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## Case Study No. 1

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# How Jamaica became a ganja plantation

by Gretchen Small

What has happened to Jamaica in the past 12 years provides a stunning example of how the economic policies of the Western elite have made a mockery of those who seek—some with their lives—to halt the drug plague.

Since its first days in office, the Reagan administration has held up the economic policies of Jamaica's Edward Seaga as embodying the "fresh view of development"—President Reagan's words—which the administration seeks to further throughout the globe.

Jamaica is a model of "making freedom work," Reagan told representatives of the Organization of American States on Feb. 26, 1982, in his speech announcing the establishment of the Caribbean Basin Initiative (CBI). Seaga's demonstration of the "magic of the marketplace" inspired the CBI, which has been designed to encourage all Caribbean nations to follow Jamaica's path, Reagan said.

Thus did President Reagan *encourage* developing nations to turn to narcotics production as the source of funds with which to pay the debt—for that was the policy which Seaga announced when he came into office in 1980.

Seaga did not create the marijuana boom in Jamaica; the International Monetary Fund (IMF) accomplished that. Seaga's contribution to the process of transforming Jamaica into a dope economy was to legalize narcotics monies—and to do so as stated, official policy.

Perhaps the most shocking aspect of the transformation of Jamaica into a dope-dependent nation, is the openness with which it occurred. From 1977 to 1988, the Western banking cartel forced Jamaica, step by step, to cancel all industrial advance, and instead build up marijuana cultivation as the "cash crop" upon which the entirety of its economy is today dependent. The news of this transformation was regularly reported in the international press, while Western leaders kept silent watch—or cheered it on.

### International Monetary Fund's role

Marijuana, called *ganja* in Jamaica, was introduced to the country in the 1850s, but it was not until the 1976 economic crisis that marijuana cultivation began to be transformed into an industrial-style cash crop oriented to international trafficking.

The professional dope trade moved into Jamaica big in

1976, the same time that it moved into Colombia, fleeing the harsh crackdown on drug-trafficking ordered by Mexican President Luis Echeverría. At the same time it arrived, the combined rise in international oil costs and collapse of world-market prices for Jamaica's traditional export items (bauxite, sugar, and bananas), left Jamaica without reserves. Needing foreign loans to cover the deficit, Jamaica turned to the IMF for "approval."

The first IMF conditionalities were imposed upon the country in 1977, under the Michael Manley government. Over the next four years, Manley fought repeatedly with the IMF—but remained silent on the growing drug trade. The conditionalities had one main task—to suck savings out the economy, and into debt payments. The currency was devalued, government spending and borrowing reduced, credit restricted, imports cut back, taxes increased, and a ceiling set on wage increases. Plans to upgrade Jamaica's bauxite industry, by building additional alumina processing plants, were written off as "too costly."

By May 1978, conditionalities had passed over into direct surveillance. IMF economists set up office at the Bank of Jamaica, the country's central bank, where they could monitor all money flows and economic activity.

IMF handling of Jamaica's domestic credit flows became the primary mechanism for the transformation of Jamaica's economy into drug dependence. The IMF insisted that Jamaica must fight inflation, by, in the words of one official, "violently" limiting internal credit. To do so, government printing of money was limited, and the Bank of Jamaica was ordered to pressure local commercial banks to limit the amount of consumer credit they issued.

But while IMF officials insisted legitimate credit flows be shut down, no attempt to restrict the growing black market in dollars was allowed. Dollars brought in from abroad would "have no inflationary impact," IMF officials in Washington insisted to anti-drug investigators in 1980. IMF personnel began pressing for the *legalization* of the dollar black market.

One source fed that market: marijuana trafficking to the United States, and everybody knew it.

By mid-1979, Jamaica's *Daily Gleaner* proclaimed that "Ganja pervades Jamaica," because "ganja is the only thing that pays. . . . Entire districts, entire communities were already structured around the growing and selling of ganja."

"Industry may also be managing to pay its foreign bills through Jamaica's version of agro-business. Ganja (marijuana) thrives in the island's conditions," London's *Economist* reported in a June 21, 1980 article, which elaborated how Jamaican industry was hooked on drug money:

"Ganja is grown mostly by small farmers, who do not want to be paid in American dollars. So the traffickers sell their dollars to industrialists in exchange for local currency . . . and then pay the farmers in Jamaican dollars. Industry thus manages to pay its foreign suppliers just before they cancel the next shipment, while the ganja money has taken the edge off some of the hardship in the hills," the *Economist*

explained.

Under IMF direction, unemployment had risen to 30% in Jamaica, the standard of living had dropped by close to 25%, and an estimated one-fifth of the population relied on the marijuana trade for some part of their income. Whereas Jamaican marijuana trafficking had been minimal in 1976, by 1980, it had turned into a \$1 billion a year "business," with Jamaica serving as the third largest supplier of marijuana to the United States.

London's *Financial Times* declared in December 1980 that "ganja brought a new prosperity to large parts of rural Jamaica."

An April 6, 1980 report in the *London Observer* had been a bit more truthful: The IMF had "imposed such harsh conditions for its loans" that "wages have fallen to not much more than half what they were a few years ago, the Jamaican dollar is devalued every month, and one in three of the population is workless. . . . In the complicated and topsy-turvy world of international finance, the International Monetary Fund is now . . . helping those who want to legalize pot."

## Enter Seaga

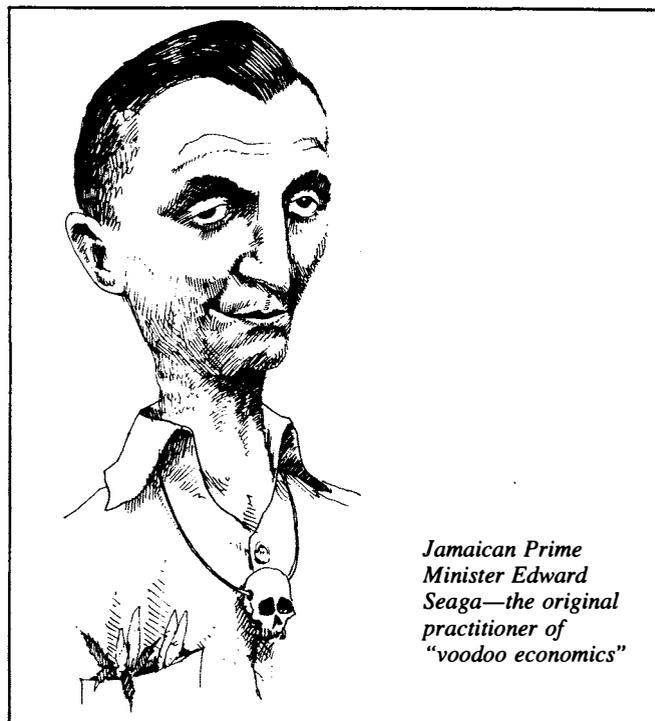
In November 1980, *War on Drugs*, the magazine of the U.S. Anti-Drug Coalition, detailed how the drug mafia planned to use Jamaica as the keystone of its plans to legalize international narcotics trafficking. The magazine titled its exposé, *Who Made Jamaica a Drug Economy? An International Monetary Fund 'Economic Cure.'* But by then, the next step in the plot to legalize international narcotics trafficking outright, had already been taken.

On Nov. 1, 1980, Edward Seaga, a former governor of the World Bank and IMF (and specialist in voodoo cults), was inaugurated prime minister of Jamaica. In his inaugural speech, he warned that the country had to pay out \$155 million more in foreign exchange by the end of the year, than the Bank of Jamaica had in hand. On Nov. 7, speaking to a group of Jamaican businessmen, Seaga announced that his government planned to cover that deficit—by legalizing dope monies.

Anyone who holds illegal dollars, can now deposit them in Jamaican banks free from criminal prosecution, Seaga told the businessmen. Many people have dollars gained "from the export of a certain illegal item," which they have been afraid to use in Jamaica out of fear of prosecution, he stated. Therefore, I have given orders to the banks that if someone wishes to exchange dollars for Jamaican currency: "Don't ask questions. Don't accept it. Grab it!"

Seaga then visited the United States, where he also reported his plans to legalize "the ganja trade."

"Regardless of whether we want it or not, the industry [sic] as such is here to stay. It is just not possible for it to be wiped out, and if it is here to stay then we have to make up our mind from that point as to how best to deal with it. The question of legalizing it so as to bring the flow of several



Jamaican Prime Minister Edward Seaga—the original practitioner of "voodoo economics"

hundred million dollars in this parallel market through official channels is complex. . . . It's keeping us alive. How else do we get kept alive?" he told the *Washington Post* on Nov. 10, 1980.

Interviewed on CBS-TV's *Face the Nation* on Nov. 23, Seaga declared that marijuana is the "lifeline" of Jamaica's economy, and argued that "there can be no moral issue against it."

Seaga named Percival Broderick, one of the country's most vociferous drug-legalization advocates, as his Minister of *Agriculture*. Back in 1977, Broderick had told the U.S. drug magazine *High Times*: "Ganja is a primary export product of Jamaica, with possibly more export potential than bauxite ore."

President Carter's Deputy Director of Caribbean Affairs, Richard Howard, told *War on Drugs* that Seaga's decision to legalize drug monies was acceptable, because "the government just would want to get control over the flows of money. . . . Face it, everyone knows that the marijuana trade has brought in income to Jamaica."

## Under the Reagan administration

The Reagan administration agreed 100% with the Carter team. Not one week in office, President Ronald Reagan announced that the first head of state he would receive at the White House, was Edward Seaga, and this to emphasize their common economic outlook. The Royal Family of Britain signaled its commitment to the same program, appointing Seaga a member of the Queen's Privy Council.

From 1981 to 1985, the Seaga government did not make even token attempts to eradicate marijuana plantings across the island, or interdict shipments into the United States. Jamaica's tourist industry quietly promoted Jamaica internationally as the place to go if you wanted to get "stoned in the sun," without worry over official prosecution. A U.S. House of Representatives study team to Jamaica in 1984 reported upon its return that it "was dismayed by the ready availability of ganja in Jamaica," and that the team had been offered "marijuana and cocaine in the airports, tourist shops, and boats."

Jamaica also became a trafficking center for all drugs, including heroin, cocaine, and hashish. The House study team noted that Jamaica had the largest number of airstrips per geographic area of any country in the world. In July 1984, Jamaica's Minister of Science, Technology and Environment, Ronald Irvine, stated that Jamaica had become *the main transshipment point for cocaine in the area*. Marijuana traffickers are accepting payment in cocaine in some cases, he added, because they increase profits by selling it to tourists in Jamaica.

By 1985, Jamaica's situation was dramatic. To visit Jamaica, is to witness "the evolution of an entire country toward dependence on marijuana—the creation of a 'Ganja nation,' " *Washington Post* reporter Jeff Stein wrote in a Feb. 17, 1985 article. What had been estimated as a \$1 billion "industry" in 1980-81, had grown to somewhere near \$2.3 billion by 1983, and if conditions continue as they have been, Jamaica could produce \$3.5 billion worth of drugs in 1985, Stein calculated.

Life in Jamaica under Seaga's "miracle" had not improved either, as the IMF continued to dictate policy. Stein reported that 50% of the population was unemployed as 1987 opened. He added:

"Traveling around Jamaica I found whole villages that had made the transition from dependence on legal commodities to a vast and lawless economy based on marijuana. One might say that the Jamaican marijuana production is a shining example of the free market at work—the very kind that the Reagan administration extols."

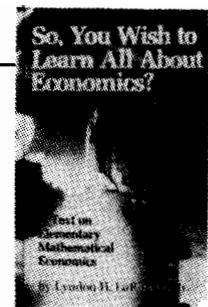
The first attempt to eradicate even some of the marijuana crop began in 1985, when the Seaga government and the U.S. DEA initiated a joint program. It was Jamaica's first official anti-drug program in 10 years!

By then, the anti-drug effort was a bit like locking the barn door after the horse has fled. In 1986, Jamaica eradicated more marijuana than ever before—official estimates were one-half of the crop—but even so, the U.S. State Department estimated twice as much was exported to the United States that year as in 1985. In December 1986, Seaga approved use of herbicides against marijuana plantings—although only by backpack, and not aerial spraying. So, planters began shifting from large plots into increased numbers of smaller plots, in mountainous areas not accessible by road.

Because Seaga's program for the legal economy has been limited to growing fancy fruits and enticing foreign investors to take advantage of low-wage labor available for hire in Jamaica's growing free zones, his government is in no position to rally Jamaicans against drugs—a situation which the drug legalization lobby uses to its advantage. Dawn Ritch, the *Gleaner's* most outspoken drug legalization advocate, wrote in December 1986:

"Ganja barons build police stations for their own and the community's protection, they pay school fees for children who don't belong to them, they are often better corporate citizens than many established companies, [they provide] lucrative employment for hundreds of thousands of small farmers." Instead of eradicating, the government should legalize, she argued.

Ritch's lies about an idyllic life under the ganja barons in Jamaica are belied by the deaths which those same crime kings have brought to U.S. cities. Beginning in the 1980s, Jamaican gangs began building marijuana and cocaine distribution networks in the United States, combined with an active trade in weapons. Those gangs, now active in 15 U.S. metropolitan areas, are distinguished by their violence, in what law enforcement officials have decried as a "total disregard for human life."



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