

Washburn During The Roaring Twenties—Part 4

For the most part, the stores and shops along Bayfield Street survived but did not prosper during the 1920s. With a small local market and competition from chain stores in Ashland, now easily accessible by automobile, Washburn merchants were hard pressed to just stay in business. There was a general decline in the number of businesses, mostly between Washington Avenue and First Avenue East. Here were located furniture, jewelry and clothing stores dependent on people with money to spend on discretionary purchases, and many of them failed. From Washington Avenue to Sixth Avenue West, on the other hand, the principal businesses were grocery stores, meat shops, shoe repair shops, barbers, and boarding houses, serving the non-deferrable needs of people, so most of them were able to stay in business during the post-war economic readjustment.

Several new businesses were opened, most of which quickly failed. In 1920 three Washburn men organized the Northern Products Company to manufacture a sweeping compound, called "Nodusto" as well as other products, while in 1921 a Minneapolis party constructed a greenhouse next to the bank building, and in the same year a Minnesota firm began the manufacture of cigars. Other new businesses included an "electric bake shop," a bus

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line between Bayfield and Ashland, and "a fine men's clothing and furnishings store." The largest and the most enduring of the new businesses was the Washburn Manufacturing Company, established in mid-December 1919, to produce "excelsior" from poplar and birch bolts, supplied by farmers clearing their lands. A small plant was constructed on the Anchor Shipyard site, employing 15 to 20 men. By the end of September 1920 the plant was in operation, and in early 1922 the company began the manufacture of egg pads for egg crates. Business was seasonal, the plant closing in the summer months, or whenever there was a shortage of orders. In early April 1923 the plant was totally destroyed by fire, but was immediately rebuilt and back in production by the following month. In December 1929 the company announced an expansion of business with the expectation that the plant would operate year around. Another successful business throughout the decade was the Chequamegon Cooperative Creamery Association, estab-

lished by farmers in February 1919, in order to market their products over a broader area. The association rented the plant of the failed White Rose Creamery, on the southeast corner of Bayfield Street and Second Avenue East, then in 1920 built a new plant on the northeast corner of Washington Avenue and Omaha Street (now a private home). The creamery soon prospered, producing award winning butter and operating three milk routes.

There were the usual reports of prospective business bonanzas. In early January 1920 the Times reported "Oil Rumors Again Afloat," based on "oily water," which appeared in wells drilled by farmers. The old excitement about ore deposits was rekindled when farmers found indications of iron and copper ore on their properties. There were also rumors that the Du Pont plant would be turned into a tractor factory, that Henry Ford was going to construct a railroad "from the Twin Cities to some point on Lake Superior," that a representative of a match company was in the city looking for a factory site, and that "two strangers have been in the city several times" checking vacant buildings for a "national chain grocery store." None of these rumored possibilities, nor any of the many other imaginative reports about business bonanzas, became reality, however.

The shipyard and box fac-

tory, and small businesses along Bayfield Street were not the only enterprises that failed during the decade. In December 1923 the Northern State Bank and the Bayfield County Bank, both of which had been doing business in Washburn for many years, failed and were closed by the State Banking Commission. During the war the assets of these banks expanded by several times, but when the war ended and the boom economy collapsed, many of these assets became worthless and could not be liquidated, while at the same time deposits plummeted. As a result the banks could not meet their obligations to their depositors or creditors. The depositors were required to wait until the lengthy processes of liquidation were completed to receive about two-thirds of the value of their deposits. In January 1924 an application for a charter for a national bank was submitted to the federal government by a group of local men. The organizers purchased the Washburn Bank building from the city for \$4,000 along with the assets of the Bayfield County Bank, which had occupied the banking quarters in that building. The charter for the First National Bank of Washburn was received in mid-May and the bank immediately opened for business, ending Washburn's banking crisis.