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Policy Begins Today*

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Part One: Going beyond the dollars & cents: AIMS examines Equalization in a special Commentary Series

To most people Equalization is just about billions of dollars. But Equalization in Canada isn't really about dollars and cents, it's about public services. The specific purpose of Equalization is to ensure that across the country, people have access to *reasonably comparable* public services at *reasonably comparable* levels of taxation.

In the wake of the recent Expert Panel recommendations, AIMS 'digs up the dirt' on Equalization in a special Commentary Series.

One of equalization's little secrets is that it assumes that a dollar spent in an equalization-receiving province buys the same amount of public services as a dollar spent in a wealthier province. But simply put, the cost of providing these services is different across the country. The first Commentary in the Series shows that six provinces spend more than the national average on public services when you adjust for local costs. Four of them receive equalization.

In the second Commentary, called *The Flypaper Effect*, AIMS analysis shows that equalization receiving provinces employ more public servants per capita than the national average, and pay those public servants significantly more than the province's average wage.

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

To view the first Commentary in the series, *Why Some are More Equal than Others*, [click here](#).

To view the second Commentary in the series, *The Flypaper Effect*, [click here](#).

Part Two: Atlantica to the Fore: Opposition promotes wide public debate of AIMS' Atlantica concept.

There's nothing like a little controversy to publicize an idea, and that was the case for Atlantica as the AIMS concept grabbed the news media's attention and generated front page headlines across the country.

It began when a coalition of groups lead by Maude Barlow and her Council of Canadians decided to take aim at the Reaching Atlantica conference organized by the Atlantic Provinces Chambers of Commerce.

Opponents of Atlantica were clearly still fighting the free trade war of the late 1980s, and saw the Atlantica concept as a good way to appeal to Canadians' fears of our powerful neighbour and the possible loss of our sovereignty and identity. AIMS was vilified by the coalition as the chief architect of Atlantica, and president Brian Lee Crowley was in constant demand to respond, pointing out that free trade and open borders with the US underpins the prosperity of Canada, and that Atlantic Canada was a part of the country that had taken least advantage of free trade's opportunities. Add to that the possibility of ocean-borne trade from Asia using Atlantica as a gateway to North American markets, and you have a formula for economic progress on both sides of the Atlantica border. The controversy kept the Atlantica concept in the news for weeks, and provided proponents a much wider platform to explain the concept and the opportunities. It also encouraged many who had been silent about Atlantica in the past to come out strongly in favour.

To read more about Reaching Atlantica and the media coverage of the event, [click here](#).

Part Three: The Opportunity & the Barriers: Atlantica and Trends in World Trade

To paraphrase Bob Dylan 'the world it is a-changin' and nowhere is that more evident than in global trading patterns and shipping infrastructure.

There have been massive changes in the past 20 years that should have provided significant opportunities for Atlantica. But that has not been the case. In fact, Atlantica's economic growth has not kept pace with that of other regions.

However, as the continental interior continues to experience rapid growth and other gateways become clogged, attention is turning to expanding traffic through Atlantica's corridors. That's not to say all is clear sailing.

Several policy and infrastructure hurdles remain in the way. Methods do exist to remove these and *Atlantica and Trends in World Trade*, the latest paper in the AIMS Atlantica series, shows complacency would be costly. The authors, Brian Lee Crowley and Stephen Kymlicak, write that the benefits to North America generally and Atlantica in particular are clear and substantial. The time to realize the full potential of the Atlantica gateway has arrived.

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

Part Four: Just too many plants, boats & people: Rationalization of the fishery is the key to its future.

For more than a decade we have heard the cry, "The fishery is in crisis!" With each new call comes a new report, a new commission, a new conference.

In May 2006, Newfoundland and Labrador Premier Danny Williams added a new answer to the call, a one day Fisheries Summit. Among those in attendance was E. Derek Butler the executive director of the Association of Seafood Producers.

His presentation drew heavily on AIMS research, as well as the expertise and experience of seafood producers around Newfoundland and Labrador.

Explaining that the problem is one of over-capacity, not of too few fish, but of too many people chasing the fish, Butler said there were too many plants, too many licences and too many people in the fishing industry. He pleaded with the government to treat the fishery as a business, not a right.

This Commentary is based on Butler's remarks to the Fisheries Summit. To read *Just too many*, [click here](#).

Part Five: Somebody had to say it: At NOIA conference AIMS argues Newfoundland is harming the province's investment climate.

"Newfoundland: Open for business?" AIMS president Brian Lee Crowley triggered animated debate during the panel on this theme at the 2006 NOIA conference in St. John's with his remarks titled "Newfoundland: Open Season on Business".

The annual conference for the Newfoundland Ocean Industries Association (NOIA) in St. John's attracts offshore petroleum players from around the region, the country and the world. Just months after Premier Danny Williams walked away from negotiations to develop the Hebron Ben Nevis offshore oil fields, it was not surprising conference organizers decided to ask a very fundamental question, "Is Newfoundland open for business?"

Crowley was invited to participate in the final panel, moderated by CBC's Rex Murphy. People who took in the final session were not disappointed as the panel generated heated moments and animated discussion around the theme of the role government can and should play in creating an appropriate investment climate and protecting the interests of the population, as ultimate owners of the province's natural resources. Pointing to a long term pattern of enticing investors to invest vast sums, and then changing the rules of the game once investors had put in their money, Crowley observed that in a world where capital is highly mobile, such behaviour is bound to poison the investment climate.

While Crowley's remarks made some uncomfortable, others commented it needed to be said, while still others admitted they never would have had the nerve to say it out loud.

To read the full text of Brian Lee Crowley's remarks, [click here](#).

Part Six: Agriculture must compete in today's world, not yesterday's

The message is simple, 'the world doesn't adapt to us'. When people are free to buy what they please, you have to give them what they want. AIMS president Brian Lee Crowley explains this principle is relevant to everything we do in Atlantic Canada, but nowhere is it more important

than in agriculture.

In a presentation to the King's County Economic Summit in the Annapolis Valley of Nova Scotia, Crowley explained, "If we allow ourselves to be trapped in a mindset that says, I have a traditional way of life that is sacred, that cannot be changed, and that traditional way of life is out of step with what people want then you must prepare yourself for a decline in your standard of living and the hollowing out of your economy."

"While I cannot tell you if it will take 10 or 15 or 20 years to get rid of agricultural tariffs, compulsory marketing board with price setting powers, export subsidies and all the rest, I can tell you that they are going to go, and no amount of hypocritical unanimous votes in the House of Commons to the contrary will prevent it. In fact, all the vote last November proved was that the more powerful a lobby you are, the more politicians will lie to you. Our politicians are powerless to stop the forces now changing the world."

Crowley says in the end it is up to us to decide how we will deal with the changes that are inevitable.

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

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