

**SOCIO-ECONOMIC OVERVIEW
OF EASTPORT
AREA OF INTEREST (AOI), NEWFOUNDLAND**

EXECUTIVE SUMMARY

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This Executive Summary is based on a document developed under contract, and DFO assumes no liability for the accuracy of the information contained therein. This document is a compilation of existing social and economic information intended for use by the MPA Steering Committee in identifying information gaps, determining research priorities, and management planning.

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1.0 INTRODUCTION

In March 2002, a Socio-Economic Overview of the Eastport Area of Interest (AOI) Newfoundland (Hewlin 2002) was submitted to the Department of Fisheries and Oceans (DFO). The overview was commissioned to aid local stakeholders and DFO in decision-making regarding potential marine protected area (MPA) establishment in the Eastport area. It was written in compliance with the Terms of Reference developed to guide the collection and presentation of information relevant to describing the socio-economic characteristics for AOIs. Both primary and secondary research methods were employed in its compilation. The purpose of this executive summary is to provide a general synopsis of the overview for use by the Steering Committee established to guide the MPA process. The executive summary is intended to be complementary to the broader socio-economic overview and it is recommended the overview be referred to when additional detail is required.

1.1 Purpose

In 1997, Canada adopted the *Oceans Act* making the Minister of Fisheries and Oceans (DFO) the lead federal authority on all oceans related issues. This act enables the development of a comprehensive Oceans Management Strategy, which is based on three main principles: sustainable development, integrated management, and the precautionary approach. This strategy is supported by three tools, which are Integrated Management (IM), Marine Environmental Quality (MEQ), and MPAs.

The objective of the MPA program is to conserve and protect areas and resources of special concern. Section 35 of the *Oceans Act* promotes the establishment of MPAs for the conservation and protection of marine resources, species and habitats; endangered or threatened species and habitats; and areas of high biodiversity or biological productivity. Stakeholders such as coastal communities, environmental organizations, or other individuals or groups can approach DFO to propose that an area be considered under the MPA program. Following a preliminary review, DFO may identify the proposed location as an AOI. After being identified as an AOI, DFO has the responsibility to investigate and identify the ecological, technical and socio-economic merits of designating the area as a MPA. The compilation of a socio-economic overview is a significant component of the evaluation process. These overviews can be updated periodically as new or more detailed information becomes available.

1.2 Background of Eastport Peninsula AOI Development

(Source: Eastport Peninsula MPA Proposal, 2000)

In 1994, Eastport area lobster fishers recognized a serious decline in lobster stocks that had accelerated by increased fishing pressure due to groundfish closures. In response, the Eastport Peninsula Lobster Protection Committee (EPLPC) was established in 1995 to implement conservation management practices to protect the lobster resource in the area.

These measures have included refraining from use of illegal pots, reduction in fishing effort, no retention of egg-bearing or undersized lobsters and v-notching egg-bearing females. In conjunction with DFO in 1997, an Eastport Peninsula Lobster Management Area (EPLMA) was established and lobster fishing was restricted to traditional users. The above noted conservation measures have been enacted and two areas of lobster habitat within the EPLMA have been protected from harvesting (Round Island and Duck Islands). In order to strengthen conservation measures, the EPLPC submitted a proposal to DFO in 1999 to consider the Round Island and Duck Islands closed areas as a potential MPA under the *Oceans Act*. In October 2000, the areas were announced as an AOI in DFO's MPA program.

1.3 Information Sources

This socio-economic report identifies historical, present and potential resources in and about the Eastport Peninsula. It discusses the various human resource uses, activities and developments and also provides a brief overview of management conflict issues. Discussion of the areas regional, historical and human use is based mainly on secondary research, utilizing a variety of sources from paper publications to online (internet) resources from a number of different entities. These include a number of Canadian federal and provincial government departments (and associated agencies), a regional economic development board, and relevant municipalities. Much of the information found on the supplied maps and figures has come from the Coastal Community Resource Inventory (CCRI) that has been prepared and is accessible through DFO's geographic information systems department.

Secondary research has been supplemented with interviews and personal communications with informed individuals within the various government departments, agencies, municipalities and other applicable bodies.

In an effort to derive a more focused view of the immediate study area, a study area boundary has been established (Figure 2.1.0).

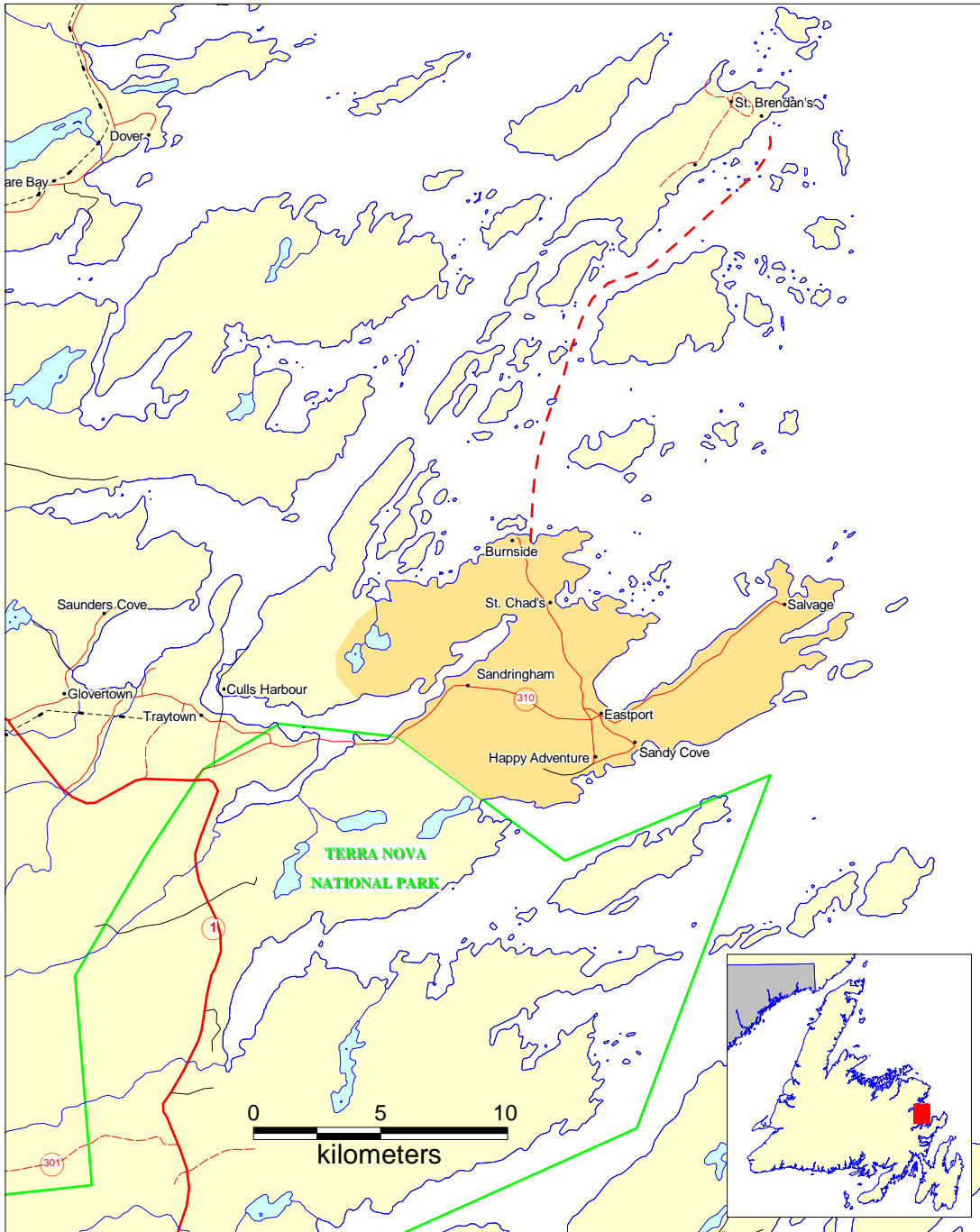


Figure 2.1.0 Eastport Peninsula Socioeconomic Study Boundary (Shaded area)

2.0 REGIONAL CONTEXT

The Eastport Peninsula, surrounded by numerous islands, is a relatively small piece of land adjacent to Terra Nova National Park (TNNP) jutting into central Bonavista Bay. The geographical coordinates of the study area have the latitudinal boundary 48 43` N to approximately 48 37` N and a longitudinal boundary of 53 52` W to 53 37` W. The entire Eastport Peninsula covers an area of approximately 655 km², and the study area has a primary boundary of some 120 km and an area of about 105 km². The Peninsula bounds with steep cliffs, sheltered harbours, and relatively low-lying lands. In the east the highest point within the above coordinates reaches approximately 150 m above sea level. The northeast portion of the Peninsula, north of St. Chad's, dips to a mere 15 m above sea level.

Scattered throughout one of the oldest-settled stretches of coast in the province are seven core communities – the towns of Salvage, Eastport, Happy Adventure and Sandy Cove as well as the governing bodies of Burnside, St. Chad's and Sandringham. The estimated population of the study area is 1500 (Statistics Canada, 2002), although out migration has been a major concern in recent years.

The Eastport Peninsula communities are connected to the Trans Canada Highway by Route 310, which stretches from Glovertown (the district service centre) to Salvage. Small Craft Harbours (SCH) are located in Happy Adventure and Salvage, and a provincial ferry service route operates between the peninsula community of Burnside and the island community of St. Brendan's. Telephone, cable, internet and print media are all available in the area.

The Eastport Peninsula is located within the Kittiwake Economic Zone 14. Headquartered in Gander, the Regional Economic Development Board (REDB) pertaining to this zone is the Kittiwake Economic Development Corporation (KEDC). Further division leads to seven sub zones within Zone 14, of which the Eastport Peninsula, from Glovertown east, makes up Sub Zone 1. (KEDC, 1997). From an economic standpoint the Eastport Peninsula has relied heavily on fishing for generations. In recent times, while still vitally important, fishing has seemed to take a step back opening the door for what has been described as a well-established and progressive tourism industry.

3.0 HISTORICAL CONTEXT

(Sources: *ENL (1991-98)*, *Decks Awash (1985)*, and *Hynes (1999)*.)

3.1 Salvage

Salvage is one of Newfoundland's oldest and most picturesque communities. Due to its lucrative fishing grounds, beyond the bare headlands and islands of the northeastern portion of the Eastport Peninsula, Salvage became one of the earliest harbours to be employed by the migratory fishermen from England. The oldest existing community on

the peninsula, Salvage was first populated in 1676 when six English masters and their families located there and established the first summer population of sixty-six people.

The population grew throughout the 1800s and fishing and farming activity dominated the economy. The local population peaked at 591 in 1891, coinciding with the best years of the Labrador fishery and declined in the early twentieth century with the collapse of that fishery. Two lobster factories employed thirty-six residents, but both farming and fishing as a whole, were less productive.

Declining more, but somewhat stabilizing around 250 residents in the mid-1940s, Salvage did not see another significant increase in population until amalgamation helped the population reach 270 in 1961. By that time, the fishery, including a newly opened fish processing plant operated by P. Janes & Sons, employed only about half of the working population, the other half split between lumber, construction and various service industries. Tourism also started to come online during this period with the new TNNP within close proximity and a new network of roadways connecting the peninsula with the Trans Canada Highway (TCH - officially opened in 1965). By the late 1960s, a small museum was opened, preserving many artifacts from the community's heyday and a tourism lure for the community. According to the 2001 census, there is a population of 203 in the town of Salvage.

3.2 Eastport

Founded in the mid-1860s, Eastport remains the principal town on the Eastport Peninsula. Its open harbour and relative distance from proven fishing grounds resulted in the area being overlooked in favour of more suitable sites early on. However, as land ran short in near-by Salvage, people there began moving to the Eastport area, attracted by the hundreds of hectares of level terrain. There they found good agricultural land with rich red sandy loam soil and fine timber to be used for boat building.

The Labrador fishery was the mainstay of local industry in the late 1800s with farming and boat building serving secondary roles. While some fishers sailed to Labrador, the majority continued to fish out of Salvage, securing berths with vessels from that port.

A church and school were established in Eastport by 1890 and the population reached 223 by 1911. With a 1935 resident population of 345 people in eighty-four families, farming and fishing continued to be important activities. The herring, salmon, caplin and cod fisheries contributed to the incomes of half the population, but farming continued to be important. By 1949, agriculture stood as the community's number one industry with over 400 hectares cleared.

A community council was formed in 1955 and incorporation took place in 1959. The population remained around 440 for 20 years. By the late 1970s, many of the population of 567 were employed in trade and service industries, transportation and construction and public administration. Fishing, farming and lumbering were evident to a lesser extent.

Tourism jobs have increased due to proximity to TNNP and popularity of beaches and festivals. The peninsula's two fish plants provide local employment, and farming is conducted on a reduced scale.

3.3 Happy Adventure

Happy Adventure is located near the impressive lumber stands of the central Bonavista Bay region which cover a large part of the Eastport Peninsula and both shores of sheltered Newman Sound. Until the opening of TNNP in 1957, Happy Adventure, which is situated far from the prime fishing locations near the headlands of the peninsula, was a fishing and lumbering community dependent mainly on local employment. Since the establishment of TNNP, access to the forest resources has been limited and residents have sought their livelihood in the inshore fishery, and outside the community in construction work, trades, services (tourism) and sawmilling (ENL, 1991).

The Happy Adventure area was first visited by fishermen in the late 1700s but it was not settled until the 1860s to access timber supplies and farmland. By 1891 the population had grown to 146. By 1911, the population had dwindled to 75 people whose livelihoods mainly revolved around fishing and lumbering. Sawmill and pulpwood operations employed many from Happy Adventure up until the 1950s. The population of Happy Adventure at that time was around 400.

By the 1960s, a large part of the workforce was employed outside the community as construction workers, and in the community, supplying business and administration services on the Eastport Peninsula. The fish plant in Happy Adventure has been a major employer since it opened in 1979, and in recent years the population has stabilized at around 250 residents.

3.3 Sandy Cove

The current community of Sandy Cove, about a kilometre east of Happy Adventure, is perched atop a high bank above the beach for which the community is named. It has been argued that the first to occupy Sandy Cove were probably Maritime Archaic people, as birch coffins and stone tools have been found buried by the river mouth. Seasonal settlers came as early as the 1850s, likely from near-by Barrow Harbour, which had an excellent harbour but offered little space for fishing rooms and farming. (Decks Awash, 1985). The availability of area timber in the 1850s was also an attraction for residents of Salvage and surrounding areas. The first population count of the area, in 1857, resulted in a resident population of 32 people. By the beginning of the twentieth century, the population had surpassed 80 individuals.

Trade with Happy Adventure and Eastport was common in the late 1800s and many residents participated in the Labrador fishery with fewer involved in local inshore fisheries. Logging and shipbuilding were also practiced.

By the 1930s the population had reached 160 and fishing, farming, sawmills and central Newfoundland pulpwood operations provided employment. The town was incorporated in the late 1950s and the establishment of TNNP provided construction and tourism based employment. Since that time, tourist cabins and summer homes have been built at Sandy Cove, which otherwise has become largely a dormitory and retirement community. According to the 2001 census, there is a population of 152 in the town of Sandy Cove.

3.4 Burnside

Burnside got its present day name in 1921 as a result of a devastating forest fire that destroyed the three previous settlements of Squid Tickle, Hollett's Tickle and Hollett's Cove. Residents of these three settlements (originally winter camps) came from Salvage as early as 1871 to take advantage of cropland and forests. However, for the most part, they were still employed on fishing vessels out of Salvage, with the inshore and Labrador fisheries as well as the seal hunt providing the economic stimulus for the area.

Community services began to develop as permanent residents started settling in the late 1800s. Government resettlement programs increased the population in the 1950s but many new residents moved on to other areas to seek employment. Downturns in the fishery resulted in similar population declines in the 1970s. Burnside reached its peak in population in 1961, with 213 residents in all. Thirty years later, a mere sixty-eight residents remained.

Archeological research and a resulting museum attract thousands of visitors each year and the community is a popular summer residence for many people.

3.5 St. Chad's

St. Chad's was originally referred to as Damnable Harbour from its beginnings in the early 1800s. The unusual name probably had its origin in the intricacies of its shallow harbour, which made it difficult to find the entrance, or raise the wind to sail out. The community was renamed St. Chad's in the late 1890s.

Most residents had come to the St. Chad's area from Salvage, first to cut firewood, and then timber for the fishing industry's schooners, wharves, and stages. The community did not appear on the census until 1901 when it had a population of thirty-three. Ten years later, the population stood at fifty-one and lobster fishing, sheep and poultry farming, and cutting railway ties all provided a living for the resident families. However, as in neighbouring Burnside, the Labrador fishery was the mainstay of the residents' livelihood. St. Chad's was too far from headland grounds to have a viable inshore fishery.

By 1945, with a population of ninety-seven, fishing was the only listed occupation in St. Chad's. Nearing the end of the Labrador fishery most men found work in construction at

Gander and in the new TNNP. St. Chad's continued to grow as more people resettled from Salvage and Flat Islands, chiefly because of the forest industry. However, in 1957 the establishment of TNNP eliminated this important source of employment as it had done in other settlements. In 1991 the population was seventy-seven. Although some continue to fish out of St. Chad's in longliners, the community's population has generally been in decline and those remaining constitute a high proportion of retired and older citizens.

3.6 Sandringham

Sandringham was founded in 1939 as part of a government land settlement movement to establish farm communities. The community was touted as a model farming community and the majority of original settlers came from nearby peninsula communities and the Flat Islands. Sandringham had a 1945 population of 132 and a reputation as one of the most productive agricultural areas of the province.

Farming eventually declined as residents took higher paying jobs. The town was incorporated in 1968 and three years later, with a population of 233, the majority of people were engaged in construction and transportation, with farming taking a far more distant importance. By 1976, the community's 298 residents were making little use of the forty-six hectares of land that had been cleared. In 1981, most jobs were in various sectors of industry, largely outside the community and farming and fishing made only limited contributions to the economy. The present day population continues to stay below 300, and the area continues to be popular with cottagers and retirees.

4.0 HUMAN USE AND DEVELOPMENT

4.1 Fisheries

Historically, the value of fishery returns largely determined the prosperity of the Eastport Peninsula, other than in the towns of Eastport and Sandringham, which were primarily farming communities. At one point, forty schooners from Salvage were engaged in this business. So widespread were the effects of the industry that at the end of each season, the price of fish was the economic barometer (Hynes, 1999). Of particular importance on the Eastport Peninsula since the early twentieth century, was the lobster fishery. The communities of Salvage, Burnside, Happy Adventure, and Sandy Cove all had lobster canning factories at some time in their histories.

The total value of area fisheries from 1992-2001 was \$20,679,561. Four species (Crab, Capelin, Lobster, and Cod) stand out as being the 'core' species fished on the Eastport Peninsula. Crab is by far the lifeblood of the peninsula's fishery. Over the past ten years it has collectively accounted for 63.6% of the total value of the fishery. Even more dramatic, the figure for 2001, weighing in at 75.8%. The crab fishery has steadily increased its dominance post-1992 as well as in its relative importance to other species,

as a shift away from cod and toward crab began in 1992 with the onset of the moratorium.

Over the years, capelin has continued to account for approximately 11% of the overall dollar value of the Eastport area fishery. In the 1992-1996 period however, lobster (18.4%) was significantly more important than capelin (11.2%). But by the next five year period (primarily as a result of the 1996 actions of the EPLPC), capelin had twice as much value as lobster. Rounding things off is the Atlantic cod species. During the moratorium years, it was ranked number six in value but has shown positive increases in the 1997-2001 period, becoming third in relative importance in that time frame. In the ten-year horizon, Cod has attained a 4.4% share of value within the Eastport Peninsula fishing industry.

There are two fish plants located directly on the Eastport Peninsula – a core fish plant in Salvage and a non-core plant in Happy Adventure. The Salvage plant processes a number of different species' including capelin, crab, eel, all species of groundfish, herring, lobster, mackerel, Atlantic salmon, squid, and lumpfish roe. The plant in Happy Adventure is a community-based plant operating under the name Happy Adventure Sea Products (1991) Limited. The plant seasonally employs approximately 45 people and processes crab, mackerel, herring, Atlantic salmon, squid, lumpfish roe, and all species of groundfish (G. Parsons, *pers. comm.*). Both of these towns have Small Craft Harbours with the appropriate equipment for handling the raw product as delivered by fisherpersons.

There appears to be tremendous potential in a number of the resident species, given the landings figures as discussed above, but proper and prudent management is necessary in order to ensure that over-fishing does not occur and end up costing the people of the Eastport Peninsula in the long run. The EPLPC have proudly championed the conservation protocol when it comes to the lobster stock management and this is a very positive step in ensuring a durable lobster fishery. Implementation of an MPA within the Eastport AOI will likely serve to protect lobster reproduction as well as other crustaceans such as sea urchins and crab.

DFO is responsible for managing marine resources in Newfoundland and Labrador. Guided primarily by stock status reports, DFO manages the fishery and consults regularly with various other stakeholders such as the provincial Department of Fisheries and Aquaculture (DFA), the Fisheries Association of Newfoundland and Labrador (FANL), the Fish, Food and Allied Workers Union (FFAW), and other local groups (particularly relevant here is the EPLPC).

The enforcement of fisheries regulations is primarily done by at-sea monitoring and dockside checks, however aerial surveillance is also used to monitor fishing activity offshore. The Canada Coast Guard (CCG) also responds to emergency calls and has various other duties it performs on behalf of DFO.

4.2 Aquaculture

By necessity, aquaculture is relatively new in Newfoundland. Prior to the cod moratorium of 1992, it was not practised extensively, but since that time there has been significant growth in the industry within the province, currently employing about 500 people. The four main species being produced through aquaculture in Newfoundland and Labrador are: Steelhead Trout (1999 export value – \$11.4 million); Atlantic Salmon (1999 export value – \$2.4 million); Blue Mussels (1999 export value – \$3.8 million); and Atlantic Cod (1999 export value – \$335,000) (DFA, 2002).

Bonavista Bay has a number of established aquaculture operations, producing these four main species. Cod aquaculture is the most prominent type of aquaculture operation in the Bay. The Eastport Peninsula itself currently has three aquaculture operations. Two of these operations are developmental license sites and the other is a commercial operation. Developmental licenses are for use by prospective commercial aquaculturists to access the biological and environmental aspects of a proposed site prior to entering full scale commercial operation. Commercial licenses are for use by aquaculturists who harvest and market aquaculture products (DFA, 1999).

The majority of cod grow-out producers in Bonavista Bay have jobs/careers outside of their aquaculture operations. Historically, cod aquaculture operators have been fishermen who supplement their income with aquaculture. The annual production figures of these aquaculturists is confidential, but overall, the Eastport area production figures are relatively low simply due to the fact that all three of the sites in the region have only been involved in the industry within the last one to two years (B. Tompkins, pers. comm.). The Department of Fisheries and Aquaculture is projecting future continued growth for the province's aquaculture sector. It was projected that by 2002, total aquaculture production will increase in value to \$22.8 million. With infusion of private capital into the salmonid sector, production values could reach \$41.9 million. Mussel culture however, is expected to lead future expansion (BCI, 2000).

According to DFA statistics, cod grow-out accounts for almost all of the production for Atlantic Cod. The future of the cod aquaculture industry for the province is geared towards the development of the cod "egg to plate" aquaculture. In order for aquaculture growers to produce a top quality product that fetches top price, "egg to plate" is the way of the future (B. Tompkins, pers. comm.).

The provincial Department of Fisheries and Aquaculture and the federal Department of Fisheries and Oceans oversee aquaculture development in the province of Newfoundland and Labrador. The provincial *Aquaculture Act* and associated regulations provide for a licensing and enforcement regime based on developmental and commercial aquaculture.

4.3 Marine Flora

Seaweed has been harvested for thousands of years primarily because it is easy to harvest as shore “wash-up” or “wrack.” (FRC, 2002). Seaweed has been harvested for generations in this manner within Newfoundland and Labrador for use as feed for animals and/or fertilizers. This old-fashioned but practical method of seaweed harvesting is still in practice today, including on the Eastport Peninsula, although it is somewhat difficult to ascertain the extent of such use as there is no recording of such information outside of personal records and recollections.

Seaweed is a valuable and renewable natural resource, which, if developed and managed properly, has the potential to be worth many millions of dollars to the province’s economy. It is a source of raw material for fertilizers, soil conditioners, food (both human and animal), production of phyco-colloids, and is used in the pharmaceutical and cosmetics industries. While markets are being explored, there does exist tremendous potential in the Asian markets of Japan and China where people are well known for their dietary use of seaweed, both fresh and cooked.

With the increased demand for seaweed and seaweed products for the food and pharmaceutical industries there has been a lot of interest in recent years in developing this under-utilized resource. The Newfoundland seaweed harvesting industry has created employment for harvesters and processors that were displaced by the 1992 cod moratorium. Commercial seaweed harvesting (largely home-grown businesses) and processing operations have been established at Isle aux Morts and Ramea on the southwest coast of Newfoundland and at Lamaline on the southern Burin Peninsula (L. Barnett, *pers. comm.*). As a recent fishery, the seaweed industry has the potential to produce long term employment opportunities in rural Newfoundland. Harvesting efforts to date have mostly concentrated on the rockweeds and to a lesser degree on kelps. Seaweeds are harvested by hand, sun-dried and ground into powdered form for use as fertilizers and food additives (LGL Limited, 2001)

Seaweed harvesting comes under federal regulation. DFO uses the *Fisheries Act* (Sections 44-48 – Marine Plants) as the management tool to guide marine flora harvesting. DFO is also responsible for issuing and renewing the annual license agreements, mandatory for commercial harvesters. Annual licensing is generally seen as prohibitive for both industry growth and resource management and it has been suggested that harvesting licenses be issued as custodial licenses, whereby a harvester would be given exclusive harvesting rights to an area and be responsible for managing the area accordingly.

4.4 Marine Mammals

Marine mammals have been harvested for food and/or wears for generations. In more recent times, tourism has become the more dominant use for some marine mammals,

particularly whales. Less of a tourist attraction, but still an important fishery in Newfoundland and Labrador is the seal hunt. Traditionally, seals have been harvested and used for their meat, pelts and the very rich oil they contain. Years ago some subsistence hunting was carried out on the Eastport Peninsula, but the commercial seal hunt was of little concern.

Fifteen species of marine mammals are known or expected to occur at least sporadically around the Eastport Peninsula, including eleven species of whales and dolphins and four species of seals. It is recognized that various species of baleen whales, toothed whales and true seals occur in the area. Some of these species have been classified threatened under COSEWIC criteria, meaning that it is unwise to harvest these species as a commercial industry (LGL, 2001).

Bonavista Bay (including the Eastport area) holds considerable potential for the further development of its whale watching industry. Boat tours already exist out of nearby TNNP and Eastport itself is recognised as a community that attracts many tourists due in large part to the proximity of the Park.

DFO takes responsibility for administering marine mammal resources ‘harvesting’ in the province under the *Marine Mammals Regulations*. There currently does not exist a governing body responsible for marine mammal ‘watching’ regulations. Tour boat operators have a generalized agreement to look out for the animal’s best interest by keeping a fair distance, thereby allowing their businesses to flourish without causing undue stress to the animals in question.

4.5 Seabirds

Much the same scenario as with marine mammals, seabirds in the Eastport area may be used for both harvesting and/or tourism. Tourism appears to hold much potential regarding seabirds in the area, due to the relative proximity of TNNP and the large protected population of birds within the Park boundaries. Bird hunting (largely for sea ducks) does happen on a regular basis on the Eastport Peninsula, particularly on the islands and peninsulas to the north of the Eastport area, further from the TNNP boundary to the south, where all hunting is restricted (K. Tucker, *pers. comm.*).

A total of twenty species of marine birds regularly breed in eastern and southern Newfoundland due to the high biological productivity caused by the mixing of the cold Labrador Current with warmer waters of the more southern origin. On the Eastport Peninsula there are four nesting colonies for terns, three seabird colonies, one gull colony and one bald eagle colony (LGL, 2001). Bay and estuary species such as common loons are also present in inland lakes in the area.

Avifuna (bird) colonies provide tremendous tourist attractions throughout the province as a whole. Tourism related activities such as seabird watching offer definite opportunities for eco-tourism on the Eastport Peninsula specifically.

Seabird management is delegated to both federal government departments (Environment Canada, and its Canadian Wildlife Service branch) and provincial government departments (Department of Forest Resources and Agrifoods – Wildlife Branch, and Department of the Environment).

4.6 Tourism and Recreation

Tourism is an established and fundamental part of the economy of Newfoundland and Labrador. The province has experienced a 37% increase in non-resident visitation during the years 1996-2000 and preliminary statistics for 2001 suggest a similar trend. The industry has made a significant impact on the economy with direct and indirect tourism-related employment numbering approximately 25,000 people. In accordance with the most current data available, year 2000 non-resident tourism revenues were \$287 million, while 1999 resident revenues were approximately \$332 million (MPPO, 2002).

The Eastport Peninsula is unique in that it is completely cut off from the rest of the province by a northeastern boundary of Terra Nova National Park (TNNP). It is not surprising then that there has been a strong correlation between TNNP tourism and the resulting spin-off tourism evident on the Eastport Peninsula (especially from within the metro St. John's market).

There are a number of parks and beaches on the Eastport Peninsula. The largest parks are the Eastport Peninsula "Shriners" Sunshine Park with a total of 136 camping sites and Malady Head Campground (part of TNNP) with 99 sites. Within the town of Eastport there are three beaches – Northwest, Seal Cove, and Southwest Beaches all dominate the shoreline around the foot of Eastport Bay. Also, Sandy Cove Beach, in neighbouring Sandy Cove, is a remarkable beach nestled below steep cliffs atop which the community is settled.

Other natural attractions are also present around the Eastport Peninsula, but are more related to Terra Nova National Park. Of particular interest there is the Pissing Mare Waterfalls, swimming activities at Sandy Pond (TNNP), and the TNNP Ocean Watch Tours at Salton's Brook specializing in interpretative tours with bald eagles, whales, icebergs, plankton and human history. Within the adventure tourism sector, TNNP also offers guided kayaking tours in and around Newman Sound.

Archeological sites associated with Maritime Archaic and Beothuck Indians, museums, festivals, trails and commercial attractions all contribute to making the Eastport Peninsula an attractive tourism destination. A range of infrastructure and services, essential to sustain and grow the Eastport Peninsula tourism industry, complement the available tourism-related activities.

There is a deep history of tourism on the Eastport Peninsula, especially in the Eastport and Traytown areas. Because of the shared boarder with TNNP, there is huge potential to entice even more people to the area (D. Churchill, *pers. comm.*). To further accommodate

these and other high potential projects, the local tourism association has had several development strategy sessions with an outside facilitator to establish a new common vision for the area's development, with a professionally completed tourism strategy as the next step (T. Fudge, *pers. comm.*). Indeed, there is a master plan proposal now developed for the whole "Road to the Beaches" area (D. Churchill, *pers. comm.*).

The Department of Tourism, Culture and Recreation is the chief branch of the provincial government responsible for tourism sector activities in Newfoundland and Labrador. Other provincial and federal government departments with direct and/or indirect responsibilities include: the provincial Departments of Industry, Trade and Rural Development, and Government Services and Land; and the federal Departments of Canadian Heritage, Fisheries and Oceans, and Environment. Other bodies, outside of government, that have major interests and responsibility in the tourism industry in the province include the Kittiwake Economic Development Corporation, Kittiwake Coast Tourism Association and its local division "Road to the Beaches Tourism Association".

4.7 Forestry

Before the establishment of TNNP in 1957, the most significant and longest-lasting commercial forestry enterprises in the Eastport area were the sawmills. Mills in the area were historically kept quite busy producing boat planking, railway ties, and lumber for local consumption and for shipment around the island. Apart from the work provided by the mills, individuals also cut logs independently. By the late 1940s, many sawmills had closed due partly to the fact that much of the accessible timber had been harvested. The last full-scale commercial sawmill operation on the Peninsula operated until the mid-1970s.

Today, there is very little forestry activity on Eastport Peninsula. There is no pulpwood cutting activity and as a result no current logging roads on the peninsula. There have been 134 domestic cutting permits issued to date for the Eastport area. These domestic cutters would harvest approximately 2000 m³ solid in a typical year (D. Mercer, *pers. comm.*).

There are two small commercial logging permits issued for a total volume of 113 m³ of softwood and 271 m³ of hardwood. These operators harvest mainly firewood with some residual sawlog, with less than 10,000 FBM yearly being cut. There are six sawmills currently licensed on the peninsula. Five of these mills saw logs cut on domestic permits and have no commercial cutting permits or purchasing licences. One mill, operated by Jamestown Lumber, purchased hardwoods outside the peninsula area. The mill first started operations in 1998 and in 1998-99 sawed 1,481,720 FBM of hardwood. In the year 2000 this dropped off to 1,200 FBM and in 2001 the mill did not operate. The other five sawmills had a combined production of 41,665 FBM in the 2000 fiscal year (D. Mercer, *pers. comm.*).

The Eastport Peninsula is within Forest Management District 5. While the Eastport area was only a minor factor, District 5 was itself responsible for approximately 4.6 million FBM of production in 1998-99 from a total of 110 area mills (DFRA, 2002). The peninsula falls entirely within the North Shore Eco-region of the province and is dominated by coniferous forests comprised mainly of Black Spruce and Balsam Fir. The timber in the area is 100% crown-owned, as is the majority of land in the province.

Because of the history in this area and relatively good access to nearby timber stands (beyond the Park), there may be further potential in the Eastport area for forestry-related manufactured goods. Industry in the province already produces value-added goods (often known as secondary wood manufacturing) with a range of marketable outputs such as hardwood flooring, kitchen cabinets/doors, mouldings, log homes, furniture, siding, specialized millwork, and edge-glued panels (DFRA, 2002b).

The responsibility of enforcing Newfoundland and Labrador's forestry regulations lies within the provincial Department of Forest Resources and Agrifoods (DFRA). Besides the DFRA, a number of other agencies, such as the provincial Environment and Government Services and Lands departments, have direct or indirect responsibilities. The Kittiwake Economic Development Corporation, local environmental and economic groups, and other related stakeholders, such as the Newfoundland Lumber Producers Association, also share a vested interest in the development of the District 5 forest resources.

4.8 Agriculture

Traditionally, farming was viewed with great importance on the Eastport Peninsula. When people in Salvage ran short of arable land near their settlement, the move to Eastport and surrounding areas began.

Shortly after the beginning of the twentieth century, a downturn in the fishery had much to do with the population turning to agriculture. Later, the First World War (coupled with the decline in the Labrador fishery), placed such a demand on farming that it once again became the area's most important industry. (Hynes, 1999).

A land settlement program established in the 1930s led to the development of a new town; Sandringham that extended the area and the population of the Eastport Peninsula's farming community considerably. The government made land readily available for anyone who wished to lease it for the purposes of agriculture. The variety of crops and the amount grown under the new program was extension. Agriculture had become the chief industry in the southwest area, with almost 400 hectares under cultivation (Hynes, 1999).

A brief period of agricultural success in the 1970s was followed by a downturn in the sector as tourism became an economic rival. Today, there is very little presence of commercial farming on the Eastport Peninsula. There is small-scale vegetable (root crop)

farming operations in the communities of St. Chad's (Carpasia Farms Ltd.), Eastport, and Sandringham, a commercial greenhouse operation in Eastport and a number of livestock owners in these communities as well.

One of the agrifood areas, which contain a great deal of potential for the region, is the harvesting, value-added production, and marketing of berries. Within the Kittiwake Economic Development Region (Zone 14), the annual berry harvest has averaged 750,000 pounds with an economic value before processing of \$200,000. In addition to berries, opportunities may exist throughout the zone in: Christmas trees, hogs, sheep, emus and ostriches, and animal feed processing (KEDC, 1997).

The mission statement of the Agrifoods Branch of the provincial Department of natural Resources is to contribute to economic and rural development throughout Newfoundland and Labrador by promoting the continued development, expansion and diversification of competitive and sustainable primary and value-added agrifood businesses. This department is the main body responsible for all aspects of agriculture planning in the province, including areas such as land management, marketing and awareness, and financing.

4.9 Mining and Mineral Processing

There are no mining operations on or in relative proximity to the Eastport Peninsula. There has not been any major exploration in the area in the past and there does not, at this point, seem to be any significant interest in the area within the foreseeable future. However, this is not to say that prospects of mineral finds on the Eastport Peninsula should be dismissed. Ore and/or mineral deposits can never be disproved with one hundred percent accuracy until proper exploration and assessment are carried out in an area (F. Kirby, *pers. comm.*).

In 1952, there was a mineral occurrence examined, sampled and later documented by J.H. McKillop of the Newfoundland Geological Survey in the 'Fair and False Bay' area, approximately four kilometres west of Burnside. The major commodity showing was that of graphite. Other than this find, there have been no others reported on the Eastport Peninsula to date.

The only other mining related activity applicable on the peninsula and worthy of note here would be that of quarry permits and resulting operations. In and around the town of Eastport there are four active quarry permits.

Although mining may be limited within economic development Zone 14 (and presently non-existent on the Eastport Peninsula), for the time being, larger projects that are being undertaken within the province could have an impact on the local economy. Contracts associated with large projects such as Voisey's Bay and the construction of a smelter in Argentia could be filled by companies within the Zone 14 region, including the Eastport Peninsula (KEDC, 1997).

The Department of Natural Resources is responsible for the management and development of the province's mineral and energy resources. Other federal/provincial government bodies and agencies also share in various direct or indirect responsibilities in mineral resources such as Natural Resources Canada, the Department of Government Services, and the Newfoundland and Labrador Chamber of Mineral Resources. On a regional basis, interest lies within the mining industry, the KEDC and local development corporations, municipalities and other interested stakeholders including various environmental groups.

4.10 Oil and Gas

There are four main areas of current offshore oil interest in the province: a) Grand Banks/Flemish Pass (with current exploration, significant discovery, and production licenses granted); b) Newfoundland South Whale Basin (with current exploration licenses granted); c) Newfoundland West Coast (with current exploration licenses granted) and; d) Labrador Coast (with current significant discovery licenses granted).

The Eastport Peninsula or Bonavista Bay area does not come within any of these areas or even remotely close to either of them. In fact, the peninsula itself and the offshore area beyond the Bonavista Bay vicinity is not a primary area for petroleum exploration. The geology of the area simply does not allow for development or exploration and as a result, there has been no interest to date in this area by oil exploration companies (D. Hicks, *pers. comm.*).

4.11 Manufacturing

At present, the core manufacturing element on the Eastport Peninsula revolves directly around fish production and processing. Outside of fish products and processing, there are currently no major manufacturing operations located directly on the Eastport Peninsula (D. Vardy, *pers. comm.*).

A value-added wood products manufacturer did operate in Eastport for some time in the 1990s but has since closed down. There is currently a small-scale local furniture/craft manufacturer (The Village Craftsman) located in the town (D. Williams, *pers. comm.*). While not a direct part of the Eastport Peninsula, Glovertown does employ a number of individuals from the area because of the significance of manufacturing operations in that town.

Presently, there are no local groups focused on attracting manufacturing operations to the Eastport Peninsula (D. Vardy, *pers. comm.*). Specific to the peninsula, manufacturing is not seen as being of great importance to the local economy as it is far outweighed by other industries such as tourism and fishing.

5.0 MANAGEMENT ISSUES

5.1 Pollution

Despite its small population base, the Eastport Peninsula has the potential to be influenced by any number of contaminants that could have a negative impact on the local environment. Bonavista Bay (in which the Eastport Peninsula is contained) has a number of aquaculture sites for blue mussels and Atlantic cod, thirteen fish processing facilities, three municipal waste incinerators, nine fish waste disposal sites and one abandoned landfill site that is of high environmental concern. There is also one site with a high level of environmental concern with respect to high molecular weight PAHs (Petroleum Aromatic Hydrocarbons) and one with high concern for PCBs (Polychlorinated Biphenyl's), neither of which is on the Eastport Peninsula.

Other potential pollution concerns are associated with sewage, household hazardous wastes, and inputs of oil and gas into the marine environment from non-point sources.

The management of environmental quality falls under the jurisdiction of many federal and provincial government departments. In the case of aquaculture facilities, the provincial *Aquaculture Act* outlines guidelines for strict compliance. As well, DFO and Environment Canada jointly administer the *Canadian Shellfish Sanitation Program* with supplementary assistance from the Department of National Health and Welfare. Other government agencies are responsible for legal requirements concerning land use activities (e.g. road construction, agricultural practices and forest harvesting) near water body areas. In the event of new project proposals, which may affect the overall environmental quality of the Eastport Peninsula Area of Interest, mechanisms such as acts, regulations and guidelines have been established by both the provincial and federal departments of environment to address the relevant concerns.

5.2 Other Marine Use Conflicts

Open space competition and navigational conflicts resulting from possible collisions are important issues in marine water bodies. Surrounding the Eastport Peninsula, a number of vessels utilise the waters of Bonavista Bay. Fishing vessels, recreational pleasure crafts, ferry services (Burnside-St. Brendan's) and tour boats from TNNP make up the bulk of the marine traffic. The *Navigable Waters Protection Act* guides the use of vessel navigation in coastal waters surrounding the Eastport Peninsula.

Pollution concerns resulting from minor, major or chronic oil spills are also important issues in marine water bodies. However, due to the relative absence of oil and gas activity in Bonavista Bay, the potential for oil-related industrial activity (and possible resulting oil spills) is minimal.

Aquaculture operations can also present a significant navigational hazard to vessel users. Aquaculture operations are required to meet regulations stipulated in the *Aquaculture Act* and comply with the *Navigable Waters Protection Act*. However, the potential exists for other users (e.g. recreational boaters and fishers) who lack knowledge of navigational rules concerning aquaculture to damage, not only aquaculture gear, but also their own vessels. Environmentally there is a concern of nutrient loading into the ecosystem. Finally, some believe aquaculture will continue to take away from the traditional livelihood of fisherpersons.

5.3 Onshore Use Conflicts

Specific onshore resource use conflicts (e.g. forestry, agriculture, and mining) have not been identified through published or unpublished sources.

As indicated above, the management of environmental quality falls under the jurisdiction of many federal and provincial government departments and a number of acts, regulations and guidelines exist to appropriately address use and user conflicts.

6.0 SUMMARY AND RECOMMENDATIONS

Following the social and economic challenges that resulted from the collapse of the groundfish sector, many difficult lessons have been learned about the importance of conservation and sustainable utilization. This socio-economic report will serve as an appropriate tool for the stakeholders of the Eastport Peninsula Area of Interest in their vision of creating an MPA. This overview is designed to help the reader develop a good understanding of the socio-economic issues that present themselves in the Eastport area. It is intended that as new information becomes available, updating of this document from its current state should occur.

This overview details the social, cultural, economic and historic elements of the human activity that occurs on the Eastport Peninsula. Given this information, stakeholders can identify management and planning issues and determine how the establishment of an MPA would be affected given this human presence. Assessing the effects of establishing an MPA in the Eastport Peninsula Area of Interest is beyond the scope of this paper and any such assessment would need to take into account other area overviews (*i.e.* the MEQ and Biophysical Overview).

It is recommended that a further section be amended to this overview comprising of a detailed review of fishery stock statuses by species for the Bonavista Bay region. Various information from such works as the Biophysical Overview, prepared by LGL Limited, could be utilized further to this end. It is important to convey the most accurate picture of the fishing industry as possible, as it is one of the main drivers of employment on the Eastport Peninsula and of particular importance as to the overall evaluation of the MPA project.

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