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THE CANADIAN MERCHANT MARINE

An address by the Minister of Transport, Mr. Lionel Chevrier, to the National Council of Seamen's Agencies, at Montreal, June 11, 1952.

...In this country, my Department of Transport administers the Canada Shipping Act. It keeps records of seamen signing on Canadian ships, it arranges for the examination of officers and men, it regulates in the field of pilotage, it provides aids to navigation, and the Board to Steamship Inspection within the Department is responsible for safety requirements. As Minister of Transport, the Canadian Maritime Commission and the National Harbours Board report to me. From almost all these sources I have good reason to know the importance of the work you do and what it means to the men of the sea.

Canada is one of the leading trading nations of the world, particularly if the measurement is made on a per capita basis. About one-third of our national production goes to export and about one-third of our requirements are imported. Since most of our important products move either by sea or by inland water routes, or by both, it will be apparent that we have a vital interest in the ships and the seamen who serve us. And yet the Canadian ocean fleet is not a large one by world standards. In normal years there is greater employment in our coastal trades than on ocean-going vessels, while employment on the Great Lakes is greater than in both these salt water trades combined.

There was a time when Canada ranked much higher among the maritime nations of the world. The Canadian shipping industry dates from the early 18th century, when the first commercial ventures in shipbuilding began, based on local timber. The industry prospered in the 19th century and reached its peak in 1878. Canada then boasted 7196 vessels of 1,333,000 tons, and ranked fourth among the shipowning nations of the world.

The fortunes of Canadian shipowners began to decline soon after that, however, with the coming of a new era of steel and steam. By the turn of the century Canada's merchant marine had been greatly reduced in tonnage, and since then the business of operating ocean-going vessels has never really prospered here. No doubt this is regrettable, not only from a romantic point of view but for practical reasons too, as we have found out in two World Wars. But it is a direct reflection of our high standards of living compared with other maritime nations.

For shipping is a highly competitive business, and Canadian standards of wages and working conditions make for high costs, second only to those of the United States. Such costs can be covered when shipping is in strong demand and ocean rates are high. But high rates have been the exception rather than the rule over the years, and low rates soon force Canadian operators out of business.

Thus it was that there was practically no Canadian shipping left by the time the First World War began, aside from coastal and inland vessels. Then, late in the war, submarine losses brought a revival of Canadian shipbuilding, almost entirely for government account. The Canadian Government Merchant Marine Limited was formed after the war to operate the government-owned fleet, which numbered 63 vessels by 1921. Operations were profitable at first, but the company soon lost ground to others operating faster and more modern ships. After years of deficits the fleet was finally liquidated in 1936. History thus repeated itself. By the start of the Second World War, Canada's ocean fleet was down to 38 vessels totalling only about 240,000 gross tons.

During World War II Canada got into the shipping business again, in a large way. We built 398 merchant vessels here (as well as 393 naval craft) and while some were sold outright, others were chartered or loaned to allies and still others were retained under the Canadian flag. At the end of the war the government owned 258 dry-cargo vessels, and in 1946 the Canadian merchant fleet once again was the fourth largest in the world.

After the War the government sold all its vessels on a brisk market, 215 of them totalling over two million deadweight tons going to Canadian owners for Canadian registry. Operations continued profitable well into 1948, but already the handwriting was on the wall. The vessels were slow and inefficient, they would face a growing competition from newer and more modern vessels in other fleets. The world shortage of shipping was being overcome, rates were bound to fall, and currency difficulties were increasing. It was clear that the Canadian fleet was too large for normal requirements, and that even a lesser fleet must be modernized. At the same time the lesson of two World Wars was that Canada must not depend solely on her allies for shipping services, that it was necessary to maintain a minimum number of vessels under Canadian control.

Three steps have been taken to meet this challenge. The first is the "replacement plan", inaugurated in 1948. This relates to the wartime vessels sold to Canadian owners. In each case the terms of sale had included the stipulation that the vessels be maintained under Canadian registry. The "replacement plan" allows such vessels to be sold abroad in approved cases, with the proceeds of the sale being placed in escrow to be used for building new and more efficient vessels for Canadian registry. As its name implies, it provides for modernization of the fleet. So far 62 ships have been sold under the plan, with proceeds of \$36.2 million to the escrow fund. Of this latter sum \$25.5 million already has been committed for new construction and conversion in Canadian yards.

The second step was the "transfer plan." It was established after negotiations with the United Kingdom in 1949 when ocean freights were low and "dollar" cargoes hard to get. Briefly this plan permitted transfer of Canadian ships to U.K. registry, with the ownership remaining in Canada. This change allowed vessels to operate at a much lower cost and to participate in sterling trades that otherwise would have been closed to them. Owners were enabled to keep vessels in profitable operation when otherwise many would have been laid up. At the same time the vessels will remain available as a Canadian contribution to an allied shipping pool in the event of war. Some 93 ships have been transferred to United Kingdom registry under this plan.

The third step was the temporary provision of direct subsidies to ensure the maintenance of a limited number of vessels under the Canadian flag -- under Canadian registry, that is, not merely Canadian ownership. This plan was announced late in 1949. Under it the Maritime Commission made contracts with the owners of 37 vessels to operate them with Canadian crews. In each case the assistance was contracted for one year only.

Following the Korean outbreak in 1950, ocean freight rates rose rapidly once more. Subsidies were no longer required, and the plan has been dropped. But it did assist in tiding owners over a difficult period.

With this brief review of our maritime history I turn now to the seamen themselves. Let me say first of all that no body of men contributed more to winning the War than the gallant seamen of the allied merchant navies. All were volunteers and were engaged in a civilian capacity. Nevertheless their duties took them through desperate risks and hazards in the face of the enemy, comparable to those experienced by the average man in uniform.

You will appreciate from what I have said of the wartime growth of the merchant marine what a manpower problem we had. Manning pools and training schools were established to service the convoys, and new facilities were provided ashore for the allied problem of seamen's welfare at our eastern convoy ports. These projects later helped to provide the men to man our own merchant fleet, a requirement that grew to over 13,000 from a pre-war employment of about 1400. Some of the best seamen were recruited from as far away as the Prairies, where they had never seen the sea.

It must be noted that many seamen of other countries were employed on Canadian vessels. Many of the ships did not carry Canadian crews because their operations did not bring them to Canada. Accordingly the post-war readjustments which I have described did not cause serious unemployment of Canadian seamen. Nevertheless there has been a considerable reduction of employment opportunities. The seamen affected were made eligible for vocational training to assist them in finding shore employment.

At the same time there is a continuing need for providing training for those in Canada who would follow the sea. Canadian flag vessels are open to world-wide competition. If they are to be successful while paying Canadian wage scales, they must be manned by officers and men with high standards of competence and efficiency.

There are a number of schools of navigation and seamanship at various Canadian ports, some of them private and some sponsored by the provinces and receiving federal assistance. One is right here in this city in space provided by the Montreal Sailor's Institute. I might also mention Vancouver, Halifax, Saint John, New Brunswick, and St. John's Newfoundland, Yarmouth, Toronto, Kingston, and others. At Quebec City my own Department maintains a school of navigation and seamanship in the Pilotage Building. At Rimouski, a new marine school gives pre-sea training as well as tuition for all grades of masters and mates examinations.

Arrangements have now been made for the establishment of Schools of Practical Seamanship at Montreal and Halifax, in anticipation of the coming into force in Canada of an ILO convention respecting the certification of Able Seamen. This convention requires an Able Seaman to hold a certificate of qualification before signing on a Canadian ship to sail abroad. Those who have completed three years at sea before a specified date are eligible for certificates without examination, if considered competent, but others must pass an examination. The new schools will provide the necessary instruction and conduct the examinations.

There is presently a scarcity of qualified officers in Canada, particularly engineers. This condition is part of a world-wide shortage, and hence each country must find its own solution. In Canada my department is arranging for training facilities so that young Canadians can prepare themselves to be marine engineers in the merchant navy.

That pretty well outlines what the Canadian Government is doing to ensure on the one hand that we have a healthy merchant marine able to offer good wages and working conditions, and on the other hand that we have sufficient men of good training to man our vessels. Those of you from the United States will be conscious of the fact that your Government has faced the same problems on a far greater scale. In conclusion, I want to emphasize that the voluntary work of your agencies, and others like them in the ports of the world, plays an important and complementary part in making the life at sea an attractive one.

It is a work that deserves whole-hearted public support in both countries. I have mentioned how important our water-borne commerce is to Canada, far more important than our comparatively small fleet would indicate. The United States for its part sees a truly staggering volume of goods handled in ocean, coastal, and inland trades. These facts alone would justify a wide appeal on behalf of the welfare of seamen when ashore. But I would like to make my appeal to the seaport cities in particular.

Now I know that many of our ports on this continent give you generous support, and I rejoice with you in that fact. But no one knows better than you how much more could be done with more ample funds, and no one has more at stake than the citizens of our seaports.

Firstly, there is the matter of reciprocating at home the hospitality our own seamen enjoy in other ports. After all, your problem is not so much one of looking after men in their home port as in strange ports. And as such, it is as much a matter of entertaining foreign sailors as our own nationals. Common humanity demands no less.

Then there is the matter of practical self-interest. Seaports prosper or decline along with the vessels and the trades they serve. In them is focused much of the advantage that attends a great maritime commerce. They share in many ways the fortunes of the seamen in their harbours. They show wisdom therefore in doing their bit to make ocean life attractive and the individual seaman a happy visitor....