



# THE BEACON



Volume 11, Issue 15

*Where Tomorrow's Public  
Policy Begins Today*

November 16, 2005

[How you can support AIMS](#)

*Having trouble reading this email? View our online version at:  
[www.aims.ca/library/Beacon111605.pdf](http://www.aims.ca/library/Beacon111605.pdf)*

- Part One: Two national newspapers + two national issues = one source of information, AIMS.
- Part Two: Fast and Efficient Transportation: Atlantica at the Canadian Marine Pilots' Association conference.
- Part Three: Atlantica steals the spotlight at Halifax Port Days 2005.
- Part Four: Canada's problem with drinking: Paying the true cost of water from the tap.
- Part Five: Newfoundland's Abitibi paper mills: Peter Fenwick decries government subsidies and suggests a way out.
- Part Six: Medicare: Leave the number crunching to number crunchers and the doctoring to doctors.

---

## **Part One: Two national newspapers + two national issues = one source for information, AIMS.**

For a decade the Atlantic Institute for Market Studies has examined such issues as Canada's system of employment insurance (EI) and transfer payments (equalization). Its work on these public policy issues has generated much debate, many news articles, and multiple supporters and detractors. But in Canada's highest echelon's of journalism, writers turn to AIMS' work for validation.

In an editorial, The Globe and Mail picked up on a persistent message from AIMS that the Employment Insurance program needs revamping. It refers to AIMS' work and concludes a little tweaking just won't solve the problems of the EI program. It reads:

*"More important, the entire system may need an overhaul. The Atlantic Institute for Market Studies warned last year that EI is enabling recipients to drift between seasonal jobs when it should be penalizing frequent claimants and their employers and putting the savings into educational vouchers to retrain workers. Worse, EI is seemingly out of step with the work force . . . The situation demands major thoughtful change, instead of small projects that may only create more problems."*

To read the Globe and Mail editorial, [click here](#).

AIMS has been just as persistent in its work on transfer payments and equalization. Lorne Gunter, columnist with the National Post, used a recent trip to Halifax to revisit the transfer payment debate and the harm he sees it has done to Atlantic Canada. Quoting AIMS' work, such as Road to Growth by Fred McMahon, which first used the Irish example, Gunter explained the potential for the region, and the problems transfer payments have caused. He writes:

*"What is needed, instead, is a radical re-think of the way provincial governments in the region intervene in their economies and the way Ottawa rewards economic behaviour. . . . The model the region should want to emulate is Ireland's Celtic Tiger, which substantially reduced regulations, labour-market rules, taxes and spending in the 1980s and 1990s and leapt from one of the poorest nations in Europe to one of the wealthier ones."*

To read Lorne Gunter's column "Keeping a good city down", [click here](#).

To read Lorne Gunter's column "Atlantic Canada's vicious cycle", [click here](#).

To read more of AIMS' work on equalization, [click here](#).

---

## **Part Two: Fast and Efficient Transportation: Atlantica at the Canadian Marine Pilots' Association conference.**

It was the first ever conference for the Canadian Marine Pilots' Association, and Atlantica was front and centre. Organizers wanted delegates to hear first hand about the opportunities and the obstacles. In a keynote address, AIMS president Brian Lee Crowley was able to provide both.

In this article, from Canadian Sailings magazine, journalist Julie Gedeon explains the golden opportunity that has been presented to the International Northeast, which we call Atlantica. She writes:

*West Coast ports are butting up against capacity limitations, Mr. Crowley said. According to Drewry Consultants, projected traffic will exceed the capacity of the major West Coast's ports within a couple of years.*

*"If you want a foretaste of what this will mean, think about what happened (in the summer of 2004) when Los Angeles and Long Beach were already exceeding capacity, with disastrously disruptive effects on the world trading system," Mr. Crowley noted, adding that few options exist for most West Coast ports to greatly expand their capacity, at least in the short run.*

To read the article from Canadian Sailings, [click here](#).

---

## **Part Three: Atlantica steals the spotlight at Halifax Port Days 2005.**

Each year, everyone who is anyone involved in anyway with the Port of Halifax marks Port Days as a must-go event. Organized by the Halifax Port Authority it provides insight into what is happening on the local and global scene with marine transport.

This year the message was clear from a number of fronts, global trading patterns are shifting and the opportunities for the Port of Halifax are substantial. Atlantica is no longer on the periphery of North American prosperity. The International Northeast can be the centre, but the Port of Halifax is pivotal to making that possibility a reality.

Norman Stark is the former harbour master in Halifax, he moved west to become President and CEO of the Vancouver Port Authority. He had words of wisdom and advice for the Port of Halifax in particular and Atlantica in general. [Click here](#) to read a transcript of his remarks.

AIMS president Brian Lee Crowley was part of an expert panel to discuss Atlantica and the Port of Halifax. He explained that geography as we have known it is shifting. The changes in international trading patterns make the east coast as accessible as the west coast for goods being shipped from the booming Asian markets. To read a transcript of his remarks, [click here](#).

It was the expert panel that grabbed the media attention. In an article in Canadian Sailings magazine, journalist Tom Peters describes Atlantica as the intersection of three powerful trade relationships – NAFTA, EU-NAFTA, and the Suez Express. To read this article, [click here](#).

The panel's comments also made headlines in the Halifax daily newspapers. The Chronicle-Herald wrote:

*Brian Lee Crowley, president of the Atlantic Institute for Market Studies, discussed Atlantica's future in the global market and the importance of the Port of Halifax in that scheme. He said as a result of changes in technology and larger ships, world shipping patterns have changed.*

*"Almost the totality of Asian shipping to North America used to cross the Pacific to West Coast ports," he said. "But increasingly, shipping destined for the East Coast and neighbouring destinations is borrowing the so-called Suez Express route. As a result, the East Coast has become the Pacific Rim."*

To read more from this article, [click here](#).

Deborah Rent wrote in the Halifax Daily News of the panel discussion:

*Crowley is president of the Atlantic Institute for Market Studies (AIMS). In its 10 years of existence, AIMS has brought a distinctive and influential eastern Canadian voice to regional and national debates over public policy in areas such as transfet payments, social policy, fiscal and tax policy, health care and much more. As a public policy think tank, the Halifax Port Authority (HPA) looked to this organization for creative problem solving ideas and ways to tailor the Port's value proposition that would help receive more attention about its full economic operation and its implications to not only the Port of Halifax, but the entire region."*

To read more from the Daily News article, [click here](#).

---

#### **Part Four: Canada's problem with drinking: Paying the true cost of water from the tap.**

Forget "black gold" or "Texas tea", it's water that some experts predict will be the future's true measure of a country's wealth. It wasn't long ago that many of us would have scoffed at paying a dollar or more for a bottle of water, but those days are long gone, except when it comes to the tap.

Most Canadians expect the highest quality drinking water, tapped straight to their homes, for the lowest possible price, which is less than it costs to produce. In his fortnightly column, Brian Lee Crowley points out that expectation is unrealistic.

He writes we have to start paying the true cost of this resource:

*"So it is undeniable that the cost of water must rise because we've been getting a free ride (or at least a free drink and a shower). But before we hand over the cash, we should demand better. A better system would be one where the politicians are kept well away from setting the price of water. We need strong provincial legislation that requires not only top standards in terms of water quality and the competence of those responsible for it, but that also demands that users pay the true cost of gathering, treating, distributing, and returning their water clean to nature."*

The column appeared in the Moncton Times-Transcript, with a slightly different version appeared in the Halifax Chronicle-Herald. [Click here](#) to read the column as it appeared in the Times-Transcript.

---

#### **Part Five: Newfoundland's Abitibi paper mills: Peter Fenwick decries government subsidies and suggests a way out.**

In this commentary, AIMS Research Fellow and former Newfoundland NDP leader Peter Fenwick asks what role the government should take in propping up uneconomic paper mills. His conclusion suggests the future product of such mills may be power, not paper.

*"If the Corner Brook or Grand Falls mills can make more money by selling their power rather than using it to make paper, then why not close those two mills as well?"*

*The answer, of course is simple. No province would allow a paper mill to close its doors and throw hundreds out of work, while it kept its electrical generating assets. Yet that just might be the best course to take. Freeing up 75 to 100 megawatts of electricity at very competitive rates would probably make more economic sense than using the electricity to keep the old mills operating to make paper."*

To read the complete commentary, [click here](#).

---

## Part Six: Medicare: Leave the number crunching to number crunchers and the doctoring to doctors.

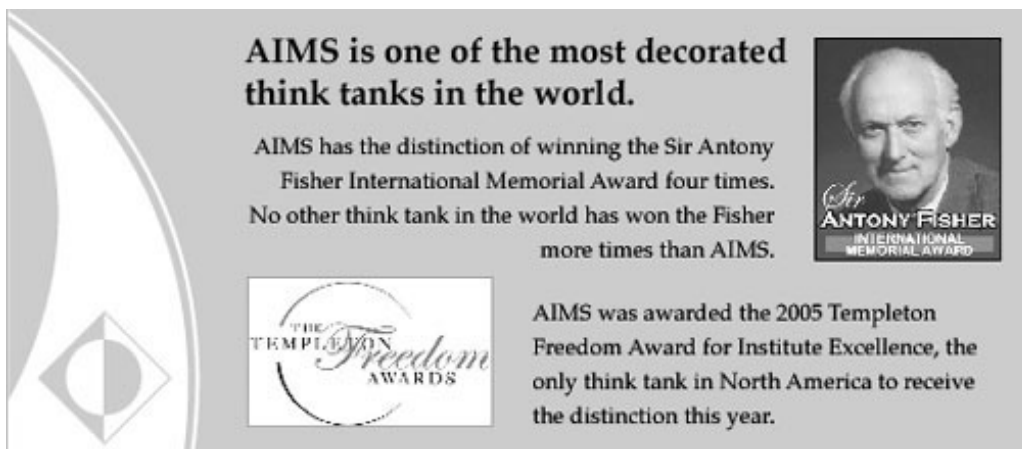
In this column, AIMS president Brian Lee Crowley provides some economics-based insight into the health care debate. He points out that we should leave the medicine to those trained in medicine, and the economics to those trained in economics. Crowley says that throwing money at health care isn't the answer.

*"On the contrary, our own experience in Canada has repeatedly shown that the health care system is a bottomless money pit, one that will absorb all the cash you can throw at it, but give back little in the way of improved productivity.*

*That's why despite several injections of cash over recent years, waiting times, to the extent that we can measure them, are on the whole getting worse, not better."*

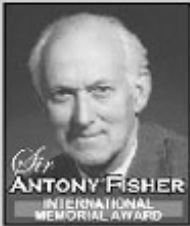
As he puts it, *"Just as no one should want to be treated by a doctor who claims to have learned his or her medicine in economics journals, we should avoid getting our health care economics from medical journals."*

To read the complete column, [click here](#).




**AIMS is one of the most decorated think tanks in the world.**

AIMS has the distinction of winning the Sir Antony Fisher International Memorial Award four times. No other think tank in the world has won the Fisher more times than AIMS.



AIMS was awarded the 2005 Templeton Freedom Award for Institute Excellence, the only think tank in North America to receive the distinction this year.



Permission is given to reproduce material from this newsletter or from the AIMS website, as long as both AIMS and the author, where appropriate, are given proper credit. Please notify us when using our material.

Some of the materials in this newsletter will require Adobe® Reader® to access. If you do not have Adobe® Reader® installed on your computer, [click here](#) to download the full program.

If you have received this message in error, please accept our apologies. To *\*unsubscribe\** from the Beacon, please visit the AIMS website at [www.AIMS.ca](http://www.AIMS.ca) and follow the links to subscribe to the newsletter. There is an option to unsubscribe. To *\*subscribe\**, please visit the AIMS website at [www.AIMS.ca](http://www.AIMS.ca) and follow the links to the subscribe option of the newsletter in the upper right hand corner of the homepage.

We welcome your comments at [communications@aims.ca](mailto:communications@aims.ca).

[Privacy Policy](#)