

## Chapter 9: Atlantic Canada

### Atlantic Canada Within Canada

- Contains 4 provinces: Nova Scotia, New Brunswick, Newfoundland and Labrador, Prince Edward Island
- Smallest populations and historically, weakest economies of the 10 Canadian provinces
- Political division of Atlantic Canada into 4 provinces discourages the emergence of an integrated economy in which economies of scale might occur and increases cost of government
- Atlantic Canada has been exploiting its resources for a long time and some have been exhausted, while its renewable resources have been overexploited
- Atlantic Canada's population is widely dispersed and consists of small markets
- Distance from national and global markets have stifled its manufacturing base
- Atlantic Canada has become heavily dependent on Ottawa for economic support through equalization payments and social problems

### Atlantic Canada's Physical Geography

- Consists of two of Canada's physiographic regions: Appalachian Uplands and Canadian Shield
- Appalachian Uplands represents the worn-down remnants of an ancient mountain chain
- **Orogeny**: mountain-building, geologic process that takes place as a result of plate tectonics – result is distinctive structural change to earth's crust where mountains are formed
- Climate of Atlantic Canada is quite varied because of meeting of continental air masses with marine air masses
- Flow of continental air masses from west to east bring warm weather in the summer and cold winters
- Yet its moderate marine-type weather is tempered by cold waters of Labrador Sea and warmer waters of Gulf of St. Lawrence = generally unsettled weather
- In the winter, influxes of moist Atlantic air produce mild snowy weather
- Annual precipitation is abundant throughout Atlantic Canada
- **Nor'easters**: strong winds off the North Atlantic from the northeast that bring stormy weather
- Coastal communities experience the greatest number of foggy days
- Atlantic Canada has 3 climatic zones – Atlantic, subarctic, arctic
  - Great north-south extent
  - Meeting place of Arctic and tropical air masses and ocean currents

- Close proximity to the Atlantic Ocean exerts moderating effect
- Labrador Current: cold ocean current flowing south in the North Atlantic from Greenland and Labrador
- Summers are usually cool and wet while winters are short and mild but often associated with heavy snow and rainfall
- Temperature differences between inland and coastal locations are striking
- Gulf Stream: warm ocean current paralleling the North American coast that flows from the Gulf of Mexico towards Newfoundland

### Environmental Challenges

- By the end of the 20<sup>th</sup> century, Sydney not only had lost its industrial sector but community was saddled with an environmental disaster – Sydney Tar Ponds (composed of tar and chemicals dangerous to human beings)
- These toxic wastes came from the operation of Sysco (steel company)
- Sysco discharged wastes into a nearby stream and gradually seeped into Muggah Creek
- When Health Canada stated that those living closest to the tar ponds were in greater danger, Ottawa and Halifax began to pay attention
- Action began after a cancer specialist concluded that there was a higher risk of dying from cancer in communities closest to tar ponds
- Sydney Tar Ponds are site of the biggest environmental cleanup project in Canadian history
- Improvements: construction of a sewer interceptor that will divert tonnes of raw sewage that now flow daily into tar ponds, demolition and removal of derelict structure on the coke ovens site, closure and capping of the old Sydney landfill

### Atlantic Canada's Historical Geography

- First part of North America to be discovered by Europeans
- Groundfish: fish that live on or near the bottom of the sea
- In the waters off Newfoundland lured European fishers to make the perilous voyage across Atlantic to these rich fishing grounds
- Permanent settlements were slow to take hold in this part of North America
- The French Shore is a coastal area along the west coast of the island and much of the northern coast where French fishers enjoyed treaty rights to fish granted by Britain in 1713, today populated by descendants of early French settlers
- Beothuk: before the arrival of fishing boats from Europe, the Beothuk Indians hunted and fished on the island of Newfoundland. Forced inland the Beothuk struggled to survive in the resource-poor interior, the last died in 1829
- Over the first half of the 18<sup>th</sup> century, war between the two European colonial powers in North America was almost continuous

- After the British defeated the French, the Treaty of Paris (1763) ceded all French territories in North America to the British except for the islands of Saint-Pierre and Miquelon
- Scottish Highland Clearances: forced displacements of poor tenant farmers in the Scottish Highlands during 18<sup>th</sup> and 19<sup>th</sup> century, part of a process of change of estate land use from small farms to large-scale
- Irish Famine: great famine in Ireland (1845 – 1852) when the principal crop and source of food, the potato, was devastated by blight
- Immigrants helped to define the dominantly Scottish character of Cape Breton and Irish character of Saint John
- By the time impoverished settlers from Britain arrived in the Maritimes, old world of the Mi'kmaq has collapsed forced into a state of subsistence
- In the early 19<sup>th</sup> century, harvesting of Atlantic Canada's natural wealth increased for the British Empire
- Availability of timber and region's favourable seaside location provided ideal conditions for shipbuilding in Atlantic Canada
- Exports from Atlantic Canada were primarily cod and timber
- Nova Scotia and New Brunswick joined at the time of Confederation, PEI followed in 1873 and Newfoundland reluctantly joined in 1949
  - None saw much advantage to joining Canada
  - In spite of their historic head start and excellent access to sea and world markets, they were on the margins of the new country and still looked to New England as their natural market
- Confederation had a downside because Ottawa wanted to create a manufacturing base in Central Canada
  - Atlantic Canada had the basic resources for heavy industry (coal and iron)
  - Instead, focus was on Central Canada where bulk of the population was located
- What Atlantic Canada needed was access to the market of Central Canada – intercolonial railway
  - With low-cost transportation to the national market and possibility of firms achieving economies of scale, general economic surge occurred in the Maritimes
  - Maritime economy suffered a deadly blow when federal subsidies for freight rates were eliminated
- Region languished because of its scattered and relatively small population, narrow resource base, high cost of transporting, barriers to trade with New England
- Even during periods of national affluence, Atlantic Canada experienced limited economic growth, numerous federal loans / grants made little difference
- For over 100 years, coal and ironing mining provide the basis for Nova Scotia's iron and steel industry
  - Loss of life in the coal mines, good pay but dangerous
  - Environmental degradation caused by seepage of toxic fluids

- Major turning point took place after WWII when demand for steel dropped and size of labour force was reduced
- Process of deindustrialization eventually saw the steel mill closed, economic future is uncertain

#### Atlantic Canada Today

- Young people of the region continue to seek economic opportunities in other parts of the country
- Prospect for strong economic growth remains elusive and the challenge facing Atlantic Canada is to translate its fossil fuel resources, minerals and metals, forests, and marine and freshwater resources into a strong sustainable economy
- But Atlantic Canada has the handicap of being an old resource hinterland, many of the region's most valuable natural resources have already been harvested
- Atlantic Canada's attempt to industrialization has been troubled by a small local market, distance to larger markets, and trade barriers
- Atlantic Canada has a fractured geography
- Rural Atlantic Canada has fallen into a steep decline with many coastal villages disappearing
- Urban Atlantic Canada has only one major city
- Out-migration of Atlantic Canada's workforce to more prosperous parts of Canada drains away many of the more ambitious younger people
- Region's predicament is summed up by its subpar economic performance, high unemployment rates, and seemingly unstoppable out-migration
- Yet, Atlantic Canada has a second chance
  - Discovery and exploitation of offshore oil and gas deposits
  - Mining of the nickel deposit at Voisey's Bay
  - Political agreements to achieve further economic gains
- Northeast Energy Corridor: proposed electric transmission system from Saint John to Maine
- Hydrometallurgy: process that produces nickel, copper, and cobalt directly from ore to avoid smelting process
- Economic gains for the region can also be driven by the region's major cities
- Outmigration transfers wealth back home
- Region's economic future lies in its tertiary sector (ocean technology), fuelled in part of the strong growth of the offshore oil and gas and defence / marine security
- Newfoundland and Labrador has the highest unemployment in Atlantic Canada and consequently many workers have turned to commuting / relocating to Alberta
- Atlantic Canada has exceedingly high rates of unemployment, especially in rural and coastal communities

- Economic growth and high rates of employment are concentrated in the major urban centres

### Fishing Industry

- Warm ocean currents from Gulf of Mexico and cold Labrador Current create ideal for fish reproduction and growth
- In some places, where the continental shelf is raised the water is relatively shallow (banks)
- Newfoundland depended mostly on cod fishing while Maritimers have harvested a variety of sea life (lobsters, scallops)
- Since the collapse of the cod fishery, Newfoundland fishing industry has diversified and shellfish become the most important and valuable species
- With the decline of the northern cod stocks, lobster became the most valuable species making up the bulk of the total value of the Atlantic fishery
- With the US economy in trouble, lobster prices have dropped sharply, thus greatly reducing the income of fishers
- The fishing industry consists of an inshore fishery, an offshore fishery, and fish-processing plants
  - Inshore fishers use smaller boats to fish close to the shore
  - Offshore fishers travel in steel stern trawlers to the Grand Banks and other offshore fishing banks when they fish for weeks
- Modernization has had many downsides
  - Fewer fishers were required by this more efficient fishing system
  - New fishing system based on technological advances and huge dragger nets created the circumstances for overfishing
  - Overfishing and the collapse of the northern cod stocks forced inshore fishers to turn to government assistance to survive
- Management of the international fish stocks in Atlantic Canada was so important that in 1977 Ottawa claimed the right to manage the fisheries within a 200-nautical-mile zone off the east coast of Atlantic Canada
- With the scallops now under Canadian management, sustainable harvesting of the scallops and groundfish have brought a measure of stability to this sector of the fishing industry
- Root of the problem is that common resources are decimated by the selfish actions of individuals who have no regard for the well-being of the resource
- Mismanagement was based on:
  - Estimates of cod stocks by the federal Department of Fisheries and Oceans (DFO) set the quotas too high
  - Strong pressure for high cod quotas
  - Canada has no control over foreign fishing along the nose and tail of the Grand Banks
- **Biomass:** total quantity / weight of an organism in a given area
- **Spawning Biomass:** total quantity / weight of a species at sexual maturity in a given area that can reproduce

- Simple hook-and-line fishing system did not have the capacity to overfish, but foreign and Canadian fishing fleets do
- These fleets create enormous waste because “non-commercial fish” – the bycatch are simply discarded and destroy fragile ocean-floor ecosystems
- Without cod, wealth from the fishery is concentrated in fewer and fewer hands

#### Atlantic Canada's Resource Wealth

- Beyond the sea, Atlantic Canada's most important renewable resource has been its forests
- Yet, the best days for this industry are long gone due to diminishing demand in the US and in the rest of the world
- Other factors contributing to the weak state: appreciating Canadian dollar against US making forest products more expensive for American buyers, declining demand for newsprint, rising electricity costs
- Downward cycle has continued in current global economic crisis and collapse of the US housing market
- Canada Pulp and Paper Green Transformation Program: program paid \$0.16 per L credit for black liquor produced by Canadian mills, firms had to demonstrate such environmental benefits from this program
- Because Atlantic Canada was settled first, its hardwood and softwood forests have been harvested for a very long time
- Proportion of private timberlands to Crown lands in the Maritimes is extremely high
- Aboriginal Canadians are demanding greater access to timber
- Mi'kmaq are still seeking a compromise with the provincial governments whereby some Crown land currently leased to large companies would be reallocated to them
- Atlantic Canada is endowed with mineral and petroleum deposits
- In a relatively short time, oil production in the offshore waters of Newfoundland & Labrador that province from a have-not to a have
- Light Sweet Crude: most highly valued crude oil because of its low level of sulphur has a pleasant smell and requires little processing
- These megaprojects have added a new dimension to Newfoundland & Labrador
- Required huge capital investments, in turn generated construction booms by creating a high demand for workers and for a variety of products and services
- Despite the lure of megaprojects, they often come at a cost in human life
- Also present problems for regional development
  - Capital intensive undertakings
  - Megaprojects in resource hinterlands lose much of their spinoff effects to industrial areas

- Voisey's Bay deposit has 3 attractive features: high-grade nickel, surface deposit with the potential for open-pit mining, and proximity to ocean shipping
  - Lowest-cost nickel mine in the world
  - Sparked renewed interest in land-claim settlements
- Labrador Innu are considered Indians by the federal government and must be dealt with under the Indian Act
- Agriculture is limited by the physical geography in Atlantic Canada
- Potatoes and tree fruit are important cash crops, though vineyards are gaining ground in the Annapolis Valley
- PEI is the leading agricultural area in Atlantic Canada, almost half of the arable land in the region

#### Atlantic Canada's Population

- Since Confederation, Atlantic Canada's population has increased but at a rate well below national average
- **Big Commute:** air travel by Newfoundland trades workers to and from the Alberta oil sands, on a cycle of 20 days in Alberta and 8 days back home in Newfoundland
- Main demographic factors accounting for this decline were a falling birth rate and steady death rate (very low rate of natural increase), little in-migration, and a massive out-migration
- Atlantic Canada has the greatest percentage of its population classified as rural
- In short, people don't want to live in these tiny places where life revolved around the fishery

#### Atlantic Canada's Urban Geography

- Characterized by few large cities and many small coastal villages
- Atlantic Canada has none of Canada's largest cities
- Halifax serves as the urban focal point for the Maritimes, while St. John's fills a similar role for Newfoundland & Labrador
- Halifax's advantage is its deep, ice-free harbour, role as a naval base, relatively large population
  - Serves as major container port and has the potential of becoming the hub of the Atlantic Gateway
- St. John's today is focused on offshore oil, fishing industry, and government services
  - May become a centre for Arctic marine research and resupply
  - Ideally situated as an energy hub to New England