TOPIC 3.4

The Economics of Saltfish
Newfoundland sold saltfish to many different markets besides Britain
  • Southern Europe, Brazil, British Caribbean

It was HUGE business
Introduction

- NL depended heavily on foreign market
  - Sold fish
  - Bought other goods
  - Economy was decided by outside factors
    - Had little control over economy
  - If demand for cod declined $\rightarrow$ so did economy
  - Prices of imports increase $\rightarrow$ we were affected
Fish for Sale

Fishers from different fisheries produced different grades of fish to be sold in different markets
- Shore fishery produced highest grade
  - Also produced different grades as well

Saltpfish was sold
- Sometimes traded for other goods
Late 1800s
- Saltfish became less important in people’s diets

Competition from Norway and France increased as well

These two factors led to decrease in the popularity of Newfoundland saltfish in foreign markets
The Role of Merchants

- Merchants bought fish from fishers and then exported it to markets
- Shore fishers usually traded fish for credit at merchant’s store
  - Household and fishing supplies

Example of Barter System
The Role of Merchants

- Caused problems for both sides
  - Merchants would provide credit to fishers all year long
    - Sometimes their catch wasn’t enough to pay their credit
    - Led to bad debt for merchant
  - Fisher were vulnerable to merchants prices
    - Decided grade of fish (price)
    - Decided price of goods in their stores
      - Could use these numbers to their advantage
Fishers depended heavily on this system

- If money involved, they would have to wait for each catch to get paid (Couple times a year)
- This way, they could get goods all year long