

CBC (The Current) debate, with Grahame Russell & Karen Spring: Canadian Investments in Tourism & “Charter Cities” in Honduras

February 22, 2013

Listen to today's 27-minute CBC radio debate (on “The Current” programme) concerning Canadian support for the establishment of privatized “charter cities” in northern Honduras, along the Caribbean coast. The debate includes Grahame Russell and Karen Spring of Rights Action.

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These exclusive privatized charter cities would directly benefit the global tourism industry, including the interests of Canadian investors and businesses. The most well known Canadian tourism operator, to date, along Honduras' Caribbean coast is Randy Jorgensen labeled the “Porn King” by MacLean's magazine in 1993 as he made a fortune establishing the on-line pornography business in Canada – Adults Only Video.

The growth of the global tourism industry in Honduras, particularly since the 2009 military coup ousted the democratically elected government of President Zelaya, is resulting in the forced eviction of indigenous Garifuna communities and the systemic violation of the rights of the Garifuna people who have inhabited the entire north shore of Honduras since 1797.

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SNOWBIRDS GONE WILD! CANADIAN RETIREES AND LOCALS CLASH IN HONDURAS

November 4, 2010, by Dawn Paley, dawnpaley@gmail.com

Canada's "Porn King" has found an unlikely second career building retirement homes in Honduras. While Canadian snowbirds snap up paradise at \$85 per square foot, the locals say the developments are illegal—and they intend to get their land back.

I'm sitting with the cab driver who has brought me to the end of a long gravel road, near the edge of Trujillo, a small town on the north coast of Honduras. He's flipping through a newspaper, telling me in halting English that he's saving up to buy an excavator. Anyone with an excavator has work, he says. I hear the sound of four-wheeled all-terrain-vehicles in the distance, humming as they near. In a cloud of dust, Cathy Bernier appears at the top of the hill, followed on another ATV by her two daughters. All of them are here for a vacation from a freezing Alberta December. Bernier, who works as a client-relations manager with the development, has agreed to take me on a tour of Campa Vista, a housing project for retired Canadians perched above the Caribbean Sea.

With a wave from a security guard tuning his radio in a tiny booth, we pass under the front gate, a cement arch built over a dusty gravel road. From the back of Bernier's speeding ATV, her blonde hair blowing in my face, I can see that the route we're on is cut through what was quite recently a thick jungle. Along one side, a high wall of earth shades the road, and on the other, a steep ditch drops away toward the ocean. Peeling around a corner, the road forks. We hang right, and Bernier slows to a stop in front of an imposing house with a pool set in the front patio.

Within a few months, this house will be occupied by a 70-year-old rugby player from Edmonton — one of this gated village's first residents. Below us, dense jungle sprawls down the mountain toward the water, interrupted only by the newly built roads, faint outlines of staked-out lots, and high power lines.

Once completed, as promised in the promotional materials, Campa Vista ("Country View" in English) will afford a sunny, secure perch for Canadian snowbirds. The development's website boasts of a "Euro-Mediterranean-style private gated community, with each property possessing its own unique and outstanding view."

North American baby boomers have proven to have a boundless appetite for vacation or retirement homes in sunny, cheap places that aren't too racked by crime or war. It's been a global windfall for many other countries, and now the people who run Honduras want a cut.

Canadian entrepreneur Randy Jorgensen, developer of the Campa Vista complex, is happy to oblige. Jorgensen sells this tropical dream over the internet and in hotel conference-room seminars held in grey-skied Canadian locales: Regina; Etobicoke, Ontario; Duncan, B.C. His basic pitch: Honduras is the latest, best bargain available to Canadians wanting to own their own piece of a developing country.

But—as you might have guessed—this sunny picture doesn't tell the whole story. Just off the beach in Trujillo, six men sit around a peeling wooden picnic table. They've agreed to meet me here to discuss their concerns about the Canadians they say are squatting on their ancestral lands.

"Canadians have a strong sense of private property," said Evaristo Perez Ambular, a native of Trujillo and member of Honduras's major organization representing the Garífuna indigenous population. "We don't have any access to that land anymore, including to some of our traditional pathways."

Ambular speaks fluent Spanish, but switches back to the Garífuna language at times to discuss with the other men. The Garífuna language and its people are unique in a way that is recognized worldwide: the language, dance, and music of the Garífuna peoples were added to the United Nations' list of rare cultural traditions in need of safeguarding.

Popular lore has it that Garífuna peoples descend from a slave ship that washed up on St. Vincent Island, whose passengers escaped slavery and instead intermarried with local indigenous people. The Garífuna were once called "Black Caribs" by the British, who forced them off St. Vincent and onto Roatán Island and the Central American mainland in 1797.

A fishing people, the Garífuna developed a rich collective lifestyle dependent on the ocean, the forests and the beaches. Expert seafarers, many Garífuna became deckhands for cargo ships travelling up and down the coast of Latin America. Today, there is a significant Garífuna diaspora in the United States.

The latest threat to Garífuna people, says Ambular, is the wave of Canadian settlers who are cutting them off from their land base.

In the first decade of the 20th century, the Garífuna who live in Trujillo were given collective titles for a fraction of their territories. But community members

allege that in 2007 a former leader misrepresented himself as the owner of the land and wrongfully sold off parcels of real estate—land that eventually ended up in Randy Jorgensen's hands.

"There are many Canadians in our communities on the coast, and we haven't seen a positive presence from them," says Ambular. "They use our bridges and our roads, and they don't leave us a thing."

José Velasquez, the current president of the two Garífuna communities in Trujillo, hands me a photocopy titled "Pronunciamento No. 3." It outlines the Garífuna peoples' desire to reclaim their ancestral territories, and demands that the Honduran government nullify all land sales to Jorgensen.

Randy Jorgensen has lived in Honduras for 20 years, on and off. It's been a getaway of sorts from his bustling life in Canada, where he conceived and oversaw the creation of Adults Only Video, the country's first national chain of pornography stores.

Originally a muffler salesman in small-town Saskatchewan, Jorgensen was nicknamed Canada's "porn king" in a 1993 Maclean's profile. His specialty, as the article put it, was to "bring dirty movies into the clean streets of middle-class Canada," and by the early '90s, Adults Only Video was bringing in \$25 million a year. Faced with lawsuits and police raids because of the content of his videos, Jorgensen maintained that everything he did was within the boundaries of the law.

Later, when I called Jorgensen to get his response to the claims of the Garífuna on the land where he's building Campa Vista, he laughed, chalking the claims up to a form of "extortion."

"For Canadians, the easiest way to compare it is to compare it to our own native Indians in Canada," he says. "Depending on what's going on, they may or may not decide that they have a land claim going on." He says all of the paperwork for the land that he's purchased is legitimate, and there's no conflict. "As soon as there is any development going on generally, the Garífuna start checking around and seeing if there isn't some way that they can extort some funds or something out of whoever is doing that development," said Jorgensen.

Today, Jorgensen lives full-time in his home near the Campa Vista development in Honduras. He runs AOV Online, the internet broadcasting version of what his porno chain once was. But his first career is downplayed in his most recent venture into real estate, where he instead positions himself as

a lifestyle expert. However, it's clear that he's learned something from his years in the porn business: sex sells.

The marketing videos for a partner project sold in Costa Rica include close-ups of various young, attractive women in tight, white T-shirts. After I watched these videos with a crowd of prospective buyers, the first comment from a man sitting nearby was "I wonder if she's single." Should he choose to move down to Honduras, he wouldn't be the first to discover that sex tourism abounds.

In the tropical coastal town of La Ceiba, a few hundred kilometres from Trujillo, I meet Rick Mowers. I find him, a retired Ontario Provincial Police officer from Hamilton, sitting at the computer beside the bar at Expatriates, a restaurant that he now co-owns.

"I just quit, moved here, went to instant retirement, did nothing for one year," he says. The boredom eventually got to him, though. "It costs money to do nothing all day long. We find that too many of us drink too much alcohol or beer if you have nothing to do all day long." Buying the restaurant has given the young-looking 53-year-old something to do with his time. He tells me he moved to Honduras with his wife, but they split after he had an affair. A warm breeze moved through the restaurant, stirring up the air under the high, thatched roof.

"It's too cold, it's too expensive, and I'm not going to live there for the free health care," says Mowers of Canada. He rattles off how much cheaper things are in Honduras, from rent and food to crack cocaine and sex.

"Here sex is, in the whole country, sex is \$10. So if you go downtown, and you stop and the girl gets in your car, it's \$10, 200 lempiras, for you to go have intercourse," he says. Mowers didn't mention the AIDS epidemic in the north-coast region, where over 60,000 people have HIV/AIDS, the highest infection rate in Central America.

Later, I Google Mowers. It turns out he was a bad cop. He had at least six disciplinary sanctions on his record when he left the Ontario Provincial Police, including neglect of duty when responding to a domestic violence complaint. On his partial police pension, he now lives like minor royalty in Honduras, a country where more than half the population lives below the official poverty line, and at least two million people live on less than \$2 a day.

Sitting in the central park of San Pedro Sula one hot afternoon, I get a text message from a friend who says that the Honduras National Tourism Federation is having its annual meeting in the city tonight. After stopping at

my hotel to change from shorts and a T-shirt into my most stiflingly hot, but fanciest, dress, I catch a cab over to the Crowne Plaza Hotel.

The downstairs lobby, in from the heat, noise, and chaos of the outside, might as well be in Winnipeg, Los Angeles, or Shanghai. Air conditioning blasts the air, and well-dressed Hondurans sip fancy drinks and drag on cigarettes. San Pedro Sula has long been home to the country's richest families, and today is the hub of Honduras's sweatshop industry.

I finagle my way into the upstairs ballroom and mingle with the upper crust of the tourism business in Honduras. They're happy to talk about Canadian tourists. "Canadians are super-important to us," says John Dupuis, the top representative for tourism in La Ceiba. In some hotels in the region, 70 to 80 percent of the guests are Canadian.

"Tourism from Canada, especially in winter, represents the largest source of income in the tourism sector in the Bay Islands and the north coast of the country," said Piero Dibattista, who owns and manages several hotels in Roatán.

Canada has always been an excellent ally of the tourism industry, says Juan Antonio Bendeck, the chair of the Honduran Chamber of Tourism. Honduras' tourism industry is small by comparison with its neighbours: the country welcomed 247,082 visitors in 2001, compared to nearby Costa Rica's 823,575.

But following the June 2009 coup d'état in Honduras, the already struggling tourism sector took a substantial hit. "I'd like to tell everyone to come to Honduras and that it's a tranquil place and everything is beautiful, but you think I'd be successful with that message?" asked deposed tourism minister Ricardo Martínez, after showing footage of riots and repression in Tegucigalpa during a presentation to the Central American Travel Market.

"Well, Central America is Central America," says Jorgensen, when asked about the safety of travelling and living in Honduras. He says Trujillo is a small town, and the "really bad guys" tend to stay away from the area.

Jorgensen's Campa Vista development in Trujillo is being marketed by Tropical Freedom Properties Ltd., who promise just that for only \$85 per square foot. Tropical Freedom is a subsidiary of Fast Track to Cash Flow, a St. Albert, Alberta-based company. The local Better Business Bureau gives the company a D on a scale of A+ to F, expressing "concerns with the industry in which this business operates."

On this sunny morning in June, I'm attending a meet-up hosted by Tropical Freedom Ltd. in the basement of a Travelodge hotel on the freeway beside the sleepy retirement town of Duncan, B.C. Cindy Storme, a petite blond woman in a gold-accented brown pantsuit, wowed the three dozen or so mostly retirement-age people attending the event with stories about waking up to the sound of howler monkeys, banana boating, barbecues, and life beside the water.

As her audience chewed on white-bread sandwiches cut into little triangles, Storme talked about Costa Rica, a much more stable country, which she says is "exactly like the movie Avatar."

At the tail end of Storme's talk, she spends about 10 minutes talking about Honduras, a country that she says "every Canadian" can afford to buy property in. Not only will investing in Honduras give Canadians a place to get away, says Storme, but there's no credit check involved. Jorgensen is even offering a travel allowance for anyone to go visit the properties, and there are income-tax breaks to boot.

At least a few people in the room signed up for a \$500 gold membership with Tropical Freedom, which gives them the right to buy property with Jorgensen's Honduran project. Jorgensen is making sales. But the global market in pleasant tropical experiences is a highly competitive business, and members of the North American middle class have certain expectations when they purchase their own little slice of a Third World paradise.

My mind went to a conversation I'd had with two tourists from Gatineau, Quebec on a beach near La Ceiba. They told me that they found their hotel boring. They were too scared to go into town.

The two of them were the closest thing I can imagine to professional beach-goers: deeply tanned, lathered up in oil, laid out on folding lounge chairs with most of their middle-aged skin exposed to the scorching sun. For the money, they said, Cuba is a better deal.

Honduras isn't for the faint of heart, or stomach, as anyone who strays from their supervised beach resort or walled-in retirement complex to a larger city will soon learn. There were 4,473 murders in Honduras in 2008, giving the country the chilling designation of having one of the highest murder rates per capita in the world.

Canadians who ignore the country's security situation do so at their peril. But Canadians who choose to ignore the long-standing conflicts over rural land do so at the expense of all who have lived there before, and put themselves

at risk as well. Consider the advice of the U.S. State Department: "U.S. citizens should exercise extreme caution before entering into any form of commitment to invest in real estate, particularly in coastal areas and the Bay Islands."

Instead of buying into a smooth sales pitch, Canadians would do well to ask themselves why they expect to land in one of the hemisphere's poorest countries, which is also one of the most dangerous countries in the world, and be treated like gods.

By Dawn Paley [dawnpaley@gmail.com]

CANADIAN PORN KINGS, TOURISM "DEVELOPMENT" PROJECT, REPRESSION & THE VIOLATION OF INDIGENOUS-GARIFUNA RIGHTS IN HONDURAS

February 15, 2011, by Karen Spring, Rights Action, spring.kj@gmail.com

Canadian "Porn King" Randy Jorgensen's tourism "development" projects are stirring up conflict and destroying afro-descendant Garifuna communities in Trujillo on the north coast of Honduras.

Jorgensen, president of the Canadian pornographic video store chain Adults Only Video (<http://www.aovtv.com/>, info@aov.ca, AOV, Suite 8, 2900 Argentia Rd, Mississauga, ON L5N 7X9, Canada), through his real estate development company Life Vision Properties (based in Trujillo, Honduras, <http://www.lifevisiondevelopments.com/index.html>), plans to convert a beautiful coastal area of Trujillo into a large scale tourism project that includes a series of vacation home developments and a cruise ship dock, displacing and destroying indigenous Garifuna communities.

Since 2008, the local Garifuna community organization, OFRANEH (Black Fraternal Organization of Honduras) has denounced that the "Porn King" and his Life Vision Properties are illegally purchasing land belonging and titled to Garifuna communities. (Since 1998, Rights Action has supported the community development, environmental defense and human rights work of OFRANEH)

The Garifuna are an indigenous people descendants of Arawak native Americans and escaped African slaves. For years, OFRANEH and the 46 Garifuna communities on the north coast of Honduras have been battling the very same "tourist development" interests that Randy Jorgensen promotes in Trujillo (1).

Communally owned land, an essential part of Garifuna culture, rights and community well-being, is constantly under threat by interests ranging from Honduran government officials, organized crime, international “development” institutions (Inter-American Development Bank) and foreign investors (like the Porn King). All of these have used various illegal, brutal and/or manipulative means to appropriate ancestral Garifuna lands, interested in exploiting it in the name of economic “development” and tourism, despite national and international law that obligates the full recognition and respect of indigenous collective land rights.

Also disturbing to Honduran communities is Jorgensen's sordid legal history. Canada's Macleans magazine reported in 2001 that Jorgensen had been “accused of making X-rated films with underage girls in his vacation home in Honduras” (2).

This is very worrying, considering his home in Trujillo, located within the Life Vision project confines, neighbours an orphanage, in a country with high levels of impunity and little political will to persecute wealthy locals and foreigners for their criminal activities.

CANADIAN PORN KING PILLAGING THE CARIBBEAN COAST

Jorgensen and his Life Vision Development company have plans to build a series of gated communities marketed to Canadian and US citizens between the coastal towns of Trujillo and Betulia - Alta Vista, Campa Vista, Coroz Alta and New Palm Beach - and a cruise ship port called 'Banana Coast' in Trujillo, which is scheduled to begin construction in March 2011 (3).

Jorgensen and his associates seem to benefit from every stage of the Trujillo coast “development”: they acquire the land, construct the vacation homes, promote the project and sell properties in Canada. Life Visions buys land and sells properties. Jorgensen's construction company, Jaguar Construction, builds the homes.

The “Banana Coast” port is owned by the Trujillo Grande Authority (GTA), a consortium between Life Vision, the Municipality of Trujillo and Global Destinations Developments, a Miami tourism promotion company. Jorgensen sits on the GTA Board of Directors (4). The GTA consortium will facilitate the expected \$15 million investment needed to construct the “Banana Coast” port.

On February 6, 2011 a Honduran newspaper reported that GTA signed an agreement with the last remaining Garifuna landholders who had refused to sell their lands, giving the “green light” to start construction. The agreement was reached with the assistance of a government commission that in

included Ramon Lobo, the brother of 'de facto' President Porfirio "Pepe" Lobo.

TOURISM & REPRESSION

Pepe Lobo ordered thousands of Honduran troops to occupy the North Coast region, which includes Trujillo, in March 2010, where corruption in the administration of justice (following the June 2009 military coup that ousted the democratically elected government of President Zelaya, and opened the way for de facto regime leader Pepe Lobo to become President) ignited land conflicts which had been in the process of resolution. Other land conflict negotiations in the region have been marked by the detention, kidnapping and torture of campesino advisors, and dozens of campesinos have been killed.

The same area where Life Vision plans to build vacation homes has been heavily militarized by Honduran regime forces since the military coup. Just 20 minutes away from one of the Porn King's proposed project sites, five campesinos were massacred on November 15th, 2010 by private security guards of large land owner Miguel Facusse.

DISAPPEARANCE OF THE GARIFUNA COMMUNITY OF RIO NEGRO & OTHERS UNDER THREAT

The Banana Coast cruise ship port will be built in the Garifuna community Rio Negro, just footsteps away from the home of one of six Garifuna men who for years refused to sell his lands. Under many pressures as the community disappears and as their neighbour's houses are being bulldozed to the ground, residents of Rio Negro found it difficult to hold on.

An hour down the dirt road that connects Rio Negro to Trujillo, three other communities where many Garifuna and Pech (another indigenous people) families live, is the community of Guadalupe. On the western edge of Guadalupe, Jorgensen and Life Visions have begun selling land plots for their Alta Vista project after successfully selling a reported 200 lots in 90 days to Canadian families in their Campa Vista site located on the same dirt road closer to Trujillo.

Community representatives in Guadalupe report that "the Canadians" or testafellos (Honduran nationals that act on behalf of the Canadians and buy the land in their name) regularly pass through the community and have visited various individuals asking if they want to sell their land.

To date, 141 acres within the Guadalupe land title has been acquired by Life Vision Properties for their 292-acre Alta Vista project for a total price of 150,000 lempiras or \$7,500 USD. Besides being in violation of Garifuna-indigenous

community rights, these are extremely low prices considering Life Development Properties are advertising and selling their 0.4 acre-size lots in Canada starting at \$30,000.

“PURCHASES” OF GARIFUNA LAND IN VIOLATION INTERNATIONAL LAW

What Jorgensen and Honduran authorities ignore is that individual land plots cannot legally be purchased within Garifuna communities, or owned or rented by someone outside of the Garifuna community itself.

International law is clear that “development” projects, such as those advanced by Life Vision Properties (with the assistance of the regime put into power by a military coup), cannot be implemented without the free, prior and informed consent of the affected indigenous (Garifuna) communities. As part of this legal requirement, States are obliged to recognize indigenous communal lands.

A Garifuna authority from a directly impacted community, who forms part OFRANEH, describes the lack of consultation and information that has been given to the communities about the projects:

“We have our own traditions, customs, but they [the Canadians] aren't respecting our traditions as an ethnic group. We, as an organization, are in a process to rescue our culture and here [in Rio Negro], there is a process of cultural destruction going on. For example, the Canadians come here and buy up a huge amount of land that is part of our communities. Sociologically, development does not come from outside, it comes from within the community, is constructed locally and from the bottom-up.”

A “NATURE PARK” RESULTING IN MORE ENVIRONMENTAL DESTRUCTION

According to OFRANEH, many of the planned “tourist development” projects will be built in the buffer zones of protected areas of the Capiro and Calentura mountains and will cause deforestation and destruction in a zone that is highly vulnerable to natural disasters (5).

Despite the environmental destruction that its tourism apparently will promote, Life Vision advertises an “ecological” side to its ‘development.’ It will build a ‘Nature Park’ that’s primary mission is the “preservation and rehabilitation of Honduras’ native fauna.” Under the banner of conservation, these projects will contribute to environmental destruction, as OFRANEH has denounced before the Ministry of Ethnicity and Ministry of the Environment, the Honduran government bodies responsible for regulating such projects(6).

OFRANEH has denounced environmental damages and deforestation that will be caused by the Alta Vista project and the illegitimacy of the environmental

license issued by the Honduran Secretary for the Environment and Natural Resources, SERNA, for the Alta Vista project during the final days of de-facto leader Roberto Micheletti and his regime that took power following the military coup that ousted President Zelaya (7).

Micheletti's regime committed various acts of brutal repression against the anti-coup social movement and pro-democracy people's movement that formed after the coup. The Micheletti regime has also been implicated in corruption scandals, including a Wikileaks' memo written by US Ambassador in Honduras, Hugo Llorens, for various acts of corruption, including attempting to illegally grant concessions to an Italian company interested in a hydro-electric dam project in southern Honduras.

“CHARTER CITY”: GIVING A PIECE OF HONDURAS TO FOREIGN GOVERNMENTS & COMPANIES

In the last month, the Honduran Congress, controlled by the Pepe Lobo regime (“elected” in illegitimate elections after the June 28th, 2009 military coup), approved a law that would allow the creation of “Model Cities” within Honduran territory.

The Model City project, promoted by US economist Paul Romer, would allow for 33 km-squared city to be built within Honduran territory but governed by foreign governments or investors. The city would have its own justice system, constitution and private security forces that would not be subject to Honduran laws.

All of this is a more extreme version of a “free trade zone” or “special administrative region.”

According to various Honduran newspapers and Government officials, Trujillo is considered a perfect location for a model city, from Puerto Castillo-Trujillo-Santa Fe to Betulia, the same land strip where Jorgensen and Life Vision Properties are “developing” tourism projects and displacing Garifuna communities. Some speculate Jorgensen's cruise ship port, expected to be up and running by 2012, is an essential part of the proposed Model City government officials are proposing for Trujillo.

Many Honduran activists and grassroots organizations have denounced the Model City proposal calling it a form of neo-colonialism, comparing it to Henry Ford's failed Fordlandia in Brazil, also questioning that the project may be a money-laundering scheme. Newspaper reports claim that unknown investors from the Cayman Islands have shown interest in the project. The Cayman Islands are infamous for secretive banking procedures that hide the identities and sources of income for individuals and corporations. Recently Wikileaks

was given documents from Cayman Island banks that it has promised to expose in the coming months.

The connection between the Canadian real estate development interests and those promoting the Model City is not clear, though both seem to share intentions for the land located between Trujillo and Betulia on the north coast.

Unfortunately, Model Cities, Porn King Randy Jorgensen and Canadian property development projects, or all of the above, present the same threat to the Garifuna and campesinos communities living on the project site and near Trujillo. The projects bring displacement and illegal appropriation of Garifuna land essential for their survival, ... in the name of "development".

(1) <http://upside-down-world.org/main/content/view/1195/1/>

(2) "Charged: Randy Jorgensen (Owner of Adults Only Video)", MacLean's magazine, December 3, 2001.

(3) <http://www.tiempo.hn/component/k2/item/3200-en-marzo-inicia-construcción-de-terminal-de-cruceros.html>

(4) <http://www.newmanpr.com/2010/06/03/banana-coast-honduras%E2%80%99-first-mainland-cruise-destination-launches-website/> and <http://www.viviun.com/AD-147034/>

(5) <http://bellaciao.org/es/spip.php?article7299>

(6) <http://bellaciao.org/es/spip.php?article7299>

(7) <http://alainet.org/active/44265&lang=es>

HOW THE MEDIA SANITIZE HONDURAS'S BRUTAL REGIME: REPORTING ON ROMER'S CHARTER CITIES

February 2013, by Keane Bhatt

<https://nacla.org/article/reporting-romer%E2%80%99s-charter-cities-how-media-sanitize-honduras%E2%80%99s-brutal-regime>

On the evening of Saturday, September 22, human rights lawyer Antonio Trejo stepped outside a wedding ceremony to take a phone call. Standing in the church parking lot of a suburb of Tegucigalpa, Honduras, he was shot six times by unknown assailants. Despite his requests, he had been granted no police protection in the face of death threats; Trejo had believed he would be targeted by wealthy landowners over his outspoken advocacy on behalf of small farmers seeking to reclaim seized territories.¹ In his death, Trejo joined dozens of fallen peasant leaders whom he had defended, as well as murdered opposition candidates, LGBT activists, journalists, and indigenous residents. All were victims of the violence and impunity that has reigned in

Honduras since the 2009 coup d'état against its democratically elected and left-leaning president, Manuel Zelaya.

Earlier that day, Trejo had appeared on television, denouncing the powerful interests behind the government's push for *ciudades modelos*—swaths of land to be ceded to international investors and developed into autonomous cities, replete with their own police forces, taxes, labor codes, trade rules, and legal systems. He had helped prepare motions declaring the proposal unconstitutional.

This concept of “charter cities” has been promoted for a couple of years by Paul Romer, a University of Chicago-trained economist teaching at New York University. He described his brainchild in a co-authored op-ed as “an effort to build on the success of existing special zones based around the export-processing *maquila* industry.” A “new city on an undeveloped site, free of vested interests” could bypass the “inefficient rules” that hinder “peace, growth and development” worldwide, he argued. With new and stable institutions, the charter city could become an “attractive place for would-be residents and investors.”²

The international press swooned over Romer's revolutionary idea: *Foreign Policy* magazine named him one of its Top 100 Global Thinkers of 2010 for “developing the world's quickest shortcut to economic development”;³ that same year, *The Atlantic* dedicated a 5,400-word paean to Romer and his “urban oases of technocratic sanity,” which held the promise that “struggling nations could attract investment and jobs; private capital would flood in and foreign aid would not be needed.”

But the applicability of Romer's radical vision in Honduras always depended on the enthusiasm of the authoritarian, post-coup government of Porfirio Lobo. Lobo owes his presidency to the sham elections of 2009, which took place under the U.S.-backed *de facto* military government that overthrew Zelaya and were marred by violent repression and media censorship. With the exceptions of the U.S.-financed International Republican Institute and National Democratic Institute, international observers boycotted the electoral charade that foisted Lobo into power.

Romer's lofty theories also remained utterly detached from the brutal nature of the collaborating government. “Setting up the rule of law” from scratch in a new city, he contended, would be an antidote to “weak governance” (weak in no small part due to Lobo's appointment of coup perpetrators to high-level government positions).⁴ In a co-authored paper, Romer also mischaracterized his allies, the “elected leaders in Honduras,” as earnest in their intent to end a “cycle of insecurity and instability that stokes fear and

erodes trust."5 (Romer offered no comment when Lobo designated Juan Carlos "El Tigre" Bonilla, accused of past ties to death squads, as the national chief of police.)6

Even on its own terms, Romer's development theory is disconnected from reality. He has repeatedly invoked Hong Kong as the sunny inspiration for the remaking of Honduras: "In a sense, Britain inadvertently, through its actions in Hong Kong, did more to reduce world poverty than all the aid programs that we've undertaken in the last century," he claimed.7 Romer neglected to add that the city developed as a hub for the largest narco-trafficking operation in world history, through which Britain inflicted untold misery on the Chinese mainland. Britain dealt a humiliating military defeat to China (which had attempted to prohibit illegal British opium from entering its borders), took over Hong Kong, and forced China to abandon its tariff controls in 1842. Given that Hong Kong was one of the spoils of a drug war, and that its inhabitants were permitted democratic elections only 152 years after its incorporation into an empire, Romer's dream for Honduras could just as easily be considered a nightmare.

Romer's focus on good rule making is similarly fanciful; his effort to change the rules that engender poverty conspicuously excludes the international legal privileges that allow undemocratic leaders to sell a country's resources and borrow in its name (he wrote positively of a trade agreement that Lobo struck with Canada this summer).8

Romer also approved of the legal architecture that "gives the United States administrative control in perpetuity over a piece of sovereign Cuban territory, Guantanamo Bay," through a 1901 treaty that he failed to mention was ratified by a militarily occupied Cuba. Whether Romer knows it or not, his endorsement of power politics is clear: Investor-owned cities would be safe from future efforts by governments to repossess sovereign territory, because "Cuba respects the treaty with the United States, even as they complain bitterly about it."9

Romer rebutted criticisms that his idea smacks of neocolonialism: "There are some things that it shares with the previous colonial enterprises," he admitted, "but there's this fundamental difference: at every stage, there's an absolute commitment to freedom of choice on the part of the societies and the individuals that are involved."10

Which choices are available to individuals living under a coercive, illegitimate government is a question left unanswered, and the adulating press could not be bothered to probe further.

After all, it would be impolite to reveal Romer's close cooperation with a government whose security forces—many of whom are personally vetted, armed, and trained by the United States—killed unarmed students Rafael Vargas, 22, and Carlos Pineda, 24, as well as pregnant indigenous Miskitu women Juana Jackson Ambrosia and Candelaria Trapp Nelson, among others.¹¹ Indeed, COFADEH (the Committee of Families of the Detained and Disappeared of Honduras) observed that more than 10,000 official complaints have been filed against Honduras's military and police since the coup.

Such unsavory details might have chastened The Atlantic's ebullient portrait of the "elegant, bespectacled, geekishly curious" professor, and would have tarnished President Obama, who praised Lobo for his "strong commitment to democracy" while providing his brutal security apparatus with \$50 million in aid last year.¹²

In their coverage of Romer's charter cities, the media have almost entirely excised the innumerable human rights violations occurring under the undemocratic Honduran regime. The New York Times is a case in point. About a week after Amnesty International, Human Rights Watch, the Inter-American Commission on Human Rights, and even the U.S. State Department were compelled to release statements of condemnation over Antonio Trejo's assassination, Times reporter Elisabeth Malkin fawned over Romer's idea while ignoring the killing of one of its most prominent critics. (Romer himself offered no public statement in the wake of Trejo's death-squad-style killing.)

Charter cities promised to "simply sweep aside the corruption, the self-interested elites, and the distorted economic rules that stifle growth in many poor countries," asserted the imperturbable Malkin. She added with uncommon journalistic authority, "Nobody disputes that impoverished, violent Honduras needs some kind of shock therapy."¹³

This is not the first instance in which the Times has glossed over inconvenient facts to laud shock therapy, a doctrine of massive privatization and investor-friendly deregulations developed at the University of Chicago.¹⁴

Many years after Chile's coup government pushed through a rash of measures designed by economist Milton Friedman and his acolytes, the Chicago Boys, the Times reported that "Chile has built the most successful economy in Latin America, and one of the vital underpinnings of that growth was the open economic environment created by the former military dictator, Gen. Augusto Pinochet."¹⁵

Leaving aside Pinochet's torture and murder of tens of thousands of dissidents, Chile's per capita gross domestic product was practically unchanged ¹³

years after the coup; Pinochet's "free-market" experiment also ended with re-nationalizations in banking and copper extraction, the institution of capital controls, and continuous state support for Chile's exports.¹⁶

Following in this dubious tradition of portraying a reactionary societal experiment as a formula for prosperity, the Times' first piece on Honduran charter cities appeared in its Sunday magazine in May 2012. Author Adam Davidson, co-creator and host of National Public Radio's Planet Money program, considered charter cities a "ridiculously big idea" for fixing an "economic system that kept nearly two-thirds of [Honduras's] people in grim poverty." Davidson related the story of Octavio Sánchez, Lobo's chief of staff, who met with Romer to develop a "secure place to do business—somewhere that money is safe from corrupt political cronyism or the occasional coup."¹⁷

Davidson, however, scrupulously avoided Sánchez's own role as an apologist for the 2009 military overthrow of Zelaya. Days after Zelaya's ouster, Sánchez advised Christian Science Monitor readers not to "believe the coup myth," and in an Orwellian flourish, the Harvard Law graduate declared that "the arrest of President Zelaya represents the triumph of the rule of law."¹⁸

In November, Planet Money provided an obsequious follow-up on Romer and Sánchez's collaboration, scrubbing any mention of the 2009 coup and Lobo's emergence from it, and portraying Sánchez as an idealistic dreamer. "Instead of fighting to do two, three or four reforms during the life of a government," Sánchez asked, "why don't you just do all of those reforms at once in a really small space? And that's why this idea was appealing. It's really the possibility of turning everything around."¹⁹

Planet Money's co-hosts unwittingly conveyed the fundamental obstacle to shock therapy: "Paul Romer has this killer idea and no real country to try it in; Octavio has the same idea, but no way to sell it to his people." They acknowledged that even with "a government that's ready to go," the "people in Honduras" viewed Romer's plan as "basically Yankee imperialism." The episode concluded by explaining the apparent collapse of the charter cities initiative, resulting partly from the post-coup government's lack of transparency (Romer was "stunned"), as well as a Honduran Supreme Court ruling in October that found charter cities unconstitutional. Romer remains unfazed, the hosts said. He has a promising lead in North Africa—another opportunity to answer "one of the oldest problems in economics: how to make poor countries less poor."

Regardless of what Romer and his media sycophants think of the charter city's (questionable) efficacy, their deafening silence on its antidemocratic implications and Honduras's human rights abuses is unconscionable. In this

insulated world, Honduran victims of economic hardship and state terror, and their own proposals to solve poverty, remain invisible. Pinochet, the original administrator of shock therapy, distilled the insouciance of today's intellectual and media culture when, in 1979, he remarked, "I trust the people all right; but they're not yet ready."²⁰

[Keane Bhatt is a regular contributor to the MALA section of NACLA Report and the creator of the Manufacturing Contempt blog on the NACLA Website.]

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RIGHTS ACTION

The roots of Rights Action's work go back to 1983 in Guatemala. Since then, and particularly since 1995, Rights Action has been funding grassroots organizations working for community development and the environment, for disaster relief, for truth, memory, justice and human rights, and for democracy and peaceful resolution of conflicts in Guatemala and Honduras, as well as in southern Mexico and El Salvador. The Canadian Rights Action Foundation (CRAF), founded in 1999, is independent from Rights Action (USA). Since 1995, Grahame Russell and Annie Bird have been co-directors of Rights Action; Grahame is director of CRAF.

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WHAT TO DO - HONDURAS

Please send copies of this information, and your own letters, to your Canadian and American politicians (MPs, Congress members and Senators) and to your own media. Since the June 2009 military coup, that ousted the democratically elected government of President Zelaya, Honduras has become the 'Murder Capital of the world'. State repression has again reached the levels of the worst years of the 1980s.

Since the coup, the U.S. and Canadian governments have 'legitimized the illegitimate' post-coup regime. North American companies and investors have increased their business activities in Honduras since the coup. In no small part, this regime remains in power due to its political, economic and military relations with the U.S. and Canada.

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