Fifty-Six Minesweepers and the Toronto Shipbuilding Company during the Second World War[1]

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L'industrie de la construction navale à Toronto a fabriqué plus du tiers des vaisseaux navals construits sur les côtes canadiennes des Grands Lacs pendant la deuxième guerre mondiale. À son zénith, l'industrie de la construction navale de la ville a employé presque cinq mille ouvriers. Cette industrie au temps de la guerre était unique à plusieurs égards. Seuls, les dragueurs de mines ont été construits à Toronto, dont plus de soixante pour cent pour la marine royale britannique. Toronto Shipbuilding Company a été créé pendant la guerre comme société nationale par le gouvernement de la dominion. Mais il reste discatable si cette forme d'organisation d'affaires convenait à la fabrication de navires.

Few people know that during the Second World War Toronto was a shipbuilding centre. Even fewer know that Toronto shipbuilders constructed fifty-six minesweepers and eighteen Fairmile B-type, motor launches—more than one-seventh of all of Canada's naval tonnage built during the war.[2] Toronto manufacturers also built eleven derrick-scows for the Royal Canadian Navy (RCN) and 435 landing craft for the Canadian army.[3] At peak employment in July 1943, nearly five thousand men and women worked in Toronto's shipbuilding industries, chiefly for the Toronto Shipbuilding Company, while thousands more manufactured marine engines, boilers, auxiliary machinery, marine valves, electrical fittings, precision instruments and naval weapons. These facts alone are sufficient to justify a study of the city's contribution to Canada's maritime war

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[2] Based on 354,368 displacement tons of 339 steel-hulled and 160 wooden warships built in Canada during the war; for Toronto tonnage see Table 1 (infra) to which is added tonnages of 18 Fairmile motor launches and one 126-foot minesweeper for a total of 52,334 tons.

[3] Library and Archives Canada/ Record Group 28 Department of Munitions and Supply, Series A [hereafter LAC/ RG 28], Box [hereafter number only] 29 "Contracts for Ships & Small Boats"; see Greavette Boats Limited and J. J. Taylor & Sons Ltd. for the Fairmile motor launches, Canadian Dredge and Dock Co. Ltd. for the derrick-scows and Howard Furnace & Foundries Ltd. for ramped cargo lighters.

production, but there are additional reasons to study wartime shipbuilding in Toronto and to focus as this paper does, on the Toronto Shipbuilding Company.

Toronto's shipbuilding industry stood apart from other Canadian wartime shipbuilding around the Great Lakes at Collingwood, Kingston, Midland and Port Arthur (now known as Thunder Bay). Shipyards at these other ports had existed since the beginning of the century and were closely connected to one another through the holdings of Montreal financier and entrepreneur, Roy M. Wolvin. Also, the chief products of the other Great Lakes yards were Flower-class corvettes constructed for the Royal Canadian Navy. No corvettes were built at Toronto where the focus remained on minesweepers from the beginning to the end of the war. Also, more than sixty per cent of the vessels built at Toronto were constructed for the Royal Navy rather than the RCN. Finally, while Canada's wartime shipbuilding industry remained largely in private hands, the Toronto Shipbuilding Company, the largest shipbuilding company on the Canadian side of the Great Lakes, was a crown corporation created by the dominion government specifically to build warships on the Great Lakes. Why that occurred, how human and material resources were swiftly assembled to build so many warships, and the consequences that followed from these actions are the subjects of this paper. During the course of the discussion, it will be argued that, contrary to some claims, the crown corporation was neither superior, or even an efficient instrument compared to private industry for producing warships.[4]

To tell the truth, only one steel ship was actually being built at Toronto when war broke out. In 1939, the Toronto Drydock Company Limited constructed the 115-foot ferry *Sam McBride* for the Toronto Transportation Company.[5] Shipbuilding got seriously underway at Toronto only during the summer of 1940, about ten months after Canada declared war on Germany. when the newly established Dufferin Shipbuilding Company laid the keel of the first of four Bangor-class minesweepers for the Royal Canadian Navy.

After the Canadian Cabinet approved a shipbuilding program in February, navy orders quickly filled up the country's available shipyards. The government moved swiftly to place contracts for 64 whale-catcher type patrol vessels, soon to be known as "corvettes", and 26 new 672-ton, twin-screw, Bangor-class minesweepers.[6]

With only twelve minesweepers contracted for the government encouraged creation of new yards. The chief problem lay in finding capitalists willing to invest in the facilities and experienced businessmen to manage them. The first opportunity on the Great Lakes appeared in February when Roy Wolvin, whose three shipbuilding companies had obtained contracts to build nineteen of the initial corvettes, purchased the

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[4] Claims about the efficiency and success of wartime crown corporations may be found in John deN. Kennedy, *History of the Department of Munitions and Supply*, 2 vols. (Ottawa: King's Printer 1950); Robert Bothwell and William Kilbourn, *C. D. Howe, a biography*, (Toronto: McClelland and Stewart 1979), 89, 133-4 and 178; Sanford S. Borins, "World War II Crown Corporations: Their Function and Their Fate" in *Crown Corporations in Canada: The Calculus of Investment Choice*, ed., J. Robert S. Prichard, (Toronto: Butterworths 1983), 447-75.

[5] Michael B. Moir, "Toronto's Shipbuilding Industry", in Tom Wickson, *Reflections of Toronto Harbour: 200 years of port authority and waterfront development*, (Toronto: Toronto Port Authority 2002), 95.

[6] G, N. Tucker*, The Naval Service of Canada*, 2 vols. (Ottawa: The King's Printer 1952), 2: 37-8.

old Midland Shipbuilding Company properties from Canada Steamship Lines in order to lay down additional hulls. The second appeared a month later in Toronto where on March 29 James Franceschini, a wealthy contractor and principal owner of Dufferin Paving and Crushed Stone Limited, incorporated the Dufferin Shipbuilding Company Limited.

Located at 435 Fleet Street at the foot of Spadina Avenue on the site of the derelict Dominion Shipbuilding Company, the new company received its first order for four of the remaining minesweepers on 1 April.[7] The navy liked the new Bangor minesweeper because its speed of 16 knots and 670-ton displacement made it considerably more versatile than the 12 knot, 460-ton Fundy-class vessels currently in service. The new minesweepers could also be employed as efficient antisubmarine escorts and coastal defence vessels.[8] The first of the new minesweeper keels was laid down at Toronto on 4 July. Unfortunately, three weeks before, the RCMP had interned Franceschini along with about 600 other Italian-Canadians.

James (baptized Vincenzo) Franceschini was one of the few Italian-born, Toronto residents who prospered in the period before the war. Born in Pescara, Italy, in 1890, he came to Canada as a youth in 1906, and after experiencing a business loss in 1916, organized the Dufferin Construction Company when he was just 28 years old.[9] In 1924, Franceschini's company leased part of the Dominion Shipbuilding Company's property at Spadina Quay.[10] His firm grew into a large paving, concrete, crushed stone and building supply business on Fleet Street. Franceschini married an English-Canadian woman named Annie and raised a family. He resided at "Myrtle Villa," a fifty-acre estate named after his only daughter, at 415 Lakeshore Road at Mimico Beach. He became a British subject by naturalization in 1916 and by imperial certificate in 1927.[11] A man of parts, he joined the Eglington Hunt Club and the Ontario Jockey Club and enjoyed exhibiting hackney show horses.[12] A proud Italian, and, perhaps, a naïve supporter of Benito Mussolini, Franceschini was interned on 17 June 1940, just seven days after Italy attacked France.

Previously involved in local Italian cultural activities, such as financing "Italy Week"at the Canadian National Exhibition before the war, Franceschini appears to have been the dupe of Italian consular officials who had long controlled fascist activities in Toronto's Italian community. He became a victim of anti-Italian, fifth column hysteria that gripped the country in the wake of the invasion of Western Europe and the fall of

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[7] Tucker, *The Naval Service of Canada*, 2: 43.

[8] W.A.B. Douglas *et al*, *No Higher Purpose: The Official Operational History of the Royal Canadian Navy in the Second World War, 1939-1943* Volume II, Part 1, (St. Catharines: Vanwell Publishing 2002), 72, 75.

[9] "He Won His Fortune by Pick and Shovel", *Toronto Star Weekly*, (31 August 1929), 6.

[10] Moir, "Toronto's Shipbuilding Industry", 95.

[11] LAC/RG 117 Office of Custodian of Enemy Property, vol. 589, file no. CZ 216 affidavit of claim 25 January 1949.

[12] Michael Kluckner, *Toronto, The Way it Was*, (Toronto: Whitecap Books 1988), 307, see also accompanying photo.

France during the spring of 1940.[13] Political enemies and business rivals may also have had a hand in his arrest and incarceration, as Franceshini was a good friend and supporter of Ontario Premier Mitchell Hepburn. During the dominion election of March 1940 when the Ontario Liberal Party played no part in the campaign, Franceschini and other Hepburn friends threw their support to the federal Tories.[14] Whatever the case, Franceschini's internment ruined him.[15]

Within days the government moved swiftly to take control of his new shipbuilding company, placing it under the authority of David B. Carswell, director of the Shipbuilding Branch of the new Department of Munitions and Supply. Carswell was appointed controller of the company and J. H. Ratcliffe was appointed president. Colonel

Figure 1. HMS *Qualicum*, Bangor-class minesweeper, off Toronto during sea trials, May 1942. *Archives of Ontario, C5-1-0-71-1, Gordon W. Powley fonds*.

James Mess was Carswell's nominee on the board of directors, and the Custodian of Enemy Property who had seized Franceschini's holdings appointed James W. Taylor of Price Waterhouse and Company a director. Robert M. Scrivener continued as general

[13] Ramsay Cook, "Canadian Freedom in Wartime, 1935-1945" in *His Own Man: Essays in Honour of Arthur Reginald Marsden Lower*, W. H. Heick and Roger Graham eds. (Montreal: McGill–Queen's University Press 1974), 37-53.

[14] John T. Saywell, *'Just Call Me Mitch': The life of Mitchell F. Hepburn,* (Toronto: University of Toronto Press 1991), 174, 446.

[15] Angelo Principe, "A Tangled Knot: Prelude to 10 July 1940" in *Enemies Within: Italians and Other Internees in Canada and Abroad*, eds. Franca Iacovetta, Roberto Perin and Angelo Principe, (Toronto: University of Toronto Press 2000), 28.

manager of the shipyard. Toronto's first warship, HMCS *Nipigon* was launched on 30 September.[16]

The Shipbuilding Branch ran directly the Dufferin Shipbuilding Company for more than a year during which time the initial four minesweepers were completed and commissioned, construction began on two more, and contracts were signed to build ten additional minesweepers.[17] But though construction proceeded well during the first year of operation, the emphasis on ordering ships and scarcity of planning at Ottawa and of management skills in the industry began to impact operations by the spring of 1941.

In May, general manager Scrivener advised C. D. Howe of several problems affecting the shipbuilding industry and demanded a new approach. During the thirteen months since the company had received its first contract, the time to secure delivery of raw materials for hulls and machinery had increased from four weeks to five months. As the country reached full employment, the reservoir of skilled labour dried up, and shops able to manufacture marine engines and boilers were not engaged to capacity.[18] Finally, requirements for both cargo ships and warships were beyond available capacity. Great Britain was no longer supplying auxiliary machinery in volume, and the whole load of the expanding industry was being borne in Canada where "we are as yet inadequate to the task."[19]

Whereas manufacturers of valves and electrical fittings in 1940 had ample shop facilities and were troubled by development problems of marine design, by May 1941 producers had fallen so far behind in deliveries as to threaten the entire current year's program. While yards had been slow completing hulls in 1940 due to difficulties re-training men fast enough and on account of lack of experience with the class of ship, Scrivener noted more positively that in May 1941 hulls needed only 70 per cent of the time to complete as compared to 1940, and hull-building facilities had greatly expanded. Production capacity was 75 per cent greater than the year before and by the fall ought to be twice the previous year's.

Four problems remained. There was the need to secure an even flow of hull material (i.e. steel plate) to shipyards; second, machinery deliveries had to arrive on schedule; third, fittings had to reach the yards as required; and fourth, a steady demand for labour had to be maintained. The latter, however, could only be accomplished by securing solutions to the first three problems. Scrivener proposed that each yard build a single class of ship, that contracts be placed with firms to allow planning for labour and material requirements at least a year ahead of need, and that co-operation in engineering be secured between yards building the same class of ship so that details of equipment and fittings were identical. He also proposed identifying specific shops to produce engines, boilers and auxiliary machinery for particular types of ships, confining production of each type where possible to a single manufacturer, and allocating steel supplies as an

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[16] *Canadian Transportation*, 43 (November 1940), 594.

[17] LAC/RG 28-A/ 20, C.A. Geoffrion, "History of the Toronto Shipbuilding Company," [draft] 1; and ibid., Vol. 29, Smith *et al*, "History of the British Admiralty Technical Mission [hereafter BATM],", 78.

[18] Howe acknowledged this to the House of Commons, (See *Debates*, 2532, 5 May 1941).

[19] LAC/ RG 117/ 1928/ 2681 pt. 1.2. Franceschini File, R. M. Scrivener to C. D. Howe, 6 May 1941.

integral part of letting contracts. But though Scrivener's intelligent solutions to most problems were easily recommended, achieving them was not so easily accomplished.

Howe's response was to hand Scrivener's letter to H. R. MacMillan whom he had just appointed president of a new crown corporation, Wartime Merchant Shipping Limited, set up to build cargo ships. Howe was an aggressive man of action and rather casual toward long-term, coordinated planning and critical-path management.[20] It was his famous "dollar-a-year" men who began arriving in Ottawa in increasing numbers from private industry that would see the need for stronger management, but for the moment, the shipbuilding industry was experiencing difficulties. Desmond A. Clarke, appointed director-general of the Shipbuilding Branch in June 1941, had a tiny staff of just thirteen to tackle the problems foreseen in Scrivener's letter, and he spent the summer re-organizing the branch and adding staff. Little attention could be directed towards building minesweepers in Toronto.

James Franceshini was released from internment in June 1941. In January, Judge James Duncan Hyndman, appointed special commissioner to hear the appeals of Franceschini and other internees, had declared that he was not disloyal to Canada, but Justice Minister Ernest Lapointe refused to release him.[21] Only five months later, after doctors declared Franceschini unfit for the rigours of camp life, was the 52-year old released on compassionate grounds.[22] Prior to this he had been transferred to Christie Street Military Hospital, Toronto, where he had undergone surgery.[23] Because of the conditions of his release--Judge Hyndman's report was not made public--Franceschini was unable to clear his name or obtain the return of his property.[24] Like so many others he became a needless victim of the war.

Franceschini's release confronted the government with serious problems. First, it had grounds for fearing that if control of the company reverted to the owner, workers would strike, refusing to work for him. Appointment of a controller was not a solution because it would not prevent profits derived from the yard's operation accruing to Franceschini. Second, with the cargo shipbuilding program getting underway elsewhere in the country and deep-water yards already expanding, the only yards available to build small, steel naval vessels were on the Great Lakes where expansion was daily growing more necessary. The Dufferin Shipbuilding Company lent itself very readily to expansion, both as to physical conditions, available land, wharfage, buildings, railway facilities, and, more important, available labour supply. The required expansion also needed substantial capital expenditure, which could not be financed privately. The two alternatives of government financial assistance or takeover of the enterprise were really one, as the public interest did not allow advancing money to Franceschini. Finally, the

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[20] According to Bruce Hutchinson, *The Incredible Canadian*, (Toronto: Longmans, Green 1952), 215 Howe had an "engineer's capacity to get things done" and an "ignorance and a contempt for political theory."

[21] Toronto *Globe and Mail*, "Was Franceschini Guilty?" editorial, 25 June 1941.

[22] Ibid. editorial, 19 December 1945, 6.

[23] LAC/RG 117/ 1928/ file 2861 pt. 1.1, clipping from the *Montreal Gazette,* 24 June 1941.

[24] Toronto *Globe and Mail*, "Franceschini Not Disloyal", 16 June 1943, 1.

government wanted its own industrial shipbuilding plant as a basis for comparison of production and price with the other four Canadian Great Lakes yards.[25]

On 20 October 1941, after four months of foot-dragging and following "discussions" with Dufferin Paving and Crushed Stone Limited and Franceschini, the Canadian government purchased all the Dufferin Shipbuilding Company's issued and outstanding shares and certain of the paving company's freeholds and leases amounting to about 4.5 acres on the Toronto waterfront for $975,000.[26] The company's name was changed to the Toronto Shipbuilding Company and it became a crown corporation.

In the hectic days of 1941, as the minister of Munitions and Supply struggled to whip Canada's chaotic war production organization into shape and substance, the crown corporation appeared to be an excellent device to get out from under the government's own stifling patchwork of regulations and controls designed chiefly to avoid political embarrassment, and to mobilize war production quickly and efficiently by creating government companies that would resemble private firms where none had been available before. Like private companies, crown corporations issued shares and were managed by boards of directors, but the minister of Munitions and Supply held the shares for the King in the right of Canada.[27] In spite of the name change, no alterations occurred to either the company's capital or corporate structure. By bringing private businessmen and their organizations directly into the government Howe hoped to cut through the clogging separation between government and industry. But as the next three years would reveal, the crown corporation did not prove to be an efficient institution for either building ships or managing war production.

Howe named Desmond A. Clarke, director-general of the Shipbuilding Branch, president of the new company and appointed a group of distinguished businessmen and a labour representative as directors. Perhaps, reflecting civil service influence, Toronto Shipbuilding Company Limited was initially run by a management committee of three directors and a financial committee of two. But liaison between management and directors proved to be more convenient in the hands of one director, and on March 1 1942, Gordon C. Leitch was appointed managing director of the company.[28] Robert Scrivener remained general manager until the end of 1942, but it deserves notice that

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[25] The official history of the Toronto Shipbuilding Company that appears in Kennedy, *History of the Department of Munitions and Supply,* 2: 454-5 is a reticence in two pages. For more see LAC/RG 28/ 20, "Geoffrion, "History of Toronto Shipbuilding Co.," (draft), 2-3; also RG 28-A/256/196-13-14 Press release, DMS, 21 October, 1941.

[26] Ibid., Vol. 540/ file no. 83-1 "Agreement to purchase Dufferin Shipbuilding Co. from Dufferin Paving and Crushed Stone Ltd., 20 October 1941."

[27] For more on wartime crown corporations see Sanford F. Borins, "World War II Crown Corporations: Their Functions and Their Fate," in *Crown Corporations in Canada: The Calculus of Instrument of Choice*, ed. J. Robert S. Prichard, (Toronto: Butterworths 1983), 447-75.

[28] Kennedy, *History of the Department of Munitions and Supply*, 1: 454-5. Gives the directors as James A. Murdock, president of Noranda Mines, Col. A. L. Bishop, president of Consumers Gas Company, William Jenoves, president of the Toronto District Trades and Labour Council, Gordon C. Leitch of Toronto Elevators, R. V. LeSueur, vice-president of International Petroleum Company Limited and N. C. Urquhart of N. C. Urquhart and Company. J.W. Taylor of Price Waterhouse and Company was appointed secretary treasurer.

neither the girector-general of the Shipbuilding Branch nor the directors of the Toronto Shipbuilding Company were practical shipbuilders.[29]

The new company held contracts to build sixteen Bangor minesweepers: ten for the RCN and six for the Royal Navy. In view of the properties, leaseholds, a soundly operating company, and existing contracts worth $9.5 million, the government had acquired a bargain, but Franceschini was not allowed walk away with the purchase price. As a condition of the forced sale of his company, the government required his paving company to redeem all its outstanding Series A debentures with a par value of $795,515. held by the public with interest at 5 % by 30 November.[30]

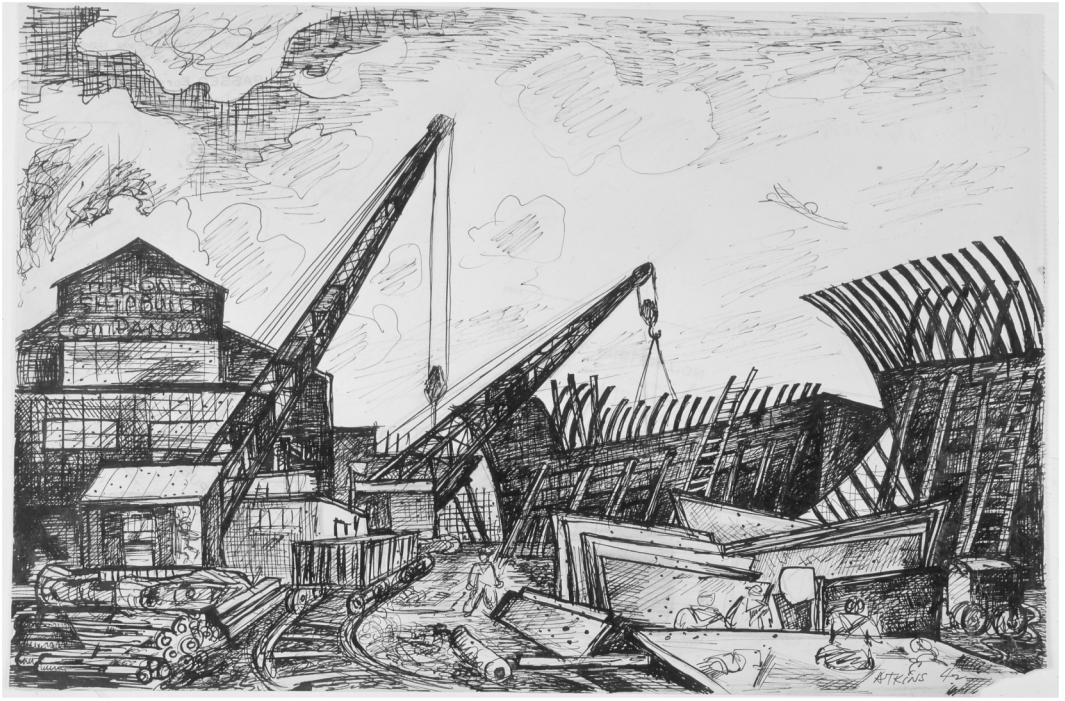

Figure 2. Installing gantry cranes along the ways, crayon conté on paper by Caven Atkins, circa 1942 *Canadian War Museum, Reference 19710261-5641*.

During the summer of 1941, in response to the problems foreseen in May, the navy shipbuilding program was transferred to Wartime Merchant Shipping Limited, the crown corporation set up in April to build merchant cargo ships. But the move proved to be a failure and just prior to the expropriation of Dufferin Shipbuilding the naval program was transferred back to the Shipbuilding Branch of the Department of Munitions and Supply.

[29] LAC/RG 28/ 20, Geoffrion, "History of Toronto Shipbuilding Company," (draft), 5.
[30] Ibid.

The availability of any measure of efficiency of the company's operations is debatable, but comparison of building times in 1941-2 between Toronto Shipbuilding and North Van Ship Repairs on the West Coast may have some limited value. Each company had already built six Bangor-class minesweepers for the RCN before each undertook construction of six more for the British Admiralty. The keels were laid in both shipyards between December 1940 and June 1941. At North Van Ship Repairs, the first three hulls spent an average of 143 days on the ways before launching, while the average time on the slipways of the next three was only 58 days. At Toronto, no great difference in time on the ways was observed between the first and sixth hull; the time for all six hulls averaged 121 days. But what this tells us remains unclear.

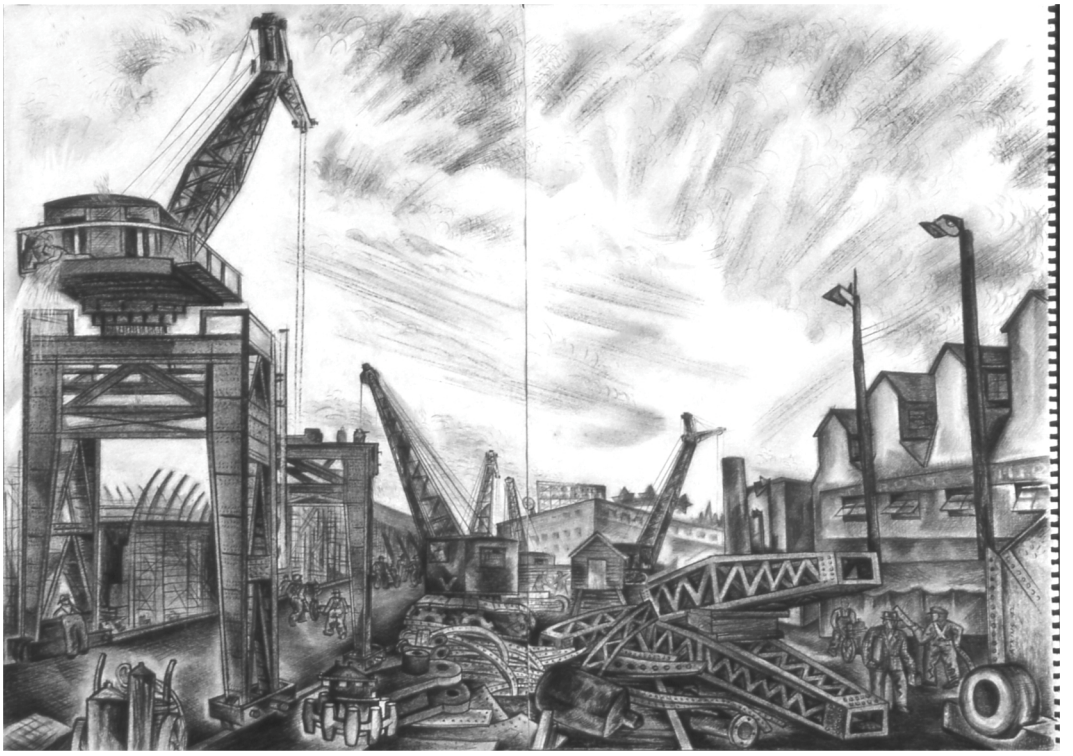

Figure 3. Minesweepers under construction, ink drawing by Caven Atkins, no date *Canadian War Museum, Reference 1970261-5654.*

Harold Milne, naval architect of the firm of German and Milne and advisor to the director-general of shipbuilding, blamed a great lack of co-ordination and system at Toronto on poor management, lack of central control and independence of head foremen. These, he attributed, to the pre-war loss of skilled technical men and the sudden increase in work with few available men who were widely scattered in the yard and

overloaded with work.[31] While poor management may have accounted for some slowness, lack of plans and slow delivery of materials probably accounted for most delays at both shipyards.

Lack of plans and specifications delayed production of new Algerine-class minesweepers by six months. Although "go ahead" letters to commence building fifteen of the new ships were sent to Toronto and Port Arthur in December 1941, drawings and specifications were still being revised.[32] Moreover, two separate firms in the UK were working on the bow and stern ends of the ship, respectively, which led to unexpected difficulties in Canada when it came to fitting the two haves together. Also, small photographic negatives of plans sent from England for reproduction in Canada required enlargement to many times their original size, which frequently resulted in indistinct, blurred photographs that necessitated redrawing.[33]

Completing or fitting out ships took much longer than constructing the hulls. Despite the great reduction in time before launching of the last three ships at North Van Ship Repairs, all six vessels averaged 279 days or nearly 40 weeks being fitted out. At Toronto, the comparable average time of 259 days was only slightly better. At both shipyards more than two-thirds of the total building time was occupied with fitting out.

On 12 December 1941, the Department of Munitions and Supply cancelled the original contract and signed a new agreement with the Toronto Shipbuilding Company in order better to control profits. Three months later the last Bangor-class minesweeper was launched and the company began to build the larger Algerine-class minesweepers for the Royal Navy. Like its predecessor, the Algerine carried both sonar (asdic) and minesweeping gear. But being forty-five feet longer, displacing 990 tons, and with increased endurance of 1,500 more nautical miles, it overcame the Bangor's greatest defects, lack of accommodation for men and equipment and short range. Building the improved minesweeper on the Great Lakes would be no problem as the longer ship would still fit into the shortest lock in the St Lawrence canal system, and the main engines and many fittings in both classes were identical. [34]

Table 1 Showing Characteristics of Minesweepers Built by the Toronto Shipbuilding Company Limited, 1940-1945

Type	Length	Breadth	Draft	Displacement	Speed Knots	No. Built
Bangor	180' 0"	28' 6"	10' 0"	672	16	16
Algerine	225' 0"	35' 6"	10' 0"	990	16	40
Total				50,352		56

Sources: Tucker, *The Naval Service of Canada* , 2: 508-14; and Smith *et al* , "History of BATM," 78, 83-5.:

[31] LAC/ MG 30 B121 Harold Milne Papers/ Vol. 1 "Notes Regarding Organization," 28 November 1941.

[32] Smith *et al*, "History of BATM," 38, 83.

[33] LAC/ RG 28/ 77/ 1-1-166 "Survey of Shipbuilding Branch," 20 July 1942.

[34] Tucker, *The Naval Service of Canada*, 2: 67; Douglas *et al, No Higher Purpose*, 310, 315.

But all was not well at Toronto. Frequent changes in management, confusion over the Company's organization, and too great an emphasis on multiple production of hulls in 1941 and 1942, without, at the same time, creating the necessary fitting out facilities, had led to difficulties.[35] Hulls often remained at Toronto for too long.[36] The earliest Toronto-built minesweepers also revealed serious defects after they reached the United Kingdom during the first half of 1942. Having experienced a certain amount of trouble crossing the Atlantic, they were sent to Tyneside yards for their machinery to be overhauled and to have their pipe systems re-jointed. The steel employed for a very high proportion of bolts and studs in the ships was found to contain high levels of sulphur and phosphorus, which proved very detrimental.[37]

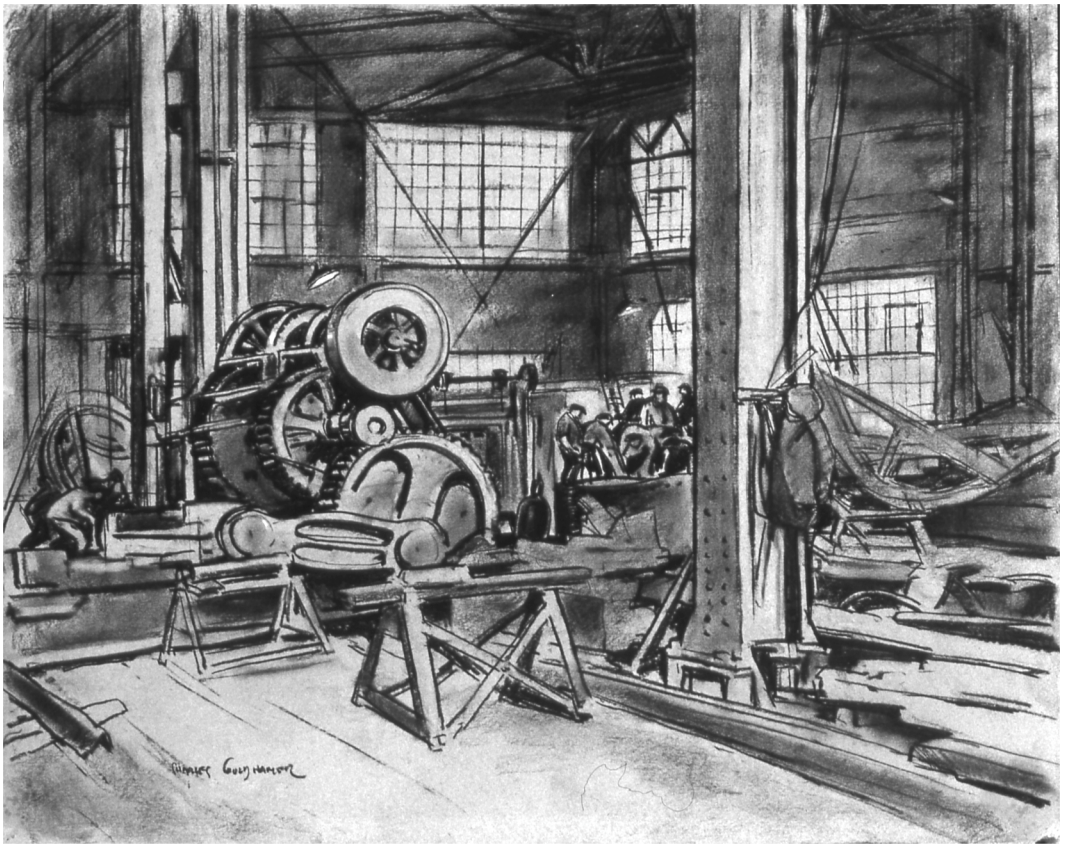

Figure 4. Steel plate cutter, Toronto Shipbuilding yards, circa 1942, chalk drawing by Fl. Lieut. Charles Goldhamer. *Canadian War Museum Reference 19850217-008.*

[35] LAC/RG 28-A/29/5 of 12 D. B. Carswell to J. deN. Kennedy, 24 October 1947, blamed Desmond Clarke for the latter "faux pas."
[36] Tucker, *The Naval Service of Canada*, 2: 43-4.
[37] Smith *et al*, "History of BATM," 46.

Few labour problems appeared before early 1941. Canada was still experiencing large scale unemployment when war was declared and during the next eighteen months men responded positively to new work opportunities, happy to have a job. Toronto labour was generally under the domination of American Federation of Labour-affiliated, craft-based, trade unionism, and craft unions allied to the Trades and Labour Congress of Canada (TLC) affiliated with the American Federation of Labour (AFL) always existed at Dufferin and its successor Toronto Shipbuilding Company. Dufferin Shipbuilding operated under agreements signed with at least four unions, and its successor company had as many as six craft-based unions in the yard. With men entering the armed services in growing numbers, the needs of workers for better wages and working conditions were not priorities. It was not until after adoption of the merchant shipbuilding program in Quebec and on the West Coast, and the industry had taken up all available skilled labour across the country that tensions began to appear.

Wages in Great Lakes shipyards were initially somewhat hit or miss. Small strikes or job actions occurred at Collingwood and Kingston during the fall of 1940, but Dufferin Shipbuilding at Toronto, where higher wages prevailed, remained undisturbed. Moreover, unions were able to negotiate wage increases with relative ease during the first 18 months of the war as the government introduced its first attempt at a comprehensive policy to control wages in war industries only in December 1940. Under the extended Industrial Disputes Investigation Act, order-in-council, PC 7,440 dictated that prevailing wage rates between 1926 and 1929, or higher levels established during the 1930s, would be considered "generally fair and reasonable" limits for wages during the war. Workers would be protected from inflationary pressures through payment of cost-of-living bonuses.[38] Nevertheless, throughout the war, the government remained hostile to organized labour which was never consulted about war production. Rather than acknowledge the rights of trade unions to bargain collectively or to strike, the government continued to impose compulsory conciliation until late in the war.

Problems appeared when the enormous expansion of Canadian shipyards greatly increased the demand for labour. Disputes between the Dufferin Shipbuilding Company and its employees over wages and conditions of work led the dominion department of labour, on 31 May 1941to form a three-man board of conciliation under the Industrial Disputes Investigation Act to inquire into a dispute between the company and members of Local 128 of the International Brotherhood of Boilermakers, Iron Shipbuilders, Welders and Helpers of America.[39] Subsequently, the department enlarged the scope of the board's inquiry to cover disputes involving three other shipyard unions: members of Local 279 of the United Brotherhood of Carpenters and Joiners of America, the International Brotherhood of Electrical Workers, and Local 793 of the International

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[38] Laurel Sefton Macdowell, *'Remember Kirkland Lake':Tthe History and Effects of the Kirkland Lake Gold Miners' Strike, 1941-42,* (Toronto: University of Toronto Press 1983), 240; and Michael D. Stevenson*, Canada's Greatest Wartime Muddle: National Selection Service and the Mobilization of Human Resources during World War II*, (Montreal and Kingston: McGill-Queen's University Press 2001), 92.

[39] Canada, Department of Labour, *Labour Gazette*, (June 1941), 620.

Union of Operating Engineers. In each case, the principal matter in dispute was over the wage scale. The report of the conciliation board concerned only a minority of workers in the shipyard.

The Great Lakes shipbuilding industry had been at a standstill from 1922 until the outbreak of the war, and the board was unable to make a satisfactory comparison between present wage rates and those in effect from 1926 and 1940 as set out in PC 7,440. It remained for the board to recommend such rates of pay as might be considered fair and reasonable. Taking into consideration wages paid in comparable trades in the Toronto zone, the prices of life's necessaries, and the nature of work actually performed in the shipyard, the board recommended minimum hourly rates of pay ranging from 95 cents for electricians, 85 cents for carpenters, shipwrights and joiners and 82 ½ cents for operating engineers down to 50 cents for inexperienced helpers of all types. The board recommended a full range of intermediate wage rates for riveters, platers, fitters, caulkers, chippers, welders, drillers, burners, holders-on, punch and shear operators, electrical improvers, rivet heaters, bolters-up, reamers and counter sinkers. The board's report was not handed down until late in the fall, though it recommended these rates become effective retroactively from 1 June 1941 for the duration of the war and that workers' wages be supplemented by payment of wartime cost of living bonuses. The board recommended against any attempt to establish variable work weeks in the industry thereby disposing of the carpenters' demand to reduce the standard work week from 48 to 44 hours, and recommended that overtime be set at time and a half on all public holidays except New Year's Day, Labour Day, and Christmas Day, when work should be paid for at double the regular rate of pay.

On the delicate matter of training and apprenticeship, the board recommended only that unskilled or semi-skilled workers receiving specialized training for war production be permitted opportunities to extend their technical training to ensure their future occupational adaptability.[40] This did not sit well with skilled tradesmen who insisted on preservation of their traditional, rigorous four-year (12,000 hour) apprenticeship programs. The board's report was unanimous in its findings, and all disputes were settled by negotiations following receipt of its recommendations in December. The chief problem, in addition to the delay between appointing the board and the receipt of its report, was the government's own behaviour. A month after receiving the board's recommendations the government undermined its credibility by passing an order in council, PC 629, in January 1942, which reduced the new recommended minimum wage rates.

As if government foot-dragging and inconstancy did not do enough to hinder labour-management relations, tensions among workers at Toronto Shipbuilding also appeared, especially as an ever-growing number of employees had no union representation at all. Departmental and personal jealousies appeared to run strongly through the shipyard. On 28 May 1942, for example, some 200 men in the fitting out department walked off the job after the dismissal of a superintendent and a plater foreman for inefficiency. The "super" had clashed with "one of the new efficiency men from the USA." No union was involved and the men resumed work after two hours, but the

[40] *Canadian Transportation*, 44 (December 1941), 698.

dispute's existence is revealing. A confidential report claimed tradesmen in other departments had accused the superintendent of not knowing his job, but, it added, the critics were all "shipbuilders from the Old Country," who "know nothing about fitting out warships," and whose "opinions are coloured by prejudice due to envy."[41]

On 13 August 1942, in an attempt to improve the existing situation, including the problems arising from attempts to organize labour in the shipyard, managing director Gordon Leitch replaced D. A. Clarke who had been an absentee president of Toronto Shipbuilding. Born in 1890 at Ridgeway, Ontario, Gordon Leitch was an experienced grain shipper and ship owner. As president of both Toronto Elevators Limited and Upper Lakes and St Lawrence Transportation Company and director of several other well-known companies, he brought much needed organizational talent and management skills to the company.

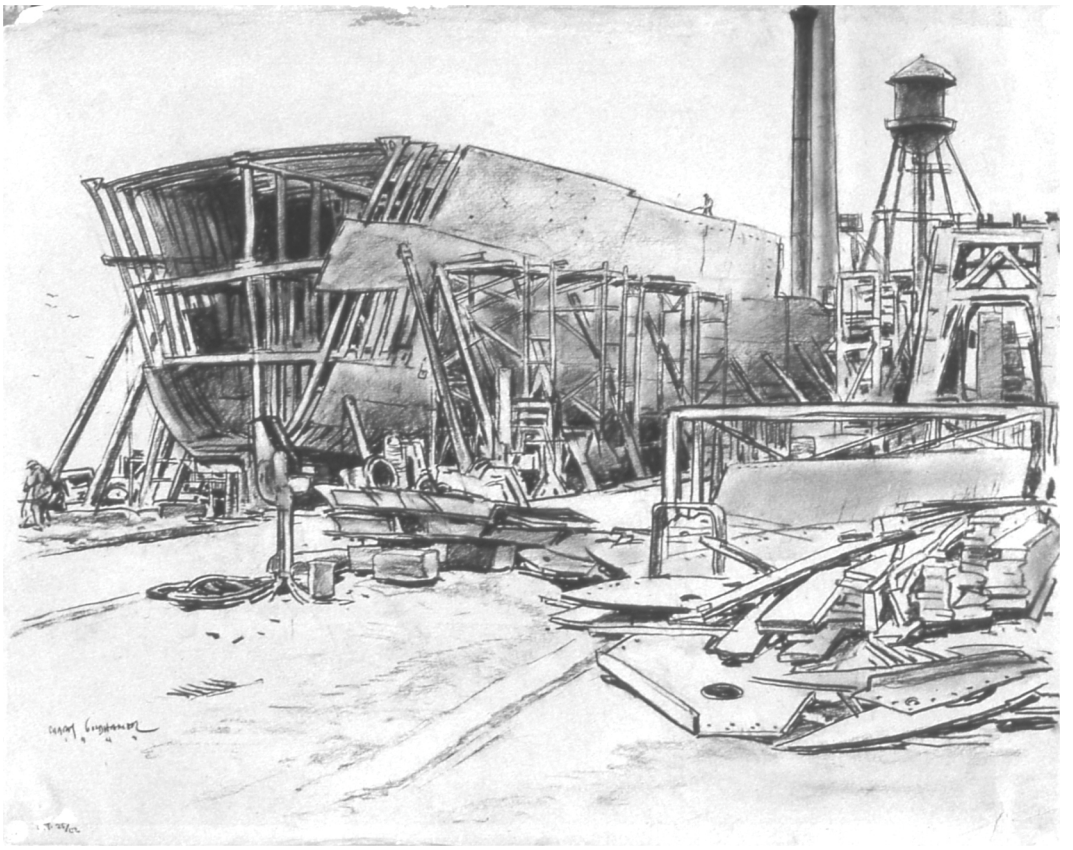

Figure 5. Minesweeper under construction--Toronto Shipbuilding Yard--October 25 1942, chalk by Fl. Lieut. Charles Goldhamer. *Canadian War Museum Reference 19850217-006*.

[41] LAC/RG 27 Department of Labour/416/96 special report, 9 June 1942.

It is probably no coincidence that in August, under the new president, Gordon Leitch, the company began to publish *The Compass* with the motto, "To Keep Us On Our Course." Varying from twelve to twenty pages per issue, the monthly journal was filled with in-house news and gossip, health hints, morale-boosting messages for wartime employees, jokes, cartoons, news and pictures of launchings; it was clearly intended to deliver management's point of view to the workers, persuading them of their importance in the larger picture and reducing the influence of union organizers. An "Honour Roll" of former workers currently enrolled in the armed services, introduced in the second issue, helped raise patriotic sentiments and keep workers connected to the war. Schedules of company sports teams were printed, softball, bowling and hockey, together with a regular sports column. In the fall of 1941, management had formed a Yard Council containing two delegates from each of the six craft unions in the shipyard, and council news became a regular feature of *The Compass*.[42]

In publishing a company bulletin, Toronto Shipbuilding was clearly attempting to overcome hostility and alienation of many workers who did not know for whom they were working, or why, or for what. Alone, workers had only unions to turn to, and they did not appear terribly interested. In-house journals were attempts to meet management's need to get workers on their side.

Wartime workers, including those at Toronto Shipbuilding Company, were often in their first, full-time jobs. Many were unskilled, new employees, frequently from the countryside or small towns, strangers to Canada's second largest city. As their springtime job action suggests, they fiercely resented condescension or references to their colonial status from immigrants whether they were skilled shipbuilders or not. Clearly *The Compass* was an attempt by management to overcome a poor situation at Toronto Shipbuilding. Like ship launchings, Victory loan campaigns, occasional ceremonies, and visits to the shipyard by American movie stars and other celebrities, *The Compass* was carefully designed to combat loneliness and develop a sense of belonging and participation in these workers. Nevertheless, too much should not be made of these features of the in-house journal, for in August 1943, following an unsuccessful attempt by the United Steel Workers of America to organize the yard's large body of unskilled and semi-skilled workers and with the advent of yet another new management reorganization, *The Compass* ceased publication.[43]

In November 1942, as part of Leitch's re-organization, the company opened a subsidiary fitting-out yard at Saint John, New Brunswick, where minesweepers could be completed and delivered to Halifax during the winter months when ice closed the St Lawrence River.[44] Management was sub-contracted to the Comstock Company Limited. Two Algerines left Toronto in November 1942 for completion at Saint John in hopes they would be delivered before the reopening of navigation in the St Lawrence. But though

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[42] The union locals all affiliated with the AFL were Shipbuilders No. 128, Electricians No. 1,271, Pipe Fitters No. 46, Shipwrights No. 279, Painters No. 1,436 and Hoisting Engineers No. 739.

[43] Twelve issues of *The Compass*, Vol. 1, no.1 (August 1942) to Vol. 2, no. 1 (August 1943) are bound in a single volume in the Toronto Reference Library.

[44] LAC/RG 28/ 540/ 83-1 Abstract of title of properties at Indiantown, St John, NB, subsequently conveyed to the Crown on 31 December 1943.

this procedure of sending ships to Saint John to complete fitting out was followed in each succeeding year, in no case was early delivery obtained.[45] Ships at Saint John took much longer to complete, and the first ones from Toronto were always down the St Lawrence in the spring before delivery of the first Saint John ship.

Whether general manager's Scrivener's departure at the end of 1942 was part of a continuing shake up of management is unclear, but he was replaced by H. R. Carlson only three months later on 8 April 1943. A native of the USA, Carlson came to Toronto in the spring of 1942 to accept a position as works manager. Educated in California in naval architecture and marine engineering, he possessed long experience in US west coast shipyards.[46] In July, the first Algerine was delivered to the Royal Navy and a second fitting-out yard managed by Carter-Halls-Aldinger Company was established at Hamilton to speed up completions. Both fitting out yards were operated on a cost plus fixed fee basis.

Between 15 August 1942 and November 1944, the Toronto Shipbuilding Company launched a hull approximately every three weeks, but this apparent speed of production disguised continuing delays during fitting out. To be fair to the shipbuilding company, once a hull had been launched and began fitting out, it became dependent upon a host of subcontractors supplying auxiliary machinery and equipment and on delivery schedules beyond the powers of the shipyard to influence. Yet, delivery of the completed vessel remained its responsibility.

The well-organized craft unions affiliated with the AFL made it very difficult for industrial trade unionists when they started to organize in Toronto in the fall of 1942. In December, the government declared the right of employees of crown corporations to join unions and to bargain collectively. After order-in-council PC 10,802 was passed, collective bargaining for all workers was only a matter of time. But as Laurel Sefton MacDowell has noted, "The fact that this legislation was passed at all shows the extreme reluctance of the government to acknowledge the failure of the previous three years of industrial relations policies. Yet, it continued to deny collective bargaining rights to other workers for another full year."[47]

On 15 March 1943, the United Steel Workers of America (USWA), an affiliate of the Congress of Industrial Organization (CIO), and in Canada, of the Canadian Congress of Labour (CCL), initiated a serious attempt to organize Toronto Shipbuilding.[48] The USWA contended the existing craft unions of the TLC did not represent a majority of shipyard workers whose total number was approximately 4,300. During the next two months, steelworker representatives sought to have workers reinstated after allegedly being discharged for membership in their union. Department of Labour officials, however, reported the allegations were unfounded. In June, the president of USWA Local No. 2,999, Larry Sefton, requested the Department of Labour to supervise a vote to determine the bargaining agency in the shipyard, but in the face of the AFL union locals' refusal to consent this could not be done. The union was left with

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[45] Smith *et al*, "History of BATM," 83.
[46] *Canadian Shipping & Marine Engineering News*, 14, no. 5 (December 1942), 70.
[47] MacDowall, *"Remember Kirkland Lake*," 240.
[48] Canada, Department of Labour, *Labour Gazette*, (July 1943), 943.

no option but to force a work stoppage. On 17 June a few hundred men about to go off shift gathered in front of the general superintendent's office to demand a vote, which led to the immediate dismissal of 289 men. The new Ontario Labour Court dismissed an attempt to reinstate them, and the craft unions continued to dominate the shipyard to the end of the war.[49]

The AFL as well as business and police considered industrial unions to be hotbeds of communist subversion; all worked to undermine them. Though the United Steelworkers managed to organize several large plants, including the John Inglis Company, engaged in war work in Toronto, Toronto Shipbuilding was not among them. Several reasons may account for this. The shipyard did not exist before the war and hence there was no union tradition except among tradesmen in the craft unions. Significantly the International Association of Machinists (AFL), which had a tradition of organizing workers on an industry-wide basis, was not present in the shipyard. The Steelworkers' defeat at Toronto Shipbuilding may also have been partly due to the union's policy of resorting to strikes and sit-downs to combat company anti-union activity. Both AFL craft unions and, since June 1941, the Communist Party of Canada opposed anything that harmed home front war production. By 1943 some communist union organizers had even joined craft unions to fight the CIO.[50] Worker resistance to the Steelworkers also should not be discounted. Many new, young workers, often in their first full-time job were suspicious of unfamiliar trade unions. Those with few or no political opinions or who had loved ones in the armed services often agreed with the craft unions' no-strike policies and resisted organized labour in general and industrial unionism in particular.

Large numbers of women entered Canada's shipyards during World War Two and played an important part in some regions of the country. But they occupied a small place in the Toronto Shipbuilding Company's workforce. At peak employment in 1943, the 578 women employed in all Ontario shipyards comprised only six per cent of the total work force, and of that number only half were wage-earning employees earning hourly rates of pay. Women receiving salaries normally occupied more traditional female positions as secretaries and clerks in shipbuilding plants; they are often ignored as the mythic image of "Rosie the riveter" dominates most accounts of female war workers. The number of women in the industry increased slightly in 1944 after the total number in the work force declined, but the proportion remained less than seven per cent. Fewer than four hundred women ever earned hourly wages in Ontario's shipbuilding industry.[51] Considering that about 4,500 men and women (nearly 45 per cent of the provincial total) worked at Toronto Shipbuilding Company in the summer of 1943, the number of women workers employed there amounted to a few hundred at best. Women were well paid, but received less than men. Skilled tradesmen generally resented women in their work areas and because of the length of most apprenticeships few were trained in skilled trades. The local labour market with hundreds of other companies anxious to hire women into well-paid war work also accounted for the low number of women at Toronto Shipbuilding.

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[49] LAC/RG 28-A/ 429/ 224 strike and lockout file.

[50] David Sobel and Susan Meuer, *Working at Inglis: The Life and Death of a Canadian Factory* (Toronto: James Lorimer & Co. 1994).

[51] Dominion Bureau of Statistics, "The Shipbuilding Industry, 1942-1945," Table 3.

On 12 August 1943, after only a year as president, Gordon Leitch retired. Whether the recent labour problems were a factor in his withdrawal remains moot. The crown corporation had not proved a useful management tool, and the government transferred management of the company to the Redfern Construction Company. Charles Redfern, who had briefly served as one of H. R. MacMillan's executive assistants at Wartime Merchant Shipping Limited, was a well-known construction engineer and president of a long-established Toronto firm. He set up Redfern Construction Company (Shipbuilding Division) Limited to manage the shipbuilding company, which he re-organized in response to repeated complaints by the British Admiralty Technical Mission and other interested parties of interminable delays and failures to keep promises. Toronto Shipbuilding Company kept up appearances as a crown corporation, but its management was sub-contracted to Redfern on a cost plus fixed fee basis, and on 31 December, as part of the changes in the administration of the government's shipbuilding program, the company surrendered its charter. Thereafter, it operated as a government-owned plant

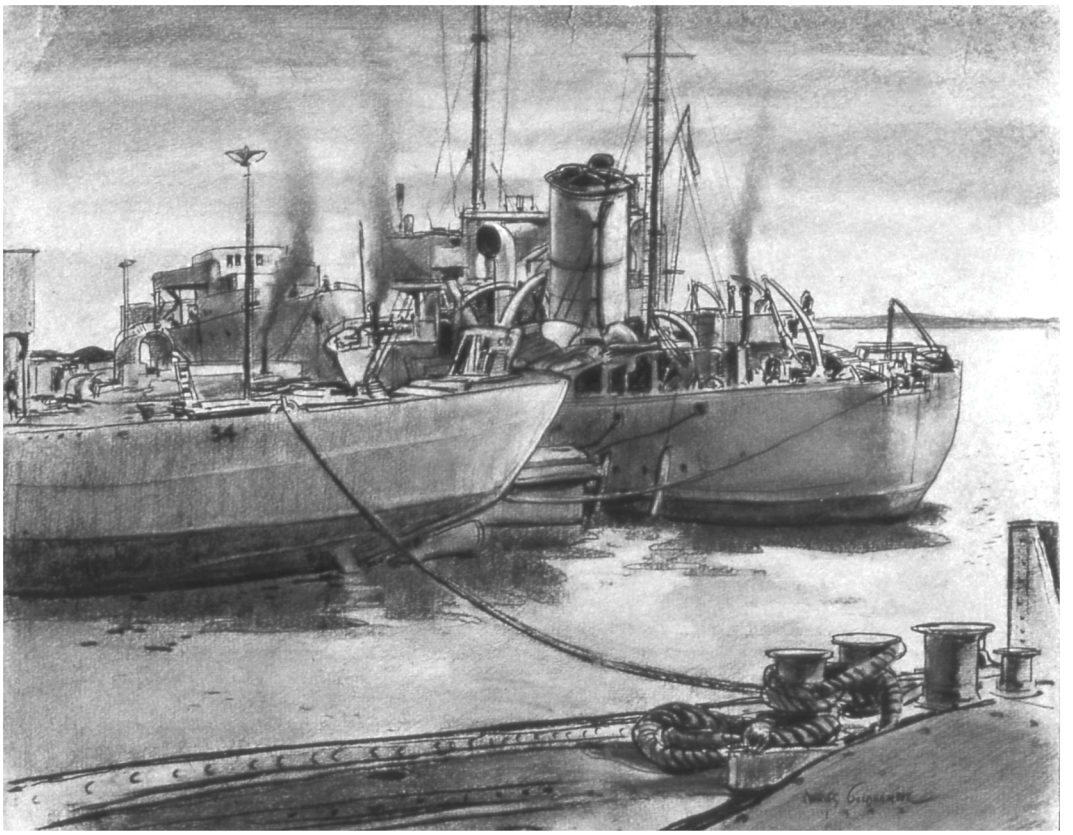

Figure 6. Two Minesweepers at the fitting out wharf, Toronto Shipbuilding yards, ink and chalk by Fl. Lieut. Charles Goldhamer. *Canadian War Museum Reference 19850217-003*.

under the general supervision of Wartime Shipbuilding Limited.[52] This represented an important change. In effect, the government abandoned direct management of the shipyard through a crown corporation in favour of sub-contracting it to a private firm.

Redfern very soon got a good organization going. Promises were kept, and there were few delays in deliveries. The major delay in delivering the minesweepers was the need to put them into a dry dock to fit their asdic. The only one available at Toronto was the floating dry dock belonging to the Toronto Dry Dock Company located on the Keating Channel connecting the Don River to Toronto Harbour. It was difficult to access, and though Toronto Shipbuilding Company had priority of use, others used the dry dock heavily. A partial solution may have been to use the graving dock at Kingston. Francis MacLachlan, who worked for Kingston Shipbuilding Company Ltd., saw Algerines having asdic installed at Kingston during the summer of 1944.[53] In addition to utilizing Kingston's dry dock, speeding up deliveries was made easier as the navy's shipbuilding program was winding down; repairs and conversions were receiving increased attention. Another reason for this development may have been the new capital expenditures that were made in the shipyard. During the period Redfern Construction managed Toronto Shipbuilding, the government authorized nearly $2.5 million worth of capital expenditures.[54] Though work continued on the minesweepers, optimism over the progress of the war in Europe led the government, in November 1944, to cancel contracts for the last five vessels even though the keels of three had been laid down. The Hamilton fitting-out yard was closed the same month, while the Saint John yard remained open until the end of May 1945.[55] On 28 August, BATM accepted its final Algerine, HMS *Nerissa*, from Redfern Construction Company.[56]

Comparison of Algerine building times at Toronto Shipbuilding under Redfern management and at Port Arthur Shipbuilding Company in 1944-5 shows that some improvement had occurred at Toronto. Average time on the slipways at Toronto for the last twelve vessels to be built had been shortened to 112 days, while at Port Arthur the average time for eight vessels was a shocking 262 days. Toronto-built ships were completed on average in a further 243 days while at Port Arthur the comparable average time to complete the eight ships was 333 days.[57] Delays in deliveries were clearly crucial obstacles to the success of shipbuilding in Canada's industrial heartland.

The Toronto Shipbuilding Company did not survive the war. Although Toronto was the location of the largest Canadian shipyard on the Great Lakes, the government had

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[52] Canada, House of Commons, *Debates*, C. D. Howe, 21 March 1944. In January 1944, Wartime Shipbuilding Limited came into existence as the successor to Wartime Merchant Shipping Limited; this, too, was part of the government's reorganization of the country's shipbuilding program.

[53] Francis MacLachlan, personal communication to author, 22 June 2006. Professor MacLachlan's claim is supported by a photograph in the Francis MacLachlan Collection at the Marine Museum of the Great Lakes at Kingston of an Algerine at Kingston in 1944.

[54] LAC/RG 28-A/ 521/ 51-T-11 Deputy Minister, Dept. of Reconstruction and Supply, to Redfern Construction Co., 25 March 1946.

[55] Tucker, *The Naval Service of Canada*, 1: 502.

[56] Smith *et al*, "History of BATM," 85.

[57] Smith *et al,* "History of BATM," 85.

no intention of encouraging a shipbuilding industry there. The company's charter had been surrendered well before the war ended, and the government quickly disposed of its assets during 1946. Fortunately, Canada's second largest city with its many established manufacturing industries provided shipyard workers with plenty of opportunities for employment elsewhere in the new peacetime economy and Toronto's brief wartime shipbuilding history disappeared from ken.

Shipbuilding in Toronto was important to the Canadian naval war effort. The fifty thousand displacement tons built at city locations between 1940 and 1945 represented nearly 37 per cent of all the naval ships built at five Canadian shipyards and seven boat yards on the Great Lakes.[58] Although the importance of Toronto's contribution is indubitable, the question remains whether creation of a crown corporation contributed to or hindered production. To be fair, delays in production may have been as much due to failures in delivery of materials over which companies had no control as to flawed organization. Crown companies were supposed to allow flexibility and efficiency not found normally in government administration, but the several changes in organization and management and poor labour management relations suggest that the crown corporation, at least the Toronto Shipbuilding Company, was a flawed vehicle for war production. Far from being taken over to improve management, as claimed by Michael Hennessy, Toronto Shipbuilding company was created for reasons of political expediency and failed to introduce better management until it was contracted out to private enterprise.[59] In any event, the growth of the company from nothing into the largest of the five shipyards on the Canadian side of the Great Lakes and the construction of so much of Canada's naval tonnage so far from the sea remains a curious, little known feature of Canadian shipbuilding during the Second World War.[60]

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[58] Based on an estimated total displacement tonnage of ships 112 feet and over in length built between 1940 and 1945.

[59] Michael A. Hennessey, "The Rise and Fall of Canadian Maritime Policy: A Study of Industry, Navalism and the State", (Unpublished Ph. D. thesis, University of New Brunswick 1995), 226 n. 19.

[60] LAC/RG 28-A/29 "Contracts for Ships & Small Boats, 1939-1945-Ontario" reveals that Toronto Shipbuilding Company accounted for 42.6 per cent of the total of $136,871,848. spent on shipbuilding in Ontario's five shipbuilding plants.