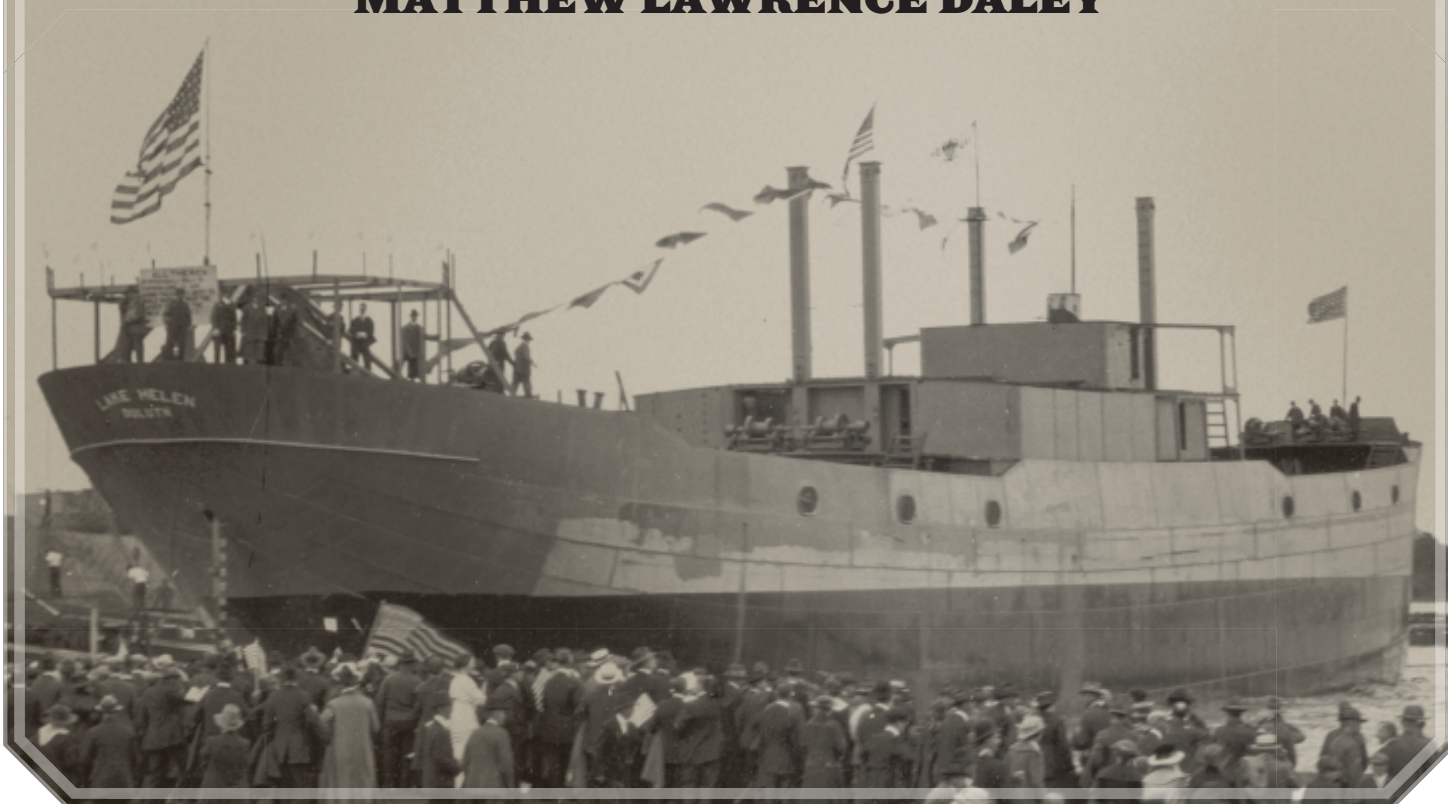


# **DULUTH'S OTHER COMPANY TOWN**

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

**MATTHEW LAWRENCE DALEY**



**O**N 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.<sup>1</sup>

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

*FACING: Launching the Lake Helen, July 4, 1918, the high point of the war effort at Duluth's Riverside shipyard*

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.

**W**HEN 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.<sup>2</sup> 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.<sup>3</sup>

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

*Dr. Daley, an associate professor of history at Grand Valley State University, Allendale, Michigan, also serves as curator of the Fr. Edward J. Dowling, S.J., Marine Historical Collection at the University of Detroit Mercy. He is working on a biography of Captain Alexander McDougall.*

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.<sup>4</sup>

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.<sup>5</sup>

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.<sup>6</sup>

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



*United States Shipping Board logo*

squared-off appearance with few fancy angles.<sup>7</sup>

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.<sup>8</sup> 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.<sup>9</sup>



*Julius Barnes: businessman, investor, and active co-owner of the McDougall-Duluth Company*

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.<sup>10</sup>

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.<sup>11</sup>

**A**MERICA’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.<sup>12</sup>

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

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.<sup>14</sup>

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

## **Government contracts allowed the company to move beyond the cramped and flood-prone confines of the Railroad Street yard.**

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.<sup>13</sup>

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

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.<sup>15</sup>

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.

The firm of McLeod & Smith began constructing the buildings needed for finishing vessels already underway at the old yard.<sup>16</sup>

As a result, when the hull for the *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 *Lake Portage*, entered the water on February 25, 1918, with the traditional sideways launching.<sup>17</sup>

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



*Shipbuilder Alexander McDougall, whose plan for grain-carrying canal boats launched the Duluth firm*

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.<sup>19</sup>

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, Yorkship Village in Camden, New Jersey (New York Shipbuilding) all helped set the stage for the New Deal's planned communities.<sup>20</sup>

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.<sup>21</sup>

*FACING: Layout of McDougall-Duluth's town and shipyard, Riverside Review, September 1918, which rotated the image. Spring Street actually runs east-west. Buildings without numbers or letters are dwellings.*

**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.**

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 rest-room, showers, kitchen, and shared public room. The dormitory continued to operate until 1919.<sup>18</sup>

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 workforce, a firm needed to provide acceptable housing. Progressive Era managers such as Barnes thought that substandard accommodations acted as a catalyst for worker



**TOWNSITE AND PLANT McDUGALL-DULUTH CO., RIVERSIDE, MINN.**

**SCHEDULE OF BUILDINGS.**

A Riverside Hotel.....80 ft.x120 ft.	3. Cafeteria and Locker Room .....60 ft.x80 ft.	14. Pipe Shop.....50 ft.x120 ft.
B Riverside Store & Auditorium..60 ft.x90 ft.	4. Gate House .....10 ft.x30 ft.	15. Pipe Shed .....18 ft.x25 ft.
C Riverside Hospital.....40 ft.x75 ft.	5. Blacksmith Shop .....30 ft.x270 ft.	16. Power House .....50 ft.x110 ft.
D Employment Office.....30 ft.x50 ft.	6. Punch Shop .....30 ft.x160 ft.	17. Pipe Rack .....25 ft.x85 ft.
E Garage .....60 ft.x120 ft.	7. Fabricat'g Shop & Mould Loft 120 ft.x200 ft.	18. Rigging Shop.....20 ft.x80 ft.
F Club House .....20 ft.x60 ft.	8. Central Heating Plant .....40 ft.x60 ft.	19. Boiler Shop.....88 ft.x245 ft.
G Dormitory and Wings.....20 ft.x150 ft.	9. Joiner Shop .....50 ft.x200 ft.	20. Machine Shop .....88 ft.x395 ft.
H Dining Hall and Kitchen .....30 ft.x90 ft.	10. Store House.....50 ft.x200 ft.	21. Paint Shop .....55 ft.x115 ft.
J Boat House .....45 ft.x22 ft.	11. Fire Station .....10 ft.x30 ft.	22. Sheet Metal Shop .....30 ft.x80 ft.
1. Administration Offices .....45 ft.x125 ft.	12. Bolt & Rivet Storage Bldg.....50 ft.x60 ft.	23. Warehouse Building .....80 ft.x210 ft.
2. Yard Offices .....45 ft.x80 ft.	13. Bolt & Rivet Mkg. & Air Tool.. 75 ft.x80 ft.	24. Light Plate 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.<sup>22</sup>

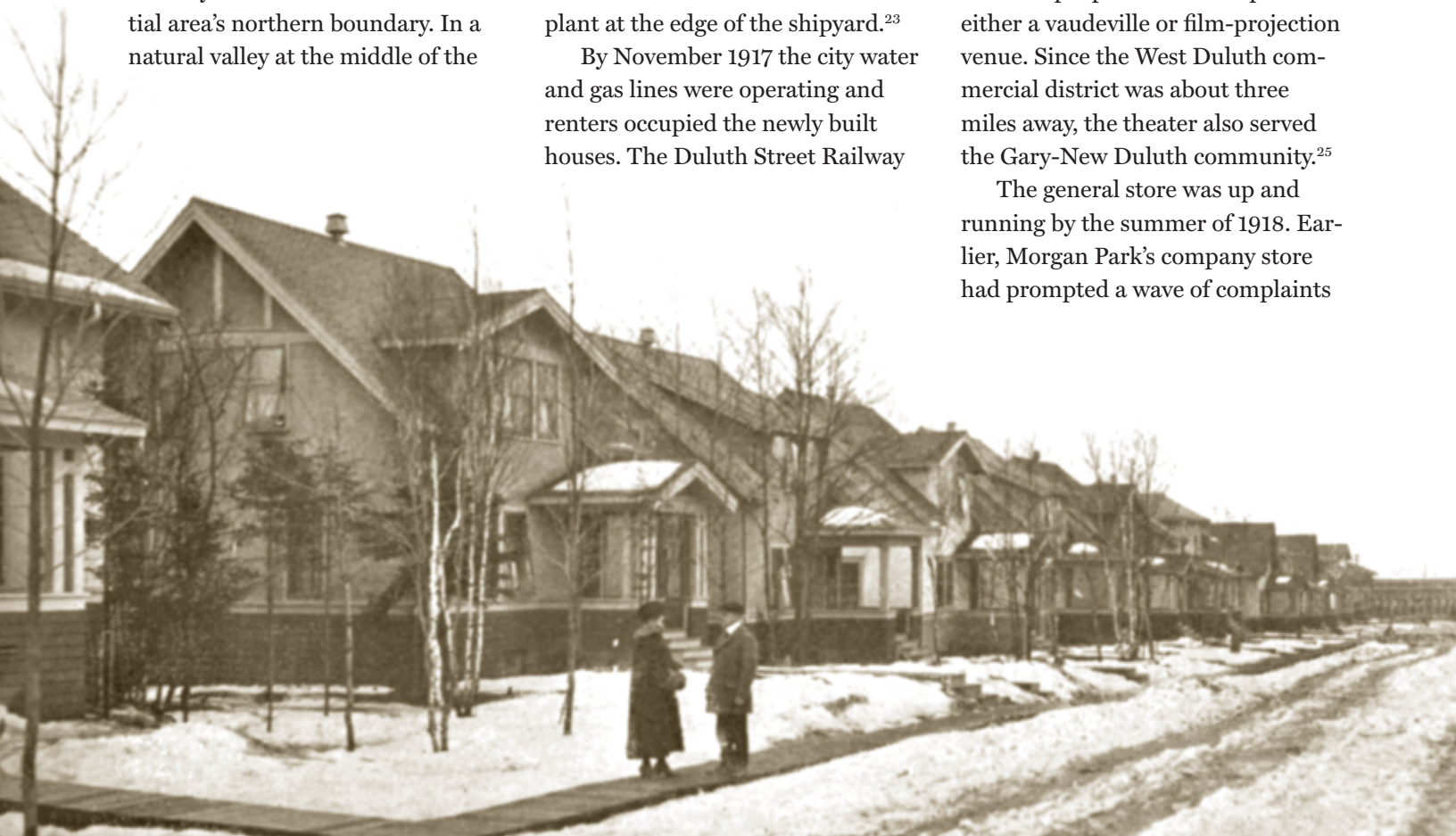
Hanford chose the American Craftsman style for Riverside's architectural motif. Houses had wooden clapboard siding, exposed decorative beams, and uniform two-story facades, though peaked or shed dormers gave them some visual variety. In the northern area, three types of single-family bungalows, varying 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.<sup>23</sup>

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.<sup>24</sup>

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.<sup>25</sup>

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.<sup>26</sup>

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.<sup>27</sup>

**B**Y 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*

## Following City Beautiful dictates, Riverside's planners took advantage of the site's natural features.

ring unionization, and all voluntary. Barnes believed that social programs would produce a stable and compliant workforce.<sup>28</sup>

Social groups such as the Riverside Club (for all company employees “and no one else”) and neighborhood associations helped foster a sense of identity while reinforcing Barnes' philosophies. Wartime encouragement to cultivate Victory Gardens also supported the City Beautiful ideal of achieving social order through beauty; McDougall-Duluth offered a cash prize for the best garden. Theater groups performed plays that emphasized unity and patriotism. Music, too, played a vital role in community culture. In 1918 the company bought instruments for a 25-piece band and a 21-piece orchestra. Soon, the Riverside Marine Band began giving noontime concerts during the work week and even performed at the 1919 Minnesota State Fair. One common community gathering place was missing from Riverside, however: the saloon. Barnes supported national Prohibition and disagreed with the popular notion that alcohol kept workers happy.<sup>29</sup>

Competition in the workplace and on the athletic field also fostered group identity. To boost productivity, the EFC initially sponsored riveting competitions between the Twin Ports' three largest shipyards. Though the agency later backed away from these contests (citing quality and safety concerns), the Superior, Globe, and McDougall-Duluth yard

chiefs all continued their support. On the baseball diamond, several company- and YMCA-sponsored leagues included the shipyards and other large industrial firms. During 1919 Riverside workers fielded two teams: the Cubs of the shipyard and the Giants from the iron works. Again, the EFC officially discouraged the leagues but the local firms continued them.<sup>30</sup>

Another key to promoting Barnes' vision was the company magazine, the *Riverside Review*. This monthly publication reported on events in Riverside and also delivered the attitudes and positions of company officials. A major theme throughout its run (1918–20) was Barnes' antipathy to communism and labor unions. The fallout of World War I—the Russian Revolution and Red Scare in the U.S.—only reinforced his belief in the necessity of paternalistic management to undercut potentially “subversive” union organizers.<sup>31</sup>

Despite Barnes' efforts, factors beyond his control also shaped the Riverside community. Its relative proximity to the rest of Duluth—and the fact that many shipyard workers and their families lived elsewhere—limited the company's authority over employees' lives. Unlike the infamously repressive coal-mining company towns of West Virginia, Kentucky, and Pennsylvania, Riverside was not remote enough for the vicious system of required residency and scrip labor that those firms employed to control workers.<sup>32</sup>



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.<sup>33</sup>

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



*Riverside Marine Band, assembled for its daily noontime concert, October 1918, and the Cubs, Riverside shipyard’s baseball team, June 1918*

workers. Even Duluth’s *Labor World*, an American Federation of Labor-affiliated weekly, carried approving stories on the “Americanization” of foreign-born workers.<sup>34</sup>

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 trades-

men 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*

selected residents by profession, choosing only the most loyal and/or anti-union.

**B**ARNES' 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.<sup>35</sup> 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

## **Barnes believed that social programs would produce a stable and compliant workforce.**

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.<sup>36</sup>



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.<sup>37</sup>

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



Lake Markham in dazzle camouflage, passing under Duluth's aerial lift bridge and bound for service on the Atlantic Ocean, 1918

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

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.<sup>40</sup>

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

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.<sup>38</sup>

The pragmatic nature of the relationship between Barnes and the *Labor World* became particularly

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.<sup>39</sup> In reality, Barnes, working through the shop committees, had excluded the major unions from decision-

**T**HE 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

# McDougall-Duluth Company Ships

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.<sup>41</sup>

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.<sup>42</sup>

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.<sup>43</sup>

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-

Founded in late 1915, McDougall-Duluth began building ships in August 1916 in the first of two yards in what would become Duluth's Riverside neighborhood. Over the next five years, it constructed vessels in a variety of designs for government service and private owners.

Ships are listed by hull number, ship name (in *italic*), and date delivered.

## SEA-GOING CANAL BOAT—251'×43'

1. *Robert L. Barnes*, 1917

## FREDERICKSTAD-TYPE OCEAN CARGO SHIP—250'×40'

2. *Maski (Lakemoor)*, Nov. 1917
3. *War Centaur (Lake Traverse)*, Apr. 1918

### Foreign contracts delivered for wartime service

4. *Lake Portage*, June 1918
5. *Lake Markham*, July 1918
6. *Lake Pepin*, Aug. 1918
7. *Lake Geneva*, Aug. 1918
8. *Lake Helen*, Sept. 1918
9. *Lake Indian*, Oct. 1918
10. *Lake Orange*, Oct. 1918

### Emergency Fleet Corporation contract vessels

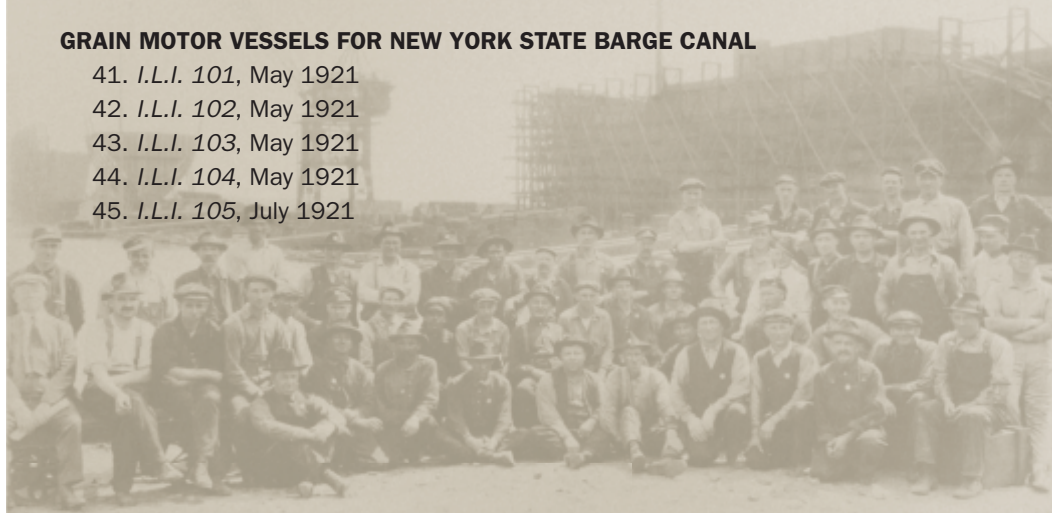
- |  |  |
|--|--|
| 1327 <i>Cedar Spring</i> , Nov. 1918   | 1856 <i>Lake Flanders</i> , Oct. 1919                |
| 1328 <i>Ceralvo</i> , Apr. 1919        | 1857 <i>Lake Flatonia</i> , Oct. 1919                |
| 1329 <i>Cerosco</i> , Apr. 1919        | 1858 <i>Lake Flattery</i> , Nov. 1919                |
| 1330 <i>Cerro Gardo</i> , May 1919     | 1859 <i>Lake Strymon</i> , Nov. 1919                 |
| 1331 <i>Chamberino</i> , June 1919     | 1860 <i>Lake Flaxman (La Crosse)</i> , Apr. 1920     |
| 1332 <i>Chamblee</i> , May 1919        | 1861 <i>Lake Flippen (Fargo)</i> , Apr. 1920         |
| 1333 <i>Chaparel</i> , July 1919       | 1862 <i>Lake Floise (Sioux Falls)</i> , Apr. 1920    |
| 1334 <i>Chantier</i> , July 1919       | 1863 <i>Lake Flomation (Great Falls)</i> , Apr. 1920 |
| 1335 <i>Chappell</i> , May 1919        | 1864 <i>Lake Floravista</i> , Apr. 1920              |
| 1336 <i>Chautauqua</i> , June 1919     | 1865 <i>Lake Florian</i> , Apr. 1920                 |
| 1853 <i>Lake Flagon</i> , Sept. 1919   | 1866 <i>Lake Floris</i> , Apr. 1920                  |
| 1854 <i>Lake Flagstaff</i> , Oct. 1919 | 1867 <i>Lake Flournoy</i> , May 1920                 |
| 1855 <i>Lake Flambeau</i> , Oct. 1919  |  |

### Post-war Frederickstads for private owners

36. *Theodore F. Reynolds*, Aug. 1920
37. *Julius Kessler*, July 1920
38. *Philip Publicker*, July 1920
39. *Josefa*, Aug. 1920
40. *Antonio*, Sept. 1920

## GRAIN MOTOR VESSELS FOR NEW YORK STATE BARGE CANAL

41. *I.L.I. 101*, May 1921
42. *I.L.I. 102*, May 1921
43. *I.L.I. 103*, May 1921
44. *I.L.I. 104*, May 1921
45. *I.L.I. 105*, July 1921



ment and experience, following the basic Frederickstad design. Two were standard freighters; the others were equipped to operate as molasses tankers.<sup>44</sup>

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 motorships worked on the New York State Barge Canal system, though they could also sail on open water.<sup>45</sup> Barnes' own company operated them into the 1950s.

**E**VEN BEFORE THE LAST ships entered the water, Barnes realized that the company's days were numbered. The yard began shutting down in 1920, and the fixtures of welfare capitalism ended. First, the Riverside hospital

closed and the store was shuttered. In August 1920 the hotel closed; the building was leased for use as a men's rooming house. By late 1921 the firm began to sell much of the yard equipment, though it retained control of the housing stock.<sup>46</sup>

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.<sup>47</sup>

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.<sup>48</sup>

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.<sup>49</sup>

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. □

## 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.

2. William J. Williams, *The Wilson Administration and the Shipbuilding Crisis of 1917* (Lewiston, NY: Edwin Mellen Press, 1992), 18–22.

3. Alexander McDougall, *The Autobiography of Captain Alexander McDougall* (1932; repr., Cleveland: Great Lakes Historical Society, 1968); *Duluth News-Tribune*, Oct. 31, 1899, 8, Apr. 4, 1904, 16; *Collingwood Bulletin*, Nov. 3, 1899, 1.

4. "A Sea-going Canal Boat: From the Lakes to Atlantic Ports by the New York State Barge Canal," *Scientific American*, June 22, 1918, 568–69; McDougall, *Autobiography*, 149, 157; *Duluth News-Tribune*, Jan. 20, 1916, 13; Board of Directors, Minutes, Jan. 26, 1916, McDougall-Duluth Company Holding Company Records, His-

torical Collections of the Great Lakes, Bowling Green State University, Bowling Green, OH (hereinafter McD Records).

5. *Duluth News-Tribune*, May 14, 1917, 3.

6. Senate Committee on Commerce, *United States Shipping Board Emergency Fleet Corporation: Hearings*, 65th Cong. 2d sess., 1918, S. Rep. 70, 7034, vol. 1: 3–25; Thomas R. Heinrich, *Ships for the Seven Seas: Philadelphia Shipbuilding in the Age of Industrial Capitalism* (Baltimore: Johns Hopkins University Press, 1997), 168–69.

7. Alexander H. Beard, "The Fabricated Ship: How American Shipbuilding is Being Revolutionized," *The Outlook*, Apr. 10, 1918, 581–83; Edward N. Hurley, *The Bridge to France* (Philadelphia: J. B. Lippincott, 1927), 49–51; David B. Tyler, *The American Clyde: A History of Iron and Steel Shipbuilding on the Delaware, from 1840 to World War I* (Newark, DE: University of Delaware Press, 1958), 107–08.

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.

10. Board of Directors, Minutes, Mar. 26, 1917, May 26, 1917, McD Records; Richard J. Wright, "Give Us a Chance: Shipbuilding on the Great Lakes during World War I," in *Naval History: The Sixth Symposium of the U.S. Naval Academy*, ed. Daniel M. Masteron (Wilmington, DE: Scholarly Resources, 1983), 149–50; John H. Wilterding Jr., "Duluth-Superior Shipbuilding, 1917–1918: The Pre-War Frederickstad Ships," *The Nor'Easter*, Mar.–Apr. 1981, 2–4.

11. Fr. Edward J. Dowling, S.J., *The "Lakers" of World War I* (Detroit: University of Detroit Press, 1967), 13–19, 45, 101. EFC ships initially followed British naming

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

12. Requisition Payment Schedule and Delivery Dates Contract, Sept. 12, 1917, General Decimal File 300, box 107, USSB Papers, NARA; Board of Directors, Minutes, Oct. 1, 1917, McD Records; Richard J. Wright, *Freshwater Whales: A History of the American Ship Building Company and Its Predecessors* (Kent, OH: Kent State University Press, 1969), 184–85. The other yards were Superior Shipbuilding, a division of American Shipbuilding Co., and Globe Shipbuilding, a February 1917 start-up.

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 Coonley 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 310.12, box 167, USSB Papers.

14. *Duluth Sunday Tribune*, Aug. 24, 1890, 2; *Duluth News-Tribune*, June 21, 1910, 9.

15. Arnold R. Alanen, *Morgan Park: Duluth, U.S. Steel, and the Forging of a Company Town* (Minneapolis: University of Minnesota Press, 2007), 33–35, 53–63.

16. *Duluth News-Tribune*, Aug. 19, 1917, 4, Mar. 23, 1918, 5.

17. *Duluth News-Tribune*, Oct. 28, 1917, 9, Feb. 26, 1918, 1.

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

19. *Duluth News-Tribune*, Aug. 22, 1918, 6. Additional examples of company towns abound. For a local example, see Arnold R. Alanen, “The ‘Locations’: Company Communities on Minnesota’s Iron Ranges,” *Minnesota History* 48 (Fall 1982): 94–107.

20. Emergency Fleet Corporation, *Housing the Shipbuilders: Constructed During the War Under the Direction of United States Shipping Board Emergency Fleet Corporation Passenger Transportation and Housing Division* (Philadelphia: EFC, 1920), 3–16, 40–42.

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

22. *Riverside Review*, Sept. 1918, 11.

23. *Riverside Review*, Apr. 1918, 9 (photo of houses), Aug. 1918, 8, Oct. 1918, 6; *Truth*, Aug. 8, 1919, 3.

24. *Duluth News-Tribune*, Nov. 2, 1917, 4, Dec. 20, 1917, 5, July 31, 1916, 4, June 1, 1919, 4.

25. *Duluth News-Tribune*, Feb. 5, 1918, 4.

26. *Duluth News-Tribune*, Jan. 5, 1916, 2; *Riverside Review*, Apr. 1918, 4, June 1918, 12.

27. *Duluth News-Tribune*, Aug. 23, 1918, 3, May 7, 1919, 3; “Welcome to the Superior National Forest and to Riverside School,” pamphlet, Apr. 2003, Superior National Forest Headquarters, Duluth.

28. *Riverside Review*, Oct. 1918, 6.

29. *Riverside Review*, Apr. 1918, 5, Apr. 1919, 12, May 1918, 14, Oct. 1918, 11, Oct. 1919, 2; Charles Stelzle, *Why Prohibition!* (New York: George H. Doran, 1918), 116 (quoting Barnes).

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.

32. For example, see David Alan Corbin, *Life, Work, and Rebellion in the Coal Fields: The Southern West Virginia Miners, 1880–1922* (Urbana: University of Illinois Press, 1981).

33. Board of Directors, Minutes, July 9, 1919, and Occupancy Contract, Jan. 10, 1918, both McD Records; *Duluth News-Tribune*, July 14, 1919, 6; Julius Barnes, *The Genius of American Business* (Garden City, NY: Doubleday, Page & Co., 1924), 5–14 (“The Philosophy of Fair Play”); Richard Hudelson and Carl Ross, *By the Ore Docks: A Working People’s History of Duluth* (Minneapolis: University of Minnesota Press, 2006), 143.

34. Here and below, U.S., census schedules, 1920, Duluth, 50th precinct, ward 49, enumeration district 141, sheets 191–99; Michael Fedo, *The Lynchings in Duluth* (St. Paul: Minnesota Historical Society Press, 2000); *Labor World*, Dec. 14, 1918, 4, May 3, 1919, 2, for example.

35. Jeffrey Haydu, *Making American Industry Safe for Democracy: Comparative Perspectives on the State and Employee Representation in the Era of World War I* (Urbana: University of Illinois Press, 1997), 122–26.

36. *Duluth News-Tribune*, May 22, 1918, 1, Nov. 1, 1918, 3.

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.

39. *Labor World*, June 28, 1919, 3, Sept. 20, 1919, 2, Nov. 8, 1919, 1; *Riverside Review*, Oct. 1919, inside front cover; *Truth*, Oct. 3, 1919, 2.

40. *Duluth News-Tribune*, Apr. 2, 1920, 2.

41. *Report of Conference held at Washington D.C. on May 19, 1919: Shipbuilders from Great Lakes, Atlantic, and Gulf Coast Divisions and United States Shipping Board, Emergency Fleet Corporation* (Washington, D.C.: Government Printing Office, 1919).

42. *Duluth News-Tribune*, Apr. 22, 1918, 1, Aug. 9, 1918, 3; Contract Specifications—4050 ton Steel Cargo Vessels, Contract 322, General Decimal File 310.12, box 167, USSB Papers; Board of Directors, Minutes, Dec. 24, Dec. 31, 1919, Sept. 22, 1923, McD Records.

43. *Duluth News-Tribune*, Nov. 22, 1918, 7; Board of Directors, Minutes, Dec. 24, 1919, McD Records; *Riverside Review*, Apr. 1919, 6.

44. *Duluth News-Tribune*, May 25, 1919, 10, July 23, 1920, 11.

45. *Duluth News-Tribune*, Dec. 9, 1920, 6.

46. *Duluth News-Tribune*, Aug. 1, 1920, 5, Feb. 4, 1921, 6.

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.

48. *U.S.S. Robert L. Barnes*, Dictionary of American Naval Fighting Ships, [www.history.navy.mil/danfs/r7/robert\\_l\\_barnes.htm](http://www.history.navy.mil/danfs/r7/robert_l_barnes.htm) (accessed Jan. 24, 2013).

49. Will Van Dorp, “Graveyard 2,” *Tugster: A Waterblog*, May 4, 2010, <http://tugster.wordpress.com/2010/05/04/graveyard-2/>; Day Peckinpugh, Erie Canalway National Heritage Corridor, [www.eriecanalway.org/explore\\_things-to-do\\_peckinpugh.htm](http://www.eriecanalway.org/explore_things-to-do_peckinpugh.htm) (both accessed Dec. 10, 2012).

---

*The photos on p. 176 and 186 are courtesy the Historical Collections of the Great Lakes, Bowling Green State University, Bowling Green, OH. All others are courtesy University of Minnesota Duluth Library, Northeast Minnesota Historical Center; p. 185 from a photograph and the rest from Riverside Review.*



Copyright of **Minnesota History** is the property of the Minnesota Historical Society, and its content may not be copied or emailed to multiple sites or users or posted to a listserv without the copyright holder's express written permission: [contact us](#).

Individuals may print or download articles for personal use.

To request permission for educational or commercial use, [contact us](#). Include the author's name and article title in the body of your message. But first--

If you think you may need permission, here are some guidelines:

#### **Students and researchers**

- You **do not** need permission to quote or paraphrase portions of an article, as long as your work falls within the fair use provision of copyright law. Using information from an article to develop an argument is fair use. Quoting brief pieces of text in an unpublished paper or thesis is fair use. Even quoting in a work to be published can be fair use, depending on the amount quoted. Read about fair use here: <http://www.copyright.gov/fls/fl102.html>
- You **should**, however, always credit the article as a source for your work.

#### **Teachers**

- You **do not** need permission to incorporate parts of an article into a lesson.
- You **do** need permission to assign an article, either by downloading multiple copies or by sending students to the online pdf. There is a small per-copy use fee for assigned reading. [Contact us](#) for more information.

#### **About Illustrations**

- **Minnesota History** credits the sources for illustrations at the end of each article. **Minnesota History** itself does not hold copyright on images and therefore cannot grant permission to reproduce them.
- For information on using illustrations owned by the Minnesota Historical Society, see [MHS Library FAQ](#).