

Brief Information About U.S. Interests in Central America

The United States has not been fussy about its Central America dictators as long as they looked out for U.S. interest; and it has not hesitated to send the Marines to the shores of Central America if those interests were substantially threatened. Under the Secretary of State Robert Olds stated the U.S. Foreign Policy clearly enough in 1927: "We do control the destinies of Central America and we do so for the simple reason that the national interest absolutely dictates such a course.... Until now Central America has always understood that governments which we recognize and support stay in power, while those we do not recognize and support fail." (Jenny Pearce, Under the Eagle, London; Latin American Bureau, 1982, page 19)

The United States, doing what was necessary to protect its national interests in Central America, kept quite a few unpopular governments and dictators in power. In 1960, the U.S. government started to modify its heavy-handed approach in Central America. President Kennedy proposed the Alliance for Progress in 1961 as a blend of development assistance program, U.S. foreign investment, and counterinsurgency training for Central America military.

Calling for the development of the region through industrialization, the U.S. government proceeded to pave a path into Central America for U.S. transnational corporations. U.S. development planners promised that this increased U.S. investment would foster the expansion of social wealth and democracy in Central America. Instead, industrialization brought on the establishment of a new bourgeoisie tied to U.S. corporations' branches and affiliates.

By 1970, little was left of the early reformist hopes of industrial development. An increasingly brutal collection of U.S. trained military dictatorships were entrusted with the job of keeping the region safe for

U.S. investors. During the middle of this period, U.S. investment in Central America changed from industrial production for the internal market to export-oriented runaway electronics and textile firms that employed cheap Central American labor to assemble capacitors and clothing for external markets. Also introduced into the region was the production of non-traditional agro-export items like flowers, frozen vegetables, processed fish, and beef. Development trends that have shaped the Central America economy originated outside the region, mainly in the corporate boardrooms of the U.S., and as a consequence have not contributed to the development of Central America.

Number of Companies by Country and by Category

	Food	Fin.	Manufact.	Min.	Chem.	Pharm.	Serv.	Agric.	Sales	Construc.	TOTAL
Belize	7	1	2	6	1	1	15	18	4	1	56
C. Rica	37	25	73	34	19	15	25	27	29	7	291
El Salv.	9	8	29	9	4	7	10	4	14	1	95
Guat.	36	22	60	31	21	34	43	40	25	12	324
Hond.	30	18	57	34	2	5	33	35	29	8	251
Nica.	16	7	16	3	10	5	6	4	15	0	82
Pana.	50	37	72	39	13	24	52	15	45	12	359
TOTAL	185	118	309	156	70	91	184	143	161	41	<u>1458</u>

Source: The Resource Center Research, Albuquerque, New Mexico

Over 300 firms with U.S. interests are doing business in Guatemala. Bank of America and Del Monte (R.J. Reynolds) are the largest U.S. interests in Guatemala. Bank of America is the largest financier of Agricultural products in the country and Del Monte is the largest U.S. landholder and agricultural producer. Also prominent in Guatemala is the Latin America Agribusiness Development Corporation (LAAD) which finance non-traditional agricultural exports such as flowers, cattle, and vegetables. Among the

largest industrial investors in Guatemala are Goodyear, Coca-Cola, Colgate Palmolive, Philip Morris, Warner Lambert, American Standard, United Brands, U.S. Steel and Weyerhaeuser. In 1980, U. S. imports increased 13.5% to \$544 million. Exports to the U.S. also rose sharply, totalling \$412 million. In 1980, there was an increase of 26.3% over 1979.

Concerning the country's investment climate, the U.S. Embassy stated: "With only a few exceptions, the industrial, commercial, and agricultural sectors are open to foreign investors on a 100% equity basis. The new exchange controls permit full repatriation of earnings and payment for all imports without exception." ("Guatemala", Foreign Economic Trends, August 1981, page 9).

	Guat.	Nica.	El Salv.	C. Rica	Pana.	Hond.	Belize
BankAmerica	*	*	*	*	*	*	
Borden	*	*		*	*		
Castle & Cooke		*		*	*	*	*
Chase Manhattan			*	*	*	*	*
Citicorp	*	*	*	*	*	*	
Coca Cola	*	*	*	*	*		
Colgate Palmolive	*			*	*	*	
Exxon	*	*	*	*	*	*	
Goodyear	*		*	*	*		
Nabisco (Standard Brands)	*	*	*	*	*		
Pepsico	*			*	*		
R J Reynolds	*			*	*	*	
Standard Oil of California	*	*	*	*	*	*	
Texaco	*	*	*	*	*	*	
United Brands	*	*		*	*	*	

Source: The Research Center Research, Albuquerque, New Mexico
 (CDE Stock Ownership Fortune 500 Directory 1981: for stock ownership information)