Canadian Metropolis 1
The Importance of Cities in Canada

• 80%+ of the population is urban
  • Most of the urban population lives in large cities
• Cities of vital economic importance
  • The 10 largest Canadian cities represent 43% of Canada’s GDP
• Statscan: Canadian cities represent 72.2% of Canada’s GDP [2009]
Toronto: GTA and CMA
Economic Importance

- Canada’s GDP was $1.673 trillion in 2016
- The Toronto CMA’s GDP was $324 billion
  - 19% of Canada’s GDP
- City of Toronto’s GDP in 2016: $167 billion
  - 10% of the Canadian economy
- New York City
  - Represents just 5% of US GDP
Economic Importance

• The Ontario economy was $633 billion in 2016:
  • City of Toronto is 26.4% of that
  • Toronto CMA is 51% of that
### Canada: Urban GDP 2016

<table>
<thead>
<tr>
<th>Urban Area</th>
<th>GDP $BN</th>
<th>% of Canada GDP</th>
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<tbody>
<tr>
<td>Toronto - City</td>
<td>167</td>
<td>9.9</td>
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<tr>
<td>Toronto - CMA</td>
<td>324</td>
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<tr>
<td>Montreal - CMA</td>
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<td>Calgary - CMA</td>
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<td>Edmonton - CMA</td>
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<td>Winnipeg - CMA</td>
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<td>Halifax - CMA</td>
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GDP of Canadian Cities 2010, in billions

- Edmonton 53.9
- Calgary 52.8
- Saskatoon 9.7
- Regina 6.1
- Winnipeg 25.5
- Montreal 126.4
- Ottawa 40
- Toronto 270
- Halifax 13.6

Vancouver 95
Heartland and Hinterland

• Cities (heartland) depend upon their relationship with a broader economic territory
  • The hinterland
• a.k.a. Combined & Uneven Development
Heartland and Hinterland

• Urban relationship toward hinterland is seldom balanced or fair
  • Cities become economically and politically dominant over the hinterland
• Toronto CMA GDP was $324 Billion in 2016
  • Yukon and Nunavut made $2Bn each
Toronto

• **Canada’s most powerful urban area**
  • Largest Canadian urban region
  • Biggest urban economy

• Canada’s major financial centre
  • Important for banking, finance, real estate

• **Major biotech** and research centre

• Major media centre
Toronto as a Financial Centre

• HQ for Canada’s 5 largest banks
  • Market capitalization up 42% 2013-17
  • 3 of which are in the top 25 globally
• HQ for 3 top life insurance firms
  • All in the top 15 globally
  • $2 Trillion in assets, larger than Canada’s GDP
Toronto as a Financial Centre

• Toronto is HQ to 3 of the top 60 global pension funds
  • OMERS
  • Ontario Teachers
  • CPP
• Toronto in top 7 global pension fund HQs
• HQ to a big chunk of the $1.8 Trillion in pension fund assets in Canada
Toronto

- **Is the world’s most important centre for mining finance**
  - Mostly for junior mining companies
  - **Toronto raises 50-60% of all of the capital invested in Mining globally**

- Toronto’s downtown core accommodates the world’s experts in mining finance
  - A centre for vital information, **industry conferences**, **mining investment**
Toronto

• Crucial to financing badly-behaved mining companies
Tech Sector

• Toronto the fastest-growing for tech sector employment in North America, 2017

• September 2018: $1.2 Billion in fresh tech sector investment in Toronto, a monthly record

• Toronto now in the top 2-3 tech sector cities in North America

• Toronto-Waterloo corridor #2 globally for tech startups
Tech Sector

• Toronto has 50% of Canada’s FINTECH workforce
• Rapid growth in artificial intelligence (AI) investment
  • Canada ranks #4 globally for AI investment
  • Ford government defunding it
• Toronto has more higher degrees/100000 than any major N. American city
• Rapidly expanding its production of STEM graduates
  • Ford government reducing STEM educational funding
Flows of Global Capital

• C19th down to 1914:
  • Canada part of a London-centred global economy.
  • But accumulating its own capital
Flows of Global Capital

• C20th North America accumulates its own capital
  • Locally-owned industries, businesses and real-estate
  • New York emerging as a local metropolis
Toronto & Montreal

• Both cities in the economic orbit of London and New York
  • Able to balance the two
  • London’s influence stronger in Montreal than in Toronto
Toronto & Montreal

• In 1867 Montreal is Canada’s dominant banking centre
• But by 1887 Toronto is catching up
  • Aggressive banks (esp. Canadian Bank of Commerce)
  • Better access to local capital
  • Major stock market trading in bank shares, and major companies
Opening of Western Canada

• Political, territorial but also economic expansion
  • Long-distance railroads
• Eastern and central Canada gains western Canadian markets
  • And will control the eastwards export of Western farm produce
Opening of Western Canada

• Benefits both Montreal and Toronto
  • But benefits Toronto more
• Halifax loses out
  • Royal Bank moves to Montreal 1900
  • Bank of Nova Scotia moves to Toronto 1907
  • Maritime Provinces transition to Hinterland
• Toronto becoming an important national metropolis
  • In finance, manufacturing
Opening of the West

- Rossland BC copper rush of 1896 raises investor interest in mining in Toronto
- From late 1890s Toronto emerges as a major market for Canadian junior mining shares
- Northern and western hinterland getting much of its capital through the Toronto market
  - Some from USA
Rise of Toronto

• Toronto stock market starts small in 1851
• TSE Develops a specialty in bank and loan company stocks, major companies
• Mining boom of the later 1890s adds a lively junior equities market to Toronto, outside the TSE
• Toronto becomes the major entry point for US capital into Canada
Stock Markets

• Toronto and Montreal have the important stock markets in late C19th Canada
• Toronto becomes a better C20th gateway to US investment in the Canadian market
  • Mining, banks, pulp & paper
C20th Toronto

• Overhauls all other Canadian cities as a national banking centre
  • Bank assets rival then exceed Montreal after 1950
  • Dominates bank clearings after 1932
  • Dominates and absorbs rival stockmarkets
• In the 1970s separatism crisis the remaining big Montreal banks shift HQ to Toronto
Bank Clearings

[Graph showing bank clearings over time with lines for Canada, Montreal, Winnipeg, Toronto, and Ottawa.]
Stock markets

- Toronto’s important stock and mining exchanges combine in 1934
  - Under the TSE
- By 2002 Toronto has absorbed the Montreal, Winnipeg, Vancouver and Calgary exchanges
Global Capital

• From the mid 1970s the growth of Toronto’s financial sector intensifies
  • Bank assets
  • Stock trading, capital markets
Canadian Bank Assets
TSE/TSX trading volume
Canadian Stock Markets

• Used to be dominated by the Toronto Stock Exchange (TSX) which owned:
  • TSX, Toronto, senior equities
  • TSX-V, Toronto, junior equities
  • NGX, Natural Gas Exchange, settlements
  • MSE - Montreal, owned by TSX, derivatives
  • VSE – Vancouver operates as a branch of TSX
Canadian Stock Market

• But new exchanges emerging:
  • CSE – founded 2001 owned by NY/Toronto/Israel based OTC
  • NEO - founded by Barclays Bank 2015
  • CNQ - Toronto, junior equities
  • NASDAQ Canada 13 Nov 2017
Toronto Stock Market

- TSX: 1555 companies, $3.0 trillion in market capitalization
- TSX-V: 1700 companies, $50 billion in market cap
  - Most of the mining companies are here
- CSE: 513 companies, around $26 billion in market cap
Gunter Gad on Downtown Toronto

• The late 1980s downtown core a vital place for information flow
  • Downtown a communications hub
  • Information centralised
  • Places for the important people to socialise
• Financial information electronic after 1977
  • But face-to-face meetings still vital to high-level business deals
Landscape linkage

• Changes in the city’s relationship with its hinterland tend to be expressed in changes in the landscape
  • Within the city
  • Within the hinterland
C19th Canada

• Part of a London-centred financial universe
  • Reflected in Toronto’s London-style commercial architecture
Early C20th

- Early C20th London ceases to be the financial centre of the global economy
- Emergence of local pools of capital in North America
  - New York, Chicago
- Canadian cities affected too
Toronto’s Gets Skyscrapers

• Built by outsiders to Toronto’s London-centred capitalism
• Built by local capital
Toronto’s First Skyscraper Boom

- C. 1905-1930
- Mainly financed with N. American capital
- Architects, promoters, leasing experts, tended to be Americans and outsiders to the Toronto elite
  - Dr. Oronhyatekha [Mohawk medical doctor]
  - Eustace G Bird [architect with Chinese mother]
Toronto’s First Skyscraper Boom

• Toronto’s downtown economy being transformed by US capital in this period
• Toronto banks, stockmarket become the entry point for US capital exploiting the 1920s resource boom
  • Mining, pulp & paper
The Toronto Skyline and Seaman-Kent Hardwood Flooring

Back in 1901 when Toronto's Skyline "From the Bay" revealed only two buildings of 10 storeys or more... In the rapidly altering skyline of Toronto we have had our share.
Downtown Toronto 1920s

- Gets its first crop of skyscrapers because of changes in the flow of global capital
- The skyscrapers accommodate the businesses which flourish in the new environment
Downtown Toronto 1960s-1970s

- Changes in Toronto’s status as a financial centre
  - Gaining banking, finance, corporate HQs from Montreal in 1970s
- Bring another phase of high-rise construction to downtown
  - TD Centre, Commerce Court etc.,
Downtown Toronto 1990s-2000s

• Toronto emerges as a major secondary city within the global economy
  • Financial core remains vibrant
• Manufacturing shifts to Asia, but Asians invest their profits in the global banking system
  • *And the Toronto condo boom*
  • *The market in 2019*
Downtown Toronto

- A succession of landscape transformations
  - Phases of high-rise construction
- Linked to changes in the flows of capital affecting Toronto
- Urban landscape change probably essential to those flows of capital
Other Canadian Cities

• Demonstrate similar principles
Alberta

- Alberta’s oil and resources boom transformed the urban landscapes of Calgary and Edmonton
  - Surging clusters of down-town high-rises
  - Sprawling suburbs with fake lakes
  - Exurban acreage hobby farms for those with high oil-patch incomes
  - Increasing multi-ethnic immigration
Calgary
Calgary
more giddyup.
less whoa.

GLACEAU vitamin water energy
try it
Calgary: Tanglewood
Calgary: Tuscany
DANGER THIN ICE
Tuscany
Calgary’s Fake Lakes

• Most new Calgary subdivisions are built around artificial lakes

• Appears to be a design fashion
Calgary

- A city of booming suburbs
- An economic boom fuelled by development of petroleum and natural resources
- Profits on the oil-dependence of other regions
- Suburbs built by an influx of capital
Acreage Homes

• Where Calgary’s larger oilpatch salaries buy hobby farms and homes with acreage.
Vancouver

• Vancouver’s economy booms on Asian and Pacific Rim investment

• Vancouver’s real estate market booms and busts on the waves of investment
  • Condo sales boom and another

• Vancouver’s population transformed by Asian immigration
Hamilton

• Hamilton prospers as an industrial city on post-1945 boom
  • Becomes steel-town
• Hamilton’s manufacturing base declines with the rise of the Asian economies
• It’s future lies in becoming an industrial suburb of the GTHA
• And in offering a home to refugees from Toronto’s expensive housing market
St Catharines

• Boomed as a manufacturing centre post-1945
  • Three big GM auto plants etc.,
  • Large tracts of workers’ housing

• Decline of manufacturing
  • Closure of most of GM
  • Worker’s housing gentrified by refugees from Toronto’s overheated housing market.
Conclusions

• Importance of the Canadian cities to the economy, geography of Canada
• The city is connected to broader economic space
  • Changes in one bring changes in the other
  • Heartland and hinterland are linked together
• The connections reach well beyond the classical regional breakdowns