

# Carnegie, Tennessee

*Originally published in The Blue Ridge Stemwinder,  
Journal of the ET&WNC Historical Society, Fall 1998  
By Robbie D. Jones*

## The "Boom Town"

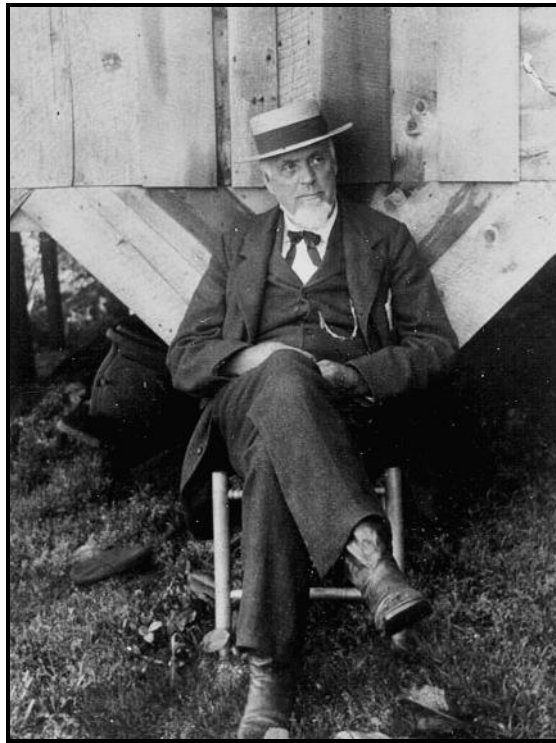
With the opening of the East Tennessee and Western North Carolina (ET&WNC) Railroad in 1882, the village of Johnson City began to experience an economic boom. Between 1880 and 1884 its population rose from 700 to 1,373 and many new businesses appeared near the junction of the East Tennessee, Virginia & Georgia Railroad and the ET&WNC. By 1889, Johnson City had become one of the "most thriving towns in the State" with a population of over 4,000 nearly one-fourth being African-American.

Johnson City's growth was coupled to the growth of railroads and the iron industry of the South. In 1886, southern railroads switched from a five-foot gauge to the national standard of four feet, eight and one-half inches. This change integrated southern lines into the national network, but symbolized the northern domination of the region's railroads. During the 1880s, northern and European capital also helped fuel the growth of the iron and steel industry in the South. In 1880, the southern states produced only 9 percent of the nation's pig iron. However, by 1890, the proportion had doubled. Most of this growth was centered in northern Alabama, where Birmingham was becoming the "Pittsburgh of the South." Phenomenal growth also took place in East Tennessee towns including Chattanooga, Dayton, Rockwood, and Johnson City.

In early 1889, **Andrew Carnegie**, a successful northern steel industrialist and wealthy philanthropist, offered to build a lavish public library and a large steel mill at Johnson City; but only if residents would change their town's name to "Carnegie." The citizens of the small, but growing, town pondered the idea but ultimately refused the world-renowned industrialist's offer. However an East Tennessee industrialist (and a prominent Union General of Civil War fame), **John T. Wilder** attached the name "Carnegie" to a new town adjacent to Johnson City. This independent town was located on the northeastern fringe of Johnson City, where in the spring of 1889 Wilder planned an extraordinary city with impressive public amenities.

On November 30, 1888, the State of Tennessee chartered Wilder's "Watauga Improvement Company" at Johnson City. The charter stated that its development would consist of "the erection of houses and public

buildings, laying out and grading streets and alleys, establishing sidewalks, pavements, constructing sewers, and the establishment of schools, public halls and libraries.”



**General John T. Wilder: 1885**

Just a few months later, Wilder apparently renamed the Watauga Improvement Company. Chartered on April 10, 1889, the new development was called the **“Carnegie Land and Improvement Company.”** While no established connection has been made between Wilder and Andrew Carnegie, both were major industrialists and both were interested in developing the iron industry in the southern mountains. It is possible that Wilder solicited Andrew Carnegie’s financial backing of his original Watauga Improvement Company and associated industrial developments. It is also possible that Carnegie agreed to invest in Wilder’s Johnson City real estate venture, but only if the eccentric “robber baron” received the positive recognition that he sought from such a deal. Since Wilder could not convince the residents of Johnson City to follow through with Carnegie’s egotistical request, it is likely that he changed the name of his real estate development to appease the wealthy industrialist. It is also possible that Wilder changed the name of his planned suburban town to the “Carnegie Addition” because he assumed the residents of Johnson City would in fact change their town’s name to Carnegie.

Designed as a speculative industrial town alongside a new railroad line, lots within Carnegie were free for anyone who wished to build a manufacturing or industrial plant, as well as for churches, schools, and other public buildings. Financed by British investors (**Baring Brothers**) with \$2.5 million in capital, the 1,000 acre development featured a traditional grid plan and over 128 blocks with almost 1,800 residential lots. The Carnegie Land Company reserved a block near the center as a commercial Market Square. Lots for residential dwellings in Carnegie sold for the highest prices in Johnson City.



**Ad for Carnegie Furnace - 1891**

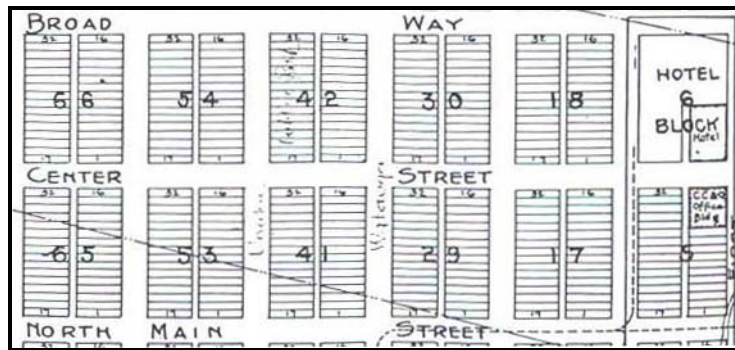
Almost overnight, Carnegie became a Victorian-era “boom town” with proposals for dozens of flamboyant new buildings; including houses, stores, churches, hotels, an opera house, railroad depots, various manufacturing plants, and at least three blast furnaces. With no end in sight for the colossal growth, investors from around the country, especially the Midwest, purchased dozens of lots at Carnegie and made plans for many new businesses.

Within a year, newspaper reporters from throughout Tennessee and around the country were investigating the success of Johnson City and its “suburb” called Carnegie, which was hailed as the **New South’s fastest growing industrial town.** The reporters, as well as many local boosters, speculated that Johnson City would grow to be as big as other leading southern industrial towns like Chattanooga, Knoxville, and Birmingham. Johnson City’s thriving and diverse population of 4,000 in 1890 included a large number of immigrants, mainly Italians, and nearly 1,000 African-Americans. Johnson City was growing so quickly that one bold observer predicted it would have over 100,000 people by the turn of the 20<sup>th</sup> Century.

Quickly planned on a massive grid, the new town connected with the existing city grid on its northeast corner. Wilder’s plan was done on a rectangular grid with approximately 128 blocks; 16 streets long and 9 streets wide. The new town was located on a valley between two ranges

of small hills; the southern range was called Tannery Knob. Brush Creek and the ET&WNC Railroad lined the southern boundary.

The summer and fall of 1889 were spent laying off the street grids, sidewalks, and other infrastructure for the Carnegie Addition. Although the streets adjoined existing city streets, they were given different names. The streets that connected with the existing grid pattern and ran east to west were given numbered names ranging from First to Ninth Avenues. However, the new cross streets which ran north to south were given unique names including King, Queen, Prince, Earl, Crown, Broadway, Main, Centre, Wall, Fair, High, New, Stuart, Baxter, Oak and Elm Streets. The names and spellings of these streets have a heavy English flavor, which apparently reflects the British investment of the Baring Brothers Banking firm. The block located near the center of the Carnegie Addition which was bound by Centre and Broadway Streets and Fourth and Fifth Avenues, was reserved for use as a Market Square.



**Portion of Carnegie Grid Plan**

By the winter of 1889-1890, the Carnegie Addition was ready for construction and development. The December 26, 1889 issue of the *Comet* reported that Wilder had recently made a trip to New York City to meet with the investors of the Carnegie Land Company. According to the newspaper, he returned “authorized to begin work at once on a blast furnace and hotel and is now contracting for brick to do the work.” The Carnegie Land Company set up an office, either in downtown Johnson City or in a building behind Wilder’s home at the intersection of West Maple and Spring Streets, and began selling lots within the Carnegie Addition.

In February 1890, the *Knoxville News-Sentinel* reported that Johnson City “is on a great boom.....the bottom of which will not fall.” The next month, the *Nashville Banner* reported that the Carnegie Land Company was “improving wide streets through 3,000 acres of land, a beautiful site for a considerable city.”

A. B. Harris, the president of the Massachusetts & Southern Construction Company, purchased an entire block at the corner of Main Street and Seventh Avenue. He planned to build a hotel that would be the “showiest and most conveniently arranged that can be designed by architects,” and that it would be “built regardless of expense and with the sole purpose of making a summer and winter resort of high grade.”

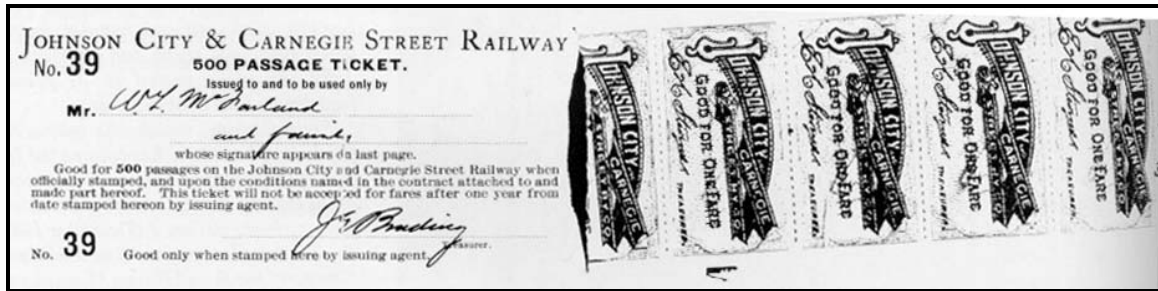
In early 1890, Carnegie Land Company workers began excavating for the new \$100,000 “Carnegie Hotel,” a brick four-story structure on the corner of Second Avenue and Centre Street. A few businesses in Carnegie were already open, including the Wilder & Allen grocery store, partially owned by Wilder himself. Other businesses were under construction or being planned. The included a large brick warehouse built by **James A. Maher** (Wilder’s son-in-law), a brick manufacturing plant, a rolling flour mill, an opera house, and the Carnegie Land Company’s four story general offices adjacent to the Carnegie Hotel. Plans were also underway for several blast furnaces. The Three C’s Railroad, another business Wilder was involve in, built an office building, passenger station, and freight depot in Carnegie in 1890. Over sixty houses were built in the Addition by the end of March.

The Carnegie Land Company also donated lots within Carnegie for the construction of public buildings such as schools and churches. The *Comet* reported in June 1890 that the “Episcopal Church selected two lots at the corner of Fair Street and Fifth Avenue..... for a new church of stone.” The *Comet* also stated “that every denomination in the city has taken advantage of the offer of the Carnegie Land Company and selected sites for new churches,” which were donated and included ground for adjoining parsonages. Local residents also raised funding for a public school and planned for its construction on a free lot.

Parts of the Carnegie Addition were located over one mile from the downtown commercial district at Johnson City. To encourage growth at Carnegie, Wilder planned a streetcar line to connect the new town with downtown and other parts of Johnson City. Wilder established the **Johnson City & Carnegie Street Railway Company**. The four-mile line originated in downtown, and traveled north on Roan Street before turning East on Watauga Avenue, which turned into Fourth Avenue upon entering Carnegie. After passing through the center of Carnegie, the line turned north on Main Street and led to Lake Watausee, a popular spot for local recreation.

By the end of 1890, houses, commercial businesses, and manufacturing plants were going up all over Carnegie. The streetcar line was carrying passengers back and forth to the bustling new town. Wilder, however,

maintained his own home and office on the south side of Johnson City near downtown.



**Ticket Block from Carnegie Street Railway**

Wilder’s plans for Carnegie, and for Johnson City, were ambitious but considering the booming economy they were not that formidable. However, even with all his resourcefulness and experience, Wilder could not predict the future or that his vision for a “grand city” would fail so quickly.

A victim of his own success, competitive developments began to spring up near Johnson City soon after construction at Carnegie began. One of the newly developed similar British-financed industrial towns with a blast furnace was **Embreeville**. Other developers established residential suburbs at Johnson City in 1890, including the Iron Belt Land Company and the Johnson City Real Estate Company. These residential developments were closer to downtown and did not require residents to commute long distances on streetcars.

In addition, construction at Carnegie began to slow due to an economic depression and a downturn in the southern iron market. This forces the British investors to halt construction of the Three C’s Railroad, although the line was nearly half-completed between Charleston, South Carolina, and Ashland, Kentucky. The investors also suspended financing for new construction at Carnegie.

Finally, three unpredictable and devastating blows against Wilder took place almost simultaneously. In 1892, the gigantic **Mesabi Range** of high-quality and easily mined iron deposits was opened in Minnesota, reducing the value of southern iron ore immediately. The following year, Wilder’s wife, Martha Stewart, became ill and died of cancer. This calamitous event took a tremendous amount of energy from his business ventures.

But the most catastrophic blow took place later in 1893, when the stock market crashed worldwide. Called the “Panic of 1893,” the crash

plunged America into a severe economic depression. Almost 500 banks and 15,000 businesses went bankrupt. The Panic also caused banks to fail worldwide, including the Baring Brothers, which consequently bankrupted the Three C's Railroad and the Carnegie Land Company.

The Carnegie Hotel had been finished by then, but many other projects at Carnegie had not, including the extravagant **Union Railroad Passenger Station**, designed by Chattanooga architect William H. Floyd. While the streetcars at Carnegie continued to run, the unfinished Carnegie Furnace sat idle. Investors canceled their bold plans for new commercial enterprises, and Wilder's dream of a grand new city called Carnegie was crushed.

After the bankruptcy of the Carnegie Land Company, many of the remaining lots were auctioned to local developers, such as **Harry Gump**. Devastated, Wilder moved to Monterey, Tennessee, to start over and to begin a new adventure in coal mining. Johnson City constructed a new public school at Carnegie in 1893, named the **Martha Wilder Carnegie Public School**, in honor of Wilder's recently deceased wife.

While the Cranberry Mines reopened in 1895, the bankrupt Carnegie Furnace was never "blown in." In 1902, the Cranberry Iron Company closed their small furnace at Cranberry and purchased the defunct Carnegie Furnace. The company repaired the long-idle Carnegie furnace and soon began operations there, renaming it the Cranberry Furnace.

The two-story commercial building that faced Centre Street on the north side of the Wilder block burned around 1908. One small building of this group remains today. The original Wilder Block was purchased by the C. C. & O (Clinchfield) Railroad for use as general offices and later by the Empire Chair Company for use as a factory. The palatial **Carnegie Hotel burned to the ground on April 3, 1910** and the adjacent Clinchfield Railroad office building was unharmed.

In the early Twentieth Century, developers who had purchased empty lots at Carnegie began to develop new residential subdivisions. Harry Gump developed lots in the northern end of Carnegie into "Hillrise Park," and created a new neighborhood of upper middle class housing near the new Johnson City Country Club and golf course. Another developer created the "Forest Park" subdivision.

Beginning in the 1910s, African-Americans began to purchase the empty lots surrounding the old Carnegie Hotel site and new Empire Chair factory. By the 1920s, a black public school and several black churches were located in the eastern end of the old Carnegie Addition. Many African-American steel workers at the Cranberry Furnace built homes

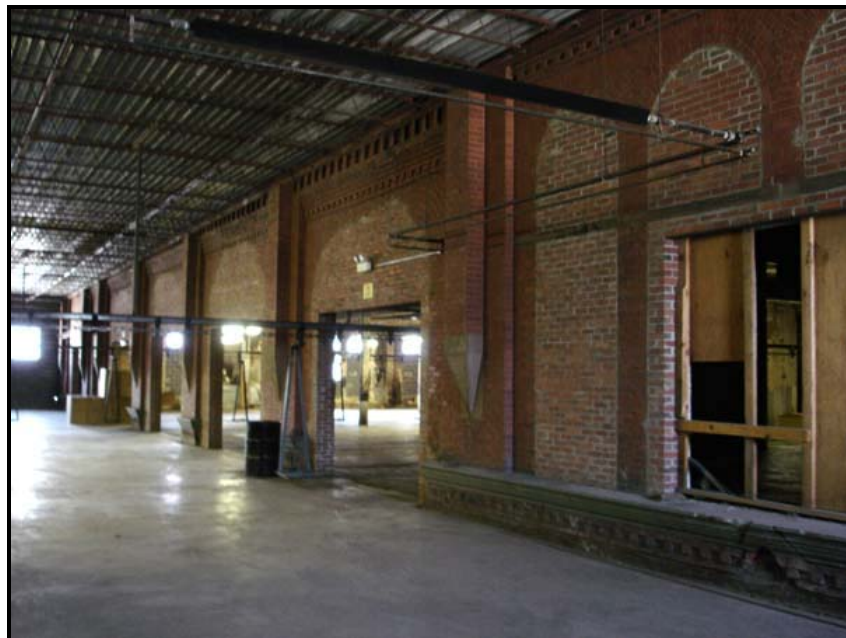


near the furnace in Carnegie and by World War II the core of the old Carnegie Addition was an impressive black community in eastern Johnson City.

The old Carnegie Addition continued to experience industrial growth in the Twentieth Century. The **General Shale Brick Company** constructed a massive factory at the southern edge of Carnegie in the 1920s. After shutting down in 1929, the Cranberry Furnace was replaced with a new Southern Mica Factory in the 1930s. A chemical fertilizer plant located adjacent to the mica factory in the 1950s.

The Martha Wilder Carnegie School became the Johnson City Vocational School in the 1940s. In the 1950s, a new school built near the center of the original Carnegie Addition incorporated the original Market Square into its lot. Called the “Annie Wilder Stratton School,” it was named for Wilder’s daughter who married Frank Stratton, the original “promoter” of Carnegie.

In the 1970s, the Tennessee Department of Transportation constructed a new freeway (now Interstate 26) through the western end of the old Carnegie Addition. Today hardly any physical reminders of Civil War General John Thomas Wilder’s “grand city” remain, except for the original street grid, some of the original street names, and a portion of the abandoned Empire Furniture Company facility that originally housed the offices of the 3-C’s and later Clinchfield Railroads.



**Surviving Remnant of Wilder Block: Note Arches and Architecture**