

## The Real Threat is International

*by Maude Barlow, 2002*

It's disgraceful enough that under the Liberals federal funding for medicare has fallen to an all-time low and private sector funding to an all-time high.

But something much worse is taking place under Jean Chrétien's watch. His government has made and expanded trade commitments that open up our health system to competition with American and other private for-profit companies, and have done so in such a way that would be difficult and costly to reverse.

Chrétien and Trade Minister Pierre Pettigrew will tell you medicare is exempt from trade deals. But at the global, hemispheric and continental trade tables, the grim reality is far different.

Globally, the Chrétien Liberals are strong proponents of freeing up trade in services under the World Trade Organization, or WTO. Absolutely nothing is off the table at these negotiations. At the Seattle WTO meeting, the Canadian government's official position stated negotiations would proceed even in "areas of particular sensitivity, such as health." Today, almost 100 countries have listed some sectors of health with the WTO, and astonishingly, Canada is among them. Policy analyst Matt Sanger documents that by listing health insurance at the WTO, the very backbone of medicare, the Canadian government has further exposed our public system to trade challenges.

Hemispherically, within the new services negotiations at the Free Trade Area of the Americas (FTAA), transnational service corporations are eager to take down domestic barriers to free trade in the global health-care market estimated to stand at about \$3.5 trillion especially in those countries, like Canada, that have maintained public control of this sector.

Both the new WTO and FTAA negotiations include a greatly expanded definition of services and both will have the power to compel governments to demonstrate that their domestic regulations, such as the five principles of medicare, are "necessary" in order to gain an exemption from trade challenges, and that no less commercially restrictive alternative is available.

An American public relations firm has referred to Canada's medicare system as one of the largest "unopened oysters" left anywhere. The United States government is on record that it intends to use the WTO and the FTAA to pry this oyster open. Says the U.S. Trade Representative's Office, "The mandate is ambitious: to remove restrictions on trade in services and provide effective market access. The United States is of the view that commercial opportunities exist along the entire spectrum of health and social care facilities, including hospitals, outpatient facilities, clinics, nursing homes, assisted living arrangements, and services provided in the home."

Continently, the main threat posed by NAFTA and its FTAA successor lies in the creeping privatization of health services. If a government allows any currently exempt sector, such as public services, to become even partially privatized (Alberta's Bill 11 for example) the sector no longer qualifies for trade-exempt status. For-profit companies from other NAFTA countries must now be allowed to enter the sector as competitors. Under NAFTA's Chapter 11, those corporations would have the right to huge financial compensation if any government tries to bring now-privatized services back under public management.

The Chrétien Liberals have further undermined medicare by reversing their stand on monopoly patent protection for foreign-based pharmaceutical companies. They campaigned in the 1993 election on a repeal of C-91, the NAFTA-prompted legislation that gave 20-year patent rights to the drug giants, thereby undermining the ability of the mostly domestic generic drug industry to provide low-cost medicines to Canadians. But once in power, the Red Book promises were forgotten

Canadian drug prices have soared. Between 1987 and 2002, spending on prescription drugs increased 342 per cent. Prescription drugs are now the fastest growing component of health-care costs. And rising costs are the main reason given for the need to reform health care.

Finally, the Chrétien Liberals stated trade strategy to sell Canada's health-care expertise to countries around the world further threatens medicare at home. That's because Canada cannot ask other countries to open their health "markets" to foreign competition if Canada is not willing to do the same.

Industry Canada, Health Canada, and the Department of Foreign Affairs and International Trade, along with some powerful commercial health-care corporations, have singled out health care, especially telehealth, as a high priority area for export growth. Ottawa claims that Canada has the potential to capture 10 per cent of world telehealth markets by 2005 "provided domestic barriers to growth are addressed."

There is an affordable alternative: community based, primary health care that focuses on health promotion, illness prevention, rehabilitation and preventive services along with curative care that extends to pharmacare and home care. But this alternative will never see the light of day as long as our federal government pursues its destructive policies and fails to stand up to right-wing provincial governments slowly dismantling Canadians' most cherished social program.

We have our work cut out for us.