

BERMAN, BERGNER & BOYETTE, INC.

JEFFREY T. BERGNER
WAYNE L. BERMAN
DAVID A. BOCKORNY
VAN R. BOYETTE

FLINT RIVER VILLAGE, JAMAICA A CRITICAL U.S.-CBI INVESTMENT PROJECT

OVERVIEW

The Caribbean Basin Economic Recovery Act was passed by the U.S. Congress with broad bipartisan support in August of 1983 and became effective on January 1, 1984. The countries of the Caribbean were led to believe that unilateral tax and tariff concessions by the United States would help the region recover from a deep recession led by declines in such export commodities as sugar, bauxite, and oil. This recovery has not materialized. Local unemployment in the region and in Jamaica remains at dangerously high levels. Today, more than ever before, the remaining friendly Caribbean nations are vulnerable to the strong challenge posed by competing ideologies.

A recent ITC report released in September of 1986 found that the CBI's share of total U.S. trade declined from 3.7 percent in 1981 to 1.0 percent in 1985. Proposed cuts in U.S. foreign assistance levels at the current time will only exacerbate a problem that is bad and growing worse. A recent Congressional delegation from the House Ways and Means Committee to Jamaica in January of 1987 noted in its report (WMCP: 100-9) that development of the tourist industry in Jamaica offers the only real source of foreign exchange and the greatest hope for economic development of the country. (at p. 12)

THE FLINT RIVER PROJECT

At the time of the CBI's enactment in 1983, it was anticipated by the U.S. that Jamaica would be the "showcase" country among CBI beneficiaries (WMCP at p. 11). The Flint River Project, will do much to fulfill the promise of the CBI legislation. The project as proposed:

- Will develop 3,4000 acres 12 miles west of Montego Bay Jamaica
- Would be constructed as a joint U.S.-private endeavor with an investment ratio of 15 to 1 (private to public money)

- Would provide U.S. assistance for potable water, sewage, electricity, and improved roads to the project and the residents of the Hopewell area of Jamaica.
- Will provide 5,000 new jobs (at peak operations) to the residents of Hopewell, Sandy Bay, and the parish of Hanover.
- Would constitute the largest U.S. investment in the CBI region since enactment of the Caribbean Basin Initiative.