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
Economic Importance

- Canada’s GDP was $1.625 trillion in 2010
- The GTA’s GDP was $270 billion
  - 16.6% of Canada’s GDP
- City of Toronto’s GDP in 2010: $144 billion
  - 9% of the Canadian economy
  - 2.5 times larger than the entire Alberta energy sector ($57 billion)
<table>
<thead>
<tr>
<th>Urban Area</th>
<th>GDP $Bn</th>
<th>% Canada GDP</th>
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</thead>
<tbody>
<tr>
<td>City of Toronto</td>
<td>144</td>
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<td>GTA</td>
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<td>Halifax</td>
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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

• GTA GDP was $270 Billion in 2010
  – 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

- **Is the world’s most important centre for mining finance**
  - 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
• Crucial to financing badly-behaved mining companies
Flows of Global Capital

• C19th down to 1914:
  – Canada part of a London-centred global economy.
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 a close rival
  – Aggressive banks
  – Better access to local capital
  – Major stock market trading in bank shares, and senior equities
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
  – Maritimes 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 an major market for Canadian mining shares
- Northern and western hinterland getting much of its capital through the Toronto market
Rise of Toronto

- Toronto stock market starts small in 1851
- TSE Develops a specialty in bank and loan company stocks, senior equities
- Mining boom of the later 1890s adds a lively junior equities market to Toronto, outside the TSE
- Toronto becomes an 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
Toronto vs Montreal Bank Assets
Bank Clearings
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 Stock Market

• Just 4 exchanges, all owned in Toronto:
  – TSX, Toronto, senior equities
  – TSX-V, Toronto, junior equities
  – MSE, Montreal, owned by TSX, derivatives
  – CSE, Toronto, junior equities
Toronto Stock Market

• TSX: 1300 companies, $2 trillion in market capitalization
• TSX-V: 2400 companies, $40 billion in market cap
  – Most of the mining companies are here
• CSE: 180 companies, around $1 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

• Changes within the urban landscape are often a sign of a change in the city’s relationship with its 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
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
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
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 transforms 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
more giddyup.
less whoa.

GLACÉAU
vitamin water energy
try it
Stoney Trail
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
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
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