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Dear Arlington Central America Committee friends:

I'm glad you're interested in coming to the workshop on U.S. Multinationals and Central America. The enthusiastic response to the proposed topic is encouraging: it shows that anti-intervention activists are aware of the economic roots of the problem of war and injustice in Central America.

Enclosed you'll find some readings on the topic. The first is an overview, from an organizer's point of view, of the problem of runaway shops and US-suppored regimes abroad: "Will Your Jobs Be Shipped to a Foreign Dictatorship?".

You'll notice that there are no Central American countries cited as examples of "safe havens" abroad for cheap labor. In my opinion this is no coincidence. Central American countries have not been the most attractive spots for capital investment and cheap labor, especially in the last ten years when popular and guerilla movements have made the social/political climates unstable (which isn't great for profits). For example, the U.S. (private) direct investment in El Salvador declined by $50 million in the first few years of the 1980's. Still in all, there was still $10.5 billion invested by U.S. corporations in 1983.

The next readings are more specific to Central America and what is happening there vis a vis foreign investment and economic and military intervention. There are articles on Nicaragua, Guatemala, El Salvador, and Brazil. I included the Brazil article because, of all the U.S. investment abroad (these are 1982 figures, a bit old but I suspect the trend has continued), only 24% was in developing countries, and only 60% of that was in Latin America -- and most of that went to Brazil and Mexico. To put it simply, I believe that a primary reason the U.S. government is pursuing war in Central America is to suppress popular democratic movements which might spread to countries, like Brazil, where U.S. multinationals have really big stakes. The financial stakes in Central America are small potatoes, but the ideological ones, given the financial stakes in the entire region, are huge.

The article on Guatemala is long, but it's very good. If you don't have time to read it all, read pages 45-49 and 53-60 carefully, and skim the rest.

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