

Life & Debt

- Guests — Michael Manley Former Prime Minister
- Stanley Fischer Deputy Minister IMF
- ▲ Dr. Michael Whitter
- * David Coore Former Finance Minister

Chorus — "usury" the illegal action or practice of lending money at unreasonably high interest rates

Multinational tourism — sell/commodify culture / the rest is imported "better do not know that all food come from Miami"

Series of currency devaluations by IMF decree to exact financial discipline — a weaker Jamaican \$ encourages export development & makes foreign currency more expensive

IMF purpose = short-term borrowing (• terms that serve the short term trading interests of the West)

↳ & to "fix the underlying reasons for the crisis" ■ CLINICAL ECONOMICS
EMERGENCY ROOM ECONOMICS

▲ the reality of currency devaluations — JAM capacity to export has weakened as debt rises

— economic control of JAM by foreigners ^{not} via FDI, but through the mechanism of debt/^{int'l} lending

→ • JAM newly independent, immediate financial problems ill-equipped to combat without time to develop — e.g., FOOD SECURITY / ECONOMIC SHOCKS

— IMF bank of last resort when turned away from private banking system

— no long-term development plan — short term time frame at full int. rate

RESULT — self-rule / sovereignty lost

AGRICULTURE

"backbone" of JAM economy

local market displaced by more price competitive foreign produce

IMF institutes pressure to drop JAM "protected market" / IMPORT restrictions

* "if you want the money bad enough" you eliminate artificial barriers to trade — import restrictions / unduly subsidizing exports

■ why eliminate trade barriers? stimulate growth / better integrate into the world economy

▲ competitive advantage / comparative advantage eliminated / self-reliance discouraged

"only sunlight" — produce at a better quality but higher cost — import seed / fertilizer, etc...

unfair competition (hire/borrow money at 10% int. vs. 19% to 40%) POSITIVE INFLATION RATE THEORY OF INTEREST 10% — must charge 23%

terms of trade/elimination of barriers one way — e.g., TBT (cherry tomatoes & honeydew melon)

Chorus terms of trade/conditionalities attached to loans — money is a trap, not a gift

MILK

industry picture — "flourishing"

INTERAMERICAN DEVELOPMENT BANK LOAN — conditions attached — abandon all local subsidies & restrictions on imported powdered milk

● "clean bill of health" & cross-conditionality

↳ deregulation in trade of commodities — "NON-DISCRIMINATION" rule at WTO

↳ powdered milk — greater cost to produce / huge subsidies & surpluses — DUMPING (137%)

RESULT — no national food security & real costs will materialize, but in the meantime the JAM dairy industry goes out of business