

# O & W'S SCRANTON DIVISION

VOLUME I

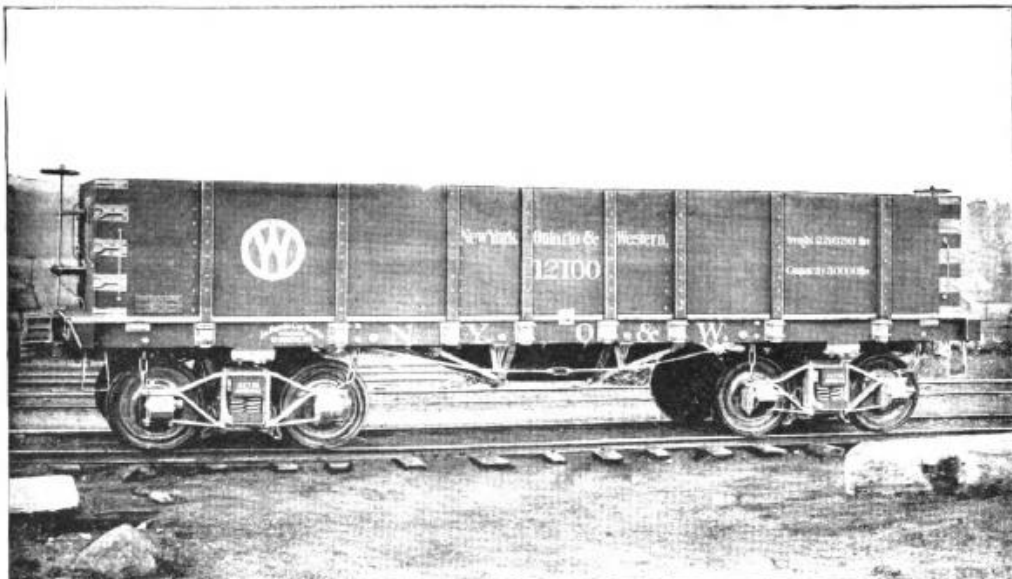
A LATE ARRIVAL SHAKES THINGS UP

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Many people interested in the O&W are familiar with the usual story that the O&W built down to Scranton; the Scranton Division opened in 1890; O&W made lots of money hauling a torrent of anthracite and then the mines were exhausted and the O&W went bankrupt. And, oh yes, they ran symbol freights to/from the New Haven Railroad at Maybrook Yard. There is a lot more to the history and some of it has been covered elsewhere.

The Scranton Division's infrastructure has been covered extensively before, in pictorial form. The Scranton Observer, Auto Guide, Mayfield Yard and Carbondale Viaduct, all publications of the O&W RHS, were basically picture books. There is also the Morning Sun color book. Many of those interested in the Scranton Division at this late date will have these publications in their library and can refer to them for photographs of its construction, the bridges and trestles, etc.

Helmer and Karig have covered some historical aspects. This volume and the two following volumes will attempt to provide a much more text-based, in-depth history and analysis of the Scranton Division as it was most commonly known.

D&H and O&W were friendly partners in the 1880's at Sidney where D&H delivered anthracite destined to Oswego and other destinations. But when O&W's construction companies started surveying and building into D&H territory, there ensued a considerable court battle as D&H tried to obstruct the project. Even Erie got into the act at Hancock Jct.

O&W, through subsidiaries and local allies and with the support of British and Dutch investors, aggressively sought contracts with independent producers binding their output for transport. The company soon built up quite a reputation as an up and coming enterprise already enjoying a large measure of success. Its purchase of Lackawanna Iron & Steel's coal properties for \$4,000,000 was the costliest ever in the Lackawanna Valley and O&W beat out the home town favorite, much larger DL&W. DL&W battled Mount Pleasant Colliery's owner unsuccessfully to prevent a switch to O&W.

However, the independent producers who had encouraged the O&W's entry were not satisfied and advocated three successive schemes to bring yet another railroad into the region. The anthracite carriers managed to kill these efforts.

Within a few years of the 1890 startup, O&W was suffering financially from low market prices while having to invest all profits into capital improvements such as waterfront terminals, heavier rail and larger rolling stock while eschewing dividends. O&W's entry into the Lackawanna Valley was a major factor in destabilizing the market for anthracite through oversupply driving prices down to unprofitable levels. The anthracite carriers had to agree to a new system of percentage allocations because the existing one excluded O&W, NYS&W and Coxe Bros. This limited the future growth of O&W's business, but, on the other hand, they too were suffering from a depressed market.

The reserves of the collieries tied to the O&W's were the smallest of any anthracite carrier and management knew that from the start. Even the LI&SC purchase and various other actions were just not enough to overcome that handicap. Most independents were already controlled by competitors. O&W served many collieries over the years but few were really productive or enjoyed more than a few years of high output. The other roads, like neighboring D&H, served collieries that dwarfed O&W collieries both in annual production and in the number of highly productive years.

So, we know how the story ultimately turns out. But, for a few decades, the O&W gave a good account of itself and cast a large shadow over the Lackawanna Valley. These pages contain the first few chapters of that narrative.

202 pages, glossy paper, indexed, bibliography, 42 illustrations, 17 maps and assorted passenger timetables.