

Marine Department

The Dominion Government Asked to Start Ocean Steamship Building.

J. G. Scott, President, Quebec Board of Trade, and formerly General Manager, Great Northern Ry. of Canada and Quebec and Lake St. John Ry. has sent us copies of correspondence between himself and the Minister of Trade and Commerce. The first letter was written by Mr. Scott on behalf of the Board on May 17, as follows:

The Council of the Quebec Board of Trade have followed with much interest the recent debate in Parliament on the question of ship building in Canada, in which you outlined an approximate idea of a method of encouraging the building of steel ocean going steamships in Canadian shipyards and their operation by Canadian owners. We understand that your plan would be for the Government to pay as a bonus the difference between the cost of building such vessels in Canada and that of building them in shipyards in the United Kingdom, and also a guarantee of subsidy to represent the difference between the cost of navigating vessels as built by Canadian owners, as compared with the cost of navigating under British ownership. We do not know if we have correctly understood the meaning of your speech, but it would seem to us that the question is so urgent that some such policy is necessary in the interest of the country; because, at present our export trade is simply prohibited by the high rates of ocean freights. For instance, in the deal trade, which interests equally Quebec and St. John, N.B., the present rate of freight is six times what it is under normal conditions, and the freight is thus far greater than the value of the lumber.

We presume that if such a policy were to be determined upon, it could not be put into force until after next session of Parliament. And in any case, if the cost of building ocean steamers in England now is so much greater than before, as the recent debate in Ottawa would indicate, might it not be difficult to induce Canadian builders to build until the termination of the war will have given them some idea as to what conditions will prevail for the future? In the meantime, the great and rapidly increasing export trade of Canada is almost at a standstill for want of ocean tonnage. The Northwest raised last year 700,000,000 bush. of grain, Montreal exported less than 40,000,000, no less than 105,000,000 went to Buffalo and thence to United States seaports, and many million bushels of grain in the Northwest are exposed to loss or injury for want of storage. Is it not therefore most urgent that the Government should take some decided steps to remedy this alarming condition of affairs?

The Quebec Board of Trade has urged for the last three years that grain storage should be built at Quebec, Halifax and St. John for at least 10,000,000 bush. at each place, so as to fully utilize the new means of transporting western grain to the seaboard offered by the National Transcontinental Ry., and thus give constant grain traffic to the railway, which the recent declaration of the Minister of Railways proves that it can profitably carry at 3c a bush. cheaper than the rates in force on the lake and rail route.

The question of ocean tonnage seems

to be equally important. Why should we not build and own and operate our own ships, as we did 40 years ago, when Canada stood fourth on the list of ship owning nations? Today, we are nowhere. Then, the ships of Quebec, St. John, Yarmouth, Charlottetown and Halifax, manned by Canadian captains and crews, were well known in every port in the world. Our merchants were ship owners and our people were mariners, and both were drawing revenue from the greatest source of revenue, which does not appear in the Government statistics, viz., ocean freights. One firm in Quebec had, at that time, nearly 100 ships in service. All that has gone. Why should it not be revived, and why should we not build steel vessels, as we formerly built wooden ones? We are able to build costly railways, great bridges, and railway cars and to make steel rails. Why not ships?

The Government is just completing, in the port of Quebec, the largest dry dock in the world, capable of docking the greatest steamship afloat, and therefore more than large enough to secure safety and repair to the largest steamships now using the St. Lawrence, some 20 of which are now without the means of repair in case of accident, being too large for existing docks. When this dock is finished, in six months from now, it will be necessary to keep a staff of experienced shipwrights and riveters there, so as to repair vessels in case of mishap. These men must have constant employment, or they will not remain. Between this dock and the smaller Government dry dock, adjacent, there is a ship building yard, where the Davie Ship Building and Repairing Co. have in the last few years built a number of steel river steamships. The workmanship on which has been declared by experts to be as good as any done on the Clyde. They are now building a large steel train ferry steamship for British Columbia, and a fleet of launches and small craft. Some 1,800 men are thus employed, who, when the war is over, will be out of work, unless, in the meantime, some arrangements can be made for building ocean steamships.

So as to give work to these men, as well as to the steel working staff who will have to be kept at the new dock, we would respectfully suggest that the Government take the initiative in building ocean steamships in Canada, by building say six or more freight steamships of 8,000 to 10,000 tons register, of which 2 might be built at Montreal, 2 at Quebec and 2 in the Maritime Provinces, and, if thought proper, some seagoing vessels on the upper lakes, whose tonnage would of course be much smaller on account of the St. Lawrence Canal locks. An arrangement could no doubt be made with the ship building yards at these points to build these vessels at the actual cost of labor and material, plus say 10%, or any other profit that might be thought equitable. In this way, the Government would establish the cost on which to frame future legislation; would start the movement of building ocean steamships in Canada; would provide a small fleet to help out the transportation problem, which is very acute, would prevent a lot

of men being thrown out of employment when the war is over, would increase the business of our steel works, and would create a valuable industry, which could then be left to private enterprise, aided possibly by some encouragement from Parliament.

Sir George E. Foster's Reply.

The Minister of Trade and Commerce wrote Mr. Scott on May 19 as follows:

In my speech in Parliament I discussed the various methods which had been proposed or might be put forward to mitigate the present difficult conditions of ocean transport, with an endeavor to draw out from the House an expression of opinion as to the best policy to be pursued. After thoroughly considering the matter, the Government came to the conclusion that it was impossible, under present circumstances, to lay down a well considered line of policy for consideration during the session just closed. The matter has been referred to a committee of council who, during the interim, will give it more extended consideration, and, if possible, be prepared at the next session of Parliament to state their intention.

Your Board is well within the mark when they recount the present conditions and urge the necessity for supplying a remedy. The nature of the remedy that could be applied, however, is a difficult matter to decide. Granted a worldwide and increasing lack of tonnage, with almost an unprecedented quantity of products to be transported, and the consequent lack of space and advancing rates, now far away beyond the normal, the question as to how to remedy this state of affairs is not solved in any way by the statement of conditions. To cite the situation years ago when Canada stood fourth in the list of shipowning nations and the situation today, does not bring very much relief. Those were the days of wooden shipbuilding, when Canada had the advantage of most countries of the world in procuring the best of lumber and of easy access to the seaboard, where inexpensive yards and plenty of material and cheap labor created an ideal situation for shipbuilding. But of course the wooden vessel has gone and its place is now taken by steel vessels and, in the main, by steel vessels of very large carrying capacity.

If shipbuilding is to be revived, it must be in the form of steel ships and for the building of these, very expensive yards are required, skilled labor to a large extent and accessible material. At present our steel shipbuilding yards are few in number and, in the main, congested with work, whilst on the other hand, labor is scarce and the skilled portion of it largely diverted to war purposes. The steel material is at peak prices and under the present conditions requires months, if not years, before an order presently given can be filled. On the other hand, whilst at this present moment tonnage is scarce and freights are high, no one knows how soon peace may come, and when it does come no one knows just what will be the effect upon tonnage and rates.

Anyone can guess, and some people may give a studied opinion, but all are liable to contingencies. So far as en-