Volume 12, Issue 11

Where Tomorrow's Public Policy Begins Today

September 13, 2006

How you can support AIMS

Having trouble reading this email? View our online version at:

www.aims.ca/library/beacon101306.pdf

- ➤ Part One: In the debate over public versus private health care first define the terms: The Canadian Health Care Consensus Group issues first background paper.
- ➤ Part Two: Doctors responsible to protect patients, not government programmes: AIMS' Health Care Fellow in the Globe and Mail.
- Part Three: Public Education: It's not how much you spend, but how you spend it.
- Part Four: National Pharmacare Plan: Saving today rather than taxing tomorrow AIMS' Brian Ferguson in the Toronto Star.

- ➤ Part Five: Patrons of terror get a free ride: AIMS' Intern in Security and Defence Policy examines the latest UN resolution.
- Part Six: Show me the money: Patrick Luciani shows the answer to big cities' problems isn't more money from Ottawa.
- Part Seven: Canadian think tanks and their critics.

Part One: In the debate of public versus private health care – first define the terms: The Canadian Health Care Consensus Group issues first background paper.

Much of the health care Canadians receive today comes from private sources, yet the most heated debate in Canada revolves around public versus private health care.



The first Background Paper produced for the Canadian Health Care Consensus Group (CHCCG) indicates such disagreements could be dissipated rather quickly, if people just defined what it is they mean by the two terms. *Going Public on What is Private* shows that people confuse the *payment for the service* with the *supply of the service* when entering the public versus private fray.

"Most of us get most of our health care from private sector suppliers. Doctors, for example, and especially family physicians, are, in economic terms, small, for-profit businesspeople. They happen to earn most of their income by supplying services to the publicly funded health care system, but, for all we hear about doctors' salaries, they're not actually employed by it. They earn revenue by supplying individual services to

individual consumers, out of their revenue they pay their costs of practice - labour, equipment, rent, electricity and all the rest - and what's left they take home as income."

Members of the CHCCG came together to provide a platform for bold, reasoned and practical plans for genuine reform of the Canadian health care system and to demonstrate that there is an emerging consensus among reform-minded observers about the direction that real reform must take. The CHCCG, coordinated by the Atlantic Institute for Market Studies, includes medical practitioners, former health ministers, past presidents of the Canadian Medical Association and provincial medical and hospital associations, academics, and health care policy experts, all of whom are signatories to the group's Statement of Principles.

To read the first Background Paper, click here.

To link to the CHCCG website, click here.

Part Two: Doctors responsible to protect patients not government programmes: AIMS' Health Care Fellow in the Globe and Mail

In this comment published by The Globe and Mail, AIMS Fellow in Health Care Policy, Dr. David Zitner, points out people are more important than the government programme known as medicare.

Zitner says doctors should remember their first responsibility is to protect their patients, not government programmes. And he points out that monopolies, such as the public health care services, are never the best way to deliver the best service.

"Services provided by firms with a monopoly are often scarce, expensive and of poor quality. It is no surprise, therefore, that as long as government alone delivers health care, Canadians will suffer from lengthy wait times and poor-quality care. Oddly, many Canadians, including physicians, continue to lobby for a health-care system that virtually guarantees limited access and unacceptably poor quality."

To read the complete op/ed, click here.

Part Three: Public Education: It's not how much you spend, but how you spend it.



If spending more meant getting more, then students in Atlantic Canada would be performing better on national and international testing then they were at the turn of the century. They aren't.

Earlier this month, Statistics Canada released a study on per student spending across the country. AIMS vice president Charles Cirtwill looked beyond the dollars and cents, to the actual results.

While the Stats Can study shows Nova Scotia is spending less per child on education than the national average, it is still spending more per student than it did just a few years ago. However, as **this article** shows, that doesn't mean the results have improved.

Cirtwill says it is a similar story in New Brunswick. Better money, but poorer results. In this

article in the Telegraph-Journal, he explains that before throwing money at education, we should understand what it is we are spending money on.

The Stats Can report came just prior to the provincial election call in New Brunswick and **this provincial editorial** urged politicians to make education a policy priority of the election campaign, and accept AIMS' advice that the debate should be about how the government spends its education dollars, not how much it spends.

Part Four: National Pharmacare Plan: Saving today rather than taxing tomorrow – AIMS' Brian Ferguson in the Toronto Star



"Our present national health insurance system encourages us to act as if someone else - the government - is paying for our care, rather than acknowledging that we are paying for it and that the government is simply managing the funds," writes Brian Ferguson, AIMS Fellow in Health Care Economics. In this article, Ferguson looks at the need for a national prescription drug plan, and proposes a new approach to pay for it

Under Canada's current system, this year's health care costs are covered by this year's budget. Ferguson asks what if we all start paying into a lifetime drug insurance plan? A mandatory programme that we all pay into each year, with tax subsidies for the lowest income groups, which effectively securitizes insurance.

Ferguson concludes that whatever the final details of a national pharmacare plan, it must be at arm's length from government and must be actuarially sound, on a lifetime basis.

"We have to see it as a mutual insurance pool into which we all pay and from which we might or might not have to draw. Basically, we have to set it up so that we are saving for our future pharmacare needs, rather than assuming that at some point in the future, governments will find somebody they can tax in order to pay for what they've promised us," he says.

To read the complete article, **click here**.

Part Five: Patrons of terror get a free ride: AIMS' Intern in Security and Defence Policy examines the latest UN resolution.

Modern terrorism is an increasingly explosive and global issue. Confronted by clandestine terrorist organizations that have both the malice and technology to kill and maim hundreds if not thousands of people, a unified international counter-terrorism response is crucial. The United Nations, as the pre-eminent international organization, is a likely venue from which meaningful and coordinated global action can develop.

The nature of international relations is such that finding the political resolve for a substantial and toothy resolution to confront terrorist groups is difficult to achieve. The recent conflict that pitted Israel against Hezbollah has illustrated this problem clearly and has further demonstrated the UN's innate and structural weaknesses.

UN Security Council Resolution 1701, unanimously agreed upon on Friday, 11 August 2006, successfully established an immediate short-term ceasefire between Israel and Hezbollah. However, it did little to undercut the conflict's root causes; Iranian and Syrian support of Hezbollah, through the transfer of sophisticated weaponry, logistical support, finances, and training.

Alex Wilner is a doctoral fellow at Dalhousie University and AIMS' Intern in Security and Defence Policy. In this op-ed, published in the Chronicle-Herald, Wilner points out that no matter how many UN resolutions are passed; those fighting terrorism are missing one important ingredient, a united front.

To read the complete article, click here.

Part Six: Show me the money: Patrick Luciani shows the answer to big cities' problems isn't more money from Ottawa

It has been a common cry of late - municipalities demanding more money from other levels of government to maintain services and infrastructure. It is the theme of a recent report by the Conference Board of Canada on hub cities.

The report states the nine hub cities - Vancouver,
Calgary, Edmonton, Regina, Saskatoon, Winnipeg,
Toronto, Montréal, and Halifax - represent 46% of the
population of Canada and should be provided more
money. That prosperity in such cities drives the economy in their regions.



In this Commentary, AIMS Senior Fellow in Urban Policy Patrick Luciani delves into the report and reaches different conclusions. He suggests that if Ottawa wants to help Canada's economy it would be better off ignoring the report's recommendations and instead concentrate on controlling taxes and dismantling the barriers to the free movement of goods, services and workers in Canada.

He says, "If we follow the recommendations of the Conference Board Study, we may end up with another layered national income redistribution system with small towns subsidizing big cities."

Click here to read the complete Commentary.

Part Seven: Canadian think tanks and their critics

Just because it's in print, doesn't make it so. Editorial writers across Canada get it wrong sometimes too. That was the case in an editorial in the St. John's Telegram titled "Methinks the think-tanks protest too much" by editor-in-chief Russell Wangersky.

He suggests that think tanks shouldn't open the debate on equalization, business subsidies or taxation, because many public policy institutes are registered educational charities. He writes, "As long as think tanks use charitable status to issue tax receipts and avoid the real costs of operating as the businesses they so revere, they should have no right to talk about the fundamental problems of the government that bankrolls them."

AIMS president Brian Lee Crowley responded to the criticism in an op-ed also published in the St. John's Telegram.

He explains the role of think tanks, what charitable status actually means, and questions the very premise of Wangersky's editorial:

"Mr. Wangersky is curiously selective in his criticism. Think tanks he doesn't like are

taken to task for being charities. He is silent, however, on trade unions, for example, who use their members' tax-deductible dues to finance a great deal of public policy research and advocacy. He seems to think the Cancer and Arthritis Societies are legitimate, but groups like that will often properly criticize governments for excessive waiting times for health care, for example. Should we stop reading The Telegram's editorials on public policy because the paper gets lots of government advertising dollars?"

To read the complete articles, click here.

Permission is given to reproduce material from this newsletter or from the AIMS website, as long as both AIMS and the author, where appropriate, are given proper credit. Please notify us when using our material.

.....

Some of the materials in this newsletter will require Adobe® Reader® to access. If you do not have Adobe® Reader® installed on your computer, click here to download the full program.

If you have received this message in error, please accept our apologies. To "unsubscribe" from the Beacon, please log on to our website at www.aims.ca and follow the links to the newsletter subscribe section. The prompt to subscribe also provides a prompt to unsubscribe.

To **subscribe**, please log on to our website at www.aims.ca and follow the links to the newsletter subscribe section.

We welcome your comments at communications@aims.ca.

Privacy Policy