

## How to fix Haiti without spending any money

The only way to stimulate economic development in Haiti and open the door to charitable causes is to establish Haiti as a free port. A free port would allow anybody to import or export anything in or out of the country of Haiti without paying customs taxes.

For the past 100 years control of imports and exports has been the exclusive domain of the resident dictator or ruling government. This determines who operates and controls every monopoly and market within the country of Haiti. To be what you have never been you must do what you have never done. In Haiti nothing has changed in 100 years.

A free port would create a merchant middle class breaking up the existing monopolies of power and lower the cost of food and consumer goods for 8 million of the poorest people in the world. Haiti is a welfare state. The country cannot feed itself or educate the 4 million school age children. Haiti needs to open the door to the port so that the good people of the world can give freely to the poor and to allow the spirit of free enterprise to prosper.

Winston Churchill said, "Free enterprise is the horse that pulls the cart of democracy." The election of a president does not create a democracy. Free enterprise creates democracy. For 100 years the tiny island of Hong Kong was a free port. Hong Kong is a shining example of the forces of free enterprise and the democracy that free enterprise fosters.

There are 1 million Haitians living in America. A free port would give these Haitian Americans the opportunity to invest in Haiti and help their families still living on the island. There are thousands of charities, churches and private volunteer organizations that would donate food and supplies to help the poor in Haiti. These agencies have been locked out by high import taxes. In 1998 when hurricane Georges devastated the island, the Haitian government would not allow charities to ship relief goods into Haiti tax-free. With a free port resident Haitian businesses and individuals would for the first time, be able to import capital equipment and goods to build and expand their businesses without paying any import taxes. Since 1986 there have been 9 governments and a United Nations economic embargo that bankrupted every manufacturing job on the island. The only way to jump start this economy is with a free port.

**Case in point** – For the past 25 years international development agencies have tried to establish programs to stop deforestation in the island country of Haiti. The primary cause of deforestation is the harvesting of small trees that are used to make charcoal for cooking fuel. On any given day one can observe trucks and sailboats transporting loads of charcoal to the cities. Any effort to stop the deforestation or plant new trees is undermined by the basic need for cooking fuel. During the 1800's the cities and towns surrounding Boston, New York and Hartford were also deforested because trees were being cut down to supply the cities with cooking and heating fuel. This continued unabated until an alternative fuel was introduced to replace the need for wood. The alternative fuel was coal, then oil and gas. Today there are more trees in the New England states than there were 100 years ago. Similarly in Haiti the only way to stop deforestation is to introduce an alternative fuel that will eliminate the need for wood from trees as cooking fuel. The simple solution is propane. The problem is not the availability of propane or propane stoves but the high taxes on imports. In fact, the cost of propane in Haiti is twice the cost of its

neighboring country of the Dominican Republic. A simple cost-free solution to deforestation in Haiti is to allow propane and all propane cooking stoves to be imported into Haiti tax-free.

How should the government of Haiti compensate for the loss of income from a free port?

1. Increase taxes on gasoline and diesel fuel. The benefit of a gas tax is that it is easy to collect from the distributors. Individuals, and businesses that are wealthy enough to own a vehicle are the segment of the population most capable of paying taxes. These individuals and businesses are then able to pass on their increased costs proportionately to the population through the increased cost of goods and services. Taxes on fuel do not discriminate against any one group of people. Taxes on imports always give the powerful and the connected special privileges. With a free port it won't matter who is president or which party governs because everyone will have free access to free imports and the opportunity to prosper.
2. Establish a flat dock fee of \$500 per container or vehicle that is shipped into or out of the country.

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