

# C.C. BALLANTYNE AND THE CANADIAN GOVERNMENT MERCHANT MARINE, 1917-1921

**Kenneth S. Mackenzie**

In 1917 the Canadian government embarked upon an ambitious shipbuilding programme that upon completion left it with sixty-three brand new steamships ranging from 2800-ton canal-size freighters to 10,500-ton vessels. This paper explores how this fleet came into being and was placed in service. A key figure in this process was Charles Colquhoun Ballantyne, the Minister of Marine and Fisheries and *ex-officio* of the Naval Service in Robert Borden's Union Government. First appointed Minister of Public Works, on 17 October 1917 he took over the Marine Ministry, a position he seems to have relished.

Before entering political life, Ballantyne had been a "millionaire paint manufacturer" in Montreal with considerable experience in public service.<sup>1</sup> In December 1906 he was named one of three members of the newly-rejuvenated Montreal Harbour Board at a time that it was under severe criticism and in need of drastic reorganisation.<sup>2</sup> Eleven years later he was mentioned in the same breath as the legendary John Young as a "saviour" of that often-ill managed port.<sup>3</sup> Concurrently, he was deeply involved in the affairs of the Canadian Manufacturers' Association (C.M.A.), serving as its president in 1905-06.

The C.M.A.'s desire for an effective Canadian merchant marine had been part of its platform since at least 1904, as spelled out in its manifesto for that year:

That in connection with propositions made from time to time respecting the establishment of new steamship lines for the benefit of Canada's foreign trade, that for such of these as may seem reasonable, a competent business commission, including one expert in the operation of ocean steamships, should be appointed by the Dominion Government, to thoroughly inquire into the prospects of trade extension, report on the advisability of steamship communication, and supply Canadian exporters, in all branches of trade, with such information as they may require for the exploitation of these markets...

*The Northern Mariner/Le Marin du nord*, II, No. 1 (January 1992), 1-13.

2. That when such subsidized lines are, or have been established, the Dominion Government should have a constant and businesslike supervision over the rates, the regularity of sailings, and all other features connected with the service, with a view to perfecting the facilities and encouraging Canadian shippers to patronize Canadian ports and Canadian steamship owners.<sup>4</sup>

Whether the manufacturers knew it or not, this plan necessitated government control and operation, since no self-respecting shipowner would willingly abandon control over rates to the state. In fact, the C.M.A. became such an earnest advocate of a national fleet that one authority, a trifle too glibly, has credited it with having the deciding voice in the establishment of a national merchant marine.<sup>5</sup>

It is therefore clear that Ballantyne came to his new position with more than a little awareness of maritime matters. In particular, it is significant that Montrealers considered their city to be Canada's national port and that as a Montreal businessman, he had been nurtured in an environment that was rabidly opposed to government ownership of transportation facilities, or anything else for that matter.

There is little evidence that Ballantyne was much of an innovator, and certainly when he assumed his new portfolio there was no need for him to initiate anything. Canada was already building steel and wooden steamships for the Imperial Munitions Board" and much of the groundwork leading to a national merchant marine had been laid.<sup>6</sup> One of the first things to which his attention would have been drawn~no matter what hat he was wearing at the time~was the pressing need for "ships, ships and more ships," and the existence of a memorandum that had been circulating since 30 June 1917. Entitled "Regarding the Construction of Ships in Canada," it went far beyond what its title implied to discuss the sort of merchant fleet Canada should possess at the end of the war.

It was an intriguing document. J.D. Hazen, Ballantyne's predecessor and the man who signed it, was a hazy character, but from this memo he appears both well-informed and congenitally unable to make a decision. To a remarkable degree, the document spelled out the way in which the Canadian Government Merchant Marine (C.G.M.M.) subsequently evolved. Doubtful as to whether private enterprise could be counted upon to take the initiative in shipbuilding and undecided about the larger issue of what to do with the ships when built, Hazen refused to recommend between public or private enterprise, choosing to leave that to his cabinet colleagues.<sup>8</sup> The subsequent order-in-council establishing the Canadian Government Merchant Marine carefully recapitulated all the alternatives and makes it abundantly clear that the issue had received full discussion before the portentous decision in favour of public enterprise was made.<sup>9</sup>

When Ballantyne took over he was confronted with three important issues. First, there was the fact that the Imperial Munitions Board (I.M.B.), in response to the dreadful shipping losses being inflicted by German submarines, had seized the initiative and contracted for steel merchant ships to be built in Canadian shipyards for British account using the proceeds from Canadian war loans. Second, there was the critical shortage of tonnage to carry "normal" Canadian exports to advantageous (as opposed to war) markets. The situation was particularly critical on the west coast, where B.C. lumber was literally rotting on assembly wharves awaiting

shipment. The lack of available tonnage had also led to the considerable under-utilisation of Canadian ports, including his hometown of Montreal. Finally, there was the need to make an immediate decision on Hazen's proposal.

Ballantyne quickly recognised the anomaly represented by the first situation and forced the I.M.B. out of the shipbuilding business in Canada, directing that all steel ships built here, whether for the war effort or not, be disposed of at his direction.<sup>10</sup> He grandiloquently informed Parliament of this on 4 April 1918, stating that his decision presaged a "national permanent policy" for the merchant marine. A year later, presenting the C.G.M.M. programme to the country, he explained that he "thought the time had come when Canada should have her own merchant marine."<sup>11</sup>

We do not know the anguish that Ballantyne as an advocate of private enterprise must have undergone before making this recommendation, but he and the government opted for public ownership. Although future public and private comments would raise doubts about the depth of his conversion, he steadfastly defended the C.G.M.M. against all opponents, to the extent of chastising ex-Prime Minister Arthur Meighen in a flood of letters when he seemed lukewarm in its praise.<sup>12</sup> It is also known that Ballantyne convened a meeting in Ottawa of shipping people with world-wide connections immediately after the war to discuss the future of "his" fleet, but it is only possible to guess whether the issue of ownership was discussed, as there appears to be no extant record of the deliberations.<sup>13</sup> Perhaps it was the lack of a consensus among those in attendance that resulted in Ballantyne failing to mount a campaign in favour of private operation, or perhaps the alternatives were even less appealing. Indeed, it is known that there were less alluring options available to dyed-in-the-wool proponents of private shipowning.

Regardless, once the decision was taken Ballantyne became irrevocably identified with the Canadian Government Merchant Marine. It was no accident that it was dubbed "The Ballantyne Merchant Marine," his "play toy," and other such derogatory names once it became fashionable to denigrate it.<sup>14</sup> He flourished in all of this, and there is even evidence that he saw himself as a latter-day Sir John A. Macdonald, doing for the Canadian merchant marine what Canada's first prime minister had done for the national railway.<sup>15</sup>

If Ballantyne were uneasy over government ownership there was a powerful member of the government who was not—the Prime Minister, R.L. Borden. He had been thinking long and hard about a national transportation policy since at least 1903, from a very early stage becoming convinced that the only way Canada could obtain a transportation system that both reflected the realities of the country and was responsive to its needs was through public ownership. Through successive election defeats—at least one of which has been attributed directly to this advocacy—he persevered. When to this dedication to principle was added the wartime frustrations of playing second fiddle to British aspirations, it is easy to understand why in the final analysis public ownership was chosen for the C.G.M.M. If Ballantyne was the "father," Borden was its grandfather and tipped the scales in favour of government ownership and operation.

A brief word is in order about Borden's frustrations at the way legitimate Canadian concerns were subordinated by the British and their chosen representatives in Canada, the Montreal-based Canadian Pacific Railway Company. Wartime shipping controls were not fully removed until 31 March 1920 and Canadians, led by Borden, became increasingly convinced that they were maintained simply to ensure that the much-battered British merchant marine was

granted a breathing spell in which to recoup its prewar eminence, even if that meant sacrificing the interests of the dominions and the colonies. Australia and India felt the same way, and out of these grievances was to emerge the Imperial Shipping Committee, aimed directly at diminishing future British influence in shipping matters.<sup>17</sup> The C.P.R., as the British Ministry of Shipping representative in Canada, was accused of favouritism both in assigning cargoes to ships (its own steamers always seemed to obtain cargoes first) and to ports (the C.P.R. port of Saint John was kept far busier than the government port at Halifax). Borden's papers are full of complaints on these two factors, a fact that ties in neatly with what others have argued about Borden's motivations in deciding that Canada must have not only a responsive navy but also a merchant marine.<sup>18</sup>

Once the decision to build an extensive Canadian fleet was taken an incredible process was set in motion, the scale of which we can only now guess at because of scholarly inattention. Suffice it to say that eventually there were seventeen yards across Canada building sixty-three merchant ships to a standard British design, ranging from small, canal-size freighters to two ten thousand-ton vessels. Some of the yards were built from scratch, as was a steel plate plant in Cape Breton, and skilled workers were recruited or trained to build them. It is a phenomenal story of Canadian industry.

Certainly there were problems, and there were at times unconscionable delays (fateful, some have claimed)<sup>19</sup>, but neither strikes, shortages of materials, bankruptcies, severe climate, nor size constraints of the Canadian canal system kept the ships from being completed. There is no recorded instance where sea trials posed any problems once the ships were steaming. None was lost to the stress of its ocean-going tasks, and in fact the ships gained an enviable reputation for being extremely hardy. Only three were lost—one run down in the St. Lawrence, one by stranding on the west coast of the U.S., and one by burning in the Caribbean. Ballantyne loved to claim they were sturdier than their British-built counterparts, and even when future C.G.M.M. management listed their deficiencies, they never failed to stress that they had been extremely well built.<sup>20</sup>

With the ships coming off the ways Ballantyne distilled the considerable rhetoric—much of it his—as to the value of the fleet into one terse phrase: "war, railways and the expansion of Canada's export trade."<sup>21</sup> One suspects he spoke far more eloquently, and at greater length, on this than he did on naval topics.

The war argument (except insofar as it applied to the need to employ returning servicemen to keep them out of the clutches of Bolshevism) simply does not hold water. Only four keels were laid before the Armistice ending World War One, and all ships contracted by then could have been sold to foreign shipowners, who were being refused permission to build in Canada. Ballantyne admitted this in more candid moments, although he could fudge on occasion, depending on the audience.<sup>22</sup> The "railway" rationale was more valid. Largely due to the example of the C.P.R., steamship lines were held to be, in Ballantyne's words, "the proper corollary" of railways,<sup>23</sup> and even the critics of the C.N.R. were forced to agree.<sup>24</sup> To many it was unthinkable that a truly transcontinental railway system could aspire to greatness if it did not possess steamship links at both its Atlantic and Pacific termini. Moreover, the C.P.R. model of ownership was generally considered superior to the practice of its main Canadian competitor, the Grand Trunk Railway, which entered into traffic agreements with established shipping lines.<sup>25</sup> The ships were there to act as feeders to the railway that the government was slowly

piecing together. Interestingly, the argument was rarely put the other way: that the railways were required to feed the ships. Canada had truly become a continental nation.

It was the third element of Ballantyne's equation that held the greatest promise: the use of ships to foster Canada's export trade, to carry Canadian manufactured goods and its raw materials all over the world. Indeed, the company's publicity agents liked to refer to the service as "Canada's Commerce Carriers." Thus, while not discounting entirely the possibility of using the ships for cross-trading, Ballantyne made it perfectly clear that as long as any Canadian cargo required shipping, the vessels of the C.G.M.M. would be available.<sup>26</sup>

Ballantyne shied away from endorsing some other claims touted by proponents of a national fleet, such as viewing the merchant navy as a way to force Canadian products to be exported through Canadian ports, as a means to limit ballooning ocean freight rates, or as a nursery for Canadian seamen. These issues became periodic political landmarks in the evolution of the C.G.M.M., although they cannot be addressed in this paper.

Having thus proudly boosted the national-flag fleet and its major roles, Ballantyne then promptly acted to emasculate the entire programme. In the same breath that he extolled the government's aspirations for the fleet he promised vehemently that there would be no government interference in its operations. Its managers were to

have an absolutely free hand in the management of the government ships. As Minister of Marine I never assume to dictate to them in any way at all, neither does any member of the government. The responsibility for the success of the government's merchant marine rests entirely on the shoulders of...Hanna...What routes they shall be used on, what freight they will carry, what the rates of freight will be, is not a matter for the Dominion Government to deal with.<sup>27</sup>

What this meant, of course, was that the government, after having carefully crafted an instrument with which to help Canadians penetrate new markets in which shipping profits were uncertain, trustingly turned it over to its chosen operators without retaining any overt control over the way in which the fleet was used.

This remarkable state of affairs was brought about by the animus of the Canadian population toward the perceived corruption and patronage in the other government-run transportation business, the Intercolonial Railway. Ballantyne's feelings in this case were but a pallid reflection of Borden's own statements regarding the way in which the government-owned national railway system was to be operated<sup>28</sup>. Nobody seems to have questioned the ambiguity of devising a certain policy and then removing the key means of ensuring its fulfilment. Moreover, any attempt to influence actual policy was more rhetorical than real - and for the wrong reasons.

Who were the government's trustees in running the C.G.M.M.? To answer this we must look briefly at the turbulent history of railways in Canada in the period from roughly 1900 to 1917. In that era the country decided it needed another transcontinental railway to compete with the C.P.R. along its entire length - and actually built two additional lines. This was primarily seen as necessary to assist in the carriage of burgeoning grain exports, which were then starting to pour out of the Prairies to a far greater extent than the C.P.R. was able or even

willing to handle. The Grand Trunk Pacific debate, which preceded the commencement of construction, was the occasion on which Borden's nationalist transportation policy started to solidify—and which resulted in perhaps the only example of a Canadian politician formulating an overall transportation policy. Nonetheless, by 1915 Canada had three competing transcontinental railway systems.<sup>29</sup> Three transcontinentals were at least one too many (even if some contemporaries rashly advocated two *additional* lines). When the dust settled the two new roads were in dire straits and were forced to merge, along with the government's Intercolonial Railway, to become in January 1923 the Canadian National Railway system.<sup>30</sup>

It was easy for Borden to decide that the amalgamated railways were to be government-owned; he had been advocating as much since at least 1902. The major decision to be taken was who should operate them. In the final analysis he selected the "Canadian Northern crowd" over the Grand Trunk hierarchy. From the standpoint of ship operations this was a fortuitous choice, since unlike the dithering and floundering Grand Trunk management, the Canadian Northern trio of William Mackenzie, Donald Mann, and D.B. Hanna (the latter of whom would eventually be the chief operating officer) had from the outset decided to go boldly into the steamship business. Thus, when it came time to decide what to do with the government's sixty-three ships, it was easy to turn them over to the C.N.R. In fact, the shape that the C.G.M.M. would assume was resolved before it was known precisely what the form of the parent railway would be, if we can believe Ballantyne.<sup>31</sup>

President Hanna is on record as insisting that he was delighted to get the ships, although some of his most staunch defenders were dismayed at the alacrity with which he assumed responsibility for them.<sup>32</sup> Still, it must always be remembered that he and his staff were accustomed to operating ships. The famous Royal Line—two passenger steamers that actually surpassed the C.P.O.S. *Empresses* on the north Atlantic—and the notorious Uranium Line of immigrant steamers had given them an understanding beyond their years in the trials and tribulations of operating steamers. They even had experience on the Great Lakes, having fleetingly been responsible for the operation of the Merchants' Mutual Line of six lakers.

And so it came to pass that as the country's budding fleet came into service, the ships were turned over to the national railway for operation and management. In order that the country—and, indeed, the world—understood fully the depth of the government's commitment, Ballantyne directed Hanna to name the fleet "the Canadian Government Merchant Marine," with each ship's name prefaced by "Canadian." This was done, he explained, because "the Government want it always to be known that our Fleet is owned and operated by the Canadian Government."<sup>33</sup>

The organisation built by D.B. Hanna and his "steamship man," R.B. Teakle, was operationally indistinguishable from private shipping enterprises. The major difference was that in its shore-based activities it shared some functions, such as purchasing, supplies, accounting and publicity, with the parent railway, something that in the future would cause some problems. Teakle was a private enterprise man through and through; indeed, the number of people employed by the government in transportation services who admitted they were *public* enterprise people can be counted on one hand. Steamship owners and operators loved to proclaim themselves the last bastion of free enterprise, and Teakle had previously had a lengthy career with established lines. Although there were some lamentable lapses in the early organisational stages—political, in choosing to register all the ships in Montreal, and aesthetic, in the design of the first house flag in which an amateurish beaver immediately caught the eye and resulted

in the fleet being dubbed the "Rat Line" by irreverent seamen - by and large its emergence was an amazing success. Friend and foe alike could do little but heap praise on Teakle and his hard-working staff for the way in which within thirty-six months they put sixty-six ships into operation, a feat that even *The Times* of London claimed was unprecedented and unlikely to be repeated in the history of world shipping.<sup>34</sup> One of the stalwart opponents of the shipbuilding policy—and these did not really emerge until the lead-up in 1921 to the first unfettered postwar election—coined an appropriate phrase to show the administrative success of an otherwise wrong operation: Teakle's stewardship was "a monument of efficient bungling."<sup>35</sup> By the spring of 1922, when Ballantyne's successor was firmly ensconced, the fleet's human resources consisted of 2340 officers and others at sea, eighty percent of whom were Canadian, and a wholly-Canadian shoreside staff of 1152.<sup>36</sup>

One of the conundrums during the fleet's existence was the extent to which it employed Canadians. It was consistently claimed that those ashore were entirely Canadian, and there is no reason to doubt it. But it was an inexact definition loosely applied, as many of them were "new Canadians." For those at sea it was a different story: while it became relatively easy after a faltering start to obtain Canadian captains, officers and even engineers (with the *caveat* that circumstantial evidence points to some having been even "newer" Canadians than the shore staff),<sup>37</sup> it was more difficult to recruit *bona fide* Canadian seamen. The C. G. M. M., led by Ballantyne and Hanna (who even put his money where his mouth was and contributed one thousand dollars to a Navy League fundraising drive),<sup>38</sup> in conjunction with the Navy League of Canada, initiated a scheme in which aspiring Canadians from the League's Cadet Corps could be signed on, either as deck boys (if their bent lay towards the lower deck) or as apprentices (if they wished to become officers). Extolled as a "democratic" scheme that avoided the pitfalls of a similar British plan, it received extensive coverage in the press.<sup>39</sup> Until about 1928 the programme was successful, and probably attracted more Canadian youngsters to the sea than the Royal Canadian Navy.

The C.G.M.M.'s first ship, the *Canadian Voyageur*, was launched on 23 November 1918<sup>40</sup> and the last, the *Canadian Constructor*, was accepted into the fleet on 29 January 1920. To the government's political discomfiture, the earliest ships were put into operation helter-skelter and were more likely to be found in lucrative cross-trading, where two-way cargoes could be procured, than in Canada's export trade. This situation was not really corrected until Teakle's appointment. Thereafter, as the *Annual Reports* show, the ships were gradually put into regular service. Curiously, there was no concerted demand to employ them on established routes; there was plenty of tonnage available for that task, at least on the east coast. There were, however, sporadic and occasionally vociferous demands for their deployment in short-term situations, such as carrying Prince Edward Island and New Brunswick potatoes to markets in Cuba; pulp, paper and cordwood from east and west coast ports to Europe and the United States; or in the Newfoundland trade, much to the displeasure of Canada Steamship Lines, which recommenced its own service there concurrently.

The ships were also fondly remembered for easing certain emergency situations that arose from the distortions caused by the "return to normalcy" after November 1918. They were used to good effect during periodic coal supply disruptions in Britain, the United States and Canada between 1919 and 1921. As well, C. G. M. M. vessels helped to alleviate a sugar shortage when the Cuban supply became unavailable, and after 1921 in trying to break an apparent monopoly of grain transport on the Great Lakes.<sup>41</sup> Only at the very end of our period was there

agitation to use the ships as part of a reasonably long-term national policy to provide ocean steamship services.

It was in these formative years that some of the ships were used in two very different circumstances that illustrated both the strengths and the weakness of the C.G.M.M.'s operational strategy and the way in which the government handled the fleet. The first was the C.G.M.M.'s major success story—the movement of B.C. lumber to export markets. The company responded magnificently to the challenge of alleviating the severe shortage of tonnage on the west coast, doubling the volume of exports and displacing American lumber entirely from some markets. The usually stern critic, H.R. MacMillan, and his managers paid fulsome tribute to its activities by repeatedly regaling the press with details of the way in which the company performed.<sup>42</sup> Nonetheless, MacMillan was later to strike a mortal blow at the company. In 1932–1933, at the height of the depression, his covetous eyes and political clout resulted in the C.G.M.M. being forced out of one of the few trades left to it—an event that led shortly to the demise of the entire fleet.<sup>43</sup>

The second of these circumstances, the trade to the West Indies, was one that contradicts most of what has been written above. This was one of the earliest routes established by the C.G.M.M. and eventually spawned those famous little ships, the "Lady Boats." It quickly transpired that the government, contrary to Ballantyne's no-interference edict, had directed Hanna to commence this service, a fact that the latter made no effort to conceal.<sup>44</sup> For much of its existence the C.G.M.M. operated the West Indies route for reasons that had little to do with economic or commercial criteria, let alone with fulfilling Ballantyne's three founding goals. He proudly told all and sundry that without government ownership there would have been no West Indies Trade Agreement.<sup>45</sup> To explain this agreement we have to look beyond exports and imports, at least as far as Canada was concerned.

The West Indies was such a perennially weak market that the British had been willing since at least 1897 to do anything to keep them out of the hands of the Americans, including turning them over to Canada. Canada was intrigued by the prospect, which led to the inauguration of the government shipping service in 1919. It then became a political tenet, particularly for Mackenzie King, that one sure way to assuage dissatisfied Maritimers was to hold out the carrot of a resurrected West Indian trade. And so the C.G.M.M.—later the Canadian National (West Indies) Steam Ship Company Limited—became entrenched on the route. It was the only ocean route for which the railway's sea-going arm built new ships, the only true passenger service it operated, and the only facet of operations in which Sir Henry Thornton, Hanna's redoubtable successor, took any positive interest. The service was of very little real value to Canadians, and paradoxically the way in which it was handled made at least as many enemies as friends among the Maritimers it was supposed to appease.<sup>46</sup> But to the West Indies it was a boon. Later, when World War II erupted, those five "Lady Boats" proved to be the gems of Canada's tiny ocean-going fleet. There were to be many more significant occasions on which the government could have "interfered" with C.G.M.M. management, but it refrained from so doing.

With a large part of the fleet in operation, and with Ballantyne becoming increasingly outspoken at the way in which Canadian manufacturers—his own people—had failed to rise to the challenge presented by the presence of his ships,<sup>47</sup> it is apposite to examine the carping criticism of the C.G.M.M. in the election year of 1921. These attacks were almost entirely political, as the otherwise anti-C.G.M.M. but rabidly anti-Liberal Montreal *Gazette* demon-



strated in criticising the Liberals' "wretched pettifogging" for attacking the very existence of the fleet. Indeed, virtually everything about the company was condemned either in Parliament or at the annual meeting of the Select Standing Committee on Canadian National Railways and Shipping, at which C.G.M.M. officials underwent a gruelling examination that is spread over more than 150 pages of published testimony.<sup>48</sup>

One particular attack, levelled by the renegade Liberal, A. R. McMaster, stood out. It is an excellent example of the divergent philosophies about a national fleet. McMaster, on the stump in P.E.I., vigorously attacked C.G.M.M. operations in such a manner as to suggest collusion with dissatisfied company officials. Indeed, he cited many confidential figures, to show among other things that the company had been guilty of charging unremunerative rates on cargoes, that the turnaround of its ships was unconscionably slow, and that crews were kept on the books during stretches when private companies would have paid them off.<sup>49</sup> Teakle, when asked for his reaction, claimed that as a public servant he was unable to respond *seriatim* to the charges. Still, he was sufficiently irritated to deny those claims that related specifically to shoddy management, such as the turnaround times and the signing-off of crews. The contemporary record from the daily shipping reports bears him out. In vain, as it transpired, he called for senior management in Toronto (another of those niggling political miscalculations that bedeviled the C.G.M.M.) to issue a definitive rebuttal to McMaster<sup>50</sup>. It was not forthcoming.

We can examine in some detail two of McMaster's charges—that the C.G.M.M. had carried a cargo of nickel matte to Wales at a ruinous rate, and that it had transported a huge consignment of oil tank cars to the remotest part of Russia at another large loss in freight revenue without any prospect of a return cargo. In the first case, it transpired that not one but two cargoes of nickel had been carried, as Teakle later reported proudly. The ocean freight had indeed been less than remunerative, but the shipment had generated full revenue traffic for the railway, income that would otherwise have been lost to the competition.<sup>51</sup> Yet there was an even more important facet to this episode. The C.G.M.M. had pioneered regular steamship service to the Welsh ports of Cardiff and Swansea, opening new markets for Canadians and generating a mutually-beneficial if modest two-way traffic that allowed monthly sailings from both sides of the Atlantic. To Wales the C.G.M.M. carried deck-loads of live Canadian cattle, as well as lumber, apples and deals, bringing back anthracite coal (which did not compete with Nova Scotia output) and tinsplate, a necessity for the B.C. salmon canning industry. It was in fact a perfect example of the proper utilisation of the fleet in the way Ballantyne had envisaged.

A similar judgement can be made about the Russian oil tank car deal, which occurred in 1921. As the manager of Canadian Car and Foundry admitted freely, without C.G.M.M. ships his company would have been unable to compete for the business and would have been forced to shut down. It was a two-million dollar order and all the charges, including transportation, had been pre-paid, a necessary condition for dealing with the still unstable Soviet Union. Indeed, the Canadian press, which was highly laudatory about the initiative shown in winning this deal for Canada, was convinced that it was profitable to all concerned. It is impossible now to prove how remunerative it was, but it caused an immense stir at the time, generating widespread praise for the versatility of the ships, the foundry and the port of Montreal for the way it handled such an awkward cargo<sup>52</sup>. Moreover, there was a return cargo available: Mediterranean fruit. The entire project had the potential to foster an exponential expansion of Canada's export trade, but McMaster, interested only in scoring political points, chose to ignore this completely, thereby denying the larger reasons for the existence of the fleet.



Figure 1: C.C. Ballantyne and three supporters of the CGMM. Left to right: Archdeacon Cody, Toronto; Ballantyne; Thomas Roden, Toronto; and D.B. Hanna.

*Source:* *Canadian National Railways Magazine*, November 1920.

Ballantyne did not respond specifically to McMaster's attacks. Instead, he reserved his definitive defence for a lengthy debate on 30 November 1921 with his personal political opponent, H.H. Marler. Unfortunately, the performance was rather wooden, with Ballantyne largely explaining why the ships had been built and arguing that he had possessed due authority from Parliament to build them, rather than using examples such as those discussed above to show how the fleet could be used to further Canadian interests.<sup>53</sup>

Ballantyne did, however, consistently defend the C.G.M.M. after his government lost power, and he became increasingly testy when his erstwhile colleagues failed to behave likewise. Nonetheless, his own swan song, undated but certainly written after the results of the 1923 shipping season were known, was not much more effective than his earlier debate with Marler.<sup>54</sup> His remarks here give the impression that he really did not fully understand what had been at stake and that in the final analysis he had no true "sea sense." This suggests the perhaps cynical conclusion that he may have been more interested in shipbuilding than in any other aspect of the fleet. After all, the project at its peak employed about twenty-five thousand men in his Montreal riding alone, in a shipyard he had been instrumental in bringing to the city. Ballantyne's most eloquent plea was left to a private letter written after he had left office:

All the Merchant marine wants is a fair opportunity for a few years, when it will not only prove profitable, but a great adjunct for the railways and a national enterprise that Canadians can well feel proud of.<sup>55</sup>

But perhaps the most fitting final comments concern R.B. Teakle, who showed his true colours in mid-1921, when under the rigorous inquisition of the Select Committee he proclaimed himself a "liner man."<sup>56</sup> When things got increasingly tough after the company's critics took office following the December 1921 election, he started to compete directly with established lines. His February 1922 *Report*, written to introduce the new government to the "real" C.G.M.M., makes this abundantly clear. An assessment shows that with few exceptions he was proudest of his company's emergence as one of many firms engaged in the proven liner trades to places such as to the United Kingdom and Australasia. There were very few imaginative enterprises to which he could draw the attention of his readers. In this he was sowing the seeds of his eventual failure and the demise of the Canadian Government Merchant Marine.

#### NOTES

'Kenneth S. Mackenzie is a transportation historian and heritage affairs consultant. A founding member of C.N.R.S., he is presently writing a history of the Canadian Government Merchant Marine.

1. See Ballantyne's obituary in *The Gazette* (Montreal) and *Montreal Daily Star*, 20 October 1950, and the entry in *Canadian Who's Who 1949-51* (Toronto, 1951), 4M7.

2. For those interested in following Ballantyne's career at the Montreal Harbour Commission, see my article in *Seaports and the Shipping World* (February and March 1991), and forthcoming.

3. *Montreal Daily Star*, 25 October 1917, upon his appointment as Minister of Marine and Fisheries.

4. As listed in the recommendations of the Railway and Transportation Committee of the Canadian Manufacturers' Association at its annual general meeting in Montréal, and printed in *The Gazette* (Montréal), 22 September 1904.

5. Glen Williams, *Not For Export: Toward a Political Economy of Canada's Arrested Industrialisation* (Toronto, 1983), 78.

6. The Imperial Munitions Board was a British government agency operating in Canada under the stern hand of Sir Joseph Flavelle, one of Canada's most successful businessmen. See Michael Bliss, *A Canadian Millionaire: The Life and Business Times of*

*Sir Joseph Flavelle, Bart., 1858-1939* (JOTOMO, 1978), particularly 312, 316, and 386, where Bliss states "Shipbuilding had been the most disagreeable of the IBM operations!"

7. This was claimed by Ballantyne during the course of a debate in the House of Commons. See Canada, Parliament, House of Commons, *Debates* [hereafter *Debates*], 4 April 1918, 345-354.

8. National Archives of Canada [N.A.C.1, W.T. White Papers, MG27II, D18, XVI, File 68, 10982-95. The sketchy reactions from a few cabinet ministers indicate it was in fact circulated for comment.

9. Canada, Privy Council, Order-in-Council P.C. 375, 11 March 1920 (copy in possession of author).

10. See the memorandum in N A C , White Papers, XVI, File 69, 11059. Of all Ballantyne's comments, the most explicit can be found in N A C , Borden Papers, Reel C-4371, 99600-88602, Ballantyne to R L . Borden, 4 December 1918.

11. *Debates*, 8 May 1919. For a complete transcript of his remarks see *Canadian Railway and Marine World* (June 1919), 329-335.

12. See the quotation in *The Globe* (Toronto), 29 October 1920, and Ballantyne's comment to G.E. Foster in his important letter of 2 May 1923, N A C , *R.B. Bennett Papers*, Reel M913, 8831-8833.

13. G.W. Hensley, evidence before the Select Standing Committee on Canadian National Railways and Shipping, 17 May 1921, 343.
14. H.H. Marler made the "play toy" statement during the election campaign; see *The Gazelle* (Montreal), 19 November 1921. See also the lengthy jeremiad against the C.G.M.M. in *Debates*, 7 April 1921, 1696-1733.
15. N.A.C., R.B. Bennett Papers, Reel M913, Ballantyne to Foster, 2 May 1923. See also Bernard Rose's letter to the editor, in *The Gazette* (Montreal), 15 July 1920, making exactly this comparison.
16. See Robert Craig Brown, *Robert Laird Borden, A Biography* (Toronto, 1975), I, 129-44. I will deal with this in detail in my forthcoming work on the formation of the C.N.R., 1902-1923.
17. See the Lloyd Harris memorandum to Borden, 12 May 1919 in N.A.C., Borden Papers, Reel C-4371, 88726, and Borden's response, 15 May 1919, *ibid.*, Reel C-4419, 139409. These are just two—albeit good—examples. For an account of Canada and the Imperial Shipping Committee see Kevin Burley, "Canada and the Imperial Shipping Committee," *Journal of Imperial and Commonwealth History*, III, No. 3 (May 1975), 349-368. For the Australian experience see Kosmas Tsokhas, "W.M. Hughes, The Commonwealth Line and the British Shipping Cartel, 1914-1927," *Prometheus*, VIII, No. 2 (December 1990), 288-303. I am indebted to Graydon Henning for bringing this article to my attention.
18. See, for example, the A.H. Harris memorandum of 15 December 1917 to the British Director of Transport and Shipping, London, complaining of insufficient use of Canadian ports, in N.A.C., White Papers, file 68, 11051. Roger Sarty is tracing similar frustrations in regard to the Royal Canadian Navy.
19. See for example "Report on the Canadian National Steamships," 13 May 1934 (copy in possession of author), and the perceptive C.M.S.P. Document #10, "Canadian Government Merchant Marine Limited," in N.A.C., RG20, Vol. 273, File 35443, I, 2 (copy also in possession of author).
20. See for example Ballantyne to W.T. White, 23 April and 21 May 1919, N.A.C., White Papers, file 69; and the usually-critical *The Gazette* (Montreal), 10 October 1930, commenting on the condition of *Canadian Voyageur* when sold to the Norwegians.
21. Ballantyne, in *Debates*, 11 April 1921.
22. See Ballantyne's comment in Parliament, 6 March 1919, to the discomfiture of the Minister of Public Works (printed in *Canadian Railway and Marine World* [April 1919], 227) and his remark to H.H. Drayton, 23 June 1922, N.A.C., R.B. Bennett Papers, Reel M-913.
23. Ballantyne "on the stump," quoted in *The Gazette* (Montreal), 16 November 1921.
24. *Ibid.*, Editorial, 13 October 1921.
25. I discuss this issue in a forthcoming article in *Seaports and The Shipping World*.
26. Ballantyne, in Parliament, 8 May 1919, quoted in *Canadian Railway and Marine World* (June 1919), 332.
27. Ballantyne, in Parliament, 9 January 1920, quoted in *ibid.* (February 1920), 96.
28. Borden, in Parliament, 15 May 1918, *Debates*, 1999.
29. These were the Canadian Pacific Railway, the Canadian Northern system, and the Grand Trunk Railway system.
30. For a more complete discussion, see my forthcoming work cited in footnote 16.
31. Ballantyne, in Parliament, 4 April 1918, in *Canadian Railway and Marine World* (May 1918), 215-217.
32. Hanna made his statement before the Select Standing Committee, 18 May 1921: "we were very glad to have them" was the way he put it to a critical committee member—the dreaded William Duff. See *Select Standing Committee of Canadian National Railways and Shipping*, 390; *Canadian Railways and Marine World* (June 1923), Editorial.
33. Ballantyne to Hanna, 10 December 1918, C.N.R. Archive, CCC-CCCI.
34. *The Times*, n.d., quoted in *The Gazette* (Montreal), 29 July 1922 under the heading "Merchant Marine's Titanic Struggle;" the government and management were congratulated upon not having encroached on the territory of established lines. See also *ibid.*, 5 June 1923. *The Times*—even more opposed to government ownership than *The Gazette*—quickly changed its tune when the C.G.M.M. did indeed start

to encroach. Teakle also fell heir to three ships operated previously by the Canadian National Railways, the colliers *Sheba*, *T.J. Drummond* and *J.A. McKee*. One of the ships was lost before the sixty-third was launched.

35. H. H. Marler, *Debates*, 6 April 1924.

36. In the first *Annual Report of the Canadian Government Merchant Marine, Year Ended 31 December 1919*. Ballantyne quoted some numbers in Parliament, 29 March 1921 (*Debates*, 1275), Teakle's *February Report 1922* (copy in possession of author), and *The Gazette* (Montreal), 21 April 1922, give additional information.

37. The Montreal Shipping Master, Capt. J. O. Grey, was always willing to be interviewed, and in the course of these often dropped hints that many of the men, although they gave Montreal addresses, were not actually Canadians, but seamen who stopped by there after having served on other ships—either inland, coastal or ocean-going, and just used that port as a mailing address. It is an issue I will address more fully in my forthcoming manuscript *The Peoples' Ships*."

38. See *The Globe* (Toronto), 29 October 1920.

39. See *The Globe* and *The Gazette* (Montreal), 24 October 1920, for descriptions of the scheme. This issue also will be addressed in "The Peoples' Ships."

40. In a sign of things to come, Ballantyne was unable to make a gala event of the *Canadian Voyageur's* launching; wartime censorship was still in effect. Thus the newspapers initially announced that the appropriately-named *Canadian Pioneer* was the first in the fleet to hit the water. He gave her a proper send-off!

41. See the laudatory article in *Canadian National Railways Magazine* (August 1922). For an understanding of the precedents of the grain involvement, see M. Stephen Salmon, "Fool Propositions": Mackenzie King, the Dominion Marine Association, and the Inland Water Freight Rates Act of 1923," *Fresh Water*, II, No. 1 (Summer 1987), 8-19.

42. See H. R. MacMillan Export Co., Ltd. testimonial and others quoted by Teakle at the *Select Standing Committee* hearings, 282-283, and MacMillan's general manager's article in *Canada Lumberman*, 1 September 1921. There are many other such examples.

43. When MacMillan took over the intercoastal business: see "The Peoples' Ships."

44. Both during the Select Committee hearings—see the acrimonious exchange with Duff at 393-394—in company annual reports, and other similar documents.

45. Ballantyne to Drayton, 23 June 1922, N.A.C., R.B. Bennett Papers, M-913.

46. Newspaper comments, particularly in *The Halifax Herald*, are too numerous to cite—but see Ernest J. Forbes, *Maritime Rights: The Maritime Rights Movement, 1919-1927. A Study in Canadian Regionalism* (Montreal, 1979), 143-146, for a good description of how these people viewed the West Indies agreement.

47. See Williams, *Not For Export*, 78, and Ballantyne, in Parliament, 9 January 1920, quoted in *Canadian Railway and Marine World* (February 1920), 96 and 29 March 1921, quoted in *ibid.* (May 1921), 273—only some of his comments on the matter.

48. Much worthwhile information on the company's early operations can be gleaned from this source. See *Select Standing Committee Hearings*, 281-435.

49. A. R. McMaster "on the stump," reported in *The Gazette* (Montreal), 11 October 1921.

50. Teakle comments, *ibid.*, 12 October 1921.

51. R.B. Teakle, "Canadian Government Merchant Marine Ltd.: Report of the Manager Covering Operations 1919-1921" (February 1922), 7 (copy in possession of author).

52. Private manuscript in author's possession.

53. The Ballantyne-Marler debate is reproduced *verbatim* in *Montreal Daily Star*, 30 November 1921.

54. C.C. Ballantyne, "Canadian Government Merchant Marine," a twenty-page typescript in N.A.C., Ballantyne Papers, MG27II, D-1.

55. Ballantyne to Foster, 2 May 1923, N.A.C., R.B. Bennett Papers, M-913, 8831-3.

56. Teakle's testimony before the Special Select Committee.