DULUTH'S OTHER COMPANY TOWN

The McDougall-Duluth Company, Riverside, and World War I Shipbuilding

MATTHEW LAWRENCE DALEY
ON THE MORNING of July 4, 1918, more than 3,000 citizens, workers, and dignitaries gathered in Duluth’s Riverside neighborhood at the McDougall-Duluth Company shipyard to share in a celebration of patriotism and wartime production. On the dais, Gertrude Barnes, daughter of the company’s president Julius H. Barnes, waited to christen a hull decorated in ribbons and bunting and painted with the motto “Liberty. For. Ever.” Security at the normally closed facility was tight, the result of fevered visions of a fanatical German sympathizer planting a bomb.

Though planned as a brief, formal ceremony, the event called for some public celebration. The Duluth News-Tribune presented an award for productivity to C. E. Dion and his riveting crew, and a congratulatory telegram from the director of the Emergency Fleet Corporation was read to the crowd. McDougall-Duluth’s general manager A. Miller McDougall, son of company co-founder Alexander McDougall, spoke, praising the war effort and the skill of the yard’s workers. At 9:30 a.m. the launching crew set the hull on its way, the shipyard band played, and Gertrude Barnes shattered a bottle against the hull, formally christening the 256-foot vessel the Lake Helen. Within minutes, the yard crew began to put in place the keel and bottom plates of a new ship.

Stirred by music from the Fourth Minnesota Regiment band, the crowd, although soaked by the wave from the launching, joined representatives from the nearby Gary, New Duluth, Fond du Lac, and Morgan Park neighborhoods in a celebratory march. The Lake Helen, while not the first wartime vessel launched in the Twin Ports or on the Great Lakes, marked the high point of the war effort in Riverside’s yard.

The approaching World War I centennial has sparked renewed public interest and scholarship. Most discussion of the home front has focused on the rush to convert civilian industry to wartime production and build new facilities. Key to this endeavor was the federal government’s Emergency Fleet Corporation (EFC), which played a major role in planning, financing, and managing the construction of merchant vessels at giant new shipyards, which required vast worker-housing developments. The nearly exclusive attention to the EFC’s East Coast yards has overshadowed the contribution of those on the Great Lakes, including McDougall-Duluth. Its founders had a vision of a shipyard free from tense labor-management relations and supported by a comfortable, harmonious company town. To achieve this goal, company directors merged wartime labor policies with their own welfare capitalism and opportunism.

When World War I began in 1914, American exporters saw their business become vulnerable to disruptions in international shipping. Overnight, insurance rates increased dramatically, which helped send markets into recession. As the war dragged on into 1916 and the tonnage sunk by submarines mounted, shipping managers in the United States and the Allied nations grew increasingly alarmed. Because European shipyards were filled with military orders and repairs, opportunities emerged for American yards. This opening drew the attention of a notable Great Lakes figure and led to the creation of the new Duluth company and neighborhood.

Scottish-born Capt. Alexander McDougall found his greatest fame during the 1890s as the builder of whalebacks, unusual ships for the iron-ore trade. But the combined impact of the Panic of 1893, rapid changes in technology, and the consolidation of the Carnegie and Rockefeller steel, ore, and vessel empires had pushed McDougall out of his Duluth shipyard by 1898. With his entrepreneurial drive and connections from 30 years of work on the Great Lakes intact, McDougall returned in 1899 to his childhood home of Collingwood, Ontario, to start a shipyard with funding from the city’s Board of Trade. Collingwood Shipbuilding utilized his experience in steel construction and produced conventional vessels for the lakes trade.

During World War I, increased demand for grain from the Great Plains, along with higher railroad shipping rates, boosted traffic on the newly rebuilt New York State Barge Canal system. McDougall set out to create a revolutionary design for use...
on that waterway. He approached two potential investors, Duluth businessmen and grain merchants Ward Ames and Julius Barnes. They agreed to McDougall’s proposal and in December 1915 created the McDougall-Duluth Company to build his canal boats.

McDougall set up shop where he had built his first whaleback in 1888, a primitive shipyard on the sandbar at Fifteenth Avenue West and Railroad Street. Construction commenced on August 20, 1916, with McDougall providing day-to-day management. Work proceeded quickly and the first vessel, named Robert L. Barnes for Julius’s son, was launched on December 16 after crews cut through a foot of ice in the harbor.

Meanwhile, the war in Europe ground on. President Woodrow Wilson and his secretary of the treasury, William G. McAdoo, determined that both private funding and extant yards were insufficient to build and operate the number of vessels required. They persuaded Congress to pass what became the Shipping Act of 1916, which created the United States Shipping Board (USSB) and its public-authority entity, the Emergency Fleet Corporation.

The EFC established assembly-line methods for building a steel merchant fleet. Traditional shipbuilding entailed shaping each piece on site. Under the new program, steel mills supplied identical, punched hull plates ready for mass assembly, thereby reducing work hours as well as the number of rivets and other materials needed. The resulting ships had a heavily squared-off appearance with few fancy angles.

The new system worked best in yards designed for large-scale production, such as the huge start-up plants at Bristol and Hog Island, Pennsylvania, and Camden, New Jersey. Each faced enormous challenges: constructing the plant, organizing suppliers, and addressing critical shortages in manpower and housing. Though the Hog Island facility broke ground in late 1917 to great fanfare and laid the keel for its first ship in February 1918, the war ended before its first vessel entered service. Meanwhile, the Robert L. Barnes had commenced operation on the Great Lakes during the spring of 1917. Despite McDougall’s hopes for the design, no contracts were forthcoming. Looking to secure his investment, Julius Barnes took on a greater role in managing the company.

Born in 1873 in Little Rock, Arkansas, Barnes had moved with his family to St. Cloud in 1880 and Duluth in 1884. He went to work selling newspapers, became involved with the YMCA, and eventually rose to door boy for the city’s Board of Trade. He joined the grain business of Ward Ames Sr. in 1890, became a partner by age 26, and started his own ventures such as Klearflax Linen Looms, based in West Duluth. This classic self-made-man background shaped his outlook and carried him into public service. During the war, he served on the U.S. Grain Board and as a food commissioner under Herbert Hoover, a long-time friend.
Drawing on his connections, Barnes persuaded the manager of the New York-based Clinchfield Navigation Company to act as an intermediary with international vessel owners and agents. From this, McDougall-Duluth obtained its first job in March 1917, when a Swedish firm contracted for a vessel, the Maski, at a price of $450,000. Using its $54,000 advance, the shipyard purchased additional tools and materials and also began constructing “Ship No. 3” on speculation. The company did not wait long for a buyer. The British government had contracted for nearly 700,000 gross tons from a number of Great Lakes shipyards, and it purchased the new hull. By the end of May, the Clinchfield connection yielded five more orders from several French vessel lines.10

Starting with the Maski, McDougall-Duluth built ships of a type known as the modified Frederickstad design, developed by the Norwegian Board of Control. Their overall length of 251 feet, 43 feet in beam, and 18 feet in depth allowed them to pass through size-restricted canals to the Atlantic Ocean. These distinctive vessels and their variations would comprise the bulk of ships built on the Great Lakes for the war effort.11

America’s entry into the war in April 1917 meant that foreign owners would never take possession of ships they had ordered from U.S. yards. Using the authority granted by the Shipping Act, the USSB requisitioned all foreign and domestic vessels that were planned, in process, or completed. Great Lakes shipyards eagerly volunteered their services, and Merton E. Farr, president of the American Shipbuilding Company in Lorain, Ohio, led the calls for the EFC to consider inland yards for contracts. Along with McDougall-Duluth, two companies in Superior, Wisconsin, also began constructing EFC vessels.12

By the spring of 1918, the EFC had decided to increase production not through new yards but by assisting existing firms to expand. To that end, new contracts offered a “cost-plus” system that covered expenses for adding to facilities and also provided a payment to guarantee a profit, regardless of real costs. Barnes and McDougall had hoped to expand their shipyard only as much as private contracts warranted. However, under EFC policy—billed as patriotism but couched as a demand—McDougall-Duluth, like other companies, grew.13

On the positive side, government contracts allowed the company to move beyond the cramped and flood-prone confines of the Railroad Street yard. It turned its attention to a marshy site along Duluth’s western edge, up the St. Louis River on Spirit Lake. This area had been the focus of extravagant plans when platted in the 1870s. The Ironton Structural Steel Company built a plant there, starting in 1890, and the related Ironton Land Company sold lots for housing. (The firm hoped to produce steel nearer to the iron-ore sources than Pittsburgh.) The plant operated only briefly, closing in 1897 and sparking land and investor disputes. Not until 1905 did banker Jed L. Washburn clear the land title to form the Riverside Land Company. In 1910 he sold the standing structures to the Duluth Iron and Metal Works.14

The area received new attention in 1907 when U.S. Steel decided to construct a steel mill nearby. In 1914, a year before the mill finally began operating, Duluth’s first company town, Morgan Park, opened. Developers built two additional suburbs, Gary and New Duluth, to provide workers with more housing and commercial amenities. By 1915 the city of Duluth extended Grand Avenue and water mains to the area as construction continued. Thus by the start of the war, the old Ironton site had a great deal to offer.15

Using a combination of cash and company stock, Barnes and McDougall purchased the site, now officially called Riverside, in August 1917. A year earlier, they had bought Duluth Iron and Metal Works to provide engines and specialized parts for their vessels. Work at the site began immediately with a $225,000 investment. Dredges carved out three launching slips, three piers were built from the fill (held in place by wooden cribs), and pilings for docks were installed. The company hired architects DeWaard and Stauduhar to design separate machine and punch shops and an office building.

**Government contracts allowed the company to move beyond the cramped and flood-prone confines of the Railroad Street yard.**
The firm of McLeod & Smith began constructing the buildings needed for finishing vessels already underway at the old yard.\textsuperscript{16} As a result, when the hull for the \textit{War Centaur} was completed in October 1917, tugs towed it from the Railroad Street yard to Riverside for fitting out. The first Riverside-built hull, the \textit{Lake Portage}, entered the water on February 25, 1918, with the traditional sideways launching.\textsuperscript{17}

Infrastructure and housing posed additional challenges. Even before completing the purchase of the site, McDougall urged city officials to extend water mains to Riverside at a discounted rate. Speed was important: dormitories were being built for the first set of workers, who would begin arriving in the late summer of 1917. One vast structure was broken into five units: two offered double-decker bunks for 104 men per unit; two more were divided into 13 rooms each, holding 52 men per unit; and the final section contained the restroom, showers, kitchen, and shared public room. The dormitory continued to operate until 1919.\textsuperscript{18}

The development of Riverside also involved constructing private rental housing and commercial structures. Despite the relative proximity of Gary and New Duluth, Barnes and McDougall opted for an expensive, long-term housing solution: a carefully designed and planned company town. In building a separate area for some of Riverside’s workers (it was never large enough to house all of them), the company joined a broad movement of architects, reformers, and industrialists who believed that, to attract and retain a skilled work force, a firm needed to provide acceptable housing. Progressive Era managers such as Barnes thought that substandard accommodations acted as a catalyst for worker radicalization. Paternalistic intervention—welfare capitalism—was their response, embodied in places such as the mining towns of Gwinn, Michigan, and Tyrone, New Mexico, and industrial ones such as Torrance, California, and Kingsport, Tennessee—and Morgan Park.\textsuperscript{19}

World War I brought federal funding through the United States Housing Commission (USHC) to ease the overcrowding that the giant new East Coast yards produced in urban areas. Brush Park in Philadelphia (for Hog Island), Atlantic Heights in Portsmouth, New Hampshire (Atlantic Corporation), and most famously, Yorkshire Village in Camden, New Jersey (New York Shipbuilding) all helped set the stage for the New Deal’s planned communities.\textsuperscript{20}

Unlike other shipyards that relied on the EFC’s Housing Division or the USHC for funding and planning expertise, McDougall-Duluth studiously avoided such programs. Barnes and other company executives felt uneasy at accepting government funds that came with strings and oversight. General Manager A. Miller McDougall expressed concern at the thought of being overextended and then beholden to possibly unsympathetic government regulators. Though some funds did come from EFC contracts, Barnes and McDougall obtained most of their financing through local connections. Using their seats on the boards of local banks, they secured stable lines of credit for the initial expenses of constructing the first 25 houses.\textsuperscript{21}

\textbf{Shipbuilder Alexander McDougall, whose plan for grain-carrying canal boats launched the Duluth firm}

**Despite the relative proximity of Gary and New Duluth, Barnes and McDougall opted for an expensive, long-term housing solution: a carefully designed and planned company town.**
TOWNSITE AND PLANT McDougall-Duluth Co., Riverside, Minn.

SCHEDULE OF BUILDINGS.

A Riverside Hotel..................................80 ft.x120 ft.
B Riverside Store & Auditorium.................60 ft.x80 ft.
C Riverside Hospital..................................40 ft.x75 ft.
D Employment Office................................40 ft.x50 ft.
E Garage...........................................60 ft.x120 ft.
F Club House........................................20 ft.x60 ft.
G Dormitory and Wings..............................20 ft.x150 ft.
H Dining Hall and Kitchen..........................30 ft.x90 ft.
J Boat House........................................45 ft.x22 ft.
1. Administration Offices.........................45 ft.x128 ft.
2. Yard Offices....................................45 ft.x80 ft.
3. Cafeteria and Locker Room..................60 ft.x80 ft.
4. Gate House......................................10 ft.x30 ft.
5. Blacksmith Shop................................30 ft.x270 ft.
6. Punch Shop......................................30 ft.x130 ft.
7. Fabricating Shop & Mould Loft.............120 ft.x200 ft.
8. Central Heating Plant.........................40 ft.x60 ft.
9. Joiner Shop.....................................50 ft.x200 ft.
10. Store House....................................50 ft.x200 ft.
11. Fire Station....................................10 ft.x30 ft.
12. Bolt & Rivet Storage Bldg...................60 ft.x80 ft.
14. Pipe Shop......................................50 ft.x120 ft.
15. Pipe Shed......................................18 ft.x25 ft.
16. Power House....................................50 ft.x110 ft.
17. Pipe Rack.......................................25 ft.x85 ft.
18. Rigging Shop....................................20 ft.x80 ft.
21. Paint Shop......................................55 ft.x115 ft.
22. Sheet Metal Shop................................30 ft.x80 ft.
23. Warehouse Building..........................80 ft.x210 ft.
24. Light Place Shop...............................50 ft.x80 ft.

Note—Buildings neither lettered nor numbered are dwellings.
The company also relied on connections for planning and building. Barnes had worked previously with the Fairmount Sales Company’s development, Fairmount Park, not far from his Klearflax plant in West Duluth. For Riverside, Fairmount contracted with Duluth architect Arthur Hanford to design the houses and street plan, guided by precepts of the City Beautiful movement. Barnes was a proponent of this planning philosophy, which argued that a community organized around the principle of beauty would promote social order. Duluth already had its stately St. Louis County Courthouse, designed by Chicago’s influential City Beautiful architect Daniel Burnham.

Following City Beautiful dictates, Riverside’s planners took advantage of the site’s natural features. Out of necessity, the yard’s launchways and major structures housing the metal works, boiler shop, engine works, and paint facilities stood along the shoreline. The Northern Pacific Railway tracks formed the residential area’s northern boundary. In a natural valley at the middle of the upward-sloping site, planners placed Spring Street, a focal point that bisected the residential area. Instead of a grid, angled streets followed the contours of the landscape.\(^{22}\)

Hanford chose the American Craftsman style for Riverside’s architectural motif. Houses had wooden clapboard siding, exposed decorative beams, and uniform two-story facades, though peaked or shed dormers gave them some visual variety. In the northern area, three types of single-family bungalows, varying in square footage and placement of porches and dormers, made up the majority of structures. This section also had larger duplexes on corner lots. Until late 1919, these often were subdivided to hold four or more families. The neighborhood south of Spring Street contained only single-family homes of a larger size; the largest of these, on Marine Court, were designated for the yard’s head shipfitter and yard foreman. Heat for the yard buildings and some residences came from a central steam plant at the edge of the shipyard.\(^{23}\)

By November 1917 the city water and gas lines were operating and renters occupied the newly built houses. The Duluth Street Railway established a stop and increased service on its Morgan Park line. The Northern Pacific provided additional passenger cars to ease the demands on transportation. The rail system was a critical link, as Riverside housed only a fraction of a shipyard workforce that numbered into the thousands during 1918 and 1919. The majority lived outside the immediate area in West Duluth, nearly a 20-minute streetcar journey. All had to pass through Riverside on their way to the waterfront. After a rash of accidents on the railroad tracks, the shipyard installed a broad pedestrian overpass leading from the streetcar stop to the yard’s main gates.\(^{24}\)

In March 1918 McDougall-Duluth opened a new facility that illustrated Riverside’s status as a company town. The combination theater and general store, set into the hill at Industrial Avenue and Spring Street, added a Tudor flavor to the development’s prevailing Craftsman style. The theater seated between 750 and 800 people and could operate as either a vaudeville or film-projection venue. Since the West Duluth commercial district was about three miles away, the theater also served the Gary-New Duluth community.\(^{25}\)

The general store was up and running by the summer of 1918. Earlier, Morgan Park’s company store had prompted a wave of complaints
by West Duluth grocers and merchants who feared that it would sell at a loss to a captive market. No evidence of protests against the Riverside store exists, either in the labor or business-oriented press. It is likely that the many shipyard workers who lived in West Duluth also shopped there; in addition, Riverside families were free to patronize nearby Gary stores. McDougall-Duluth went to great lengths, however, to explain how its bulk buying, efficiency, and good business practices would keep prices low—a boon to families since food consumed a substantial portion of their income, especially during wartime.

Education proved a constant sore point to Riverside residents, as children had to attend schools farther north in Norton Park or in Gary-New Duluth. Company officials and school board members negotiated for several years over the necessity for and cost of a new building. Not until 1920 did the Riverside School open for classes. Built in an English neoclassical style, it would house generations of students before closing in 1982.

By 1918 Julius Barnes was playing a direct role in operating Riverside as a company town. Much like U.S. Steel in neighboring Morgan Park, McDougall-Duluth practiced welfare capitalism, a system of company-provided benefits and services popular during the early-twentieth century. Besides Riverside’s housing, there were recreation programs, a hospital, insurance, and social clubs for employees—all aimed at deter-

FACING: Riverside’s bungalows, pictured in the company magazine, 1918
Then, too, Barnes held an oft-stated belief in “fair play,” a philosophy that extolled the virtue of paternalistic capitalism, rejected unions, and abhorred communism. It also rejected the iron-fisted techniques of other industrial firms. He knew that a heavy-handed approach might lead to rebellion. Given the enormous demand for workers during the war, it made sense to ease off. So, for instance, while Riverside renters signed contracts requiring cleanliness and stipulating maintenance of the houses, the neighborhood associations—not company inspectors—enforced these provisions. Evidence of Riverside’s day-to-day management policies is limited, but the labor press and company-friendly sources seem to agree that residents did not experience the blatantly intrusive and manipulative policies of, for example, the Ford Motor Company’s Sociological Department.33

Yet McDougall-Duluth could control who lived in its privately held community. According to the 1920 census, Riverside, unlike Gary and New Duluth, was primarily populated by American-born residents and immigrants from Scandinavia, the British Isles, and a scattering of Central European countries. Only one Jewish family, the pharmacist’s, appears. No African Americans resided there. While nothing is stated in existing company literature, this relatively homogenous population was certainly not accidental, and it likely made it easier for the company to impose a level of social control. In this, Riverside mirrored other major company towns—including nearby Morgan Park—and echoed the racial and cultural attitudes of a city that would experience the brutal June 1920 lynching of three black circus workers. Even Duluth’s Labor World, an American Federation of Labor-affiliated weekly, carried approving stories on the “Americanization” of foreign-born workers.34

The 1920 census reveals another level of selection. Of Riverside’s 887 residents, 334 worked in shipyard-related occupations (most of the rest were their spouses and children). These workers ranged from yard superintendent and chief engineer to medical staff and skilled tradesmen such as boilermakers, molders, and carpenters. Only a handful of unskilled workers from outside the shipyard (such as laborers from Klearflax and local sawmills) resided in the neighborhood and dormitory. Just as the company appears to have controlled the racial and ethnic composition of Riverside, it likely

FACING: Safety Committee made up of yard workers, whose motto was “Safety All the Time,” 1920

Riverside Marine Band, assembled for its daily noontime concert, October 1918, and the Cubs, Riverside shipyard’s baseball team, June 1918
selected residents by profession, choosing only the most loyal and/or anti-union.

Barnes' vision for labor-management relations received a boost from the unusual bargain struck between labor, industry, and the federal government during the war. The demand for war materials required constant production which, in turn, required balancing labor rights against business practices—specifically, industry's desire to maintain or impose the non-union or "open" shop. To manage wage and other labor disputes, the American Federation of Labor (AFL) and the EFC agreed to create a new agency, the U.S. Shipbuilding Labor Adjustment Board (SLAB). SLAB embraced the British model of allowing shop committees, elected by trade, to handle disputes between labor and management without union involvement. While SLAB mediated between unions and employers, it also fragmented labor disputes into individual departments (riveters, painters); shop committees were isolated from union influence except in the strongest trades, such as boilermakers. SLAB both curtailed the worst anti-union practices and allowed employers to assert open-shop principles through traditional paternalism. McDougall-Duluth's AFL unions, such as the boilermakers and painters, enjoyed decent relations with management and did not chafe under SLAB. Its other unions were less amenable and did not fare as well. McDougall-Duluth did not directly confront workers, as did the Lower Lakes yards in Cleveland. Instead, the company charted a course that combined EFC policies, welfare capitalism, and Barnes' personal philosophy and public standing.

For example, during the summer of 1918, the Iron Shipbuilders Union of the Twin Ports (an AFL-affiliated effort at a cohesive Great Lakes shipbuilding union) requested retroactive wage increases and the eight-hour day, threatening to strike. The EFC asked that a strike be postponed until a wage-adjustment meeting could take place to address the issue nationwide. Nearly six months later, the increase came through SLAB and each company (depending on its labor contract), effectively marginalizing the union.
The half-year lag and the manner in which the raise sidelined the union brought a scathing attack from Truth, the official newspaper of the local Socialist Party, allied with the IWW and published in West Duluth. Truth’s response highlighted its ideological split from Duluth’s more moderate Labor World. Both newspapers lacked the resources to thoroughly cover each critical labor event, however—a fact not lost on the pro-business Duluth News-Tribune, which kept a sharp eye on organized labor and reported in hysterical rhetoric on a possible “Red” revolution at the shipyards.37

During the war, the Labor World stood by the AFL’s policy of “responsible unionism,” pushed back against the IWW and, while offering muted criticism, engaged the business community. Though not uncritical of Barnes, it reported and even praised his views on politics, education, and unions and printed his advertisements exhorting workers to abide by the AFL’s alliance with the Wilson administration. It also published Barnes’ attacks on the IWW. By giving him a platform and some praise, the Labor World effectively legitimized Barnes’ views—something he undoubtedly found valuable—and placed itself in the position of defending him from IWW attacks.38

The pragmatic nature of the relationship between Barnes and the Labor World became particularly evident when SLAB was phased out during 1919. That October, a time of national labor unrest, McDougall-Duluth got workers to agree to work mandatory, paid overtime—and gave them a raise—in order to complete its final government contracts. At the end of the month, the company maintained the new wage and returned to the eight-hour day. While Truth sharply criticized both the firm and the joint shop committees that sold the program to workers, the Labor World defended Barnes, noting that he had kept his word and stood by wartime democracy.39

In reality, Barnes, working through the shop committees, had excluded the major unions from decision-making and solidified control over his company.

The postwar depression revealed the dual game that Barnes and the company played. The end of government jobs led to a sharp decline in the yard’s workforce. When union molders and some painters went on strike throughout Duluth and Superior in March 1920, the company played hardball. Asked about the strikers, General Manager McDougall replied: “Our molders have been out a long time, but we have obtained men to fill the places of many . . . our steel and iron foundries are both working.” Other firms settled, but McDougall-Duluth did not rehire the strikers, preferring their replacements.40

Barnes assured workers that McDougall-Duluth would survive the end of the war.

The November 1918 armistice caught builders and government officials alike by surprise, as the EFC’s crash-building program had anticipated that the war would continue until at least late 1919. Its end meant the
resumption of global markets, and it also called attention to the enormous outlays and limited returns on the EFC’s cost-plus contracts, which offered no incentive to control expenses. These contracts left the agency open to charges of graft and corruption and prompted Congress to demand payment of taxes and overcharges from the shipyards. For nearly a decade, the EFC would continue negotiating settlements on these costly agreements. 31

Unlike the new yards, McDougall-Duluth had performed well, producing ten ships for wartime service. Two—the *Maski* (renamed *Lakemoor*) and the first Riverside-built ship, *Lake Portage*—fell victim to submarines. After the war, the company completed EFC contracts for 25 more, delivering the final vessel, *Lake Flournoy*, in early 1920. And it settled the contract claims regarding costs and taxes relatively quickly—by 1923. 32

By 1918 Alexander McDougall had retired from an active role with the firm, leaving his son, A. Miller, and Julius Barnes in full control. Barnes assured workers that McDougall-Duluth would survive the end of the war and continue its welfare-capitalism programs. Toward that goal, the company in late 1918 constructed the Riverside Hotel, featuring a dining room, lunch counter, and 100 guest rooms—and employing 35 workers. If the firm were to draw potential clients to the yard, they would need a place to stay. Furthermore, the hotel would showcase the community’s harmonious operation. 33

As president of the U.S. Grain Board, Barnes once again drew on his connections to obtain new vessel contracts. The resulting five hulls built in 1920 utilized existing equip-
ment and experience, following the basic Frederickstad design. Two were standard freighters; the others were equipped to operate as molasses tankers. \(^44\)

The final five ships constructed at Riverside in 1921 reached back to the concept for the company’s first hull, the Robert Barnes, though they were somewhat different in design. These 251-foot, 2,300-gross-ton grain tankers were equipped to operate as molasses barges. By late 1921 the firm began to sell much of the yard equipment, though it retained control of the housing stock. \(^46\)

Barnes fell heavily into debt during the Great Depression and sold the Riverside houses. Though he reactivated the shipyard during World War II, he proved unable to fund and operate it and sold the venture to Walter Butler Shipbuilders in 1943. After the war, the shipyard buildings were demolished. Only the old Ironton Steel/Duluth Iron and Metal Works building remained by the early 1970s, when it, too, fell. \(^47\)

The majority of vessels built by McDougall-Duluth operated for decades after the war under a variety of flags. The Robert Barnes had perhaps the most unusual career. After serving off the East Coast for the navy during World War I, it traveled to the Pacific and functioned as a station ship at Guam until its capture and subsequent use in the Japanese merchant marine. Recovered after World War II, it continued sailing until 1950. \(^48\)

Only two of the company’s vessels still exist, both from the last phase of construction. The Day Peckinpaugh (originally I.L.I. 101), operated until 1994 and now serves as a New York State museum along its old route. Its sister ship, Michigan (I.L.I. 105), has been sitting partially scrapped since 1976 in the Arthur Kill waterway near Staten Island, New York. \(^49\)

Today, Riverside exists as a quiet community off Grand Avenue, hidden from sight by a screen of trees and a biking trail. The memory of Alexander McDougall’s and Julius Barnes’ effort to create Duluth’s other company town has faded, but the neighborhood they created remains.

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**Notes**

The author thanks Sara Blanck, Robert Graham, Laura Jacobs, Pat Maus, Laura Jacobs, and Neel Zoss, along with this magazine’s reviewers for their guidance.

1. Here and two paragraphs below, Duluth News-Tribune, June 20, 1918, 5, June 22, 1918, 16, June 30, 1918, 9, July 5, 1918, 1; Labor World, June 29 1918, 3.


8. Richard S. Childs, "Building a War Town," The Independent, June 22, 1918, 469–70; Heinrich, Philadelphia Shipbuilding, 170; Robert L. Barnes file, General Decimal File 300, box 107, United States Shipping Board (USSB) Papers, Record Group 32, National Archives and Records Administration (NARA), College Park, MD.

9. Riverside Review, May 1918, 1; "Biographical Information," Collection Inventory, Julius H. Barnes Papers, both in University of Minnesota Duluth Library, Northeast Minnesota Historical Center (hereinafter NEMHC). Copies of Riverside Review, the company’s magazine, are available at NEMHC and the Minnesota Historical Society.


conventions: two words, starting with War. Before delivery, most were renamed following the U.S. system: two words, beginning with Lake.


13. Wright, “Give Us a Chance,” 152–53; *Riverside Review*, June 1918, 14; Special Meeting of Board of Directors, Minutes, July 4, 1918, McD Records. Charles Piez to Barnes (initial request), May 25, 1918; Howard Cooley to Directors, McDougall-Duluth Co. (revised request), June 11, 1918; A. T. Banning to EFC (certifying contracts), July 10, 1918—all in General Decimal File 310.2, box 167, USBB Papers.


18. There was also a free-standing clubhouse, *Riverside Review*, July 1918, 8–9.


21. Here and below, Board of Directors, Minutes, Feb. 7, 1918, June 12, 1918, McD Records; *Duluth News-Tribune*, July 1, 1917, 8B.


30. *Duluth News-Tribune*, June 1, 1918, 12, June 16, 1918, 7; *Riverside Review*, July 1918, 2, 3, 10, June 1918, 10–11, Sept. 1918, 12.

31. *Duluth News-Tribune*, Apr. 21, 1918, 4, Apr. 13, 1919, 5A.


37. Truth, June 7, 1918, 3, June 14, 1918, 2, June 27, 1918, 3; *Duluth News-Tribune*, Mar. 13, 1919, 1, Feb. 13, 1920, 12.

38. See, for example, “Away With Classes Declares Mr. Barnes,” *Labor World*, Aug. 31, 1918, 7.


47. Memorandum of Agreement, June 6, 1934, and Minutes of Shareholders’ Meeting, Dec. 23, 1942, both McD Records. Barnes served as president of the U.S. Chamber of Commerce from 1921 to 1924 and chair from 1929 to 1931; Barnes papers finding aid, NEMHC. Donald Emmerich’s photo shows the derelict building; “Abandoned Factory in Riverside, A Suburb of Duluth on the St. Louis River, June 1973,” Documerica series, NARA Still Picture Records Section, 152/41/009101.


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