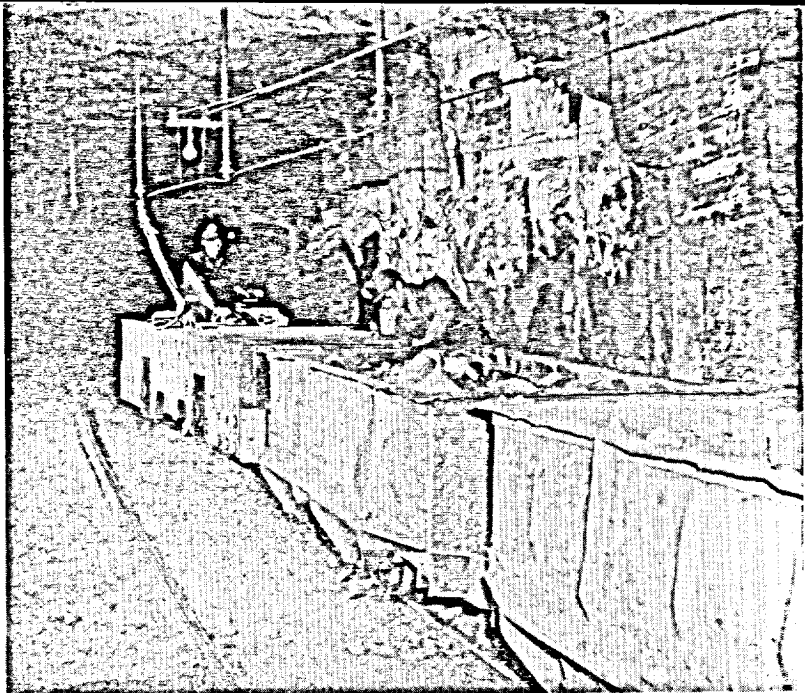


Iron ore being taken from the Wabana Mines, Bell Island, which began operations in 1895.



Government pointed out, the Island handed over to a single individual the ownership of nearly all the Crown lands of any value and control of virtually all the Island's means of communication. The Bill became law but public agitation continued until the defeat of the Government which had sponsored it. Under the succeeding Government the contract was modified and the additional land grants of 1898 were withdrawn. The railway was subsequently placed under the Reid Newfoundland Company, inaugurated in 1901, which continued its operation until the Government took it over in 1923.

The economic benefits from railway construction were considerable. It provided employment during a period of serious depression and has since provided permanent employment for a considerable working force. It opened up new areas and stimulated the development of the pulp and paper and mining industries. It provided year-round communication for the first time between the east and west coasts. But the total benefits were less than anticipated and the Island's debt was substantially increased.

Set-Backs.—The period 1892-1894 was a calamitous one for Newfoundland. In February, 1892, a violent storm caused heavy loss of life and great distress. In July of the same year St. John's was devastated by a great fire. Twice before the city had been swept by fire, but the conflagration of 1892 far exceeded the earlier ones in its suddenness and damage. In less than 24 hours three-quarters of the city was reduced to ruins and nearly 11,000 people were rendered homeless. Many of the large public buildings and churches were destroyed. Property damage was estimated at \$20,000,000.