

## Chapter 5: Ontario

### Ontario Within Canada

- Ontario has the largest population of Canada's regions and has been the economic motor of the country
- Number of factors related to economic restructuring, the loss of manufacturing jobs, rising unemployment rates and recent global economic crisis meant that in 2009 for the first time the province was classified as a "have-not" province and received equalization payments from federal governments
- Ontario's economy depend on tertiary / quaternary sector and less on secondary and primary
- **Gross Domestic Product (GDP)**: estimate of the total value of all materials, foodstuffs, goods, and services produced by a country or province in a particular year
- Ontario was caught in a Canada-wide decline in manufacturing and forestry
- Sudden and unexpected global economic collapse of 2008-9 put serious dent in Ontario's economic performance
- Days of an "open border" are gone making cross-border manufacturing more costly and less attractive for locating new plants in Ontario
- Western provinces have outpaced economic and population growth of Ontario
- **"Buy America"**: in an effort to stimulate US economy, for its economic stimulus package, priority is given to US iron, steel, and other manufacture goods for use in public works
- Province's strength remains its central location within Canada and North America, its large population / market, its natural resources, and its vibrant cities and universities
- **Dutch Disease**: theory describing the apparent relationship within a country between its expanding energy resource sector and subsequent decline in the manufacturing sector
- Historically, 4 natural resources – agriculture, forests, minerals, and water have spurred the province's economic development and the processing of these products created a strong industrial base
- Today, Ontario faces 3 challenges: energy, manufacturing sector, forest industry
- Cultural and political role can be attributed largely to Ontario's large and affluent population
- Sends more representatives to the House of Commons than any other province

- **Net Interprovincial Migration:** annual estimates of net migration by provinces and territories determined by the number of people arriving and leaving each province and territory as permanent residents

### Ontario's Physical Geography

- Three physiographic regions – Great Lakes-St Lawrence Lowlands, Canadian Shield, Hudson Bay Lowland
- Three climatic zones – Artic, Subartic, Great Lakes-St Lawrence
- Central location within Canada and its close proximity to the industrial heartland of the US have facilitated Ontario's economic development
- Northern Ontario has the characteristics of a resource hinterland, while southern Ontario is the epitome of an agricultural-industrial core
  - As a resource hinterland, northern Ontario is limited economically to the Canadian Shield almost entirely and its development is dependent on forest, tourism, and mining
  - Southern Ontario has Canada's longest growing season, most favoured physical area in Canada
  - With long growing season, ample precipitation, and fertile soils, the southern Ontario's lowland has the most productive agricultural lands in Canada

### Climate & Agriculture

- Agriculture is an example of Ontario's primary sector industries
- Canada's has very limited amounts of agricultural land
  - Less than 10% of Canada's total area suitable is suitable for agriculture
  - Less than 7% of Canada's land is on farms
  - Less than 5% of Canada's land is improved
- Critical limits to agricultural activity in Canada: terrain, permafrost, 1750 growing degree days, moisture deficit
- Canada Land Inventory Capability For Agriculture Classification:
  - 7 soil classes, 1 through 7
  - Class 1 has no limitations from the perspective of the soil
  - Class 7 has very severe limitations (sloping, wet, filled with rocks)
  - Collectively classes 1, 2, and 3 are the best agricultural land
- Ontario has roughly its fair share of the best agricultural land in Canada
  - Not all provinces do (Newfoundland) and some have more (Saskatchewan)
  - However, Ontario has roughly ½ of Canada's entire supply of class 1 land
- Southern Ontario's climate is dominated by its long, warm summer that extends from May to September
- Winter takes hold for 3 – 4 months from mid-November to March
- During the early spring and late fall, unsettled cloudy weather dominate with minimum temperatures falling below freezing point

- Proximity to the Great Lakes affects the local weather by funneling air masses into this region and by increasing local precipitation from air masses absorbing moisture from the surface of the Great Lakes
- Because of its mild climate and fertile soils, southern Ontario accounts for much of Canada's agricultural output by value
  - Over half of the highest quality agricultural land in Canada
  - Abundant moisture and long, warm-to-hot summer permits production of highly-specialized crops such as grain corn, soybeans, sugar beets as well as a wide variety of fruits, grapes, and vegetables that cannot be grown in other parts of Canada
- Farming operations in southern Ontario are much more intense than in Western Canada
- Agricultural land use varies within southern Ontario due to subtle but important physical differences
- Expansion of cities and towns in southern Ontario has spread into these farmlands
  - Valuable farmland is now part of the urban landscape

### Environmental Challenges

- Ontario faces two major environmental challenges – air and water pollution
- **Air Pollution:** any chemical, physical, or biological agent that modifies the natural characteristics of the atmosphere
- **Sustainable Development Technology Canada:** foundation created by Canadian government to support development and demonstration of clean technologies
- Densely populated area of the Golden Horseshoe has significant health problems caused by smog
- Most air pollution comes from automobile exhaust and coal-burning thermoelectric plants
- With demand for electricity increasing each year, Ontario realized that closure of all its coal plants would result in energy shortages and possibility of widespread brownouts
  - Province does not want to cease electricity production from its remaining coal plants until clean-air energy production is in place
- Industrial effluents, farm chemicals, and livestock waste are main culprits of water pollution
- Pollution from the runoff from agricultural lands, the waste from cities, and toxic discharges from industry continue to affect the Great Lakes
- Careless introduction of exotic species is resulting in squeezing out native species and radically hanging Great Lakes ecosystems

### Ontario's Historical Geography

- When Canada West joined Confederation in 1867, it was renamed Ontario

- Since Confederation, the borders of Ontario have been extended 3 times, greatly increasing the geographic size of the province but not its agricultural lands
- Economic essence of Ontario is its industrial base with transportation routes playing a key role
- Consequences of Confederation and protective tariffs for Ontario were threefold: creation of a Canadian market for Ontario products, increase in the size of the more successful manufacturing companies and growth of the industrial workforce in Ontario
- Close proximity to America's manufacturing belt led American industries to locate branch plants in Canada early in the 20<sup>th</sup> century
- Trade restriction on foreign manufactured goods
- Access by American branch plants in Canada to the lower tariffs for Canadian-made products in British empire
- Ontario has 126 First Nations holding Aboriginal territory (reserves)
  - Indians were granted land hundreds of years ago
- **Specific Land Claims:** claims made by treaty Indians to rectify shortcomings in the original treaty agreement with a band or that seek to redress failure on the part of the federal government to meet the terms of the treaty

#### Ontario Today

- Canada's centre of gravity (economic performance and population size) continues to shift westward
- Sheer size of Ontario's economy and population keeps that centre anchored in Ontario
- Long-term statistical indicators of the powerful position of Ontario within Confederation include:
  - Largest economy and population of 6 regions
  - Average personal income well above national average
  - Greatest cluster of major cities, universities, and technological centres of any region
  - Elects more members of Parliament than any other region
  - Central location within North America further facilitated by its hub position in the east-west and north-south transportation systems
- Ontario is geographically positioned to engage in trade, both domestically and internationally
  - Over 80% of Ontario's export go to the US
- Production of forest, mineral, and other products in northern Ontario follows the same pattern: production is far greater than the Canadian market can absorb
  - At a high level of output, economics of scale achieved keeping the cost per unit of output low
- **Restructuring:** economic adjustments made necessary by fierce competition, whereby companies are driven to reduce costs by reducing number of workers at their plants

- Canada-US Auto Pact was designed to integrate Canada's automobile industry into the North American market
- Southern Ontario accounts for almost half of all manufacturing jobs in Canada
- Green Energy Act: Ontario legislation that makes it easier to bring renewable energy projects into production
- Business Cycle: world market economy follows a series of irregular fluctuations in the pace of economic activity
  - "Contraction" – slowdown in the pace of economic activity
  - "Trough" – lowest level of economic activity
  - "Expansion" – sharp increase in the pace of economic activity
  - "Peak" – maximum level of economic activity