Jamaica: Notes On Prime Minister Manley's First Six Months

John Neagle
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by John Neagle
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Since Michael Manley was installed as prime minister nearly six months ago, the Jamaican government has sold controlling interest in the state-run telephone company and about a dozen resort hotels Manley's government took charge of during the 1970s. Government subsidies on flour, cooking oil and other basic foods have been removed, causing price increases of up to 50%. Next, Manley's government eliminated a tax on the banking industry, and made it easier to import automobiles. Thus far, the only concession to poor Jamaicans' needs is a promise to give teachers a pay hike. Debt service on a foreign debt of $4 billion absorbs 51% of Jamaica's foreign exchange earnings. Foreign reserves have declined, result of a hurricane last September. Manley's predecessor, Edward Seaga, accepted an austerity plan imposed by the International Monetary Fund. The current prime minister must follow through on the austerity program or face the loss of loans, grants and debt rescheduling. (Basic data from New York Times, 07/23/89)

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