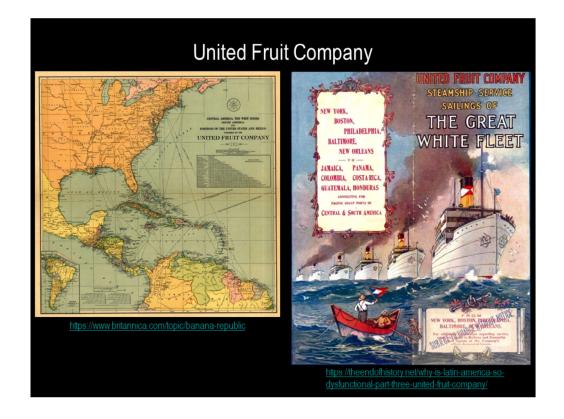


- Today, one hears people state that the U.S. is becoming a "banana republic' because they see that in the U.S. there is political instability, corruption, and what they feel is a strong government that targets political opponents.
- While those characteristics may (or may not) be on the rise in the U.S., they are certainly perceived to be rising.
- But the primary characteristic of a "banana republic" that drives all those others is not present in the U.S. at all.
- That primary characteristic, the one that drives the others and that people fail to acknowledge, is BANANAS, along with the system that accompanies them in those countries that are known as "banana republics."
- So, what was the original banana republic and how is it operating today?



- That country is Honduras.
- It has a long coastline along the Caribbean Sea.
- And it's in the tropics where bananas can grow.
- In addition to being politically unstable and corrupt, as is a traditional "banana republic," it is also a small country that is weak because of an excessive reliance on the export of one resource and on foreign funding.
- "Honduras was the original 'banana republic,' and its poverty remains extreme today," states Elliott Abrams who served in foreign policy positions for presidents Ronald Reagan, George W. Bush, and Donald Trump.



- The saga began in the late 19th century when investors started exporting bananas from Honduras to the United States, and it continued well into the 20th century.
- The map shows United Fruit Company (UFC) routes in 1909.
- The UFC was born in 1899 from the merger of fruit exporting companies in Latin America. The UFC plan was to take the inexpensive fruit of Latin America and sell that fruit to the world, particularly in the U.S. and in Europe.
- Up until then, bananas were seldom seen in the U.S., but through an effective advertising campaign, bananas became a popular fruit and the profits soared for the UFC.
- The poster advertises the Great White Fleet of steamships that were owned by UFC and painted white to reflect the hot, tropical sun and keep the bananas cool on their trip to the U.S.
- UFC controlled 90% of the banana import business in the US. They soon controlled the European market as well.
- The UFC began to increase its profits by booking passengers from the U.S. to travel throughout Central America on ships of the Great White Fleer, along with the transport of bananas to the U.S. on the return trip.



- So what was the impact on the country of Honduras?
- This slide shows some of the impacts.
- "By 1914, US banana interests owned almost 1 million acres of Honduras' best land. These holdings grew through the 1920s to such an extent that, as LaFeber asserts, Honduran peasants 'had no hope of access to their nation's good soil." <u>https://www.businessinsider.com/migrant-caravanlinked-to-us-honduras-2018-10</u>
- UFC and the dictators within Honduras (and other countries in Latin America) worked out an exchange. The dictators repressed the organizing of the labor forces locally while UFC acted as the doorway to international markets for the country's largest export.
- This even extended to UFC installing dictators. "A business partner of UFC, ... organized a private coup against the Honduran government in 1911. He and his mercenary partners [headed by Lee Christmas] put their own man in power over Honduras, who quickly gave them a tax-free concession of land [for] massive banana plantations [on this] choice land." <u>https://theendofhistory.net/why-is-latin-america-so-dysfunctional-partthree-united-fruit-company/</u>
- These dictators granted land subsidies to subsidiaries of the UFC to build

railroads that would ostensibly develop the country, but the railroads primarily served the vast tracts of the best land along the Caribbean coast that the UFC controlled.

- The local people "were not allowed on the choicest agriculture lands in Honduras as these were already granted to United Fruit. Meanwhile, a class of wealthy and powerful arose [that were] constantly paid off to maintain the company's grip on power and control." <u>https://theendofhistory.net/why-islatin-america-so-dysfunctional-part-three-united-fruit-company/</u>
- "As historian Walter LaFeber writes in *Inevitable Revolutions: The United States in Central America*, American companies 'built railroads, established their own banking systems, and bribed government officials at a dizzying pace.' As a result, the Caribbean coast 'became a foreign-controlled enclave that systematically swung the whole of Honduras into a one-crop economy whose wealth was carried off to New Orleans, New York, and later Boston.'" https://daily.jstor.org/fruit-geopeelitics-americas-banana-republics/
- And the U.S. government protected these investments. There were multiple invasions by US armed forces. In the first decades of the 20th century, in 1903, 1907, 1911, 1912, 1919, 1924, and 1925.



- The UFC was re-named Chiquita in 1984.
- The company still grows bananas in Honduras on large plantations, exports the bananas to the U.S. and Europe, retains the profits in the U.S., exerts influence on the government of Honduras, and retains control of much of the best land.
- Although aggregate GDP has risen in Honduras, the increase primarily accrues to a small upper class and most of the people live in poverty.
- Drug trafficking in Honduras became big business and the relationship between the banana company and the drug cartels continued to deepen throughout the 20th Century. In fact, more than a ton of cocaine was seized from seven Chiquita ships in 1997, and it's even said that Chiquita employees knew about the drugs.
- The UFC (and then Chiquita) used pesticides that harmed workers and the environment, chemicals that are illegal in the U.S., Canada, and Europe.
- The company has created environmental degradation through deforestation.
- In 1995, the company used the Honduran military to evict people from their own land.



- And perhaps the biggest impact is migration.
- Hondurans fleeing poverty and violence move through Mexico in the hope of reaching the United States and receiving refuge.
- The migration is often due to a profoundly unequal and exploitative relationship between the countries from which people emigrate and the countries of destination.
- US presence in Honduras and the roots of Honduran migration to the United States are closely linked <u>https://www.businessinsider.com/migrant-</u> <u>caravan-linked-to-us-honduras-2018-10</u>



• So, the next time you have bananas on your morning cereal, remember that there are many connections and peoples are linked together in the world of globalization.