The local iron industry received a great impetus in 1840 owing to the successful smelting of the iron ore by the use of anthracite. Before 1840 anthracite had been used in place of charcoal, but not until 1840, when the Lehigh Iron Co. (later changed to the Crane Iron Co.) started its first blast furnace at Catasauqua, was the experiment entirely successful. To furnish ore for the furnace several iron mines were opened in the vicinity.

Within the next decade iron furnaces became numerous along Lehigh River from Coplay to Easton and most of them were run mainly, if not entirely, on local limonite ores (usually called brown hematite by miners and furnacemen), supplemented at some furnaces by magnetite ore from New Jersey. Scarcely a settlement along Lehigh River within Northampton and Lehigh counties has not at some time had blast furnaces in operation.

In 1857 the Saucona Iron Co. was organized to work the Gangewere mine in the Saucon Valley and to erect a blast furnace. The first plan was to build the furnace at the mine, but it was later decided to build the furnace at South Bethlehem, and the name of the company was changed to the Bethlehem Rolling Mills & Iron Co. Owing to financial difficulties, the erection of the furnace was not started until July 1861, and about that time the name of the company was changed to the Bethlehem Iron Co. On account of the Civil War it was not until January 1863 that the furnace was completed and put into operation. In 1868 the Northampton Iron Co., which owned large iron mines in the Saucon Valley and which was building a furnace near Freemansburg, was merged with the Bethlehem Iron Co. For many years a large part of the ore used came from the Saucon Valley. At present the company, which is now the Bethlehem Steel Co., uses no local ores.

The next furnace on Lehigh River was that of the Coleraine Iron Co. at Redington, which company was organized by W. T. Carter & Co. of Philadelphia in 1869. Two furnaces were operated for several years but are now in ruins. The company owned and operated four mines in Northampton County, three in Lehigh County, and three in Berks County.

South of Island Park along Lehigh River is the Keystone furnace, which for years obtained its ore from mines near by. The building of the furnace was started in June 1873 and it was first put in blast April 17, 1876. On April 1, 1882 it was purchased by the Thomas Iron Co., which operated it for many years.

Two iron companies have operated furnaces in the Saucon Valley. The largest operator was the Saucon Iron Co., which built two furnaces at Hellertown, one of which was put in blast on March 25, 1868...