

Crises of the 1890s

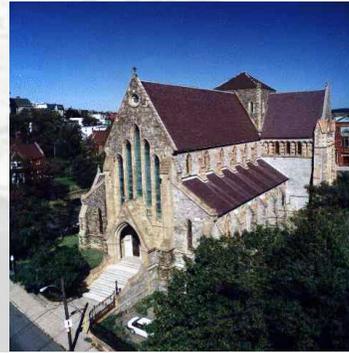
In the 1890s, Newfoundland had to face two catastrophic events which seriously affected its economy as well as being the victim of British foreign policy.

1. St. John's Fire of 1892:

- St. John's had already had two major fires in the 1800s, made worse by "row-housing"
- A third fire in 1892 saw 11,000 people affected and \$13 million in property loss.
- The government had to bring in emergency supplies from Halifax and New York as well as set up a tent city on the shores of Quidi Vidi Lake.
- A lot of warehouses were destroyed in the fire seriously affecting supplies available for outport communities.
- After the fire, a professional fire department was organized in St. John's.



The Anglican Cathedral was completed in 1885, but after the 1892 St. John's Fire it was heavily damaged. It took workers 10 years to fully restore it.



2. French Shore Crisis:

Britain was in control of Newfoundland's foreign affairs which sometimes caused problems.

- 18th Century treaties with the French gave them the right to fish the west coast of the island. French fishermen, therefore, claimed only they had a right to fish there.
 - Newfoundlanders wanted to develop the west coast but Britain did not want to upset the French government.
 - Beginning in the early 1890s, the French fishermen claimed the right to take part in the lobster fishery. Newfoundlanders objected because lobster were not "fish".
- France finally gave up their treaty rights to the west coast in 1904 in exchange for financial compensation and territory in West Africa.
 - As a result of the long time it took to resolve the issue, Newfoundlanders became resentful and frustrated with Britain. This led to an increase in Newfoundland nationalism (strong attachment to one's own nation).



3. The 1894 Bank Crash

With the recent fire in St. John's, Newfoundland was already on shaky ground financially. On December 10, 1894, both the Commercial and Union Banks had to close because it didn't have any money.

- Ninety per cent of Newfoundland's export economy was based in the fishery but had to import almost everything it needed.
- In 1893-94, both the cod fishery and seal hunt had disastrous catches.
- The deaths of several prominent merchants in St. John's and lack of investment in fishing enterprises added to the banks' eventual failure.

- Newfoundland was now bankrupt with mass unemployment and mobs were looting.
- The Premier of the day, William Whiteway, attempted confederation talks with Canada, but failed.
- Canadian banks replaced the bankrupt Newfoundland banks and the Canadian dollar became the official currency for the time being.

