

is the official position of the Canadian Labor Congress, and the position of opposition to its extension in the NAFTA, and ultimately the plan being through the Enterprise for the Americas Initiative, of extending down through South America and taking the form of a Western Hemisphere Free Trade Agreement. And of course, interest has now been expressed, and implications speculated upon of Australia and New Zealand coming into this. . . .

I'm going to use FTA/NAFTA interchangeably; they are organically connected, they are part of the same process. If you look at the record of these kinds of agreements since World War II, they are mainly about tariff reductions. Tariffs are a very relatively minor component of these agreements, of FTA and NAFTA. They are about much more than tariffs. They are *sweeping* agreements. . . . This goes beyond the European experiment; there is nothing in Europe, for example in the area of resource management, that approximates what is in the FTA. FTA/NAFTA covers services, it covers an array of services and the regulation of services, from land transportation to financial services to telecommunications to health care, certain areas of health care services. It covers standards and explicit harmonization of standards and professional standards. . . . It covers intellectual property rights. It covers the management of resources; it covers labor mobility. . . . There is a real element of irreversibility in these agreements. It would be all very good if a future government could come along and reverse them, but it's not possible for a future government to come along and reverse them, without abrogating the entire agreement.

The industrial policy tools that are removed in the FTA and NAFTA have been important in Canada's development historically. . . . There is a real element of irreversibility in these agreements. It would be all very good if a future government could come along and reverse them, but it's not possible for a future government to come along and reverse them, without abrogating the entire agreement. The FTA was a wedge, an important beachhead from which to push for the NAFTA. . . .

The results? In the manufacturing sector, it is most dramatic. We've seen our manufacturing sector shrink by close to 25% in three and a half years. There is no parallel since the 1930s. If you compare it to what has happened in the U.S. manufacturing sector, during the same period, it is about 6%, in the United States. So we are talking about four times that—another indication of the restructuring. Compare it with the last election in 1981-82; at that time, less than a quarter of factory job losses were the result of permanent factory closings. In contrast, in the free trade era, about two-thirds of job losses were the result of *permanent* factory closings. I'm certain that under NAFTA that process will continue. I don't know where the bottom is. . . . It has decimated the Canadian agricultural sector. It has really hurt the fruit and vegetable sector. The extension to NAFTA will further hurt the fruit and vegetable sector. . . .

Bankers' socialism leaves Spain in chaos

by María del Carmen de Pérez Galindo

After ten years of bankers' socialism under Prime Minister Felipe González, Spain is plunged into the worst economic crisis of the last half-century. In a period of eight weeks, the peseta has been devalued twice, the last time by 6%, to avoid its dropping out of the European Monetary System; the Bank of Spain had to buy the equivalent of 6% of its reserves, 300 million pesetas, to stop it from falling even lower. And the Communists had a field day. In the words of Antonio Romero, Deputy of Izquierda Unida (United Left): "The government has been applying the usual remedies, which have turned this country into an industrial desert, and sacrificed its agriculture and cattle breeders."

The finance minister himself, Carlos Solchaga, a cocktail party lion and habitué of *Los Beautiful*, as the Spanish quaintly call the Jet Set, told the *Financial Times*' annual Madrid seminar on Nov. 19: "Evidently, we underestimated the negative results flowing from allowing private households, public administrations, and firms to become over-indebted, not to speak of pay raises and high interest rates."

According to the Bank of Spain's latest quarterly report, economic growth since July fell below 1%, the lowest rate in the last decade; neither does the Bank's report see a brighter future, given the drop in the rate of investment and economic activity, the slowdown in private consumption and foreign trade, the increase in public deficit and the balance of payments deficit. Another Bank of Spain report, which the Barcelona daily *La Vanguardia* says will shortly be made public, shows a drop in net profits of Spanish firms by 45% in 1991.

Unemployment rose by another 76,000 in October, relative to the 65,000 reported in September. According to official figures, 18% of the workforce is now unemployed.

The public debt is staggering. Celia Villalobos, a Popular Party parliamentarian, gave the Congress the following official figures owed to the Social Security in back payments for benefits: All government administrations taken together, 329,021,000 pesetas which breaks down as provincial governments owing 114,783,000 pesetas; central administration 94,034,000 pesetas; municipalities and local governments 12,255,000 pesetas. The Insalud (National Institute for Health) is owed 197,979,000 pesetas.

Unpaid bank credits are now 5.8% of the total volume of credit, the total standing at 1,910 billion pesetas; in mid-November, the Director General of the Bank of Spain warned the banks to be "extremely vigilant about bad credits, because

the degradation of the banks' credit accounts can lead to big crises." The Spanish deputy premier, Narcis Serra, said for the first time that the government can no longer afford to wait until the world "recession" slackens off, but "we must fight these imbalances now . . . the entire society must be involved." Mussolini-style corporatism is in the cards, which he calls "a broad, urgent social dialogue" to find solutions.

Not surprisingly, and in parallel to the near shooting war going on between the French political parties as the Mitterrand regime decays into dust, Madrid is a brawling free-for-all. On Nov. 18, an instructing magistrate, Marino Barbero, ordered the police to raid the headquarters of the ruling Socialist Party (PSOE), to seize documents which PSOE officials had refused to hand over. The documents

relate to "irregularities" with respect to the financing of the PSOE by firms, among which Filesa, Malesa, and Time Export have been named.

Added to this, the same sort of destabilization launched in Germany has begun. A masked group broke into a hostel for immigrant workers, fired upon a group of lodgers, and killed a woman from the Dominican Republic. The premeditated attack was carefully timed so that the huge protest demonstrations of the Left, where tens of thousands went out in every major city, would coincide with the pro-Franco demonstrations which take place every year in Madrid and at Generalissimo Francisco Franco's tomb near the Escorial, on Nov. 20. The demonstrations at the tomb were much larger this year than before, perhaps 10,000 people.

Nothing being done to stop African epidemics

The World Bank has announced that it expects a decrease of the average life expectancy in Africa from 62 to 48 years. This shocking figure, blandly reported by the wire services, testifies to the inaction by international agencies in the face of epidemics sweeping the African continent.

At the end of October, the World Health Organization declared that it is giving up its attempt to eradicate malaria, and is now seeking only to contain the disease, Reuters reports. The WHO's new policy was adopted at a two-day conference in Amsterdam in late October. Malaria is probably the world's biggest co-factor with HIV for AIDS. Chronic malaria suppresses the immune system, and 1-2 million people die every year from malaria.

"Attempts to wipe out the mosquito carrier, pursued for 50 years with poor results, will be made only in areas where there is a realistic chance of success," the conference concluded.

Actually, the malaria mosquito was eradicated in many areas in the 1960s, and the rest of the world was on track to do the same through the use of the pesticide DDT, which saved millions of people from death. But the malthusians forced the ban of DDT in the United States in 1972, which immediately reversed the decline in mosquitos and malaria deaths. (See *EIR*'s cover story of June 19, 1992, "Save the Planet's Humans—Lift the Ban on DDT!")

It is only by 1995 that the World Health Organization expects to have accurate figures on the number of malaria cases. The conference heard that the malaria strain now found in Thailand and Cambodia is showing resistance to all the drugs widely available to treat it. WHO officials expressed concern at the lack of interest on the part of

western drug companies in finding new drugs.

In Africa, each year approximately 800,000 Africans, mainly the poor, are killed by malaria, the conference was told. Another 80 million Africans contract the disease, but survive. According to Alan Schapira, medical officer at the WHO, "There is an unfair accusation that things cannot get done in Africa because of disorganization. But even the toughest colonial-type administration, given the African ecology, would not get far against these [mosquito] species." Malaria is responsible for 20-30% of all deaths of children under five in Africa. The new WHO strategy is to focus on earlier diagnosis and fast treatment.

The continent-wide disease picture is amplified by the following news items:

Kenya: "If there is anything that could wipe out Kenya's population, it is AIDS," said Kenyan President Daniel arap Moi. He was quoted in German newspapers, in coverage of a dramatic increase in the number of people sick with AIDS. According to WHO figures, every 40th African is infected with the HIV virus, compared to every 250th person worldwide.

Zaire: By the beginning of September, 191 cases of plague (bubonic, pulmonary, and septicemic) had been reported to the WHO, and 78 deaths from the disease. This was reported in WHO's *Weekly Epidemiological Record*.

Tanzania: Since the beginning of the year, 4,279 cases of cerebrospinal meningitis have been reported, with 451 deaths. The number of cases has increased rapidly since March.

Burundi: The health minister of this East African country announced the closing of primary schools due to the meningitis epidemic. "The increase of the epidemic in only a few weeks is frightening," the minister said, in a national radio speech. In that period, more than 1,200 cases of meningitis have been reported, and 207 patients have died.