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## THE CARIBBEAN STRATEGY

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# How much private investment has been flowing into Seaga's Jamaica?

by Carlos Wesley

There hasn't been an advertising campaign on American television quite like Jamaica's current effort to woo the tourists, at least not since the days of Jim Crow, when dyed-in-the-wool segregationists were proclaiming the "darkies" to be quite happy with the state of affairs under the shades of the magnolia trees, thank you.

In Jamaica's tropical version of Stepin Fetchit, smiling native after smiling native beckons "Come Back to Jamaica" with promises of everything, from "gentility" to the island's (nonexistent) "bounty," concluding with a plea that should warm the hearts of the Colonial Office's old hands: "Make Jamaica your own again."

Alas, it is not working; tourism is down by 10 percent from last year's abysmally low levels. Nor is much else working in Jamaica these days. Everyone from the International Monetary Fund to the Reagan administration to the David Rockefeller-led Business Committee on Jamaica has promised massive support to the efforts of Jamaican Prime Minister Edward Seaga to transform his island-nation into a model free-enterprise economy, the Hong Kong of the Western Hemisphere.

But very little concrete assistance has materialized so far, and in fact it was never intended to. All the ballyhoo about the "Jamaica model" has nothing to do with a model of industrial development. It is, instead, a cover for rearranging the island economy on a model of a different sort—an unregulated, offshore banking paradise for laundering drug monies. It is already a major producer of marijuana for export.

Jamaica, like Hong Kong, has been run for centuries on the British colonial model—Prime Minister Seaga was recently appointed a member of the Queen's Privy Council. Like Hong Kong, it will now be transformed into a center for drug money banking.

In terms of real production, things have—if anything—only gotten *worse* since Seaga took over from Social Democrat Michael Manley last October. Just two weeks ago, Alpart, an alumina-producing consortium owned by some of the largest U.S.-owned bauxite-mining companies operating in Jamaica, announced a sub-

stantial cutback in production, the third company to do so in recent weeks. Bauxite is Jamaica's biggest earner of foreign exchange.

Exports of bananas and sugar, which follow bauxite and tourism as sources of foreign exchange, are also off. Sugar production fell by 29,000 tons this year, while banana exports have dwindled to virtually nothing as a result of a hurricane last year.

The country continues to be plagued by frequent power blackouts due to a lack of spare parts for its generating plants. Some consumer goods have returned to the stores, where they remain unsold; the purchasing power of Jamaicans has been destroyed by inflation and unemployment, which officially is close to 30 percent, but in reality closer to 40 percent.

Even Seaga's staunchest supporters, the business sector, are grumbling that his deregulation policies threaten to destroy the economy. "People expected money to flow like milk and honey," said Avis Henriquez, the head of the Private Sector Organization of Jamaica.

During a speech in Parliament last week, Seaga said that his economic program was working, despite the fact that local industries are unable to obtain the raw materials and spare parts they need to operate. Though he acknowledged that the economy was likely to exhibit zero growth this year, or at best a 2 percent increase, he claimed this to be a great improvement over last year's negative growth rates. The Jamaican Prime Minister asked the business community to be patient: "We are not involved in giving birth to a new child, but we are involved in the process of reviving the dead," said Seaga, who is a serious student of the Caribbean's obeah and voodoo cults.

### Rocky comes empty-handed

David Rockefeller, who heads the U.S. Business Committee on Jamaica, the group entrusted by the Reagan administration to develop and implement American economic policy toward Jamaica has admit-

ted that little will come in the way of U.S. help. During a visit to Kingston last July, Rockefeller warned Jamaicans not to expect too much in the way of economic assistance or foreign investments.

"I personally do not think that things are that easy," said Rockefeller. The enthusiasm that has developed in connection with the work of the committee, he added, "could be dangerous if it becomes excessive and if it's not tempered with a sense of reality," according to the Jamaican *Gleaner*.

While no money is coming in—none is really expected—everyone in Kingston last week had a copy of a complimentary report extolling the merits of Hong Kong put out by the Washington-based National Planning Association. As Winston Mahfood, the prime minister's cousin and principal economic adviser, explains it, Jamaica's future lies in adopting a wide-open economic system, such as Hong Kong's.

Jamaica is well on its way to becoming like Hong Kong, which, as everyone knows, has an economy based on the drug traffic, money laundering, unregulated banking operations, and cheap labor from mainland China.

### **Hong Kong West**

About the only sector of Jamaica's economy that is exhibiting any growth is the illicit marijuana trade, which earned between \$1 billion to \$1.5 billion in foreign exchange this past year. Not surprisingly, *The Economist* of Aug. 8, applauded Seaga, an advocate of marijuana legalization, for paying lip service to the need for curbing the smuggling of the drug to the United States, while in fact doing nothing to stop it.

Similarly, Morris Cargill, scion of one of Jamaica's most prominent families, complained last week that U.S. efforts to stop the flow of drugs violated Jamaica's sovereignty. "The United States is entirely entitled to make decisions about its own nationals. But it has no right, and in fact at the time of Prohibition did not try . . . to put pressure on Scotland to prevent the manufacture or export of whisky, nor did it try to police the internal affairs of the Bahamas," writes Cargill.

The Seaga government is also taking up the ancient Chinese tradition of slave labor, employing women as stone breakers in a program designed to reduce unemployment. The women who break the stones are paid on a piecework basis. Reacting to widespread criticism that the program is no better than slave labor, government officials have said it is better than no work at all.

The government is also borrowing another page from the Chinese: a campaign was started recently to curb population growth as a solution to Jamaica's economic ills. Among the proposals being given serious consideration is one that would make large families illegal.

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