



Volume 11, Issue 16

*Where Tomorrow's Public
Policy Begins Today*

November 30, 2005

[How you can support AIMS](#)

*Having trouble reading this email? View our online version at:
www.aims.ca/library/beacon113005.pdf*

- [Part One: In memoriam: AIMS says farewell to one of its founding fathers.](#)
- [Part Two: AIMS at Harvard: How bad politics and good intentions destroyed the Atlantic Canadian economy.](#)
- [Part Three: Short sea shipping offers opportunity, but not with today's dysfunctional rules.](#)
- [Part Four: Lost in the equalization trap: Second Ontario study uses AIMS' work to map the road to recovery.](#)
- [Part Five: Emigrant or mobile worker? Newfoundland's Peter Fenwick takes a new look at an old question.](#)
- [Part Six: Take heed Atlantica, Rome wasn't built in a day either: Jim Meek's column in Progress magazine.](#)
- [Part Seven: Two ways to get rich from natural resources: AIMS in *Dialogues*, a Canada West Foundation Publication](#)

Part One: In Memoriam: AIMS says farewell to one of its founding fathers.

He was there at the very beginning of AIMS and AIMS was there near the very end of his life. J.W.E. (Bill) Mingo was a founding director of our Institute. On the day before he died, he attended our annual general meeting.

As news of his death spread through the community, many had stories to tell about this outstanding and remarkable man. His contributions are too numerous to mention, his talents too eclectic to define. But here at AIMS, we are certain his contribution will be missed.

To read more about Bill Mingo's contribution to AIMS and the community, [click here](#).

Part Two: AIMS at Harvard: How bad politics and good intentions destroyed the Atlantic Canadian economy.

At the invitation of Harvard University, AIMS president Brian Lee Crowley presented the Canada Seminar in November 2005 and used the opportunity to examine existing federal public policy. He suggests Atlantic Canada has not caught up with the rest of Canada, not because of a lack of money, but because of the massive amounts of money thrown at it by Ottawa.

Crowley suggests that there is an irony behind massive federal spending in Atlantic Canada: it isn't even aimed at the region. The economic disruption Ottawa's economic development and other regional policies has caused here has merely been collateral damage. The real purpose of these programmes is that Ottawa is trying to buy the loyalty of Quebeckers.

"And since Ottawa finds it difficult to own up to the fact that much of its policy is driven by a fear of Quebec separation and an unwillingness to confront the nationalist movement directly, a great deal of policy is packaged as pursuing other goals than national unity. But their true intentions are always revealed by their unwillingness to subject their policies to rational tests of effectiveness and efficiency. Just one example will have to suffice: when Ontario recently started to make a fuss about the amount of money being extracted from their economy each year by Ottawa for redistribution to other jurisdictions, a federal minister was sent to make a speech that did not address Ottawa's case for such redistributive efforts, but berated Ontario for asking the question, thereby threatening, in some unspecified way, the integrity of the country. It was apparently "unCanadian" to ask if transfer payments were a good thing. They are, from Ottawa's point of view, self-evidently good and asking for proof of this proposition is to prove that you do not have the faith."

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

Part Three: Short sea shipping offers opportunity, but not with today's dysfunctional rules.

"Among developed countries, there is currently nowhere in the maritime transport world more dysfunctional than North America," so writes Dr. Mary Brooks in this Commentary about NAFTA and short sea shipping corridors.

She says it is simply a statement of fact that other developed countries have assessed their regulatory climate for domestic shipping and made adjustments to reflect the modern reality of trade and transport in the 21st century. Dr. Brooks says Canada and the US have essentially retained their post World War II policies for far too long.

Written for the Study Group on Transportation, Logistics and Supply Chain Management sponsored by the PanAmerican Partnership for Business Education, the

article is based on work conducted prior to 2005.

The article explores the key issues with respect to further development of short sea shipping in Canada and in transborder trade with the US. To read more, [click here](#).

Part Four: Lost in the equalization trap: Second Ontario study uses AIMS' work to map the road to recovery.

This month, the Ontario Chamber of Commerce (OCC) joined the Atlantic Institute for Market Studies (AIMS) in calling for reforms to the country's equalization program.

The OCC released a second paper on the damaging impact of equalization on the nation. In "*Fairness in Confederation, Fiscal Imbalance: A Roadmap to Recovery*", author David MacKinnon draws on the research conducted by AIMS to help provide recommendations to restore fairness to the transfer system.

"The OCC reports make use of "[Retreat from Growth](#)", and other AIMS publications on this topic over the past ten years," says AIMS president Brian Lee Crowley. "It is good to see the Chamber use our work to make such an effective case in Ontario against a public policy that has clearly hurt both the contributing and recipient provinces."

This is the second paper produced by the OCC on equalization. OCC president and CEO Len Crispino says AIMS' contribution was invaluable.

"AIMS' exceptional efforts in the development of sound research and public policy recommendations on the issue of Canada's equalization program have significantly contributed to and complemented our own work in this area," says Crispino. "Several key components of our fiscal imbalance work would not have been as compelling or substantive if it were not for AIMS' policy work on this issue. Indeed, Canada and Canadians are well served because of the professionalism and dedication exhibited from public policy and research organizations like the Atlantic Institute for Market Studies."

To read further on AIMS' extensive work on the issue of equalization and the harm it causes to all parts of the country, [click here](#).

Part Five: Emigrant or mobile worker? Newfoundland's Peter Fenwick takes a new look at an old question.

"Come home, young man, come home!" So has been the cry of economic development schemes in Atlantic Canada for more than a generation.

Emigration is a hot issue in rural communities around the region. It has been said one of the region's biggest exports is actually its people. It's suggested this is not a

good thing.

Many a politician has fought an election on promises to bring the emigrants home. In this Commentary, Peter Fenwick, AIMS Fellow with Responsibility for Fisheries and Issues in Newfoundland, takes a closer look at this philosophy.

It's a topic of particular importance to Fenwick, a former leader of the NDP in Newfoundland. This time he takes a look at the issue with experience gained as the mayor of a small Newfoundland community.

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



Part Six: Take heed Atlantica, Rome wasn't built in a day either: Jim Meek's column in Progress magazine.

"Without decent transportation links between the port of Halifax, Toronto, and the rest of the continent, good old isolated Atlantica will wither on the vine." So writes Jim Meek in his column in the October 2005 edition of Progress magazine.

Meek suggests there's hope for Atlantica and, echoing AIMS' work, he says transportation infrastructure is the key. He is even optimistic such transportation infrastructure will be built. He takes a look at recent developments in the international northeast economic region and concludes there is hope.

However, he warns that much like ancient Romans, "Atlanticans" need to understand construction of the much needed links won't be "built in a day".

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



Part Seven: Two ways to get rich from natural resources: AIMS in Dialogues, A Canada West Foundation publication.

One would expect that a place that is rich in natural resources is also rich in cash. However, experience shows one who is asset rich is often cash poor.

In this commentary for the Canada West Foundation publication "Dialogues", Brian Lee Crowley examines the fate of resource rich countries, and points out they are not often the world's economic leaders. As he explains:


"Even countries that should benefit from huge increases in the value of their natural resources often find their blessings extremely well disguised. Mexico and Nigeria both went bust in the 1980s after oil price rises hugely increased the value of their resources. Jeffrey Sachs, one of the world's leading economists, notes that it is a generally accepted fact of economic development that "resource abundant economies [tend] to lag behind resource scarce ones."

What these states and countries find - like many lottery winners - is that it is

hard to spend a windfall wisely."

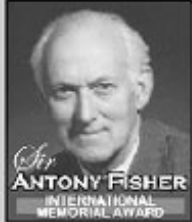
And Crowley suggests how governments can spend the resource revenue wisely to benefit generations to come.

To read the complete article, [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 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 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.

[Privacy Policy](#)