



THE BEACON



Volume 12, Issue 8

*Where Tomorrow's Public
Policy Begins Today*

30 May 2006

How you can support AIMS

*Having trouble reading this email? View our online version at:
www.aims.ca/library/beacon053006.pdf*

- Part One: Good intentions are Not Enough: AIMS' position on equalization goes straight from the Empire Club to the pages of The National Post.
- Part Two: AIMS gets action on the catastrophic gap in prescription drug coverage.
- Part Three: Going Global: Buffalo's role in Atlantica.
- Part Four: Following the Money Trail II: AIMS again sets the record straight on subsidies to Atlantic Canadian business.
- Part Five: Resource revenue isn't for spending: Lessons for Nova Scotia and Newfoundland to grow by.

Part One: Good intentions are Not Enough: AIMS' position on equalization goes straight from the Empire Club to the pages of the National Post.

It is not often the National Post prints the complete text of a speech, any speech.

But on May 13th, it did just that.

Two days earlier, AIMS president Brian Lee Crowley spoke to the Empire Club of Canada in Toronto. His topic - equalization. His message - both Ontario and the Maritimes suffer from decades of federal equalization transfers. As he explained:

"Ottawa's good intentions have held back underdeveloped regions across the country, in this case making Ontario uncompetitive while undermining the Maritimes. Two examples [equalization and employment insurance] demonstrate how bad policies affect behaviour for the worse, creating perverse incentives in vulnerable regions that encourage dependence, policy paralysis, low growth and unemployment."

The National Post requested permission to publish his remarks in full in its weekend edition. To read Brian Lee Crowley's remarks as they appeared in the newspaper, [click here](#).

As Canada's premiers gather in Gimli, Manitoba for the First Ministers' meeting, equalization was the topic making headlines. It wasn't on the official agenda, but that didn't stop the news media from putting it at the top of its agenda. The media relied heavily on AIMS research on the topic, and AIMS president Brian Lee Crowley was in constant demand for talk shows across the country. To read AIMS work on equalization, [click here](#).

Part Two: AIMS hits the mark with its conference on the catastrophic gap in prescription drug coverage.

On 16 May, 2006, AIMS gathered leading experts from across Canada to examine the catastrophic gap in prescription drug coverage in Atlantic Canada. The conference was titled *"When Tea and Sympathy are not enough"*. For Atlantic Canadians familiar with the 'tea and sympathy' tradition of our region it was an apt title for a public policy issue that had not received much public attention.

Participants at the conference, praised the event saying it provided the right balance, the right information, and at the right time. Presenters heralded the topical information provided by all panelists.

During his remarks to the conference, John Abbot, the Deputy Minister of Health for Newfoundland and Labrador, provided this advice, *"This conference will inform the ongoing regional and national discussions on catastrophic drug coverage. Today's proceedings should be distributed to every federal, provincial and territorial minister of health and deputy minister in the country."*

To read more about this conference, [click here](#).

The conference also prompted reaction on the political front. One of Nova Scotia's major political parties has announced a pharmacare program as part of its provincial election platform. It's promising a \$75 million Working Families Pharmacare Plan to lower the cost of prescription drugs for about 142,000 Nova Scotians who don't have drug coverage.

Part Three: Going Global: Buffalo's role in Atlantica

An article in The Buffalo News summed it up: *"Think of it: Buffalo as a port of call instead of a point of no return."*

Donn Esmonde was prompted to write those words after hearing AIMS president Brian Lee Crowley at a luncheon sponsored by the Buffalo Niagara Logistics Council. Crowley's topic, Atlantica. His focus, Buffalo. He explained:

"The competitive advantages of Halifax should serve as a great opportunity not just for the region as a destination but also for Buffalo as hub. The challenge here, however, is to avoid handling costs by delivering freight directly to Buffalo rather than transferring in Toronto. There is optimism that plans for a large, multi-modal yard for all carriers in Buffalo will help."

Esmonde understands the concept and under the headline, "Going Global: Being reborn as trade hub", Esmonde wrote:

"Trade is the engine driving the global economy. We can get in the game. It is the same mantra for a city as for real estate: location, location, location. We sit at the end of a Great Lake, connected to the world by road and rail. There is a place for us on the global trade map. This is neither folly nor a fever dream. It is about what we already have and how we can use it."

To read the AIMS paper prepared for the Buffalo address, [click here](#).

To read the article in The Buffalo News, [click here](#).

Part Four: Following the Money Trail II: AIMS again sets the record straight on subsidies to Atlantic Canadian business.

Five years ago AIMS caused a furore with the release of the first *Following the Money Trail*. It debunked the myth that Atlantic Canada receives less in federal subsidies than other regions of the country.

The debate is once again rearing its head, this time prompted by two things. On the one hand was another report that was published purporting to show that Atlantic Canada did not get its “share” of subsidies and that therefore Atlantic Canadian business was under-subsidized compared to the rest of the country. On the other hand was the policy of the new Prime Minister, Stephen Harper, who says he will ask the Auditor General to examine the record of federal regional development agencies and make recommendations about how regional development budgets might be better spent.

In *Following the Money Trail II*, AIMS sets the record straight about the real scope of subsidization of the region’s private sector. It shows that Atlantic Canadian businesses remain among the most heavily subsidized in the country.

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

Part Five: Resource revenue isn’t for spending: Lessons for Nova Scotia and Newfoundland to grow by.

Resource revenue isn’t like general revenue and it shouldn’t be used as such. So is the premise proven in a number of AIMS papers and commentaries. But like a child who refuses to take the advice of an experienced adult, provinces in Atlantic Canada have yet to heed the advice.

In this column, AIMS president Brian Lee Crowley again points out the need for provinces to treat resource revenue differently than general revenue. He says it's a lesson Nova Scotia and Newfoundland have not learned, but one for which future generations will pay. He writes:

“Program spending is not one time spending. Those employees have to be paid year after year. They have to have offices, heat, light, telephones, pensions. If you acquire recurrent obligations on the basis of one-time money, an inevitable day of reckoning comes. The natural resource is exhausted, you still have the huge debt, plus you have a lot of public servants you can’t pay and a lot of people reliant on public services you can no longer afford. A child with a calculator can figure this out, but not, apparently, our provincial governments surrounded by professional public finance managers.”

[Click here](#) to read the complete column.

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 log on to our website at www.aims.ca and follow the links to the newsletter subscribe section. The prompt to subscribe also provides a prompt to unsubscribe.

To **subscribe**, please log on to our website at www.aims.ca and follow the links to the newsletter subscribe section.

We welcome your comments at communications@aims.ca.

[Privacy Policy](#)