Some of the earliest accounts of Clode Sound in the 1870's describe the area as "a great quantity of good undisturbed land just awaiting the axe and plough of the settler."

With the establishment of the railway through the area and the building of the coastal boat terminal in 1892, opportunities for new markets in the lumber industry emerged for the community. Between 1890 and 1900, over 3.5 million feet of lumber passed through Port Blandford bound for St. John's and American ports.

In 1901, Daniel Pelley established a sawmill on Southwest River, and by 1911, the Stares family had built a mill near the steamer wharf. The Stares mill was reported to have six different kinds of saws, putting out matched board, shingles, heading and staves. It was also reported in the early 1900's that it was estimated that the men of Port Blandford would cut 35,000 bundles of hoops during a winter.

Over the next several decades, Pelley's became the largest producer in the area, and they purchased rough lumber and squares from local operations which were re-sawed, planed and shipped to market. In the early 1960's, the Pelley's mill caught fire and the loss led to a further decline in the industry. By the late 1960's, the majority of the larger commercial operations started to close and several of the smaller operations focused on selling to local distributors.

By the 1980's only a handful of mills remained, and today, a small number of them still exist for personal use.