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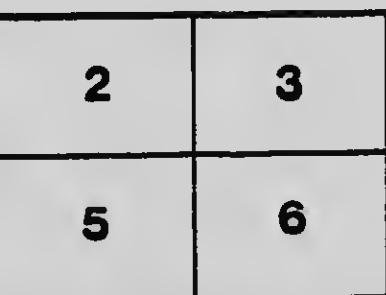
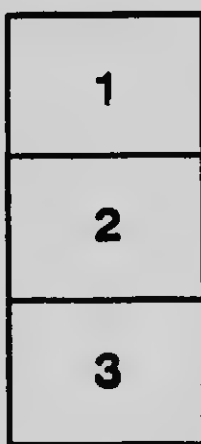
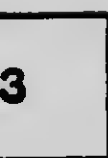
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**Shipbuilding in Canada**

***The* Handicaps, and the  
Remedy Therefor  
Suggested**

*Alfred D. ...*



1907



## **SHIPBUILDING IN CANADA.**

### **THE HANDICAPS, AND THE REMEDY THEREFOR SUGGESTED.**

On the Great Lakes and the St. Lawrence River, there is now a fleet of vessels that would carry about 3,000,000 tons at one time. There was carried last year about 60,000,000 tons of western products eastward.

Of this great fleet of vessels, less than three per cent of the vessel tonnage is owned in Canada, although Canada possesses fully half of the coastline, and bears the great expense of supporting this waterway, canals and aids to navigation. While the country is growing rich, and Canadian products west of and along this waterway are increasing very fast, the Canadian ship tonnage does not keep pace with the rest of the country. In fact, it is about the only industry of importance that is not protected properly.

On the other side of this great fresh water course, in the United States, ships and shipbuilding for the lake trade are fully protected. Shipbuilding is in a wonderful state of prosperity, there being fully thirty times as much in progress as on the Canadian side. Compare the annual report of the largest shipyard in Canada with the annual report of the largest shipyard in the United States on the Great Lakes, and it will be seen that the first is struggling along with little or no profit, while the other has had the greatest possible prosperity for the past seven years.

On the American side of the upper lakes, last year and this year, including vessels now under contract to build, more than one hundred steel ships of from 450 to 610 feet long, with a carrying capacity of from 8,000 to 14,000 tons each, and costing nearly \$50,000,000 will be launched. As this great fleet comes into use, there will be a lot of old small vessels to sell to Canadians.

A great part of the lake trade is common to both Canadian and United States vessels, that is, products from one side to the other. The carrying of cargo coastwise, or from a port in the





United States to another port in that country is protected; it is confined absolutely to their own vessels, while in the Canadian coastwise trade the British ship enjoys the same privilege as the Canadian. The coastwise trade of the United States in the lake region is larger than in Canada, yet Canadian products and trade are increasing so fast that many United States vessels are required to carry Canadian grain and other products to American ports that might go out through Canadian ports if there were more Canadian ships to move them.

The United States Government protects its shipbuilding on the Great Lakes as follows: Any vessel built in any other country cannot be registered in the United States. All repairs to a United States ship made in Canada must pay fifty per cent duty, including drydock charges, when she arrives in the United States. At present there is a Bill before Congress to prohibit any vessel repairs in a foreign port, at any rate only enough to carry the vessel to a United States port. In the coastwise trade this fully protects the coasting vessel, because no foreign-built vessel is allowed to compete with her, and it also protects the ship-builder, because he knows the new ship must be constructed in the United States, also the repairs which, in dull times, may help to keep his yards busy until new vessels are wanted. In this way both the shipbuilder and the ship-owner are protected. The Canadian-built vessel, or her co-operator (the British tramp), and the Canadian-owned United States-built vessel, may go to the United States for repairs, and come back to Canada without paying any duty on such repairs, or dry-dock charges.

Not one vessel built in Canada appears on the United States Register, while there are now on the Canadian Register (List of Shipping), 286 small and large steam-vessels, and 172 sailing vessels that were built in the United States, also 68 large steel steamers that were built in Great Britain.

About three-fourths of the above tonnage is doing business on the Great Lakes and the St. Lawrence, and in addition there is a fleet of small British tramp steamers, which have the same privileges as the Canadian-built ship in doing a coastwise trade in Canada, mostly on the Great Lakes and the St. Lawrence.

These British tramp steamers are not enrolled in the Canadian Shipping List, and when trade on the Great Lakes is very dull, they can go back to the ocean, as they are all fitted with salt water appliances for their boilers. They are usually old steamers, too small for the trade they were originally intended for. It suits their owners therefore to rush them in upon the Canadian lake trade when it is good, and thus assist in cutting freights for the Canadian-built ship.

Up to the present time there are only about twelve Canadian-built steel vessels in operation, and four or five under contract to build, while in the lake region of the United States there are thirty times as many under construction and contract.

When a Canadian shipping firm wants a ship they will ask one of the Canadian shipyards for a price, and as the Canadian yard is paying about the same wages to its men as are paid in the United States, and the material costs a little more than in the United States, it has to ask about the same price. If the Canadian shipowner be not satisfied he then asks for a price in Great Britain, where labour costs much less. The Canadian shipyard knowing this, if it desires the contract, must offer to build the ship for little or no profit, otherwise the order will be placed in Great Britain. Often this has been done. Vessels have been built in England and cut in two at Quebec, or Montreal. They are then taken up the canals in two halves and put together again at some yard in the United States. Another source of competition may arise from the purchase of old vessels built in the United States on which a small duty only is paid. Or still another is the hire or purchase of British tramp steamers, all of which work against the Canadian shipyard.

In building a Canadian steel ship, about one-third the cost is in the iron and steel as it comes from the mills, and the other two-thirds is labour. May we not look forward to the time when all the material will be made in Canada as cheaply as in Great Britain, or elsewhere.

When one considers the cost of maintaining the aids to navigation from the entrance to the gulf of the St. Lawrence to the International Boundary line on Lake Superior, in Minnesota, it is obvious that a much larger fleet of vessels should belong to the country which pays the cost of these improvements.

The season of navigation on the Great Lakes and St. Lawrence River is about seven months. There are many narrow channels and rocky bottoms, also much thick weather, so that the danger of bottom damage to the ship is great. This has brought about a steel vessel especially adapted for the trade, which can earn net profits that old and unfitted vessels cannot do.

A modern steel vessel for trade on the upper Lakes and the St. Lawrence River is built with a double bottom, with a depth between these bottoms of from three to six feet. This enables the carriage of a large water ballast when going without cargo. Should a vessel ground while carrying water ballast, it can be pumped out and the vessel released, or if the vessel, light or loaded, strikes a rocky bottom and ruptures the lower bottom, the upper bottom will protect the ship and cargo. This kind of navigation leads up to a system of taking much risk, and consequently some great bottom damages are the result. Sometimes the lower, or outer bottom, is ruptured and flattened up against the inner bottom without damage to cargo. Such damages usually range from \$5,000 to \$50,000 each. Then add to this the damages from wrecks and collisions, which may be even much greater. Last year there were quite a number of these that would reach \$100,000 each, and in either case such damages must be repaired at some yard where they have a good dry-dock and all the modern appliances, such as the best steel shipbuilding machinery and tools, machine and boiler shops, foundries, forges, cranes, derricks, and the latest improved air tools, and plenty of power to drive them all. A well equipped yard must have in stock from \$50,000 to \$100,000 worth of iron and steel to draw from, also a lot of wood-working machinery, and such lumber and timber as is required to carry on the business. There must also be a full staff of superintendents and skilled men in all departments; there must be available at least 300 men to work night or day to make all kinds of repairs; a staff of officers, and from 300 to 1,000 employees. As the running expense of a vessel is so great, the owner only insuring against repairs and not against loss of time to the vessel, because of the short season, each day lost in repairs is about equal to two days. Hence the owner of the damaged vessel will send her to a place where they have all the requisite facilities to do the work night or day as required.

For example, supposing damages done on the Lakes to a Canadian-built vessel, British vessel, or a Canadian vessel built in the United States. If this damage is of a character that would indicate from \$5,000 to \$50,000, which is a common occurrence, the Canadian owner, or his representative is immediately approached by an agent of one of the shipyards in the United States. This agent gives him such inducements that the Canadian is often tempted to go there for repairs. Last season, up to October 1st, \$100,000 of such repairs had been made, while not \$1,000 of repairs to a United States vessel have been made in Canada, although in this country there are plants just as good and an adequate supply of skilled labour as can be found in United States waters. My own conviction is that unless sufficient protection is given to the Canadian shipbuilding and repair yards immediately, they may have to go out of business altogether. There has been no profit made by the shipbuilding firms in Canada for many years, while, on the other hand, the industry has flourished with our neighbours.

For the nine months ending on the 31st of March, 1907, the total mail subsidies and steamship subventions voted by Parliament amount to \$958,757; the appropriations for ocean and river service, (which are really aids to navigation) are \$599,711, while for the lighthouse and coast service for the nine months the total is \$1,046,150, or a grand total for the year of \$4,672,899. If the steel shipbuilding plants could get one-fourth of the amount that will go to the steamship companies alone, or \$300,000 it would give such a boom to shipbuilding in Canada that before many years have passed away a first class fleet of Canadian lake vessels would be in existence, and Canadian produce would be almost entirely carried in Canadian bottoms.

The encouragement of lake shipping would reduce the cost of transportation both east and west. The Government has aided the railways by enormous land grants and cash subsidies, yet this important link, the common fresh water carrier, that anyone can own and operate, and is the free agent to carry cheaply in connection with the railroads or in opposition to them, has to struggle along without assistance. United States lake vessels are now getting the full advantage of the Canadian canals, light-houses, beacons, and improvements to the waterways generally at an ex-

penditure of hundreds of thousands of dollars annually. The United States lake shipping is getting the best of it in our coastwise trade and is flourishing at the expense of the Canadian people. Has not the time arrived when the Government and the Parliament of Canada should endeavour to meet the situation by affording such generous assistance to the steel shipbuilding industry in the Dominion, as will enable it to face existing competition, and furnish employment at good wages to thousands of skilled Canadian artisans? A bounty on steel shipbuilding would aid the struggling plants on the great lakes, and might lead to the establishment of new yards at Sydney or Halifax, St. John, Quebec, Vancouver or Victoria.

ALEXANDER McDOUGALL.

Niagara Falls, Ont.,  
March 13th, 1907.







