

# Shipyard Growth Influenced Virginia's History

Shipyard Started Personal Venture Capitalist Begins Firm During Depression Days of 1884 With Little Help



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been expanded in July beyond that needed for ship-repair work Henry Kowitzky, of wide experience in hull construction, had been employed as superintendent. James Younger, experienced in this country and abroad in port equipment as well as propelling machinery, was employed as supervising engineer, with James Rowbottom as an able assistant. John G. Livezey, formerly accountant for Old Dominion Land Company and who for several years had given part-time attention to shipyard business of this kind, became chief clerk and accountant with Frank Lee as assistant for payroll work.

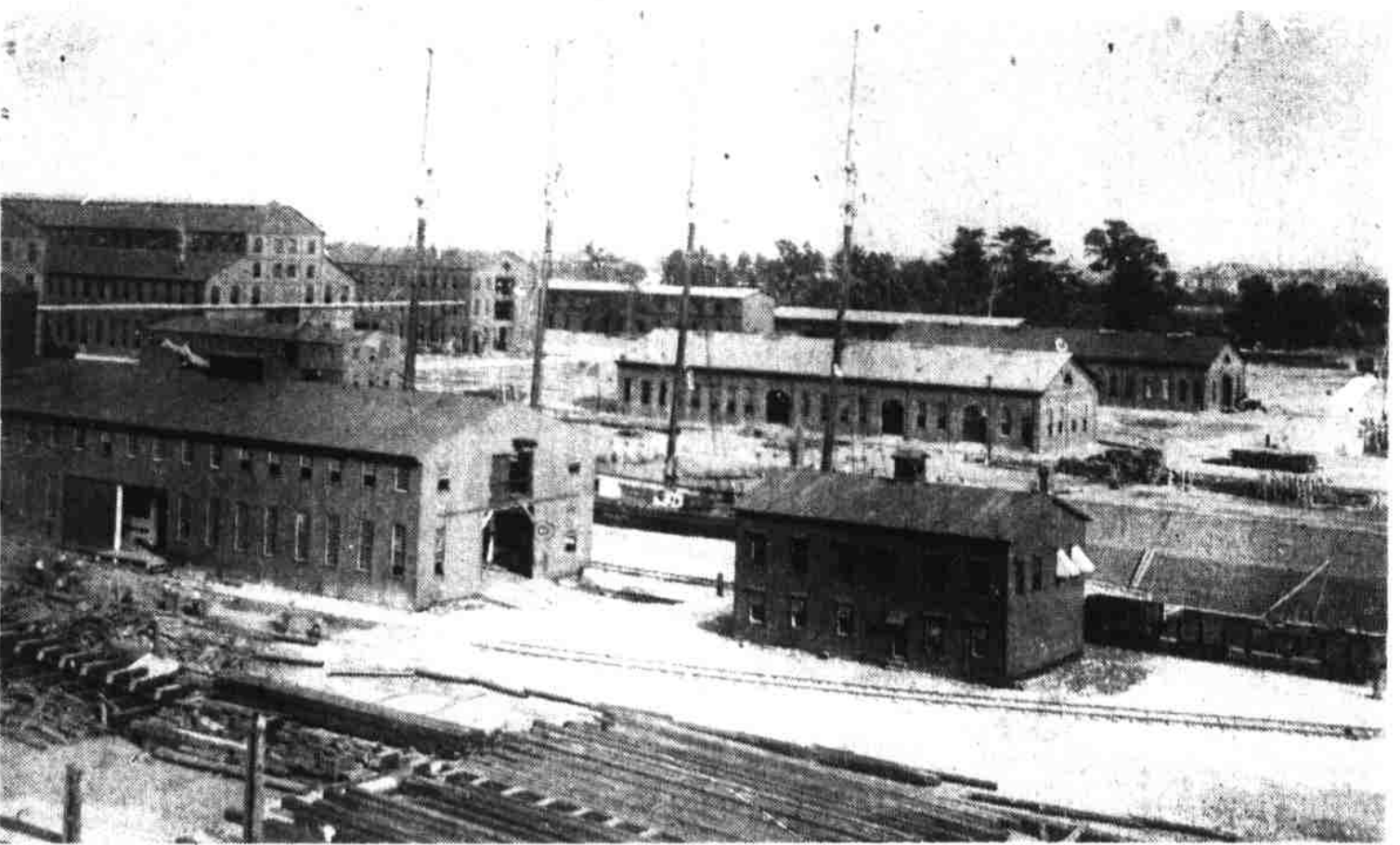
As orders for supplies and material for new construction multiplied, DeWitt Crane was employed in October to give special attention to stores operations and material accounts. About this time W. A. Post, who since 1890 had been resident civil engineer for construction contract work in the vicinity and with the land company, became identified in similar capacity with the plant construction work for the yard.

**Shipbuilding Added**  
With plant extension work consisting of excavating and filling to final grade from 37th Street to 44th Street (1,820 feet), dredging, pier and shipway construction, and large new shops in various stages of completion, the first work comparable to shipbuilding was the rebuilding of the former British steamer Kimberley, which was dry-docked in wrecked condition in January, 1890. This \$300,000 job for Pacific trade required work in practically all shipbuilding trades, and for it the organization and training of a shipbuilding force had its beginning.

To reflect this new phase of shipyard business the name of the company was changed in February, 1890, to Newport News Shipbuilding and Dry Dock Company. This was done by legislative amendment to the original act of incorporation affecting the name only and making no change in organization or company securities. In the new name the word "Newport News" and "shipbuilding" became for the first time closely, and significantly, associated.

While preparing the yard for building larger vessels, a contract was made in April, 1890, for building a tug for service in Hell Gate Rapids, East River, New York. In May work was begun on a similar tug for one of Mr. Huntington's companies, making use of the threefold advantage of duplicating material orders placed for the first tug and close sequence of construction, utilization of the yard's facil-

The Newport News Yard Early In The 20th Century



The repair shops and dry dock pictured here show the Newport News plant at the beginning of the current century and at the time when Homer L. Ferguson came first to that yard as a United States Navy constructor. Some of these sheds and shops are still in use, while many have been enlarged or removed to make way for newer and more building need in gearing the Newport News company up to the production demands for two world wars.

ities during expansion of the plant, and training of workmen for larger vessels in addition to supplying needed tug service at the Morgan Line terminal in New York.

In July contracts were undertaken for building two large, fast freight steamers for Morgan Line service between New Orleans and New York to be ready for the fall cotton trade of the following year. But here was optimism rampant, and an early lesson to beginners in the intricate business of shipbuilding, and particularly in problems of shop equipment. Tugs could be built with the repair shop tools but not large freight ships with their boilers and propelling machinery.

Immense new shops with such standard machine tools as the market then afforded could make little progress without many items of special made-to-order shop and shipbuilding equipment ordered the previous year but still in pro-

cess of manufacture. The cost of new machines was expended in improvised efforts to do without them while delays mounted for months on end. As the situation grew critical Mr. Huntington insisted, "I want the Newport News Yard to be an exception to all others in promptness of delivery and fulfillment of promises." Efforts to break the machine-tool impasse being without avail manufacturers were working day and night, delay in progress of work on the new steamers continued to lengthen.

In this connection Mr. Orcutt's defense, affording a summarized view of the boldness of scope of the project as mutually understood between him and the owner, may be not without interest. Said he, "You have given us a contract the like of which has never before been assigned, either in this country or any other, namely, to put a first class shipbuilding establishment . . . on virgin soil . . . in a very short space of time." Continuing, he said that all other shipyards had been the growth of years from simple beginnings, whereas here, it had been necessary to handle at one time the layout and preparation of grounds; location, design, and installation of machinery, all looking to economical operation in competition with other shipyards. To this end, he said, "We have introduced numerous labor-saving appliances which have never been made use of in American yards, and I doubt if they have been employed in foreign yards . . . many anxious months have been spent in trying to get this plant in shape."

With prospects of improvement in superintendence with the coming of Sommers N. Smith in January, 1891, for that duty, Mr. Huntington, in writing a business connection in Washington, said that he had taken great pride in the shipyard, that upward of three million dollars had been put in it, and that he expected to go on to at least five million. Here was a forecast of additional freighters for improved Morgan Line service as well as proposed new vessels for service in Pacific trade.

By midyear the plant comprised twenty buildings, seven of 300 feet and upward in length, eight in the 200- and 100-foot ranges, and five of smaller sizes mostly of brick and some of two or three stories in height. "There is an air of permanence about everything," wrote an engineering news reporter. There were two small shipways suitable for building tugs and two for vessels up to 400 feet in length and served by an overhead traveling crane, an innovation in shipbuilding practice which was soon thereafter adopted by other yards.

As these improvements neared completion, preparations were made for further expansion which resulted some months later in building two additional and larger shipways with an overhead traveling crane to serve them, a large frame shed 344 by 270 feet, and lesser buildings including necessary additions to the central power plant. And in October, 1891, additional land was purchased extending the Washington Avenue frontage northward to 46th Street and a waterfront block on the south side to 86th Street, giving a total frontage on the James River of ten city blocks (2,540 feet) and aggregating upward of seventy-five acres of land. Later filling on the north side increased this to eighty-seven acres.

The outline of premises described above, with the exception of the purchase in 1902 of the foundry property on the spur track leading to the plant, remained unchanged for more than twenty years. But since a shipyard plant, in order to keep pace with advances in design

and technique, can never be considered complete, further circumstantial references to that phase of the business may be recommended as an interesting pastime for some future writer in favor of a synoptic review of some of the yard's early struggles for a place in a highly competitive industry.

Contrary to general belief that Mr. Huntington, through large holdings and influence with steamship operating companies, kept the yard supplied with desirable contracts at advantageous prices, he never ceased to insist on better work at lower prices than obtainable elsewhere. And from wide experience in having ships built, he knew to a nicety what vessels of every type should cost per ton. In fact, it was his belief that with a new plant such as provided at

Newport News, foreign prices could be met. But "whatever the price, let there be no mistake about the quality of the work" is typical of many similar expressions to the same inflexible purpose.

### Early Shipbuilding Operations

While the first of the two Morgan steamers was under construction prior to launching, a third was contracted for in January, 1892. As the second was being fitted out, a fourth steamer was begun in July (respectively El Sud, El Norte, El Rio, and El Cid). After delays and anxiety in getting started, here was gratifying headway. Profits from the last two contracts were expected to recoup some of the loss from the first two but, in the end, did not. Contracts tentatively arranged for building three large freight and passenger ships, and for which

new shipways and other plant improvements had advanced too far for abandonment, were reduced to two, then to one, then none.

Naval vessels then in bid proposal stages were let to a lower bidder at prices for which "none but the hardy need apply." Two coastwise vessels for which bid proposals were made were let to another yard at distress prices.

In this way, after a brief run of shipbuilding work, the financial and industrial panic of 1893 struck the yard. With the completion and sailing of El Cid in August, there remained in hand no other shipbuilding work. Ship repair work, in common with business everywhere, stagnated. Thousands of businesses failed including banks and brokers handling Mr. Huntington's accounts and 166 railroads including some of the largest. That the Huntington lines escaped receivership, and with them the yard, was ascribed by financial writers to his astuteness in management of large affairs in highly critical position.

An illustration of that kind of management can be found in the report of a marine reviewer in September, 1893. He wrote: "The ink on the report of one of the magnificent Morgan line ships breaking the record hardly gets dry when another of the craft does a little better . . . The latest performance is that of El Cid . . . caused no small amount of comment at home and abroad. . . . The fleet is probably incomparable for speed and efficiency."

It is of record that the sustaining force through the panic year of 1893 was the Southern Pacific transcontinental system organized ten years before. The fleet of four freighters built at Newport News was part of the artery of that system designed for competition with all rail routes in speed and volume of trade. And who shall say that the quality of work on these

vessels did not make substantial contributions to the solvency of the system?

### First Naval Contracts

Outwardly at Newport News the award of contracts in January, 1894, for building three naval gunboats had the effect of considerable relief from the strain of hard times. Authorization for these vessels, constituting the entire naval program for the period, provided for possible distribution of the work among bidders and to that end included a percentage allowance above low bids for bidders on the Pacific Coast. That all three vessels were awarded to a newcomer into the field of naval construction after two months of protest hearings shows the bid prices to have been low, and responsible, beyond successful contest from any quarter. In the end the bid prices proved also to have been lower than cost despite bonus payments earned under the contracts, and at that time of rare occurrence in naval construction for exceeding the requirements for speed.

During construction of the gunboats in the years of slow recovery from the depression of 1893, the building of commercial ves-

(Continued on Page Six)

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