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NAFTA AND THE SOCIAL SAFETY NET

*Can inter-provincial trade
disturb Canada's social programs?*

PAULA SIMONS, *Journal Staff Writer*

A Toronto free-trade expert says a plan to remove inter-provincial trade barriers could unravel Canada's social safety net.

Barry Appleton is a Toronto lawyer and the author of the law text, *Navigating NAFTA*.

In a 12-page legal opinion released Tuesday in Ottawa by the Canadian Health Coalition, Appleton argues a proposal to allow free competition among provinces in the fields of health and social services would automatically extend the same rights to the United States and Mexico.

That's because the North American Free Trade Agreement gives U.S. and Mexican businesses rights to the best treatment offered Canadians.

"NAFTA is such a wide-ranging agreement. When you change the way you treat people inside Canada, it automatically triggers a change in the way you treat your NAFTA partners," Appleton said Tuesday from Ottawa.

"If the provinces create a national market, they must immediately give that same market to international partners. And once they make this change, they can never go back."

The provincial trade ministers, including Ken Rostad, Alberta's minister of Federal and Intergovernmental Affairs, are meeting this week in Quebec City to discuss an agreement on internal trade.

Appleton said the changes under discussion could open the door to two-tiered health care. He forecasts a future where American MRI clinics could move aggressively into Alberta, where a private medical corporations could buy up empty Alberta hospitals and turn them into for-profit health centres, where U.S. nursing home chains could open high-priced retirement residences for seniors willing and able to pay.



Appleton's conclusions

"...expanding the internal free market in health services and social services may lead to increased demands by the governments of our NAFTA partners to dismantle aspects of Canada's health and social services programs . . ."



The government's response

"The NAFTA . . . protects not only existing health services . . . but allows federal and provincial governments to take action in future to preserve the integrity fo the Canadian health system . . ."

"We certainly wouldn't let that happen," said Garth North, director of communications for Alberta Health.

North said U.S. companies might be able to open clinics offering services not covered by provincial health insurance. But, he said, Health Minister Halvar Jonson believes health care is exempt from NAFTA competition.

That's the opinion strongly shared by federal trade policy analyst Gordon Morrison.

Morrison said federal lawyers have combed through Appleton's opinion, and the NAFTA fine print, and they remain convinced health care and social services are completely protected from international competition by a special exemption clause in the free trade agreement.

"People are trying to create a problem where none exists," Morrison said. "We have no worries. I'm going to be able to sleep tonight knowing that medicare and the Canadian medical system are safe."

Federal Health Minister David Dingwall also said the country's health system won't be threatened under NAFTA if interprovincial trade barriers are eliminated.

Canadian health care is "on solid ground, solid footing. I have no concerns about interventions as it relates to our health-care system."

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