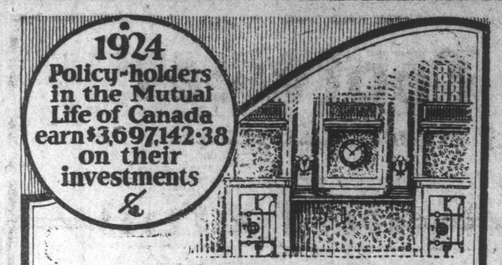

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The MUTUAL LIFE OF CANADA Waterloo Ontario

W. J. PIKE, District Manager
St. John's, Nfld.

821

Mr. Archibald's Address.

DELIVERED AT BOARD OF TRADE MEETING.

Gentlemen of the Board of Trade:

Your time is valuable and we have therefore committed our words to the definite confines of a paper which, with your permission, we will read.

The subject chosen is a wide one and in the interest of rounding out a complete idea in a limited time it has been necessary to drop out a host of details.

The matter has been prepared with due regard to the fact that it was for business men and not necessarily for popular consumption.

Our subject is: "Nfld. Industries, their value and the great need of their development."

The prime necessity of established industries in any and every community must, in these days of enlightenment, be taken without question. Material things of great variety have come to be essential to the most ordinary living of the people.

The production of Things is what is known as Industry and their exchange from producers of one kind to producers of another kind constitutes our everyday systems of Trade and Commerce.

Things that can be moved about from one place to another and Things that may be set up as permanent fixtures for purposes of production, transportation and the necessities and conveniences of the races of men constitute, in the last analysis, the wealth of the nations. These material Things are the wealth of the nations.

The exchange value of the total of all the Things produced in a community or a country is thus a measure of its earning power or purchasing power or income or whatever you may choose to call it.

It consequently become paramount to any scientific consideration of the industries of a country to have some statistics of the industries and an analysis of them.

We have collected some figures that may in some degree indicate an approximate measure of the total net income of Nfld., from all the branches of her production and will set them before you.

It must not be thought that we presume to set these down as the last word or that they represent the exact situation without error. The difficulties have been very great and were it not for the willing help and advice of our friends it would have been impossible.

Let me take this opportunity to express my sincere thanks to them for all their kindnesses in every direction.

Although we are quite sure that the following figures represent a fairly accurate statement, yet we would not expect them to be correct to within five or ten per cent.

Total net income from all branches of production in Newfoundland, taking figures for the year ending June 30, 1924:—

1.—Agriculture	$ 8,190,000
2.—Fishery	7,560,000
3.—Construction:	
Humber Construction	3,700,000
Housebuilding an Construction	2,500,000
4.—Paper and Pulp	4,500,000
5.—Factories	2,600,000
6.—Lumber	2,550,000
7.—Mines	1,000,000
8.—Pit Props and P. Wood	700,000
9.—Miscellaneous	450,000
Grand Total	$33,660,000

These figures are staggering when you come to realize that the total national income from all branches of production is only 34 millions and that this, added to the comparatively small amount of our income from foreign going shipping, from investments abroad and the amounts sent home to families by Newfoundland workers abroad, constitutes the total amount of our national earnings.

When this 34 million is divided between 263,000 people you will observe the astounding fact that the average total earnings per capita amount to only $129.28. Out of this amount we have to live and pay our taxes.

Is it any wonder, then, that thoughtful people are beginning anxiously to wonder just what is going to happen next.

After some observations on the various headings showing ust how these figures were arrived at we will show a few comparisons with other countries that we may all realize the serjuosness of our situation and the necessity for action:—

1. Agriculture—Figures are deducted from the report of the Agricultural Department based on 1921 Census reports. As this branch of production has been steadily increasing we have made due allowance for quantities and values in setting down a value for 1924.

Although we are not an agricultural country, in, say, Canada's sense, yet we have only tapped lightly the avenues of development in this direction.

The possibilities of wool production, for instance, are beyond our most sanguine thoughts to-day, and this will one day be the basis of several great manufacturing industries in our midst. A beginning has been made by one manufacturing house, and an inspection of their exhibit at The Fair will show an exceedingly high degree of perfection.

Right here we may be pardoned for also paying a well deserved credit to Dr. MacDermott, of Fortune Bay, and to Lady Allardyce and the "Nonia" ladies for their truly patriotic services in pioneering this great (Homecraft) industry to be.

Spinning, knitting and weaving, producing wool, stockings, socks, mitts, underclothing, outerclothing, mats, rugs, carpets, etc., will one day employ a real army of Nfld. sons and daughters.

There is an industry in our berries, and untold possibilities in such a product as celery. The world market is at our feet in this latter product as a comparison between the local and the imported will readily show. I am told that an acre of celery is worth several thousand dollars and if it were worth only half, it would still be an exceedingly rich crop.

This branch, like all the others requires the industrial type of mind to bring it to maturity.

2. Fishery—The net income shown from this branch is derived from the total value of all fishery products, with due allowance made for the imported materials entering into the operations, such as salt, twine, rope, raw cotton, etc., vessels, sail cloth, oils, gasolene, kerosene, anchors, chains, iron and a host of other hardware items, and insurance taken with outside companies.

The value of wood packages had also to be deducted as it was already included in lumber. Unless some new activities are undertaken and a great deal of energy is scientifically applied to this branch of production it will very soon take a fourth or fifth place in the scale of values.

3. Construction—These figures represent the income to labor of all kinds from these works. Owing to the special nature and extent of the Humber operations we have separated it from the more general construction average.

4. Paper and Pulp—Figures are taken from total production with deduction for costs of imported materials and insurance, etc.

This promises to become our leading industry in the very near future; in fact, there is a certainty that it will become by far the greatest within this year 1925-26. The ultimate capacity of this country from the production of pulp and paper does not seem to be more than started and every effort should be put forth to instill into the minds and consciousness of the whole people, young and old, a true sense of the value of our forests. Wanton destruction by the axe or fire should come to be thought of as a suicidal crime of the first order.

At present we are only thinking of paper but just for a moment let our imaginations run along the possibilities of the production of "Rayon" or Artificial Silk, from the products of our forests.

Cellulose, which is the present valuable product of wood is filled with more promise of possible developments than any other known world product to-day. It may easily be conceived that our forests may some day supply us with all those essential materials at present derived from cotton, flax and other sources of cellulose. Through chemical and practical research there seems to be no limit to its possibilities.

We must protect and nurture our forests. They are a great heritage, especially coupled as they are in this country with abundance of water-power.

5. Factories—These figures were gathered very carefully and of course do not represent the total value of the products of our factories but only that portion of it that has gone into the pockets of the workers of all grades.

Due allowance has been made for that portion of overhead expenses that represents Newfoundland employment outside of the factories in the shape of Banking, Insurance, Telegraph, Postal, freight, cartage, heat, light and power and other essential services.

All the obtainable figures covering this branch were not available to us in their detail and it was not necessary, but they were given in totals of actual figures and we can assure you of their correctness. This branch includes, besides recognized factories, such products as electricity, gas, docking, shipbuilding, car shops, brick yards, lime kiln, etc. Allowances are made against overlapping in such services as electric power, etc., used by the factories and already counted.

Wood-working factories have not been included, except as to their manufacture from imported materials, although they belong under this branch and would swell the total value considerably. We considered that they were so closely allied to the lumber branch that it would not be fair to that great industry to make any separation.

This, however, must be remembered in giving the factories their rightful place in the national income. It will come as a great surprise to some people to see an amount of national income, derived from this souce, that is fully one-third of that of the entire fishery.

Under a properly distributed Customs Tariff, which may at the same time be greatly reduced in total, this branch can be made into a very much greater earning power to the people. A great army of men and women can find employment here in their own towns rather than be driven as they are into strange lands.

Taxation per capita can be reduced by increasing the number of contributors and every producer added to the list lifts a little of the burden off his neighbour's shoulders. Let Newfoundlanders produce every possible article needed by Newfoundlanders and thus create a maximum of employment which is the life of any country.

6. Lumber—This branch includes logging, saw-mills and wood factories. The figures have been obtained by the aid of friends in the industry and we are confident that they are, if anything, on the conservative side.

This does not represent total products even from Newfoundland wood, as allowance had to be made for replacement-machinery, oils and other imported materials entering into these products. Insurance composed a considerable item of reduction.

This branch has great possibilities, but is very much hampered in development by the unenforcement of the Timber Laws, enabling holders to keep areas out of the market indefinitely at practically no cost to themselves.

7. Mines—Here deductions have been made for imports such as coal, oils, replacement machinery, tools, insurance, etc. The laws affecting this branch are also very much antiquated and are the first question to be dealt with if the proper development of this great industry is to take place as it should.

8. Pit Props and Pulpwood—This shows almost the full export value.

9. Miscellaneous—This includes furs, berries and other minor exports.

This tabulation and analysis, we trust, will give each Industry is true perspective and will serve as a starting point from which we can view the future prospect of Newfoundland without the usual prejudice. The fishery holds a great and proud place in our life and for a great period was the almost only source of income.

Those days are passed and we must learn to adjust our thoughts to the new order of things. The fishery is a great industry and we must make it greater, but it is not by any means the one and only mainstay that people thoughtlessly claim for it.

We can easily conceive of Newfoundland going on to great prosperity and the fishery drop out almost entirely. We say this, not because we think any such calamity will occur, but merely to bring out our point and to stimulate thought and enthusiasm into the whole field of industrial endeavour, and not wear itself out bemoaning a difficulty in some one direction, when great progress lies open in another, just as near at hand.

Whatever our thoughts or regrets it has now come to be absolutely necessary that we apply ourselves diligently to the development of greater earning power for one very pressing reason, if for no other, that we have allowed our cost of government to almost overwhelm us.

The following figures will be very illuminating:—

Total net income from all products, 1923-24	$34,000,000
Taxation, 1923-24	8,401,669
Taxation per cent. of income	24.7%
Expenditure on Current Account, 1923-24	16,000,000
Expenditure per cent. of income	29.4%
Total net Income per capita	129.28
Taxation per capita, 23-24	31.95
Taxation per capita, 24-25	36.12
Taxation per cent. of Income, 23-24	24.7%

For comparison we submit Canadian figures as follows:—

Canadian total net Income per capita	$375.00
Canadian Taxation per capita	75.00
Canadian Taxation per cent. of Income	20%

A further comparison will show the seriousness of our situation still more clearly:

Total net per capita Income by Countries.

U. S. A.	$606.26
Canada	375.00
Great Britain	374.74
France	186.98
Belgium	146.06
Newfoundland	129.28
Italy	99.17

Total Taxes as per cent. of National Income by Countries.

Newfoundland	24.7%
Great Britain	23.2
France	20.3
Canada	20.0
Italy	19.2
Belgium	17.0
U. S. A.	11.5

Newfoundland then leads the world in its taxation in percentage of the National Income and very nearly leads again in the smallness of her National Income per capita. Is this something to be proud of? Surely not!

How, then, are we to remedy this undesirable condition?

There seems to be one practical way and that has been suggested above. We must apply ourselves diligently and unitedly to the development and extension of each and all of our Industries and build up our population to at least double the present. This will give us immense relief in that it will increase our per capita income and at the same time reduce taxation per capita by fifty per cent. It will relieve the taxpayers of the relief expenditure and of the Railroad and other department deficits.

Every Industry or operation that can employ one, ten, a hundred or a thousand more workers must be encouraged and actively supported as being the only policy that will save us from national bankruptcy.

Productive employment and still more of it is the real need of Newfoundland. We are not lacking in resources but we sadly lack proper Industrial initiative.

We sincerely hope that this little effort of ours may not fail to the ground unheeded for we have endeavored to set out the facts without prejudice and for our short comings we can only ask your kindly and charitable consideration.

Many thanks for your patience.

At the close of Mr. Archibald's address, a vote of thanks was proposed by Capt. A. Kean, in a vigorous speech, in which he pointed out the opposition with which all new industries had to contend, and quoted numerous instances in support of his argument. Amongst those cited were the first saw mill in Bonavista Bay; people then claimed that all standing timber would be quickly used up. The railway, the Grand Falls industry, Ropewalk, etc., were in the same category. The vote of thanks was ably seconded by Mr. Milligan, Manager of the Bank of Commerce, and was spoken to by Mr. Thomas Peel, who suggested that a public market was essential in connection with the agricultural industry. Mr. W. A. McKay, also spoke and offered suggestions for attracting attention to our resources that were undeveloped for want of capital or enterprise. The vote was carried by acclamation.

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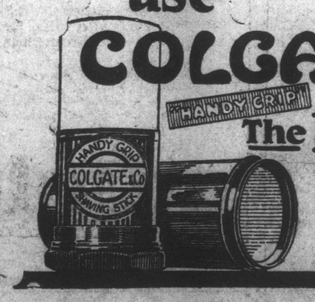

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