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Richard L. Bernal

The Great Depression, Colonial Policy And Industrialization in Jamaica

INTRODUCTION

The developing countries which have been most successful in maintaining economic growth and undertaking balance of payments adjustment during the global recession since 1973 have been the more industrialized. Firstly, their more developed industrial capacities permitted a quicker, more extensive and less disruptive compression of imports because of the ability to furnish import substitutes. Secondly, it has also provided more scope for the diversification of exports, which reduced the impact of fluctuating or declining commodity prices. Jamaica has experienced severe balance of payments disequilibrium since the mid-1970s and has not achieved adequate adjustment. In fact, the balance of payments deficit has persisted and the economy has contracted. After a decade of attempted balance of payments adjustment for the most part within successive IMF stabilization programmes, dependence on imports of manufactured goods is largely unchanged and exports continue to consist predominantly of primary products.

The failure to achieve growth and adjustment is in large measure a direct result of its limited industrialization. This raises the question of why Jamaica is less industrialized than some other developing countries, and why the process of industrialization started later in Jamaica. A review of the history of Jamaica and Latin America reveals that these economies were at roughly the same level of industrial development and exhibited similar degrees of external vulnerability up to the time of the Great Depression. The Depression caused substantial dislocation which induced

import substitution industrialization in Latin America but a similar process did not occur in Jamaica.

This paper argues that Jamaica's acute vulnerability to external economic influences has resulted in (a) a process of economic growth which is fragile by virtue of its import dependence and which lacks an internal dynamic, and (b) a limited capacity for balance of payments adjustment. External vulnerability has persisted virtually unchanged during the last 100 years. The fundamental weakness or distortion in the economic structure which has been the principal factor accounting for external vulnerability is the limited industrial capacity – i.e. it is limited in size, and confined to a narrow range of manufactured consumer goods. Jamaica was a late, late-comer to industrialization because this process only received serious attention after the attainment of Independence in 1962. This is in sharp contrast to the experience of several other developing countries, e.g. those in Latin America. Industrialization in Latin America commenced in the 1930s, and was initiated by the Great Depression and reinforced by World War II. The sudden and substantial decline in the price of primary product exports occasioned a significant reduction in import capacity, inducing a process of import substitution industrialization. While the Great Depression forced the pace and shaped the character of industrialization in Latin America, this did not occur in Jamaica. This is surprising given the distinct similarity of the structures of the Jamaican and Latin American economies at that time and given that they suffered comparable declines in import capacity. A significant part of the explanation of this apparent enigma is the deliberate discouragement of industrialization by the British colonial authorities.

The argument is presented in three sections, the first of which discusses the similarities of the economies of Latin America and Jamaica prior to the Great Depression. In the following section, the magnitude of the dislocation of the Great Depression and World War II is described and the difference in impact on Latin America and Jamaica examined. An explanation of the failure of Jamaica to commence or

further its industrialization during the period 1929 to 1945 is advanced in the final section.

PRIOR TO THE GREAT DEPRESSION

An externally vulnerable economy is one which has the following three characteristics:

1. A high degree of openness, i.e. international trade is large in relation to total economic activity;
2. Inelastic demand for imports because of the lack of capacity to produce substitutes;
3. Primary product export concentration, i.e. most of total exports is accounted for by one, two or three primary products.

External vulnerability is more acute if, in addition, there is export market concentration – i.e. most of total exports is directed to one, two, or three markets.

There were distinct similarities between Latin America and Jamaica in regard to external vulnerability and the rudimentary level of industrialization, prior to the Great Depression. This is demonstrated by the data for years prior to 1929 which is widely accepted as the start of the Great Depression, or as close to 1929 as available information permits. Latin American economies in 1929 exhibited varying degrees of openness, e.g. imports/GDP, varying from about 11 per cent in Brazil to 31 per cent in Chile (see Table 1). Import dependence was compounded by the small size of the industrial sector, except in Argentina where it exceeded 20 per cent of GDP (see Table 2), and by the narrow range of goods and processed foodstuffs for export up to the time of the Great Depression (see Table 3). Industrialization in Latin America up to 1914 has been described as “primary cottage industry [T]he majority of local factories were engaged in simple acts of transforming local raw materials, and their activities bore little dynamic relation to the local economy.”¹ Claudio Veliz explains that this “limited industrial growth was a secondary result of the expansion of the traditional export sector of the economy and not of a consciously

pursued industrializing effort; its dynamism was as minimal as its capacity for endogenous growth.”² By 1914 the output of local industries included ice, coal, lumber, bricks, cement, textiles, pottery, glassware, ceramics, soap, furniture, matches, leather, salt and foodstuffs (coffee, flour, alcoholic drinks, confectionary and meat).³

The reduced availability of imports of manufactured goods during World War I provided a brief fillip to industrialization,⁴ particularly in Brazil.⁵ This nascent industrialization was reinforced immediately after the war by an expansion of the domestic market, consequent on urbanization and immigration.⁶ But as Furtado points out there were “intrinsic limitations” to this process on the supply side – i.e., the exhaustion of the easy phase of import substitution; and on the demand side – i.e., slow growth in the export sector.⁷ This type of industrialization exhibited “symptoms of exhaustion” as early as the 1920s.⁸

The data for 1929 are not available, but the figures for 1936 and 1937 demonstrate extreme primary product export concentration (see Table 4). In many cases, a single primary product accounted for over 70 per cent of total exports, e.g. Bolivia, Cuba, El Salvador, Guatemala, Honduras, Panama and Venezuela (see Table 4). The most diversified export patterns were those of Mexico and Argentina where three primary products accounted for 37.4 per cent and 50 per cent of total exports, respectively, as shown in Table 4. Latin American economies exhibited a high level of export market concentration. In 1929, nearly 53 per cent of total exports went to the United States and the United Kingdom (see Table 5).

In 1930, Jamaica like the Latin American economies was acutely externally vulnerable as is evident in the import/GDP ratio of 28.9 per cent and in the export/GDP ratio of 19.8 per cent (see Table 6). The industrial sector was very small – 10.7 per cent of the GDP in 1930⁹ – and consisted almost entirely of food-processing and the most rudimentary consumer goods. The narrow range of industrial activities is shown in Table 7. The virtual absence of locally produced manufactured goods, prompted Eisner to declare that “Jamai-

cans were almost entirely dependent on imports for their manufactures”¹⁰. Exports consisted of primary products, with bananas alone accounting for 57.3 per cent of total exports (see Table 8). Three primary products accounted for 74.5 per cent of total exports in 1930. This pattern has continued to the present. Indeed, a single primary product accounted for 76.3 per cent of total exports in 1980. In 1930, roughly 80 per cent of total exports went to three destinations – Great Britain, the United States and Canada (see Table 9).

IMPACT OF THE GREAT DEPRESSION

The impact of the Great Depression on Latin America was a large reduction in export earnings which in turn reduced import capacity. Export volume declined by 24.6 per cent between 1929 and 1932, and export prices plunged by 52.8 per cent in the same period. Neither export prices nor export volume had recovered their previous levels after a decade, i.e. up to 1939. Import capacity contracted by 47.8 per cent during the period 1929-1932 and the 1939 import capacity was 36.3 per cent below that of 1929. Indices of export price, volume and import capacity for 1929-1939 are reported in Table 10. The massive reduction in import capacity was the catalyst of import substitution industrialization. Veliz states that “large scale, modern industrialization came to Latin America after 1929 [I]t was after the Great Depression that Latin America entered decisively into the era of modern industry.”¹¹ The stimulus to economic growth in Argentina was so powerful that di Tella and Zymelman describe the period 1933-52 in Rostovian jargon as “The Take-off.”¹²

Increases in industrial output were impressive and unprecedented. For example, industrial output in the period 1929-1937 grew by 23 per cent in Argentina, 42 per cent in Brazil, 46 per cent in Mexico and 90 per cent in Colombia (see Table 11). The process of import substituting industrialization was extended by World War II. Capitalizing on the establishment of an industrial base, output during the period 1937-1947 expanded even more than during the Great

Depression. Industrial output increased by 73 per cent in Argentina, 82 per cent in Brazil, 86 per cent in Mexico and 110 per cent in Colombia, according to Furtado's estimates (see Table 11). The U.N. Economic Commission for Latin America estimated that during 1937-1947 manufacturing production increased by 62 per cent in Argentina, 48 per cent in Chile and 43 per cent in Mexico (see Table 12). Mosk estimates the increase in the value of manufacturing production in Mexico as 233 per cent¹³. Employment in manufacturing during 1937-1947 increased by 4.7 per cent in Argentina, 22 per cent in Chile, 83 per cent in Uruguay (see Table 13).

The industries which expanded most rapidly were those manufacturing consumer goods using standard technology and based on or able to substitute local raw materials. A good indication of this type of development was the expansion of cotton textiles. In the period 1937-1947, the volume of cotton textile production increased by 157 per cent in Argentina, 11 per cent in Bolivia, 86 per cent in Chile, 96 per cent in Peru and 96 per cent in Colombia (see Table 14). The growth of the output of cotton textiles was most dramatic in the larger or more advanced countries, e.g. Mexico where volume increased by 46 per cent and value increased by 233 per cent. But there were substantial increases in the small or less developed countries such as El Salvador¹⁵ and Cuba (see Table 14). The expansion of industrialization is remarkable given the constraints – reduced import capacity and the difficulties in obtaining intermediate and capital goods. The thrust of industrialization during the years 1929-1945 went beyond the manufacture of consumer goods to the production of capital goods in those countries which were most industrialized, i.e., in Brazil and Argentina. In Brazil the output of equipment grew by 33 per cent in the years 1939 to 1944¹⁶. This expansion was retarded by insufficient availability of steel from both domestic and overseas sources¹⁷. The growth in output of iron and steel was a constraint, but it was nonetheless impressive, as shown in Table 15.

The Great Depression was a major shock to Jamaica as export demand and export production contracted sharply

and suddenly. Export prices plummeted by 44 per cent between 1929 and 1932, and the 1938 price index was still 28 per cent below the 1929 level¹⁸. Prices of the leading exports fell sharply during the three years 1929 to 1931: the price of sugar dropped by 31 per cent, bananas by 24.5 per cent, coffee by 28.4 per cent and cocoa by 49.9 per cent, as shown in Table 16. This follows a decline in the price of sugar of 55.9 per cent between 1923 and 1929 (see Table 16). The value of exports fell by 31.9 per cent during 1929 to 1932 but recovered to the 1929 level by 1938 (see Table 17). Imports between 1929 and 1932, decreased by 31.4 per cent, but increased up to 1938, although they did not attain the 1929 level (see Table 17).

The impact of the Great Depression was to prompt some industrialization, so that by 1939

certain manufacturing industries, which were already in existence, expanded their operations. The industries manufacturing lard, margarine and edible oil had taken advantage of these restrictions not only to increase production to satisfy local demand but also to export to other islands. In addition, new industries producing condensed milk, corn meal, chemicals, textiles, and other necessary manufacturing industries were being established¹⁹.

The Jamaica Industrial Development Corporation described the state of industry at the start of World War II as having "reached a plateau in which the processing of agricultural products was of primary interest"²⁰. The manufacturing sector grew from £2.4 million or 6.5 per cent of GDP in 1938 to £15.8 million or 11.3 per cent of GDP in 1950²¹. However, Thorne points out that, "The greater part of the increased contribution by manufacturing industries was accounted for by the increased production of old industries, especially the sugar-rum-molasses industry"²².

INDUSTRIALIZATION IN JAMAICA

In 1952, manufacturing accounted for 12.2 per cent of GDP²³ and in 1985 it represented 15.2 per cent GDP²⁴. Despite the growth of the manufacturing sector, its character,

in terms of its import dependence and concentration in consumer goods, has not changed significantly since the 1950s. Although sugar has declined in importance, most of the output of the manufacturing sector is still based on processing of local foodstuffs and tobacco.²⁵ This compares unfavourably with several Latin American countries, especially those which have been able to make a transition from a totally import-substitution industrialization to the export of manufactured goods. Both Latin America and Jamaica prior to the Great Depression had achieved rudimentary industrialization and both experienced a profound contraction of import capacity, yet progress towards more industrialization has lagged in Jamaica.

There are a number of possible explanations, including differences in the will to industrialize, resource base conducive to industrialization, size of the market and development policy:

- (a) Granted that Jamaicans like Latin Americans had been calling for a strenuous attempt to expand and deepen industrialization, the explanation of the differences in levels of industrialization and Jamaica's relative backwardness must exclude the will to industrialize.
- (b) Given that some of these Latin American economies are not necessarily better off in raw materials, energy and human resources, then differences in the suitability of the resource base has not been a determinant.
- (c) Since several small developing countries have managed to industrialize and even export manufactured goods, then size is a constraint but not a binding one.
- (d) The explanation must be the different development policies which influenced the vigour of the pursuit of industrialization. This paper suggests that the main difference was that Latin America was free to formulate and implement policies to promote industrialization, but Jamaican efforts were retarded by British colonial policy designed to discourage industrialization.

At the time of the Great Depression, the governments of Latin American countries turned to industrialization, but

Jamaica under colonial rule was not free to do this. In the three years following the onset of the Great Depression in late 1929, some 17 governments were overthrown in 12 Latin American countries. These regimes were authoritarian but nationalistic and supported industrialization strategies.²⁶ The policy stance of governments at the time is illustrated by Luis Duhau, Minister of Agriculture of Argentina speaking in December 1933:

After writing off the external stimulus, due to the confused and disturbing state of the world economy and policy, the country should look in itself, with its own resources, for the relief of its present difficulties. The plan proposes to stimulate efficiently industrial output.²⁷

The recognition of the imperative to industrialize was voiced as early as September 1929 in Jamaica when the Manifesto of the People's Political Party led by Marcus Garvey called for "a law to facilitate the promotion of native industries".²⁸ The call for industrialization became more widespread and popular in the 1930s. The 1939 policy programme of the People's National Party advocated "the encouragement of local industries".²⁹ Arthur Lewis writing in 1939 provided a rationale in "Labour in the West Indies" and stated that "the Policy which seems to offer most hope of permanent success is for these islands to follow in the footsteps of other agricultural countries in industrialization".³⁰ The PNP called for the establishment of an Industrial Development Board in 1945, and in 1949 proposed that as part of the comprehensive plan for industrial development it would be necessary to provide tax incentives to induce investment and import duties to protect the local industries from foreign competition.³¹ The idea of industrialization received coverage in the press and this served to popularize the policy.³²

The opposition to and active discouragement of industrialization by the British colonial authorities is evident in: (a) the extensive campaign to discredit the idea of the desirability and feasibility of industrialization; (b) the almost total concentration on agricultural production for export and local consumption and the complementary deliberate neglect of industry. The attempt to discredit the notion of industriali-

zation is clearly demonstrated in the debate between W. Arthur Lewis and various economists advising the Colonial Office. In 1945 an Economic Policy Committee, under the chairmanship of Frederic Benham filed a report which advised against tax incentives, loans, tariff protection and government investment in industry. The arguments adduced were the high costs of locally manufactured goods relative to imports and its limited employment potential. The report emphasized the development of agriculture and the improvement of social services.³³ W. Arthur Lewis critiqued this report for its "strong prejudice against the development of local industries".³⁴ Benham replied to Lewis by suggesting that his commentary lacked specifics about feasible industries.³⁵ The Colonial Office's position was similar to that of Benham, and found expression in a report prepared by R. Galletti in 1948³⁶. Lewis' rebuttal and advocacy of industrialization came in two articles in *Caribbean Economic Review* in 1949 and 1950. The first article discussed the strategy of industrialization recently initiated in Puerto Rico based on tax incentives to induce foreign investment in the utilization of cheap labour for manufacturing.³⁷ The second article made the case for industrialization as a way to relieve unemployment and to raise income levels. For incomes to increase, productivity in agriculture had to be increased. This could only be done by reducing the number of people on the land and this required the transfer of labour out of agriculture, by the creation of new employment in industrialization. Industrial development was feasible by attracting foreign capital to use cheap labour to produce for export and for the national market.³⁸

Lewis' ideas were popularized in a series of articles in the *Daily Gleaner* prepared by its editor and appearing in early 1952.³⁹ The colonial authorities refused to concede, as subsequent official reports indicated, e.g., the report of a group of industrialists who visited the West Indies in 1952. The report stated:

We are of the opinion that, apart from agricultural products, the growth of industrial development in these territories must in most cases depend

upon an increase *pari passu* with internal consumption. As we see it, this increased purchasing power must come from an expansion of agricultural production which we feel is feasible. We see no reasonable prospect of the large scale development of the British West Indian Islands as a centre for the manufacture of goods for export to North, Central and South America. Analogies drawn from Puerto Rican experience in this direction are of little value as a guide to industrial expansion in the British Colonies.⁴⁰

The failure of Jamaica to proceed more expeditiously with industrialization during 1929-1945 is largely due to the deliberate colonial policy of discouraging industrialization in a perverse continuation of the traditional mercantilist policies. Self-interest, e.g., the urgent need to reduce unemployment, informed British colonial policy and was made acutely more important by the unprecedented global economic crisis. The "Imperial Vision" was of a centre-periphery international division of labour in which Britain supplied manufactured goods in exchange for primary products and raw materials from the empire. This was to be operationalized by a mercantilist system of trade preferences and the "sterling exchange standard" in which the "natural" complementary of British capital and skilled labour would integrate with land and unskilled labour of the Empire. The scheme would enhance economic prosperity, reduce unemployment, retain markets for uncompetitive exports, guarantee raw material supplies, and shore up Sterling as an international currency.⁴¹ This is clearly illustrated in the objective stipulated in the Colonial Development Act of 1929 which stated this as "aiding and developing agriculture and industry in the colony or territory and thereby promoting commerce with or industry in the United Kingdom".⁴² In the years 1929 to 1940, the duration of the Colonial Development Act, advances totalling £8.8 million were approved, of which £6.5 million was actually spent.⁴³ This sum together with an additional £19.9 million from other sources, meant that only £26.4 million was spent on the whole colonial empire during the 11 years of the Act, just under £2.5 million per year — a paltry sum, indeed.

British colonial policy consisted of three tenets, all of which served to discourage industrialization in Jamaica:

1. Support the continued dominance of export agriculture by grants, subsidies and preferential treatment.⁴⁴ Preferential treatment from Britain which dated back to 1919 and 1920 for Canada, was extended in the 1930s. In 1932 the Ottawa Agreement gave a preferential price of £2.10.0 a ton to Jamaican bananas,⁴⁵ and the British budget funded a preference of 1s. a cwt. of sugar in 1932-1933.⁴⁶ Feuer explains that during

the 1940s the U.K. began to fix quotas and prices for Commonwealth sugar procedures. This represented another form of subsidy, insulating colonial producers from international competitive pressures. The relatively stable and assured cane prices which resulted, plus the well-organized marketing arrangements which developed, were strong incentives to both the manufacturers and, in particular, to local farmers.⁴⁷

2. Alleviate the most pressing aspects of the increasing poverty caused by the Great Depression with the intention of preventing or minimizing social unrest and neutralizing anti-colonial political upheavals such as the labour disturbances in the Caribbean in the late 1930s. These concerns are clearly reflected in the recommendations of the Moyne Commission which urged "large expenditure on social services and development." It suggested the establishment of a West Indian Welfare Fund to disburse £1 million per annum for a 20-year period. The areas to be financed were (a) education; (b) health; (c) social welfare; (d) housing; and (e) land settlement.⁴⁸

3. The refusal to provide any funding to assist in the development of industrialization. Sir Stafford Cripps bluntly informed the Conference of African Governors in November 1947 that "it is not possible to contemplate much in the way of industrial development in the colonies", but spoke of "doing our utmost to increase the supplies of foodstuffs and raw materials".⁴⁹ The 21 Ten-Year Development Plans approved up to 1949 allocated less than 1 per cent of a total of £199 million to industrial development.⁵⁰ In Jamaica the Ten-Year Development Plan of 1946 allocated 31 per cent of expenditure to agriculture and only 2 per cent for "trade and industry".⁵¹

British discouragement of industrialization in Jamaica was not as virulent as in Africa. In fact, some incentive legislation was passed in Jamaica in the late 1940s and early 1950s, reflecting the rise of nationalism and the emergence of political parties. The strategy was one of deliberately depriving the embryonic industrialization of the necessary resources and infra-structure. The limited impetus to import substitution industrialization was allowed to dissipate. The *New Statesman* and *Nation* of 16 October 1948 commented that:

The smaller industries Jamaica built up during the war. . . . cosmetics, and other coconut oil products, Jippa-Jappa ware, etc. . . . have been allowed to decline. Larger projects for industrialization, such as a proposed cement factory, have met with delaying tactics from British and U.S. interests and corresponding non-cooperation from the Colonial government".⁵²

Importance of Colonial Policy

The importance of colonial policy in determining the pace and extent of industrialization is pandemic. This is illustrated in Africa and Taiwan. The failure of Africa to industrialize is a consequence of British colonial policy. In East Africa in the 1930s the Colonial Office, responding to demands from British manufacturers, blocked attempts to establish textile plants in Kenya and Tanganyika, forced the closure of the match factory in Kenya by increased excise duty and used a tariff to prohibit exports by a twine manufacturing firm in Tanganyika.⁵³ The United Africa Company attributed the lack of industrialization in West Africa to the fact that:

In the early 1930's every industrial country in the world was concerned with avoiding unemployment and not duplicating existing manufacturing facilities, with the result that the time was not propitious for introducing industrialization into tropical Africa.⁵⁴

Taiwan's experience indicates how a pro-industrialization colonial policy was successful despite the small size of the market and limited resources. Taiwan achieved high growth rates during the period 1900-1940 largely because of the colonial policy of Japan,⁵⁵ which took over from China after 1895. The imminence of war led Japan to move strategic indus-

tries to Taiwan and Korea,⁵⁶ stimulating industrialization. The scale of expansion is shown by the growth of electricity generating capacity which increased by 700 per cent during the years 1926 to 1941.⁵⁷ This facilitated the development of chemicals, fertilizers, petroleum refining, steel, ship-building, machinery making, textile and paper industries before the end of World War II.⁵⁸

CONCLUSION

A principal factor which accounts for the limited extent of industrialization in Jamaica is British colonial policy. This policy discouraged industrialization at a critical conjunction when the Great Depression was inducing a process of import substitution industrialization. The consequences of this setback is that Jamaica's industrialization is still confined to import substitution of consumer goods and has yet to progress to the export of manufactured goods and/or the production of intermediate goods and capital goods. This is in contrast to Latin America which was not constrained by colonialism, and Taiwan which was subjected to a pro-industrialization colonial policy.

TABLE 1: IMPORTS AS A PERCENTAGE OF GDP IN SELECTED LATIN AMERICAN COUNTRIES 1929-1947

Year	Argentina	Brazil	Chile	Colombia	Mexico
1929	17.8	11.3	31.2	18.0	14.2
1937	13.0	6.9	13.8	12.9	8.5
1947	11.7	8.7	12.6	13.8	10.6

Source: Celso Furtado [15], p. 86.

TABLE 2: INDUSTRY AS A PERCENTAGE OF GDP IN SELECTED LATIN AMERICAN COUNTRIES 1929-1947

Year	Argentina	Brazil	Chile	Colombia	Mexico
1929	22.8	11.7	7.9	6.2	14.2
1937	25.6	13.1	11.3	7.5	16.7
1947	31.1	17.3	17.3	11.5	19.8

Source: Celso Furtado *ibid.*, p. 86.

TABLE 3: IMPORTS OF MANUFACTURED GOODS AS A PERCENTAGE OF TOTAL IMPORTS IN SELECTED LATIN AMERICAN COUNTRIES 1925-1927

Type of Manufactured Goods	Argentina	Brazil	Chile	Colombia	Peru	Mexico
Leather Goods	0.5	1.5	N.A.	N.A.	0.6	N.A.
Textiles	20.3	8.3	26.1	35.0	16.2	13.0
Chemicals	4.8	5.2	9.0	4.6	7.6	6.2
Metal Products	23.1	9.2	8.7	N.A.	12.9	N.A.
Machinery	2.9	12.5	13.5	N.A.	11.7	12.1
Transport Equipment	N.A.	7.3	7.3	N.A.	6.3	7.7
Total	51.6	44.0	64.6	(39.6)	53.3	(39.0)

Source: George Whyte [45], p. 236.

TABLE 4. RELATIVE POSITION OF PRINCIPAL COMMODITIES IN THE EXPORT TRADE OF LATIN AMERICAN COUNTRIES, AVERAGE 1936 AND 1937

Country	Leading Commodity	%	2nd Commodity	%	3rd Commodity	%	All Others %
Argentina	Corn	26.9	Linseed	12.8	Wheat	10.3	50.0
Bolivia	Tin	71.4	Silver	12.3	...	...	16.3
Brazil	Coffee	45.5	Cotton	19.1	Cocoa	5.3	30.1
Chile	Copper	38.0	Nitrate	28.2	...	...	33.8
Colombia	Coffee	58.4	Petroleum	17.9	Gold	13.2	10.5
Costa Rica	Coffee	57.5	Bananas	23.5	Cocoa	10.4	8.4
Cuba	Sugar	72.7	Tobacco	5.9	...	...	21.4
Dominican Republic	Sugar	59.8	Cocoa	13.1	Coffee	7.2	19.7
Ecuador	Cocoa	21.1	Minerals	19.1	Petroleum	13.1	46.7
El Salvador	Coffee	89.2	Gold and Silver	5.7	...	...	3.1
Guatemala	Coffee	70.2	Bananas	25.0	...	...	4.8
Haiti	Coffee	62.1	Cotton	15.3	Sugar	8.1	14.5
Honduras	Bananas	62.3	Gold and Silver	9.0	...	...	8.7
Mexico	Silver	21.9	Lead	9.9	Petroleum	5.6	62.6
Nicaragua	Coffee	45.5	Bananas	55.0	Gold	8.3	8.0
Panama	Bananas	73.6	...	...	...	...	26.4
Paraguay	Cotton	28.4	Duebracho extract	21.7	Hides	12.3	37.6
Peru	Cotton	27.3	Petroleum	23.1	Copper	12.8	36.7
Uruguay	Wool	40.4	Meats	9.5	Hides	7.6	42.6
Venezuela	Petroleum	89.0	Coffee	3.2	...	...	5.8

Source: George Whyte *ibid.*, p. 237.

TABLE 5: LATIN AMERICA'S EXPORTS TO PRINCIPAL TRADING PARTNERS SELECTED YEARS 1920-1942

Year	United States	United Kingdom	Germany	France	Total
1920	47.7	17.9	1.8	5.3	72.7
1925	38.7	17.8	7.0	6.5	70.0
1929	34.0	18.5	8.1	6.2	66.8
1932	32.1	19.2	7.2	6.6	65.1
1938	33.2	18.6	10.4	4.1	66.3
1940	43.3	17.2	0.3	2.9	63.7

Source: George Whyte *ibid.*, p. 237.

TABLE 6: EXPORTS AND IMPORTS AS A PERCENTAGE OF GROSS DOMESTIC PRODUCT 1890-1930

Year	Exports as % of GDP	Imports as % of GDP
1890	19.1	21.7
1910	22.6	23.4
1930	19.8	28.9

Source: Gisela Eisner [11], pp. 237, 262.

TABLE 7: MANUFACTURES FOR LOCAL CONSUMPTION 1910-1930 (£'000)

Product	1910	1930
Rum	42.7	102.5
Sugar	209.2	249.8
Tobacco	91.6	144.9
Beer	4.6	98.1
Matches	15.8	
Printing	25.0	72.3
Independent Workers ^a	998.4	1,462.3

^aIncludes dressmakers, tailors, milliners, shoemakers, cabinet-makers, bakers, butchers, etc.

TABLE 8. PRINCIPAL EXPORTS AS A PERCENTAGE OF TOTAL EXPORTS OF JAMAICA (1890-1950)

Year	Sugar	Rum	Coffee	Bananas	Bauxite and Alumina	Largest Export as a % Total Exports	Largest 2 Exports as a % Total Exports	Largest 3 Exports as a % Total Exports
1890	14.7	—	18.2	19.1	—	19.1	37.3	52.0
1910	8.1	6.0	—	52.0	—	52.0	60.1	66.1
1930	12.2	—	5.0	57.3	—	57.3	69.5	74.5
1950	14.2	10.8	—	14.2	—	41.2	55.4	66.2

Source: Gisela Eisner *ibid.*, p. 238, and Owen Jefferson [28], Table 8.4.

TABLE 9: JAMAICA'S EXPORTS TO PRINCIPAL TRADING PARTNERS
SELECTED YEARS 1890-1950

Year	Per cent of Total Exports			Total
	Great Britain	United States	Canada	
1890	53.9	34.2	8.9	97.6
1910	43.9	44.1	7.8	95.8
1930	28.4	31.6	20.0	80.0
1938	59.2	3.7	26.6	89.5
1950	58.2	4.6	26.6	89.4

Source: Gisela Eisner *op. cit.* p. 268, and Owen Jefferson [28], p. 202.

TABLE 10. INDICES OF VOLUME AND VALUE OF EXPORTS AND
IMPORT CAPACITY OF LATIN AMERICA 1929-1939

Year	Export Volume	Export Price	Import Price	Import Capacity ^a
1929	108.7	113.2	117.0	120.0
1930	90.4	90.2	113.0	81.0
1931	98.1	61.6	95.0	70.4
1932	82.0	53.4	76.0	62.7
1933	84.7	57.8	80.0	65.6
1934	85.6	81.5	91.0	80.9
1935	93.8	77.6	92.0	91.9
1936	90.3	87.6	94.0	85.5
1937	100.0	100.0	100.0	100.0
1938	91.1	83.4	99.0	75.0
1939	97.0	81.5	99.0	76.0

^aImport capacity = $\frac{\text{export volume} \times \text{export prices}}{\text{import prices}}$

Source: United Nations, *Economic Survey of Latin America 1949* [9a], p. 17.

TABLE 11. INCREASES IN INDUSTRIAL OUTPUT IN SELECTED LATIN AMERICA COUNTRIES 1929-37 AND 1937-47 (PERCENTAGE)

Countries	1929-37	1937-47
Argentina	23	73
Brazil	42	82
Chile	16	9
Colombia	90	110
Mexico	46	86

Source: Celso Furtado [15], p. 88.

TABLE 12. MANUFACTURING PRODUCTION IN ARGENTINA, CHILE AND MEXICO

Index numbers, base: 1937 = 100			
Year	Argentina	Chile	Mexico
1937	100	100	100
1938	101	..	98
1939	109	102	98
1940	112	115	104
1941	125	127	111
1942	138	126	122
1943	151	127	129
1944	155	122	141
1945	149	134	149
1946	151	145	163
1947	162	148	143

Source: ECLA [9], p.4.

TABLE 13. EMPLOYMENT IN MANUFACTURING IN FIVE LATIN-AMERICAN COUNTRIES

Index numbers, base: 1937 = 100					
Year	Argentina	Chile	Dominican Republic	Mexico	Uruguay
1937	100	100	100	100	..
1938	104	107	..	102	100
1939	108	109	..	104	112
1940	111	116	..	105	114
1941	117	135	115	110	121
1942	124	133	123	114	124
1943	126	126	130	119	130
1944	131	122	139	123	136
1945	133	124	131	128	138
1946	137	128	183	132	146
1947	147	122	..	..	150

Source: ECLA [9], p.6.

TABLE 14. CHANGES IN THE VOLUME OF PRODUCTION OF COTTON TEXTILES IN EIGHT LATIN-AMERICAN COUNTRIES, 1937-1947

Index numbers, base: 1937 = 100

Year	Argentina	Bolivia	Brazil	Chile	Colombia	Cuba	Mexico	Peru
1937	100	100	100	100	..	100	100	..
1938	95	100	88	99	..	112	93	100
1938	113	119	93	105	100	150	93	117
1940	128	106	87	114	99	134	99	125
1941	148	119	103	133	129	344	113	157
1942	193	129	111	131	156	204	119	177
1943	216	160	147	156	166	232	121	183
1944	246	179	144	179	192	287	124	167
1945	248	208	142	184	195	244	124	175
1946	250	254	138	177	..	315	122	182
1947	257	219	112	186	196	380	118	196

Note: The index numbers for Argentina relate to the production of cotton yarn, output of which amounted to 25,680 metric tons in 1937. The index numbers for Bolivia, Brazil and Chile relate to the production of woven cotton fabrics. Production in the base year 1937, in million metrics amounted to 5.04 in Bolivia, 963.8 in Brazil and 12.8 in Chile. The index numbers for Cuba relate to imports of raw cotton and yarn (3,330 metric tons in 1937); for Mexico to the weight of pure cotton fabric produced (33.5 thousand tons in 1937); for Colombia and Peru to consumption of raw cotton by the reporting textile mills (11,116 metric tons in Colombia in 1939 and 6,114 metric tons in Peru in 1938).

Source: *Economic Survey of Latin America 1948* [9], p. 8.

TABLE 15. PRODUCTION OF PIG IRON AND STEEL IN THREE LATIN AMERICAN COUNTRIES, 1937-1947

Thousand metric tons

	Brazil		Chile		Mexico	
	Pig iron and ferro-alloys	Steel ingots and castings	Pig iron ^a	Laminated steel ^a	Pig iron and ferro-alloys	Steel ingots and castings
1937	98.1	76.4	..	..	57.7	15.7
1938	122.4	92.4	2.4	5.9	98.4	75.6
1939	160.0	114.1	5.9	7.4	99.6	77.1
1940	185.6	141.2	6.6	9.6	93.2	94.8
1941	203.8	155.4	6.6	21.7	96.6	94.9
1942	213.8	160.1	4.4	26.1	123.8	94.6
1943	248.4	185.6	9.3	23.1	123.3	176.1
1944	292.2	221.2	5.9	25.7	135.2	180.7
1945	259.9	205.9	6.8	27.0	218.3	191.5
1946	370.7	312.6	13.6	25.0	282.3	251.2
1947	480.7	387.0	11.3	29.9	337.5	321.5

^a1937 to 1939, gross tonnage (including slag etc.); beginning 1940, net tonnage.

Source: *Economic Survey of Latin America 1948* [9], p. 11.

TABLE 16. PRICES OF JAMAICA'S EXPORTS 1923-1931
(Shillings)

YEAR	Sugar S. Per Cwt.	Bananas S. Per Cwt.	Coffee S. Per Cwt.	Cocoa S. Per Cwt.
1923	25.5	4.34	118	27.0
1924	23.5	3.01	153	27.9
1925	16.25	2.92	154	36.8
1926	17.5	3.24	155	41.5
1927	16.5	3.46	144	55.2
1928	13.5	3.36	144	44.3
1929	11.25	3.51	141	34.3
1930	8.75	2.66	107	24.2
1931	7.75	2.65	101	17.2

Source: Gisela Eisner [11], p. 246.

TABLE 17. VALUE OF IMPORTS AND EXPORTS OF JAMAICA 1929-1939
(Shillings)

Year	Exports	Imports
1929	4.7	7.0
1930	4.1	6.1
1931	3.3	4.9
1932	3.2	4.8
1933	2.5	4.4
1934	3.2	4.8
1935	3.8	5.0
1936	3.8	5.1
1937	5.0	6.1
1938	5.0	6.4

Source: Thomas B. Birnberg and Stephen A. Resnick [3], Table A. 26.

FOOTNOTES

- ¹Rawle Farley [12], p. 206.
- ²Claudio Veliz [44], p. 252.
- ³William P. Glade [18], pp. 352-55.
- ⁴Veliz, *op. cit.*, p. 206; Simon G. Hanson [22], p. 136.
- ⁵Werner Baer [2], pp. 16-18; and Andre Gunder Frank [21], pp. 198-99.
- ⁶Veliz, *op. cit.*, p. 253; and Celso Furtado [15], p. 83.
- ⁷Furtado, *ibid.*
- ⁸Veliz, *op. cit.*
- ⁹Gisela Eisner [11], p. 98.
- ¹⁰Eisner, *ibid.*, p. 261.
- ¹¹Veliz, *op. cit.*, pp. 254-55.
- ¹²Carlos F. Diaz-Alejandro [6], p. 51.
- ¹³Sanford A. Mosk [33], p. 318.
- ¹⁴*Ibid.*, p. 124.
- ¹⁵David Browing [4], p. 230.
- ¹⁶Nathaniwl H. Leff [29], p. 12.
- ¹⁷Leff, *ibid.*, p. 13.
- ¹⁸Calculated from data in Birnberg and Resnick [3], Table A. 26.
- ¹⁹Charles Victor Callender [5], p. 76.
- ²⁰*Review of Industrial Development in Jamaica*, Kingston: JIDC, January 1965, p. 5, quoted in Stacey H. Widdicombe [47].
- ²¹Alfred P. Thorne [43], Supplement, pp. 81-83.
- ²²*Ibid.*, p. 82.

- ²³*Ibid.*, pp. 81-83.
- ²⁴*The Jamaican Economy 1985* [27], p. 91.
- ²⁵*The Economic Development of Jamaica* [10]; and Mahmood Ali Ayub [1].
- ²⁶Veliz, *op. cit.*, pp. 279-83.
- ²⁷Diaz-Alejandro, *op. cit.*, p. 104.
- ²⁸A. Jacques Garvey, *Garvey and Garveyism* [17], p. 196.
- ²⁹Widdicombe, *op. cit.*, p. 38.
- ³⁰Arthur Lewis [32], p. 46.
- ³¹Widdicombe, *op. cit.*, p. 79.
- ³²For example a series of articles by Theodore Sealy, Editor of the *Daily Gleaner* in February 1952. See *Industrialization of Jamaica* [41].
- ³³*Report of the Economic Policy Committee* [36].
- ³⁴W. Arthur Lewis, "An Economic Plan for Jamaica", December 1945, p. 7, quoted in Widdicombe, *op. cit.*, p. 83.
- ³⁵Federick C. Benham, *An Economic Plan for Jamaica: A Reply to Dr. Lewis*, Kingston: Government Printer, 1946, cited in Widdicombe, *op. cit.*, p. 84.
- ³⁶R. Galletti [16].
- ³⁷W. Arthur Lewis [30].
- ³⁸W. Arthur Lewis [31]. Lewis was correct since lower labour costs accounted for one-third of the industries changing location during 1929 to 1937. See Thomas Hibben and Rafael Pico [23], p. 165.
- ³⁹*Industrialization of Jamaica* [41].
- ⁴⁰*Industrial Development in Jamaica, Trinidad, Barbados and British Guiana* [26], p. 144.
- ⁴¹The "Imperial Vision" and policy is documented and discussed in Ian Drummond [7], pp. 36-120.

- ⁴²Barbu Nieuлесcu [34], p. 58.
- ⁴³Kenneth Robinson [39], p. 32.
- ⁴⁴*Report of the Sugar Industry Commission 1944-1945* [37], p. 9.
- ⁴⁵Ken Post, *Arise Ye Starvelings* [35], p. 87.
- ⁴⁶Post, *ibid.*, p. 89.
- ⁴⁷Carl Feuer [14], p. 8.
- ⁴⁸E.R. Wicker [46], pp. 180-81.
- ⁴⁹R. Palme Dutt [8], p. 84.
- ⁵⁰*Ibid.*
- ⁵¹*A Ten-Year Development Plan for Jamaica* [19], pp. 4, 47.
- ⁵²Quoted in Winston Griffith [20], p. 10.
- ⁵³Nicola Swainson [42], pp. 27-28.
- ⁵⁴Rhoda Howard [25], p. 85.
- ⁵⁵Samuel P.S. Ho [24].
- ⁵⁶Lloyd G. Reynolds [38], p. 169.
- ⁵⁷John C. H. Fei *et. al.* [13], p. 25.
- ⁵⁸Rong-I-Wu [40], p. 19.

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