubes. RCA has added approximately 314,000 square feet of space since 1963 and will, by the end of 1966, employ an additional 1,000 persons. Likewise, Armstrong Cork Company originally established the linoleum plant for the purpose of utilizing the cork scrap and other by-products of the Lancaster Cork Works. Battleship linoleum was a standard product, but today the spike heels of the ladies have ruined the market for this product. With alert consciousness of technological changes, as well as of fashion changes, this company has developed a vast volume of business in products which were unheard of a generation ago. One example of this is vinyl tile floor coverings, which have largely supplanted linoleum. Other examples are packaging and closure materials, consumer household products and building materials.

Let us look at the principal industries which were vitally active at the turn of the century. Cigar making employed hundreds in Lancaster, particularly in the smaller county towns. The Stehli Silk Mill, employing at one time 2,200 persons, lost out because of the disappearance of silk fabrics

**Lancaster Machine and Structural Steel Works as it appeared in 1906. Buildings have been incorporated into Armstrong Cork Company plant's floor plant. Now used for felt storage and treatment.**

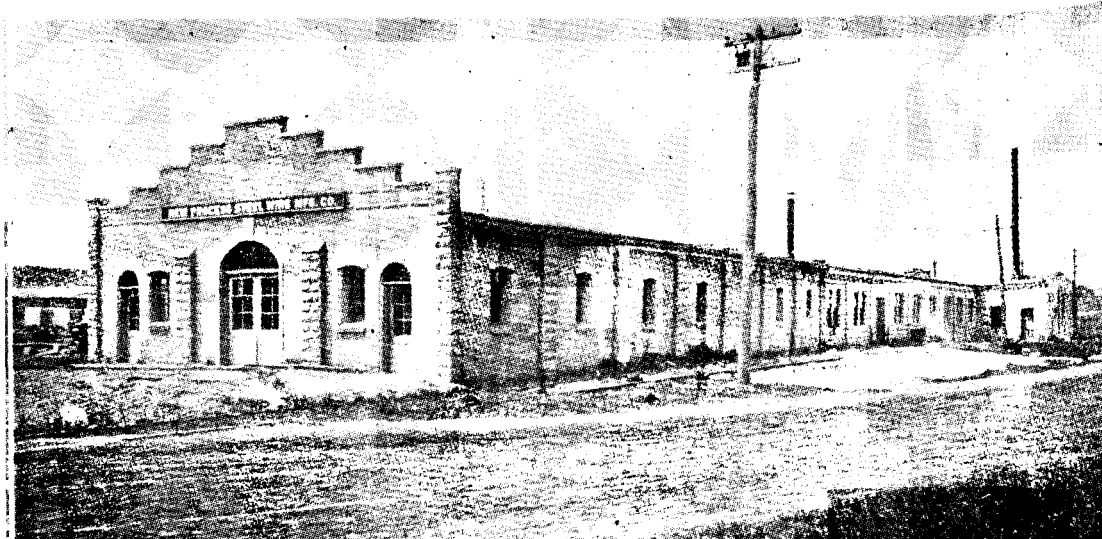


and the eventual use of more durable artificial fibers. Follmer Clogg & Company, in the umbrella business, employed 1,000 people making umbrellas, and more in weaving the silks for umbrellas at their Manor Street mill. Penn Iron Works employed several hundred in the rolling mill on Plum Street, where Walnut Street has been opened for through traffic. I wonder how many know that this plant was originally built for Lancaster Locomotive Works, which turned out 30 locomotives for railroads between 1851 and 1857. The Conestoga Cotton Mills employed 1,200 persons making sheetings, awning materials, and duck. Where are these industries today? They are gone along with dozens of smaller enterprises which at one time made combs, rifles, buggies, elevators, novelties, and so on. If we do not continually exert our best efforts to bring in new industries, our community would die. Here we have the answer to those who would have the community stand still.

One of the most important assets in an industrial development program is the availability of suitable sites for the location of new plants. In recent years, acreage with industrial potential has been increasingly difficult to find. The rapid growth of residential developments in the suburbs of the city and county towns has claimed hundreds of acres of land readily accessible to such essential facilities as municipal water and sewer lines. About ten years ago, the seriousness of this situation became quite apparent to the Lancaster County Industrial Development Bureau, one of the subsidiaries of the Lancaster Chamber of Commerce. In order to cope with this problem, the Bureau copied a previous industrial development project which had its origin back in 1902.

About the year 1900 manufacturing in Lancaster was rather stagnant, when a group of men, members of the old Lancaster Board of Trade, decided to do something to stimulate business. The group was chaired by Richard M. Reilly, and included M. T. Garvin, Allan A. Herr, Paul Heine, P. T. Watt, H. S. Williamson, and Charles A. Fondersmith. Together

**New Process Steel Wire Mfg. Co. plant in 1906. Buildings have been incorporated into Armstrong Cork Company's floor plant, and are now the site of the lacquering, waxing and finishing department.**

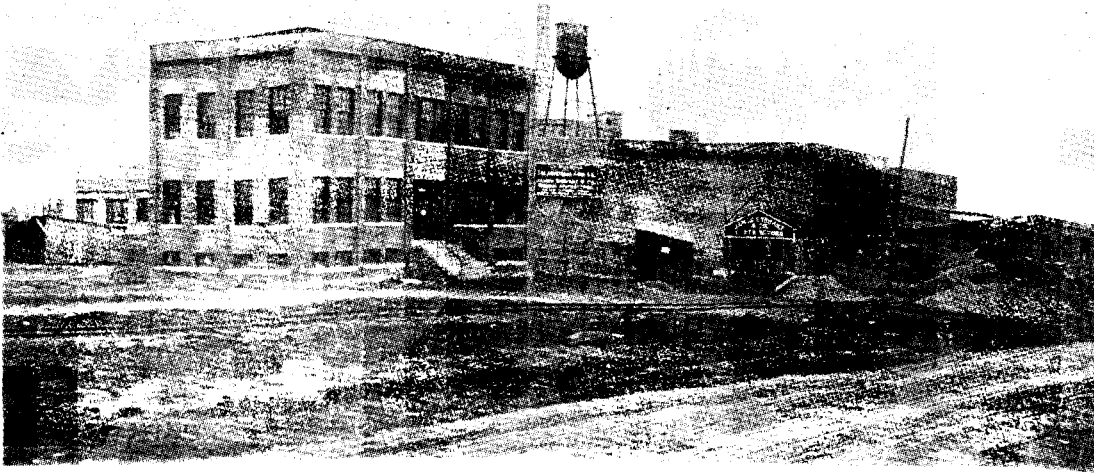


they raised \$15,000.00 in stock subscriptions. Thus the Lancaster Development Company was created and chartered to buy land having railroad facilities, and to sell the land for manufacturing and building sites at reasonable prices. The company bought a farm of 148 acres from Richard McGrann, having land on both sides of the Pennsylvania Railroad, with the farmhouse about half a mile south of the Dillerville Road, east of the Manheim Pike, where Hubbard Farms Hatchery is now located. They built a sewer system, laid water mains, and opened and graded three miles of streets. The plans were extremely successful, and on this property were eventually located the Armstrong Cork Company, Lancaster Steel Products Company, Sterling Plant of Bearings Company of America (now Federal Mogul Company), a number of smaller plants, and 113 brick dwelling units. When this company was finally liquidated about 1930, the investors had received a total of about \$90,000.00 in return for risking \$15,000.00; and in addition, had secured incalculable benefits in the industrial development of our city. \*See Appendix A. It is doubtful whether these men could foresee what was going to happen. I recall my father telling me that his friend, John J. Evans, Manager of the Lancaster Cork Works for Armstrong, had told him that his company was going to buy a large tract of land from the Lancaster Development Company, and that they were going to spend a million dollars to build a linoleum plant. It was a lot of money in those days, and Lancaster business men were thrilled by the news.

Drawing upon this precedent, the Industrial Development Bureau of the Lancaster Chamber of Commerce in 1960 organized a new non-profit corporation now known as the Industrial Development Company of Lancaster County. The charter of this new corporation provides that its principal purpose should be the acquisition of land suitable for industrial development for eventual resale to industries new to the community, or to those already established which require land for expansion purposes. The original capital funds to support the activities of the new corporation were subscribed by local business and industrial firms. The Company has been successful in raising more than a quarter of a million dollars to date for development purposes.

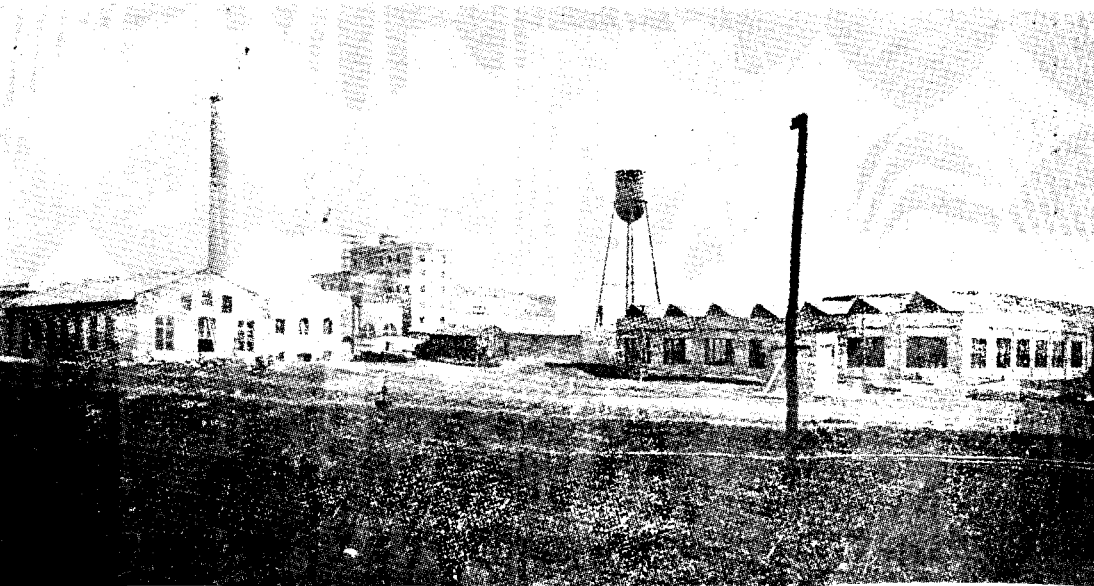
With the assistance of professionals in the field of industrial development, a careful survey of Lancaster County to select the best available site for a new major industrial park was made. Over a period of three years the new company acquired 144 acres of prime industrial land located in East and West Hempfield Townships, four miles west of Lancaster City. This tract is bordered on the south by the Columbia Branch of the Pennsylvania Railroad, and is bordered on the north by segment 2 of the U.S. Route 30 limited access highway which is scheduled for completion in early 1966. An interchange on this new expressway will be located within a few hundred feet of the entrance to the industrial park. To reach the entrance from Lancaster, one drives out the Marietta Pike almost to Oyster Point. Centerville Road intersects on the left at the top of the rise, east of the new church at Oyster Point. One then drives south on Centerville Road about half a mile to reach the new Hempland Road leading into the park.

In May of 1964 the park was officially dedicated by local civic and public officials, and was formally named the "Lancaster-Hempfield In-



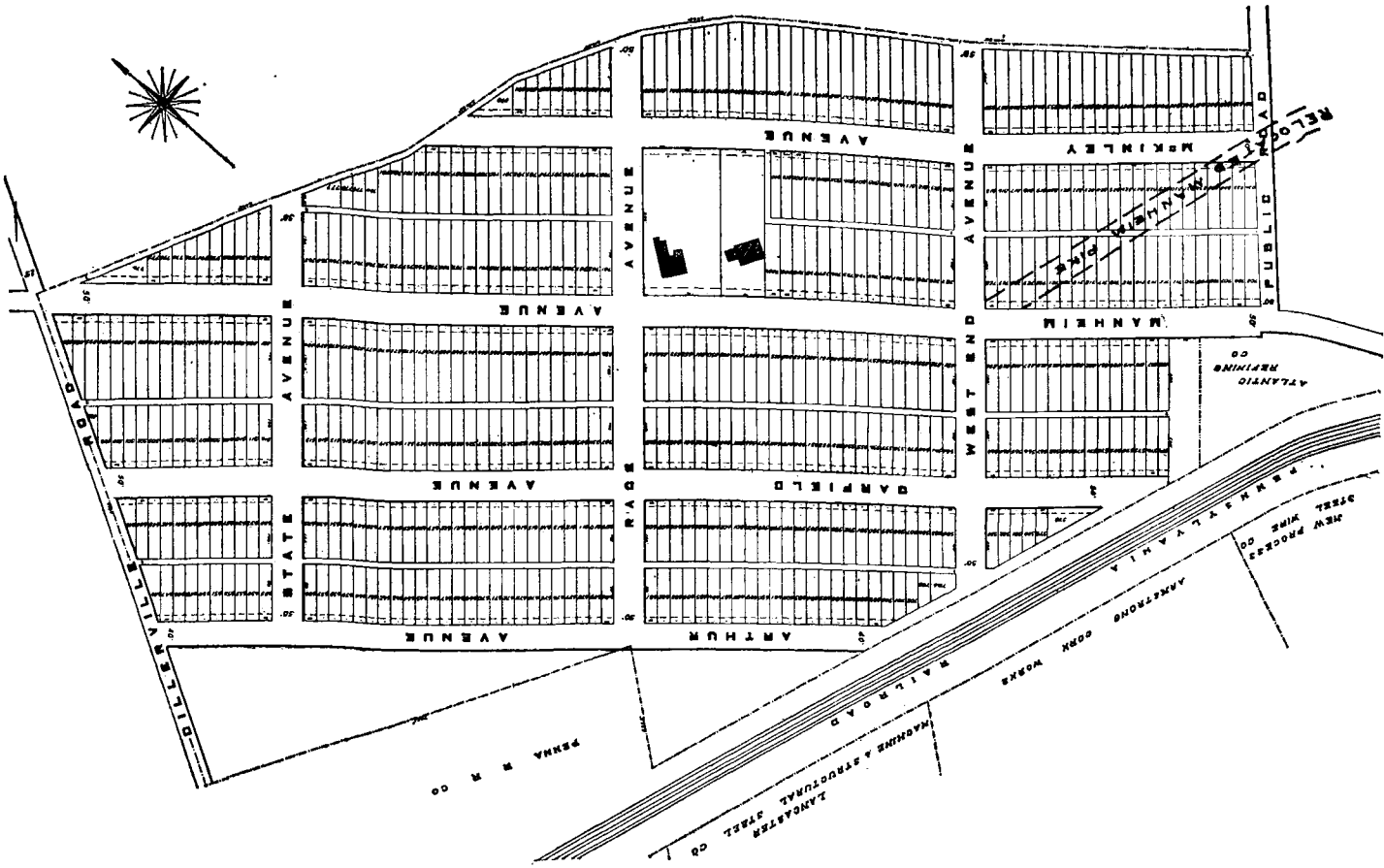
Armstrong Cork Company's floor plant buildings as they appeared about 1908. Two-story building at left was office, and now is part of factory administration structure. Windowless structures to the right rear are the drying stoves. In center rear are part of the linoleum manufacturing building, water tank, and stack of old power house. View from Liberty Street at present General Office Building.

View of Armstrong Cork Company's floor plant buildings about 1908 from north side along Penna. R.R. tracks. Old power house is at the left, linoleum manufacturing buildings and stoves in the center, with finishing and inspection buildings to the right. Most of these structures are now used for other purposes.



# PLAN OF NORTH LANCASTER BUILDING LOTS

The Lancaster Development Company will hold an Opening Sale of the lots shown on this plan, on MONDAY, JUNE 15th, 1908. The prices will be fixed and buyers can select lots at any time before the date of sale. A payment of \$5.00 will secure any lot and balance can be paid at the rate of \$5.00 per month. A Discount of Five (5) Per Cent. will be allowed for cash.





dustrial Park." Immediately following the dedication, construction of an internal service road, 48 feet in width, was begun. This road (officially named Hempland Road) is now completed through the park connecting Centerville and Donerville Roads. The new Chestnut Hill reservoir of the Lancaster Municipal Water Authority is nearby to the north, from which a 12-inch municipal water main has been installed along the entire length of the completed Hempland Road. Electric power, natural gas, and telephone lines are installed and available to industrial users.

The first industry to select a location in the park was Allied Mills, Inc., of Chicago. Now completed on their six-acre tract is a new plant which is used for the processing and distribution of animal and poultry feeds. The Heil Company, makers of stainless steel tank truck bodies used in transporting milk, chemicals, and other liquids, purchased 15 acres of land and has just completed erection of a fine new factory building of 60,000 square feet. Negotiations with other well established and nationally known industries considering locations in the Park are underway.

In view of the fact that the Lancaster - Hempfield Industrial Park is operated by a non-profit community-owned corporation, the costs of fully developed sites within the Park are maintained at an equitable level. Excellent sites with facilities installed are currently available at a cost per acre figure well below land prices in comparable industrial parks.

The Corporation has also developed land use restrictions for the Park which will preserve its value in the years ahead. We are confident that with the completion of the new section of the Route 30 By-pass, interest in this Industrial Park will develop rapidly. John H. Wickersham Engineering & Construction, Inc. has constructed, in the Park, a 30,000 square ft. "Shell Building." This is a building with two walls, a concrete floor, a roof, and nothing more. It will be sold or leased, with financing arranged, to an interested manufacturer. Experience in other industrial parks has proven that this is a highly desirable method with which to interest manufacturers who want a building quickly. Thus, a building which can be expanded or completed to almost any specifications is already well located with much of the time consuming construction finished.

The Industrial Park is not the sole interest of the Industrial Bureau. We are continually carrying on negotiations for other sites and other industries. R. R. Donnelley & Sons Co., the nationally known printers, have purchased the old Fair Grounds west of the city, on the Harrisburg Pike. We anticipate an announcement sometime in the future of plans for a large development there. Other recent announcements concern a large increase in facilities of the new Dart Container Corp., of Pa. at Leola.

Industrial development is a broad and complex business. It doesn't stop with the purchase of land and the erection of bricks and mortar. It is all encompassing, affecting every phase of community life. The United States Chamber of Commerce has calculated that every one hundred new factory workers in a community of our size will provide 296 more people, 112 more households, 51 more school children, \$590,000 more personal income per year, \$270,000 more bank deposits, 107 more passenger cars registered, 174 more workers employed, 4 more retail establishments, and \$350,000 more retail sales per year. Perhaps some of you are here today

by virtue of Lancaster County's Industrial Development program — if that is so, we are happy you came. An investment of energy, funds, sweat and tears has made this community development possible. We hope each of you will share in that success.

Just a few words about a related matter. A good many people in our county worried about the forthcoming closing of the Olmstead Air Base at Middletown, and its subsidiary depot at Marietta. Where are all the people now working there going to find new jobs? Undoubtedly, there have been painful dislocations of workers who are the innocent victims of the obsolescence of existing methods and products. However, this kind of problem has occurred before, as stated earlier with regard to the cigar, silk, cotton and umbrella industries, but the situation has always been solved. There is absolutely no doubt in my mind that we are going to find work for these Olmstead employees in other industries. It has always worked that way, and we expect that it will again. Our bureau will do all it can to relocate these persons, preferably in industries which are managed by private enterprise, rather than those controlled by political bureaucracy. It has always been our policy in Lancaster not to encourage the location of industries dependent to a large extent on government contracts; and the wisdom of this policy has been demonstrated once more by the Olmstead situation.

Milton Thomas Garvin (1860-1936) was born in Fulton Township of Quaker stock. Merchant, philanthropist, liberal civic leader, prominent Unitarian layman. Richard Malone Reilly (1861-1927) was born in Lancaster. Father was railroad contractor (County Cavan, Ireland). Attorney, publisher, and hardware merchant. Liberal civic leader, prominent Roman Catholic.

MILTON THOMAS GARVIN

RICHARD MALONE REILLY



## ACKNOWLEDGEMENTS

We are indebted to the following persons and organizations for the use of certain information which is included in this text:

Pennsylvania State Employment Service  
Bureau of Employment Security, Lancaster Office  
Dr. H. M. J. Klein's History of "Lancaster County,  
Pennsylvania"  
United States Census of Population  
Lancaster County Planning Commission

### APPENDIX A

#### TO THE STOCKHOLDERS OF THE LANCASTER DEVELOPMENT CO.,

Lancaster, Pa., May 2, 1927

Your Board of Directors have declared a dividend of \$9 per share on all stock of record at this date. The enclosed check is for the amount due on the number of shares held by you.

This dividend is the result of the sale of about ten acres of land of S. Z. Moore, Esq., and the sale of several smaller tracts.

A recapitulation of the remarkable results obtained by this corporation, on a comparatively small amount of capital, may not be out of place on this, the 25th anniversary of its organization.

The Company was chartered in May, 1902—authorized capital \$60,000.00, divided in 1,200 shares of \$50.00 each. Only \$12.50 per share or \$15,000.00 was paid into the Treasury, the balance of money required was borrowed on mortgage and notes of the Company.

The primary object of the incorporators was to secure land having railroad facilities and holding the same for manufacturing and building sites at fair and reasonable prices. The matter of financial profit to the stockholders was of secondary consideration.

The matter of financial profit to the stockholders was of secondary consideration.

The original Board of Directors and officers were as follows:

Richard M. Reilly, President; M. T. Garvin, Vice President; Allan A. Herr, Secretary and Treasurer; Paul Heine, P. T. Watt, H. S. Williamson, Chas. A. Fondersmith.

The Company purchased in all about 148 acres of land costing approximately \$95,000.00; built a sewer system costing \$10,700.00; laid water mains costing \$7,800.00, and opened and graded nearly 3 miles of streets.

Two successful lot sales were held and the following industries have been located on the lands sold by the company:

The great Armstrong Linoleum Plant, The Lancaster Steel Products Co., now owned by the General Motors Co., The Sterling Plant of the Bearings Co. of America, The General Products Co., The Sherrick-Shope Brick Co., The Lancaster Duntile Co., The Atlantic Refining Co., a large coal and lumber yard and a planing mill.

In addition to the above there are 113 substantial brick dwellings supplied with water and sewage facilities and a Public School House.

With this dividend the following sums have been paid to the stockholders from time to time:

September, 1907 .....	\$ 4,800.00
November, 1912 .....	5,400.00
June, 1923 .....	42,000.00
June, 1924 .....	9,600.00
December, 1925 .....	6,000.00
May, 1927 .....	10,800.00

Total .....\$78,600.00

The first two payments were in reduction of capital, so that the capital now is 1,200 shares at \$4 per share or \$4,800.00, our only liability.

As against this capital the company still owns the sewer and water systems, 18 building lots on Manheim Avenue valued at \$5,400.00 and 11 building lots on Garfield Avenue valued at \$2,200.00.

Your Board of Directors feel a natural pride in being able to make such an excellent showing from an original investment of only \$15,000.00, and they heartily congratulate the stockholders, not alone for the handsome return on the money invested, but on what they consider of vastly more importance—the securing to the community a large number of thriving industries, giving employment to thousands of our people and the building of over 100 comfortable and substantial homes. We deeply deplore the loss by death of our President, Richard M. Reilly, Esq. He gave liberally of his time in the interest of the Company, served as President of the Board of Directors from the date of its organization until removed by death, and much of the success of the Company was due to his energy and wise counsel.

Respectfully submitted,

M. T. Garvin, President; Wililam H. Hager, Vice President; Allen A. Herr, Secretary & Treas. Paul Heine; Charles F. Hager; William Shand; P. Harry Wohlsen, Directors.

## APPENDIX B

Armstrong Cork Company, founded 1860 in Pittsburgh, Pa., as Armstrong, Brother & Company. Incorporated in 1895 as Armstrong Cork Company following a merger of Conestoga Cork Works (Arnold and Co.), Lancaster Cork Works (Byron G. Dodge), and the Phoenix Cork Works (American Cork Co.) into the Armstrong organization. The Floor Plant was begun in July, 1907.

Lancaster Machine and Structural Steel Works, incorporated 1906 with a capital of \$350,000. William DeHaven, President; William B. Gontner, Vice-President; J. H. Mowrer, Secretary; John W. Anne, Treasurer. Originally known as Anne & Thomas when started about 1881 at 319 Filbert Street.

New Process Steel Co., incorporated 1911 with a capital of \$50,000. Began as New Process Steel Wire Manufacturing Co., and in 1907 was renamed. In 1911 the company was re-organized as the Lancaster Steel Products Corporation. and in 1919 it became a subsidiary of the General Motors Corporation. In 1909 Fred R. Ingersoll was President; A. H. Hostetter, Vice President; W. A. Sherwood, Treasurer; and C. H. Ingersoll, Secretary and Sales Manager.

The New Process Steel plant buildings were absorbed into the Armstrong plant and were used for linoleum finishing operations (lacquering and waxing). The Lancaster Machine and Structural Works buildings were taken over by Armstrong and used for felt-base preparation operations.