

# Editorial

## A Perspective on Canada's Three Shipyard Decision

In August 2019 the Canadian government announced the start of a competitive process to build six new medium and heavy Canadian Coast Guard icebreakers, thereby officially opening up Canada's National Shipbuilding Strategy (NSS) to a third naval shipyard. Under that strategy, launched in 2010, the government ran a competition to establish a strategic partnership with two shipyards in Canada to build up to 28 large coast guard and navy vessels over the coming decades.<sup>1</sup> The goal was not just to build the ships, but to replace the historically cyclical nature of shipbuilding in Canada with a sustainable federal shipbuilding program.

Affordable, timely ships depended on shipyards being able to invest for the long term, rather than engaging in a costly process of rebuilding facilities and a skilled workforce with every new shipbuilding contract. In 2011 Irving Shipbuilding in Halifax won the competition for combat vessels, while Seaspan Shipyards in Vancouver won for non-combat vessels. With this new competition, a third shipyard will be chosen to establish a strategic partnership with the government, an arrangement that sets out the rules and terms of negotiation under which bids can be made.

Given the government's NSS goal, is the decision to add a third shipyard a wise move? The jury is out. But a brief examination of Canada's naval and coast guard shipbuilding past can give us, if not answers, at least a perspective on the bigger picture.

It was growing tension between Britain and Germany in the years leading up to World War One that sparked Canada's modern naval shipbuilding industry. The government developed facilities throughout Canada and rapidly expanded them during the war to meet Britain's steel steamship requirements. By the end of 1916 there were naval shipbuilding yards in eight Canadian cities, and

two more added shortly after the war. But in the 1920s and during the Great Depression naval shipbuilding work declined dramatically. Those yards that survived did so based on repair work. World War Two then elevated the Canadian naval shipbuilding industry to new heights with no less than 21 yards producing close to 400 warships in the space of six years.<sup>2</sup> The shipbuilding industry contracted again after the war, with a low point in employment reached in 1950.

Growing East-West tensions, the creation of the North Atlantic Treaty Organization (NATO) in 1949, and Canada's anti-submarine warfare (ASW) role in the North Atlantic sparked a government decision to design and build ASW ships in Canada. Subsequent contracts included a total of 20 *St. Laurent*, *Restigouche*, *Mackenzie* and *Annapolis*-class destroyers built between 1950 and 1963 at shipyards in Halifax (Irving), Sorel (Marine Industries Limited, now closed), Montreal (Canadian Vickers, now closed), Vancouver (Burrard Dry Dock, now closed) and Victoria (Victoria Machinery Limited, now closed). The *Provider*-class auxiliary oil replenishment (AOR) vessel was built at Lauzon (Davie) in the early 1960s, two *Protecteur*-class AORs were built by Saint John Shipbuilding (Irving) in the late 1960s, and four *Iroquois*-class destroyers were built at Sorel and Lauzon in the early 1970s.

Icebreakers were also on the books, including: the medium icebreaker *D'Iberville* (Davie, built early 1950s); light icebreaker *Labrador* (Marine Industries Limited, built early 1950s); light icebreaker *Alexander Henry* (Port Arthur Shipbuilding, now closed, built late 1950s); and heavy icebreaker *John A. Macdonald* (Davie, built late 1950s). These were transferred to the newly created Canadian Coast Guard in 1962, to which was later added the heavy icebreaker *Louis St. Laurent* (Canadian Vickers, built mid-1960s).



Seaspan Vancouver Shipyards is one of the two original National Shipbuilding Strategy shipyards. Seaspan's yard is made up of multiple separate buildings. Visible at right in this December 2018 photo is the second Offshore Fisheries Science Vessel being assembled for the Canadian Coast Guard.

Credit: Timothy Choi



Credit: Walter E. Frost, via City of Vancouver Archives

Built at Halifax Shipyards, the *Restigouche*-class destroyer escort HMCS *Chaudière* sails in Burrard Inlet, Vancouver, July 1970.

After two decades of relatively continuous builds, navy and coast guard shipbuilding stopped for the better part of a decade. When it was ready to revisit major shipbuilding, the government turned first to coast guard requirements. The *Pierre Radisson*-class of four medium icebreakers were built in Vancouver (Burrard Dry Dock, later Versatile Pacific Shipyards and then Vancouver Drydock Company, bought by Seaspan in 1991) and St. Catharine's (Port Weller Dry Dock, now closed) between 1977 and 1985. The *Martha L. Black*-class of six light icebreakers was built at Vancouver (Versatile Pacific Shipyards), Collingwood (Canadian Shipbuilding, now closed), Tracy, Quebec (Marine Industries Limited, now closed) and Halifax between 1985 and 1987. In the mid-1980s the government realized there still remained over-capacity in the shipbuilding industry and paid owners to close shipyards across Canada.<sup>3</sup> The government then turned to navy vessels, including 12 *Halifax*-class frigates, built between 1987 and 1996 at Saint John and Lauzon, and 12 *Kingston*-class Maritime Coastal Defence Vessels built at Halifax between 1994 and 1998.<sup>4</sup>

What followed was a 'bust' in Canadian shipbuilding unseen since the interwar period. Whereas six years separated the launch of the last *Iroquois*-class destroyer in 1971 and the start of the first *Pierre Radisson*-class medium icebreaker in 1977, there were no major navy or coast guard ships built in Canada between the last *Kingston*-class vessel in 1998 and the government's decision to proceed with a shipbuilding strategy more than a decade later. When in

2015 construction started on the Offshore Fisheries Research Vessel *Sir John Franklin* at Seaspan, and the Arctic Offshore Patrol Ship *Harry DeWolf* at Irving, this marked the end of a 17-year drought in naval shipbuilding, and an almost 30-year drought in major coast guard builds. Since then, to the original 2010 strategy of 21 combat vessels and seven non-combat vessels, the Liberal government has added about 20 coast guard vessels.<sup>5</sup>

What does this cursory history tell us about the three-shipyard decision? During boom times of the past, naval contracts sustained more than three shipyards. At no time were there only three yards, much less two. The many yards marked 'now closed' indicate the degree to which the industry has accommodated a necessary reduction in the number of shipbuilding facilities. And Canadian navy and coast guard shipbuilding, or lack thereof, has reached so critical a threshold that the planned number of builds in the 2020s/30s promises to exceed those of the 1950s/60s and 1980s/90s.

Thus, the addition of a third shipyard would seem to be a sensible one. But it is not without risk. If, over time, it dilutes the workload of the other non-combatant yard to the point that neither can sustain modern facilities and highly skilled personnel, then the familiar boom-and-bust issues will have returned. For this reason, the government needs to begin now to think about the next build. This should centre on Canada's submarines, which are of growing importance in this era of increasing great power tensions and a melting Arctic, and will come to the end of their operational life in the 2030s. It is time for the Canadian government to start incorporating a future submarine capability into its evolving National Shipbuilding Strategy. 🍷

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#### Notes

1. This would consist of 15 Canadian Surface Combatants; six Arctic Offshore Patrol Vessels; four Coast Guard fisheries vessels; two Joint Support Ships; and one polar-class icebreaker.
2. Garth Wilson, *A History of Shipbuilding and Naval Architecture in Canada* (Ottawa: National Museum of Science, 1994), p. 53.
3. Steve Durrell, "Shipbuilding Centres of Excellence: The Road Map to a Sustainable Industry," in Douglas L. Bland (ed.), *National Approaches to Shipbuilding and Ship Procurement* (Kingston, ON: Queen's University School of Policy Studies, 2010), p. 107.
4. I do not include the *Orca*-class patrol vessels built for the navy in the mid-2000s in this narrative because although these are important ships, they are small compared to the others discussed and are not commissioned. The focus here is on major ships.
5. This number consists of 16 Coast Guard multi-purpose vessels; two 'civilianized' Arctic Offshore Patrol Vessels; and six medium and heavy icebreakers (breakdown unknown).



Credit: Davie Shipbuilding photo archives

The *Halifax*-class frigate HMCS *Ville de Québec* is prepared for launching at Davie Shipbuilding in Lauzon, Quebec, 16 May 1991.