



AT ISSUE

Can we build a future around non-renewable resources?



Throughout this chapter, we have examined how Newfoundland and Labrador's economy diversified into new areas during the early twentieth century. Forestry and mining industries steadily grew in importance and joined the fishery as Newfoundland and Labrador's major exporters. The development of these new land-based industries brought about significant and far-reaching changes, both positive and negative, to Newfoundland and Labrador economy, society, and culture.

Families benefited from new jobs, while the colony's economy grew more stable as it diversified into new areas. Wealthy mining and paper companies built entire towns to house workers at such places as Grand Falls and Buchans. The companies also paid for hospitals, schools, roads, and other important social resources. However, many families who moved to industrial towns had to adjust to a new way of life. Workers had to follow the rigid timetable of year-round industrial work

instead of the traditional seasonal round associated with the fishery. The new industries also created a sharp divide between home and work that did not exist in fishing outposts, where the entire family played a part in the processing of fish, the growing of vegetables, and the tending of any livestock. This helped to marginalize the subsistence household and diminish women's contributions to their family's earnings.



4.182 New industries impacted families' lifestyles in a many ways.

For instance, while women had contributed much to the traditional fishery, they played a very minimal role in the economies of the new land-based industries because mining companies, logging operations, and paper mills hired predominantly male employees. (left) men and women work together to dry fish on stages constructed in a field, c. 1912-1915; (right) miners (all male) work on a mass of iron ore at Bell Island, c. 1906



Another key observation that can be made about single-industry communities is that they ultimately tend to fall into decline. This is especially true of towns that depend on non-renewable resources, such as zinc, lead, copper, iron, and other types of ore. As noted in an earlier essay, "Every day a mine is worked it is a day closer to shutdown." In other words, mines are temporary enterprises by their very nature. Towns that build up around them will prosper while the mineral is being extracted, and while prices are high on the international market, but then fall into rapid decline once the resource has been depleted. This is one of the lessons we can take from the history of Wabana, Buchans, St. Lawrence, Baie Verte, and various other mining towns in Newfoundland and Labrador.

Similarly, towns that depend solely on forest industries also face the possibility of future decline. Although forest industries rely on a renewable resource, the economic viability of a forestry operation is still vulnerable to outside forces. A decrease in market demand, fluctuating prices, and the loss of forest resources to fire, disease, or unsustainable practices can all undermine the continued prosperity of any forest industry. Consider the community of Grand Falls-Windsor, which was essentially built around the forestry. In the absence of other large-scale sources of employment, the closure of the pulp and paper facilities in this community dramatically impacted the lives of those who were laid off, as well as businesses based on the operation of the mill.

It is important, therefore, for communities, provinces, and countries to diversify their economies as much as possible. This ensures that, if one industry collapses, others will be able to absorb the unemployed and generate export revenues. In other words, communities with diverse economies are more **economically sustainable** than communities that rely on one or two industries.

Often, economic and **environmental sustainability** go hand in hand. In order to enjoy continued prosperity, communities and industries must develop natural resources in a sustainable manner. For instance, forests are a renewable resource only when harvested in a sustainable manner. If loggers cut down more trees than can be replaced through natural growth or tree-planting efforts, the forest resources will decrease and may even disappear.

Today, our economy is much more diversified than it was a century ago. It could even be argued that we are entering into another golden age. Our oil and gas industry is prospering, as are mining operations at Voisey's Bay and elsewhere. The fishery has also rebounded in recent years, as it has shifted from a groundfishery to a shellfishery, and as aquaculture has rapidly grown in importance. A pulp and paper mill is active at Corner Brook, while manufacturing, agriculture, tourism, and other industries are also contributing to the provincial economy. Further, the proposed development of the Lower Churchill Project has the potential to become a significant future source of jobs and revenue for the province.



4.183 Cruise Ship Entering St. John's Harbour
In 2009, 483 200 visitors to Newfoundland and Labrador spent \$374.6 million in our province.



4.184 The Hibernia Platform began producing oil on November 17, 1997.
It has a design capacity of 135 000 to 150 000 barrels of oil per day.



4.185 A modern salmon farm near Belleoram
 Aquaculture production in this province was an estimated 11 545 tonnes with a value of \$63 million in 2008.

However, two of our major industries – the oil and gas and mining industries – rely on non-renewable resources. Although our offshore oil fields will continue producing for decades, and new finds will likely prolong the industry’s activity, Newfoundland and Labrador’s oil reserves are finite and will one

day disappear. The same can be said of our mineral deposits. What will happen after our non-renewable resources are depleted? In what way might the lessons of economic diversification presented in this chapter help us plan for a sustainable future?

For Discussion:

1. List the different industries and businesses in your community and region. How economically sustainable is your community and region? What can be done to make your region more sustainable?
2. Many people look forward to the development of our hydroelectric resources as a source of increased provincial wealth. Discuss what you believe are the economic, environmental, and social benefits and drawbacks of this sector.
3. Once this province’s non-renewable resources are exhausted, is it likely that the fishery will again become the primary source of employment? Explain your answer.

Questions:

1. What are renewable resources? Which of Newfoundland and Labrador’s industries use renewable resources?
2. What are non-renewable resources? Which of Newfoundland and Labrador’s industries use non-renewable resources?
3. Why is it important to manage resources in a sustainable manner? Choose one of Newfoundland and Labrador’s industries and explain what you would do to manage it sustainably.