

# Jamaica's Land Waits

EVERY January Lancaster M. Greene, a prominent security analyst and vice-president of the Henry George School, New York, has delighted the Friday-Evening-at-Eight audience with a look ahead at the market. This year Mr. and Mrs. Greene went to Jamaica after the first of the year and the annual market forecast was offered in February along with a report from the West Indies.

By way of bringing this Caribbean island to the audience pictorially, Mr. Greene introduced a short industrial film showing one of the bauxite areas being processed by the Kaiser company which has the largest open pit operation in the world. Farmers are bought out and resettled on better land in model homes. A railroad is built to the site—this is easily accomplished where native unskilled laborers of all ages are willing and eager to work at pounding the readily available limestone for prompt construction of the roadbed. As soon as one limestone "saucer" is mined out, work is begun on another, and the entire area goes back into agriculture—the plots being sold to farmers at nominal prices.

The island's new industrial development is clearly recognized and appreciated in these bauxite areas where natives are learning how to handle, not only heavy machinery and mining equipment, but ultra modern IBM machines. Those who become skilled workers enjoy living conditions far superior to those around them, and Mr. Greene believes this kind of peace corps work, done to make a profit, has a basis for growth.

In addition, Kaiser, Aluminium, Ltd., and Reynolds, in a fine "partnership with Jamaica," are paying in bauxite royalties and income taxes, 15

per cent of the Jamaican budget. Alcoa and Harvey are investing now for bauxite production in the future. Already 48 per cent of U. S. Aluminium comes from Jamaican bauxite. The employees soon provide themselves with compact cars of British origin. The American cars, which they might prefer, are tagged with 45 per cent tariffs, as compared with 20 per cent on British cars. Jamaica residents are being charged for the privilege of importing things they can't produce themselves, the speaker said. Over 25 per cent of national taxes are imposed on imports and excises. Canadian interests are also represented in Jamaica with some \$100 million invested in bauxite and alumina—but they, unlike the American companies, are transferring the bauxite into aluminum on the spot, to save shipping costs.

It is extremely interesting that Jamaica, whose principal exports for years have been sugar cane, bananas and rum, for the first time shows the over-all gross product from manufacturing to be 39 million pounds sterling. This is slightly higher than the products of agriculture, which totalled 29 million pounds in 1960.

There is still much poverty in this island paradise, but the people have some inkling of the tremendous things that are possible. Land speculators, too, have been helped by the increased industrialization.

About 96 per cent of Jamaica's population is of African extraction. The remaining small minority includes Hindus, Moslems, Chinese and Israelis. This small segment is also largely representative of the traders and land speculators and is not very popular with the "little people," who do not yet see the advantages of the land value taxation reform introduced

by Premier Norman Manley in 1955. Six parishes were revalued under the supervision of an expert assessor from Australia, but recently the Premier, who is a believer in land value taxation, has halted the program presumably because there are no more funds, but also because in practical politics you don't "push the people beyond the point where you think you can win their votes."

Education is still very primitive in Jamaica's public schools, and pupils can advance only through the sixth grade. The People's National Party would like the Henry George School to set up more classes to familiarize people with the advantages and necessity of this reform, and to show them how much faster Jamaica could grow by pointing out that in Australian boroughs where land value taxation was tried all slums were gradually eliminated within a year.

Jamaicans who have studied in the Henry George School are impatient for land value taxation to be extended from one-half of one per cent of the value, to a rate high enough to discourage withholding of usable locations. They also are eager to see those taxes removed from production and imports which discourage the very improvement the government would foster by its temporary tax remission for capital investment.

Mr. Greene asked these enthusiasts whether they should be any more discouraged than parents of an infant who has croup or measles, in the growing up process. Interviewing a number of persons in high and low positions, to determine how they regarded the new land reform measure, he found that when he suggested to skeptics, "if this land has no value, I'll take it off your hands," they began to see the idea.

The large owners have not been "hurt," but they are calling for mercy while still enjoying the advantages

they realize they may lose. This tension is reflected in the voting potential, and representatives of both parties are therefore trying to couch their election promises in terms which will insure their election.

Premier Manley is strongest in the concentrated metropolitan Kingston area which has the largest and most valuable land holdings. Here the government is busily inviting tourist trade and new industry, hoping that great hotels will be built to make the land more valuable. Hotel owners are also intensively pressing for a national lottery in the hopes of wooing international gamblers and their moneys. This would serve ostensibly to save the hotel business, but Mr. Greene anxiously pointed out that wherever this expediency has been sought the results in the long run have been crippling, since the gambling interests assume such an importance financially that thereafter no legislative move is ever made without their consent.

So many questions were asked from the audience about Jamaica that little time was left for those who were patiently awaiting the sound and seasoned views on the market. Mr. Greene said he discovered the Henry George School in 1934. This discovery made such an impression on him that he has been busily interpreting the philosophy ever since whenever an opportunity arises. He says we live in an industrial democracy where "everybody votes every day in the market-place, and the consumer casts a vote every time he buys anything." He has noted how fast products have to change to reflect "votes," and he is interested in preserving the system where prices are controlled by the consumer in the free market, rather than by government.

Americans, he noted, have never had the experience of taking money home in bushel baskets but they read about it, consequently they are afraid

of deflation but not of inflation. The Kennedy-Keynes adherents therefore go on the theory that "you can fool all the people all the time if you keep it under control." Give the people a people a little inflation—they like it! It's like the stimulating effects of the first and second drink. "We hope that the country will not become alcoholic," but, Mr. Greene warned, "we are in danger of a galloping inflation if the budget is not balanced."

He recalled an example in Franz Oppenheimer's classic, *The State*, illustrating the "economic means" versus the "political means." Most bees distill nectar from flowers, he said—that is the economic means. But if some bees learn to steal honey from other hives they will never be interested in getting it from flowers by working. This is the political means, and when this happens to bees their

hives have to be destroyed, otherwise the whole apiary will be corrupted. The inference is clear—it is hard to get people to give up a special privilege and go to work—they would much rather speculate in land, for instance—just sit back and get the benefit of every community improvement or government expenditure, without themselves taking the risks of producing for the benefit of consumers.

Again there were many questions from the audience. All were answered courteously, calmly and directly, but there seemed to be no end. What would be a good inflation hedge, someone asked at the last.

"The best managed companies," said Mr. Greene, "buy where the management has a potential of doubling in the next five years, and pray too," he added, "there's no protection if inflation gallops."

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## Peaceful People's Protest

A protest was registered against the People's National Party proposal in November to take over farm holdings of more than 100 acres of undeveloped land. It was made to the *Gleaner*, a Jamaica newspaper, by a New York group of eighty, who signed themselves "Friends of Jamaica."

Said the "friends": "If valuable land is still being held out of use in spite of the land value tax, it must mean that the tax is not high enough. An increase in the tax should therefore bring about the desired effect. On the other hand, compensating the landowner or leasing would be in effect a burden on the taxpayers, who would also be paying the landowner for having held up production.

"The selling price of land, urban and rural, would be diminished by

the land value tax. It would permit the reduction of taxes on production. Production both on the farm and in the factory would be freed from the burden of taxation.

"Consequently, the free market price of agricultural products would bring an adequate return, thus enabling the farmer to buy the manufactured goods he needs and to increase his production. With increased farm and factory production, there would be no need to fix prices, which is merely an added cost to the other producers, who have to pay artificially inflated prices for farm products.

"We... urge that the land value taxation system be maintained and expanded so that its full benefit will bring about the improved conditions so eagerly sought by everyone."