

## **Town Building and Town Persistence in Virginia's Blue Ridge: Lessons from the Past and for the Future**

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*This paper looks at eight towns in the southern Blue Ridge section of Virginia, USA, during their formative stage, circa 1880-1920. It asks why they were built and why some persisted while others faded. Three major factors seem to predict their creation and longevity: 1] the availability of an appropriate transportation system, 2] their level of economic complexity, and 3] the proximity (or distance) to their source of investment capital. Towns based on single resource extraction, financed by distant capital fared the worst, while locally developed, economically diverse communities did well. The results tend to re-enforce Helen Lewis's Internal Colonial Model. This story of creation and collapse in southern Appalachian America offers a cautionary tale for post-Soviet Eastern Europe.*

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Prior to the American Civil War, 1861-65, a “stable, but not static”, society and culture developed in the southern and central Appalachians. During that war some outsiders became aware of the area’s rich natural resources, especially timber and coal, but also iron, lead, and other minerals. With the advent of the 2<sup>nd</sup> Industrial Revolution after the war, outside corporations, often not far from southern Appalachia, desired large quantities of raw materials, the cheaper the better. Appalachia, not having its own government, lay vulnerable to invaders.<sup>2</sup>

The invasion was not military in nature. With alacrity the outside corporations, frequently using local surrogates, moved to acquire timber and mineral rights to much of the region. They quickly gained control of the region’s administration, which they used for their benefit. They drained the resources as efficiently as possible with no thought to the long term effects on the local populace, only short term profit margins. Moral and social qualms were eased as the people were recast from noble pioneers and loyal citizens to either quaint and hapless “contemporary ancestors” or dark and dangerous violent producers of illegal

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whiskey. Whether one romanticized them or demonized them, they “otherized” the Appalachians. Once “otherized,” exploitation became uplift and progress (Lewis 1978, 16-17).

This paper examines the Blue Ridge Mountain portion of southern Virginia around the turn of the century, 1880-1920. It examines the creation of eight towns and their ensuing lives. Why were they created? By whom? What shape did they take? How long did they last? The composite of these stories may tell us much about the history of Appalachia and its development and possible future, as well as other similarly situated areas, such as the Carpathian Basin in the 21<sup>st</sup> century. For these original mountain towns 125 years ago three factors seemed to be determinative: the existence of “modern” transportation, the complexity of economic activity, and the distance from which investment capital came. We investigate four pairs of towns: two timber towns, Damascus and Troutdale; two iron towns, Sylvatus and Ivanhoe; two manufacturing towns, Fries and Galax; and two county seats, Independence and Hillsville.

At that time, modern transportation meant railroads. Traditional water-borne commerce worked against the area’s favor. To the east lay the Blue Ridge Escarpment. There small creeks tumbled down 300 to 400 meters to the piedmont, thus making them totally unsuitable to any kind of traffic. The winding and treacherous dirt roads also lacked viability for commercial purposes. The ironically named New River<sup>3</sup> rose in the Blue Ridge, but flowed west across the Great Valley and through the Allegheny Plateau, far from markets. Movement of people or goods by wagon depended on small, poorly maintained roadways, good only for nearby destinations.

The Great Valley long possessed a railroad. Built as the Virginia and Tennessee, it became the Atlantic, Mississippi, and Ohio under Virginian William Mahone. During the depression of the 1870s, it went into receivership (1876). In 1881, E.W. Clark and Co. purchased the A.M.&O. at auction and re-christened it the Norfolk and Western Railroad (N&W). Thereafter, all major decisions about transportation would be made in Philadelphia board rooms.<sup>4</sup>

Central to this story are three separate lines built out from the N&W into the southern Blue Ridge. The Abingdon Coal and Iron Railroad connected rich coals deposits in Wise, Virginia, with brown iron ore in Washington County. Former Confederate General J.D. Imboden envisioned a great steel-making center and named the place Damascus. After his death and the depression of the 1890’s, the line

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<sup>3</sup> Geologists generally agree that the New River is actually the second oldest river in the world.

<sup>4</sup> *First Annual Report of the President and Directors of the Norfolk & Western Railroad Company to the Stockholders for the Year Ending December 31<sup>st</sup>, 1881* (Philadelphia: Allen, Lane, & Scott’s Printing House, 1882), 5-6 “Corporate History”; also note in the 2<sup>nd</sup> Annual Report of the N&W, 1882 that 7 of 13 directors and 6 of 10 officers of the railroad resided in Philadelphia; Nelson Morehouse Blake *William Mahone of Virginia: Soldier and Political Insurgent* (Richmond: Garrett and Massie, 1935).

from the N&W at Abingdon to Damascus would be taken over by northern timber interests and extended over White Top Mountain to West Jefferson, NC, with a number of narrow gauge tracks lain up into the neighboring valleys and coves (Striplin 1981, 101-103; Hassinger 1967, 1-16; Hall 1950, 7-8).

One county north, in Marion, VA, in 1891, a combination of local and New York interests chartered and built the Marion and Rye Valley Railroad to reach ore deposits southeast of the town. That road later came under primary control of the U.S. Lumber Co. Also the Virginia Southern Railroad was constructed from Troutdale to the Marion and Rye Valley terminus, making virtually one line. The Fairwood Lumber Company then extended the line from Troutdale west to their new and short lived eponymous town in Grayson County (Sheffey 1907, 18-19; Hull 1891, 4-10).

The N&W itself undertook perhaps the most ambitious project of the three. They desired to ship coal out of their service area in southern West Virginia and southwestern Virginia to southern markets. The cost of transportation put them in a disadvantageous position in the lucrative northern markets. They determined to lay a line south from Martin's Tank (later, Pulaski) running along the New River and then down the escarpment to Mt. Airy, NC, where they could link to the Cape Fear and Yadkin Valley Railroad into Winston-Salem and points south. The N&W wished for mineral and other developments along the new Cripple Creek Extension (later called the North Carolina Extension), to pay for its construction. However, while they pursued that project, a combination of business interests in Roanoke, VA, and Winston-Salem, NC, erected a new line between those two cities. The N&W immediately leased, then purchased, the line, thus gaining their desired target and negating the need to complete their own project. Construction halted temporarily at an obscure, hard to reach location called Chestnut Yards (Corporate History, 21-22, 54-118).

The N&W, knowing that a railroad terminus represented a prime location for commerce and that Chestnut Yards lacked suitability, extended the line to a spot called Blair (now, Cliffview), which just happened to be the home of Thomas L. Felts of Baldwin-Felts Detective Agency fame, or infamy. Thus modern transportation in Virginia's southern Blue Ridge was set. Yet the first two towns we consider never acquired a railroad, even though local economic leaders hatched numerous schemes to that end.

In 1842, the former county of Grayson split in two. The western half retained the name, while the eastern portion became Carroll County. The former county seat, Old Town, lay nearly on the new dividing line, rendering it useless for all practical purposes. Almost every official act, from recording a birth, marriage, or death to any court case required a trip to the county courthouse, making a central location therefore more desirable. Those who sought the creation of Carroll had already determined to make their new seat at Hillsville. With a fairly central location at the main crossroads with a healthy elevation, the nascent town offered a logical choice.

In the meantime, Grayson witnessed an intense competition between multiple communities. Eventually (1851), a state appointed commission designated an independent site to be the new county seat, which came to be called Independence. Both Hillsville and Independence suffered similar drawbacks yet also possessed similar advantages for development. Neither attracted a rail line or any industry. It would be decades before a paved road served either. Yet their location and status required a courthouse and offices, and attracted schools, taverns, boarding houses, lawyers' offices, and merchants, as well as some of the less common tradesmen, such as wheelwrights or coopers. The steady stream of county residents registering deeds, paying taxes, etc., not to mention the crowds that attended "court days" or elections, answered the survival of the two towns, even if they did not enjoy noticeable growth. Such would not be the case for the other towns under consideration (Fields 1976, 9, 78-82; Galax 1924, 3-5; Bowman 1993, 12).

The N&W's North Carolina extension passed through the "New River-Cripple Creek Mineral District," which contained a fair number of relatively small, locally developed iron mines and charcoal furnaces which produced basic pig iron. Rail construction seemed to also pave the way for non-regional investors such as the Lobdell Car and Wheel Company of Wilmington, Delaware; Joshua and Francis Hendricks of New York City; and the Carter Iron and Steel Company of Pittsburgh. These concerns bought most of the old furnaces, sometimes replacing them with coke fired ones, and often purchased large tracts of mineral rights. They would erect the first furnace at the future site of Ivanhoe. The iron furnace owners and their top employees positioned themselves to benefit from the construction of a new town, purchasing land and platting it out. Members of the local elites and more regional entrepreneurs built the commercial infrastructure to support the new industrial workers: stores, hotels, restaurants, druggists, an Opera House, a bank, a telephone exchange, and other smaller ventures (McCreath 1887, iii; Boyd 1892; Ivanhoe 1990, 39-44; Chataigne 1972, 171-183).

The owner of Carter Iron and Steel sent his son Howard to manage the Ivanhoe operations. Upon his arrival, he built a mansion in which to live. Residents still speak of the Carters' sophistication and the incredible array of toys owned by their children. After the furnace was sold in 1918, the Carters returned to Pittsburg. The nascent, local bourgeoisie as well as the new proletariat remains (Ivanhoe 1990, 50-51, 55-62).

Sylvatus, Virginia, in Carroll County, appears to have been a fairly typical mountain settlement in the early 1880's, with a couple of merchants, corn and flour mills, a wagon maker, a distiller, a tanner, and an undertaker. Then the settlement boomed for two reasons. First, the N&W built an 11.7 mile branch line to it. Second, the Virginia Iron, Coal, and Coke Company (VICC) acquired over 8,000 acres (73250 hectares) of mineral lands and erected a mining headquarters near "old Aunt Betty Baker's." Soon two produce warehouses, hotels and boarding houses, professional offices, and several saloons surrounded the Betty Baker mines. Before

long, it had its own bank and the Sylvatus Bottling Company, producing soft drinks. The town continued to grow and prosper until the market for brown iron ore went soft in the first quintile of the 20<sup>th</sup> century and the mines closed. It held on as long as the branch line remained in operation, especially since it was the nearest railroad to Hillsville, about ten miles away. Once service ended, it went the way of the timber based towns to the west (Bowman 1985, 35; Ivanhoe 1990, 79-90).

With the death of John D. Imboden and the downturn in the economy in the early 1890's, the future of Damascus looked bleak. However, Wilton Mingea, Sr., an N&W official took note of the timber potential and acquired rights to the Abingdon Coal and Iron Railroad (and changed the name to the Virginia-Carolina Railroad [VCCR]). He quickly enlisted support from major timber companies from Pennsylvania, New York, and West Virginia. He extended the line through Damascus, over White Top Mountain, and down into North Carolina. Various outside timber companies built branch lines through valleys and coves to facilitate the wholesale logging of hundreds of thousands of acres of old growth forest, stripping the mountains nearly bare. Simultaneously, local entrepreneurs went to work developing the town, creating stores, hotels, boarding houses, a leather works, a bank, a soda bottling works, and a newspaper. A clear pattern developed. Logging companies brought their own management teams and some skilled workers from the north. The local nascent bourgeoisie developed enterprises adjunct to the primary industry. The intruding corporations felled trees, usually turned them into boards, and shipped them via rail out of the entire region. Much of the wood went to Jamestown, NY, near both Lake Erie and the Pennsylvania border. Jamestown, NY, and Grand Rapids, Michigan were the two major furniture producing towns in the U.S. at that time and most of the forests in that area had already been consumed, thus they sought new fields for exploitation (Lambie 1954, 27; Hassinger 1967, 11; Hall 1950, 16-18).

Troutdale's story bears strong similarities to that of Damascus. The Marion and Rye Valley started as a means to extract ore, but outside timber interests purchased it specifically for their own use. The town grew as a processing center, servicing the industry. Local investors, hankering for the new middle class, rushed in to create the usual array of enterprises as well as a couple of auxiliary industries, i.e., a locust pin mill and a chair factory.

Two manufacturing towns round out the cast. Both occur near the end of the North Carolina Extension. Local businessman J.P. Carico brought the future site of Fries, VA, to the attention of Col. Francis Fries, president of the Washington Mills Company of Winston-Salem, NC, a down-the-mountain regional city. Washington Mills negotiated a branch line from the N&W and built a dam, cotton mill, and full

company town on the banks of the New River. It mushroomed quickly, but then stagnated. Company control left no room for private investment (Bond 1976).<sup>5</sup>

Meanwhile, a group of locally prominent citizens created the Grayson Real Estate Co., enticed the N&W with a \$4,000 performance bond to again extend the main line to their property, and laid out the city of Galax. Galax became a commercial city with numerous, diverse, small to medium sized enterprises, all of which were locally owned until after World War I when new regional furniture manufacturers began to heavily invest in the area.<sup>6</sup>

The patterns of the fates of these eight towns provide us with significant lessons. Ivanhoe and Sylvatus did well until the bottom dropped out of the brown iron ore market. At that point the northern investors and owners pulled away. Sylvatus nearly vanished. Ivanhoe attracted a carbide plant and hung on until that market collapsed. Damascus and Troutdale thrived as boom towns until the timber vanished and the northern corporations packed up and left, shortly before the crash of 1929. Thereafter the town both shrunk rapidly despite the efforts of the aspiring native bourgeoisie who were “left holding the bag.”

Washington Mills at Fries eventually went through several hands. Different companies sold the houses to the workers and the company businesses to private investors. The town remained about the same until the last owners closed the mill in the 1980's, leaving the town with no economic base. Galax had a broader economic base with both commerce and light industries. Ownership remained predominantly in the hands of locals, creating a stable petite bourgeoisie. It grew to be the largest and most stable of the towns, eventually attaining the status of independent city under Virginia statutes.

Thus, six of the eight towns came into existence thanks to the coming of the railroads. However, all three sets of tracks have been dismantled. The VCRR and the NC extension of the N&W went through a “rails to trails” process. The three most enduring towns – Galax, Hillsville, and Independence – now all sit alongside a major state highway, Route 58.

Sylvatus, Ivanhoe, Damascus, and Troutdale relied on the extraction of a single raw material. When the resource was depleted or lost value, the towns withered. Fries had one manufacturer and remained static. Galax, Independence, and Hillsville possessed a more complex economic base and survived. Finally, the more

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<sup>5</sup> Rose Porter, “A Fifty Year Historical Sketch of Washington Mills” unpublished manuscript, 1953. This 54 handwritten page document is in the Grayson County Historical Society archives in Independence, Va.

<sup>6</sup> Charles Churchill, Chief Engineer, to N.D. Maher, General Manager, May 28, 1906, Norfolk and Western archives (#2459) at Virginia Polytechnic Institute & State University, Blacksburg, Va.; Bowman, *Carroll County*, 91; Bill Brown, ed., *The Bicentennial Celebration of Galax, Virginia, 1776-1976: Galax, 1906-1976* (n.p.: n.p., 1976), 5; *Grayson Real Estate Company, Ledger, 1903-1907*, photocopy in possession of the author.

distant the source of development capital, and consequent control, the less likely they were to survive. Distant capital built Ivanhoe, Sylvatus, Troutdale, and Damascus. Regional money created Fries. Local investment determined and sustained Hillsville, Independence, and Galax.

The lesson should be obvious. Outsiders desire short term profits and after they have bled you dry, they will leave you cold. Nearby investors represent only a slight improvement. Success comes when the native people produce a complex and sustainable base. The choice is between self-determination and self-rule or colonial-like exploitation.

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