

## Defining Atlantica: Bridges to prosperity.

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Based on comments to the Atlantic Provinces Chambers of Council conference  
*Atlantica 2007: Charting the Course*  
World Trade and Convention Center, Halifax NS  
14 June 2007



There seems to be some considerable and ongoing confusion about what exactly Atlantica is or could be. This confusion is shared by both proponents and opponents alike. To help clarify at least some of what Atlantica could be, I thought we would start with something smaller.

Halifax is home to a glorious piece of infrastructure – the Angus L. MacDonald. The “MacDonald”, as we call it, connects Halifax to Dartmouth. It has controlled access on either side. It has a toll. It has law enforcement watching for... well, whatever law enforcement watches for.

Several organizations, big and small, operate on both sides of the bridge – Nova Scotia Power, Eastlink, Aliant, the Printer Doctor, Dynamix Courier, just look in the local yellow pages for hundreds more.

Those companies also sell their goods and services beyond sight of the bridge and that trade

supports other companies in other communities who are doing the same thing.

My Institute released a paper demonstrating that the Port of Halifax, for example, drives job growth and prosperity in an arc spreading far beyond the Macdonald Bridge to communities like Amherst, Moncton, Saint John, and Portland.

But let’s ask what would happen if we decided that Dartmouth should have different accounting rules than Halifax. What if architects in one city couldn’t work in the other? What if we had different rules for engineers or early childhood educators? What if we neglected upkeep on the bridge?

All of the efficiencies we gain from working together, we would lose. It would be ruinous to both of our economies.

We reject this line of thought as foolish because it is.

Obviously we are part of the same region. Obviously the **assumption** is that we operate under the same rules. There may be a good reason to keep some things separate, but the onus is on us to justify why we would do so. This is the essence of Atlantica.

Who (except truckers) can list the vehicle dimension differences between the United States and Canada? Does the difference contribute to your feeling Canadian? (or American?) How about accounting rules? Engineering?

Atlantica is about people with common needs – in a common neighbourhood – coming up with common solutions. The phrase “help yourself by helping others” comes to mind.

Let me provide two facts from the recently released Northeast CanAm Connections project - a million dollar study paid for by the US government that looks at transportation capacity on BOTH sides of the border in the interest of making life better for THEIR citizens.

1) Poor transportation infrastructure means that those in Maritime Canada have significantly higher transportation costs than the national average in the tourism, government and cultural industries.

At the same time,

2) We are already building on our traditional strengths as exporters. Transportation-related industries which support our exports occupy three of Atlantica’s top ten growth industries - all

with greater than 50% growth over the last decade.<sup>1</sup>

The US government identifying our weaknesses (so they can help us fix them) and celebrating our successes – who would have thought that would happen any time soon?

It is important to emphasize that no one is advocating the removal of the border. There are real security and sovereignty issues. Not to mention that political union doesn’t necessarily translate into guaranteed solutions – just ask Mayor Kelly about supplementary education funding or Premier Macdonald about the Atlantic Accord.

But there are lots of opportunities to remove barriers that have nothing to do with our sense of being Canadian.

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Let’s go back to the port for a moment. While it’s true that the Halifax Port Authority operates in both Halifax and Dartmouth, all of the container terminals are in Halifax.

Right now they are running at about 50% capacity. Should Dartmouth spend \$400 million to develop its own terminal?

When Halifax runs at a higher capacity, will Dartmouth benefit? Anyone ever been to Burnside? Dartmouth has done VERY well thanks to the success of the port. Do we want to lose all of those jobs? Would Dartmouth have seen the development of Dartmouth Crossing without the port?

<sup>1</sup> The Northeast CanAm Connections project Interim Report, Wilbur Smith Associates, June 2007



This is the essence of the Gateway. It's not really about Halifax. It's about economic development along the corridors that emanate from Halifax and go through Atlantica. As I'm sure most of you know it isn't just Halifax that has industry or warehousing. In fact, historically much of this activity has been located in towns like Truro, Moncton, Saint John, Bangor, St. Johnsbury (VT).

Atlantica is about growth.

How do we make sure that Dartmouth, or any other jurisdiction, doesn't lose its way?

Put another way, how do we take advantage of Atlantica to maximize our local success?

- 1) Aggressively question whether any regulatory differences serve a fundamental purpose. There should be clear and open defenses for any regulations which prohibit professionals or trades-people from practicing wherever they wish.

Let me quote Erin Wier, Economist for the Canadian Labour Congress,

*"If we find that there are regulations that do not achieve a worthy objective and do entail economic costs, then by all means those are good grounds to reform."*<sup>2</sup>

Who knows, maybe there is something unique about Dartmouth that requires special training. Maybe standards are exceptionally lax in Halifax and people in Truro need safeguards – but let's be honest about this.

Does it make any sense that there would be no difference between Halifax and Amherst yet there would be a difference between Amherst and Sackville, NB or St. Stephen and Calais?

<sup>2</sup> Testimony before the Senate Standing Committee on Banking and Trade, May 16<sup>th</sup>

- 2) Work together to support projects that show promise. You don't have to trust my financial judgment – if I was so good at this, I would have retired. But don't listen to scare-mongering either.

Carl Pursey, president of the Prince Edward Island Federation of Labour says

*"[Atlantica] is all about private interests taking over our resources and infrastructures without giving anything back to secure and promote lasting local prosperity. We can not allow them to succeed."*<sup>3</sup>

Let me tell you a few firms the Ontario Teachers Pension Plan believes in:<sup>4</sup>

- Macquarie Infrastructure Group (new owners of Halterm in the Port of Halifax) \$933.7 million. This is their 3<sup>rd</sup> largest holding and the only port management company.
- EnCana \$305.8 million
- CN \$248.5 million
- Research in Motion \$171.5 million

If the biggest capital pool in Canada believes in Atlantica, shouldn't you?

Let's also not forget the California Public Employees, significant investors in CenterPoint Properties. And that company is actively involved in the Melford container terminal proposal.

- 3) Accept that benefits do not accrue equally. We live in a great country where wonders abound. It is not a **problem** that

<sup>3</sup> <http://www.peifl.ca/pages/press/presAtlconf07.html>

<sup>4</sup> <http://www.otpp.com/web/website.nsf/web/majorinvestments>

Halifax has a great harbour any more than it is a **problem** that Ontario is home to Niagara Falls. Imagine Manitobans demanding a share of “This Hour Has 22 Minutes.” We should celebrate the success and growth of our neighbours and friends, not suffocate it under a chorus of “Me too!”

- 4) Look to your bottom line. Don't get distracted by the pundits of any stripe. If you have no frustrations about getting parts cheaply and quickly... If you have no frustrations getting products to market... If you have no frustrations enticing workers to move here and accept a job – then, to quote Alfred E. Newman “What me worry?” On the other hand, if you are frustrated, start asking if Atlantica makes sense.
- 5) Build business cases. Some policy reform will require infrastructure to make it happen. The reality is that most of the “Gateway Fund” announced by the federal government has been earmarked for developments in the St. Lawrence-Great Lakes corridor. However governments have shown a willingness to get behind these projects when there is a solid business case – and frankly, we should not be looking to build it if there isn't such a business case.
- 6) Promote co-operation. It doesn't matter if we are talking about big dogs or big rocks, the message is clear. If you want the best service, you need market clout. Look to others on either side of the border for opportunities to band together; you will have a much easier time reserving containers and shipping slots.
- 7) Marketing and promotion. Unlike some reports that have come out recently, we don't believe that branding makes reality.

However, if there are some regional or cross-border success stories – and there are many from tourism, through forestry to cymbal manufacture and beyond – then let's make that regional success part of our brand. If we don't tell anyone that we are a regional market, then no one will treat us that way.

- 8) Get involved. Whether it is through our hosts, APCC, your politicians, engaging in public debate or just getting the deal done, see Atlantica for the opportunity it is.

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