

Mark S. Winfield

Blue-Green Province
The Environment and the
Political Economy of Ontario



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Acronyms

BATEA	best available technology economically achievable
CELRF	Canadian Environmental Law Research Foundation
CIELAP	Canadian Institute for Environmental Law and Policy
COGP	Committee on Government Productivity
CSR	Common Sense Revolution
EBR	Environmental Bill of Rights
ENGO	environmental non-governmental organization
GGH	Greater Golden Horseshoe
GTA	Great Toronto Area
IPSP	Integrated Power System Plan
IWA	Interim Waste Authority
MISA	Municipal/Industrial Strategy for Abatement
NAOP	Nuclear Asset Optimization Plan
OMB	Ontario Municipal Board
OMMRI	Ontario Multi-Material Recycling Incorporated
OPA	Ontario Power Authority
OPG	Ontario Power Generation
OWMC	Ontario Waste Management Corporation
PC	Progressive Conservative
PPS	Provincial Policy Statement
PUC	Public Utilities Commission
RESOP	Renewable Energy Standard Offer Program
TSSA	Technical Standards and Safety Authority
WCI	Western Climate Initiative
WDO	Waste Diversion Ontario

Preface

Ontario has been the site of some of Canada's most important environmental policy success stories – the near universal implementation of municipal sewage treatment on the Canadian side of the Great Lakes, major progress in the initial phases of acid rain control and the cleanup of water pollution from the pulp and paper sector, and, most recently, investments in renewable energy flowing from the province's Green Energy and Green Economy Act running into the billions.

The province has also witnessed some of the country's greatest environmental disasters – cholera and typhoid outbreaks in the nineteenth and early twentieth centuries, the result of the disposal of untreated human and animal wastes in the same waters from which communities drew their drinking water; the clogging of once productive northern rivers with pulp mill effluent that left them devoid of fish, unfit for swimming or drinking, and giving off odours as would “nearly knock you down”¹ for miles along their length; the mercury poisoning of Aboriginal people on the English-Wabigoon River system downstream from other mills; the creation of a 104-square-kilometre dead zone, completely barren of vegetation, around Sudbury's metal smelting operations; the Hagersville tire and Plastimet PVC fires; growing incidences of smog episodes that are estimated to cause fifty-six hundred premature deaths a year; and the May 2000 Walkerton drinking water disaster in which seven died and twenty-three hundred became ill.

Old challenges remain and new ones continue to emerge – an electricity system that seems destined to remain dangerously over-reliant on nuclear power even in the aftermath of the Fukushima nuclear disaster in Japan; a free-for-all of mining development in the hitherto pristine boreal forest and coastal lowlands of the far north; Aboriginal people living in the shadow of Sarnia's Chemical Valley finding the “sex ratio” (number of boy babies born relative to the number of girls) of their community declining dramatically, with chronic exposure to toxic chemical pollution widely speculated to be

the cause; and a remarkable case of policy amnesia and a resulting renaissance of enthusiasm for regulatory “reform,” despite the province’s recent experience with the potentially deadly consequences of such exercises. The story told here reflects on these successes, failures, and challenges; the forces that have defined their outcomes; and their implications for the future of environmental policy not just in Ontario but in other jurisdictions as well.

The book examines the formulation and implementation of environmental policy at the provincial level in Canada’s most populous province, from its beginnings with the recognition of the connections between pollution and public health in the nineteenth century to the first decade of the twenty-first. The book also addresses the general silence of the conventional scholarship on Ontario’s politics and economy on environmental matters. Finally, it speaks to the province’s political evolution since the Common Sense Revolution of the mid-1990s.

As director of research with the Canadian Institute for Environmental Law and Policy between 1992 and 2000 and environmental governance program director and sometime policy director with the Pembina Institute from 2001 to 2007, I was a direct participant in many of the events described in these pages. But the volume is not a personal memoir. Rather, the book reflects on the events it describes against the backdrop of Ontario’s changing environment, economy, and society.

Mark Winfield
North Toronto
May 2011

Acknowledgements

I must first acknowledge the contributions of my graduate assistants from the Master of Environmental Studies Program at the Faculty of Environmental Studies at York University without whom the project could not have been finished. I owe a particular debt to Mark McNeil for his work in finding and bringing together the historical data on public opinion and the environment and Ontario's economy, as well as to Vikas Gautam and Paul Izdebski for tracking down innumerable details, press clippings, and documents vital to the story.

I also wish to thank my students at the York University's Faculty of Environmental Studies in ENVS 2400 (Introduction to Environmental Management), and in particular 5178 (Canadian Environmental Policy I) and 6178 (Canadian Environmental Policy II), where many of the ideas that found their way into this book were initially test driven.

J. Stephan Dupre at the University of Toronto's Department of Political Science provided exceptional guidance in the development of the PhD thesis on which the early chapters of this book are based. David McRobert, former in-house counsel at the Office of the Environmental Commissioner of Ontario, provided invaluable comments and advice in his reviews of the final manuscript.

I must also acknowledge the roles of the George Cedric Metcalf Charitable and EJLB Foundations, which provided crucial support for my research while at the Canadian Institute for Environmental Law and Policy and the Pembina Institute and to the colleagues at both organizations with whom I had the privilege to work.

I owe debts of thanks to many other colleagues and collaborators over the years. I am especially grateful to Dave Whorley, formerly with Brock University's Department of Political Science, who was an excellent guide to the universe of "new public management"; Doug Macdonald of the University of Toronto's Centre for the Environment for his insights into the

environmental policy process; and Bob Gibson of the University of Waterloo's Faculty of the Environment for his illuminations of the concept of sustainability.

At UBC Press, Randy Schmidt showed great patience waiting for the arrival of the manuscript. The press's peer reviewers provided a host of extremely constructive and insightful comments on the manuscript, and Graeme Wynn, general editor of the press's Nature|History|Society series, made very helpful suggestions on the introductory sections of the book. Anna Eberhard Friedlander skilfully shepherded the manuscript through the production process. Judy Phillips's editing and attention to detail did wonders with my original text, and Eric Leinberger contributed the beautifully clear maps.

Finally I must express my thanks to my partner, Ramani, for help and advice throughout the process, and to Maya and Alan, for their patience for all the time Daddy was locked in the basement when he was supposed to be playing.

Blue-Green Province

1

Introduction

Ontario is Canada's second largest province. Encompassing over a million square kilometres it is larger than France and Spain combined, and would be second only to Alaska among the US states in terms of geographic size.¹

The province is conventionally divided into two major regions.² In the northern two-thirds of the province, the Boreal Shield ecozone, where Boreal Forest and muskeg overlie the Precambrian rock of the Canadian Shield, dominates. The southern third, defined by the Mixedwood Plains ecozone of the Great Lakes and St. Lawrence Lowlands, provides the largest concentration of prime agricultural lands in Canada and contains a number of physiographically and ecologically important features, including the Niagara Escarpment and the Oak Ridges Moraine.

Ontario's two major ecozones have also largely defined the province's major economic regions. The Boreal Shield has historically been dominated by resource extraction, particularly forestry and wood processing for lumber and pulp and paper, and metal mining and smelting. The Mixedwood Plains of the south were rapidly converted to agricultural uses with European settlement. Over the twentieth century, the relative economic significance of agriculture declined as a diversified manufacturing economy emerged along the shores of the southern Great Lakes. The southern economy is now increasingly dominated by the services sector.

The province has a population of 13 million. Eighty percent of this total lives in urban centres. The Greater Golden Horseshoe, along the western end of Lake Ontario, including the Greater Toronto Area (defined as the City of Toronto and the regional municipalities of Durham, York, Peel, and Halton), City of Hamilton, the Niagara Peninsula, and Kitchener-Waterloo-Guelph region, constitutes the largest concentration of population and urban communities, with 8 million residents. Population growth is very strongly concentrated in this area and, to a lesser extent, the Ottawa region, driven by a combination of in-migration from other parts of Ontario and Canada and immigration from outside Canada.³

Approximately one-third of Canada's total population lives in Ontario, and with an annual gross domestic product in the range of \$500 billion, the province accounts for roughly 40 percent of Canada's total economic output. In international terms, Ontario's population, area, and economy approximates those of the larger US states and are larger than those of most member states of the European Union.⁴ The province has also been ranked consistently over the past fifteen years among the top six sources of releases and transfers of Canadian National Pollutant Release Inventory- and US Toxics Release Inventory-listed pollutants among the Canadian provinces and US states. The province has held the number two position, after British Columbia, for the most recent four years (2003-6) for which data have been reported, with releases and transfers of more than 347 million kilograms of pollutants in 2006.⁵

The status of provincial governments as the dominant actors in the formulation and implementation of environmental policy in Canada has grown significantly since the mid-1990s. The provinces have always enjoyed a strong constitutional foundation for the management of the environment and natural resources as a result of their jurisdiction of public lands and natural resources, public health, municipal institutions, property and civil rights, and "matters of a local or private nature."⁶ The 1998 federal-provincial National Accord on Environmental Harmonization emphasized the lead role of the provinces in the prevention and control of pollution and the conduct of environmental impact assessments on major projects.⁷ Despite this dominance, the literature on environmental politics, policy formulation, and implementation at the provincial level in Canada is extremely limited.

British Columbia, where there has been a good deal of interest in forestry-related policy and politics is the exception to this rule.⁸ General texts on Canadian environmental and natural resources policy have tended to take federal or national perspectives and, in most instances, provide only broad overviews of provincial developments.⁹

Scholars have written on the history of economic development and related natural resources policies in Ontario.¹⁰ Others have examined specific policy issues with significant environmental dimensions to them, notably electricity policy.¹¹ Generally, however, these works have lacked a strong environmental or sustainability perspective.¹² Environmental policy has tended to be overlooked in the standard texts on the government, politics, and the political economy of Ontario,¹³ and there has been little historical analysis of the role of the environment in the province's politics.

This study focuses on environmental protection, defined in terms of air quality, water quality and quantity, and waste management, and how environmental matters have been seen to relate to the economic and social evolution of the province. Land-use planning, natural resources extraction and processing, and energy and electricity policy are examined as well

where they help to further understanding of the province's approach to the environment. The focus is on the post-Second World War period, highlighting the years since the establishment of the Ministry of the Environment in 1971.¹⁴

Analytical Approach

In the pages that follow, an institutional-ideological approach broadly along the lines of the model classically employed by G. Bruce Doern and Glen Toner in their work on the National Energy Program is adopted.¹⁵ This framework offers a number of advantages. It allows explicit consideration of the historical, material, physical, and economic context within which policy is being made and implemented. This is important given the structural changes to Ontario's economy and society over the study period. The framework also emphasizes the role of institutional factors in the formulation and implementation of public policy. The relatively high levels of executive autonomy enjoyed by majority governments in cabinet-parliamentary systems of government such as those that exist at the provincial level in Canada, and the strong jurisdictional position of provincial governments with respect to the environment, energy, and natural resources under Canada's constitution, are especially relevant here. In addition, the approach places substantial weight on the impact and evolution of underlying normative ideas about the role of government broadly, and the concepts that define the discourse on the individual policy issues under study. The views held by different actors about the relationship between protection of the province's environment and economic development are potentially central in this case.

The framework developed by Doern and Toner has been criticized for failing to differentiate appropriately between the roles of state and non-state interests and actors in the policy process.¹⁶ It also neglected the impact of other potentially important variables outside of the state, such as public opinion or the levels of media coverage regarding an issue. As a result, a modified version of the framework, shown in Figure 1.1, is employed here. Specifically, societal forces outside of the state, such as public opinion and the roles and changing power positions of non-state actors, including business interests and environmental non-governmental organizations and other civil society organizations, are treated as separate variables.

Within this structure, special attention is given to the changing levels of societal concern for the environment; the shifting conceptions of the appropriate roles of government in relation to the province's economy, society, and environment; and the relationship between these two potentially important drivers of environmental policy. Public concern for an issue may be reflected in public opinion survey data, media coverage, and other avenues. There is a well-established proposition that government activity on an issue will coincide with high levels of public concern or interest, and will wane

Figure 1.1

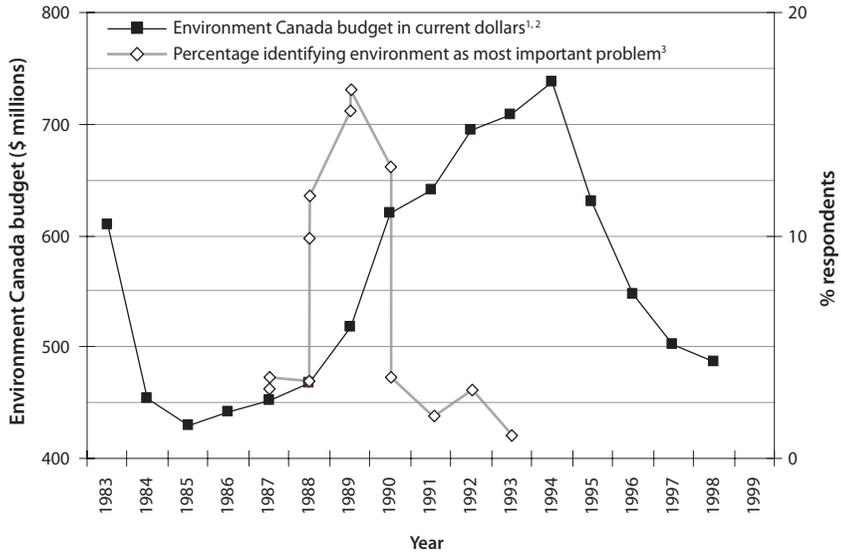
Analytical framework for Ontario environmental policy			
Material/physical/ economic factors	Normative factors	Institutional factors	Societal factors
North/south eco- zone and economic divisions	Ideas about role of the state: • Activist/progressive • Managerial/ facilitative • Neo-liberal	Cabinet- parliamentary government • Mandates and functions of specific agencies	Public opinion Interest and advocacy groups
Demographic and economic divisions between GGH/ Ottawa and rest of province	Environmental policy paradigms: • Pollution control/ maximum sustain- able yield • Pollution prevention/ soft energy paths • Sustainable development • Sustainability/ managing without growth	Federalism	Media
Structural economic change: shift from manufacturing to services in south; decline of resource extraction and processing in north		Courts and rule of law Aboriginal and treaty rights	
Great Lakes basin location and eco- nomic relationship with United States			
Regional climate change impacts			

as public interest declines. This is known as an “issue-attention cycle.”¹⁷ In the case of the environment in Canada, for example, Kathryn Harrison found that the rise and decline of Environment Canada’s budget followed the peaks and troughs in the level of public concern for the environment (see Figure 1.2.)¹⁸

High levels of public concern offer governments the possibility of political reward for action and the risk of blame for inaction or perceived failure. Levels of media attention given to an issue also generally rise with its public profile and decline with its fall, producing self-reinforcing effects in both directions.¹⁹ Levels of public concern may also affect the resources and political influence of non-state actors. The potential electoral benefits and risks associated with government action or inaction during periods of high public salience of an issue can counterbalance the normally dominant structural

Figure 1.2

Trends in public attention to the environment and Environment Canada's budget, 1983-99



Notes:

- 1 Budget figures are from the main estimates for 1993-94 and later, and are mid-year forecasts for earlier years.
- 2 In 1993-94, the Parks Service was moved from the Environment Department to the new Canadian Heritage Department. For comparison purposes, the Parks budget has been subtracted from budget figures for 1992-93 and earlier.
- 3 Source: Gallup Canada. Prior to February 1987, Gallup Canada did not report percentages of respondents identifying the environment as the most important problem.

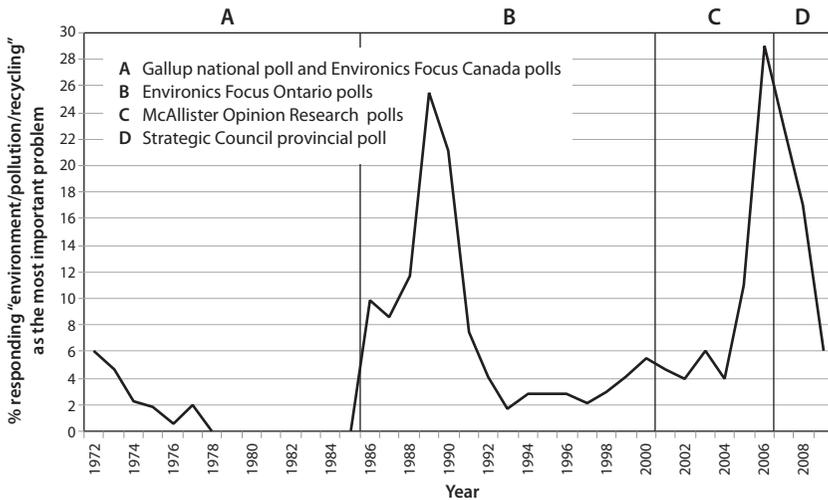
Source: Adapted from K. Harrison, "Retreat from Regulation: Evolution of the Canadian Environmental Regulatory Regime," in *Changing the Rules: Canadian Regulatory Regimes and Institutions*, ed. G.B. Doern et al. (Toronto: University of Toronto Press, 1999), Figure 6.1.

power of business interests relative to civil society organizations.²⁰ These are important motivators for policy action, providing key ingredients for the formulation of policy windows during which significant departures from established policy may take place.²¹ As a result, long periods of policy stability, correlating with low salience of the issue, may be interrupted by periods of intense policy change when public interest is high.²²

As Figure 1.3 shows, the three distinct waves of public concern for the environment in Ontario since the Second World War (from the late 1960s to the mid-1970s, from the mid-1980s to the early 1990s, and most recently from 2004 to 2008) have been separated by longer periods of relatively low environmental concern.

Figure 1.3

The environment as top-of-mind concern in Ontario and Canada, 1972-2009¹



¹ There is no consistent time series polling data on environmental issues in Ontario available over the study period. This figure was created from five data sources. The Environics and McAllister data are Ontario-specific. For the remaining three polls, the responses from the Ontario samples, where available, were employed.

Sources: See Appendix 2.

Underlying Concepts of the Role of the State

Since 1945 and especially since 1985, Ontario governments have taken a variety of approaches to their functions. Some have seen their role as *facilitative* and *managerial* and have taken measures that they perceive as necessary to facilitate economic growth and development (understood in conventional terms to mean urbanization, natural resource extraction, processing and export, and industrialization), such as the provision of physical or social infrastructure. Initiatives in fields like the environment beyond what is seen to be essential to economic development occur as they become politically or practically necessary, not as a result of the state seeking an expanded role in these areas. The Progressive Conservative governments of premiers Frost, Robarts, and Davis, stretching from 1949 to 1985, perhaps best illustrated this approach as they presided over a steady but incremental expansion of the scope of government activity, culminating in the emergence of what has been described as a service state.²³ The Liberal McGuinty government, first elected in 2003, is widely seen to have adopted a similar approach to governance, one which has been closely associated with what has tradition-

ally been seen as the province's dominant progressive conservative political culture.²⁴

Activist or progressive governments, by contrast, may see their role as more directive in shaping the economy and society. Rather than simply responding to public demands and issues as they arise or as is required to support economic development understood in conventional terms, such governments typically aspire to fostering more just or environmentally sustainable societies. Specific issues may be seen as symptoms of deeper economic, social, or environmental problems that need to be addressed through public policy. They are also likely to envision a more active role for the state in formulating and implementing economic strategy and in doing so may challenge long-held assumptions and power relations. In Ontario, such an approach was most evident during the first (1985-87) Peterson government and first half (1990-93) of the Rae NDP government that followed.

Under what are sometimes referred to as neo-conservative, but which are more accurately described as *neo-liberal*, paradigms, governments seek to minimize state interference with the market and speak of maximizing individual freedom. Neo-liberal governments tend to see the market as the most efficient arbitrator of resource allocations.²⁵ The role of the state is simply to facilitate private sector economic activity, particularly through the most efficient possible provision of the physical and legal infrastructure needed to attract investment, but little beyond that. This approach was exemplified in the Common Sense Revolution of the early years (1995-98) of the first Harris government.²⁶

Within the context of these broader concepts regarding the role of the provincial state, understandings of the relationship between economic development and protection of the environment have also evolved. Environmental matters were initially understood as local issues and treated as elements of the public health functions of local governments. However, increasing recognition of the scale of the impacts of industrialization, urbanization, and population growth and of their potential to obstruct economic development led to an uploading of responsibility for environmental management to the provincial level. An emergent pollution-control environmental policy paradigm accepted the character and increasing scale of economic activities and attempted to add end-of-pipe measures to industrial processes to reduce the release of pollutants.²⁷ Changes to the underlying production technologies were not contemplated, and pollution-control measures were not pursued to the point of threatening the underlying economic model or the profitability of the affected facilities.

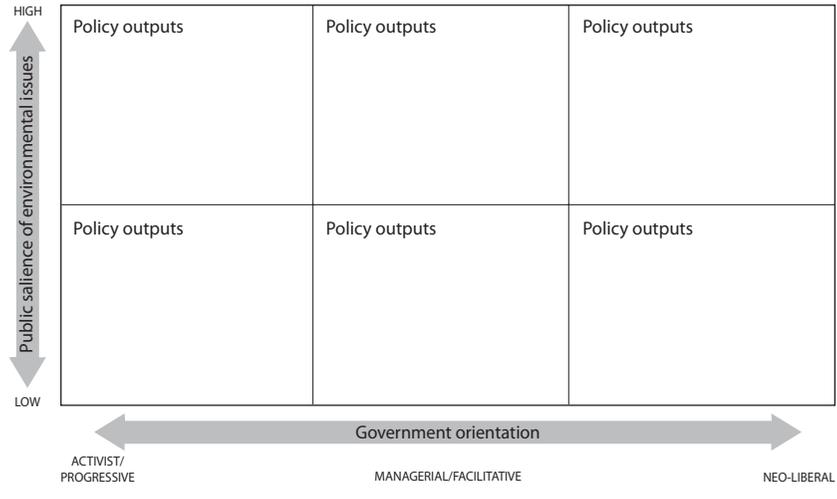
The pollution-control policy paradigm began to face serious challenges from the mid-1970s onward. The International Joint Commission and the developing Great Lakes science community, working under the auspices of

the 1972 Canada-US Great Lakes Water Quality Agreement, began to highlight the failures of the traditional model, particularly regarding toxic pollutants. Proposals began to be made for more fundamental changes to industrial practices than just adding pollution-control equipment to existing processes. The use or formation of polluting substances needed to be prevented in the first place. The emergence of the acid rain issue undermined the “dilution is the solution to pollution” approach of the pollution control model at the same time, further reinforcing the potential appeal of a more preventative paradigm.²⁸ In the energy field, the difficulties with Ontario Hydro’s nuclear construction program led to debates over the viability of alternative, soft energy paths, based on energy conservation and efficiency, and smaller scale, decentralized, and renewable sources of electricity supply for the province’s electricity system.²⁹

Growing international recognition that industrial activities were having serious global-level impacts evident in such phenomena as ozone depletion, climate change, and biodiversity loss, as well as rising demands to address the economic development needs of the global poor, led to the emergence of the concept of sustainable development. The sustainable development principle, introduced by the World Commission on Environment and Development in its 1987 report, *Our Common Future*, acknowledged the dependency of economic activities on the health of the global biosphere, with the implication of a need to integrate environmental and economic decision making on an equal basis, rather than pursuing environmental protection as a facilitative adjunct to a conventional growth-oriented economic path. Unfortunately, the notion of sustainable development emerged in the context of the growing global dominance of neo-liberal ideas about the role of the state and was largely lost in the resulting general retreat of state activity, particularly in North America.³⁰

Over the past decade, a series of catastrophic events, ranging from the Walkerton, Ontario, and North Battleford, Saskatchewan, drinking water disasters to, more recently, the 2005 Hurricane Katrina tragedy in New Orleans and the global financial crisis of 2008, has led to a reassertion of the importance of the basic health, safety and security, and economic regulatory functions of the state.³¹ In the meantime, the scientific and economic case for government-led policy action on climate change has become overwhelming.³² Governments around the world, including Ontario’s, have been remarkably ambiguous in their response to this situation. Neo-liberalism and the associated Washington Consensus has seemed in retreat,³³ but no consensus around the future role of the state has emerged,³⁴ The situation has been exacerbated by the domestic political difficulties suffered, after its initial promise, by the Obama administration in the United States.³⁵ Further developments of the sustainability concept have emphasized the importance of pursuing development options that can provide mutually reinforcing

Figure 1.4

Environmental policy matrix: Government orientation and public salience of environmental issues – Conceptual


environmental, economic, and social benefits and of avoiding, to the greatest extent possible, paths that require trade-offs among these goals, but these have found only limited traction among governments so far.³⁶ Similarly, recent works challenging the centrality of growth to economic policy, like Peter Victor's *Managing without Growth*, have found substantial public audiences but had virtually no impact on public policy to date, even in the wake of the 2008 financial crisis.

The overall conceptualization of the relationship between the variables of the public salience of environmental issues and governmental orientation is shown in Figure 1.4. The vertical axis charts the public salience of environmental issues, recognizing that it has tended to alternate between very high and low levels. The horizontal axis characterizes governments' ideational norms, across a spectrum ranging from activist/progressive to neo-liberal. The possible policy outputs arising from various combinations of public salience and governmental orientation are shown within the matrix.

The Ontario Context

Politics and Political Culture

The postwar period that is the focus of this book was characterized by a long period of political stability stretching from the mid-1940s to 1985. The period began with the Progressive Conservative (PC) government of Premier George

Drew (1943-48) and carried through administrations led by Leslie Frost (1949-61), John Robarts (1961-71), and William Davis (1971-85), although a significant portion of the Davis period was as a minority government (1975-81). Indeed, the PC dynasty was described as the “longest surviving one-party state this side of Albania.”³⁷

In contrast, the period since 1985 has been one of relative instability, with governments of all three parties represented in the legislature holding office.³⁸ Frank Miller briefly succeeded Davis as Progressive Conservative Party leader and premier in 1985. However, Miller was seen to have pushed the party too far to the right. A weak campaign in which environmental issues unexpectedly emerged as a significant factor, along with internal divisions within the party over Davis’s decision to provide funding to Catholic schools, laid the groundwork for an end to the dynasty.

As a result, David Peterson’s Liberals came to power in 1985, first as a minority government via an accord with the NDP, then as an overwhelming majority in 1987. A combination of factors, including public anger over an early and apparently unjustified election call, the premier’s role in the Meech Lake Accord, and a weak Liberal campaign in which environmental issues again played a significant role, led to the defeat of what had been a relatively activist Liberal government by the NDP, with Bob Rae at the helm.³⁹

The five-year NDP government was beset by economic difficulties. These were attributed in part to the impact of the 1988 Canada-US Free Trade Agreement and the interest rate policies of the Bank of Canada.⁴⁰ The poor economic situation, in conjunction with a social contract imposed on public sector workers as a result of fiscal restraint, a decision on not to proceed with public auto insurance, difficulties in meeting the expectations of traditional constituencies once in government, and a perception of overall incompetence, meant that by 1995 the NDP had lost much of its traditional base of support and been unable to establish a new one.⁴¹

The demise of the NDP government set the stage for the Progressive Conservatives’ unexpected return to power in 1995. Public anger over tax levels; a perception that the Liberals, the favoured successors to the NDP going into the campaign, did not stand for anything; and a very strong campaign focused on the decidedly neo-liberal Common Sense Revolution platform provided the ingredients for a PC victory under the leadership of Mike Harris.

The Progressive Conservatives were returned with a majority government in 1999 despite an ambitious, ideologically driven, and divisive agenda of tax cuts, spending reductions, deregulation (particularly in relation to the environment and natural resource management), and restructurings in the health, education, and municipal sectors in their first term.⁴² The second Harris government was presented with greater management challenges as the impact of its first-term initiatives in the health, education, and municipal

sectors became increasingly apparent. The May 2000 Walkerton disaster focused attention on the effects of spending reductions and the regulatory withdrawal by the province that had defined the first mandate.⁴³

Public fatigue with the level of conflict associated with the “revolution” and its consequences, and the inability of Harris’s successor, former finance minister Ernie Eves, to distance himself from his predecessor, set the stage for the election of a Liberal majority government led by Dalton McGuinty in October 2003. The McGuinty government, whose approach, in contrast to the Harris Progressive Conservatives, emphasized the traditional values in Ontario politics of civility, moderation, and competence, was re-elected in 2007, having undertaken a range of initiatives related to land-use planning, drinking water safety, energy, and industrial pollution. The McGuinty government has faced major challenges in its handling of the consequences of the 2008 economic crisis for Ontario, and the outcome of the 2011 election remained an open question.

One of the most notable features of the McGuinty period has been the emergence for the first time of the Green Party as a significant presence in Ontario politics. The party has shown a consistent fourth-place standing in public opinion polls since 2004 and polled as high as 12 percent leading up to the 2007 election.⁴⁴ Although not winning any seats, the Greens ultimately received 8 percent of the popular vote. The long-term durability of this level of support and its impact on the province’s politics have yet to be seen.

Political Culture

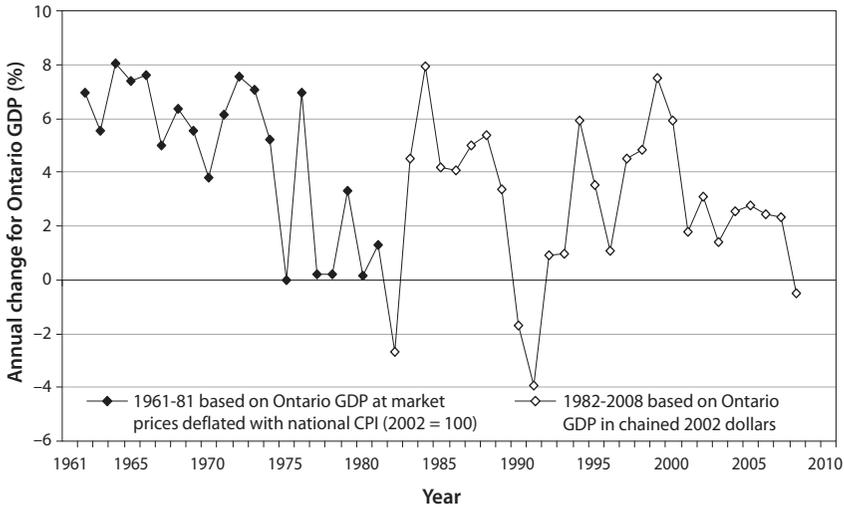
The succession of postwar governments and elections have unfolded in the context of a provincial political culture that has been defined by Sid Noel in terms of five operative norms: (1) the pursuit of economic success, (2) an assumption of economic and political pre-eminence in confederation, (3) a requirement for managerial efficiency in government, (4) an expectation of reciprocity in political relationships, and (5) a balancing of interests in public policy making.⁴⁵ These five elements have been seen to provide the foundations of the province’s progressive conservative political culture and the success of the “big blue machine” of the Progressive Conservative dynasty. In the context of the relative instability of the period since 1985, there is considerable debate as to whether these norms still hold in Ontario politics. Some argue that the Common Sense Revolution represented a major and permanent shift in the province’s political culture; others contend that the success of the McGuinty government, particularly in the 2007 election, indicated that the progressive conservative norms still hold.

Economic Conditions and Structure

Ontario experienced a “long boom” from the mid-1940s to the early 1970s. Following the end of the Second World War, a combination of forces, many

Figure 1.5

Annual percent change in Ontario GDP, 1962-2008



Source: CANSIM Table 3840002 – gross domestic product (GDP), expenditure-based, provincial economic accounts, annually (dollars) series V1585724 Ontario; chained (2002) dollars; gross domestic product (GDP) (January 1, 1981, to January 1, 2008; Data: 28) and V.

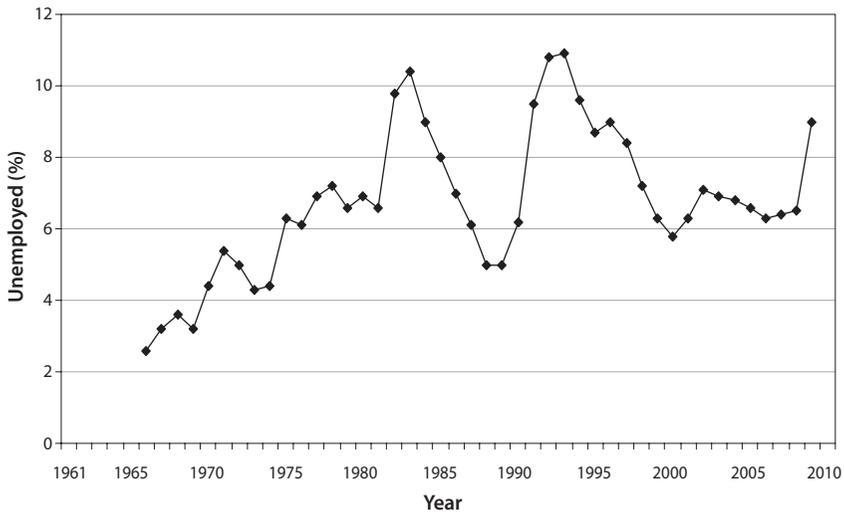
external to Canada and some internal, triggered the longest sustained period of economic expansion the country had ever experienced. Despite a few ups and downs, notably in the late 1950s, from the middle of the 1940s to the early 1970s the overriding strength of the economy continually pushed up incomes and accommodated a rapidly growing labour force.⁴⁶ This long boom coincided with rapid population growth and a shift of the population from rural communities to urban centres.⁴⁷

As shown in Figures 1.5 and 1.6, tracking the annual changes in provincial gross domestic product and unemployment levels, the province's economic situation has been far less stable since the mid-1970s.⁴⁸

In part reflecting the global impact of rising energy prices,⁴⁹ the postwar rate of GDP growth began to level off in 1974, approaching zero in 1975 as the first Davis government reached the end of its mandate. The unemployment rate rose above 6 percent at the same time. A modest recovery took place in the late 1970s, but the province was soon falling toward the “Great Recession” of 1982.⁵⁰

By 1983, another recovery was underway, leading into what has been called the “little boom” of 1985-89. That boom was followed by a major downturn in 1990 and 1991, described in some quarters as the worst recession since the 1930s.⁵¹ A very modest recovery began in 1992 and 1993,

Figure 1.6

Ontario unemployment rate, 1966-2009

Source: Canada, Statistics Canada, *Canadian Economic Observer: Historical Statistical Supplement, 2009/2010*. Catalogue no. 11-210-XWE, August 12, 2010.

followed by a long period of economic expansion from 1995 onward,⁵² driven in large part by a flourishing economy in the United States. The economy slowed again between 2001 and 2003, the result of the decline of the high-tech sector and the 9/11 terrorist attacks.⁵³

The recovery that followed continued until the global financial crisis of 2008. The impacts of that crisis on Ontario were severe. The province's economy lost nearly 250,000 jobs between the fall of 2008 and spring of 2009, and the province was left projecting a deficit of \$19.17 billion in its 2010 budget.⁵⁴

Structural Changes Over Time

Ontario's economy has undergone substantial structural changes over time. In the south over the twentieth century, a large and relatively diversified manufacturing base emerged along the shores of the southern Great Lakes, displacing agriculture as the dominant economic activity. A major chemicals and petrochemicals sector was established in the southwest, along with a steel sector focused in Hamilton, and branch-plant manufacturing facilities throughout the region, including a major automobile parts and assembly sector.⁵⁵

Over the past three decades, employment in the primary resource sectors, particularly forestry and metal mining, has declined significantly. Full-time

employment in forestry, for example, fell by nearly 40 percent between 1976 and 2006; full-time employment in mining fell nearly 45 percent between 1986 and 2006.⁵⁶ The changes at individual facilities are even more striking, with employment at the International Nickel Company (Inco – now Vale Inco) in Sudbury falling from over 17,000 in the late 1960s to just over 3,000 in 2010.⁵⁷ Although total employment in manufacturing has remained relatively stable since the mid-1970s, the sector's relative contribution to employment has fallen substantially and become more unstable.⁵⁸ Major facilities, like the Stelco steel mill in Hamilton, which once employed 25,000, have shut down completely.⁵⁹ Similar outcomes have occurred in agriculture, with total average employment in the sector remaining stable (subject to wide variations from year to year) but its relative contribution to total employment declining.⁶⁰ Transportation equipment dominates the remaining manufacturing activities in southern Ontario.⁶¹

Growth in employment has been concentrated in the business and personnel services sectors, and the gains there have more than made up for the losses in the manufacturing and resource sectors.⁶² The expansion of the service sector has been an important factor in the province's avoidance of the rust belt fate of economic and population decline of many of the neighbouring states on the US side of the Great Lakes.⁶³ Services now account for 79 percent of Ontario's total employment and 70 percent of GDP.⁶⁴ The growth in service sector employment has been overwhelmingly concentrated in the Greater Golden Horseshoe and Ottawa regions, creating an increasing bifurcation between these regions, which have seen continued employment and population growth, and the rest of the province, where population and employment have generally been in decline.⁶⁵

The Ontario governments that have held office since 1985 have struggled with the impact of these structural economic changes and their implications for economic strategy. The Peterson government began to talk about the management of the transition to an information-based economy but was uncertain of what part the province should play in the process. The NDP government had a sense of the need to define the province's role more clearly and engaged in the most serious effort seen in the province to reconceptualize the relationship between economic success and environmental protection away from a zero-sum proposition, but it was unable to move effectively to implementation.⁶⁶

The Harris government, by contrast, consistent with its neo-liberal ideology, seemed to reject the idea that government might play a useful instrumental role in the economy, with the result that its primary economic strategy was a combination of tax cuts and the removal of government red tape.⁶⁷ The McGuinty government envisioned much more active roles for itself in economic strategy but has struggled between efforts to develop a

post-industrial creative service and knowledge-based economy, and support for traditional sectors, particularly automobile manufacturing, forestry, and mining.

Outline of the Book

The structure of the book is essentially historical, as it follows the evolution of environmental policy and institutions and the underlying normative context of environmental policy in Ontario. The chapters are structured around the lives of the province's successive governments and begin and end with provincial elections, which often prove to be watershed moments in the evolution of the province's environmental policies.

Chapter 2 covers the process of institutional and legislative formation with respect to the environment in Ontario. The story begins with the establishment of municipal responsibilities for public health in the 1880s and then the increasing assumption of responsibility by the province for the regulation of water quality and use, air pollution, and waste management through the Frost and Robarts governments of the 1950s, 1960s, and early 1970s. The process culminates in the creation of the Ministry of the Environment and adoption of the Environmental Protection, Ontario Water Resources, and Environmental Assessment Acts during the first Davis government, completing the legislative and institutional framework for environmental protection in Ontario that essentially remains in place to the present day. The implementation of that framework, once established, becomes a complex and highly contested matter throughout the remainder of the Davis period. The result is a long period of almost painfully incremental progress and, from time to time, retrenchment.

Chapter 3 examines the environmental dimension of Ontario's "quiet revolution" with the relative activism of the 1985-90 Liberal Peterson minority and then majority governments. The period is marked by the first serious efforts to consider the implications of structural economic change and the concept of sustainable development for the province, but also by increasing conflict with industrial and municipal interests and within the government over the extent of its environmental initiatives.

Chapter 4 considers the role of the Rae NDP government. That government would be marked by numerous environmental initiatives, including the adoption of an Environmental Bill of Rights. However, efforts to implement the recommendations reflecting the sustainable development concept flowing from the Ontario Round Table on Environment and Economy and the government's own Fair Tax Commission would flounder in the face of the economic and political challenges faced by the Rae administration.

Chapter 5 looks at the neo-liberal Common Sense Revolution of the first Harris government. Consistent with the Common Sense Revolution's focus

on minimization of role of the state, this is a period of major regulatory and institutional retrenchment, with the environmental protection functions of the Ontario government being singled out for special attention.

Chapter 6 focuses on the second Harris government, which followed the 1999 election, and the government of Harris's successor, Ernie Eves. Although expected to be a continuation of key themes of the Common Sense Revolution, the period would emerge as a crucial transitional phase in Ontario environmental policy. The May 2000 Walkerton drinking water-contamination disaster brought an end of the environmental dimension of the Common Sense Revolution and marked the beginnings of a return to incremental activism on environmental issues.

Chapter 7 examines the approach of the McGuinty Liberal government that came to office in October 2003, in part on the basis of a platform that proposed a major re-engagement with environmental issues. The government would launch a series of initiatives related to land use, energy, climate change, drinking water protection, and climate change, but its record would also be marked by some profound contradictions on environmental matters.

Chapter 8 provides overall conclusions. The interplay between the variables of levels of public concern for the environment, the successive modern provincial governments' conceptions of their own roles, and changing economic conditions are assessed. Reflections on the potential future evolution of the relationship between the province's economy, environment, and politics are provided as well.

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