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THE MARXIST THREAT TO JAMAICA

General Background:

Jamaica, an island nation about the size of Connecticut located 600 miles southwest of Florida, received its independence from Britain in 1962. The British left the country on a firm economic footing and substantial trade and other economic relations were established with the United States and Western Europe. With much of the economy based on the aluminum producing bauxite industry, per capita income rose from \$180 to \$800 a decade later, making the country the wealthiest in the Caribbean.

Socialist Victory in 1972 Elections:

The Jamaican Labor Party (JLP) led the country for the first ten years following independence and presided over the spectacular economic growth. Nonetheless, unemployment stood at nearly 70 percent at the time of the general elections in 1972 and the people voted for the Peoples National Party (PNP) led by Michael Manley. At the time Manley called for a larger role of the government in the running of the economy, but not until two years after his election did he proclaim his goal as the creation of "Democratic socialism."

Relations with Cuba and the Soviet Union:

Prime Minister Manley's sharp move to the left followed his meetings with Fidel Castro of Cuba. In 1974, he attended the Third World Conference in Algiers as the guest of Castro. In July, 1975, Manley spurned criticism in Jamaica of his contact with Castro and traveled with 200 members of his PNP to Cuba. A technical cooperation agreement was concluded and relations between the two countries have grown much stronger in the past two years.

Estimates of the number of Cubans now working in some sort of advisory capacity now run up to 3,000. Cuba has the largest embassy in Jamaica and two-thirds of the personnel allegedly are members of the DGI (Cuba's secret services). Some reports indicate clandestine unloading of crates from Cuban planes that may contain weapons. Jamaican police officers have been sent to Cuba to study security techniques and Jamaican intelligence agents have received instructions from Cubans (and possibly Russian KGB agents as well) in Guyana. They have returned to Jamaica to proceed with the "politicization" of the army and police forces.

Manley has praised Cuba as "A marvelous example of how social and economic problems must be solved." Moreover, Manley has proclaimed his support for national liberation movements and "fully approves of the fraternal aid of friendly Cuba to the Angolan people, although, because of this, we have been subject to violent attacks and pressure from the imperialist forces."

The Jamaican Prime Minister also traveled to Moscow in 1975 and congratulated the Soviets with the following words: "We also hope to put to use the rich experience of building a new society in the Soviet Union and to set up economic cooperation with your country in the near future." He similarly has expressed his "hope to make use of the achievements of the Hungarian People's Republic in the aluminum industry" and sought close economic relations with Comecon (Soviet bloc) countries.

Government Programs Under the PNP:

In order to "start on the long road to fundamental change", necessary because "capitalism has failed us", Manley has laid out an extensive socialist program of nationalizing industries, restricting investment, controlling the economy and imposing heavy taxes on the middle class. Initially, the government nationalized the utilities: bus lines, the telephone company and electric power systems. It then moved on to the major industries: bauxite, cement, and banking. The government previously operated Jamaican television and proceeded to take over the only private radio station. A "land reform" program involved the confiscation of private property and redistribution to 25,000 small farmers. While substantially reducing the private sector of the economy, and therefore revenue collections, the government has attempted to drastically expand social services with new hospitals, housing and free education:

Destruction of the Jamaican Economy:

Since the election of Manley to office, the economy of Jamaica has nearly collapsed. In order to implement his enormous new government programs, he increased government spending from \$627 million in 1971 to \$1.5 billion in 1976.

Manley attempted to finance this spending with heavy borrowing as foreign exchange reserves went from a surplus of \$157 million in 1971 to a deficit of \$150 million in 1976. Inflation ran at about 15 percent in 1976.

He has also tried to finance these programs through confiscatory taxes on the middle class in Jamaica. Per capita taxes that ran at 14 percent of one's income in 1972 have now risen to 44 percent with taxes of 60 percent on incomes over \$12,500.

This has led to the flight from the country of the professional classes. It is estimated that over one-third of the doctors, one-half of the lawyers and over one-half of the managerial personnel have fled the country. Manley himself has claimed that businessmen have "smuggled out" over \$300 million, although the government strictly prohibits the removal of funds from the country.

Although Manley partly won election in 1972 on the basis of the 20 percent unemployment problem, this figure had risen to 27 percent by 1977 and possibly over 40 percent in the Kingston area. Out of 17,000 high school graduates in 1976, 12,500 were still unemployed in April 1977.

Attack on Foreign Investments:

One of the principal reasons unemployment has risen substantially and government revenues have not been able to meet outlays is the curtailment of new foreign investments. The nationalization programs and sometimes strident anti-capitalist rhetoric has discouraged any new investment. One financial officer of a large American corporation stated quite simply: "We don't want to get caught like the boys in Cuba, where they could take out a suitcase and that's it." There is over \$1 billion of foreign investment in Jamaica, but some of it is closing down, rather than contend with the new taxes and regulations.

The increasing role of the trade unions in the country has contributed significantly to the collapse of investment. Productivity, already low, has declined further. The Jamaican Finance Minister has candidly acknowledged the seemingly suicidal demands of labor in his country: "Our trade unions take their patterns of expectations not from a realistic assessment of what the local economy can produce, but from what they see happening in other countries. The day comes when productivity is still low, but the cheap labor is gone, and so is the incentive for investment to come in."

Bauxite Industry:

The United States receives about 60 percent of its bauxite from the Caribbean and most of this from Jamaica, where it is the dominant industry. Since the government has moved to control 51 percent of the industry and levied new taxes, production has fallen. In 1974, when new taxes went into effect, production stood at 15 million tons; in 1975, this fell to 11.3 million tons or down 25 percent; and in 1976, production fell by about the same amount again. The new government taxes raised payments each year by the bauxite companies from \$30 million to \$200 million. Since this OPEC-style levy was imposed, the government has collected \$455 million in royalties.

With the new tax, Jamaican bauxite becomes the most expensive in the world. This not only has discouraged any new investment, but also has precipitated the closing of some existing plants in Jamaica, such as the \$90 million Revere Copper and Brass affiliate. Revere has charged that the taxes constitute an expropriatory act and are seeking \$64.2 million in compensation from the Overseas Private Investment Corporation for their facilities in Jamaica.

Political Consolidation of Power:

By early 1976, dissent from Manley's programs grew substantially. The opposition JLP particularly denounced the moves made in the direction of Cuba and feared that Castro may provide Manley with a model for Jamaica.

Violence arose in the country as supporters and opponents of Manley clashed. In the first six months of 1976, 163 died from political violence. At the same time, various political polls in the country indicated that the opposition JLP had margins of support growing from four to twelve percent by late spring.

On the pretext that "a new wave of violence was planned," Manley proclaimed a state of emergency on June 19, 1976. Manley proceeded to exercise his new powers by taking about 1,000 Jamaicans into custody without charges. This included far more members of the opposition Labor Party than the PLP. The emergency decrees also banned any speeches or printed materials that are "likely to be prejudicial to the public safety." A dawn-to-dusk curfew was declared.

The Minister of Justice has complained about "the confusion that exists in the mind of the public that people who are detained should be charged." He has acknowledged that the state of emergency was invoked "to detain persons against whom evidence to a standard required by criminal law is not available." The State of Emergency provision only applies for thirty days, but it has been renewed for the past ten months so it remains in effect. Some of the people initially arrested without charges still remain in government custody.

Elections in December, 1976 and March, 1977:

With over 200 hundred people still in custody and severe press restrictions in effect, Manley proceeded to call for new elections in December, 1976. Moreover, his own party, which controlled the parliament, redrew election districts to maximize their potential vote for Congress.

During the political campaign at least twelve people were killed, thereby demonstrating the failure of the emergency decrees to bring order and stability. The government authorities finally maintained that all political rallies had to be banned to prevent further outbreaks of violence. Edward Seaga, the leader of the opposition JLP charged Manley with using the State of Emergency as a smokescreen "to set the stage for immediate manipulated bogus elections" and attempting to build "nothing short of a Marxist police state."

Even with such severe restrictions in effect, the opposition party drew 318,000 votes against the government party's 400,000. Although drawing only 58% of the popular vote, the new election districts provided Manley's party with 80% of the seats in the new parliament, or 48 out of a total of 60. By the end of the year the death toll from political violence rose to over 200.

Under these circumstances many observers have expressed extreme concern about the future of democracy in Jamaica. With continued

government control on the major sources of information and restrictions upon criticism of policies, the Labor party won 67.5% of the vote in local government elections in March, 1977. As the New York Times blandly stated editorially following these elections: "It was unfortunate that the election was held under a state of emergency and with some Government opponents in detention...."

The Future of Jamaica

Of possibly greater concern has been the creation of a government run militia force of 20,000 men that is twice the size of the police and regular police and armed forces combined. As in Chile, the Marxist government in Jamaica initially secured election by popular means, but as support for its policy appeared to wane the government began to use undemocratic means to remain in power. Manley has referred to his rule as being not "by violence but by heavy manners." Comparing the Chilean and Jamaican situations Manley has commented: "We have watched Chile and we have learned how to defend ourselves."

The question to be resolved in the coming months is whether any genuinely free institutions will survive in Jamaica, or whether a new Marxian axis may be established between Cuba, Jamaica, and Guyana that would threaten not only American supplies of critical raw materials, but also the security of the entire Caribbean area.

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