

# SHIPBUILDING HAS NOW BECOME ONE OF THE MOST IMPORTANT INDUSTRIES OF THE DOMINION; NOTABLE ACHIEVEMENTS OF CANADA'S YARDS

### Development of Shipbuilding in Canada Regarded as One of the Romances of the War Period — Chain of Yards Has Been Established Right from the Atlantic to the Pacific Coast, and Number of Boats Launched and Quality of Workmanship Has Been a Revelation to the World—Industry Now at the Parting of the Ways and Must be Taken to Establish the Permanence of the Industry.

Shipbuilding proved one of the greatest industrial achievements in Canada during the war period.

In shipbuilding a great industry has been built up, and with the various yards located right across the country it has given an impetus to the entire industrial scheme of the Dominion. Although established only a few years, shipbuilding has become one of the most important industries in Canada.

Confining to no one section, it affects tremendously the entire economic fabric of the Dominion. In its splendid and widely distributed plants, thousands upon thousands of skilled workmen find constant and remunerative employment, while so far flung are its ramifications that today there are few manufacturing establishments in the land that do not look to it for some measure of their prosperity.

Splendid examples of modern industrial plants are Canada's shipyards, and they represent an investment of not only many millions of dollars, but a national asset that, wisely conserved, will be of untold benefit to the Dominion and to posterity, for in so far as Canada's future greatness lies in her ability to develop her foreign trade in every corner of the earth, so conversely, will that ability lie in her possession of a merchant marine sufficiently large to guarantee her a certain independence of the carriage of her products; a truth eloquently demonstrated in the late war.

Canada's shipyards are not only turning out ships that in every respect are fully equal to the best Britain can produce, and so acknowledged by Lloyd's, but ships that are Canadian in every sense of the word, their castings, propelling machinery, and deck equipment all being manufactured within the Dominion.

Even the steel plates, which until the completion of the Dominion Steel Company's plate rolling mill at Sydney, N. S., were imported from across the border, are now being rolled in this country.

Shipbuilding, indeed, is one of the few large manufacturing industries in Canada that does not depend to some extent at least on foreign industry for the successful completion of its products.

Today, Canada is confronted with the alternative of granting adequate protection to this industry, or letting it revert to a pre-war basis, which will mean that most of the yards will have to be abandoned, and the remainder left to struggle alone in the precarious condition that unhappily has been the lot of the shipbuilders since the day of the passing of the clipper that made the name of Canada famous through the world.

At Parting of Ways. The shipbuilders of Canada stand at the parting of the ways. Encouraged by the ambitious shipbuilding programme of the Dominion Government, and inspired not only by business sense, but by sound patriotism, many Canadians from coast to coast invest millions of dollars in plants that will never pay the investment unless their permanence is assured.

The demand of the world for ships has been the cause for the loss through lack of sufficient tonnage to maintain the armies in the field and the munition workers in the factories. Existing Canadian shipyards were asked to extend their plants beyond all normal reason, and every persuasive effort was brought to bear on capitalists and investors with the view of having new yards established. It is a common fallacy in Canada that the shipyards have paid huge dividends since the war, but as a matter of fact, few have been operated on a profitable basis.

When the call for ships came, there were only a small number of mechanics in the country who knew anything about shipbuilding. Most of Canada's manufacturing was of a character that required no specialization. Therefore, it devolved on each shipyard to train its own organization from the ground up, and while efficiency was the watchword, inefficiency maintained its sway for many weary days. And the loss was the builders'. Few yards in the Dominion failed to lose money in the first three years of the war, but patriotism, com-

binced with an optimism as to the future, compelled them to "carry on" and to await patiently the day of better things. Are they, then, to be considered as victims of national selfishness, or will Canada justify their faith in her? This is a matter that involves the moral obligation of national honor and should not be disregarded.

There has been a great deal of talk lately about rising labor costs in British shipyards, but, as already shown, these increases have been in no way commensurate with the voluntary wage increases that have been periodically put into effect in Canadian shipyards over given periods. This statement is strikingly corroborated in the comparative statement of wages in Great Britain and Canada in the month of March last. An analysis of this table will show the reader very clearly why it is impossible for Canadian yards to successfully compete with Great Britain without assistance from the Government.

World conditions are fast becoming normal, and then the shipyards of Canada will have to meet world competition or close down. Before the war, the British yards constructed a vessel at a cost of not less than 25 to 30 per cent. lower than could any Canadian yard.

Let us illustrate just what this British competition would mean to the Canadian shipbuilder, and what it is going to mean again unless some measure of relief is afforded of Canadian industry. We will suppose that two vessels of the same design and dimensions were laid down in Canada and the United Kingdom at the same time. One of these ships was constructed in a Canadian yard by Canadians, and the other by British workers in a British yard. The Canadian yard would be free to engage in every duty on everything entering into its construction and equipment of a kind and character produced in the Dominion. The cost of this ship would be at least 50 per cent. higher than the ship built in Great Britain, and yet the latter, fully equipped and furnished, would be free to engage in every class of Canadian traffic—even in our coastal trade and on the Great Lakes, if her size would permit her passage through the canals—on free and equal terms with the vessel built in Canada. Is there anyone anywhere who would consider this equitable? Certainly, from Canada's point of view, it is not sound economics.

#### Importance of Industry.

The present importance of the shipbuilding industry of Canada was vividly portrayed in the House of Commons by Mr. Edmund Bristol, member for Centre Toronto, who said in part:

"It is interesting to point out that when the War started we were building very few steel ships, and we should be grateful to Great Britain for what she did through the Imperial Munitions Board towards establishing the shipbuilding industry in Canada, and that at that time we were certainly not skilled in shipbuilding."

#### Need of a National Policy.

"In my belief the steel and coal industry of Nova Scotia is destined to become one of the most powerful factors in our commercial and financial interests throughout the Empire. Right in Nova Scotia there are coals of the largest iron and steel deposits adjacent to each other that are to be found in the world. Today in free trade England, with coal and iron of the same quality, with their low grade iron, they must obtain their ore from some other source. I predict that in a few years England will come to Nova Scotia for five million tons of steel billets per annum. These billets will be manufactured in England, where there are the best steel finishing shops in the world, and where transportation is within easy reach. We ought to believe in the National Policy; we ought to have in turning our timber into the finished product, our iron and steel into manufactured articles, so as to provide employment for our Canadian workmen and to supply our Canadian farmers with the implements they require, and give them the home market for their products. Then let the finished product be sent to other countries, so that money may flow here."

The English shipyards have been in existence for hundreds of years; their modern yards have been operating for about twenty-five or thirty years—and there is no question that so far as the cost is concerned the English yards are cheaper than the British yards than any other in the world. Before the war, there is no doubt that the British shipbuilder could beat any competitor. I desire to tell my hon. friend something he does not know, and something that was news to me when I heard it, and that is that during the war Great Britain, a free trade country, gave a bounty of £410 to her shipbuilders on every ton of plates. I have a letter from Sir St. Albert, Secretary of the English member of parliament, and I shall read a part of it which may be of interest. It is dated May 3, 1919, and reads:

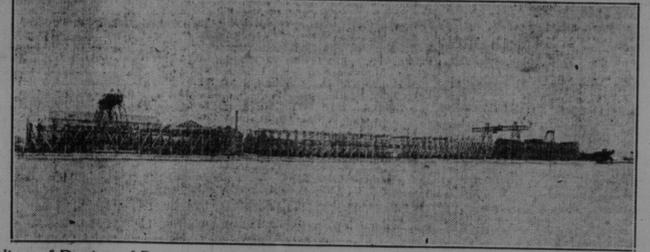
"I have been in communication with the Ministry of Munitions, and am now in a position to reply to your letter. Sir St. Albert, Secretary of the English member of parliament, on the 14th April, on the subjects of the subsidies on iron ore, pig iron and steel plates."

"I observe that he calls it subsidies."

"As regards steel ship plates no direct subsidy is being given, all direct subsidies to steel makers have been withdrawn on the 31st January, 1919. Up to that date a direct subsidy of six shillings per ton was payable on ship plates, and in addition



Building Berths of the Shipbuilding Plants of the Nova Scotia Steel and Iron Company, New Glasgow, N. S.



View of Portion of Dominion Shipbuilding Company's Plant on Lake Front at Toronto.

you must have shipyards, steel plates, and skilled labor, and today through the efforts of the Minister of Marine and the Government we have these three requisites in Canada, and in splendid shape. Before this we were at the mercy of the United States for plates. Moreover, the Minister of Marine is getting from the Government a contract that today he is being offered higher prices than the Government is paying. He could sell his contract to the Government for a million dollars, and that is the kind of Government you are getting from business men associated with the business of the country.

#### Improving Canadian Labor.

"The interest in shipbuilding is very widespread in Canada, and in Nova Scotia, four or five in Quebec, five or six in Ontario, and three or four in the Maritime Provinces. Practically four-fifths of the people of the country are interested in the maintenance and upbuilding of our shipping industry."

"Now, what is the position of our industry relative to that of the United States? I say fearlessly and unflinchingly that the Minister has said that we can today beat the United States in press in shipbuilding, and in maintaining a great industry most of what is necessary in the public interest to attain this end, whether by means of a subsidy, a bonus or a protective policy."

"Let us consider the position of the Canadian ship owner. He embarked on this business in the middle of the war. His yard cost him at least one hundred per cent. more than the British yards cost the British shipowners. That is a first charge. What the minister says in regard to ship plates is correct. Our prices for plates today owing to the foresight of the Government, are practically the same as those in England or possibly a little less. Another problem is the question of labor. Up to the present time the British workman on ships has been poorly paid. He is a man of long experience and he is a clever workman when he works, but he is paid about half the wages that we have to pay Canadians. If you take this industry which has been fighting for its life in Canada, which started patriotically in the middle of the war, which has operated at 90,000 invested upon which 200,000 people are depending, you will find that it has the support of every Board of Trade throughout Canada. These boards are urging the Government not to allow this industry to be put out of business."

"Any Government would be derelict in its duty which did allow an industry of this kind to go to pieces at the present time. I am sure this

Government are not of such a character that they would not give the gravest consideration to the question how best to maintain this industry if they do not propose to go on building ships as they have done for some years past. The reason that the prices of ships built in British ships are maintained today is not because Great Britain cannot build cheaper, but it is because the British ship owner is out to get his price from the rest of the world for building ships, and even if Canada is his biggest competitor he can still get the business because of his greater facilities and experience. We must of necessity know more about building ships than we do in Canada."

#### Shipbuilding a Basic Industry.

"If you do not keep the shipbuilding yards in this country going to capacity during the next five or ten years if you are going to allow the skilled workmen to become scattered, if you are going to disorganize this industry, you are going to cause very serious financial trouble and set back the progress of Canada as shipbuilding is a basic industry. I make the statement of my own knowledge, that over twenty-five per cent. of the men employed in the shipyards of Canada are men who saw service in our own expeditionary force. The returned soldiers have petitioned the Government to allow them to re-engage in our own ships, but they would do what the British Government did in connection with steel plates—namely, give some reasonable subsidy to enable the wages of our Canadian workmen to be maintained and to enable these yards to be kept going for another five years until they are firmly on their feet, so that shipbuilding can be done here, not only for Canada but for the different parts of the world."

I am satisfied that the result of that policy would be that you would see ocean ships built in Canada at Halifax, Moncton and Three Rivers, and like ships built at Toronto, Collingwood and Port Arthur, as cheaply as they could be built anywhere. Colonel Carnegie, who is well known to all of us and who was in this country as adviser of the British Government, said to me, after spending a day at Toronto and going over the Dominion shipbuilding yard there, that he had not seen a more up-to-date plant anywhere, adding: "After what I have seen of the intelligence and efficiency of Canadian workmen, in a few years you will be able to build ships as cheaply as we can in England." If the Government will give the shipbuilding industry a reasonable chance to bridge over the period necessary to establish it upon a firm footing, in a little while our Canadian shipyards will be turning out ships successfully in competition with the world."

The shipbuilders' case was presented recently in the following memorial to Sir George E. Foster, K.C.M.G., his excellency Acting Premier, the shipyards, presenting to the petition before: Halifax Shipyards Limited, Halifax and Dartmouth, N. S.; Nova Scotia Steel and Coal Company, Limited, New Glasgow, N. S.; Three Rivers Shipyard Limited, Three Rivers, Que.; Davie Shipbuilding & Repairing Company Limited, Levis, Que.; Tidewater Shipbuilders Limited, Three Rivers, Que.; Canadian Vickers Limited, Montreal, Que.; Dominion Shipbuilding Company Limited, Toronto, Ont.; British-American Shipbuilding Company Limited, Welland, Ont.; Canadian Allis-Chalmers Limited, Bridgeburg, Ont.; Midland Shipbuilding Co., Ltd., Lindsay, Midland, Ont.; Collingwood Shipbuilding Company Limited, Collingwood and Kingston, Ont.; Port Arthur Shipbuilding Company Limited, Port Arthur, Ont.; Yarrow Limited, Victoria, B. C.; Prince Rupert Dry Dock and Shipbuilding Company Limited, Prince Rupert, B. C.; Esouhau & Sons, Vancouver, B. C.; Victoria Machinery Plant Limited, Victoria, B. C.; Wallace Shipyard Limited, North Vancouver, B. C., and Esouhau & Sons, Vancouver, B. C.

"Prior to the outbreak of war steel vessels were built in Canada in only a few shipyards, which produced intermittently a small tonnage of large cargo and passenger vessels, scows, dredges, buoy steamers, etc. Subsequent, however, to the outbreak of war, all the existing companies and a number of new ones have energetically gone in for steel shipbuilding, and many extensive shipyard organizations have been built up."

"The capital actually invested at the present time is approximately \$47,000,000 exclusive of working capital, and the industry furnished employment to approximately 23,000 men in the shipyards (not less than 25 per cent. of these men having served overseas) and almost another 23,000 men engaged in the construction of ship plates, shapes, machinery, furnishing and equipment. Adopting the usual standard of dependence for each workman, over 200,000 persons are subsisting on this industry at present."

"An important feature to be noted is that the expenditure for labor and material in ship construction is almost entirely made within the country, whereas the product is chiefly for export, the result being additional work for the country."

"Owing to the great demand for tonnage in 1916, the British Government, through the Imperial Munitions Board, induced the existing steel shipbuilding yards in Canada to construct steel ships for the British Government. While Canadians at that time were not experienced in steel shipbuilding, they gladly undertook the task, and steel ships were built not only in the yards on the lakes, but also at Vancouver, Montreal and elsewhere. In the latter yards cargo vessels were constructed as large as 8,900 tons deadweight."

"When the present Government came into power in 1917, it very wisely decided that Canada required a merchant marine of her own, and from that date up to now that work has kept the existing steel yards in Canada, fully occupied."

"From the above some idea of the magnitude of the industry can be formed, and the importance to the country of continuing its operation is manifest."

"The Hon. the Minister of Marine has publicly referred from time to time with pride to the results accomplished and the shipbuilders, feel confident that the Government will assist them in maintaining their operations."

"Following the suspension of hostilities, the Canadian Government shipbuilding programme provided the necessary work to keep the yards occupied to full capacity, and what was more important, Canada has been able to greatly expand her export business and to supply ships that will be needed to co-operate with the Canadian National Railways, thereby greatly improving the Government's transportation system. It must be gratifying to the Government to know how substantially their shipbuilding programme has been received throughout the country, and that when its fleet of ships is completed, it will have placed Canada in the position of trading successfully with other countries."

"The Hon. the Minister of Marine made the statement in Parliament last May that the Government was nearing the end of its shipbuilding programme, and clearly indicated that if the shipyards in Canada hoped to continue they would have to look for business elsewhere."

"Later, when introducing the Government's shipbuilding programme in March, 1918, the Hon. the Minister of Marine made the statement that the Government's policy was to encourage shipbuilding as a permanent industry, which policy was subsequently confirmed by the encouragement given in the erection of a large plate mill at Sydney, N. B."

"The workmen employed in our Canadian shipyards have demonstrated their efficiency and ability to build ships in a sound and workmanlike manner and equal in all respects to those constructed by any other country, and in fairness to the workmen and their dependents, and having regard to the large capital invested, we submit the present time is most opportune for co-operation between the Government and

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#### Huge Capital Invested.

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S.S. "Alsace," Built, Engine and Equipped by Canadian Vickers, Limited, at the Company Shipyards at Montreal.

Plant of the Tidewater Shipbuilders, Limited, Three Rivers, Showing Completed "Canadian Settler" and Another Vessel in Course of Construction.