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What Haiti Can Teach Us About Honduras

After Clinton backed Aristide, key Democrats went into business with the Haitian.

By MARY ANASTASIA O'GRADY

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In October 1994, President Bill Clinton used the U.S. military to force Haiti to take back former President Jean Bertrand Aristide, an intolerant populist who had been deposed in a coup three years earlier. The Haitian people didn't fare well under the decade of Aristide tyranny and corruption following that U.S. intervention. But key Democrats, who secured contracts with the Haitian government, did.

This sad chapter in U.S. foreign policy is a reminder of the immortal words of the French statesman Charles Talleyrand: "Countries don't have friends, they have interests." The Clinton administration had interests in Haiti. And that fact is worth recalling as President Barack Obama, defying all logic, insists that Castro-ally Manuel Zelaya be restored to the presidency in Honduras.

The democratically elected Aristide took office in February 1991. When the national legislature considered a no-confidence vote against his prime minister, René Préval, in August, he called on his supporters to take to the streets. The mobs set property on fire and threatened members of the opposition. The Associated Press quoted the vice president of the Chamber of Deputies saying that many representatives were "afraid to sleep in their own homes." After weeks of terror, Aristide was removed from office by the military and went into exile in Washington.

Haiti's assets in the U.S. were frozen. But then-President George H. W. Bush released them to Aristide on the grounds that he was the legitimate president. The largest source of hard currency was the income to the telephone monopoly, Haiti Teleco, from U.S. carriers terminating phone traffic in the country. In the summer of 1994 Haiti's legislature claimed it had proof that as of April 15, Aristide had drawn $49.9 million on the telephone account, which had originally contained $53 million.

Once restored to power, Aristide ruled Haiti for a decade, either as president or as the power behind the throne during the presidency of Mr. Préval. It wasn't until he was chased out of the country a second time, in 2004, that Haitians were able to document that their government had been doing business in telecommunications with Americans who were close to Mr. Clinton.

Haitians had been complaining to me since the late 1990s about the relationship between Haiti Teleco and a company called Fusion Telecommunications. They alleged that Fusion had ties to Joseph P. Kennedy II, a vociferous supporter of Aristide, and that instead of paying the official settlement rate that all U.S. carriers were supposed to pay, it was getting a special price. The company would not even acknowledge that it operated in Haiti. What I did learn at that time was that Fusion was run by former Democratic Party Finance Chairman Marvin Rosen. Mr. Kennedy was on the board. So too was Mr. Clinton's former aide, Thomas "Mack" McLarty, and former Mississippi Democratic Gov. Ray Mabus.

The U.S.-Haiti telecom route is one of the busiest in the hemisphere. But weird things happened when I tried to learn about Fusion's Haiti business.

Contracts with foreign monopolies are supposed to be public information at the Federal Communications Commission, but when I asked for the Haiti file I was told it had gone missing. The FCC asked companies for duplicate copies of contracts so it could recreate the public file. But Fusion went to court to keep me from seeing its agreement. I won that fight.

The Fusion contract shows that while the settlement rate for terminating calls to Haiti was 46 cents a minute, Fusion paid just 12 cents. When I saw the contract I immediately thought of how Haitian pleas for U.S. help during the decade of Aristide abuses went unheeded. Then I thought of Talleyrand.

The Honduran constitutional crisis is very different than the Haiti case, in that the Honduran military has never been in charge. When Mr. Zelaya was deported, the presidency was passed, as the constitution requires, to the president of Congress. Mr. Zelaya's party is still governing the country.

Yet there are important lessons from Bill Clinton's Haiti policy that hold for Honduras. One is that the U.S. is more than capable of misjudging a constitutional crisis and of backing the wrong guy. When it does, there is no guarantee it will rectify the problem.

Another lesson from Haiti is that a Caribbean despot can offer good terms to foreign investors. Since the Haiti episode Venezuela's Hugo Chávez has conducted a courtship with Democrats too. He gives Mr. Kennedy's Citizen's Energy company cut-price home-heating oil that the former Massachusetts congressman distributes to the poor in order to polish the Democrats' image. Never mind about Venezuelans suffering under chavismo.

This is something to keep in mind as the Obama administration proposes that the U.S. embargo on Cuba be modified so Americans can invest in its telecom sector. It's not clear how those contracts will be awarded. Or what one would have to do to raise the odds of being considered in the running.

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