



6

Ontario

Learning Objectives

- To describe the physical and historical geography of Ontario as a basis for understanding the region's social and economic dominance
- To reveal two Ontarios: (1) a highly urbanized and industrialized south; and (2) a remote, declining resource-producing hinterland in the north
- To describe two major environmental challenges—air pollution and water pollution—and the complexities of managing the issues and impacts on regions, particularly Indigenous communities
- To outline economic thrusts such as digital banking and the growth of the knowledge-based economy
- To outline the importance of the automobile industry to the Ontario economy, along with the challenges faced by the industry in the early twenty-first century
- To consider the impact of the recent economic downturn on Ontario's dominant position in the Canadian economy

Chapter Overview

This is the first of six chapters to discuss Canada's regions in detail. Four themes emerge clearly in Chapter 6:

1. Ontario, once the engine of the Canadian economy, faces an uncertain future.
2. Ontario's economy has been highly dependent on the automobile industry
3. There are two Ontarios: an urban, industrialized south and a remote resource-producing north.
4. A knowledge-based economy is developing within Ontario, and economic thrusts such as digital banking appear as technical spearheads.

Ontario within Canada

The leading position of Ontario within Canada in terms of population, industry, and finance has been challenged by global competition. Bone indicates that short-term prospects hinge on four factors: a continued low Canadian dollar; a low interest rate; increased exports to the US; and developing a knowledge-based economy.

Ontario's Physical Geography

Ontario's physical geography explains why there are two Ontarios, north and south. The Great Lakes–St Lawrence Lowland has favourable climate and soils to support agriculture, while the Canadian Shield offers scenery to support tourism, mineral wealth, and vast forests. Ontario's central location within Canada and its close proximity to the industrial heartland of the United States have facilitated Ontario's economic development.

Environmental Challenges

Ontario is tackling air and water pollution with initiatives such as increased use of electric cars, a cease in production of electricity from coal, and the **Drive Clean Program**, although higher-cost energy has pushed some Ontarians into “**energy poverty**.”

Indigenous communities are significantly impacted by issues of water pollution, complicated by jurisdictional responsibilities and expenses related to provision of safe and reliable water systems.

Ontario's Historical Geography

Ontario's size has increased greatly since 1867 and although its agricultural land base was small, it had a fledgling industrial base that began growing with low-cost transportation and economic policy supportive of manufacturing. With respect to Aboriginal Territory in Ontario, First Nations were granted land hundreds of years ago and negotiating disputes that arise are challenging because "facts" are buried in time (see Vignette 6.3).

Ontario Today

Although challenged economically in the last decade, Ontario has a majority of Canada's creative wealth and is well placed to succeed in the knowledge-based economy. Until 2014, globalization led to an exodus of manufacturing companies from Ontario and currently both the primary and secondary sectors are losing ground to the tertiary sector.

Technical Spearheads

This section offers insight into economic thrusts such as advances in technology that are pushing firms into the knowledge-based economy. Canadian banks have chosen a digital future and Bone outlines key reasons for this.

Ontario's Economic Anchor: The Automobile Industry

Beginning in 1965, the Canada–US Auto Pact ensured the survival of the automobile industry in Canada. The end of the Auto Pact in 2001 increased foreign competition, and the economic crisis of 2008–9 saw Canada lose market share, yet Bone states that "The automobile industry remains the heart and soul of manufacturing activity in Ontario" (p. 192).

Ontario's Core

Ontario contains 38.5 per cent of the country's population and produces 38.5 per cent of the country's GDP. With nearly one-third of Canada's CMAs (census metropolitan areas), southern Ontario dominates and is also the hub of economic activity.

Ontario's Hinterland: Northern Ontario

In contrast to the south, northern Ontario is portrayed as a resource hinterland. Forestry and mining dominate and experience challenges such as the Canada–US dispute over softwood lumber.

Indigenous Communities in Northern Ontario

Many First Nations members reside in Northern Ontario and mining companies active in the region have negotiated impact and benefit agreements (IBAs) with First Nations there.

Challenge Questions

1. Ontario has two distinct economies—a robust economic core in the south and a struggling resource extraction economy in the north. What are the physical factors underlying these two strikingly different economies?

2. Why has Ontario's position within Canada slipped?
3. What physical factors make the Niagara Peninsula so successful in grape and soft fruit production?
4. What challenges have there been in relation to switching from coal to more costly energy sources?
5. What three demographic factors are causing northern Ontario's population to decline?
6. Why is Northern Ontario's resource base losing its economic strength?
7. Why was the Stony Point Reserve "borrowed" in 1942 for military purposes? What is the status of ownership of this land today and what compensation was provided?
8. Does Ontario's economic future lie with the "creative class"? Why or why not?
9. With respect to resource development in the future in areas such as the Ring of Fire, what is meant by the *duty to consult* and how does this relate to Impact Benefit Agreements?
10. Why is the United States market important to Ontario and just how important is it?

Key Terms

Air drainage The movement of colder, heavier air to lower elevations, leaving warmer, lighter air in the higher elevations. (p. 199)

Drive Clean program Requirement in Ontario that older vehicles must pass an emissions test. (p. 181)

Duty to consult In Canada, the duty to consult and accommodate with Aboriginal peoples arises when the Crown contemplates actions or decisions that may affect an Aboriginal person's Aboriginal or Treaty rights. This duty arises most often in the context of natural resource extraction such as mining, forestry, oil, and gas. (p. 208)

Energy poverty In the classical definition, developing countries where access to energy is limited; in the case of Ontario, the high cost of energy that reduces low-income families' access to energy. (p. 181)

Heartland Geographic area in which a nation's industry, population, and political power are concentrated; also known as a core. (p. 175)

Hollowing-out The relocation of manufacturing plants in one country to another, which leaves the economy of the original country much weakened. (p. 195)

Just-in-time principle System of manufacturing in which parts are delivered from suppliers at the exact time required by the manufacturer. (p. 195)

Manufacturing belt A contiguous industrial zone in North America noted for its manufacturing and heavy industry. In Canada, this belt extends from Windsor to Québec City, stretching across the Great Lakes and St Lawrence Lowlands. (p. 179)

Outsourcing Arrangement whereby a company obtains the parts or services it needs from other companies. (p. 195)

Specific land claims Claims made by treaty Indians in an attempt to rectify shortcomings in an origin treaty agreement with a band or that seek to address failure on the part of the federal government to meet the terms of the treaty. (p. 187)