



# THE ROYAL BANK OF CANADA

## MONTHLY LETTER

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### *The Province of Ontario*

ITS FIRST CENTURY under Confederation has proved to be a period of remarkable development in Ontario. This province has been called the fastest growing piece of real estate in North America. It has 34 per cent of Canada's population and 40 per cent of Canada's \$38,000,000,000 personal income.

Ontario contains the most balanced regional economy in the country. It is rich in natural resources, fertile agricultural lands, timber and pulpwood, precious and base metals, and sources of water power. As Morley Callaghan wrote in his introduction to *Ontario Style*: "The land is rich and varied enough in natural resources to sustain an empire."

Commercially, Ontario commands the richest market in Canada and has ready access to the United States market. There are eighty million consumers within a day's drive.

Geographically, its western border lies in part along the central meridian of Canada, adjoining Manitoba; its eastern boundary is the province of Quebec; on its south it adjoins six states: New York, Pennsylvania, Ohio, Michigan, Wisconsin and Minnesota. It is a thousand miles from east to west and 1,050 miles from south to north; its area is 412,582 square miles.

There is a wide variety of climate within this great expanse of land and water. The western peninsula, enclosed by lakes and connecting rivers, is one of the most temperate regions in Canada.

#### *Exploration and settlement*

Many names of the chivalry of France are inseparably linked with Ontario's early history. Samuel de Champlain was the first European to record anything about the present Ontario. In 1613 he went up the Ottawa River in a vain search for the northern ocean, and in the spring of 1615 he crossed the height of land and pushed westward to Lake Huron, becoming the first to tell about the Great Lakes.

But in 1763, when France ceded her North American possessions to Britain, Ontario was virtually an unsettled fur-traders' wilderness.

The first English settlement was planted on the shore of the Niagara River in 1780. Three years later, driven by the persecution they suffered at the hands of those who had revolted against British rule, the United Empire Loyalists started to enter Ontario.

These settlers were followed by other immigrants from New York, Vermont and Pennsylvania, and from overseas, and by 1812 the population of the province exceeded 80,000.

The first capital of Ontario (then Upper Canada) was Niagara, but in anticipation of renewed war it was removed to Toronto (then York).

The legislature met for the first time in York in 1797, when York was alone in the wilderness with no neighbouring settlements east or west. There were twelve houses in the little village in June that year.

The outstanding fact about Ontario is the dynamics of its growth in population and achievement. By 1840 Ontario had 430,000 people and at the time of confederation in 1867 it had 1,500,000.

In the years 1951-61 Ontario received 817,300 immigrants. At the time of the Census in 1961 its population was 6,236,000; in 1966 the estimate is 6,800,000, and by 1980 the population is expected to be eleven million.

This is the most populous of the provinces, but the bulk of its inhabitants live in one-tenth of its area. Urbanization has been a trend since the second part of the nineteenth century. In 1881 there were nearly twice as many people on the farms as in the towns and cities, but twenty years later the numbers had become nearly equal, and a decade after that less than half the population was rural. In 1961 the farm population was 8 per cent.

Immigration made a great contribution not only to the economic development of Ontario but also to its cultural enrichment. Toronto has the largest Italian community in North America, and hundreds of thousands of Ukrainians, Jews, Poles, Germans and Hungarians. They have not fallen into a melting pot, but have emerged as a society of homogeneous groups;

they form a mosaic, each group contributing to the whole.

### *Transportation*

Ontario has a fresh water shoreline of 2,362 miles on the Great Lakes and a salt water shoreline of 680 miles on Hudson Bay.

Starting with the travel routes followed by explorers, the settlers improved them by building canals to bypass rapids and waterfalls.

One of the biggest obstructions to shipping was Niagara Falls. The first sod of the Welland Canal was turned in 1824, and the first ship passed around the Falls from Lake Ontario to Lake Erie in 1829. The Cornwall Canal, to bypass the Long Sault Rapids, was opened in 1843.

Today, Ontario is a province of half a million square miles in the heart of a continent open to ships of the seven seas through the St. Lawrence Seaway.

New trade and business patterns have emerged. The Seaway carried more than fifty million tons of cargo in 1965, of which Ontario ports handled thirty million. The port of Toronto, one of the most modern and efficient on the Great Lakes, had more than six million tons of foreign and coastwise cargo in 1963. The greatest wheat depot in the world is at the lake-head cities, Port Arthur and Fort William, 2,000 miles from the Atlantic Ocean.

This is not to say that Ontario has lagged in other modes of transportation. She has more than 10,000 miles of railway track, more than 20,000 miles of paved road, and 130 licensed airports, the biggest of which are used by ten international carriers.

Highways have unrolled across the map in keeping with the development of automotive transportation. Ontario has one car for every three people, and Toronto has the second largest per capita concentration of cars of any city in North America. There are 85,000 miles of roads in Ontario, ranging from a twelve-lane freeway route through the northern part of metropolitan Toronto to graded gravel roads into the northland bush.

The first government appropriation for roads was £1,000; in 1965 the total expenditure for roads was \$456 million, \$352 million of which was spent on the King's Highway and secondary highway network.

### *Agriculture*

People are inclined to think of Ontario as a wholly industrialized province, forgetting that her farm lands yield rich revenue.

In the south there is intensive mixed farming; in the east, dairying and livestock; in the southwest, tobacco and vegetables; in the Niagara Peninsula, fruits of all kinds. In northern Ontario the clay belt provides a large tract of good farming land.

At the time of the last census Ontario had 121,333

farms, most of them in the range from 70 acres to 240 acres, covering in all 18,600,000 acres.

An estimate for 1965 set the cash receipts from the sale of farm products at more than \$1,082 million. Capital value of farms is nearly \$4,000 million.

### *Forests and minerals*

More than three-quarters of Ontario's land is covered by forest. Of this, 165,000 square miles is considered to be productive, and of this about four-fifths is close enough to transportation facilities and markets to be commercially useful.

Pulp, paper and sawn lumber are the three main products. More than 200,000 square miles of forest blanket the province north of Georgian Bay, and support a thriving pulp and paper industry producing about twenty per cent of the total Canadian output.

Although the northern regions of Ontario are thinly inhabited, their contribution to the industrial output of the province is large. The Ontario portion of the Canadian Shield has long been a producer of many metals. In 1965 Ontario's production of all minerals, \$986 million, was 26.4 per cent of Canada's total mineral production.

There were discoveries and some development earlier, but virtually all of this contribution to the economy has been concentrated in the present century. Jacques Bellin, a French hydrographer, drew a map about 1740 on which he indicated the presence of silver in the area near Cobalt, but it was not until 1903 that railroad builders uncovered a vein that made the district world famous.

Nickel came to light near Sudbury during construction of the C.P.R., when excavators came upon the most valuable deposits known anywhere in the world. By 1913 Canada was producing nearly 70 per cent of the world's supply of this metal.

Iron became important in Ontario only with the discovery in 1938 of rich ore at Steep Rock Lake, west of Port Arthur. It is estimated that Steep Rock can produce 8½ million tons of ore every year for a hundred years. Ontario iron mines yielded the biggest total in 1965, valued at \$91 million.

Petroleum was discovered in western Ontario in 1857, and by 1870 production reached 5,000 barrels a week. Today's production of oil and gas is less than ten million dollars annually, but crude oil is carried from the oil fields in Alberta to Sarnia, Canada's most important complex of petrochemical plants and oil refineries, by 2,000 miles of pipeline.

While boring for oil in 1865 near Goderich, the drillers found salt. The bed, thirty feet thick, is capable of supplying world needs for hundreds of years. Production accounts for about half of the total value of non-metallics — \$12½ million in 1965.

In the years from 1956 to 1964 the uranium mines of Ontario yielded well over \$1,000 million in new wealth. Production of nepheline syenite in the Blue

Mountain near Peterborough gives Canada a world monopoly in a compound which has a wide range of uses, particularly in the ceramic industry.

There was no mineral discovery of major importance to start a staking rush in 1965, but the interest of prospectors remained high, and nearly 39,000 claims were recorded. Courses of instruction for prospectors are given at various centres. The Provincial Institute of Mining makes it possible for graduates to obtain such positions as mine surveyors, assayers, geological assistants and mill technicians.

Fur production, the oldest economic interest of Ontario, is no longer of major significance, but it is still carried on actively, both by trapping and on fur farms. Commercial fishing is of importance, and Ontario is the leading province in the value of fish taken from inland waters.

### *Industry*

Because of a fortunate combination of fertile soil, navigable waterways, rich natural resources, abundant sources of power, and ambitious and energetic people, Ontario emerged early as an industrial region. Now this province stands first among the provinces in industrial wealth, with 40 per cent of the gross national product, and more than 50 per cent of manufacturing production. Ontario's total manufacturing shipments in 1965 were valued at \$17,640 million.

"The Golden Horseshoe" is a 115-mile stretch of Lake Ontario shoreline which bristles with industrial activity in an almost unbroken chain from the Niagara Peninsula to Oshawa. It produces everything from fine precision instruments to airplanes and cars.

This activity does not represent an influx of factories so much as it does the evolution of industry from small beginnings. Blacksmith shops in the old villages grew into iron works; back-room carding and weaving grew into great mills. As an example, consider the blacksmith shop opened in Oshawa by an enterprising settler named McLaughlin. It expanded into a small shop for making wagons, which turned into a modest factory, then a carriage works, and finally a vast modern plant producing automobiles. In 1965 more than 854,000 motor vehicles were produced in Ontario.

In 1851 Ontario had five small paper mills; in 1965 its pulp and newsprint sales were valued at \$354 million.

Consider iron and steel. There was an iron works at Marmora as early as 1822; in 1852 the first mowing machines and reapers were being produced by H. A. Massey at Newcastle; in 1857 the Harris firm was making revolving hay rakes at Beamsville; and in that same year the first railway sleeping cars in the world were made in Hamilton; an iron works at Oshawa was doing a thriving export business in agricultural tools in 1870. Today the province's iron and steel mills produce 84 per cent of the total output for Canada, and are among the most efficient in the world.

### *Electric power*

Basic to all this progress is the fact that Ontario developed hydro-electric power to overcome the handicap of having no coal.

The first generating plant in Canada was built in 1882 to furnish electric light for a sawmill at Ottawa. Six years later, electric power was supplied to a paper mill in Georgetown by generators situated two miles away, proving that industries were no longer tied to the site of a power dam. In 1906 the Hydro-Electric Power Commission of Ontario was created as the pioneer project in the public ownership of hydro power.

For more than half a century the Commission's energy resources were derived almost exclusively from the development of hydro-electric power, commencing with the Niagara River and moving progressively to the harnessing of power on a number of large rivers throughout the province. With the development of the Ottawa and St. Lawrence rivers, the last major source of hydro-electric power in the southern part of the province has been put to use. So the province is turning to stations fuelled by coal or by nuclear energy.

The present capacity of some eight million kilowatts will have to be increased to about 22 million kilowatts during the next fifteen years. This means that Hydro may be called upon to build into its system twice as much new capacity as has been provided in the 56 years since power was first supplied over its lines.

Ontario is in the forefront of those engaged in the development of nuclear power. It has a 20,000-kilowatt station in use, a 200,000-kilowatt station in the final stages of construction, and a 1,080,000-kilowatt station, the largest now under construction in North America, scheduled for completion in 1971. There will be some 3.2 million kilowatts of nuclear capacity in its system by 1975, and 8.2 million kilowatts by 1980.

### *Economic expansion*

Ontario has been called the "expansionary province". Its Department of Economics and Development has eighteen programmes to stimulate trade and industry. The Department's goals include an average of 75,000 new jobs a year and an unemployment rate of no more than two per cent by 1970.

When the province reaches its 1970 goals the total value of goods and services produced should be \$30,000 million.

In pursuit of this objective, scores of sales opportunity missions have been sent out, each composed of eight or ten senior business men of non-competitive companies, led by a government marketing expert. Ontario manufacturers showed their goods at nine international exhibitions in 1965.

By spending \$4,400 million in 1965 for new plants, equipment, housing, highways and public works, both government and private industry have expressed a

strong vote of confidence in the future of Ontario. During the year, 178 new plants entered the picture and 494 existing manufacturing firms expanded their facilities. The average weekly wage in Ontario was \$95.65, compared with \$92.28 in Canada as a whole. Personal income reached \$15,239 million, or \$2,264 per capita.

### *Education*

This province has been distinguished for its ready support of education, and no other service of government absorbs so large a proportion of the provincial expenditure. This year it amounts to 45 per cent of the budget.

Today's educators have a formidable task in deciding what to teach and how intensively to teach each subject.

The problem is specially difficult in a community like Ontario, where the life of a century and a half ago is already extinct, where people have moved from the placid educational culture of the farm to the animated and competitive life of city and factory and market-place. Since about 1960 technological changes have made it nearly impossible for a pupil leaving school without a diploma and without a specific skill to obtain employment with any degree of security for the future.

To meet the challenge, Ontario has in five years completed 358 new vocational schools or additions to high schools at a cost of more than \$630 million. More than seventy per cent of children in the 15 to 19 age group are now being retained in secondary school, as compared with 35 per cent eighteen years ago. During 1965 the six Institutes of Technology enrolled 5,500 students in day courses and 8,200 in extension courses. On-the-job training is upgrading skills.

The estimated education budget for 1966-67 is \$595.7 million, and when expenditures by municipalities and the grants made to universities are added, the amount exceeds \$1,000 million annually.

Universities are expanding rapidly, and with considerable success, to meet the demands of increased enrolment. It is expected that the total number of university students in the province, which stood at nearly 57,000 in 1965-66, will exceed 100,000 by 1970 and 150,000 by 1975. To assist the universities in meeting this situation in 1966-67 the province will provide \$81 million in operating grants and \$150 million in funds for capital projects.

### *The arts*

Ontario has made numerous contributions to the artistic and cultural life of Canada. Its art in the eighteenth and nineteenth centuries was different in many ways from French-Canadian art. People were less deeply rooted in the soil than in Quebec, and there was little local tradition of craftsmanship.

In the early years of this century an organized attempt was made to develop an independent approach to painting. Younger artists thought that the style of the nineties was too full of romantic fancy and elegance, quite unsuitable for depicting the rawness and grandeur of Canada. Out of their urge to portray what they saw and felt there arose the Group of Seven, whose first joint exhibition was in 1920.

Architects have done meritorious work in designing commercial and industrial structures and public buildings in Ontario. The School of Architecture established in the University of Toronto in 1890 is the oldest in the Commonwealth.

Canada has been for many years a producer of operatic talent, but much of it has been exported for lack of a domestic market. That situation began to change with the formation of the Canadian Opera Company, which emerged in the mid-fifties from the Opera School of the Royal Conservatory of Music in Toronto.

The first concert of the Mendelssohn Choir, which has brought choral singing to a high peak of excellence, was given in 1895. Elmer Iseler's Festival Singers, well known for performances at the Stratford Festival and for broadcasts with the CBC Symphony under Stravinsky, is a new force in choral music.

Drama is highlighted every year by magnificent productions in the Stratford Shakespearean Festival. The National Ballet is one of three professional ballet companies in Canada, and was the first school on the continent to offer full-time academic and ballet training. The Hart House Orchestra has established an enviable reputation for chamber music; the Toronto Symphony Orchestra maintains a high standard of excellence, and the National Youth Orchestra, centred in Toronto, is dedicated to the discovery and encouragement of young instrumentalists under a faculty of top conductors and teachers.

### *Into the future*

This brief narrative of some of Ontario's advancement, most of it in a short hundred years, has demonstrated a steady, purposive march toward better things, and Ontario shows no sign of breaking step as she enters the second century of Canadian Confederation.

The zeal for systematic progress has marked the whole history of Ontario since it became an autonomous province. Plans are being drawn and beginnings are being made which will come to fruition many years hence.

The immigration of the past quarter century has brought a sprightly element of continental Europeans to liven the Ontario scene, but despite the hard-driving of today the people of Ontario remain quiet, peaceable people who like to live a well regulated life. If Montreal, Quebec, is the vivacious Paris of the New World, Toronto, Ontario, likes to think of itself as its circumspect Athens.