

Military Coups are Good for Canadian Business: The Canada-Honduras Free Trade Agreement

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Last week Canadian negotiators met with their Honduran counterparts in Tegucigalpa to discuss a free trade agreement (FTA). Negotiators from the two countries last met in Ottawa in December. According to the Honduran press, an agreement is close to being completed. This marks an alarming development in the efforts of the Canadian state and multinational corporations to deepen their relations with Honduras following the military coup of June 28, 2009.



The trade agreement with Honduras is part of Canada's broader political and economic engagement with Latin America, driven by the desire to "lock in market access" (to quote Foreign Affairs and International Trade's economic policy strategy) in the region for Canadian corporations. Canadian companies have expanded into the region at a considerable pace over the last 20 years, particularly in mining and banking. Canada is now the third largest foreign investor nation throughout the hemisphere south of the United States. Control for the size of their respective economies, and Canadian companies have a higher investment orientation to the region than those of the United States.

Property Rights vs Human Rights

Trade agreements, with their strong protections for the rights of foreign investors, including the ability to sue governments, offer great security for the private property and profits of Canadian capitalists, human rights be damned. And indeed, signing trade agreements with gross violators of human rights is becoming a bit of an art form for the Canadian state. In 2008, Canada concluded trade agreements with Colombia and Peru. Colombia has the worst human rights record in the hemisphere, and accounts for two-thirds of the trade unionists assassinated in the world annually. The implementation legislation of the Peruvian agreement, meanwhile, was passed in the Canadian parliament two weeks after the Peruvian security forces attacked an indigenous blockade, killing at least 50 protesters. The blockade was set up to protest the Peruvian government's free trade policies and its goal of opening indigenous land to mining and oil and gas investors.

And now Canada is about to sign an agreement with Honduras, whose citizens still live under the large and menacing shadow of the military coup against left-of-centre president, [Manuel Zelaya](#). Concluding a trade agreement with Honduras is an important achievement for the Canadian state – payoff for the strong support it has given the Honduran coup forces centred among the country's political, military and economic leaders.

Supporting a Coup, Again

The military removal of Zelaya was the second successful coup in the hemisphere since Peruvian leader [Alberto Fujimori](#)'s *autogolpe* in 1992 (for background on the Honduran coup see Greg Grandin's articles at www.thenation.com and my article "[Acceptable Versus Unacceptable Repression](#)"). The first successful one was the 2004 overthrow of Haitian president, Jean-Bertrand Aristide, which Canada also supported diplomatically, economically and militarily (that's Canada's "whole of government" approach to foreign policy in action for you). This makes Canada two for two in successful coup support so far this century (and we're only a decade in!).

Of course, the Canadian state hasn't come out and said "we support the coup," and nor should we expect it to. But it has ignored the well-documented repression meted out against the *Frente Nacional de Resistencia Popular* ("Frente"). It also argued against Zelaya's return from exile before he snuck back into the country only to be holed up in the Brazilian embassy. It then criticized him for returning. Canada, along with its American counterparts, pushed the San José-Tegucigalpa Accord, which was signed by Zelaya and the coup forces and allowed for the ousted president's return to office. But the return to office was on terms that would've effectively made him little more than a figurehead president unable to pursue his reform agenda had the coup forces actually followed through with the agreement, which they didn't. That reform agenda was in fact fairly moderate. It did include, though, a proposed vote the day of the coup on whether to proceed with a referendum during presidential elections on establishing a constituent assembly to rewrite the constitution. The prospect of constitutional reform was the final straw for the country's oligarchy and was consistently misrepresented by international media as a power grab.

Current President, Porfirio Pepe Lobo, subsequently won the sham election five months after the coup amidst ongoing repression of anti-coup media and the Frente, which boycotted the elections. International election observers refused to participate, arguing that there was no possible way free and fair elections could take place in such a situation. But Canada, despite initially stating it wouldn't recognize the elections unless constitutional order had been restored, including the return of Zelaya to the presidency, quickly backtracked and hastily recognized the new Lobo regime. Most countries in Latin America still haven't recognized the Honduran government.

Following the election, Canada has positioned itself, along with the U.S., as the Lobo regime's biggest ally. It has pushed (thus far unsuccessfully) for Honduras's reintegration into the Organization of American States and stressed at every opportunity that Honduras was entering a new period of democracy. This was made clear in press releases issued by Peter Kent when he was Minister of State for the Americas, and during Kent's and Ambassador Neil Reeder's various meetings with Honduran political and business leaders.

When the Lobo government, as part of its international public relations campaign to demonstrate its support for national reconciliation, established its Truth Commission to look into the events surrounding the coup, Canada quickly offered up financial support and a commission member. But the Truth Commission has been derided by human rights activists inside and outside of Honduras due to, among other things, the fact that repression is ongoing and the Frente is boycotting it. A network of Honduran human rights organizations, known as the Human Rights Platform, has established its own alternative truth commission. The Canadian member of Lobo's Truth Commission, meanwhile, is former diplomat, Michael

Kergin, who happens to be employed by one of Canada's biggest corporate law firms, Bennett Jones, which just happens to specialize in investment law and mining.

As Canadian officials worked to improve Honduras's public image, they pushed for stronger access to Honduran resources and protection for Canadian investors. Not long after Lobo's election, Reeder and Canadian International Development Agency (CIDA) head for Honduras, Daniel Arsenault, set to work arranging meetings between Canadian mining executives and Lobo and members of his cabinet. Reeder, Arsenault and other Canadian representatives also discussed with a Breakwater Resources executive possible strategies to influence the development of a new mining law for the country (which is still pending). Canadian porn mogul (of "Adult Video" fame) turned real estate developer, Randy Jorgensen, has also enjoyed direct access to Lobo in his quest to build retirement properties for Canadian snowbirds on contested Garifuna land on the country's north coast.

Moving Toward a Trade Agreement

In August, 2010, Reeder was promoted (for job well done! no doubt) to Director General for Latin America and the Caribbean in Foreign Affairs and International Trade (FAIT). He was replaced by new Ambassador, Cameron Mackay. Mackay's appointment was likely influenced by a desire to advance trade negotiations between Canada and Honduras. His CV for FAIT, which should give you a good idea of the role the Department envisions for the Canadian embassy, includes stints as a member of Canada's Permanent Mission to the World Trade Organization; trade and economic relations officer; senior trade policy officer (WTO); Trade Policy and Planning Division; deputy director of the Regional Trade Policy Division; and director of regional trade policy for the Americas.

Honduras was originally part of the Central American Four (CA4) multilateral negotiations with Canada, which also included Guatemala, El Salvador and Nicaragua. But having built up its political capital as an ardent ally of the coup and post-coup Honduran regimes, and knowing Lobo is a strong supporter of foreign investment and free markets, Canada started negotiating with Honduras independently of the rest of the CA4 this past December. Talks appear to be moving along fairly quickly.

Representatives of the mining industry excitedly talk up the opportunities for increased investment provided by a FTA. Exploration has stalled since Zelaya placed a moratorium on new exploration activities and in the absence of a new mining law. The president of *la Asociación Nacional de Minería Metálica en Honduras* (Anaminh), Santos Gabino Carbajal, says that "without a doubt it [the FTA] will increase investment." He adds that 90% of investment in Honduras's mining sector is Canadian.

Last January, 2010, Carlos Amador, an activist organizing against Goldcorp (a Toronto-based gold mining company with a shoddy rights record and assets in Honduras and beyond) told me that the majority of exploration permits waiting for the green light in Honduras belong to Canadian companies. An FTA is likely one important step in opening the floodgates to Canadian mining capital, and will almost certainly lead to a sharp increase in community-company conflict as small farmers, indigenous peoples, *campesinos* and others defend their land and ecologies from predatory Canadian mining multinationals.

Maquila investors are also touting the benefits of the FTA. Early in February, Canadian company Gildan Activewear, one of the largest T-shirt and sock manufacturers in the world, announced it was closing its last North American factory in Alabama, and that it would be

investing more than \$100-million (U.S.) in a new sock factory in Honduras. Gildan is one of the largest maquila investors in the country, with a track record of terrible working conditions and union busting. Gildan also had 7 meetings between June, 2010 and mid-January of this year alone with Canadian politicians and FAIT representatives, which were officially registered with Ottawa's Office of the Commissioner of Lobbying and labelled under "International Trade." (The official registry, it must be noted, obviously doesn't record informal meetings and electronic communications between companies and state representatives, which are not infrequent).

Bloody Violence of the Lobo Regime

The FTA negotiations are rapidly moving forward despite ongoing human rights abuses in Honduras. According to the *Comité de Familiares de Detenidos Desaparecidos en Honduras* (Committee of Family Members of the Disappeared of Honduras, [COFADEH](#)), a leading human rights organization in the country, there were 1,071 documented violations of human rights (including arbitrary detentions, threats of physical harm, torture and assassinations) during the first four months alone of the Lobo regime. During Lobo's first year – a year, Canada claims, of reconciliation and democratic renewal – there were 64 targeted assassinations of activists in the Frente.

As many as 20 *campesinos* in the Bajo Aguan organizing to regain land taken illegally from them by a wealthy landowner, Miguel Facussé, were assassinated in 2010 by police, the army and Facussé's own security forces. Ten journalists were killed in 2010 – though the government claims the killings are unrelated to their work despite many being critics of the coup – leading Reporters Without Borders to declare Honduras to be one of the most dangerous countries in the world for journalists. And in the last year and half, 31 members of the Lesbian, Gay, Bisexual and Transgendered community have been murdered, some of whom were known members of the Frente, while the community in general is known to oppose the coup.

These are not the signs of a country healing its post-coup wounds through a process of national reconciliation and dialogue. This is premeditated bloody vengeance against people who dare speak out against an illegitimate government. What we're seeing is not the end of the coup and the return to democracy, but the consolidation of the coup and state terror under the shallow blood-stained veneer of democracy. And one of the Honduran government's best allies, Canada, is about to conclude a free trade agreement with it.

In the case of the Colombian FTA, Canadian leaders, while downplaying the scale of the human rights catastrophe in the Andean nation, nevertheless were forced by critics of the Agreement into defensively arguing that the deal will improve human rights. An absurd claim, to be sure, since foreign investment in countries like Colombia and Honduras is based in part on the opportunities provided by the systematic repression of peoples' rights. Mining companies, for example, benefit from the dispossession of *campesinos* or indigenous peoples of their land and resources. The trickle-down theory of human rights is about as historically accurate as the trickle-down theory of economics. But in the case of Honduras, Canadian officials say nothing about the repression of anti-coup, anti-mining or labour activists.

Toward a New Resistance

Clearly social justice and international solidarity activists in Canada have our work cut out

for us. Not enough people (in Canada at least) know about Canadian political and economic connections to the Honduran coup forces, or of Canadian imperial practices in general.

But I've also met a lot of people in a number of Canadian cities in recent months who understand that Canada isn't the benign defender of human rights on the international stage our leaders make it out to be. Some of these folks are already getting involved in solidarity work with people affected by Canadian mining multinationals, or are challenging the increasing presence of these companies on their campuses (such as the Goldcorp Centre for Contemporary Arts at Simon Fraser University or the Munck Centre for International Affairs at the University of Toronto). Some have been engaged in Haiti solidarity activism. In Toronto, a fledgling Honduras Solidarity Committee has been formed that is seeking to build a fight against the FTA and Canadian support for the Honduran coup forces.

Spaces are beginning to open up to challenge the various manifestations of Canadian imperialism. Conversations are slowly beginning between activists in different parts of the country about their work. Honduras needs to be part of that conversation, and part of our efforts to begin reaching new layers of people who are open to the idea of organizing against the plundering international activities of Canadian companies and the terrible foreign policy record of the state. The FTA isn't *fait accompli*, even though we should expect the Liberals to side with the Tories and support it (as they did with the Colombian FTA). It still has to go through parliamentary hearings and debate. There is time, then, to organize, to raise awareness and to build solidarity with the people of Honduras. •

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