

Bay. It is a cost-effective export outlet for prairie grain moving to Latin America, Africa and Europe, and for bulk commodities and other material coming into Western Canada and the central United States.

With this capability to link directly by ship into Europe, the Mid-Continent International Trade Corridor was dubbed the "Monterrey to Murmansk" route, illustrating its unique northern links from the North American continent.

### *Business Plans*

Several other important initiatives are underway by organizations in the corridor. One of these, which has major consequences, is the impending merger of CN Rail with Illinois Central Railway, which runs through the eastern portion of the corridor from Chicago through Memphis to New Orleans. This combination of CN's east-west routes with Illinois Central's route running parallel to the Mississippi River establishes a formidable transportation system, which can be fed traffic from CN's strong Manitoba base. Its running agreements with other US railways also provide access into Mexico. From its intermodal terminal near Chicago, the newly merged railway offers a greatly extended competitive reach for Canadian companies to move goods through that segment of the corridor.

CP Rail already has its link into the United States mid-west through its acquisition in the early 1990s of the Soo Line Railroad Company, which has vast cross-border and corridor interconnections, enabling it to move goods into and out of Canada.

Manitoba is the country's largest bus manufacturing centre. One of its companies, New Flyer Industries, is establishing a new plant in Minnesota, which will work in conjunction with its existing facilities. The establishment of this regionally integrated manufacturing capability across the Canada-US border is indicative of a strategy being considered by several other firms in both countries. The presence of a manufacturing plant in that country will enable the company to satisfy the US domestic content requirements of its municipal government customers. At the same time, it expands the opportunity for the Canadian plant to provide component parts for assembly in the American segment of the corridor.

The establishment of a new plant in Mexico by Manitoba's Palliser Furniture, Canada's largest furniture manufacturer, also reflects the growing business perception and reality of the corridor linking manufacturing capabilities in different locations. That company uses a sophisticated logistics capability to move its products for export into the increasingly important US markets. It will now be able to tie together its manufacturing plants near the two extremities of the corridor and provide an example to other Canadian firms of how an integrated transportation system can serve supply and distribution functions efficiently across the borders.

At the same time, the McCain Foods plant in Portage la Prairie, J.M. Schneider plant in Winnipeg, and impending Maple Leaf hog plant in Brandon are industry developments of tremendous importance which rely on export and import opportunities in the corridor region beyond the Canada-US border.