



Two Countries, One Region

Free trade and globalization are driving the demand for north-south trade routes

Atlantica: the International Northeast Economic Region (AINER) is defined chiefly by geography, economic trends and trade patterns; common problems and experiences; and politics. Much of this wedge of territory has been outside the charmed circle of North American prosperity for years.

The reasons are buried deep in our history. Especially after the Americans rejected Reciprocity and Confederation was born, the continent was divided into two national projects. Each sought to open up its half of the continent on an east-west axis. Each had a funnel on the East Coast that caught the energies of Europe and channelled them toward the conquest of the continent.

Montreal, the second most important commercial city of the British Empire, was Canada's point of contact. The urban Eastern Seaboard, from Boston through New York, Philadelphia and Washington, was the American equivalent. In a world of two half-continental enterprises organized on an east-west axis, Atlantica is the reef around which the movements of people, capital and innovation surged, one heading south, the other north.

Confederation in 1867 added a layer of politics to the Canadian picture. Maritimers and Newfoundlanders were intrepid traders who had built their own trade links around the region and the world, reaching out to the Boston states, the Caribbean and Europe. But the new

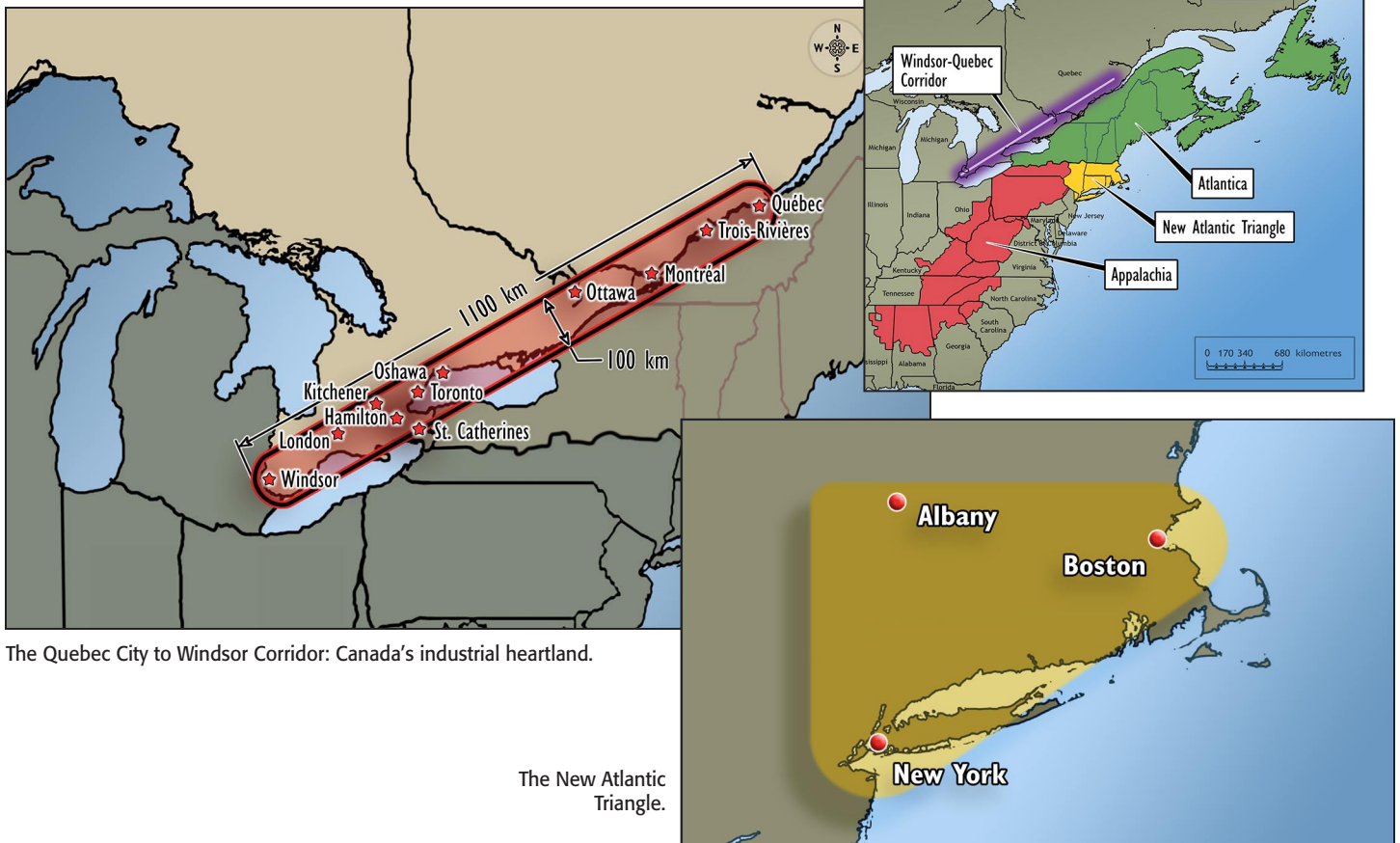
Atlantica has not been able to leverage its strategic advantage into the kind of strong growth and sustained prosperity that characterize other regions on Atlantica's borders. The New Atlantic Triangle and the Quebec City to Windsor Corridor are striking examples

nation, with its policy of favouring Central Canada through high tariff barriers, in the words of one historian pushed the Maritimes 1,000 miles further out to sea and away from its natural markets.

Politics added insult to injury. The cumulative effects of more than a century of policies favouring the population centres of Quebec and Ontario has been crumbling infrastructure and federal policies that more resemble the management of genteel decline for the Atlantic Canadian provinces than a recipe for economic dynamism. Various forms of massive transfers to provincial governments, industries and individuals have all masked the need for substantial economic change and adjustment.

Likewise, the northern New England states, failing to recognize their common interests, also failed to act as a coherent region politically. That meant that larger population centres and regions with more political weight (whether nearby metropolises such as Boston and New York City, or more distant but self-aware regions such as the South) were more successful in creating economies with complex infrastructure and competitive strengths in the global economy. In other words, a local culture of independence, autonomy and "going it alone" stymied the emergence of common economies that, in turn, foster regional consciousness and regional political power. As a result, when these states seek federal intervention and support for their development, they are frequently bested by states that act as regions. The decline of the US part of AINER may be more recent than that of, for instance, Atlantic Canada, but the decline itself in recent decades has

Right: The New Atlantic Triangle and the Quebec City to Windsor Corridor, in the context of Atlantica.

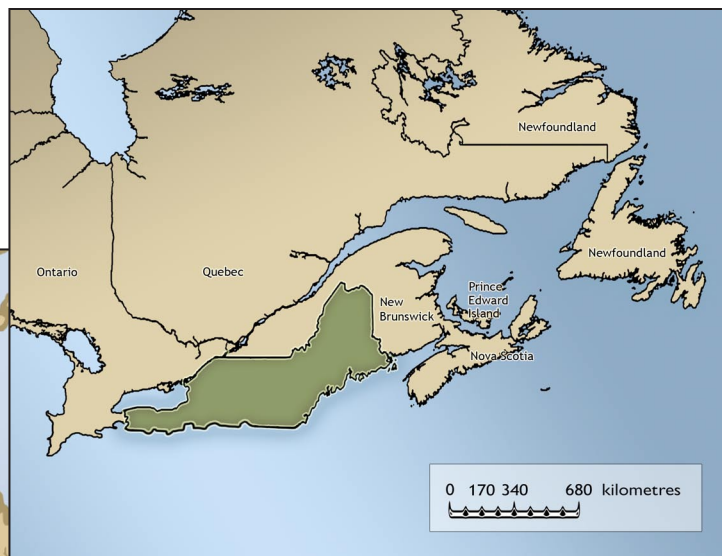


The Quebec City to Windsor Corridor: Canada's industrial heartland.

The New Atlantic Triangle.



Maine is surrounded on three sides by Canada.



The entire northeastern United States is a peninsula between Canada and the sea.

become unmistakable.

But continental free trade and globalization could put an end to the isolation of Atlantica. The east-west axis for development of North America is being supplemented by a drive to stitch back together the old north-south trade routes that had flourished across the continent before 1867.

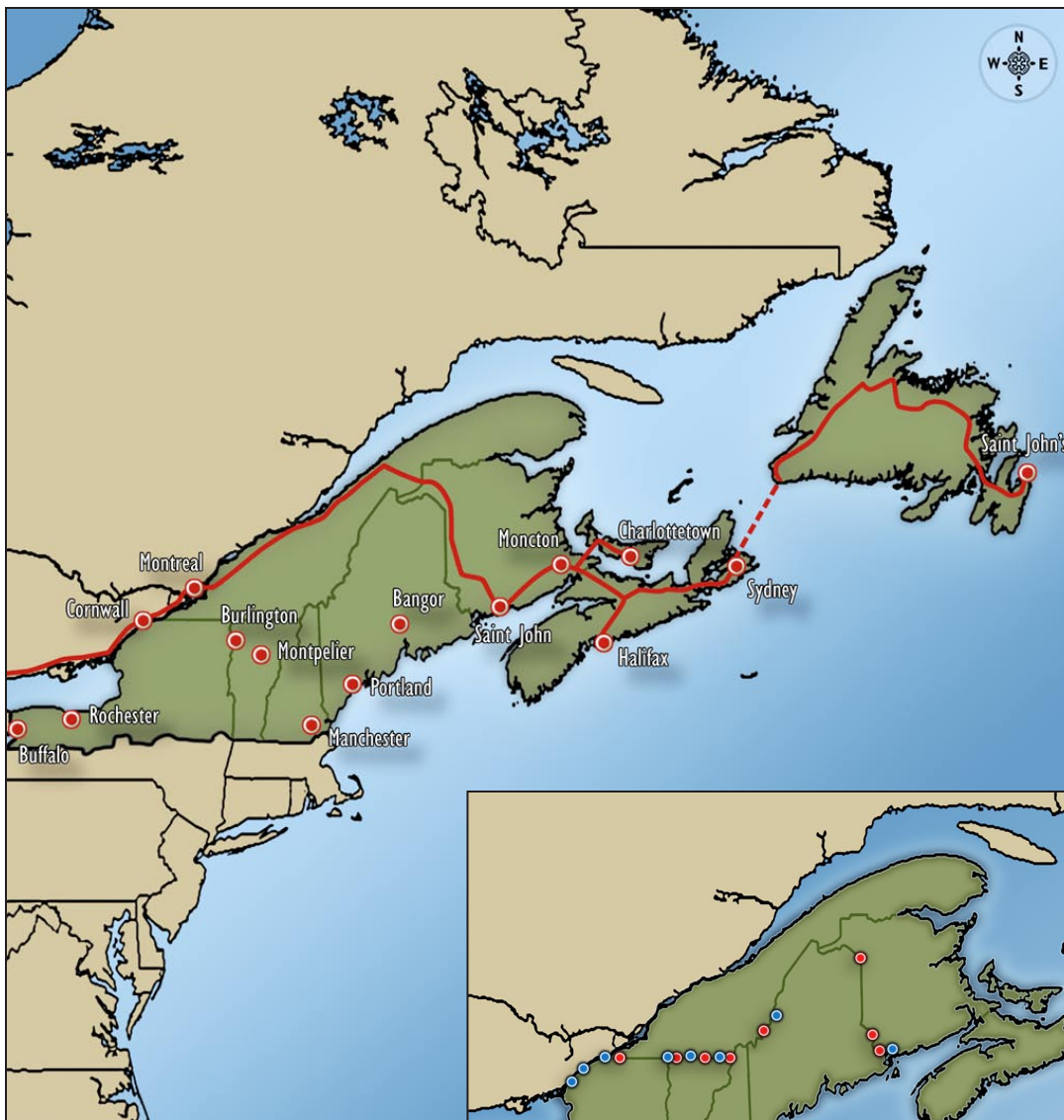
Geography

Geography has placed Atlantica near the centre of the two largest trading relationships in the world; hence its deserved title of the International Northeast. The Canada-US trade relationship is the largest in the world at \$2-billion per day. Trade between North America and the European Union is 40% of total world trade. The Port of Halifax is a day's sailing time closer to Europe than the other major east coast ports, which shaves transportation time to North American heartland destinations such as Detroit, Chicago and Memphis. In addition to the existing European trade routes, as shipping technology evolves and ships become too large to pass through the Panama Canal, the so-called Suez Express shipping route is bringing ocean shipping from the dynamic Southeast Asian region directly to North America's east

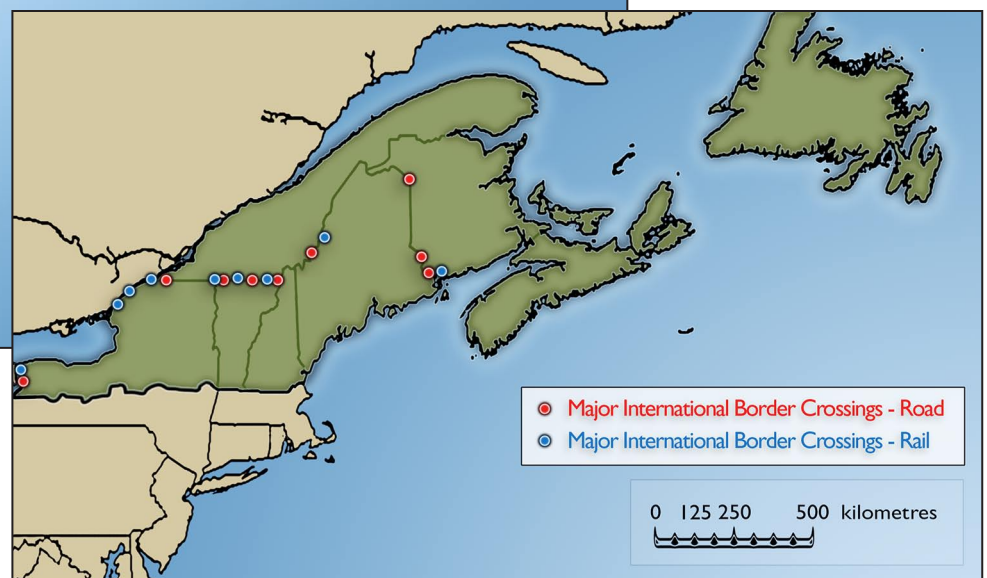
coast by the same shipping lanes that reach Atlantica before any other region of North America.

But Atlantica has not been able to leverage that strategic advantage into the kind of strong growth and sustained prosperity that characterize other regions on Atlantica's borders. The New Atlantic Triangle (stretching between Boston, New York City and Albany), and the Quebec City to Windsor Corridor, are striking examples.

It is almost certain that the international border running through the heart of Atlantica plays a major role in explaining this. From a geographical point of view, the border in this region is unlike that in any other part of North America. Maine, for example, is the only state in the "lower 48" to share more border with another country than with neighbouring states; Maine is virtually a peninsula surrounded on three sides, not by water, but by Canada. The whole US part of Atlantica is also a peninsula surrounded by Canada and the Atlantic Ocean. From the Canadian point of view, Atlantic Canada is separated from its main Canadian population centres and markets by US territory, forcing goods and people moving by land to make a long and inefficient trek around Maine and down the St. Lawrence Valley. No other part of North America faces this kind of disruptive interaction between geography and borders.



The existing transportation route from Halifax and St. John's to North America's industrial heartland is a long and inefficient trek that bypasses much of Atlantica.



Border crossings

There are 23 US/Canada truck border crossings within the Atlantica region, including 11 major truck gateways and seven major rail gateways for United States/Canada trade. More than five million heavy trucks crossed the United States/Canada border on the region's 11 major truck freight gateways in 2000, accounting for more than 43% of the total truck crossings at the major US/Canada ports of entry nationwide. Though truck is the dominant mode of transportation for US/Canadian trade, rail movements also account for a modest percentage of the cross border traffic. In 1995, more than 327,000 freight railcars traversed these border crossings. Cross-border truck traffic is where the action is, however, particularly since the advent of NAFTA in the mid-1990s. Trucking is the lifeblood of the NAFTA relationship. At the Calais/St. Stephen area border crossing connecting Maine and New Brunswick, for example, truck traffic has doubled in the past 10 years.

Based on the objective factors that usually justify the construction of new interstate highways (such as the potential economic spin-off), there is almost no other route that could generate as many potential benefits as a highway cutting east-west across Atlantica



Above: The US Congress has designated corridors that are a high priority for receiving funding for improvements. Most run north-south, not east-west, and none crosses Atlantica.



The North American Superhighway project typifies how the continent's three countries are being stitched together.

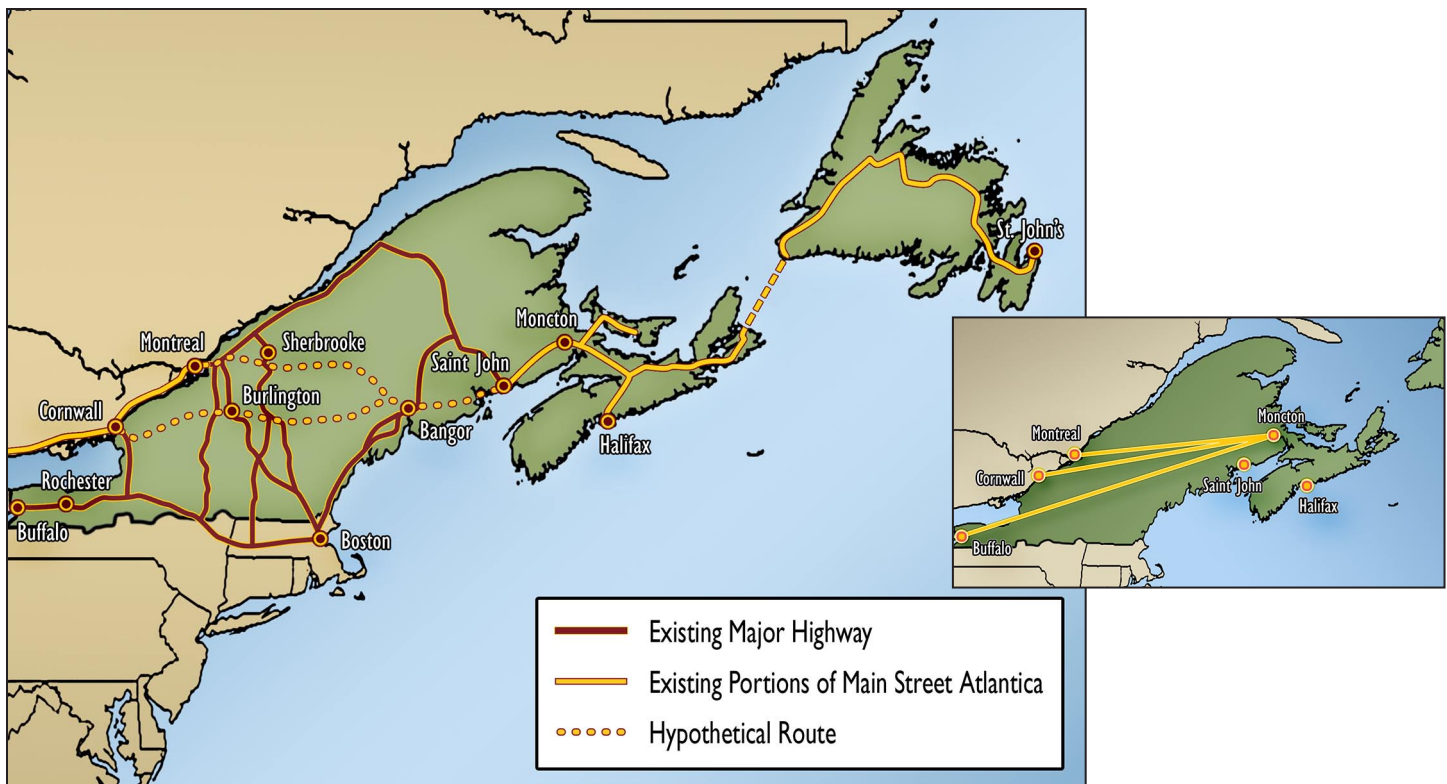
This might not have mattered too much when Canada and the US were not seeking to integrate their economies to realize trade benefits and economic efficiencies, and each country was organized chiefly to develop its western frontier. But these facts of geography matter hugely in an era of continental integration. To take just one example, a container bound for Chicago via Halifax and travelling the geographically shortest distance would have to go through border formalities four

times: once at Halifax; once at the Maine-New Brunswick border; once at the Canada-US border in either Quebec or Ontario; and once at the US-Canada border with Michigan. A container entering at New York would only pass formalities once, and at Montreal, twice (see page 16).

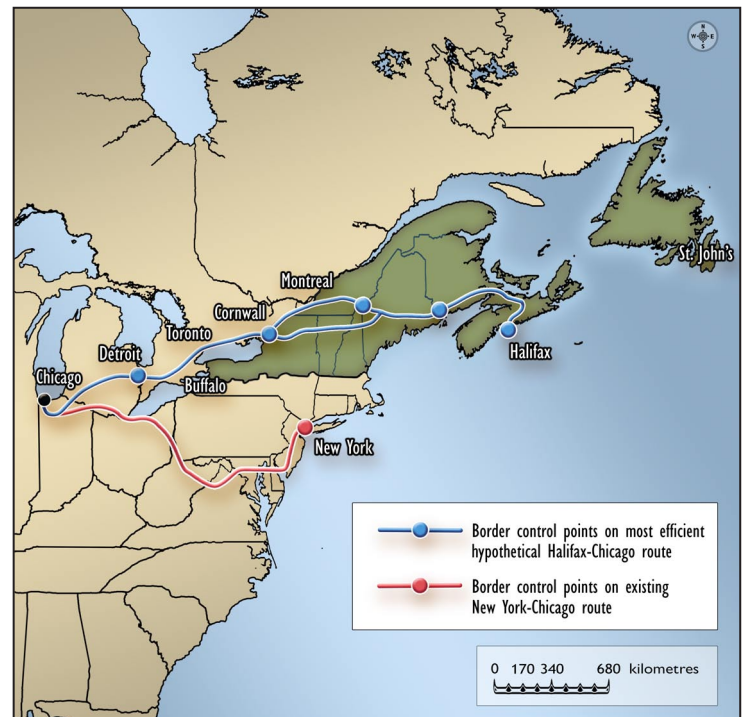
These geographical peculiarities may go some considerable distance in explaining the inadequacy of transport and other forms of infrastructure in Atlantica, as well as the poor levels of economic growth and high levels of economic distress.

A wonderful illustration of these ideas is to be found in the map of high-priority highway corridors as designated by the US Congress. Looking at this map, one is immediately struck by two features. One is the predominance of north-south high-priority corridors. The dominant theme of this map is the realization of an integrated North American transport infrastructure, supplying the north-south connections that lacked under the previous regimes concerned solely with national (largely east-west) transportation systems.

The other feature that leaps off the page for residents of Atlantica is that the US northeast is virtually the only part of the country with no designated high-priority corridors. Yet based on the objective factors that usually justify the construction of new interstate highways (such as the potential economic spin-off), there is almost no other route that could generate as many potential benefits as a highway cut-



Main Street Atlantica: given the geographically shortest distance (inset above) to key transportation points from the Halifax-Moncton corridor, a new highway might look something like this (above). How the border disrupts Atlantica (right): getting a container to Chicago



ting east-west across Atlantica.

Consider that economic development is most often generated at the intersection of interstates. An interstate crossing the American portion of Atlantica on an east-west axis would likely intersect the following US interstates: 95, 93, 91, 89, 87, and 81, while also connecting with the Trans-Canada Highway at several points. By some estimates, this is the longest series of north-south interstates not connected by an east-west corridor east of the

Mississippi. One notional route for such a highway, Main Street Atlantica, includes a branch to Montreal through the Eastern Townships of Quebec.

Because of the peculiar interaction between the border and geography in Atlantica, the International Northeast is virtually the only US-Canada border region where the infrastructure needed to knit together the Canadian and American economies runs east-west rather than north-south.



The Atlantica Rail System: weight restrictions and too many competing carriers often make rail an unappealing way to get cargo to major destinations such as the eastern seaboard.

Economic trends and trade patterns

Trends other than evolving international trade patterns and how they could affect the future of Atlantica are just as important. For example, as we move ever deeper into the service-based economy and just-in-time industrial processes, the density of quick and efficient transport infrastructure becomes a vital competitive issue. According to the US department of transportation, truck traffic in North America will double over the next 16 years or so, reflecting these trends.

This will be an important development for much of Atlantica if it means increased volume of truck traffic within the region. For example, a traditional obstacle to the competitiveness of northern New England manufacturers was that the trucks that came to pick up their goods to take them to market had to travel there empty, because there was insufficient local demand for incoming goods. This practice (known as deadheading) meant exporters from the region had to pay for the trucks to travel in both directions. By some estimates, 40% to

50% of the trucks on Maine highways, for example, are travelling empty. This is a common problem throughout much of the region. Assuming that the challenges of efficient infrastructure can be met, a more effective integration of Atlantica within the North American economy would increase the flow of inbound and outbound truck traffic.

It isn't simply a question of trucks and highways. Every mode of transport matters. Air transport within Atlantica between its major centres is minimal to non-existent, especially across the international boundary. Because of longstanding under-investment in rails and rail beds, the maximum weight of a load allowed on most New England railways, such as the Montreal, Maine and Atlantic (formerly the Bangor and Aroostook) railway in Maine, is 263,000 pounds. And some regional railways have even greater weight restrictions due to certain bridge structures. The maximum on most mainline services elsewhere on the continent is 275,000 pounds.

None of the railroads in Maine, and very few of the railroads in New England, are Class 1 carriers (single mainline operators). They

are regional or shortline railroads. As such, their profit margins are not sufficient, for example, for capital track improvements that will allow heavier weights to move over their lines.

Similarly, the chances of a shipper using a rival service diminishes as the number of railways that must be used to reach a destination increases. It is far easier to deal with a Class 1 operator who can take your cargo to its destination without having to hand it off to another rail carrier. But rail systems throughout New England are fragmented and inefficient. A container moving from Halifax or Saint John to Boston or New York City may involve as many as four or five rail carriers. Splitting car revenues among that many carriers makes competitive rate quotes a challenge and timely service an even greater challenge.

All these factors impose major transport inefficiencies as cargoes that would normally be destined for rail travel are diverted to truck or are not shipped through the Atlantica region at all. Rail shipments on the Canadian side that would find their most efficient route through Maine are instead diverted along the all-Canadian corridor around Maine. Rail service to Chicago from the Port of Halifax is far more attractive and efficient than to, say, Boston, Albany, Philadelphia, or New York. Transport constraints also prevent full use of the capacity of other important regional ports such as Saint John, New Brunswick, and Portland, Me.

In the 21st century, infrastructure may well more than ever be destiny. While infrastructure has always mattered, the transition to a service-based economy is creating an economy that is more transportation-sensitive than any that preceded it. Areas that are remote and inaccessible or add costs that need not be endured in other regions will see economic opportunities leak away to better endowed regions.

Realizing this, the US federal government, under pressure from a broad range of congressional representatives across the US half of Atlantica, has agreed to fund a major study of the adequacy of the transport infrastructure reaching from Halifax right through to northern New York state. Designed to look at every mode of transport (rail, air, road, sea), the US initiative is still seeking Canadian commitment and participation like that already given to the effort to expand transport infrastructure in the southwestern Ontario-Michigan border area.

Traditional boundaries yielding to economic logic

The old 18th and 19th century boundaries that define states and provinces in North America no longer reflect, in many cases, the high degrees of economic integration and business co-operation that characterize the continent's key economic regions. New forms of overarching political co-operation are having to be found to ensure that goods, services and people can flow easily and efficiently to the places where the most value can be added to them. Those multi-jurisdictional regions that have achieved these levels of co-operation

Atlantic Canada's Atlantica Champions: I



Dianne Kelderman

"People in Atlantic Canada and the northeastern US are bound together by natural economic ties and divided by a border that stretches through this bi-national region. The border, from the largest perspective, is not merely about the movement of goods and services and people through customs and immigration. It is about infrastructure like roads and railways and airports and pipelines and power grids. It is about institutions like banks and universities and hospitals and businesses finding ways to leverage each other's strengths.

"Likewise, this border has to be about influencing policymakers in Washington, Ottawa, the state and provincial capitals to take all of the necessary steps to keep our border as open as it can possibly be, and commerce flowing as freely as it can be. Economic co-operation and convergence must become easier, not harder.

"No other single sector or community can take on this historic and important leadership. The opportunity and responsibility for this one lies solely with the business community. The business community of Atlantic Canada is up for this challenge. We accept it, we will conquer it, and we challenge you to do the same."

Dianne Kelderman is president of the Atlantic Provinces Chambers of Commerce.

Atlantic Canada's Atlantica Champions: II



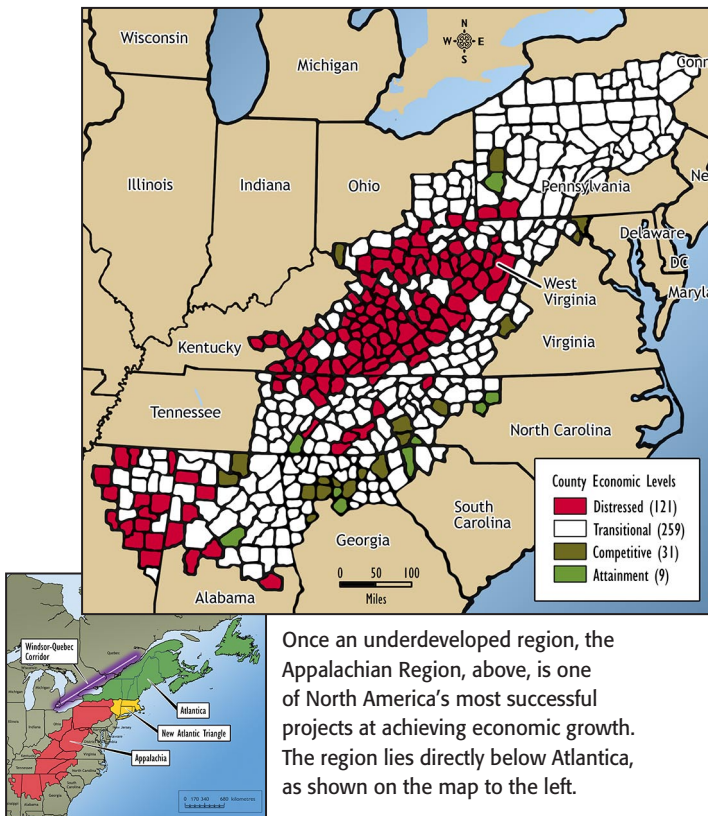
**Neville
Gilfoy**

“For more than 40 years, the population of Atlantic Canada has not grown, while the Canadian population has grown from 21 million to 30 million. As a proportion of Canada, we have shrunk by nearly 3%. One way to help fix this problem is to expand our domestic marketplace.

“We can pursue the concept of Atlantica by bringing together Atlantic Canada; Maine, New Hampshire, Vermont, and upper state New York; as well as southeastern Quebec. All three areas have been left out of the North American growth strategy, but together we could effect our own unique prosperity plan.

“Business in Quebec would help the rest of us access that province and French-speaking countries around the world. Business in the US northeast would help us access not only their markets but also the rest of the states. Globally, we would become the cross-roads for trades between NAFTA and the European Union, an attractive proposition and one that would help grow prosperity.”

Neville Gilfoy is president of Progress Communications Corp., an Atlantic magazine and marketing company.



and efficiency will enjoy a significant competitive advantage in the continental and global economies of the future.

Examples abound. The electricity market that has been created in the so-called PJM region (embracing Pennsylvania, New Jersey, Maryland and other neighbouring states) is the envy of the continent and has delivered competitively priced electricity efficiently by pooling the generation, transmission and administration of the electricity market across several states. The Atlantica region could benefit from such a regional electricity market, as documented in a 2003 paper for AIMS (“The Atlantica Power Market: A plan for joint action,” by Gordon L. Weil).

The Appalachian Regional Commission has been one of the continent's most successful projects at achieving economic growth in an underdeveloped region, and has done so by abstracting from formal political boundaries such as states and defining the region by objective characteristics of underdevelopment—factors such as outmigration, unemployment and low incomes. By seeking the common causes of the whole region's underdevelopment, rather than dealing with pieces of the problem that fall by accident of history and ge-

ography within this state or that, the Appalachian Regional Commission has developed a coherent approach to regional development.

In this era of continental integration, several regions have developed plans of breathtaking scope for regional transportation coherence and efficiency. While it may be only one state, its size makes Texas in effect a North American region of significant weight and power, and its transport development plans set the bar for transport infrastructure in the 21st century. The Trans Texas Corridor, a state-wide network designed to be up to 1,200 feet wide, includes elements such as six passenger vehicle lanes, four 13-foot-wide truck lanes, six rail lines with high-speed lines for passengers and freight, and a 200-foot-wide dedicated utility zone.

The relevance of Texas, of course, is that while it may be only a state, by virtue of its size it is simultaneously a state and a region. In the context of AINER, it is worth remembering that Texas could comfortably accommodate all of Atlantic Canada, New England, New York, New Jersey, and Pennsylvania and still have room left over. The jurisdictions of AINER have nothing that even remotely resemble the region-sized Texas plan.

The North American Superhighway from Winnipeg to Mexico City and the Continental 1 Corridor stretching from Toronto to Miami are other examples of the growing momentum behind building regional coherence across traditional political boundaries. Similarly, the Cascadia/PNWER region on North America's west coast has been a leader in prompting bi-national thinking on regional issues. The goal of the Cascadia Project, for instance, is to develop a transportation system between Washington, Oregon and British Columbia, with work being focused along I-5 and the parallel Northwest Rail Corridor as far south as the Oregon-California border and as far north as Vancouver, BC.

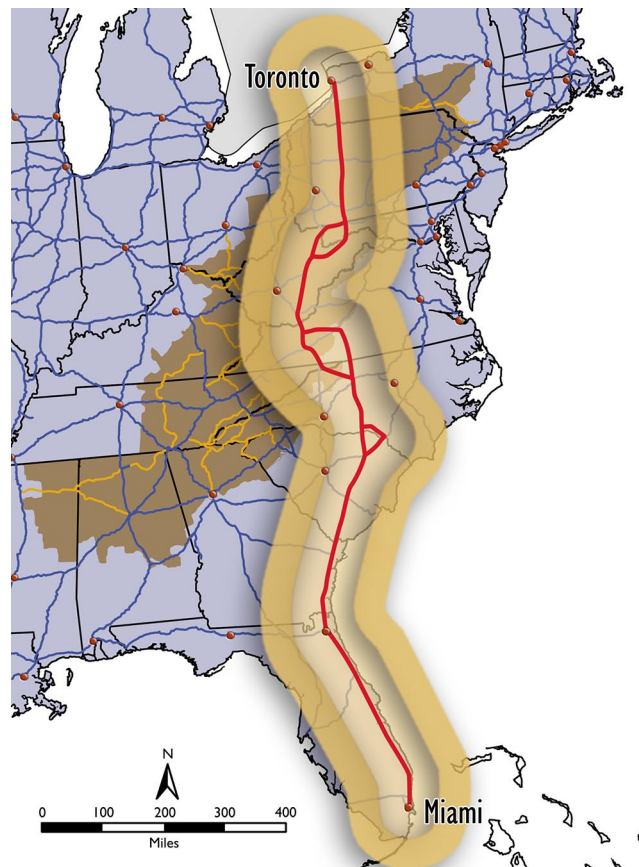
A regional coherence inventory

In Atlantica: the International Northeast Economic Region, some forms of cross-border integration and coherence already exist, but because of the region's political history, these examples are more easily found in the private than the

Continued on page 22



Cascadia (above) and the Continental 1 Corridor (below) are two examples of the growing momentum behind building regional coherence across traditional political boundaries.



Other Border Initiatives

Atlantica is one of several crossborder partnerships and projects

Cascadia Project – initiative to develop a balanced, seamless, and expanded transportation system between Washington, Oregon, and BC through public-private partnerships and innovative financing. Efforts have been focused on I-5 and the parallel Northwest Rail Corridor as far south as the Oregon/California border, and as far north as Vancouver, BC.

Pacific NorthWest Economic Region – statutory, public/private partnership of legislators, governments, and businesses in the northwest states of Alaska, Idaho, Montana, Oregon, and Washington, and the Western Canadian provinces of BC, Alberta and the Yukon Territory. PNWER has designated nine sectors of business and industry that are strong within the regional jurisdiction and has developed proactive working groups for each sector.

Continental 1 Corridor – an alliance of business, community, and government leaders from Canada and the US dedicated to developing an international trade and travel corridor between Toronto, Ont., and Miami, Fla. It will extend 1,500 miles and serve a marketplace that includes the inland geographic area from the

Mississippi River to the eastern seaboard. Crossing the lines of two major US rail carrier and 14 east-west arterial interstate highway systems, it will provide inland access to all major east coast air and marine ports.

NASCO, North America's Superhighway Coalition Inc. – a not-for-profit corporation founded in 1997 that advocates for the international trade corridor that includes US highways I-35, I-29 and I-80/I-94, and highway 75 in Canada. Members come from Texas, Oklahoma, Kansas, Missouri, Iowa, South Dakota, and Manitoba and are working on corridor-related technology and infrastructure improvements.

Ontario-Michigan Border Transportation Partnership – brings together the US Federal Highway Administration, Transport Canada, the Ontario Ministry of Transportation, and the Michigan Department of Transportation. Focused on developing a long-term strategy to meet the needs of the transportation networking serving the border between southeastern Michigan and southwestern Ontario.

Quebec Border Security Initiative – a homeland security research program being run in collaboration with the Center for Strategic and International Studies in Washington. The objective is to raise the awareness of US policymakers that Quebec is integral to the US' homeland security.

Quebec-Maine Partnership – in February of 2004, Quebec Premier Jean Charest and Maine Governor John Baldacci signed a bilateral security agreement that will foster information exchange between Quebec's Department of Public Security and Maine's Department of Public Safety. Governor Baldacci calls the new partnership one of the key elements of the Northeast Atlantic Region initiative.

Quebec-Vermont Partnership – Vermont Governor James Douglas and Quebec Premier Jean Charest signed three bilateral co-operation agreements in December of 2003. The agreements cover economic co-operation and tourism, transportation, security, environment, energy, and education. •

Linking Events, Associations

• The **Western Premiers' Conference** brings together Canadian premiers from BC, Alberta, Saskatchewan, Manitoba, Yukon, Nunavut, and the Northwest Territories and representatives from the **Western Governors' Association**. That group includes governors from Alaska, American Samoa, Arizona, California, Colorado, Guam, Hawaii, Idaho,

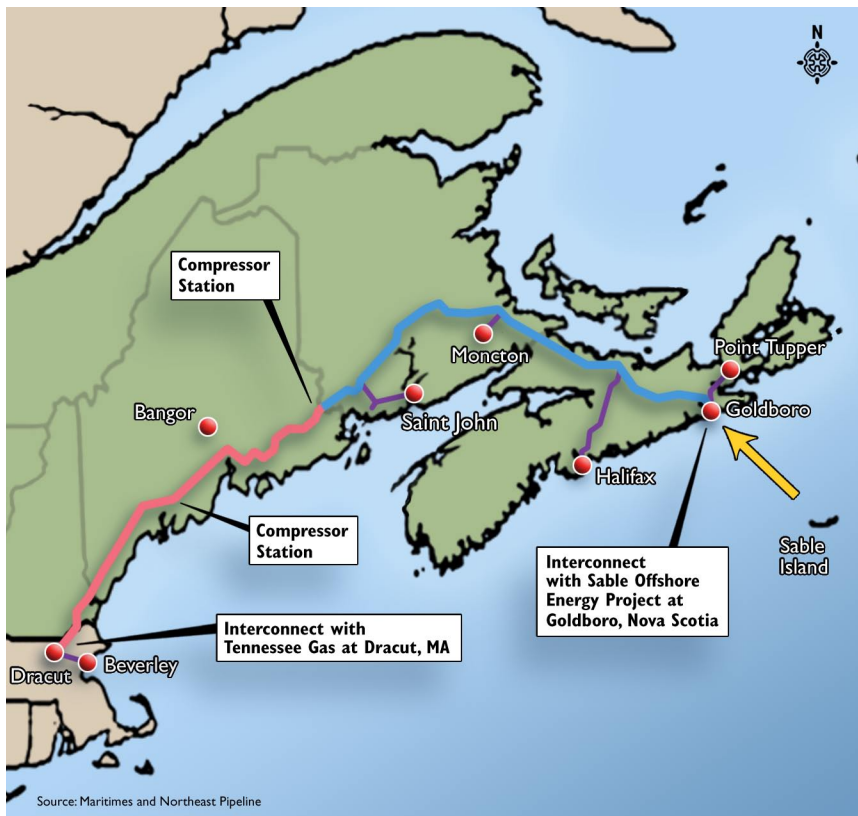
Kansas, Montana, Nebraska, Nevada, New Mexico, South Dakota, North Dakota, Oregon, Northern Mariana Islands, Texas, Utah, Washington, and Wyoming.

• **Eastern Canada Premiers' Council** has an annual conference with the **New England Governors' Conference**.

• **Council of Great Lakes Governors** invites Ontario and Quebec premiers to work on such concerns as Great Lakes water management and diversion, electricity grid re-

liability, garbage shipments, and the cross-border infrastructure.

• **Council of State Governments** researches economic, energy, agricultural, and environmental issues from such regional offices as the **Midwestern Legislative Council**, with which Ontario and Saskatchewan are affiliated. Alberta and BC are associated with the **Council of State Governments West**. Nova Scotia, NB and Quebec are affiliated with the **Eastern Regional Conference**.



The pipeline route from Nova Scotia's Sable Island, descending into the US portion of Atlantica.

Continued from page 20

public sector. If one did an inventory of the region's significant infrastructure, for example, few more important cross-border examples could be found than the Irving Oil refinery, a 250,000-barrel-per-day facility.

One of the larger refineries in North America, the Saint John facility is also (along with the Come-by-Chance refinery in Newfoundland) one of only two major refineries in Canada to export the majority of its production. Those exports fuel a growing market for gasoline, heating oil and other petroleum products in the US half of Atlantica, in addition to major market penetration in Quebec and Atlantic Canada.

Saint John, which includes significant (and expandable) storage capacity and a shipping terminal for petroleum projects, is also touted as a site with major potential for a liquefied natural gas terminal serving New England, thanks to its proximity to the Maritimes and Northeast natural gas pipeline. This pipeline is another major piece of Atlantica infrastructure.

The Atlantica region represents a small but still very significant part of the electricity production and transmission grid in northeastern North America. Poor interconnections, especially at the international border, represent a good example of how regional coherence has been damaged by the disruptive effects of the boundary. Yet there are emerging efforts to overcome these difficulties. For instance, Emera, the holding company of Nova Scotia Power (a former Crown corporation and now a privatized and publicly listed company), has purchased Bangor Hydro in northern Maine and has announced plans to expand cross-border transmission facilities. At present there is one transmission tie line from the Maritimes into New England (Keswick to Orrington). That tie line can export a maximum of 700 MW. It can import a maximum of 100 MW. The proposed second tie line would increase ex-

The Saint John facility is one of only two major Canadian refineries to export the majority of its production, and those exports go to the US half of Atlantica, Quebec and Atlantic Canada

port capability to 1,000 MW and imports to 400 MW. Interestingly, northern Maine is tied into the Canadian power grid but not into the US grid. In electricity terms, a large piece of Maine is actually part of Canada.

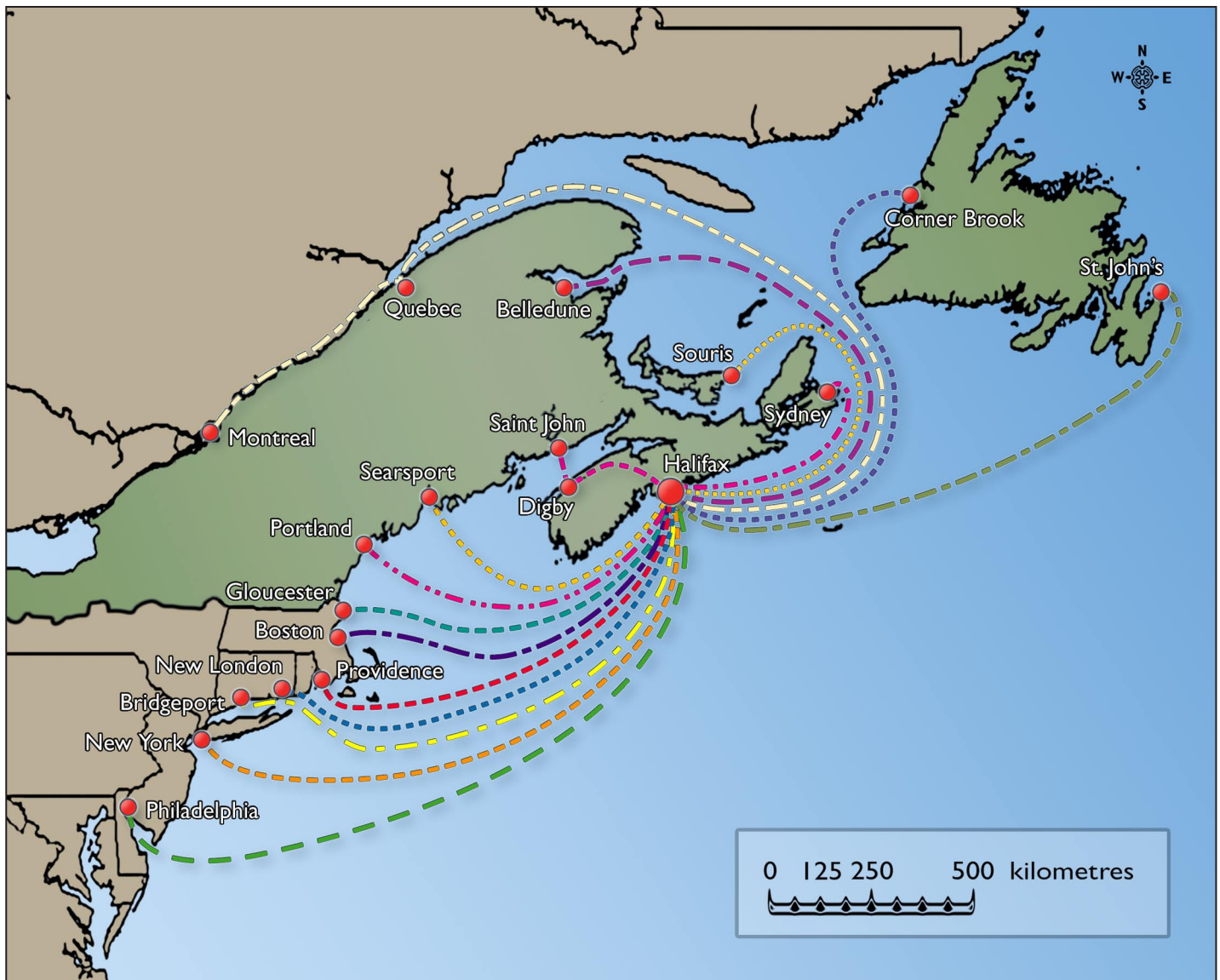
McCain Foods, a huge multinational conglomerate, operates highly integrated food processing and manufacturing facilities and a supply chain that crosses the border frequently. That makes it a regional business powerhouse but also subjects it to very high business risks because, for example, of the perishability of the commodities it deals with and the unpredictable nature of border delays.

Then there is the Port of Halifax. It's one of the great seaports on the Eastern Seaboard, and as shipping technology moves progressively to post-Panamax shipping, Halifax can grow enormously in importance as one of the very few ports able to accommodate these behemoths without dredging. Their chief competitor, New York, is already choking under great traffic volumes and a congested rail network for distribution, although New York is taking steps to protect

its pre-eminence. Parts of the harbour are being dredged to 45 feet at the end of 2005 and 50 feet by 2009. It is also spending US\$2 billion on new terminal facilities. Four terminals are being upgraded—one will be the largest in North America when finished—and the port is spending large amounts of money on its ExpressRail facility.

New York will remain a vital part of the economy and infrastructure of the northeast quadrant of North America. Yet the fact remains that the New York State Transportation Commissioner, Joe Boardman, is travelling his state showing a video touting the merits of Buffalo as the gateway to the North American heartland because of its close ties, not with New York City, but with the Canadian ports of Montreal and Halifax, for reasons that relate directly to considerations of regional coherence and geographic logic.

Halifax is not without its weaknesses, however. It is not as efficient as some of its east coast competitors, and while it is closer to Europe and the Suez Express, it is longer by rail to many inland destinations. And its rail connections to many obvious destinations, including



What a fully developed shortsea shipping route based in Halifax might look like.

The significance of the Port of Halifax as a piece of regional and continental infrastructure has not gone unnoticed, especially in Washington

within Atlantica, are poor. (For a full analysis of the strengths and weaknesses of Halifax and a strategy for the port's growth, see the 2001 AIMS paper "Port-ability: A private sector strategy for the Port of Halifax," by Brian Lee Crowley and Charles Cirtwill, available online at www.aims.ca/library/port.pdf.)

The significance of the Port of Halifax as a piece of regional and continental infrastructure has not gone unnoticed, especially in Washington. Under pressure from members of the congressional delegations from various Atlantica states, led by Maine Senator Susan Collins, US Secretary of Transportation Norm Mineta has pledged Washington will carry out a multi-modal transportation study of the corridor that reaches from Halifax, right across Maine, New Hampshire and Vermont, and northern New York state to the Ontario border. Approaches have been made to the government of Canada to participate in this study.

Common problems and experiences

Atlantica is distinguished from many of its neighbours by its relative degree of underdevelopment, both economically and socially. Unlike the Quebec City to Windsor Corridor or the New Atlantic Triangle, Atlantica is characterized by above-average levels of unemployment, outmigration and low income.

Atlantic Canada and eastern Quebec are not simply a poor region within Canada, any more than northern New York state, Vermont, New Hampshire, and Maine are just a relatively underdeveloped part of the United States. In fact, these areas represent two halves of a single poor region within North America, and the relative underdevelopment of Atlantica is surely explained, at least in part, by the disruptive effects of the border on regional economic coherence.

All of New England and New York State are not included in Atlantica because New England is a fiction, at least from an economic point of view. As the concept of the New Atlantic Triangle makes clear, the conurbation stretching from Boston through Connecticut and into New York City is already densely developed and prosperous—in fact, it may be the largest concentration of wealth and wealth-generating capacity in the world. It is already deeply interwoven into the fabric of North American economic life.

The same is true of the Quebec City to Windsor Corridor. The orientation of these dynamic and highly developed regions is south and west in continental terms. In practical terms, they see little in the way of



The emerging shortsea shipping network on the east coast of North America.

interest or opportunity to the north and east, however much they may pay lip service to the idea of greater regional co-operation.

One of the ties that binds Atlantica together is the shared experience of underdevelopment, a dissatisfaction with that status quo, and a commitment to rejoin the mainstream of North American economic life. That is one of the reasons why existing forums that take the coherence of New England for granted, such as the annual conference of the New England Governors and Eastern Canadian Premiers, have not provided the regional political leadership Atlantica requires to flourish.

Politics

Given the different experiences and economic orientation of the New Atlantic Triangle and Quebec City to Windsor Corridor, these regions have different priorities and interests than the residents of Atlantica, whichever side of the border they find themselves on. This has sometimes even meant that richer neighbouring jurisdictions have obstructed the growth of opportunities in Atlantica because they feared that such new growth and opportunities would come at the expense of Boston or New York or Montreal. Such parochialism was likely never justified but can certainly not be sustained today when opportunity in the continental and global economy means that the rising tide of economic efficiency and global trade lifts all boats.

Both halves of the Atlantica region have suffered from neglect from their respective national governments; if that were not the case, a discussion about how to integrate the region into the mainstream of continental economic life would be unnecessary. This neglect stems in part from a certain exasperation felt in national capitals when confronted with the perennial economic problems of the region. This neglect has been exacerbated by the decline of national political influence of AINER's constituent parts and the corresponding rise in influence of more dynamic and prosperous regions.

One measure of this decline is in the representation of AINER jurisdictions in the lower house of their respective national legislatures. AINER jurisdictions have lost seats in both the US House of Representatives and the Canadian House of Commons: in the US, the number of seats has dropped 3.4% since 1960; and in Canada, by 5.9%. But the most stunning comparison is with the fastest-growing jurisdictions in each country. Since 1960, seats in California, Texas and Florida have climbed by 11.6%, while seats in Alberta, BC and Ontario have increased by 8.8%.

As “backwaters” under the old nation-

al dispensations, all that national governments believed was appropriate was the management of genteel decline. And that meant that the states and provinces in the region found it increasingly harder to get the ear of national decision makers who regarded them as problems without a solution.

Continental integration, however, offers the various constituent parts of Atlantica with a new growth strategy and, at the same time, new political tools to attract the attention of governments on both sides of the international boundary. For example, the Atlantic Canadian provinces would have little prospect of convincing the Canadian government to become involved in a multi-modal transportation study of the Atlantica region if the initiative came from those provinces themselves. But when the initiative comes from within the US Congress and is endorsed by senators and congressmen from across the Atlantica region, that gets Ottawa's attention because suddenly it is Canada's NAFTA partner that has indicated that this is a priority to them as well.

Similarly, border states within Atlantica are concerned about the impact of heightened security measures by Washington at the border. Not only do these disrupt economic life but social and family life as well. There can be little doubt that the impact of the lobbying of those states is enhanced when the prestige of the Canadian government and its diplomatic representatives is brought to bear on the administration and Congress.

If Atlantica is to achieve its potential, a concerted effort must be made to build cross-border coalitions within the region, coalitions that can bring bi-national pressure to bear on national governments to repair the damage that a century and more of neglect and indifference has caused. •

Evidence of Declining National Political Influence of AINER

US	Total seats, House of Representatives	AINER* Total	AINER % of National	% change	Calif., Fla. & Texas Total	Calif., Fla., & Texas Total % of National	% change
1960	437	49	11.21	n.a.	60	13.7	n.a.
Today	435	34	7.81	-3.4	110	25.3	+11.6

Canada	Total seats, House of Commons	AINER* Total	AINER % of National	% change	Alta., BC & Ont. Total	Alta., BC & Ont. Total % of National	% change
1960	265	107	40.3	n.a.	123	46.4	n.a.
Today	308	106	34.4	-5.9	170	55.2	+8.8

* Seat totals are for all jurisdictions in whole or in part within AINER.