WESTERN INTERVENTION AND CONTROL: CANADIAN MINING CORPORATIONS IN LATIN AMERICA

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Abstract

Canadian foreign direct investment (FDI) in Latin America and the Caribbean amounts to nearly a quarter of Canada’s total FDI, much of which is devoted to the extractive industries, namely oil, gas and mining. By 2006, Canada took the title as the biggest investor in mining projects in Latin America. The narrative upheld by the Canadian media and government portrays the intentions of Canadian mining corporations as benevolent, and that they bring wealth and prosperity to developing nations. However, this narrative is a contradiction to what is routinely happening in Latin America - Canadian mining companies are regularly involved in human rights, labour and environmental violations. Given these routine abuses, one would conclude that Canadian foreign policy prioritizes profits over the rights of people. The suppression of this reality functions to shield Canadian mining corporations from public scrutiny. Furthermore, the Canadian government has failed to create meaningful legislation to regulate the activities of Canadian mining companies operating overseas.

This report will address a broad range of related issues within the context of Canada’s participation in imperialist state-controlled international capitalism. It will briefly attend to colonial history and its human costs, and the evolution of state and private power. Imperial doctrine will be discussed and the attitudes and beliefs of the intellectual and educated classes will be questioned. Case studies will focus on the predatory activities of the Canadian mining sector (the largest in the world) in Latin American countries. We will then conclude with a discussion of what can be done to ensure that abuses are properly addressed.
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Introduction

Sixty percent of the world’s mining corporations are Canadian. Canadian mining also accounts for 19% of global mining exploration spending, which totaled $13.2 billion in 2009. According to a report by InfoMine, Canadian mining corporations listed on the Toronto Stock Exchange had 1010 projects in South America, 578 in Mexico, 703 in Africa, 376 in Asia and 345 in Australia, New Zealand and Papua New Guinea in 2009. In Canada the industry employs 193 registered lobbyists.¹ Gold, silver, copper and nickel are among the minerals the industry is scouring the globe for.

Since the 1990s, Canadian investment abroad has skyrocketed, particularly in Latin America and the Caribbean where Canadian assets totaled $117 billion in 2007.² In 2006, Canadian foreign direct investment (FDI) reached $442 billion, representing 35% of the country’s gross domestic product (GDP); this figure is ten percentage points higher than the G7 average for the same year.³ This measure of FDI as a percentage of GDP has risen twenty percentage points for Canada since 1980 when FDI represented only 15% of the GDP, and it signifies a drastic rearrangement of the national economy.⁴

Canadian FDI in Latin America and the Caribbean amounts to nearly a quarter of Canada’s total FDI, much of which is devoted to the extractive industries, namely oil, gas and mining. By 2006, Canada took the title as the biggest investor in mining projects in Latin America. The narrative upheld by the Canadian media and government portrays the intentions of Canadian mining corporations as benevolent, and that they bring wealth and prosperity to developing nations. However, this narrative is a contradiction to what is routinely happening in Latin America - Canadian mining companies are regularly involved in human rights, labour and environmental violations. Given these routine abuses, one would conclude that Canadian foreign policy prioritizes profits over the rights of people. The suppression of this reality functions to shield Canadian mining corporations from public scrutiny. Furthermore, the Canadian government has failed to create meaningful legislation to regulate the activities of Canadian mining companies operating overseas.

This report will address a broad range of related issues within the context of Canada’s participation in imperialist state-controlled international capitalism. It will briefly attend to colonial history and its human costs, and the evolution of state and private power. Imperial doctrine will be discussed and the attitudes and beliefs of the intellectual and educated classes will be questioned. Case studies will focus on the involvement of the Canadian mining sector (the largest in the world) in Latin American countries, their predatory activities, and we will

³ Ibid.
⁴ Ibid.
conclude with a discussion of what can be done to ensure that abuses are properly addressed.

**Foreign Direct Investment and the Emergent Global Economy**

David McNally elaborates on FDI as a thriving sector of capital: “In the past two decades, FDI has increased at a phenomenal pace, growing by over 200% from the late 1980s to the mid-1990s alone, and in the age of neoliberal globalisation FDI has increasingly involved fixed investments in factories, mines, natural resources, communication systems and services, whereas previously foreign investment was more liquid in nature.” The reason for this drastic increase in FDI is simple: over the past thirty years the Canadian economy’s “main driving force for the growth of investment abroad and the relative decline of a domestic economy is the higher rate of overseas returns.”

To explain why and how FDI has increased and the means by which corporations have reaped these greater returns in recent history, it is useful to examine the changes that have taken place in the world economy. The emergence of the neoliberal framework - characterized by financial liberalization and deregulated capital - followed the dissolution of the Bretton Woods Accords and the subsequent institution of a floating-point system of currency valuation in 1972 (currencies were no longer backed by the fixed gold standard). It had the effect of transforming the market into a speculative casino. John Maynard Keynes warned that deregulated and freely moving capital would increase market volatility, and that is exactly what happened. The accumulation of global speculative capital began to increase exponentially with the creation of derivatives and other exotic financial wealth-creating instruments. This explosion was further catalyzed by the technological advancement of the stock market leading to dramatic increases in the speed of transactions; the backbone of the modern economy is now the internet. These changes paved the way for the financialization of a global economy. Mathematics doctorates are now recruited to Wall Street to take advantage of small fluctuations in these speculative markets using sophisticated techniques.

The restructured global economy left the economies of poorer countries more volatile and vulnerable to concentrations of foreign capital. The free movement of capital has the effect of putting power into the hands of private investors and simultaneously has taken power away from the state - the state providing means of exercising some measure of democratic control over policy, however superficial. International economists sometimes call this power system of financial liberalization a “virtual senate” where investors and lenders can exercise veto power over government decisions through threats of capital flight, currency devaluation and other means. The virtual senate can wreak havoc on

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5 David McNally, *Another World is Possible* (Winnipeg: Arbeiter Ring, 2002), 38.
a country’s economy if it deems proposed legislation to be unfavourable. Governments face what’s called a "dual constituency": voters, and the "virtual senate", the latter of which has its own constituency back home. It is a certain form of social control and economic strangulation, and results in the “weakening of democracy and the loss of legislative supervision of essential economic sectors”.

The Rise of Private Power – Structural Adjustment, “Free Trade” and Corporate Influence Over State Policy

These changes in the global economy have ultimately had the effect of undermining state policy, and have transferred power from the public to an unaccountable corporate sector. The promises of economic doctrinaires adopting variants of “free market” ideologies starkly contradict contemporary realities. The past thirty years have shown a growing divide between “creditor and debtor nations; multibillion-dollar corporations appropriating enterprises, interests, royalties and trade surpluses; and billions of workers and peasants reaping poverty and miserable existences”. Poverty in Latin America increased from 136 million people in 1980 to 266 million in 1992, increasing as a percentage of total population from 35% in 1980 to 39% by 1990. “The net outflow of capital [in Latin America] from 1985-89 was over $50 billion”, and over the course of the 1980s, “most economies in the region experience zero or negative growth.” Over the period of 1980-1987 the share of wages expressed as a percentage of national incomes for the region dropped from 49% to 38%, producing some of the cheapest labour markets in the world.

Over the same period, Canadian foreign policy in Latin America has been fixated on prying open markets and investment outlets without proper scrutiny of the conditions by which investment opportunities are realized. Canada’s “rediscovery of the Americas” has been marked by the establishment of bilateral relationships pursuing "planned development of stable, long term relationships with priority countries", as well as “multilateral mechanisms”, such as full membership with the Organization of American States (OAS) in 1990, and the establishment of various “free trade” arrangements and agreements across the region, most notably the North American Free Trade Agreement (NAFTA) and the Free Trade Area of the Americas (FTAA) initiative. These arrangements by-and-large prioritize the rights of investors and corporations, leaving the rights of populations behind.

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9 Ibid.
11 Ibid, 21.
13 Ibid.
The rights of populations will continue to be ignored unless they are fought for and won through organized and sustained public pressure – this applies to both Canadians and Latin Americans. It is worth mentioning that this is a near historic truism. Rights and freedoms are almost never handed over. We are taught in school, for example, that The New Deal was a set of social reforms instituted under Roosevelt’s leadership as a reaction to the Great Depression. What we are not taught, however, is that Roosevelt faced a country on strike when he entered office. A prominent characteristic of power systems is that inconvenient facts that do not fit the required image are generally ignored or suppressed. Canada portrays itself helping the developing world through “the promotion of prosperity”, regardless of the massive increase in poverty in Latin America that has followed the economic reforms CIDA was eager to support and pursue.

The Canadian government has been a historic supporter of structural adjustment programs (SAPs) in Latin America; economic institutions such as the World Bank and International Monetary Fund (IMF) began imposing SAPs on developing countries in return for new loans, and rescheduling payments on old loans. By 1989, “support for the IMF/World Bank had become a central preoccupation of [CIDA]”, “endorsed and encouraged by the departments of Finance and External Affairs.”

Measures for SAPs forced upon debtor countries included implementing policies that enabled “stabilization (of prices and national accounts), privatizations (of the means of production…state enterprises), liberalizations (of trade and capital flows), deregulation (of private activity), and fiscal austerity”.

Reasons for supporting SAPs are varied and nuanced and usually contain elements of rational thinking. Simultaneously, the same arguments generally fall under the lunatic framework that shapes “normative” economic doctrine, supported by crucial imperialist assumptions: that the enlightened Western states have the right to intervene in the political, economic and social outcomes of foreign populations, and that our intentions are unquestionably benevolent, end of story. By in large, support for SAPs rests “on the belief that …reforms in the long run will result in a high rate of economic growth”, writes Marcia Burdette. “In normative terms, painful reform is essential to gaining eventually a better standard of living – the “trickle down” theory as applied to [official development

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18 For a recent cross-section of the government’s position structural adjustment, which negates the use of the phrase but is otherwise calling for it, see Departments of Foreign Affairs and International Trade and Finance, Report on Operations Under the Bretton Woods Related Agreements Act, Ottawa: International Trade and Finance Branch, 2004; and CIDA’s section of Canada’s latest International Policy Statement: A Role of Pride and Influence in the World, Ottawa: Canadian International Development Agency, 2005.
19 Henry Veltmeyer and James Petras, Neoliberalism and Class Conflict in Latin America (New York: St. Martin’s Press, 1997), 22.
assistance]. Therefore, subjugating 130 million more Latin Americans to poverty (from 1980 to 1992), and usurping billions of dollars in capital is worth the promised ends of the “trickle down” effect, bound to raise the masses from poverty and misery.

A popular economic argument supporting SAPs is that it is believed such measures will “control inflation, allowing countries to meet their debt-servicing obligations.” But this particular strain of logic is worth little consideration in the case of Argentina and the collapse of its economy in 2002, triggered by the default on government loans. Argentina was the poster-child for the IMF and World Bank, fully adopting SAPs in exchange for huge loans and massive debt. Public debt grew enormously over the 1990s, with the IMF lending more and more money. Argentina, showing no signs that it could meet its repayment schedules - amidst corruption and irresponsible economic policies – defaulted on its loans, and the value of the peso plummeted.

Noam Chomsky articulates on the injustice behind IMF loans, and the Western-run state-supported capitalist system of powerful countries backing structural adjustment to serve their own interests:

The US executive-director of the IMF, adopting an image from the Mafia, described the [IMF] as “the credit community’s enforcer.” Under the rules of the Western-run international economy, investors make loans to third world tyrannies, and since the loans carry considerable risk, make enormous profits. Suppose the borrower defaults. In a capitalist economy, the lenders would incur the loss. But really existing capitalism functions quite differently. If the borrowers cannot pay the debts, then the IMF steps in to guarantee that lenders and investors are protected. The debt is transferred to the poor population of the debtor country, who never borrowed the money in the first place and gained little if anything from it. That is called “structural adjustment.” And taxpayers in the rich country, who also gained nothing from the loans, sustain the IMF through their taxes. These doctrines do not derive from economic theory; they merely reflect the distribution of decision-making power.

It should be unsurprising that the economies of countries that shut their doors to the IMF, World Bank and World Trade Organization, such as the East Asian Tiger countries - choosing instead to violate the Washington Consensus, and the economic doctrines of structural adjustment and free trade - have invariably outperformed economies that succumbed to the “help” of these powerful lending institutions. Such facts present mere inconveniences to those in service of power, and are explained as mistakes, imperfections in economic theory, or just simply ignored.

Working in concert with structural adjustment policies are “free trade” agreements that aim to codify the rights of investors to gain access to foreign

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21 Ibid, 24.
22 Noam Chomsky, "Latin America Has Become the Most Exciting Region of the World", ZNet, October 1, 2008.
23 For a discussion on the economic development of the “Asian Tigers”, see Noam Chomsky, Propaganda And the Public Mind: Conversations With David Barsamian (Cambridge, MASS: South End Press, 2001), 16-20.
economies. Besides trade with Mexico through NAFTA, Canada has free trade agreements with the Latin American countries of Costa Rica and Chile, and is currently pursuing the Canada-Columbia Free Trade Agreement (CCFTA), despite popular resistance at home and abroad. Reasons for the resistance will be discussed in detail in the case study of Columbia, but it stems from the fact that the Columbian government has the worst human rights record in the hemisphere.

And before examining established free trade agreements we should address the misleading language; free trade agreements may use the phrase “free trade”, but in actual fact, trade policy has always been a mixture of protectionist measures and free trade. The West has grown rich by relying on protectionist measures (tariffs) and subsidies to select domestic industries. Various economists extol the power of the invisible hand of the market, and “laissez-faire” capitalism, but some of the most radical movements towards protectionism have been made in the past thirty years. The normal workings of free trade means “for you, market discipline, but not for me, unless the ‘playing field’ happens to be tilted in my favor, typically as a result of large-scale state intervention. It’s hard to find another theme so dominant in the economic history of the past three centuries.”

The phrase “free trade” usually deserves quotation marks.

Since 1994 Canada has signed eight Foreign Investment Protection Agreements (FIPAs) with Latin American countries. FIPAs are modelled on Chapter 11 of NAFTA, which has been criticized for “its establishment of a strong pro-corporation investment climate, including among other things guaranteeing foreign corporations whose states are party to the agreement the same treatment as domestic corporations, while also giving them the right to sue governments for perceived failures to meet their obligations under the investment agreements.”

Arbitrations are not disclosed to the public, but it has been found that Canadian companies have initiated four arbitrations under FIPA and non-NAFTA free trade agreements over the past few years. Three of these arbitrations are in the mining sector: “Vanessa Ventures’ claims against Costa Rica (over the country’s 2002 law banning open pit mining) and Venezuela.”

Transnational corporations generate enormous profits from operating in developing countries that have minimal labour laws and flimsy environmental regulations. It is now easier for corporations to move abroad than a human being. Corporations have recently been awarded rights that extend far beyond those awarded to individuals. For example, under NAFTA, a Canadian corporation can set up their operations in Mexico and enjoy the same treatment as domestic corporations, “giving them right to sue governments for perceived failures to meet their obligations under the investment agreements.” In a democratic society, it should be asked why corporations have any rights

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26 Ibid.
27 Ibid.
whatsoever.

Corporate rights were achieved not through legislation, but through courts and lawyers in the US. Most of this legal transformation took place from the late 19th to the early 20th century, but started as early as the 18th century. Morton J. Horowitz concludes in his study, *The Transformation of American Law*, that over the past two centuries, the main theme of changing the legal system in the US has been to reshape the law to accommodate the needs of private power. This started with corporations (what were called “collectivist legal entities”) being granted the rights of persons in an 1886 court decision. Over time, the implementation of this decision, and others, expanded corporate power to the point that they had infinite more power than individuals.

Corporations are private tyrannies, totalitarian in their structure, and have been granted enormous legal rights over the past centuries. Corporatism is the last existing form of totalitarianism arising from the 20th century, fascism and Bolshevism having mostly disappeared. It is a tyrannical system of highly concentrated power that carries the rights of immortal persons without the responsibility of persons. One cannot seriously discuss any notion of democracy without addressing the fundamental contradiction that exists between private power and public participation in decision-making.

A general truism regarding the formation of state policy was observed in the pre-capitalist era of Adam Smith. He wrote that the “principal architects” of state policy were the “merchants and manufacturers”, and that invariably their own interests were most “carefully attended to”. More than a century later, John Dewey arrived at virtually the same conclusion, calling politics “the shadow cast on society by big business.” A more cynical take on politics was articulated by Ambrose Bierce in *The Devil’s Dictionary*: “a strife on interests masquerading as a contest of principles. The conduct of public affairs for private advantage.” These general characteristics are defining features of state-supported international capitalism. It should be of great concern to anyone desiring to live in a democratic society that private power has an overwhelming influence over shaping government policy.

**Canada as a “Middle Power”**

Although US corporations carry greater responsibility in the current plunder of Latin America due to their sheer size and power, numerous case studies illustrate that Canada is a willing participant in Western imperialism. Canada is often able to act independently to the US, despite the enormous power that the US enjoys in influencing the policies of complicit “middle powers”.

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Canada’s dependence on the US economy should not be overlooked as a lever inclining Canada to acquiesce with US foreign policy. In 2008, trade with the US represented 46% of Canada’s GDP with $261.4 billion in imports and $335.6 billion in exports.  Canada’s economy relies on the US to a far greater extent than the US economy relies on Canada – using the same data only 4.2% of the US GDP is accounted for by trade with Canada. This imbalance in capital naturally empowers the US to exert its hegemony over Canada. However, the real question is, to what extent is Canada voluntarily acquiescing to US imperialism?

To answer this one should look at the extent to which Canada has endeavored to profit from and control Latin American resources as well as the advantages and benefits Canada derives from integrating itself with the US. This report will show that Canada’s level of participation is far from insignificant, and is not a recent phenomenon. Yves Engler helps elucidate Canada’s motivation to integrate itself into a wider system of international state-supported capitalism: “In so far as Canadian capitalism is integrated with US capitalism, and is dependent upon its military, political and diplomatic shield, Ottawa will act in concert with Washington to thwart the region’s desire to back away from ‘free’ market economics and US dependence.” James Petras and Morris Morley describe it similarly: “The US imperial state provides an umbrella under which to operate. In so far as Canadian capital depends on the same kind of social and political conditions to reproduce itself, it benefits from this US umbrella and hence is reluctant to criticize its benefactor.” In a nutshell, Canadian foreign policy facilitates the aim of Canadian corporations, which is to get rich. These aims are pursued at the expense of the poor – usually those inhabiting formerly colonized countries – subordinate to their masters.

**Europe’s Conquest of the World and the Role of the State**

While the neoliberal framework has given rise to unprecedented private power and corporate control over foreign economies in the modern era, American has a long historical record of intervention, vying against other colonial powers for influence and control over trade. This took many forms, and included extensive indigenous slaughter, the institution of the harsh and repressive colonial system and countless military invasions by European colonial powers. In recent history we have seen the effects of Regan’s campaign of clandestine warfare through the 1980s on Central America, covert US-led support for military coups that have overthrown democratically elected governments as well as other measures of economic manipulation and social control. Today, the people of

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35 Peter McFarlane, Ed., Northern Shadows: Canadians and Central America (Toronto, ON: Between the Lines, 1989), 228.
Latin America and the Caribbean continue to suffer from five hundred and eighteen years of foreign influence and control.

In 1492 Columbus arrived at Hispaniola (now Haiti and the Dominican Republic) to establish the first settlement of Europe’s New World. Columbus described the people he found as “lovable, tractable, peaceable, gentle and decorous”. Hispaniola was “perhaps the most densely populated place in the world,” Las Casas wrote, “a beehive of people,” who “of all the infinite universe of humanity…are the most guileless, the most devoid of wickedness and duplicity.”

Estimates of the pre-Colombian population (the indigenous Taino Arawak) of Hispaniola varied from hundreds of thousands to 8 million. Within 50 years of arriving, the Spanish conquistadors reduced the number of Tainos to a few hundred.

Driven by “insatiable greed and ambition,” the Spanish fell upon the Tainos “like ravening wild beasts, … killing, terrorizing, afflict[ing], torturing, and destroying the native peoples” with “the strangest and most varied new methods of cruelty, never seen or heard of before, and to such a degree” that the population is barely 200 persons, Las Casas wrote in 1552, “from my own knowledge of the acts I witnessed.” “It was a general rule among Spaniards to be cruel,” he wrote: “not just cruel, but extraordinarily cruel so that harsh and bitter treatment would prevent Indians from daring to think of themselves as human beings.” “As they saw themselves each day perishing by the cruel and inhuman treatment of the Spaniards, crushed to the earth by the horses, cut in pieces by swords, eaten and torn by dogs, many buried alive and suffering all kinds of exquisite tortures, …[they] decided to abandon themselves to their unhappy fate with no further struggles, placing themselves in the hands of their enemies that they might do with them as they liked.”

The right to conquest became a cultural norm among elite European classes. The state came to represent a set of institutions founded upon the monopolization of the means of violence. Charles Tilley writes, “Political observers have recognized that, whatever else they do, governments organize and, wherever possible, monopolize violence.” A fundamental doctrine of the “enlightened states” that act with reckless disregard for human existence is that might is right, and by virtue of their enlightened values, the more civilized (Western) states can justifiably act with impunity upon defenseless populations to satisfy their ends. Therefore, because the West is serving history’s purpose, the monopolization of “the concentrated means of violence” is entirely necessary and just.

To willingly proceed with the barbarity and ruthlessness of colonial violence, the attitudes of the conquerors conveniently reflected the idea that aboriginal cultures were a miserable race, uncivilized and “completely wild” in

36 Ibid, 198.
38 Ibid.
40 Ibid.
their “untamed state”.

In his historical accounts of American colonialism, Adam Smith neglects to even mention the indigenous inhabitants of North America: “There were but two nations in America, in any respect superior to savages [Peru, Mexico], and these were destroyed almost as soon as discovered. The rest were mere savages.”

Canada held its aboriginal people in similar regard, serving to justify its expansion. Virtually the same idea was articulated by Clifford Sifton, the Canadian Minister of the Interior, in 1902: “There is a difference between the savage and a person who has become civilized.” Arguing in favour of the notorious Canadian residential schools that would attempt to exterminate Native culture, Duncan Scott, Head of Indian Affairs, said in 1920: “I want to get rid of the Indian problem. Our object is to continue until there is not a single Indian in Canada that has not been absorbed. They are a weird and waning race…ready to break out at any moment in savage dances; in wild and desperate orgies.”

The Canadian government finally addressed its treatment of the Indigenous population in a 1998 reconciliation statement, followed by a $1.9 billion package in 2005 intended to compensate those affected by residential schools, and a formal apology in June, 2008. Many Canadian Indigenous rightfully argue “too little, too late”, having been brutally and systemically oppressed well before Confederation. Although the Canadian government has nearly achieved its goal of assimilation, Native peoples continue to respond to policies with militant efforts to fight back and maintain their culture and land base.

Europe’s conquest of the world can be attributed “to its mastery of the means and immersion in the culture of violence.” Geoffrey Parker writes: “It was thanks to their military superiority, rather than to any social, moral or natural advantage, that the white peoples of the world managed to create and control, however briefly, the first global hegemony in history.” Backed by powerful militaries acting at its behest, the centralized state organizes and controls the proliferation of trade and commerce and access to resources abroad.

The wealth of colonies returned to respective conquerors created huge fortunes “beyond the dreams of avarice.” By the 1700s, the “rapid growth of wealth and power set the stage for outright conquest and imperial rule” by Britain. Petras and Veltmeyer describe the imperial system as “based on an

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42 Ibid, 4.
48 Ibid, 11.
49 Ibid.
‘international division of labour’ in which the imperial states produced and exported manufactured goods in exchange for raw materials, minerals and other industrial inputs or consumer commodities from their colonies or semi-colonies.”50 Industry began to take shape: raw materials were imported with greater availability and in greater quantity, and manufactured goods were sold domestically or exported for profits.

Summarizing a study of merchant empires that he edited, James Tracy writes, “The principal feature that differentiates European enterprises from Indigenous trade networks in various parts of the globe”, is that Europeans, “organized the major commercial ventures either as an extension of the state…or as autonomous trading companies…which were endowed with many of the characteristics of a state”, and were supported by the centralized power of the home country.51 It is instructive that these observations carry great relevance to the current moment; the extent to which state power (military, diplomatic, political, economic) supports private exploits has never been so excessive. Europe in this context includes the US and Canada.

The Backyard of the US

Having devoted ourselves to an inadequate summary on Latin America and the Caribbean’s tortured colonial and neocolonial history, worth discovering in far greater detail but falling outside the scope of this report, we will cover a few isolated cases of US involvement in Latin America through the 19th and early 20th century. It begins with the establishment of the Monroe Doctrine of 1823, which marked the proclamation of US dominance and hegemony over the entire hemisphere.52 James Monroe was declaring that the US would no longer tolerate challenges to its control over the New World, and in exchange the US would stay out of European wars and the affairs of the Old World. As a fledging nation, the reach of US power was limited in the 1800s. But in the early 1900s, particularly under Woodrow Wilson’s presidency, the US left the Caribbean in ruins, and a terrible legacy remains today.

Termed the Banana Wars – a series of occupations and interventions in Latin America and the Caribbean that followed the Spanish-American War of 1898 (the US kicked Spain out of four of its former colonial outposts: Cuba, the Phillipines, Puerto Rico and Guam) – the US sought to maintain its sphere of influence over the region by force, acting in the interests of most notably the United Fruit Company, which had financial stakes in the production of bananas, tobacco and sugar cane. In just eight months, Cuba saw US military intervention, the defeat of Spain, actions by the US forces against the Cuban independence army and the imposition of a transitional government - a US

50 Henry Veltmeyer and James Petras, Multinationals on Trial: Foreign Investment Matter (Burlington, VT: Ashgate, 2007), 20.
military “governorship”. On December 10th, 1898, the Treaty of Paris was signed; the US forced Spain to hand over the island to their military occupation treating Cuba as a conquered country. Cuban representatives were excluded from the negotiations and proceedings. The Cuban people bitterly opposed their recolonization by the US. General Máximo Gómez, one of the founders of Cuban independence, wrote in his campaign diary:

The Americans’ military occupation is too high a price to pay for their spontaneous intervention in the war we waged against Spain for freedom and independence. The American government’s attitude toward the heroic Cuban people at this history making time is, in my opinion, one of big business. This situation is dangerous for the country, mortifying the public spirit and hindering organisation in all the branches that, from the outset, should provide solid foundations for the future republic, when everything was entirely the work of all the inhabitants of the island, without distinction of nationality...Cuba cannot have true moral peace...under the transitional government. This transitional government was imposed by force by a foreign power and, therefore, is illegitimate and incompatible with the principles that the entire country has been upholding for so long and in the defence of which its sons have given their lives and all of its wealth has been consumed. The situation that has been created for this people – one of material poverty and of grief because their sovereignty has been curbed – is ever more distressing. It is possible that, by the time this strange situation ends, the Americans will have snuffed out even the last sparks of goodwill.53

Looking ahead a few years, in 1912, US President William Howard Taft said: “The day is not far distant when three Stars and Stripes at three equidistant points will mark our territory; one at the North Pole, another at the Panama Canal, and the third at the South Pole. The whole hemisphere will be ours in fact as, by virtue of our superiority of race, it already is ours morally.”54 Therefore the US had the unequivocal right to claim sovereignty over what is now called the Panama Canal Zone, having provoked and supported a staged revolution in 1903 of Panama against Columbia (Panama was a province of Columbia following Columbia’s independence from Spain) from Panama City. The first attempt at building a canal was abandoned by the French in 1880.55 Twenty one thousand nine hundred lives were expended, mostly to yellow fever, malaria and lives were lost to landslides. After Panama’s secession from Columbia, construction of the Panama Canal was renewed and the US incurred 5600 deaths of canal workers.56 The hemispheric gateway eventually opened in 1914 giving the US a strategic stronghold over international trade.

In 1908, the US helped to support a military coup d'etat in Venezuela launched by Juan Vicente Gomez. The petroleum industry of the oil-rich region of Zulia was upping its production. In sympathizing with Germany as The First World War progressed, Gomez incensed the Wilsonian administration that took

56 Ibid.
office in 1912; Washington began considering another overthrow as well as supporting secessionist movements in Zulia. Gomez eventually caught wind of US plans to support secession, and looking to consolidate power he appointed a newer and tougher state governor of the Zulia region. The US eventually succeeded in driving out the British enemy (who had their own plans of fomenting a revolution in Zulia) from Venezuela, and by 1928, Venezuela had become the world’s leading oil exporter, with US oil companies in charge. By the time of his death in 1935, Gomez was by far the richest man in the country.

The year 1915 was marked by a marine invasion and subsequent military occupation of Haiti, lasting nineteen years. Historian Roger Gaillard estimated the total deaths at 15,000 over the period of Wilson’s occupation. A New York business daily described Haiti in 1926 as “a marvelous opportunity for American investment”: “The run-of-the-mill Haitian is handy, easily directed, and gives a hard day’s labour for 20 cents, while in Panama the same day’s work costs $3.” The pretext for the invasion (expressly designed to restore what is now called “stability” and “security” to the island) was to “protect American lives and property” after the acting president Guillaume Sam executed 167 political prisoners. The killings provoked mob violence in the streets, and Sam was sought out at the French embassy and brutally killed.

For Canadians, it is easy to criticize our neighboring superpower for its record of misdeeds and foreign intervention. State doctrine instructs us do so: we are to pay scrupulous attention to the crimes of others, while paying no attention to our own crimes. Canada’s intellectual culture supports this notion: our intentions are benevolent so there is no point to looking at the unsightly details. What proves difficult is carefully looking in the mirror and taking responsibility for the consequences of our own actions. As a descendant of Britain, it should be unsurprising that Canada, like the US, sought to build its own empire in Latin America and the Caribbean.

**Canadian Imperialism in Latin America**

In the conquest of Latin America, Canadian statesmen and entrepreneurs followed the lead of their British antecedents, looking abroad for profit. Christopher Armstrong and H.V. Nelles write: “Before US capital penetrated [urban public utilities], Canadian businessmen developed an internationally recognized specialization in the finance and operation of utilities – tramway, telephone, lights, power, gas, and hydroelectricity companies – in Latin America.” Canada was able to use its British imperial connections to “take

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61 Ibid, 206.
62 Ibid, 201.
advantage of the prevailing system". Shortly after 1910, 75% of Mexico’s tramways were in the hands of Canadian investors. Like most literature on Canadian foreign policy, even raising the question as to whether Canadian companies have the right to decide how Latin American societies are to be organized is unthinkable. Instead, the aforementioned authors of *Southern Exposure* focus on “the problems of promotion, organization, and international finance [of Canadian companies]”. One of the primary aims stated in the introduction was to express to the reader “a sense of [the Canadian investors’] style and ambition”. It is hardly a principled critique.

Prime Minister Borden expressed in the 1920s how he wanted Canada to “build an empire in southern Mexico and Central America”. By then, the Bank of Montreal had already laid some of the groundwork. Canada was very concerned about the Mexican Revolution of 1910. The upheaval was the population’s reaction to foreign economic domination under the dictator Porfirio Diaz. Diaz gave electricity concessions to Montreal-based Mexican Light and Power Company, owned by The Bank of Montreal, to supply Mexico City. The Revolution greatly concerned both American and Canadian investors. Canadian investors began calling for British intervention to protect their property. When Britain refused, Canadian-owned Monterey Tramways, Light and Power Company, the Bank of Montreal and the Bank of Commerce appealed to Washington. Eventually, Canada took matters into its own hands: the first recorded instance of Canadian gunboat diplomacy, according to military historian Sean Maloney, was during the Mexican Revolution. Ottawa dispatched the Athabascan destroyer first to the Pacific port city of Mazalatan, then further south a year later to Manzanillo.

El Salvador’s “Red Revolt” of 1932, portrayed as a communist uprising by Canadian newspapers, was jeopardizing the safety of British banks, railways and other British lives and property. The Vancouver Sun’s front headline read “El Salvador alive with Red Revolt. Canadian destroyers from British Columbia to the rescue.” Ottawa was worried that the rebel groups opposing the military junta would target Canadian-owned utility company, International Power. Canadian troops landed on the Atlantic coast. Canada’s navy “strengthened the President’s hand considerably”, explained Canadian commander Victor Brodeur: “[Hernandez Martinez] immediately started sending troops out of town”. “The two-ship convoy would standby and observe one of the worst massacres of

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64 Ibid.
65 Ibid.
66 Ibid, xvi.
67 Ibid.
68 Ibid, 72.
69 Ann L. Griffiths, Peter T. Haydon and Richard H. Gimblett, *Canadian Gunboat Diplomacy: The Canadian Navy and Foreign Policy*, (Halifax, NS: Center for Foreign Policy studies Dalhousie University, 2000), 30/84.
71 Ibid, 90.
72 Ibid, 90.
civilians in the history of the Americas.”  

Estimated at 300,000 deaths, the violent repression included mass extermination of rural Indigenous peasants. During this time, International Power lent the regime’s leader Martinez to pay his troops back pay.

Known as “the Canadian octopus” for having its tentacles in nearly every sector of the Brazilian economy (property, energy, banks, mining and more), Brascan (formerly Brazilian Traction, and since renamed again as Brookfield Asset Management in 2005) was Canada’s largest foreign investment in the first half of the 20th century. “More than $200 million was taken out of [Brazil] and sent to Canada” from 1918 to 1952. Well connected in Ottawa, Brascan was able to build public support, and was the first company in Latin America to be awarded financing from the World Bank, being given $75 million in 1949. In the late 1960s CIDA was “pumping millions into Brazil for…hydroelectric power…the foreign aid money goes formally to the Brazilian government, which is responsible for the generation of electric power, but the transmission and distribution of electric energy in the industrial regions of Brazil is the responsibility of Brazilian Traction, which is therefore the ultimate beneficiary of that government ‘aid’.” Brascan actively supported Brazil’s right wing: Antonio Gallotti, a top Brascan operations executive, was previously the secretary for international affairs in the Brazilian fascist party, Acao Integralista.

Gallotti fought hard against the nationalist policies of the Kubischek government (1955-1960), as well as those of the Gouart government (1960-1964), and he did not attempt to conceal his participation in the events that led to the 1964 Gouart coup, installing Humberto Castello Branco. According to the US, the Gouart government (just like the governments of El Salvador, Guatemala, Nicaragua and many others) was “infiltrated by extremists, many of whom were Communist inspired and directed.” The coup proved to be good for business: “The price of Brazilian Traction common shares almost doubled overnight with the change of government from an April 1 low of $1.95 to an April 3 high of $3.06.” “Between 1965 and 1974, Brascan drained Brazil of another $342 million (out of total Brazilian profits of $648 million).

Yves Engler describes Canada’s relationship with Latin America in The Black Book of Canadian Foreign Policy (one of the few comprehensive, critical works on Canadian foreign policy), as “a sort of ‘branch plant’ neo-colonialism, integrated with the US in some respects and yet sometimes quite independent.” “In many cases, Canada is not a junior partner, but owns key sectors of foreign

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73 Peter McFarlane (Ed), Northern Shadows: Canadians and Central America, (Toronto, ON: Between the Lines, 1989), 48.
75 Ibid.
76 Ibid, 97.
77 Ibid, 98.
78 Ibid.
79 Ibid.
80 Ibid.
81 Ibid, 71.
economies, acting independently in the region, sometimes competing with U.S. interests." The standard image portrayed in media and scholarship is that Canada is investing overseas and helping other nations, but most Canadians do not understand the extent to which Canada goes out of its way to support undemocratic regimes to protect its investments.

The following case studies illustrate how Canadian mining corporations continue to act with reckless disregard for human rights. Furthermore, they illustrate Western contempt for the fundamental right of self-determination. There exists a cultural arrogance of mostly privileged and educated people, and stems from the attitude and belief that we are Indigenous wherever we go. We thus hold a divine right to access and control foreign resources, and will bring the gift of prosperity to developing nations. It is an appealing story, but this narrative is a vulgar contradiction to reality.

The principle of self-determination was placed into the framework of international law by the ratification of the United Nations Charter in 1945 with the purpose “To develop friendly relations among nations based on respect for the principle of equal rights and self-determination of peoples, and to take other appropriate measures to strengthen universal peace.” The right of self-determination reads: “All peoples have the right of self-determination. By virtue of that right they freely determine their political status and freely pursue their economic, social and cultural development.” As a signatory to the Charter, Canada is bound by its articles, and a refusal to adhere to them constitutes a breach of international law.

Guatemala:

Perhaps the most explicit case-study exposing Canada’s role in Latin America is the case of Guatemala. Following the Second World War, a CIA sponsored coup in 1954 installed a dictator, overthrowing the populist president Jacobo Arbenz. Arbenz began land reforms when he took office, but the United Fruit Company was affected, and presumably sought the assistance of the US government to intervene. US media propaganda projected Arbenz’s regime as communist giving grounds for intervention in Guatemala. Castillo Armas, backed by US arms and capital, invaded from Honduras in June, 1954. Once in power, Armas began dismantling many of the beneficial social reforms that had been instituted under Arbenz’s rule.

A civil war ensued in the 1960s. The fighting took place between armed guerilla groups and the American armed and trained Guatemalan military. Needless to say, the guerillas were no match for the military. The human cost of the civil war amounted to 200 000 people, either killed or missing, and nearly a
million displaced.\textsuperscript{86} 85\% of the killings were committed by the Guatemalan army, and featured the massacring of Indigenous villages (Guatemala is a largely Indigenous country and a large majority indentify themselves as Indigenous).\textsuperscript{87} After coming to these figures in an exhaustive report released in 1998, the influential Bishop Juan Jose Gerardi was beaten to death outside of his home. He spent his last three years gathering testimonial evidence from over 600 people across the country that were affected by the civil war. In 1999, The United Nations-sponsored Commission on Historical Clarification release its report, \textit{Guatemala: Memories of Silence}, and found that the state was responsible for 93\% of the human rights violations that occurred during the civil war, and that the state had “committed acts of genocide against groups of the Maya people.”\textsuperscript{88}

During the civil war Canada's INCO opened a nickel mine. In 1966, INCO's US subsidiary, Exmibal, was granted a forty-year concession by the Guatemalan government in El Estor region.\textsuperscript{89} There was strong Indigenous opposition at the time and public protests followed. A group of professors from the School of Economic Sciences at the University of San Carlos, Guatemala City concluded in an established commission that Exmibal would “simply strip Guatemala of its riches”.\textsuperscript{90} The army even occupied the university to quell dissent from the intellectual community. Shortly after the release of the commission's report, two members of the committee were assassinated by state death squads.\textsuperscript{91} The acting president, Carlos Arana Osorio, also responded to the outcry by suspending constitutional rights, such as the right of assembly and began arresting large numbers of people.

The Canadian public did not take notice of INCO's involvement and Exmibal's association with the assassinations until a decade later when Export Development Canada loaned the company $20 million while cutting jobs in Canada.\textsuperscript{92} The years that followed the opening of the mine in 1979 were particularly vicious. In 1982 there were one hundred and ninety two massacres under the dictator Rios Montt.\textsuperscript{93} Despite condemning the violence, the Canadian government was in negotiations to sell military planes to the Guatemalan air force that were known to use the planes for shooting at Indigenous villages.\textsuperscript{94} Massacres of Indigenous villagers continued well into the 1990s. Throughout the 1980s, Canadian manufactured arms made their way into the hands of the

\textsuperscript{88} Ibid, 108.
\textsuperscript{89} Ibid, 105.
\textsuperscript{90} Ibid.
\textsuperscript{91} Ibid.
\textsuperscript{92} Ibid, 106.
\textsuperscript{93} Jonathan Lemco, “Canadian Foreign Policy Interests in Central America: Some Current Issues”, (Journal of Inter-American Studies and World Affairs, 1986, 28;2) 119.
\textsuperscript{94} Ibid.
Guatemalan regime. Ottawa even approved sales of military technology on a couple of occasions.  

In 1985, a civilian president was elected establishing a fragile democracy, but the military still retained much of its power. In 1996, the government signed a Peace Accord with the guerillas requiring reform over a range of issues. Particularly significant was the Agreement on the Identity and Rights of Indigenous Peoples, creating a formal basis for Indigenous people to make claims upon the state. However, promises of constitutional reforms that would provide greater recognition for Indigenous communities never became a reality.

The struggle for the Indigenous Mayans continues to the current moment. Under the controversial property rights granted under the 1960s dictatorship, Canadian mining company Skye Resources sought the evictions of six Indigenous Mayan groups, forcing them from their lands in November 2006 and January 2007. A report by Mining Watch Canada rebukes Skye’s claims that the issue was addressed in democratic fashion:

Skye Resources has repeatedly claimed that the company has carried out "extensive consultation activities" and that the project has a "very high level" of community support. However, ever since Skye has resuscitated the project, local Indigenous residents have denounced the fact that no consultations ever took place, in violation of International Labour Organization’s Convention 169 on the rights of Indigenous and tribal peoples, to which Guatemala is a signatory. The ILO itself accepted a petition regarding the total lack of consultations, filed in 2005 by a Guatemalan workers’ confederation.

State security forces are once again being employed against the local Mayan population. And whether Canadians like it or not, they are all contributors to the conflict with the Canadian Pension Plan having invested $8 million into Skye Resources. Skye Resources was created specifically because the 40-year concession granted to Exmibal was approaching expiry, and although Skye claims to have no ties to Exmibal and INCO, INCO owns 9% of Skye, and Skye Resources CEO Ian Austin is a former executive of INCO.

The Canadian ambassador to Guatemala, Kenneth Cook, has actively spread misinformation over a video that captures the forced evictions of a Mayan Q’eqchi’ community near the town of El Estor. Cook stated that the photographs taken in the video were from older incidents dating as far back as the civil war, and that the Indigenous woman railing against the injustice of the evictions was actually an actress from El Estor hired by a CIDA-funded Canadian doctorate student Steven Schnoor who took the video. The photographs from the video were all taken by Schnoor’s photographer James Rodriguez on January 8th and 9th, 2007, and in an open letter Rodriguez, Schnoor and others who were present

95 Liisa North and CAPA, Between War and Peace in Central America, (Toronto, ON: Between the Lines), 139.
97 Ibid.
98 Ibid.
at the time of recording asked the Canadian government for an apology and inquiry into the matter.\textsuperscript{99}

Near the time of the Bishop Gerardi’s brutal killing, the subsidiary of Canadian mining corporation Glamis Gold, Montana Exploradora, opened the Marlin Mine that has been plagued with controversy from the outset. After receiving a 25-year exploration license for the areas of San Miguel Ixtahuacan and Sipacapa, Glamis was awarded a $45 million loan from the World Bank. In December 2004, an Indigenous group 150 kilometers away from the mine site began a 42-day blockade of Glamis trucks passing through their community on the way to the Marlin Mine. On January 11, 2005, more than 1,200 soldiers and 400 police agents began firing at the unarmed protesters killing an Indigenous farmer, Raúl Castro Bocel, and injuring twenty others. A 3,000-person protest in San Marcos was organized by Catholic Bishop Álvaro Ramazzini a few weeks later at the mine site.\textsuperscript{100} Ramazzini received death threats and was put under government protection.

On January 24, 2005 the Consulta de Buena Fe (consulta) was established providing an opportunity for residents of Sipacapa who were over the age of 18 to participate in a referendum that asked the Sipakapanese to pronounce whether they were in favour of or against the mining activity.\textsuperscript{101} The consulta was backed by the International Labour Organizations’ Convention 169, which affirms the right of Indigenous communities to be consulted in good faith before industrial activity take place on their lands.\textsuperscript{102} Five days before the vote, Glamis sought a court injunction to stop the referendum. The injunction was granted, but the consulta took place notwithstanding this and other attempts to derail it. The Ministry of Energy and Mines then appealed directly to the Constitutional Court which did not issue an injunction.\textsuperscript{103} The vote took place simultaneously in ten rural communities and in the town of Sicapa itself at three different locations. 2426 persons voted against the mining, 35 persons voted for and 32 abstained. 98.5% of the participating population rejected the mining.\textsuperscript{104} Amidst constant threats of violence and repression, the Sipakapanese showed courage in their democratic participation, rallying against the injustice.

Competition for and access to raw resources continues to be fueled by powerful corporations, and Guatemala’s painful history shows us that these are not isolated incidents. Corporations like Glamis usually make efforts to improve their image by, for example, contributing money to much needed community projects, but these measures generally function to divert attention from the crimes that they have committed. Canadians should know that Export

\textsuperscript{101} Ibid.
\textsuperscript{102} Mining Watch Canada, “Goldcorp Analysis”, September, 2007, 15.
\textsuperscript{103} Ibid.
Development Canada and the Canadian Pension Plan are accessories to many of these crimes and should not have to undertake research projects to find out that this is happening.

**Colombia:**

Colombia is “without doubt the greatest human and labour rights tragedy in the hemisphere”. Colombia has been the leading recipient for US arms and training throughout the 1990s. Noam Chomsky points out that this correlation is one of the best and most important correlations in contemporary history of the United States: “For decades there has been a close correlation between US military aid and torture, terror and massacre.” Throughout the 1990s “more than 35,000 Colombians have been murdered in politically-motivated violence” and an estimated “three million people have been displaced in the 21st century…two million of whom were displaced from mining regions.”

Colombia leads the hemisphere – and nearly the world, next to Sudan and Afghanistan - for internally displaced people, with the average rate of displacement over this decade higher than the displacement rate in Rwanda at the peak of the 1994 genocide.

However, it’s business as usual for Canada. The resistance to the Canada-Colombia Free Trade Agreement at home and abroad stems from Columbia’s atrocious record. Canada’s mining companies stand to benefit from the CCFTA, which is “less about free trade than it is about investor rights, specifically the right of foreign investors to preferential treatment in the domestic economy.”

CIDA funded the rewriting of Columbia’s 2001 mining code which allows foreign capital to freely enter Indigenous territory. Clinton’s Plan Colombia endorsed this right, as well as “private sector control over natural resources, even if this means the forcible removal of the existing population from certain areas of the countryside”.

Western media portrays Colombia’s problems as a result of two problems: the drug trade and guerilla insurgent movements. Like any piece of effective propaganda, there are elements of truth to this assessment, but it serves to mask others. For one, 80-85% of the violence can be attributed to the Colombian military and paramilitary. For another, peasants unable to compete with the

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106 Noam Chomsky, “US Intervention in Colombia”, available online: chomsky.info
109 Ibid.
110 Ibid.
111 Ibid.
113 Asad Ismi, "Profiting From Repression: Canadian Investment In and Trade With Colombia". America’s Update, November 2000.
low prices of highly subsidized agro-export from the US are forced into drug production. They are seeking stable markets, and as a commodity, cocoa is guaranteed to bring a return. The effects of cheap staple foods made by US corporations flooding foreign markets in Latin America and other parts of the world have been disastrous. It has had the effect of forcing millions of peasants into slums and marginal areas, and in the case of Colombia, many peasants were violently expelled from the lands they inhabited.

In combating the “war on drugs”, it has been shown that the most effective way to deal with drugs is through prevention, treatment and elimination of the socioeconomic conditions that lead to it. The RAND Drug Policy Research Center report of 2001 called “The Limits of Supply-Side Drug Control” did a cost-effectiveness analysis of various drug strategies to combat and curb drug use and came to these conclusions. But this strategy conflicts with corporate interests and violates the prescribed image; it exposes the US as being unconcerned about the drug trade. Instead, the Revolutionary Armed Forces of Colombia (FARC) narco-guerillas, as they are described in the Western press, are to blame. The very notion that the US is fighting a drug war cannot be taken seriously judging by US actions and their predictable outcomes.

While there is some truth to the term narco-guerilla (the FARC tax cocoa production in areas under their control) it is no secret that the Columbian military, paramilitary, government and land owners are “all in bed together”. “Narcotrafficking is pervasive at every level of government in Colombia, including the military and paramilitary.” To quell dissent, the military and paramilitary target institutions of civil society and Columbian citizens that demand social justice. The Canadian Council for International Cooperation Report, 'Making a Bad Situation Worse', reports that:

…46 Colombian unionists were killed in 2008, and 39 in 2007. These unionists were assassinated by paramilitaries that are organized, trained, and run by the military and have been found to work directly for politicians to ‘cleanse’ territories of Indigenous and peasant populations and worker's unions. These are not speculative accusations or claims. The evidence for them has been documented by human rights organizations for decades, but in recent years it has also come out in courts of law, the Colombian media, and the international media.

A Canadian trade union and church delegation that traveled across Colombia in October 1997 found whomever they spoke with, to varying degrees of expression, would point out that the primary reason they face violence or the threat of violence was because of “the desire of foreign capital to control and

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114 Noam Chomsky, “On The War on Drugs” (interview by Week Online), DRCNet, February 8th, 2002.
115 Ibid.
117 Noam Chomsky, “US Intervention in Columbia”, available online: chomsky.info
exploit Colombia's vast resources”. It should be of grave concern to Canadians that the CCFTA is near its implementation. The current crisis foreshadows Canadian Trade Minister Sergio Marchi's conclusion in June 1999 with his address at a luncheon between Colombian and Canadian minister and corporate representatives. The meeting was set up by the Canadian Council for the Americas which is a business lobby that promotes Canadian investment and trade in the Americas. He finished his address by saying “...the full potential of Canadian-Colombian relations is still in front of us. There is no time to lose.”

Looking to drum up domestic support for the CCFTA after visiting Colombia in 2008, Prime Minister Steven Harper lauded Uribe: “President Uribe and his government have made tremendous progress against the vicious cycle of conflict, violence and under-development that has plagued Colombia for decades.” This campaign of misinformation was also led by Canada's Trade Minister, David Emerson: “Unless we were presented with overwhelming and solid evidence that the government is somehow behind some of the killings of labour leaders, I just don't think it's right to simply ... hold them back and to penalize them when they're trying very hard to make progress.” According to the Colombian Commission of Jurists, the rate of paramilitary murders each year is between 800-900 people since 2003 when the Uribe government claimed to be addressing the problem.

Canada is also involved in arms production for the Colombian military:

At least forty-five helicopters have been sold from Canada by the military and private companies – thirty-three by the Department of National Defence (DND) – to the Colombian military since 1995. DND sold the Bell CH135 choppers to the U.S. State Department, which retrofitted them with machine guns and sent them to Colombia. DND knew where the helicopters were headed when it made the sale. Even though the Canadian government requires export permits for military hardware and says it's opposed to the sale of weapons to countries in conflict and with a record of human rights abuses, no export permit was required for DND's sale because the helicopters were originally sold to the USA. Another Canadian company, Vector Aerospace, was contracted in 2001 by the Colombian military for helicopter maintenance and servicing.

Canadian mining corporations have 16 mining properties in Colombia all at different stages of exploration. Conquistador Mines Ltd. has been exploring gold deposits in the southern province of Bolivar, where “guerrillas and paramilitaries have battled for sympathies of local residents”. Human rights groups argue that “massacres carried out by paramilitaries have sown terror among peasants and miners who are opposed to foreign firms’ activities”.

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120 Ibid.
122 Ibid.
123 Ibid.
124 Ibid.
126 Ibid.
1998 a mining executive from Greystar Resources was held captive by the FARC for 94 days souring the investment climate. But with the new mining code providing further advantage to corporations being adopted a few years later, interest reawakened. Greystar renewed exploration in 2003, and by May 2008 had eight drill rigs in operation.\(^\text{127}\)

Uribe’s door is wide open to foreign investors and Harper seems to be very happy that “the syndrome of economic nationalism, political authoritarianism and class warfare” has not afflicted Colombia like Venezuela and other Latin American countries.\(^\text{128}\) In July 2007, after returning from a visit to Colombia, Harper continued his commentary: “When we see a country like Colombia that has decided it has to address its social, political and economic problems in an integrated manner, that wants to embrace economic freedom, that wants to embrace political democracy and human rights and social development, then we say, ‘We’re there to encourage you and we’re there to help you’.”\(^\text{129}\) In other words, Canada will happily provide diplomatic support and even sell Colombia the weaponry it needs to kill trade unionists and peasant leaders. One can presume that Colombia will continue to “embrace” its commitment to “political democracy and human rights” as long as foreign corporations can have their way.

**Bill C-300:**

Representing the best chance for the regulation of Canadian mining companies and their activities abroad is a recent private member’s bill - Bill C-300, An Act Respecting Corporate Accountability for the Activities of Mining, Oil or Gas Corporations in Developing Countries - proposed to Canadian Parliament on February 9, 2009. Bill C-300 reflects the recommendations from the March 2007 Final Report of the Corporate Social Responsibility (CSR) Roundtables, remedying the inadequate response of the Canadian government to the same report. Under C-300, complaints about Canadian resource companies can be taken directly to the federal government, regardless of what foreign country they are working in. If the complaint is accepted, an investigation would begin that would need to be completed within eight months. If the company is found to be guilty of environmental or human rights abuses, it would be ineligible for financing from Export Development Canada (EDC) or the Canada Pension Plan Investment Board (CPP).

It took nearly two years for the Department of Foreign Affairs and International Trade (DFAIT) to respond to the recommendations of the report by the CSR Roundtable; the response contained “no effective complaints mechanism and no possibility of sanctions for companies not complying with

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\(^{127}\) Todd Gordon and Jeffery Webber, "Imperialism and Resistance: Canadian Mining Companies in Latin America", Third World Quarterly, 29 (1), 2009, 80.


Bill C-300 has garnered limited attention in Canadian newspapers and in many instances the media’s response to the proposed legislation has been negative. A search of the Canadian Newstand database under the term ‘C-300’ yields two related articles from the Toronto Star totaling 545 words, and one from the Globe and Mail totaling 934 words. The Fox News of Canada – Conrad Black’s The National Post - returns three articles, all heavily distorted.

For instance, in an article titled “Mining industry wait on fate of bill; Oversight of foreign projects on the line”, Janet Whitman points the finger abroad, writing that problems stem from the corrupt governments of developing countries: “A good example [of corruption] came this summer, when three Canadian mining companies operating in Honduras woke up one morning to find that the country had undergone a military coup. They dealt with it and kept working.”

She makes no mention of the ways in which these companies actually dealt with the situation. She entirely shuts out the viewpoint of what she terms “anti-mining NGOs”, and she mentions not one of the litany of cases documenting human rights and environmental violations by Canadian companies. Whitman devotes multiple quotes to Jon Baird, president of the Prospectors and Developers Association of Canada (PDAC): "There would be so many frivolous complaints, there would be so much loss of reputation by companies, and there would be so much cost to companies to defend themselves over what are often trivial misunderstandings"; “The controls are already in place. You’d be nuts to think you can rape and pillage and ignore human rights and still have a mine”. These arguments surpass cynicism and need not be considered, having overviewed current conditions and what really got us here.

For those concerned for human rights and democracy, the tasks at home are clear enough, and the right way for Canada to proceed should begin with wide support for Bill C-300. This would, however, require an informed public. A disciplined press, reporting interpretations subservient to state power ensures that the “preconditions of a functioning democracy” will not be met; one precondition being that “the population should have some way to learn what is happening in the world.”

The corporate media decides the terms and framework of the debate, and the commonly constructed narrative allows the Canadian government to proceed at the will of its interests, with little threat of public backlash. Comparing the projected image of Latin American development with the reality is a testament to the discipline of the Canadian intellectual class,
and the dominance of the public relations industry over shaping attitudes and beliefs.

**Canada and the Honduras Coup D’Etat**

As has been shown with numerous Latin American countries, the Canadian government has a long history of supporting corrupt regimes, whether covertly or tacitly. Canada’s positioning on the recent Honduras military coup d’etat is a good example. The Conservatives do not want to see the return of Manuel Zelaya, presumably because his reinstatement would hinder the interests of three Canadian mining corporations active in Honduras: Goldcorp, Yamana Gold and Breakwater Resources. Zelaya announced in 2008 that he would make no new mining concessions, which undoubtedly raised eyebrows in foreign investment circles.

From 1996-2006 Canadian companies combined as the second biggest investors in Honduras, and are now likely involved in supporting the overthrow of a democratically elected leader.134 “The Canadian organization Rights Action has uncovered highly credible information that Vancouver-based Goldcorp”, Canada’s second largest mining corporation, “provided buses to the capital, Tegucigalpa, and cash to former employees who rallied in support of the coup.”135 Janet Whitman seemed to have missed this part.

These actions elucidate Canadian double standards and ultimately amount to a genuine contempt for democracy. Canada was the only country in the hemisphere not to have immediately called for the reinstatement of Zelaya. The media’s coverage of the coup has been muted. Work stoppages, ongoing demonstrations and blockages calling for Zelaya’s return go virtually unreported. The World Bank was instituting sanctions before Ottawa even thought about taking similar actions. But to be clear, Washington’s stance on the issue has been irresolute. Washington has overwhelming power to force the coup regime to comply, with 70% of Honduras’ exports going to the US and with billions of dollars of Honduran assets in the US that could be frozen or ceased.136 Barack Obama’s administration refused to declare that an actual coup d’etat had even taken place, and after dithering for months, only a fraction of aid was cut off to the coup regime.

**Discussion and Conclusion:**

In comparing Western rhetoric to action, an invariable contradiction arises: if the social and economic policies of a country are not favorable to foreign investment and the subsequent usurpation of its wealth and resources, democracy is despised. We love democracy, that is, if a country’s borders are

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135 Ibid.
open to investment and trade. On the other hand, one does not need to search high and low for examples of Western governments providing lavish economic and military support to brutal dictatorships, Colombia being the most striking example in Latin America. Looking to other corners of the globe we find consistency in this pattern; for example, Canada quietly supported Suharto’s massacres of East Timorese, and was heavily involved in “arming [the] genocidal force” of the Indonesian military.\textsuperscript{137} The facts are there. Whether we choose to pay attention to them is a separate matter – a choice that carries grave implications. Canada’s complicity in these atrocities and the media’s suppression of facts and evidence illustrates that the will of a foreign people is secondary to the objectives of neocolonial exploitation.

On a more encouraging note, the will of a foreign people provides us with hope; it is inspiring that after five hundred years of conquest Washington and its complicit partners are not able to achieve nearly what their predecessors were able to. Latin American countries are beginning to coalesce, and are no longer as vulnerable and isolated. Popular movements have spread across the continent, and possibilities for social reforms are ripe. The recent democratic socialist movements that have spread across Latin American countries signify a new era in Latin American development, forcing the US and its allies to adjust policy. The tides are turning.

For the first time since Spanish colonization, Latin America is moving towards a degree of independence and integration. At a meeting in December of 2006 in Cochabamba, Bolivia, the presidents and envoys of twelve Latin American countries agreed to consider the idea of a continent-wide community, similar to the European Union. The recent steps toward integration and independent nationalism have greatly bothered Washington, the North American business class and other investors; it has forced them to tolerate governments that in the past would have drawn intervention or reprisal.

Canada’s participation in imperialist exploits in Latin America is based on the assumption that foreign powers have the right to interfere in the affairs of foreign populations. This assumption is a deeply seeded imperial tradition of contempt for the 'less enlightened' states that have the audacity to chart a path of independence from the dominant state-controlled system of international capitalism. The elite and educated classes of Western imperialist states admit that we may make mistakes in the design and execution of our foreign policy, but unconsciously affirm that we are never wrong, because being wrong is inconceivable. According to Western doctrine, it is simply not possible to be wrong. We have the right to do as we see fit, and therefore there is no point in discussing the matter. It is a refusal of the most elementary moral principle; namely, that we are to apply the same standards to ourselves as we do to others. But to the well indoctrinated this point is incomprehensible when applied to these examples.

The right choices come at a potential price to Canadians, but this price is immeasurably slight compared to those in Latin America whose lives are

\textsuperscript{137} See Asad Ismi’s, “Arming a Genocidal Force” (CCPA Monitor, November, 2000) for an overview of Canadian support for Suharto.
subordinated to the whims of capital and are violently reorganized due to mining projects. Canadian citizens share in this responsibility with the enormous privileges they enjoy, afforded by the protection of rights by the Canadian state that is complicit in these crimes. Private power is at an all-time high, and the perspectives of those close to the centers of power are highly ideological. Canadian foreign policy in the Latin America will maintain its aggressive and self-interested tendencies unless sufficient public pressure amasses to threaten the power that its leaders assume. Without such efforts being made by the populations of powerful countries, the famous maxim of Thucydides will continue to apply as a general principle of international affairs: “The strong will do what they can and the weak will suffer what they must”.  

\[138\] Thucydides, *The Peloponnesian War*, Book V, Chapter 89.
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