The North American West in a Global Economy
MISSION STATEMENT:

The Pacific Council on International Policy aims to promote better understanding and more effective action, by private and public sector leaders alike, in addressing a rapidly changing world. It brings together leaders from diverse communities across the Western United States and around the Pacific Rim. Its focus is the interaction of global trends and local effects as national borders become more porous, traditional concepts of “public” and “private” blur and what constitutes “policy” itself is changing.
THE
NORTH AMERICAN WEST
IN A GLOBAL ECONOMY

by
Earl H. Fry
Professor of Political Science and Endowed Professor of Canadian Studies
Brigham Young University

APRIL 2000
CONTENTS

PREFACE 1

THE NORTH AMERICAN WEST IN A GLOBAL ECONOMY 3

The North American West 4

Regional Similarities 4

Regional Differences 6

Thinking Regionally 8

Acting Nationally and Locally 13

Concluding Observations 18

ENDNOTES 19
PREFACE

Earl Fry’s paper, which the Pacific Council has the pleasure to publish, marks both a result and a beginning. It is the result of one of the Pacific Council’s very first study groups, as the Council, now almost five years old, began to build its substantive base as well as its reach around the western United States. Yet this paper is also a beginning in that it stakes out intellectual territory that is at the heart of the Pacific Council’s mission, territory that the Council will explore more intensely over the coming several years.

That intellectual territory is the interaction of the global and the local. Professor Fry’s starting point is the question: is there a distinctive “western” perspective on economic growth and its connection to the global market? His conclusion is that on the whole there isn’t because the “West” — the thirteen states of the western United States, not to mention the western states of Mexico and the western provinces of Canada — are too diverse. Yet if there is no singular “western perspective,” there are distinctive emphases in the view of the world as seen from the west. That conclusion is the starting point for the Pacific Council’s future exploration.

The centerpiece of that exploration, funded by the Ford Foundation, is a more detailed “mapping” of how the global economy affects different parts of the West. “Globalization” is not apt shorthand for the economic transformation that is going on; the process is too uneven and too much of the globe is left out. But the term has become current, and so this mapping exercise will ask how globalization is experienced around the west, from Portland and Vancouver to Los Angeles and Tijuana, to Phoenix and Dallas. In this mapping, it will be as interesting to see what is the same as what is different; indeed, a second phase of the project, done in cooperation with the Pacific Council’s eastern partner, the Council on Foreign Relations, might enquire into the overlap of “eastern” and “western” perspectives.

If there is anything distinctive about western perspectives, it is that some features of the changed global context are more easily glimpsed from the west. Sitting in California, Washington is far away, Asia is closer and Mexico is very close indeed. The fact that national borders matter less and less is visible all around us, and with that fact, the definitions of “foreign” and “domestic” also are blurring. So, too, while the foreign policy that is made in Washington surely matters, the international interests of the Pacific Council and of its members are mostly driven by private pursuits — from business to the range of non-governmental organizations.

Thus, the ultimate intellectual aim of the Pacific Council is to help redefine “foreign policy.” As a practical matter, what that means is helping Pacific Council members and others refashion the mental maps with which they approach issues of concern. It is one thing to say that borders are now permeable, or that “foreign” and “domestic” are blurring, or that “public” and “private” no longer have the clear meanings they once had, or that while the “foreign policy” made in Washington still matters, it now is less important for many issues than what private actors or other levels of government do. It is quite another to put those insights together in a way that illuminates the choices people have to make, in government or in private business.

Beginning to build such a framework is the aim of the Pacific Council. To disseminate the results of our exploration, we are inaugurating a new series of papers entitled Engaging Americans in a
Globalizing World. The title recognizes explicitly not just the changed global context but also the fact that American policy abroad is now plural, not just what the government does but also comprising the actions of private citizens. I am grateful to Earl Fry for prefiguring this enquiry, and I look forward to continuing to work with him as we move forward with it.

Gregory F. Treverton  
_Acting President and Director of Studies_  
_February 2000_
THE NORTH AMERICAN WEST
IN A GLOBAL ECONOMY

The American West, comprising the thirteen U.S. states located in the “Pacific” and “mountain” regions, is not a cohesive unit, but both its similarities and differences make it a laboratory for the implications of globalization. Washington is far away, Asia is relatively near, and the North American Free Trade Agreement (NAFTA) has intensified economic and other forms of interdependence beyond America’s northern and southern borders. Indeed, this “mapping” exercise places these states within the context of the broader North American West, including parts of Canada and Mexico: British Columbia and Alberta to the north, and Baja California Norte, Sonora, and Chihuahua to the south. It also considers the interdependence of the United States, Canada, and Mexico after NAFTA is fully implemented and discusses how to best manage global ties so that benefits are maximized and costs reduced.

Globalization is a fact. The international movement of goods, services, capital, direct investment, portfolio investment, and people stands at record levels. Almost 18 million U.S. jobs in the private sector are now directly linked to international trade, investment, and tourism. Bill Gates has predicted that the business sector will change more in the next decade than over the past half century, and Tom Peters emphasizes that the nearest competition for U.S. companies is now less than a second away, the time needed for a signal in cyberspace to travel to any part of the world. In terms of import and export activity, trade between nations will likely exceed total commerce within nations by 2015. The United States will still generate more domestic trade than international trade, but the gap between the two will gradually diminish. For the North American West, that means catering to the 94 percent of the planet’s consumers who live outside the continent. Small and medium-sized businesses in the region, slow to go global, can hopefully learn the ropes in “foreign” markets inside North America, especially those Mexican and Canadian markets that have offered explosive growth and are the destination for one-third of all U.S. exports.

The guiding principle for action, by the government, private organizations, and the two in partnership, is “thinking globally and acting locally” while at the same time utilizing the most advanced innovations provided by the ongoing Information Technology revolution. In the export arena, this requires a world-class infrastructure, especially in education, transportation, and state-of-the-art technology. It suggests a vision of the West on the leading edge of servicing the rest of the world, particularly the rapidly growing Pacific Rim marketplace.

To make that vision real, states, provinces, and major metropolitan areas might begin with a strategic audit of their own strong points and weaknesses in a globalizing world. The Pacific Council has completed such a mapping for the five-county region around Los Angeles, and it is working with colleagues in San Diego to do the same there. These audits can lay the basis for better public understanding of globalization — for instance, despite the debate, the balance sheet for immigration in the Los Angeles area remains undeniably positive. They can also begin to suggest where wider cooperation between business and government can make a difference in increasing benefits and mitigating globalization’s negative effects. Taking advantage of globalization means a new definition of policy, one that is an amalgam of actions by federal, state, and local governments, and by a range of private actors — from private corporations to non-govern-
mental organizations (NGOs). This does not mean grand regional initiatives; the “West” is too diverse for that. Instead, it means new kinds of arrangements across parts of the region, ones involving public authorities and private actors in new combinations, designed to increase the benefits of globalization and mitigate its costs.

THE NORTH AMERICAN WEST

The North American West is a formidable economic entity. If it were a nation-state, its 2.6 million square miles of territory would make it the 7th largest nation, its 76 million people would rank it 15th, its combined gross domestic product (GDP) of about 2 trillion dollars would make it third after the United States and Japan, and its per capita GDP of nearly 28,000 dollars would rank it among the top four major industrialized nations (Figures 1 and 2). What ties this region together? What are its differences?

Regional Similarities

1) **Natural Resources**: Its states and provinces are among the richest in the world in natural resources, accounting for sizeable percentages of North America’s total production of oil, natural gas, hydro power, coal, timber, gold, silver, copper, agricultural commodities, livestock, and other minerals and precious metals. California is the largest producer of agricultural goods in the United States; in 1998, it produced 26 billion dollars in agricultural commodities, with 7 billion dollars of these crops destined for foreign markets. Nevada alone accounted for 10 percent of the world’s gold production in 1996, and Alaska is responsible for one-fifth of the production of oil within the United States. Alberta has emerged as a leading foreign supplier of both oil and natural gas for the U.S. market, with one-fifth of that province’s GDP directly linked to exports to the United States.
2) **Public Land:** Most of the land devoted to national parks in the United States and Canada is found in the West, and the U.S. federal government owns huge portions of the West's land surface, including 86 percent of Alaska, 85 percent of Nevada, 64 percent of Idaho, 61 percent of Utah, and 50 percent of Wyoming;

3) **Urbanization:** Although vast in territory, the West is highly urbanized, with roughly 80 percent of the population in Western Canada, the United States, and Mexico concentrated in urban centers, which is significantly higher than the national averages for all three nations;

4) **Growth:** The Western regions of Canada, the United States, and Baja California Norte in Mexico have enjoyed a much higher rate of growth during the 1990s than their nations as a whole in both GDP and population. The rate of population increase in the U.S. West is the highest in the United States, with six of the eight fastest-growing states from 1990 through 1999 located within the region. The Census Bureau has predicted that the Western portion of the nation will grow by over 29 million people between 1995 and 2025, equal to that of the South and far greater than the projected growth of 5.9 million in the Northeast and 7.3 million in the Midwest.

In economic terms, the six states that experienced the fastest growth in the production of goods and services in the period between mid-1980s and mid-1990s were all in the West: Nevada, Idaho, New Mexico, Utah, Oregon, and Washington. The region is expected to continue to grow at a faster rate, create more jobs, and enjoy more rapid personal income growth than the rest of the nation. In the export sector, shipments abroad during the 1987-1995 period increased by 166 percent for the Pacific Coast states and 165 percent for the mountain states, with only the South Atlantic region enjoying better results. For the nation as a whole, exports were up 139 percent. California, with over 12 percent of the national population, now accounts for almost a quarter of U.S. merchandise trade.

5) **Diversity:** The U.S. West and British Columbia are among the most ethnically diverse regions in North America. In the year 2000, the only three U.S. states that will have a majority of “minorities” will all be located in the West:— California, Hawaii, and New Mexico;

6) **Immigration:** The U.S. West is home to a plurality of all foreign immigrants. With slightly less than 28 percent of America’s total population, the West has attracted over 41 percent of all immigrants, including 44 percent of those who have not yet become U.S. citizens.

7) **Pacific Rim Trade:** The Canadian and U.S. West trade more with Pacific Rim nations than do their Eastern counterparts. In the mid-1990s, British Columbia shipped 37 percent of its exports to the Pacific Rim (excluding the United States), compared with 10 percent for the rest of Canada. The U.S. West is responsible for almost 26 percent of total American merchandise exports, but 48 percent of all exports to Japan. In 1995, Pacific Rim destinations (including Canada, Mexico, and Chile) accounted for 72 percent of California’s total exports, and the Western states provided almost one half of all U.S. exports to the ten major Asian economies in 1997. Moreover, almost one-quarter of Silicon Valley's personal income is generated from exports to Asia.
8) **Information Industry:** Many Western U.S. states, British Columbia, and Alberta have become magnets for information-based businesses, and their dependence on minerals, precious metals, oil, natural gas, or livestock is decreasing noticeably. The growth in the high technology sector is illustrated by the fact that only 16 percent of the Fortune 500 companies were located in the West in 1996, but the region was the headquarters for 41 percent of the computer and office equipment corporations, 50 percent of the electronics and network communications' enterprises, 71 percent of the computer software companies, 75 percent of the computer peripherals' businesses, and 78 percent of the electronics and semiconductor firms included on the list of the 1,000 largest corporations in the United States.22

9) **Tourism:** Many of the Western states and provinces are much more dependent on domestic and international tourism than other parts of the United States and Canada. In 1996, the West garnered 39 percent of the 60 billion dollars spent by international visitors in the United States.23 Four of the top 10 and 7 of the top 20 states visited by foreign travelers in 1998 were also located in the West, and several of the Western states have a heavy reliance on tourism as a source of state revenues.24

**Regional Differences**

1) **Sovereignty:** The subnational units in the North American West belong to three separate sovereign nations, two of them advanced industrial societies and one a developing country. National borders continue to be significant barriers to continental economic integration and have a definite impact on the degree of regional economic cooperation that can be expected in the future. Trade among the Canadian provinces is about 12 times greater than trade between the provinces and the U.S. states of similar economic size and distance.25 Thus, despite one of the most open borders on the entire planet and a bilateral trading relationship that is already the largest in the world, economic linkages between the two countries are still only a fraction of what they might be if the border and different national objectives were not major impediments to cross-border commerce;

2) **California:** California towers over all states and provinces in the North American West. It has the dimensions of a nation-state, and it dominates the economic landscape in the U.S. West. With 34 million people, California has a population larger than Canada's and one-third the size of Mexico's. These 34 million people represent 56 percent of the entire population of the 13-state U.S. West. California's annual gross domestic product exceeds one trillion dollars, larger than the combined GDP of Canada and Mexico and representing almost 60 percent of the U.S. West's total production base. California's own exports of goods totaled 105 billion dollars in 1998, and almost 25 percent of the value of the nation's total merchandise exports is processed through the Golden State.26 Politically, California casts one-fifth of the votes in the Electoral College, and its 52 seats in the House of Representatives are 11 more than the other dozen states’ aggregate number of seats;

3) **Alaska and Hawaii:** Alaska is a vast area territorially but has a sparse population of 600,000. It is physically separated from the “lower 48” and often has more in common with Western Canada than the continental United States in terms of resources, energy,
and environmental issues. Alaska’s state government depends on the sale of oil for two-thirds of its general revenues and, unlike most of the West over the past few years, has been plagued by slow economic growth because of the steep decline in the price of oil and other commodities.

The tiny island state of Hawaii has two thousand miles of ocean separating it from the mainland, and may have more in common with other Pacific island-states than with the eleven Western states on the lower mainland, especially in terms of tourism, resources, energy, and economic development strategies. More than any other state or province, Hawaii’s economic fate is linked to international tourism, especially from the Asian Rim. Asian economic troubles have led Hawaii into a recession, which is in sharp contrast with the sustained growth enjoyed by states on the lower mainland.27

4) State-by-State: The eleven Western states clustered south of the Canadian border and north of the Mexican border have varying profiles. California is giant, the others are comparative dwarfs. Excluding California, Washington is far larger in population and GDP than its neighbors to the east and to the south, and all three Pacific Coast states have marked differences with their neighbors in the Rocky Mountain, desert, and plains regions of the West. Nevada is unique because of its overwhelming emphasis on gaming-based tourism. Over 60 percent of Utah’s population is Mormon, the most preponderant religious grouping found in any U.S. state. Arizona and New Mexico share borders with Mexico and their ethnic composition contrasts markedly with that of Idaho and Montana, which share borders with Canada. Wyoming has the smallest population in the United States with long distances separating its relatively small urban centers. Colorado is both a mountain state and a plains state, with the continental divide accounting in part for the different economic profiles east and west of the Rockies.

Whereas Hawaii, California, and New Mexico have the greatest ethnic diversity in the United States, Utah, Idaho, and Wyoming are among the most homogeneous states in terms of ethnic origin. Almost one-quarter of California’s population was born outside the United States, constituting one-third of the total number of foreign-born residents in the entire country.28 In contrast, the percentage of foreign-born residents in each of the mountain states is below five percent;29

5) Economic Competition: States and provinces in the North American West are fierce competitors, shunning cooperation and trying to exploit perceived weaknesses in neighboring jurisdictions. When California suffered its worst recession since the Great Depression in the early 1990s, scores of state, provincial, county, and municipal governments in the West dispatched delegations to California to entice businesses to relocate. Over the past several years, California has gained population, but this has been largely due to the arrival of people from abroad. For a number of years, there was a net out-migration of U.S. citizens, especially middle-aged whites, with many settling in other parts of the West either for lifestyle reasons or to seek jobs with local companies or with businesses that had previously moved from California;30
6) **Long-Running Conflicts**: Bitter disputes divide the states and provinces on both sides of the 49th parallel. For instance, controversy over Pacific salmon prompted the blockade of an Alaskan-bound ferry in British Columbia, and impelled British Columbia's premier to threaten to close a weapons-testing base to U.S. naval vessels. In the salmon case, the common interests of British Columbia, Washington, and Oregon may actually be at odds with the special interests of Alaska.

Along the southern border, issues related to low-wage labor, illegal immigration, the proper treatment of undocumented aliens, illicit drug trafficking, environmental degradation, and water diversion complicate efforts to improve ties between Baja California Nord, Sonora, and Chihuahua on the one side, and California, Arizona, and New Mexico on the other. California's economy is much larger than Texas', but three times more exports originate in or pass through Texas to Mexico than is the case from California to Mexico. In addition, the international-local political linkages are extremely important in California where the Hispanic population increased from 26 percent in 1990 to 31 percent in 2000, and where more Hispanic residents are registering and turning out to vote. Exit polls have indicated that Hispanics voted 4 to 1 in favor of Democrats over Republicans in California's 1998 elections.

7) **Water**: For several of the states in the U.S. West, sufficient fresh water is a constant concern. In contrast, Canada has over 20 percent of all the fresh-water reserves in the entire world, but both its national and many provincial governments are opposed to providing bulk-water sales to American states or municipalities. Softwood lumber, beef, wheat, and natural gas and hydroelectric pricing and distribution are among the other issues that have traditionally divided provincial and state governments in the West.

**THINKING REGIONALLY**

This task implies no clarion call for a regional strategy, still less for a coordinated economic and foreign policy in the North American West. The region is not a cohesive unit. Rather, the task for the U.S. and Mexican states and Canadian provinces which comprise the region is to take initiatives to sustain competitiveness where they can — locally, at the state level, or cooperatively across parts of the region. NAFTA, and before it the Canada-U.S. Free Trade Agreement, which went into effect in 1989, have given Western state and provincial governments greater impetus to cooperate with one another across national borders, and this trend should accelerate in the future. Indeed, at a 1999 annual conference held in Drumheller, Alberta, the Western premiers proposed the development of a formal institutional linkage between the Western Premiers' Conference and the Western Governors' Association, and a thorough discussion of bilateral relations at their annual general meeting. In addition, they proposed strengthening the government-to-government relationships of each Western province with at least its respective border states. Along the Southern border, New Mexico entered into a regional environmental compact with Chihuahua; Arizona created a binational health and environmental task force with its immediate neighbors to the south; and California established an Office of California-Mexico Affairs in San Diego to help coordinate its activities with both the Mexican national government and with Mexican states.
Models for cooperation exist. The Pacific NorthWest Economic Region (PNWER), created in 1991, transcends national boundaries. Its members are British Columbia, Alberta, the Yukon, Alaska, Washington, Oregon, Idaho, and Montana, an area with 18 million people and a combined GDP in excess of 350 billion dollars. PNWER is a tripartite partnership involving delegates from both the executive and legislative branches of the state, provincial, and territorial governments, as well as representatives from the private sector. Funding is provided by all the governments and by businesses and industry groups in the private sector. Its goals and tasks are articulated through nine working groups: agriculture, tourism, government procurement, transportation, telecommunications, exports, environmental technology, recycling, and forest products. The PNWER CATALIST software program electronically matches international and domestic trade opportunities and alerts businesses within the region via fax and e-mail. CATALIST generated an estimated 90 million dollars in additional sales in the 1995-96 fiscal year.

For PNWER’s former president, Washington State Senator Alan Bluechel, the future success of this regional organization is predicated on two rules: (1) do not become involved in each other’s politics; and (2) concentrate on issues where a broad consensus can be reached and avoid ones that deeply divide members. These rules are critical, because Alaska, British Columbia, Washington, and Oregon are sometimes bitter disputants over Pacific salmon, Alberta arguably has the most conservative government in Canada, British Columbia has had the most liberal social-democratic government in all of North America, and a major divide in political orientation often separates the state governments of Idaho and neighboring Oregon.

PNWER concentrates on small and medium-sized businesses and encourages these businesses to set the agenda and establish goals. They then rely on the public sector to help open doors and facilitate accomplishing these goals. For instance, PNWER currently serves as a consultant to the development of the Desert Pacific region which now includes Arizona, Nevada, Utah, Sonora, Sinaloa, and Baja California. It plans to utilize the CATALIST technology and form a combined Desert Region-PNWER communications network from Mexico City to British Columbia and Alberta. PNWER is also working with some of the regions within the European Union in an effort to share regional economic development strategies and to strengthen trans-Atlantic commercial linkages. The measure of PNWER’s success will be the degree to which it facilitates economic planning and cooperation among its member governments and the private sector in the North American West. PNWER is a worthwhile experiment, and while its long-term viability is certainly not guaranteed, its guiding principles can serve as a model for sub-regional cooperation in various economic sectors.

Transportation—NAFTA is the largest free trade area in the world, with three-way trade in goods now surpassing 500 billion dollars per year. About three-quarters of this merchandise trade is carried by trucks, and efforts are under way in the West to develop trucking corridors from Canada to Mexico. For example, during the 1997 Summit of Mayors to Promote the International Trade Corridor Partnership, mayors along the major north-south highway routes met to discuss upgrading the overall transportation system. The CANAMEX project, which involves Alberta, Idaho, Arizona, California, Montana, Utah, and Nevada, explores ways to improve the transportation corridor from Edmonton to the Mexican border, mainly along U.S. Interstate 15. The Rocky Mountain Trade Corridor is a membership trade association which also promotes better regional transportation linkages, with representation coming from British Columbia, Alberta, Saskatchewan, Montana, Idaho, Utah, Colorado, and New Mexico.
Border states and provinces could follow these examples to lobby for common highway and commercial trucking standards around North America and for better infrastructure. They could also push their federal governments to streamline inspection procedures at border crossing points, an effort now being led by Alberta and Montana.38

Sub-regions within the North American West can also work to harmonize the various parts of their transportation networks, especially to take advantage of the mushrooming trade with Pacific Rim nations. For example, the ports of Los Angeles and Long Beach are the busiest in North America, but bottlenecks often occur because of outmoded rail or roadway systems, a situation which will be improved if and when the Alameda Corridor project is completed. Similar bottlenecks involving inland transportation hinder efforts to expand the capacity of Seattle’s port. The proposed Rocky Mountain corridor founders on a long stretch of two-lane roads in southern Utah and northern Arizona.

In the air, “Open Skies” air routes between Canada and the United States have increased only modestly, especially in the West, and scant headway has been made in opening up service with Mexico. The lack of modern or standardized railroad transportation systems also thwarts the development of trade links in parts of the southwestern U.S. and northern Mexico, and state officials in the U.S. West must remain vigilant to insure that the renewal of the Intermodal Surface Transportation Efficiency Act (ISTEA) will enhance their efforts to improve commercial shipping routes.

Tourism: More than 1 of every 10 jobs in the United States is now linked to the travel and tourism sector, and foreign visitors injected 91 billion dollars into the U.S. economy in 1998, more than three times what they spent in 1986.39 By 2002, over 52 million foreigners are expected to visit the United States annually and spend over 110 billion dollars (Figures 3-5).40

![Figure 3: Number of foreign visitors to the United States, 1980-1998](source: Statistical Abstract of the United States (various), and Tourism Industries, U.S. International Trade Administration)

![Figure 4: Employment generated by international visitors to the U.S. West, 1994](source: Tourism Industries, U.S. International Trade Administration)

![Figure 5: Spending by international visitors to the U.S. West, 1994](source: Tourism Industries, U.S. International Trade Administration)
Tourism is a win-win proposition for regions, not just individual states and provinces, and all could benefit from more cooperation among state and provincial tourism bureaus and private-sector agencies. Consumer Reports found that all of the top 10 and 28 of the top 35 most popular national parks in the United States were located within the U.S. West so, when combined with the Canadian Rockies, the premier destination for ecotourism in the entire world is the North American West, with the potential for millions of additional visitors from overseas each year (Figures 6).41

California alone is home to 1,000 beaches, and its Baywatch and Disneyland image attracts millions of foreign visitors to its shores.42 Hawaii depends on overseas tourists, and foreign visitors contribute about two billion dollars in annual revenues to Las Vegas, the city that now has 10 of the 12 largest hotels on the planet. It continues to expand its capacity to host visitors from other countries, in part through its Convention and Visitors Authority, which operates three permanent offices overseas.43 British Columbia, Washington, and Oregon have experimented with pooling their tourism promotion to encourage two-country regional visits by their own citizens and by foreign residents. San Diego is also beginning to reach out to tourists from Mexico, estimating that residents of Tijuana and other northern Mexico communities are spending almost three billion dollars annually in the San Diego region.44

Since the U.S. Travel and Tourism Administration was dismantled in 1996, states, provinces, and the private sector have borne most costs of promoting tourism in the North American West. Regional cooperation could extend the very tight budgets of individual agencies.

Exporting: The North American West is in an excellent position to take advantage of economic opportunities in Asia. Geography confers some advantages, even in light of falling transportation costs and telecommunications advances. Westerners also have the most positive attitude among Americans concerning the possible benefits from international commerce.45 Regional agreements to pool agricultural commodities and coordinate shipments directly overseas or to processing centers in North America could enhance the West’s position.

It will be up to the West to take the lead in cultivating market opportunities along the Pacific Rim, since this has not been a major priority of the national governments in Washington, Ottawa, and Mexico City, and is unlikely to be so in the future. Indeed, some of the trade strategies and emphases emanating from the national capitals early in the twenty-first century are likely to diverge from the priorities that would benefit governments and the private sector in the North American West.

Foreign direct investment: FDI, which provides investors in one country with a controlling interest in enterprises in one or more other countries, is at record levels and is growing at a rate much higher than global trade in goods and services. FDI is also tightly linked to trade. Approximately 40,000 multinational corporations (MNCs) operate today, compared with 7,000 a
quarter of a century ago, and intra-firm transactions among these MNCs are responsible for one-third of total merchandise trade globally, with MNC exports to non-affiliates accounting for an additional one-third. In the United States, intra-firm trade by U.S. and foreign-based MNCs accounts for almost 50 percent of total U.S. merchandise exports and over 50 percent of imports. Consequently, the economic fortunes of the West will be heavily dependent on attracting direct investment from abroad and cultivating the development of home-grown MNCs (Figures 7 and 8).

Attracting foreign direct investment is widely viewed by subnational government leaders as a zero-sum game. Still, governments in the North American West could try to agree on the rules of the game for attracting foreign investment, and mutually agree to curb most types of investment incentives, including grants, loans, tax holidays, and tax rebates. Unfortunately, some local governments in the West are hamstrung in generating revenues; California especially by Propositions 13, 98, and 218. Therefore, they rely on taxes collected from retail sales, and so are tempted to offer lucrative incentives to foreign and domestic companies willing to establish facilities within their areas of jurisdiction. This short-sighted policy shifts city revenues from other important sectors, provides undeserved tax breaks for large corporations, and stifles planning and cooperation on a regional or metropolitan basis.

Foreign-owned companies currently provide almost one million jobs for residents of the U.S. West, including roughly nine percent of all jobs in the manufacturing sector. In the future, the West can be the major area of emphasis for investment emanating from Asia and other Pacific Rim countries, and these investors could provide hundreds of thousands of new job opportunities in the region. The first target for this foreign capital is joint ventures to help fledgling information-technology firms to develop new product lines and expand their markets overseas. A second priority is FDI targeted at value-added industries which can take full advantage of the West’s rich and diverse natural resource base. Instead of shipping raw logs to Japan, states and provinces could work to attract furniture makers, modular home builders, and other businesses which can transform the logs into finished or semi-finished products. Similar efforts could be made in other natural resource sectors, and industries which are heavy users of energy might be

<table>
<thead>
<tr>
<th>State</th>
<th>All Countries</th>
<th>Canada</th>
<th>Japan</th>
<th>Europe</th>
<th>Latin America</th>
<th>Asia Pacific</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alaska</td>
<td>9,700</td>
<td>2,500</td>
<td>2,300</td>
<td>3,300</td>
<td>200</td>
<td>700</td>
</tr>
<tr>
<td>Arizona</td>
<td>48,600</td>
<td>9,200</td>
<td>8,000</td>
<td>10,800</td>
<td>1,800</td>
<td>4,500</td>
</tr>
<tr>
<td>California</td>
<td>549,600</td>
<td>69,200</td>
<td>144,300</td>
<td>266,700</td>
<td>16,500</td>
<td>44,600</td>
</tr>
<tr>
<td>Colorado</td>
<td>12,000</td>
<td>12,000</td>
<td>10,800</td>
<td>43,600</td>
<td>1,800</td>
<td>4,500</td>
</tr>
<tr>
<td>Hawaii</td>
<td>49,800</td>
<td>1,500</td>
<td>35,400</td>
<td>4,400</td>
<td>4,800</td>
<td>3,100</td>
</tr>
<tr>
<td>Idaho</td>
<td>11,000</td>
<td>2,000</td>
<td>300</td>
<td>8,200</td>
<td>100</td>
<td>400</td>
</tr>
<tr>
<td>Montana</td>
<td>4,400</td>
<td>1,200</td>
<td>400</td>
<td>2,700</td>
<td>100</td>
<td>x</td>
</tr>
<tr>
<td>Nevada</td>
<td>24,300</td>
<td>6,600</td>
<td>2,700</td>
<td>12,400</td>
<td>210</td>
<td>1,400</td>
</tr>
<tr>
<td>New Mexico</td>
<td>15,700</td>
<td>1,800</td>
<td>1,900</td>
<td>9,400</td>
<td>700</td>
<td>3,300</td>
</tr>
<tr>
<td>Oregon</td>
<td>47,600</td>
<td>5,900</td>
<td>12,200</td>
<td>36,800</td>
<td>500</td>
<td>1,800</td>
</tr>
<tr>
<td>Utah</td>
<td>27,800</td>
<td>3,800</td>
<td>3,400</td>
<td>18,600</td>
<td>330</td>
<td>1,600</td>
</tr>
<tr>
<td>Washington</td>
<td>81,500</td>
<td>15,000</td>
<td>15,700</td>
<td>43,600</td>
<td>1,200</td>
<td>3,700</td>
</tr>
<tr>
<td>Wyoming</td>
<td>6,800</td>
<td>200</td>
<td>x</td>
<td>6,200</td>
<td>300</td>
<td>x</td>
</tr>
</tbody>
</table>


FIGURE 8
JOBS WITHIN THE WESTERN STATES PROVIDED BY FOREIGN-OWNED AFFILIATES: 1985-1995*

<table>
<thead>
<tr>
<th>State</th>
<th>1985</th>
<th>1990</th>
<th>1993</th>
<th>1995</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alaska</td>
<td>7,100</td>
<td>13,200</td>
<td>9,900</td>
<td>9,700</td>
</tr>
<tr>
<td>Arizona</td>
<td>34,300</td>
<td>57,100</td>
<td>51,200</td>
<td>48,600</td>
</tr>
<tr>
<td>California</td>
<td>298,800</td>
<td>555,900</td>
<td>529,100</td>
<td>549,600</td>
</tr>
<tr>
<td>Colorado</td>
<td>31,000</td>
<td>36,300</td>
<td>58,200</td>
<td>72,800</td>
</tr>
<tr>
<td>Hawaii</td>
<td>18,700</td>
<td>51,000</td>
<td>52,600</td>
<td>49,800</td>
</tr>
<tr>
<td>Idaho</td>
<td>2,800</td>
<td>11,700</td>
<td>13,200</td>
<td>11,300</td>
</tr>
<tr>
<td>Montana</td>
<td>2,800</td>
<td>5,100</td>
<td>5,200</td>
<td>4,600</td>
</tr>
<tr>
<td>Nevada</td>
<td>7,400</td>
<td>22,700</td>
<td>21,300</td>
<td>24,300</td>
</tr>
<tr>
<td>New Mexico</td>
<td>11,200</td>
<td>17,400</td>
<td>16,100</td>
<td>15,700</td>
</tr>
<tr>
<td>Oregon</td>
<td>18,600</td>
<td>39,100</td>
<td>42,100</td>
<td>47,600</td>
</tr>
<tr>
<td>Utah</td>
<td>9,900</td>
<td>21,000</td>
<td>23,100</td>
<td>27,800</td>
</tr>
<tr>
<td>Washington</td>
<td>35,500</td>
<td>77,500</td>
<td>76,400</td>
<td>81,500</td>
</tr>
<tr>
<td>Wyoming</td>
<td>3,100</td>
<td>5,800</td>
<td>6,100</td>
<td>6,800</td>
</tr>
</tbody>
</table>

Source: Survey of Current Business (various).

* figures do not include employment in the banking sector.
enticed to take advantage of the West’s abundant, renewable, and relatively inexpensive hydroelectric capacity.

A striking example of cooperation across national borders occurred in 1995 when a delegation from Baja California Norte flew to South Korea to lobby Daewoo to build a 270 million dollar television picture tube plant in Tijuana. California’s Trade and Commerce Secretary accompanied the delegation and vigorously supported Baja’s campaign. Why would officials in Sacramento support a neighboring state in a foreign country rather than submit its own application to Daewoo or support a bid put forward by another Western U.S. state? Their reasoning process is compelling and helps explain the growth of regionalism within the North American West.

San Diego and Tijuana have a combined population base of four million people. Approximately 850 maquiladoras have been established in Baja California Norte, and Tijuana recently surpassed San Diego County in manufacturing jobs. Trade officials in Sacramento recognized that no California city could compete with the low wages offered in the Tijuana region, but that San Diego and other California localities would nonetheless benefit from having the huge Daewoo plant constructed in Tijuana instead of other areas in North America. In 1994, the maquiladoras in Mexico imported 5.4 billion dollars in goods, of which 810 million dollars came from California-based companies. NAFTA’s North American content standards, when fully implemented, will also require more of these plants to import from within the continent, which will benefit California’s enterprises near Baja.

In addition, many of the top executives and engineers working in the maquiladora facilities in Tijuana live in San Diego, with approximately 8,000 commuting daily across the border. Some of the executive offices of the maquiladoras are also situated in San Diego County, providing jobs for local California residents. Thus, from the vantage point of state officials in Sacramento and city and country representatives in San Diego, the decision by Daewoo, Matsushita, and scores of other Asian corporate giants to build factories in Tijuana and take advantage of low-wage Mexican labor, assists businesses, creates jobs, and expands tax revenues in California.

A Coordination Council: PNWER is a potential model for coordinating various regional economic development and related issues, and it could either be replicated elsewhere or expanded to include more U.S. states, Canadian provinces, and Mexican states. A Coordination Council modeled after PNWER could help avoid the duplication of expensive programs, with key roles for the Western Governors’ Association, the Western Council of State Legislatures, and the Western Premiers’ Conference. It could emphasize points of commonality and focus on economic development and infrastructure projects.

Politics: Regional cooperation would be enhanced by a “Super Tuesday” presidential primary held by all of the “lower 48” states from Colorado westward, except California. This would increase the political visibility of the Western states, highlight issues of prime importance to the region (like the use of public lands and the distribution of water rights), enhance cooperation in other sectors, and remind both voters and candidates that the region enjoys a combined Electoral College vote larger than California’s.
Education: Medical schools, veterinary schools, apprenticeship programs, and technology programs could be distributed on a regional basis, instead of each state or province funding costly individual schools or programs. One example underway is the Western Governors University (WGU), which includes several Governors on its board of directors. The WGU began operations in 1997 and has administrative offices in Salt Lake City and academic offices in Denver. Seventeen state governments, including all of those in the U.S. West except California, are affiliated with the WGU. It is a degree-granting “virtual” university which uses the Internet and other advanced telecommunications technologies to service higher-education students scattered across a large portion of the West and Midwest. The WGU, patterned after the Open University in Great Britain, offers more than 180 college-level distance-learning courses and scores of individualized and corporate-training classes. Although initial enrollment has been modest, the WGU has been bolstered by almost 10 million dollars in public and private-sector funding and hopes to enroll thousands of students by the early twenty-first century.

ACTING NATIONALLY AND LOCALLY

Thinking globally for the North American West means working with, and lobbying, federal governments for policies that will promote the region’s interests. In many areas, national policies set limits on local action. For example, NAFTA commitments will constrain what states, provinces, or localities can do in government procurement, investment and export incentives, support for state-owned enterprises, and FDI restrictions. The World Trade Organization (WTO) will do the same for similar issues, plus services, dispute settlement, and other economic practices. The Western Governors’ Association expressed reservations about some of the proposed provisions in the Multilateral Agreement on Investment (MAI), and asked Washington to consult with the states on a more regular basis on issues linked to NAFTA’s expansion, the creation of the proposed Free Trade Area of the Americas (FTAA), and new WTO authority. Interdependence and the development of new international codes linked to global trade and investment will provide opportunities for businesses in the North American West to expand into overseas markets, but they will also limit some of the practices traditionally pursued by state, provincial, and local governments.

At the same time, U.S. states can use the resources of the federal government through the International Trade Administration (ITA), a division of the Department of Commerce, which maintains Export Assistance Centers or district offices in most states, and through the U.S. Small Business Administration (SBA), the Export-Import Bank (Eximbank), and the Overseas Private Investment Corporation (OPIC) (Figure 9). ITA personnel are available to participate in export seminars and their organization maintains a data base with export, licensing, joint venture, and related leads. The ITA, in conjunction with the U.S. Commercial Service, also facilitates U.S. business participation in international trade shows and trade missions. The SBA provides some loans linked directly to export activity, the Eximbank furnishes limited funding for companies that want to enter export markets, and OPIC insures overseas investments against losses due to revolution, repatriation restrictions, and other factors.

So, too, local leaders can use a variety of organizations to represent the interests of their local business communities — the National Governors’ Association, the Council of State Governments, the National Association of State Development Agencies, the National Association of Counties, the National League of Cities, the U.S. Conference of Mayors, and their functional equivalents in Canada.
**FIGURE 9**

U.S. EXPORT ASSISTANCE CENTERS IN THE WEST, 1996

**Major Regional Centers**

U.S. Export Assistance Center
One World Trade Center
Suite 1670
Long Beach, CA 90831

U.S. Export Assistance Center
1625 Broadway, Suite 680
Denver, CO 80202

U.S. Export Assistance Center
2001 6th Ave., Suite 650
Seattle, WA 98121

**Alaska**
World Trade Center
421 W. First Street
Anchorage, AK 99501

**Arizona**
U.S. Export Assistance Center
2901 N. Central Ave., Suite 970
Phoenix, AZ 85012

**California**
U.S. Export Assistance Center
One World Trade Center
Suite 1670
Long Beach, CA 90831

11000 Wilshire Blvd.
Room 9200
Los Angeles, CA 90024

Center for Trade and Commercial Diplomacy
411 Pacific St., Suite 200
Monterey, CA 93940

3300 Irvine Avenue, Suite 305
Newport Beach, CA 92660

**California Cont’d**

330 Ignacio Blvd., Suite 102
Novato, CA 94949

530 Water St., Suite 740
Oakland, CA 94607

2490 Inland Empire Blvd.
Suite 121
Ontario, CA 91764

300 Esplanade Drive, Suite 290
Oxnard, CA 93030

917 7th Street, 2nd Floor
Sacramento, CA 95814

6363 Greenwich Drive, Suite 230
San Diego, CA 92122

250 Montgomery St., 14th Floor
San Francisco, CA 941014

1 Park Center Plaza, Suite 1001
San Jose, CA 95113

5201 Great American Parkway #456
Santa Clara, CA 95054

**Colorado**

U.S. Export Assistance Center
1625 Broadway, Suite 680
Denver, CO 80202

**Hawaii**
P.O. Box 50026
300 Ala Moana Blvd., Room 4106
Honolulu, HI 96850

**Idaho**
700 West State Street, 2nd Floor
Boise, ID 83720

**Montana**
Served by Boise Center

**Nevada**
1755 East Plumb Lane
Suite 152
Reno, NV 89502

**New Mexico**
c/o New Mexico Dept. of Economic Development
P.O. Box 20003
Santa Fe, NM 87504

**Oregon**
1401 Willamette St.
Eugene, OR 97401

One World Trade Center
Suite 242
121 SW Salmon St.
Portland, OR 97204

**Utah**
324 S. State St., Suite 105
Salt Lake City, UT 84111

**Washington**
2001 6th Ave., Suite 650
Seattle, WA 98121

c/o Greater Spokane Chamber of Commerce
1020 West Riverside
P.O. Box 2147
Spokane, WA 99201

**Wyoming**
Served by Denver Center

and Mexico. These umbrella organizations can assist local leaders in developing strong networks with other levels of government.

With one in six jobs in the private sector in the United States and one in three in Canada already directly tied to the international economy, it is understandable that many state and provincial leaders perceive that the future well-being of their constituents will be increasingly linked to attracting and retaining companies which produce and export globally competitive goods and services. These governments will largely determine the future of K-through-12 and higher education on the continent. Curriculum changes championed by states and provinces and local school districts should include greater emphasis on foreign language training, geography, multicultural awareness, international relations, mathematics, statistics, methodology, science, business, advanced computer literacy, and basic computer programming.

State and provincial governments throughout the North American West could also coordinate infrastructure projects, develop special strategies to enhance rural economic development and urban renewal, and facilitate the establishment of “centers of excellence” which concentrate on research and development in high technology sectors.

As they expand their involvement overseas, both state and provincial governments will need to develop effective tools to evaluate the utility of their programs, including their foreign offices, international trade and investment missions, export financing arrangements, investment incentive packages, and related programs and activities. Currently, the Western states and provinces operate about 50 offices abroad, and most governors and premiers lead at least one international trade mission annually (Figure 10). In addition, several states and provinces offer export financing to local companies, and almost all provide major incentives to foreign investors willing to establish plants or businesses within their areas of jurisdiction. Each of these programs needs to be evaluated on a regular basis. For example, Utah recently closed all of its overseas offices. As part of its new overseas strategy, Utah has placed on retainer 23 local “consultants” in fifteen countries. These consultants are expected to help Utah-based companies secure export and investment opportunities, with the companies themselves paying the lion’s share of the consultants’ fees.54

**Figure 10**

FOREIGN OFFICES OF THE WESTERN STATES AND PROVINCES, 1994

| ALASKA | • Tokyo, Japan |
| ARIZONA | • Tokyo, Japan |
| CALIFORNIA | • Tokyo, Japan |
| COLORADO | • Tokyo, Japan |
| HAWAII | • Tokyo, Japan |
| IDAHO | • Tokyo, Japan |

| MONTANA | • Kumanoto, Japan |
| NEVADA | • none |
| NEW MEXICO | • Mexico City, Mexico |
| OREGON | • Tokyo, Japan |
| UTAH | (consultants only) |

Yet, the West cannot be complacent about its “comparative advantage” in developing future trade links with the Asian Rim. Global trade in services now accounts for over 20 percent of international commercial transactions and is growing rapidly.55 This type of trade can be transacted from any part of North America and rarely has to pass through a West Coast port. Moreover, escalating costs at Western ports are beginning to erode the West’s advantage in handling goods transported to and from Asia. Currently, it can cost 400 to 600 dollars per container less to ship from China through the Suez Canal to New York, Norfolk, or Charleston, rather than to Los Angeles.56 If and when the Suez Canal is expanded and modernized, this cost saving would be even greater.

Insuring that the West’s window of opportunity facing Asia is not closed prematurely because of high transportation costs, inferior products and services, or poor marketing will require new forms of public-private cooperation. Yet, in a major survey of U.S. municipalities completed by John Kincaid for the National League of Cities in 1997, only 35 percent of leaders reported working actively with state officials to improve the economic competitiveness of their regions, and only 20 percent worked with federal officials or representatives from neighboring cities. Moreover, 65 percent of local decision-makers considered their principal competition not foreign, but rather within their own immediate metropolitan area. Among possible sources of competition, Japan ranked number eight, trailing seven U.S. domestic sources.57 This survey suggests that foreign competition is generally viewed complacently by municipal leaders, and that public-private cooperation to improve U.S. economic competitiveness is still in its infancy. Governments in the West cannot lead local businesses in a direction they do not want to go, but they can help businesses understand the challenges and opportunities in the rapidly evolving continental and global economies.

Above all, the task for metropolitan areas or regions is to design strategies to take full advantage of a globalizing economy, but the region has a mixed record on this pursuit. For instance, the Greater Los Angeles Metropolitan Area experienced ups and downs over the past two decades. During the early 1990s, 71 percent of the total jobs lost in California occurred in LA County,58 but the regional economy that once relied on aircraft, agriculture, and apparel, now is thriving on tourism, entertainment, information technology, and international trade. In his second inaugural address, Mayor Richard Riordan referred to Los Angeles as the “jewel of the Pacific Rim, a leader in the global marketplace.”59 International traffic through its port and airport provides strong support for the Mayor’s assertion, with Los Angeles’ customs district being the largest in the United States. Likewise, Central Los Angeles, which is now about 50 percent Latino, produces more each year by itself than 30 U.S. states.60

Yet there are 88 cities within LA County alone, and Los Angeles City is not even a part of several regional economic development agencies in and around the county.61 It is the region’s 1,000 pound gorilla. Many of the cities in the greater Los Angeles area compete against one another for economic development projects.

The lack of region-wide planning, as well as maldistribution of services and deterioration in many public school systems, plagues major urban areas in the West, with Los Angeles perhaps the most blatant example.62 San Diego is only beginning to extract itself from its cocoon of reliance on the Navy and tourism for revenues. Its antiquated commercial airport and port
facilities are little more than appendages of their Los Angeles’ counterparts, a sad commentary for the nation’s seventh largest city. It and other communities on both sides of the California-Mexico border are also losing out on commercial trade opportunities because of a poorly structured and coordinated binational railway system.

San Francisco long ago ceded commercial port activities to neighboring Oakland and to Los Angeles and Long Beach, and region-wide cooperation in the nation’s fourth largest metropolitan area is sporadic at best. The international vision of San Francisco’s Board of Supervisors generally consists of sanctions imposed against businesses that once had commercial ties to South Africa, or more recently to Burma. Berkeley has gone even further, refusing to do business with companies with facilities in Nigeria. Since this list includes most of the major oil companies, Berkeley has scrambled to find fuel suppliers for its city vehicles.63 Over the past several years, Berkeley’s City Council has also prohibited municipal contracts with IBM, Federal Express, Coca Cola, Motorola, Compaq, and Hewlett Packard, all because of these companies’ alleged indiscretions overseas.64 The dearth of municipal cooperation in the Bay Area limits the region-wide benefits to be derived from the internationally competitive and dynamic Silicon Valley industrial complex.

Portland, Seattle, Vancouver, and Denver are doing a better job in facilitating urban planning, but far more remains to be accomplished, and much of the potential economic benefit which could accrue to the West in a globalizing economy will be lost unless major metropolitan reforms are implemented and far greater cooperation forged between core cities and their suburbs.

CONCLUDING OBSERVATIONS

Rapid changes are occurring in the North American West, partly attributable to globalization and partly to unprecedented technological change. States, provinces, and metropolitan governments in the West should be conducting strategic audits to ascertain their relative strengths and weaknesses in an era of global and regional economic interdependence. The North American West is far from being a cohesive unit, but some collaboration must occur among regional governments, their respective national governments, and the private sector to solidify the West’s overall competitiveness. “Thinking globally and acting locally” will be imperative in order to enhance the economic well-being and quality of life of Western residents in the twenty-first century.
ENDNOTES

1. Following now-current language, this essay uses “globalization,” but the term is more than a little misleading. While commerce reaches around the globe, it hardly reaches all the globe; large chunks of Asia and Africa, for instance, are all but off the economic map. The “Pacific” and “mountain” state designations have been made by the U.S. Bureau of the Census.


6. In 1996, the United States also ranked as the second largest producer of gold in the world, after South Africa. See U.S.A. Today, 21 July 1997, 1A.

7. Katherine M. Albert, William B. Hull, and Daniel M. Sprague, The Dynamic West: A Region in Transition (San Francisco: Council of State Governments, 1989), 19. The U.S. government owns 37 percent of the land in the 23 states west of the Mississippi River and only 5 percent of the land in the 27 states east of the Mississippi. In Canada, 3 percent of the land in the Western provinces and territories is owned by the federal government versus a little more than 2 percent for the nation as a whole. Mexico has discontinued the federal government’s ownership of land in the states. See Phillip M. Burgess and Michael Kelly, Profile of Western North America (Golden, CO: North American Press, 1995), 12.

8. Burgess and Kelly, 85-87. In 1990, the average level of urbanization in Canada was 67 percent, in the United States 75 percent, and in Mexico 71 percent.

9. In the 12 month period ending in February 1997, the mountain region enjoyed a job growth rate of 3.9 percent and the Pacific region 2.9 percent, the top two ranking regions in the nation. See Fortune, 28 April 1997, 26. Between mid-1992 and mid-1996, 87 percent of all new jobs created in Canada were concentrated in the four Western provinces, predominantly British Columbia and Alberta.

9. These states are Arizona, Colorado, Idaho, Nevada, Utah, and Washington.


12. U.S. Bureau of Economic Analysis, Economic News Release, 3 June 1997 (Internet). Alaska was the only Western state on the list of the slowest growing state economies in the period between 1987 and 1994, and Hawaii experienced significant economic challenges throughout the 1990s.

13. For example, the West led the nation in personal income growth between 1996 and 1998 and most of the fastest growing state economies were also located in the U.S. West. See the Survey of Current Business, January 2000, D-66, and the Center for the New West, Points West, August 1996, 1-2.


21. Fortune, 28 April 1997, F32-F49. The 500 and 1,000 largest corporations were determined by their revenue bases.


27. Maharidge, 7.

28. The percentage of foreign-born residents in 1995 in Colorado was 4.3 percent, in Utah 3.4 percent, in Idaho 2.9 percent, and in Montana and Wyoming 1.7 percent respectively.


30. Los Angeles Times, 3 January 1999 and 2 February 1999 (Internet), and the Deseret News (Salt Lake City), 4 February 1999, A8.


33. Unlike British Columbia and Alberta which are provinces, the Yukon is a territory. The Yukon has its own elected government, but some of the responsibility for governing the region remains with the federal government in Ottawa.


35. Telephone interview with Alan Bluechel, 12 April 1997.


37. Political leaders in Alberta and Montana now meet on a fairly regular bilateral basis to find solutions to cross-border problems, to expedite commerce between the province and the state, and to coordinate infrastructure improvements in the transportation corridor connecting Western Canada and the Western U.S. See the Deseret News, 21 December 1998, A11.


42. In reference to California’s 1,000 beaches, peruse the interview with John McKinney featured in the San Diego Union Tribune, 27 July 1997, A3 and A4. One should also note that Baywatch is now filmed in Hawaii.

43. Hotel size is measured by the number of rooms, with Las Vegas now offering over 100,000 rooms on a nightly basis.


45. In a Market Strategies survey administered in 1996, 52 percent of respondents in the West considered that foreign trade would have a positive impact on jobs, compared with 41 percent in the South and the Midwest, and 45 percent in the Northeast. See Carol Conway, “International Commerce: The Foundation for Southern Growth in the Next Century,” paper presented to the PCIP Study Group in Seattle, March 1997, Table 10.

46. Proposition 13 places a limit on what cities can collect from property taxes, Proposition 98 guarantees a certain level of funding for schools, and Proposition 218 prohibits new taxes or fees from being levied without direct voter approval.


48. Survey of Current Business, June 1997, 56 and 69. Approximately 953,000 were employed by foreign companies in the American West in 1995, and this figure does not include employment in the banking sector.


50. Ibid.

51. The membership of the Western Governors’ Association, which was created in 1984, includes Alaska, American Samoa, Arizona, California, Colorado, Guam, Hawaii, Idaho, Kansas, Montana, Nebraska, Nevada, New Mexico, North Dakota, the Commonwealth of the Northern Mariana Islands, Oregon, South Dakota, Texas, Utah, Washington, and Wyoming. The Western Premiers’ conference includes British Columbia, Alberta, Saskatchewan, and Manitoba.

52. Governor Michael O. Leavitt of Utah has been a chief proponent of the Western primary. He has also argued that in the “CyberCentury,” networked states will be best prepared to compete in the globalized economy, not large national governments. See his article, “The End of Mainframe Government and the Political Resurgence of States and Communities,” Colorado Municipalities, March-April 1997, 18-20.


60. Scott, 17.

61. Flanigan, D1 and D2.


64. Ibid., 22 July 1997, A18.
PACIFIC COUNCIL ON INTERNATIONAL POLICY
BOARD OF DIRECTORS, 1999-2000

Mr. Robert J. Abernethy
Chair, American Standard Development Company

Hon. Michael H. Armmacost
President, The Brookings Institution

Dr. Lloyd Armstrong, Jr.
Provost, University of Southern California

Mr. Stephen L. Baum
Vice Chairman, President & COO, Sempra Energy

Mr. John E. Bryson
Chairman & CEO, Edison International

Mr. Ronnie C. Chan
Chairman, Hang Lung Development Company, Ltd.

Hon. Warren Christopher
Senior Partner, O'Melveny & Myers

Rt. Hon. Joe Clark, P.C.
President, Joe Clark & Associates

Mr. Shelby Coffey, III
President, CNN Business & Financial News

Mr. Lewis W. Coleman
CEO, NationsBank Montgomery Securities

Mr. John F. Cooke
EVP, External Affairs, The J. Paul Getty Trust

Ms. Lee Cullum
Syndicated Columnist, Dallas Morning News

Mr. Robert F. Erburu (Chairman)
Chairman (Retired), The Times Mirror Company

Dr. Alton Frye
Residential Senior Fellow, Council on Foreign Relations

Ms. Linda Griego
Managing General Partner, Engine Co. No. 28

Mr. Edward K. Hamilton
Chairman, Hamilton, Rabinowitz & Alschuler, Inc.

Mr. Jay T. Harris
Chairman and Publisher, San Jose Mercury News

Hon. Rita E. Hauser
President, The Hauser Foundation

Hon. Robert D. Hormats
Vice Chairman, Goldman Sachs (International)

Ms. Karen Elliott House
President, International Group

Dow Jones & Company, Inc.

Hon. Jon M. Huntsman, Jr.
Vice Chairman, Huntsman Group

Dr. Irwin M. Jacobs
Chairman & CEO, QUALCOMM, Inc.

Mr. Bruce Karatz
Chairman & CEO, Kaufman & Broad Home Corp.

Hon. Mel Levine
Partner, Gibson, Dunn & Crutcher

Dr. Abraham F. Lowenthal
President, Pacific Council on International Policy

Professor of International Relations, USC

Mr. Richard Mallery
Partner, Snell & Wilmer

Ms. Vilma S. Martinez
Partner, Munger, Tolles & Olson

Mr. Michael J. Murray
President, Global Corporate & Investment Bank
Bank of America

Mr. Luis G. Nogales
President, Nogales Partners

Mr. Michael Parks
Editor & EVP, The Los Angeles Times

Mr. Michael P. Peters
Senior Vice President, Council on Foreign Relations

Ing. Alfonso Romo Garza
Chairman & CEO, Pulsar Internacional

Hon. Pamela Ann Rymer
Judge, United States Court of Appeals

Mr. David Tang
Managing Partner, Preston, Gates & Ellis

Dr. Chang-Lin Tien
Professor, University of California, Berkeley

Dr. Laura D’Andrea Tyson
Dean, Haas School of Business
University of California, Berkeley

Mr. Gerald L. Warren
Editor (Retired), San Diego Union-Tribune
The Pacific Council Studies Program seeks to engage Americans in a globalizing world — one that is more dynamic, where national borders are more porous and “policy” results from private actions as well as public. In 2000, through its study groups, task forces, Fellowships and publications, it is focusing on the Korean Peninsula, the globalization of the American entertainment industry and the international connections of the North American West.