Why does the United States government pursue the policy it does in Central America? What is this policy? In this article James Levy argues that it is ideology which informs present United States government policy in Central America, dominating 'objective' considerations such as U.S. economic investment in the area.

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In this brief article, two questions are addressed: why does the United States government pursue the policy it does in Central America? What is the policy? If this seems to put the cart before the horse, I acknowledge the point. Behind my reasoning lies a central premise: that the fundamental sources of the US government's foreign policy reside within domestic economic, social and political conditions and not primarily in what other countries might do. This is not a novel position; in fact, it is the premise of an excellent article on US policy by Laurence Whitehead.

The US society and its government have been profoundly shaped by the acquisition and protection of an overseas empire, a process which, in historical terms, has been relatively short, dating from roughly the turn of the twentieth century. It is possible, of course, to argue that imperialism has been the central fact of American history form the moment when the first settlers began to wrest land from the native populations. Indeed, not only the Indians, but also the French, the Spanish and the Mexicans retreated from the irrepressible "Manifest Destiny" of westward expansion to the Pacific Ocean. As a result of its victory over Spain in 1898, the United States actually acquired overseas territories including Puerto Rico and the Philippines while, simultaneously, it began to wrest an informal empire through the export of capital and the dominance of markets. Unwilling to acknowledge possession of its overseas empire, and refusing outright to accept responsibility for its territorial administration except in a very few areas, the US government and its citizens nevertheless adjusted to the imperatives of empire: not only did they formulate appropriate institutions (an army, navy and airforce; the Department of State, etc.), but also they forged an ideology of imperialism which enabled them to believe that their government's foreign policy conformed to the ideals of political democracy, social equality and economic progress.

The history of US expansion reveals a complex process in which such diverse interests as plantation owners, gold prospectors, impoverished dirt farmers, traders, financiers, and industrialists played a part. It was not a conspiracy planned on Wall street or in Washington, although both capital and its political servants contributed decisively to the process. And lest we forget that this expansion reflected domestic pressures, let us remember, for example, that the US experienced a "Red Scare" in 1919 every bit as hysterical as that of the late 1940s and early 1950s. The requirements of social order and imperial responsibility during the early stages of expansion did much to cause what William Appleman Williams called "The Great Evasion" — the refusal of the people of the US to confront Marx (and to acknowledge possession of an empire). But the acquisition itself of Empire was a result of powerful domestic sectors including agricultural interests which played a particularly prominent role in the process.

Far more obvious are the sources of...
US expansion and adjustments to it in the period since 1945. Within the brief period of just forty years, the US developed and consolidated the necessary structures for the imperial society: a highly centralised bureaucracy, a vast military establishment, an enormously productive but badly distorted economy, and an ideology which does not merely legitimise imperialism among the masses of US citizens, but also justifies further expansion and mobilises the people for its many arduous tasks. The “Cold War” acted as the catalyst for these processes and to list some of the main events is to recall the enormous impact it has had on all of us: the redemption of Greece, George Kennan’s containment of the USSR (1946), the loss of China in 1949, the Korean War, McCarthyism, and more directly related to our present concern, the liberation of Guatemala in 1954 and the loss of Cuba in 1959. Although the Cold War and US expansion were planned, directed, and conducted by representatives predominantly of monopoly and finance capital located on the eastern seaboard of the United States, soon new interests developed in other parts of the country in direct response to these policies, particularly in the south, south-west and far west.

Perhaps the most dramatic economic consequence of the Cold War has been the growth of the “defence” budget and with it, the industries directly and indirectly related to the military. From $US50 billion at the time of the Korean War, to a proposed $US305 billion this year, the “defence” budget of the US has now dominated all other priorities save “health, education and welfare”. The Reagan Administration, on coming to power, planned a six-year program to increase the military budget by 67 percent before inflation. The economic consequences of all this defy meaning — numbers simply will not do to explain. But lest we attempt to divorce the heady rhetoric of national security from hard business imperatives, in this expansion of military spending, let Newsweek set us straight: the top managers of the Pentagon “must find ways to reinvigorate the nation’s defence industry, whose productive capacity has dwindled dangerously during the post-Vietnam era’s uncertain budgeting.” Apparently, more than 2,000 aerospace contractors left the field between 1968 and 1976; some 240 forging foundries closed; the recession in the defence industries caused layoffs to the extent that Los Angeles alone is now short 30,000 aerospace and electrical engineers, nor are there enough welders and pipe fitters for the shipbuilders. Despite warnings that spending on this scale will cause inflation, increase budget deficits, keep interest rates high and thus threaten the world’s precarious economic order, Reagan and the Pentagon press on in the style of true grit. Why? Because this economic recovery — and there is one — will be defence-led and deficit financed (Keynes would appreciate the irony).

In effect, Reagan is responding to his constituency — broadly the states of the south, south-west and far west where, since the second world war, the US military-industrial resides and, with it, increasing numbers of people. The two facts are closely related. Between 1960 and 1967 the top ten military contractors were Lockheed Aircraft, General Dynamics, McDonnell-Douglas, Boeing, General Electric, North American-Rockwell, United Aircraft, American Telephone and Telegraph, Martin-Marietta and Sperry-Rand. Overwhelmingly, these corporations are located within what is now the Reagan constituency. The strong economic and political link between the military-industrial complex and its geographical base is clear in the Department of Defense where many of the top managers come from California where they worked for defence contractors. Capital and people flow liquid-like towards the southern and western periphery of the United States. Now, Los Angeles has replaced Chicago as the nation’s second largest city; Houston pushed Philadelphia from fourth to fifth place; Baltimore dropped from tenth to twelfth place as San Antonio and Honolulu grew. Death in the northeast (Brazilianists will appreciate the irony) is widely acknowledged while politicians as diverse in their views as Ronald Reagan and Jesse Jackson apply a “southern strategy”. Indeed, the locus of United States domestic political influence and economic

A US army adviser in El Salvador instructing a local soldier in the use of the M60 machine gun.
power is shifting with the result that the last four elected presidents represented California (Nixon and Reagan), Texas (Johnson) and Georgia (Carter).

This fundamental change in the location of power and influence is occurring in areas — especially the south and south-west — known for racism, religious fundamentalism, populism, patriotism and distrust of the city. The old Democratic "solid south" has been remarkably receptive to Reagan's "new right". Indeed, the importance of ideology, combined with the economic and political changes, cannot be underestimated. I will go further: it is an ideology which informs present Central American policy dominating "objective" considerations such as US economic investment in the area.

Within the US as a whole, there is a profound and generalised fear of communism, the legacy of the Cold War and McCarthy. It pervades thinking at all social levels and results in such sloppy (not to say dangerous) concepts as the national interest, the efficacy of free enterprise, domino theories, and the Kremlin as capitalism's equivalent to Rome's thesis of original sin. The ideology of anti-communism faced profound challenge during the Viet Nam War and it is this hegemony which Reagan and his constituency seek to restore. (I am tempted to hypothesise that it was precisely the depth and effectiveness of the challenge to the ideological hegemony of the anti-communists which prompted the withdrawal from Viet Nam. It was possibly as threatening as the economic consequences of the war). Those areas most intimately related to the military-industrial are also those areas which, for historical reasons, are fertile soil for the culture of anti-communism. Thus, a reciprocal relationship exists between the development of the military-industrial, the increasing political and economic influence of the southern and western states, and the strident rhetoric of the Reagan administration.

Two examples of this relationship are fundamentalist Protestantism and, for lack of a better term, "the new Federalism" which contribute in important ways to the Reagan view of the world. Although such groups as the Moral Majority are not exclusively based in the south, they depend
heavily on that area for funds and membership and have devoted great missionary effort to areas in Central America. These groups have supported conservative causes within the United States for a long time and are closely identified with anticommunism, the virtues of free enterprise and the evils of the big city. Significantly, ex-president of Guatemala, Efrain Rios-Montt, adhered to one of these fundamentalist Protestant sects located in California. Another example is that of the “new federalism”. To be sure, its proponents do not reside solely in the south, southwest and far west, but it is these areas which, in recent years, have produced the most strident rhetoric. The idea is to weaken “big government” and by extension to allow more choice in American society. “Big government” is, of course, located in Washington, and not far beneath the surface of the “new federalism” is deep and strong antagonism towards both the northeast and the city. Students of US history will recognise easily these themes.

Although I have concentrated on the growing power and influence of the so-called “sun belt” in domestic US affairs, it must be recognised that this power and influence is extending southwards. Ever since the mid-nineteenth century New Orleans has played an important role in Central American politics and economics, while the role of Texas in Mexican affairs is notorious. In recent years, much of the capital investment in Guatemala originated in the sun belt. The number of Central American refugees now in the southwestern United States is very substantial and, because of their illegal presence, their welfare and futures present serious difficulties for private and public authorities.

I have argued to this point that an understanding of Washington’s Central American policies should develop from an understanding of their domestic sources. Those sources are located in the continuing shift of economic and political influence from the eastern and mid-western states to the south, south-west and far west. Major forces behind the economic transition are the growth of the military-industrial complex and the growth of population: behind the political change are population increases and the culture of the area, the history of which renders it responsive to the belligerent anticommunism of the Reagan administration. Indeed, ideology informs present policy every bit as much as direct economic or geographical interests do.

If my argument is basically correct thus far, then the general trends in Reagan’s Central American policy are comprehensible: an insistence that the opposition movements in Central America are exclusively marxist-leninist, that they are guided from, and aided by, the Kremlin via Havana and Managua, that unless the opposition can be stopped in El Salvador, the moments, to El Salvador and to Somoza’s Nicaragua. More important, he refused to send US troops to Nicaragua and even offered economic aid to the new government in Managua. This is not to say that Carter actively supported the forces of reform in Latin America — I suspect that what happened in Nicaragua resulted more from ignorance and indecision than from conscious planning. Nevertheless, as soon as the Reagan administration came to power, guided by such moral philosophers as Jeanne Kirkpatrick and Al Haig, human rights were subordinated to the struggle for freedom, and any thoughts of aid to the Sandinista government were quickly forgotten.

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It would be remiss, however, to ignore the role that economic aid plays in US policy in Central America, or not to analyse Washington’s policies with each nation and with the region as a whole. Although time will not permit much detail here, it should be recognised that economic aid has been massive, and, if the recommendations of the Kissinger Commission are accepted, will become indigestible. El Salvador, the largest recipient of US economic aid in 1983, received SUS292,000,000 — of which SUS222,000,000 went to economic stabilisation. The United States allocated Honduras SUS102,000,000 in 1983 and SUS169,000,000 is proposed for 1984. Guatemala was loaned SUS128,500,000 by the World Bank and the Inter-American Development Bank between November 1983 and February 1984. The Kissinger Commission proposes to invest a massive SUS8,000,000,000 in the region over the next five years.

Much of this aid will merely compensate for capital outflow as the regional bourgeoisie hedges its bets. In
addition, these funds will shore up what is a rapidly deteriorating economy in every country except Nicaragua. Unfortunately there is little indication that the source of Washington's woes in Central America — the people themselves — will ever benefit substantially from this aid. The principal strategy in both the Caribbean Basin Initiative (CBI) and the Kissinger Commission recommendations is to strengthen as much as possible the private sector. The latter report urges the Central American republics to look closely at the development processes of Hong Kong and Singapore where cheap labour uses advanced technology to assemble and export manufactures. Although it is true that United States business interests are not heavily involved in Central America — a little over $US3,000,000,000 in investments outside Panama — the regional market does represent sales of more than $US2,000,000,000 a year, and foreign aid on the scale indicated above will certainly augment that figure. Thus, the economic aid program to Central America does represent a significant element of the Reagan administration's regional policy, and the emphasis on private enterprise in the area's economic development is entirely consistent with its ideology and constituency.

In the collective mind of the present administration, however, what is at stake in Central America is the United States. In a recent speech to the National Hispanic Leadership Conference, President Reagan argued that in Central America, "the strategic balance of the world is at stake .... If Central America is lost, then our own borders will be threatened". This is doomsday stuff. It leaves no doubt that the United States will have to be seen, as a minimum, to have gained victory. But what does victory mean in Central America? And how is it to be achieved? The answer is, perhaps, not so simple as it seems: one of the basic problems is Washington's desire to regionalise conflict which is primarily (but not exclusively) national in scope. Five separate republics have to be homogenised and the Contadora peace initiative ignored. Honduras and El Salvador must forget that they fought a war in 1969; Costa Rica's civil guard must be upgraded; Guatemala...
must cease it claims on Belize and so on.

At the very least, victory means the toppling of the Sandinista government in Nicaragua and the destruction of the opposition movement, at least in their guerrilla phases, in El Salvador and Guatemala. No serious observer believes that the Reagan administration desires a negotiated solution to either conflict. When the Sandinistas met one series of US “demands”, Reagan simply increased the ante. In El Salvador, neither the official government, nor Washington, has indicated that they want to talk about the FDR/FMLS minimum points. Despite rhetoric to the contrary, Contadora remains on the margins — and they have voiced their frustration. Said the Kissinger Commission:

To be sure, the interests and attitudes of these four countries are not identical, nor do they always comport with our own.

Reagan’s choice of the military solution is overwhelmingly obvious: fortress Honduras now boasts five new airstrips, two barracks and office complexes, a field hospital, thirteen miles of anti-tank trenches, the Regional Military Training Center and there is more to come, including a permanent naval base — all courtesy of Washington. The CIA mines Nicaraguan waters, and arms many thousands of contras to invade that country from Honduras and Costa Rica; Washington is working hard to revive the moribund Central American Defense Council (CONDECA) and to build an “iron triangle” among Guatemala, Honduras and El Salvador; US pilots fly reconnaissance missions over El Salvador and Nicaragua; the US navy is to conduct coastal surveillance in the Gulf of Fonseca; and according to reports published in the International Herald Tribune, the Pentagon is now capable of fighting a war in Central America without having to rely on its Southern Command base in Panama. Military “assistance” to Central America is to increase from about US$8,800,000 in 1980 to a requested US$259,000,000 in 1984. It is unnecessary to press the point, but the Kissinger Commission clearly dramatized the Reagan administration’s view when, in discussing the things the US shared with Latin America, it stated:

The transcontinental sweep of the southern United States that stretches from Miami to Los Angeles, and which is home to many of our fastest growing urban areas and high technology industries, regards as a natural element of life its shared Gulf and Caribbean sea routes as well as a 2,000 mile land border facing south.

The brevity of this article and its focus on the domestic sources of Washington’s Central American policies leads easily to charges of reductionism — which I acknowledge. I am aware of the Pentagon’s repeated statements of reluctance to fight another war without the support of the United States’ people: Carter, although a southerner, was more

"dove-ish" in his Central American policies than Reagan; imperialism and the use of force have many proponents among representatives of northeastern finance capital; some of Reagan’s most vocal critics come from the Kremlin via Havana and Managua; that unless the opposition can be stopped in El Salvador, the other countries will fall; and that the opposition must be defeated forcibly ... Both in word and deed the Reagan administration has forsaken diplomacy and negotiation for the use of force.

Footnotes