MEDICAL REFORM

Newsletter of the Medical Reform Group of Ontario

Medical Reform Group of Ontario, P.O. Box 158, Station D, Toronto, Ontario M6P 3J8 (416) 588-9167

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The doctors' dilemma

By Michael Rachlis

One of the provincial government's proposals to control medicare costs would effectively prohibit new family doctors, pediatricians and psychiatrists from practising in Ontario for the foreseeable future.

The problems with physicians and medicare have been documented by many commissions in Ontario and other provinces over the past decide.

We are licensing new doctors in this province at a rate more than three times that of population growth.

The open-ended fee-for-service system of payment has guaranteed each new doctor a well-paying job.

Far too many have opted to stay in southern Ontario and see healthy people with minor problems. In Toronto, you can sometimes get a doctor delivered to your house faster than a pizza.

Finally, despite many recommendations for better utilization of nurses within an over-all human resource plan, less than 20 per cent of Ontario's graduating nurses will find full-time jobs in Canada this year. Recent Ontario grads head for Lubbock rather than Lindsay.

The government's proposals for reform would cause almost as many problems as they would likely solve.

It is true that some measures are long overdue. One includes a crackdown on some general practitioners who own physiotherapy equipment and refer patients to themselves for long-term rehab administered by poorly trained, unregulated office staff.

Another rescinds government payments to the Canadian Medical Protective Association. The CMPA is a physician-owned co-operative that provides malpractice insurance. It has a reserve fund of more than $500 million.

However, on the whole, the government's proposals wouldn't achieve stated objectives and have needlessly antagonized young doctors and confused the public.

The government notes that fee-for-service payments to physicians are open-ended but then recommends a series of measures that would not deal with the problem.

For example, the government suggests restricting psychotherapy payments to two hours per week per patient and calculates a saving of $26.5 million. However, psychiatrists would simply see more patients to make up the lost income.

Similarly, unless the ministry somehow restricts over-all payments to doctors, doctors would simply provide other services if they couldn't bill for pimple removals and earlobe repairs, which are among several services slated for de-insurance.

And there are no measures that would improve quality of care or ensure care to so-called "undesirable" patients, such as those with AIDS, drug addiction or chronic mental illness.

The highlight of the government's proposals would restrict new family doctors, pediatricians, and psychiatrists to collecting 25 per cent of their bills for their first five years if they establish a private practice in most areas of Ontario.

In fact, according to the government's figures, there is only room for about 100 of these new doctors in all of the province, and approximately 300

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INSIDE

Meeting to look at NDP government

As announced in the last issue of *Medical Reform*, The Medical Reform Group's spring general meeting on June 10 will be devoted to a discussion of the actions of the Ontario NDP government.

The government's direction is the subject of a great deal of debate of late, so discussion should be lively.

The meeting will be on Thursday June 10 at Davenport-Perth Community Health Centre, 1900 Davenport Road, Toronto. The meeting will begin at 7:30; a catered dinner begins at 6:30. The registration fee for the meeting, including dinner, will be $10.▼

Cruelty to interns

As a medical intern, I would like to voice my strong protest to the NDP plan to reduce new doctors' incomes by 75 per cent.

I am aware that we will probably not have public support, especially as more sensational items, such as the $250,000 cap on established general practitioners will likely deflect attention.

I would like to put a face to the many hundreds who will be affected this year alone. As interns and residents, we are the doctors who have worked, often in 36-hour-shifts, in the emergency rooms, the medical wards, the surgeries of all teaching hospitals over the last few years.

Many of us, because of our recent training, are interested in current and vital health-care issues, such as HIV medicine, women's issues, care for senior citizens.

As citizens, we are asked to "share the burden" of the social contract; how-

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Doctors' Dilemma
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new Ontario family doctors, pediatricians and psychiatrists start looking for work every year.

The government's proposals didn't mention the option but the minister's office was quick to note after the fact that new doctors would be allowed to enter salaried practice in community health centres (CHCs). Unfortunately, Ontario's 50 CHCs have fewer than 150 doctors and, unbelievably, the NDP government plans to open fewer new CHCs than were planned by the Liberals.

Paradoxically, younger doctors are more likely to have the characteristics that the government says are desirable in medical practitioners. They are more willing to consider salaried practice, see AIDS patients, and work democratically with nurses than most established doctors. They have more teaching in scientifically guided practice and have spent much of their training experiencing resource constraints in the hospital sector.

What are the alternatives to sending Ontario's next generation of doctors and nurses west of the Pecos?

First, the Ontario government should develop a comprehensive human resource plan directed by the health-care needs of the population. This plan should include training the appropriate number of professionals.

Considering the tidal wave of new doctors that will continue for the foreseeable future, the government should close one of Ontario's five medical schools. The other schools need to work overtime to develop curricula that will produce the doctors we need. Ontario needs doctors who are interested in primary care and wish to work in multi-disciplinary teams in community settings.

And, finally, the government needs to restructure the health-care system so the human resources can be used effectively. A good start would be a full network of primary care services.

Every Ontario resident should have quick access to a facility with doctors, nurses and other professionals, and the capability to diagnose and treat common, non-emergency health problems. Studies in Ontario and other jurisdictions have indicated such a primary-care network could markedly reduce the need for medical specialists and hospital and nursing home beds.

In the short run, the government should strategically retreat to politically safer proposals that would ensure the achievement of its most important policy objectives. If the government is determined to break negotiated agreements with doctors and other public employees to ensure it hits its budget targets, then it could guarantee its monetary savings by imposing a fixed budget for doctors' services. Instead of waiting until all the OHIP bills are counted at the end of the year to determine the bottom line, the government would establish the budget in advance.

Of course, established doctors would howl and claim that such a budget would endanger the public's health. But we should remember that a third or more of medical services are unnecessary or dangerous, that nurses could provide 25 to 50 per cent of doctors' services (as well or better than doctors), and that there are fixed budgets for other "essential" services, including hospitals, firefighting and policing.

After the implementation of a medical budget, the government should try to accomplish in six months what it has delayed for 2½ years. It should develop a comprehensive human resource strategy based on achieving population-based health goals.

The issues have been studied to death. There is a broad consensus on the needed policies. There are alternatives to wasting the next generation of Ontario's doctors and nurses. The challenge to government is to develop the appropriate political strategy to facilitate the implementation of these policies.▼

Michael Rachlis is a physician and health-policy consultant. He is a member of the Medical Reform Group.

This article first appeared in the June 1 issue of The Toronto Star.

Cruelty to Interns
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ever, I am aware of no other groups which is expected to give up 75 per cent of its income. I also worry about how many of us will be given the opportunity to work in under-serviced areas, given the proposal to limit the number of physicians in geographical areas.

If this plan proceeds, we will be forced to leave Ontario, or worse, leave medicine completely. This is a bitter cruelty to hear just six weeks before we finish our long years of training.▼

Vera Tarman

Vera Tarman is an intern at Wellesley Hospital and a member of the Steering Committee of the Medical Reform Group of Ontario

Medical Reform

Medical Reform is the newsletter of the Medical Reform Group of Ontario. Subscriptions are included with membership, or may be purchased separately at $25/year. Arrangements to purchase multiple copies of individual newsletters or of annual subscriptions at reduced rates can be made.

Articles and letters on health-related issues are welcomed. Submissions should be typed (preferably double-spaced), or submitted on IBM-compatible computer disks (any program, but tell us which program you used.)

Correspondence should be sent to Medical Reform, P.O. Box 158, Station D, Toronto M6P 3J8. Phone: (416) 588-9167 Fax: (416) 588-3765.

Opinions expressed in Medical Reform are those of the writers, and not necessarily those of the Medical Reform Group of Ontario.

Editorial Board: Haresh Kirpalani, Gord Guyatt, Lena Fung, Ulli Diemer.

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The Medical Reform Group of Ontario is an organization of physicians, medical students, and others concerned with the health care system. The Medical Reform Group was founded in 1979 on the basis of the following principles:

1. Health Care is a Right
The Universal access of every person to high quality, appropriate health care must be guaranteed. The health care system must be administered in a manner which precludes any monetary or other deterrent to equal care.

2. Health is Political and Social in Nature
Health care workers, including physicians, should seek out and recognize the social, economic, occupational, and environmental causes of disease, and be directly involved in their eradication.

3. The Institutions of the Health System Must Be Changed
The health care system should be structured in a manner in which the equally valuable contributions of all health care workers in recognized. Both the public and health care workers should have a direct say in resource allocation and in determining the setting in which health care is provided.

Write! Fax! Mail!

Do you want to react to something you've read in *Medical Reform*, or to something an MRG spokesperson said on the radio?

We encourage debate, and welcome your letters and articles. If you have a comment to make, or a subject you would like to write about, send it to us. Make *Medical Reform* your means of communicating your ideas about health care.

Submissions may be faxed to (416) 588-3765, or mailed to *Medical Reform*, P.O. Box 158, Station D, Toronto, Ontario M6P 3J8.▼

PAIRO condemns NDP government's "assault on freedom to practice"

The Professional Association of Interns and Residents of Ontario (PAIRO) has reacted strongly to the NDP government's announced plan to subject new doctors in family medicine, pediatrics and psychiatry to a 75 per cent decrease in their fees. PAIRO's initial response, presented on May 3 by Dr. Lisa Moore, follows immediately below. A further analysis of the government's actions was released by PAIRO the following day; excerpts from that analysis are excerpted in the second part of this article.

First, we feel betrayed. We've dedicated at least ten years of our lives to becoming doctors. More than half of us affected by this proposal are women, and many affected are from minority communities.

I can't begin to explain this feeling of betrayal when we see our futures wiped out by decisions imposed unilaterally and without prior discussion or consultation. We demand respect for our freedom to care for the people of Ontario by practising medicine as we have been trained to do.

Second, it's an ill-conceived and dangerous plan. There will be an immediate and devastating drop in access to quality medical care. Why would anyone want to train in family medicine, pediatrics or psychiatry when they know there is no place for them in Ontario? If there are no trainees, and therefore no training programs, how will the teaching hospitals, which lie at the heart of the delivery of the most vital and up-to-date medical care, be able to continue providing those services? Just a few blocks away is the Hospital for Sick Children, one of twenty teaching hospitals in Ontario, which would be unable to function without qualified medical trainees. It just makes no sense.

Third, the government's proposal to prevent new doctors from practising medicine is ruthless and mean-spirited. It's really a measure to ration medical care. Does the public accept the government's claim that virtually all areas of the province are overserviced? Just ask anyone who can't get in to see a family doctor or pediatrician, or who is on a waiting list to see a psychiatrist in both urban and rural areas. In fact, the government has based its proposed restrictions on arbitrary doctor-patient ratios that do not reflect society's health needs, and which were never intended to do so.

Fourth, the government's proposal violates the Canadian Charter of Rights and Freedoms. Just seven years ago, the courts struck down legislation in British Columbia which also attempted to lock out new doctors. We are appalled that the Ontario government would reintroduce a scheme which has already been found to violate the fundamental constitutional rights and freedoms we all share as Ontarions.

Finally, the government's proposal also violates fundamental principles of medicare, eliminating both patient and doctor freedom of choice. The Canada Health Act was passed in 1984 to prevent doctors from practising outside of the publicly-funded medicare system. But in return, it also required that every duly-qualified doctor be assured the opportunity to practise medicine within medicare.

These reactions tell you why we deplore the government's intention to prevent an entire generation of family doctors, pediatricians and psychiatrists from practising medicine.

New doctors recognize the need to make changes in the health care system. We want to continue to work with government to improve the supply, mix and distribution of doctors. These unilateral and blunt measures proposed by the government are not the way to go.

PAIRO is determined to convince the government to revoke its ruthless and unfair proposal — unfair not only to new doctors but also to the public whose quality of health care will diminish if new doctors and prevented from practising.

Further analysis by PAIRO, released May 4, 1993:

Recent government proposals seriously threaten the livelihood of all internes and residents in Ontario. The government's proposals affect interns and residents in two different ways: first, they prevent us from practicing once we complete our training, and second, they strike at the core of the PAIRO agreement with Teaching Hospitals.

1. The Assault on our Freedom to Practice

Under the government's proposals, new Family MDs, pediatricians and psychiatrists will receive only 25% of their billings in the first 5 years of practice. This essentially locks them out of practice.

This 75% decrease in fees would last for the first five years of practice for all new general practitioners, paediatricians and psychiatrists. The government has not yet provided many details on the actual workings of this proposal. We do not even know what is meant by a "new" doctor.

However, the government has indicated that these discounts will apply everywhere except in geographic areas the government considers to be "underserviced" areas based on the Royal College physician:population ratios. According to the government, this would total only 45 positions for family doctors where the discounts would not apply; For new paediatricians the government claims all areas are overserviced, although there may be room for a limited number of doctors. The situation for new psychiatrists is that the discount will only apply in Toronto, Ottawa and Kingston but there may be enough spots in underserviced areas to absorb many new doctors for this one year only. However, even these spots will fill up.

These draconian measures seriously threaten the livelihood of new doctors by directly violating PAIRO's guiding principles:

(a) Graduates of Canadian medical schools must not be locked out of the system.

(b) New graduates must maintain the opportunity to choose where they will practise.

(c) New graduates must not shoulder a disproportionate share of changes in the health care system.

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Attack on new doctors
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2. The Attack on PAIRO's Agreements with Teaching Hospitals

Separate from the attack on our freedom to practise, the government also is attempting to negotiate a further $2 billion in reduced payroll costs covering the 900,000 employees in the broader public sector, including internes and residents. The government's position is that while the amount is fixed, the distribution and measures are what is supposed to be negotiated. The government's health care sector target is $560 million in reduced expenditures. The proposed term of the "social contract" is from April 1, 1993 to March 31, 1996.

At this point in time the public sector unions, including the OMA and PAIRO, have refused to agree to the government's tight timetable nor to its lists of predetermined spending cuts. The public sector unions are currently drawing up their own deficit reduction proposals. We are liaising with this coalition to fight Government on the issue of housestaff salaries and benefits.

The government's financial proposals (which it persistently claims are only proposals) include the following:

- Public sector employees take unpaid leave of 1 day per month (12 days per year) for the duration of the social contract, with "equivalent" where this is not practical. This results in an effective 5% wage rollback.

- Employers undertake enhanced early retirement and that public sector pension surpluses be used to meet this. As well 1% of payroll be the employer commitment.

- All previously negotiated and scheduled wage rate increases be deferred until April 1, 1996.
- All merit increments, movements in salary steps, cost-of-living increases be deferred for 3 years.
- All benefit improvements be postponed.
- A new entry-level pay step with a pay level 5% below the current level be created.

Aside from the social contract negotiations, the government has also proposed to reduce the clinical education budget, out of which interne and resident salaries and benefits are paid, by a further 5% ($9 million).

It is important to emphasize that unless the government overrides our agreement with OCOTH, it continues to be binding and none of the proposals above have any legal effect. Without legislation, the agreement cannot be changed except by negotiation or arbitration.

Finally, the government has also proposed to restrict "moonlighting" by preventing any interne or resident in postgraduate training, and therefore covered by the OCOTH agreement, from billing on a fee for service basis. While the government has suggested that housestaff could be paid on a non fee for service basis, the government's proposal would obviously have very serious effects on patient care given the important role some of us play in providing these services.▼

NDP's promises revisited

Prior to the 1990 provincial election, the Medical Reform Group circulated a questionnaire to the parties running in the election. Below are excerpts from the New Democratic Party's responses to that questionnaire:

"New Democrats would implement some of the Lowy Commission proposals to cut the costs of drug prescriptions such as: 1) limiting the drugs on the formulary to cheaper, generic brands 2) eliminating drugs from the formulary which have not proven effective and/or may put users at risk for negative side effects and 3) greater government regulation of the prices of drugs listed on the formulary...."

"While we support efforts to reduce drug utilization, we are opposed to recommendations to charge seniors for their drug prescriptions..., and we support the extension of the government drug plan to cover prescriptions for the chronically ill and low-income earners who do not have employer-sponsored drug benefit plans.

"Hospitals are in a difficult position since the Liberals haven not provided direction on making budget cuts. New Democrats believe that the provincial government must establish priorities for hospital spending. We favour greater control over spending on new technology, which can be extremely expensive but not necessarily effective in saving lives or improving the quality of people's lives. The provincial government must also ensure adequate funding for provincial initiatives such as pay equity and the Employer Health Tax."

"New Democrats also recognize the importance of local decision-making in setting hospital objectives. To date there has not been adequate representation of local community members and hospital staff in the decision-making process at the Board level."

"In Ontario, 10 percent of families live in poverty, and 60 percent of these families are headed by full-time workers.

New Democrats know that children in low-income families have higher rates of chronic illness. Poverty in Ontario is a major determinant of health. New Democrats believe that policies addressing poverty are a major step toward better health for Ontarians. An NDP government would introduce policies such as affordable housing, an adequate minimum wage, accessible child care, and serious reform of social assistance. These initiatives are detailed in our platform document, *An Agenda for People*."▼

NEWS BRIEFS

Province announces cuts

Ontario's NDP government has announced that it intends to implement a series of austerity measures to reduce government costs, including the costs of health care. $1 billion is to be cut from the health care budget, $313 million from the social services budget, and $635 from the education budget.

Among the measures being brought forward are plans to require seniors and the poor to pay more for drugs, and to restrict medical services to refugee claimants.

A proposed reorganization of the Ontario Drug Benefit Plan will require the 2.4 million Ontarions who now receive free pharmaceuticals to pay a fee. A total of $195 million is to be cut from the OFBP.

The parents of more than 13,000 children in residential care will be required to pay some portion of the cost of their accommodation.

The Oxford Regional Centre, which cares for 244 developmentally disabled residents will be closed.

Payments for all non-emergency procedures done outside the province will be ended, unless they have been approved in advance.

The government has said that it plans to chop $275 million from the $4 billion annual payment to physicians, but details are to be negotiated with the Ontario Medical Association. A cut of that size would translate into an average reduction of $11,000 per year for the province's 25,000 licensed physicians, if the reductions were spread out equally.

Hospital budgets are to be cut by $160 million.

B.C. doctors want union

The British Columbia Medical Association announced on April 6 that it is seeking recognition as a union. Dr. Derryck Smith, a member of the association's executive hoard, said unionizing doctors has become possible through revisions to the province's labour relations code covering "dependent contractors". Physicians would continue to function as self-employed professionals, he said. The move comes after a year of tough bargaining between the BCMA and the government, marked by walkouts, large-scale advertising campaigns, and acrimony.

Hospitals woo U.S. patients

The Toronto Hospital and the Hospital for Sick Children have teamed up to market medical services and surgical procedures to insurance companies and employer plans in the United States. "Free trade means free trade," said Dr. Alan Hudson, president of the Toronto Hospital. The hospitals maintain the plan will not displace Ontario patients or lengthen waiting lists.

Private MRI clinics

Alberta doctors and businessmen are setting up two private magnetic resonance imaging clinics which will charge patients $1,000 per visit. MRI clinics in the U.S. are among the most profitable businesses in the health care industry but these are the first private MRI clinics in Canada. Patients who can afford the fee can bypass the queue for the province's two hospital-based, medicare-funded MRIs. The waiting list can be several months for patients not considered to be emergency cases.

"If we don't do this, somebody else will," said Dr. Chen Fong, director of the newly-opened Western Canada MRI Centre of Calgary. According the Dr. Fong, U.S. companies are already exploring the possibility of setting up privately owned MRI clinics in British Columbia and Ontario.

According to Dr. Michael Rachlis, a health care consultant and member of the Medical Reform Group, the Alberta government's decision to allow the private MRI clinics appears to violate the Canada Health Act. "Its a stake through the heart of medicare, allowing hospitals to make referrals to private clinics when the only people able to go are the wealthy who can afford it," he said.

The province has already apparently decided that doctors who bill patients directly for an MRI scan will not be required to opt out of the provincial medicare plan, as all other physicians who direct bill have to do.

Dr. Rachlis also criticized letting doctors refer patients to MRI clinics in which they have a financial interest. "These kinds of self-referrals are already banned in several states in the U.S.", he said.

Canadian drug prices high

According to a study prepared by the Patented Medicine Prices Review Board, a federal agency, the prices of brand-name pharmaceuticals are consistently higher in Canada than in other industrial countries, and are often the highest in the world. The study of 177 top-sellling prescriptions drugs found that Canada had the highest prices for 42 of them, the second-highest for 35, and was above the median for a total of 105.

Another study prepared by the PMPRB shows that the price increases of brand-name drugs were significantly higher than the rate of inflation during the first six months of 1992.

The studies were not released to the public, but copies were obtained by the *Globe and Mail* newspaper.

Quebec pays for organ retrieval

The number of organs collected for transplant patients has increased in Quebec after the government starting offering hospitals financial incentives. Quebec-Transplant, the non-profit organization that co-ordinates organ donations, began offering $500 to each hospital that refers a donor and $4,500 to the hospital that retrieves the organ, at the beginning of the year. During the first three months of the program, it collected 87 organs, up from 57 during the same period the previous year.

Saskatchewan hospitals overused

A provincial health care commission has concluded that Saskatchewan's hospitals are being used to provide care that would more appropriately be provided in another setting. The commission found that in some hospitals, only 36 per cent of acute-care beds were filled by seriously ill patients. "That doesn't mean that the patients did not require care — it means that the care could have been provided at alternative institutions," said Dr. Stewart McMillan, head of the commission. Dr. McMillan said that there seems to be a problem in providing appropriate care for older people, especially in rural communities. "Older patients get admitted... then they get better and they appear not to be able to move back into the community or nursing homes or whatever", he said.

NEWS BRIEFS

OMA plan flawed, College says

The College of Physicians and Surgeons of Ontario is opposing a proposal from the Ontario Medical Association that would restrict the College's power to grant exemptions from licensing requirements to foreign specialists. At present, the College grants a limited number of exemptions (34 in 1991) to foreign specialists in specialities where there is a shortage, allowing them to begin practise immediately. The OMA's board of directors is proposing the power to grant exemptions be turned over to the government. According to OMA President Dr. Michael Thorburn, "there's tens of thousands of unemployed physicians" around the world, and Canada has to reduce numbers coming here at a time when medical schools here are having to cut enrolments. According to CPSO Registrar Dr. Michael Dixon, decision-making power over licensing requirements must remain exclusively with the College.

Opportunity knocks

New members are needed to join the MRG Steering Committee as we head into a times which promise to be full of challenging issues (to put it midly).

The Steering Committee meets once a month, with meetings alternating between Toronto and Hamilton.

Memberships on the Steering Committee can be a stimulating way of learning about the issues and challenges which are confronting the health care system (and those who wish to reform it in accordance with MRG principles). Previous experience is not required: all members of the Steering Committee were new to it when they first came on board.

If you are interested in volunteering for the Steering Committee, please contact a current member or call the MRG number at (416) 588-9176.

The next meeting of the Steering Committee is on Thursday July 8 in Hamilton.If you're interested but not sure, come check it out!

MEETINGS AND CONFERENCES

MRG Spring meeting

The Medical Reform Group's spring general meeting will be held on Thursday **June 10** at 7:30 p.m. at the Davenport-Perth Community Health Centre, 1900 Davenport Road, in Toronto. The theme of the meeting is "Ontario's NDP government: Part of the problem or part of the solution?" Dinner will be catered in, and will be from 6:30 to 7:30. If you want to eat dinner, please call (416) 588-9167 by Friday June 4.

Guelph conference

The 15th annual Guelph Conference and Training Institute on Sexuality will be held **June 14-16** at the University of Guelph. Contact Division of Continuing Education, University of Guelph, Guelph, Ontario N1G 2W1, (519) 767-5000.

Sustaining our communities

The Canadian Public Health Association is holding its 84th annual conference on St. John's, Newfoundland on **July 4-7**, on the theme "Sustaining Our Communities: health for the future." Contact Karen Hall Dafoe, Canadian Public Health Association, 1565 Carling Avenue, #400, Ottawa, Ontario K1Z 8R1, (613) 725-3765.

MRG Steering Committee

The Medical Reform Group's Steering Committee meets on **Thursday July 8** in Hamilton. MRG members are invited to attend Steering Committee meetings to observe, take part, or to raise issues the MRG should be addressing. The Steering Committee meets monthly; meetings alternate between Hamilton and Toronto. For information on time and place, call (416) 588-9167.

Public health

A conference on public health nursing in the year 2000, "Visions and Directions", is being held in Brockville on **September 27-28**. The conference will identify strategies to shape the future of public health nursing in Ontario, increase understanding of the skills required to actively participate in and influence the decision-making process. Contact Jean Babcock or Brenda Cartwright, 458 Laurier Blvd., Brockville, Ontario K6V 7A3, (613) 345-5685.

Community nursing

An international conference on community health nursing research is being held in Edmonton **September 27-29**. Research papers reflecting the concerns of participating nations will be presented in the areas of public health, primary health care, home health, occupational health and community mental health. Contact Shirley Stinson or Karen Mills at (403) 482-1965.

Women's health

The 1993 North American Congress on Women's Health Issues will be held in Toronto October 7 -9. Contact Jeannette L. Sasmor, P.O. Box 1630, Sedona Arizona 86336 U.S.A., (602) 284-9897.

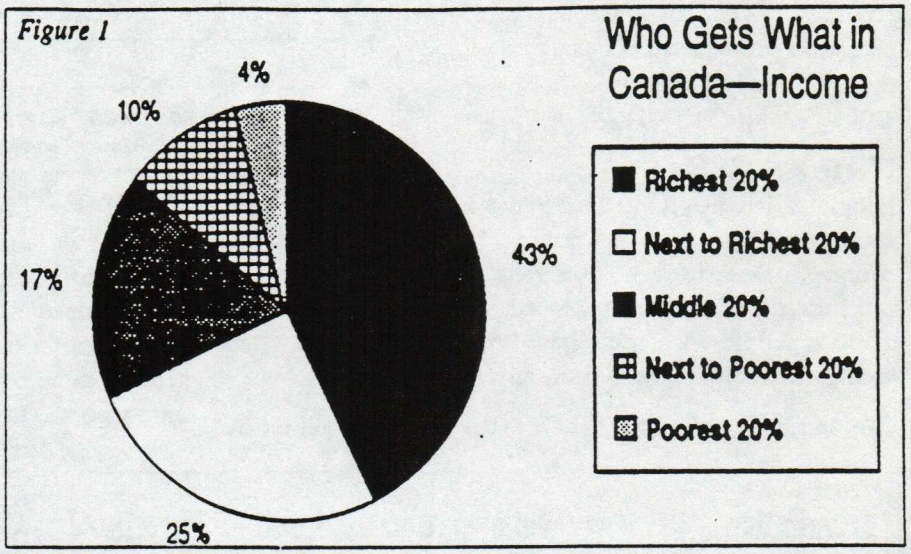
Redressing the imbalance

The Northern Health Human Resources Research Unit at Lakehead University is organizing an international conference for **October 21-24** in Thunder Bay, titled "Redressing the Imbalance: Health Human Resources in Rural and Northern Communities". Submissions are invited from those interested in health human resources and the problems associated with recruiting and retaining health professionals in rural and northern communities. For information contact Connie Hartviksen, Research Associate, Redressing the Imbalance, c/o NHHRRU, Health Sciences North, Lakehead University, 955 Oliver Road, Thunder Bay, Ontario P7B 5E4, (807) 343-2135, fax: (807) 343-2014.

Fair Shares

Income, Wealth and Taxation in Canada

Figure 1



Who Makes Money?

Income is distributed unevenly in Canada. The personal income of the poorest 20% of Canadians is 4% of the nation's total income, while the richest 20% of the population get 43% of total earned income. (See Figure 1)

Who Owns the Wealth?

Even more extreme inequity exists in the case of wealth (land, personal property, stock holdings, etc.). The wealthiest 20% of the population holds 69% of all Canada's net wealth. The poorest 20% of the population have no net wealth because their debts are larger than their assets. The second poorest 20% of Canadians own only 2.4% of all wealth. (See Figure 2)

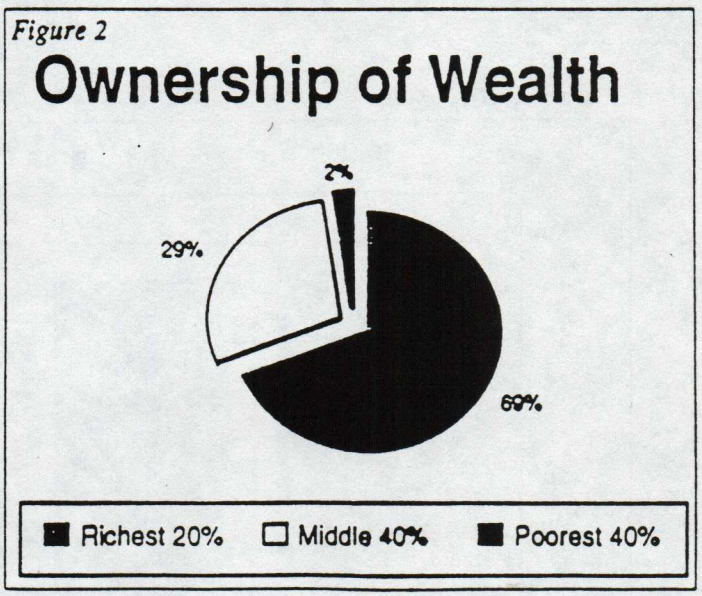
The wealthiest 10% of the population own more than half—57%—of all Canada's wealth.

Concentration of wealth is encouraged by the absence of estate and gift taxes as well as by very low taxation on capital gains. For example, the first $100,000 of capital gains income is completely tax free.

Four fifths of the companies on the Toronto Stock Exchange 300 Index are controlled by seven families.

Such concentrations of wealth mean that the "playing field" is never level. People come into this world with tremendous advantages or disadvantages, which are only reinforced by an economic system that is making the poor and middle class poorer, while the rich grow richer.

Figure 2



Who Pays Taxes?

The wages and salaries of working people are taxed at much higher rates than is the income from capital gains, corporate stock dividends, and other kinds of investment income.

As a result of Tory income tax changes since 1984, a family of four with an annual income of $24,000 pays more than 40% more in taxes, while a wealthy family pays 6% less in income taxes.

The Tory federal government has increased the tax burden for the majority of individual Canadians and decreased it for the very wealthy. At the same time, the government services and supports on which individual Canadians depend have been cut down to harmfully low levels.

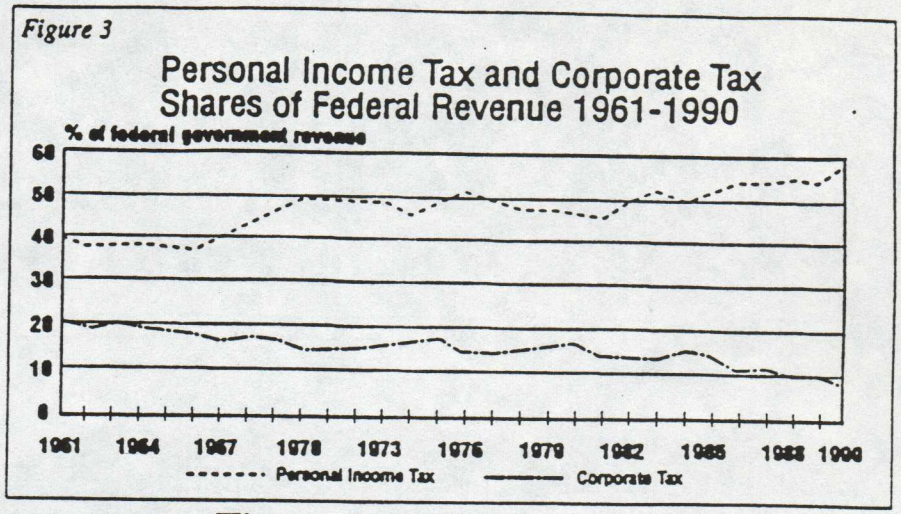
While the economy's burden is

Produced by the Ontario Coalition for Social Justice

settled on the shoulders of individual taxpayers, profitable corporations pay little or no taxes. A larger and larger amount of federal government revenue is coming from individual income tax instead of corporate tax. (See Figure 3)

Big business gets the tax breaks. In 1987, 118,162 profitable companies with a total of $25 billion in profits paid no tax at all. Another 114,737 corporations with $27.4 billion in profits paid tax at a rate of less than 20%. (See Figure 4)

Figure 3



Has Free Trade Made this Worse?

People so rich they don't have to work are making decisions about closing plants or moving businesses out of the country, supporting the "free trade" give-away to the U.S. and pushing economic and social policies that destroy the lives of people who must have jobs to feed, clothe and shelter themselves and their families.

One in six Canadians lives below the poverty level set by Statistics Canada. Four million people are living in acute poverty, one million of them children. Single mothers with young children make up a disproportionate number of those who are unemployed and living in poverty.

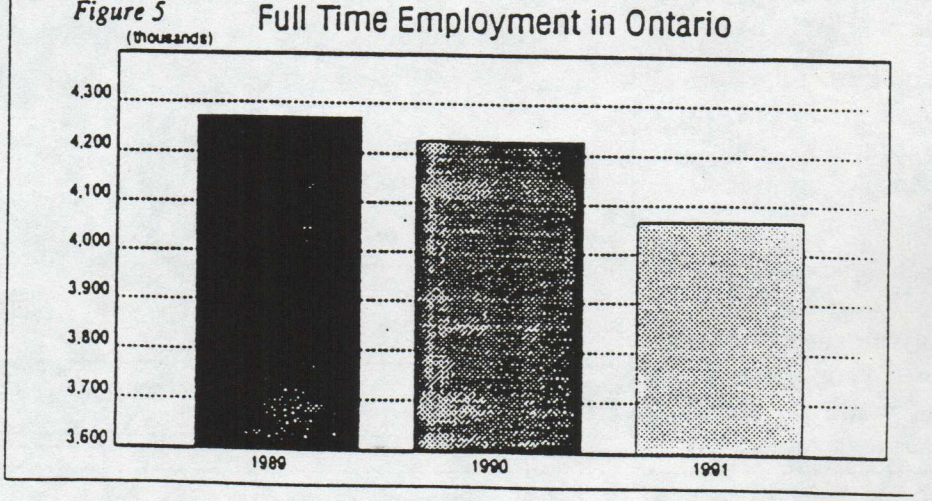
Figure 4

Corporation	Year	Pre-Tax Profit	Tax Paid
Bramalea	1989	$123,100,000	$0
Brascade Resources	1989	$157,500,000	$0
Confederation Life Ins.	1989	$103,100,000	$0
Great Lakes Groups	1989	$126,400,000	$0
Suncor	1989	$72,000,000	$0
Weldwood of Canada	1989	$110,900,000	$0

Over 300,000 Canadian jobs have been lost as a result of the Free Trade Agreement with the U.S. and the Tory policies that serve big business instead of taxpaying citizens. Hundreds of Canadian factories have been closed, many to be relocated to the U.S. or to countries where people are paid very low wages.

In Ontario, 260,000 people have lost their full-time jobs since February of 1990. About 1.3 million people in Ontario are now receiving unemployment insurance or are in families receiving social assistance benefits. (See Figure 5)

Figure 5



There Are Alternatives

There may not be simple solutions to all of Canada's economic problems, but there are some policies that would clearly improve the lives of most Canadians. These include: fair income taxes; taxes on wealth, inheritance and capital gains; closing corporate tax loopholes and clamping down on corporate tax cheaters; and cancelling the Free Trade Agreement.

For more information, contact the Ontario Coalition for Social Justice/Coalition Ontarienne pour la justice sociale, 15 Gervais Drive, Suite 407, Don Mills Ontario, M3C-1Y8 (416) 441-3663

Sources: *Statistics Canada No. 13-588; National Accounts; Campaign for Fair Taxes; Canadian Centre for Policy Alternatives, "Is it Fair?"; GATT-fly Report.*

Ce dépliant est aussi disponible en français à l'adresse ci-haut.

• CUPE/SCFP 1281 •

ACN TEN REASONS TO OPPOSE NAFTA

1 The FTA has already helped to destroy more than 500,000 manufacturing jobs and hundreds of thousands of jobs elsewhere in the economy. NAFTA will intensify the downward pressure on wages, as corporations pit Canadian, American and Mexican workers and their communities against one another in order to gain competitive advantage.

2 NAFTA is an attack on democracy. It will further undermine the laws of all our governments. Rules governing trade under NAFTA will be set by the transnationals — a powerful Free Trade Commission and Secretariat will be set up to oversee the implementation of the agreement with no accountability to Canadians. Laws protecting our health, jobs and environment will be struck down as "barriers to trade." Transnationals will gain new powers to directly challenge Canadian legislation, while workers and other groups, as well as provincial governments, are denied such rights.

3 NAFTA is environmentally unfriendly. Like the FTA, it hinders conservation and fails to stop large-scale water exports. It facilitates the flight of dirty industries from Canada to areas of lax environmental standards. NAFTA includes a very comprehensive downward harmonization of health standards, in areas such as pesticides, food additives and toxins.

4 NAFTA's intellectual property rights code will lock in and extend monopoly patent protection for the transnational drug companies and prohibit the compulsory licensing of generic copies. This will force Canadians to buy more expensive brand-name drugs and add at least $500 million a year to Canadians' health care costs. Future Canadian governments will be unable to reverse this decision, unless they terminate NAFTA.

5 The energy clauses in NAFTA extend the continental sharing of our non-renewable oil and gas to basic petrochemicals. As with the FTA, Canada — but not Mexico — must keep shipping these resources south to meet the huge U.S. demand, even in the event of a national shortage, and at a price no higher than we charge Canadians. Both Canada and Mexico will lose policy tools, such as export taxes and quotas, to manage and protect these resources.

6 The investment chapter of NAFTA will further prevent Canadian governments from requiring foreign investors to operate in a way which ensures benefits for Canadians, and from giving preferential treatment to Canadian-owned enterprises. It contains new restrictions on requirements that the activities of transnational corporations benefit Canada by employing Canadians, buying local products or transfering technology.

7 The Canada-U.S. Auto Pact, severely weakened by the FTA, will be rendered virtually inoperative by NAFTA. The proposed rules of origin will apply to the entire continent, not to any one nation. No longer will national content rules guarantee jobs and investment in each country.

8 An accession clause in NAFTA will allow other countries in Latin America and the Caribbean to join NAFTA and eventually form a huge, borderless economic zone. Unlike the European Community trade agreement, NAFTA contains no minimum social, labour, human rights or environmental standards — and no mechanisms to raise (rather than lower) wages. Again, unlike the European model, this hemispheric zone will be dominated by one country, the U.S., and has been designed for one reason — to benefit transnational corporations and privileged minorities.

9 More family farms will be lost in Canada and there will be a further erosion of their supply-management and domestic support programs because NAFTA benefits large-scale agribusiness interests. Policies of national food security and the survival of rural Canada are subordinated to the "market".

10 The financial services section of NAFTA will curtail our provincial governments' jurisdiction over loan, trust, mortgage and securities companies. The FTA already exempts U.S. banks from restrictions on foreign-owned banks. NAFTA will give other foreign financial corporations more power by guaranteeing them the same treatment as Canadian firms. They will be able to freely transfer and process information for their Canadian activites outside the country, putting data processing jobs at risk and threatening privacy laws.

There are far more than 10 reasons to resist NAFTA. Many of those additional reasons may be found in the preceding pages. But the ten listed above should convince most Canadians that NAFTA, if it is passed, will do them even more harm than they've suffered so far under the FTA.

ACTION CANADA NETWORK 804-251 Laurier Ave. W. Ottawa ON K1P 5J6 (613) 233-1764 233-1458 (fax)

ACN

TEN WAYS TO OPPOSE NAFTA

1 Talk about NAFTA with your friends, family and in any organizations you belong to such as churches, synagogues, mosques and temples, neighbourhood groups, cultural and community centres. If you need a guest speaker, call your local coalition. (see below)

2 Inform and educate yourself about NAFTA. Get a copy of the magazine "NAFTA Exposed!" from the Action Canada Network, 804-251 Laurier Ave. W., Ottawa, Ontario K1P 5J6. This magazine has more than 25 articles on every aspect of the agreement. The Canadian Centre for Policy Alternatives (same address) also has material on free trade.

3 Write Brian Mulroney and International Trade Minister Michael Wilson. Tell them you don't want their trade deal. No postage necessary.

Brian Mulroney
309 Centre Block
House of Commons
Ottawa, Ontario K1A 0A6

Michael Wilson
515 Centre Block
House of Commons
Ottawa, Ontario K1A 0A6

...or phone: **Brian Mulroney** (613) 992-4211
Michael Wilson (613) 992-7332

4 Phone and visit your local M. P. or M.P.P. to get their positions on NAFTA. Insist that the government hold Canada-wide public hearings on the impact of the FTA and NAFTA on our economy, sovereignty and social programs. Make a presentation to your local city council. (Toronto is a NAFTA Free Zone — there could be more!)

5 Call your local media. Tell them you want more coverage on the whole issue of free trade. NAFTA will have a major impact on our lives. We want to know more about it. Call phone-in shows. Point out that NAFTA will affect everything from education to energy, health care to agriculture.

6 Write a Letter to the Editor. Submit your letter as soon as possible after you see an article that concerns you. Letters should be short, concise and persuasive. The editorial page is the most widely- read and influential page in most newspapers.

7 Let the federal government know you want broader NAFTA hearings. Contact :

Marie Carriere
Clerk of Sub-Ctte. on International Trade
House of Commons, 605-180 Wellington St.
Ottawa, Ontario K1A 0A6.
fax: (613) 996-1626

Ask to make a presentation. You've seen what free trade has done to you, your friends, your community! Call your provincial government. They, too, should hold hearings. The Premier's office is listed in the blue pages at the back of the phone book.

8 Participate in demonstrations and actions in your community. The federal government knows a majority of Canadians oppose NAFTA, now we have to show them. Numbers make a difference.

9 Join a local or regional coalition. The provincial ones are listed below. They are all members of the Action Canada Network. Or start your own coalition. The groups listed below are ready and able to help you.

10 Make a donation to fight free trade. The Tories and the large corporations they serve have lots of money. We don't.

ACTION CANADA NETWORK PROVINCIAL AFFILIATES:

Action Canada Network British Columbia–(604) 736-7678
Action Canada Network Alberta–(403) 483-3021
Saskatchewan Coalition for Social Justice–(306) 525-0197
CHO!CES Manitoba–(204) 488-3495
Ontario Coalition for Social Justice–(416) 441- 3710
Solidarite Populaire (P.Q.)–(514) 598-2000
Action Nova Scotia– (902) 422-2130
Action Canada Network P.E.I.–(902) 892-1251
Coalition for Equality (Nfld)–(709) 753-2202

CAW 567