The Storm We Call Dollars: Determining Value and Belief in El Salvador and the United States

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On August 26, 1996, Intipucá seemed poised to accelerate its metamorphosis from a remote town of about 7,000 people in southeast El Salvador into a more modern cosmopolis. That day, Banco Agrícola Comercial, the largest bank in El Salvador, opened a branch office adjacent to the corner of 2a Calle Poniente and 1a Avenida Norte near the town square.[1] For a municipality like Intipucá to have the direct services of a major commercial bank was unprecedented in the history of El Salvador, the smallest and most densely populated country in Central America. Many residents and the Agrícola officials were proud of the bank's arrival, for it suggested that within Intipucá both the subjective values of financial capitalism and money as its dominant form of value circulated in ample fashion. Referring to all that contributed to these new habits of interaction, the owner of a store across the street from the bank cautiously appraised this moment and smiled: "With Agrícola we are no longer a *pueblo* [small town]. We are a *ciudad* [city]. No, we are a *villa* [large town]—something in-between."

After the well-publicized opening of the Agrícola office, which included a complimentary lobster dinner for the town's elite and visiting bank officials, a rumor began to circulate that brought the bank's promise of progress radically into question. A compelling counternarrative of corruption described a secret door and a short tunnel connecting to the back of the new office through which depositors' money could be secretly moved into the adjacent residence of a man who had been a guest at the celebratory feast and from whom Agrícola rented its new office. This narrative, hinting at the presence of a regressive morality of embezzlement and theft, disrupted the forward-looking aura cast by the bank's presence with its bright *rótolo* (marqueelike sign). Supporters of the new bank, like the storeowner across the street, harshly criticized purveyors of this fantastic story for their *estrechez de miras* (narrow-mindedness). However, estrechas de miras may also be translated less literally as "tunnel vision," suggesting how the tale and its tellers comprised a positive rather than a negative

Cultural Anthropology 17(3):431–459. Copyright © 2002, American Anthropological Association.

force in the pueblo. Over the following 16 months, few townspeople opened savings and checking accounts or used the bank office to exchange U.S. dollars sent to them by relatives and friends living and working in the United States, especially in the Washington, D.C., metropolitan area. They strongly believed that their money would be passed surreptitiously to the man who lived next door. "They're all thieves," muttered a well-known woman in the town, referring to the bank's landlord and his brother.

In December 1997, a member of the Agrícola bank office offered an explanation that did not address the possibility of a mysterious opening in the wall, nor did it directly explain the significance of the man next door. This person's account hinted at a history that had altered people's habits, shaping the social environment within which the new bank operated:

> We have not done well in this town. We know how much money is sent back here [from the United States] and we see very little of it. People from farther away, from Cuco, Chirilagua, and so on use the bank, but here in Intipucá we are not very popular because of the events that happened in the past. If we had known about this history, we might have opened in a different pueblo.[2]

Residents had crafted the story of the porous connection between the Agrícola office and the adjacent dwelling by drawing on past perceptions and experiences. A large number of them had lost all of their savings in the collapse of another bank in 1990 organized by several residents of Intipucá, one of whom was yet another brother of Banco Agrícola's neighbor and the store owner across the street. The story of the secret passageway was a figurative extension of a longer history of bank failure, doubt, and mistrust that was linked with these three brothers and their associates.

In the early 1980s, four Intipucá residents, Fernando Leonzo, Eberth Torres, Ursulo Márquez, and Leonel Salinas, founded the informal *Banquito* (Little Bank)—as its many clients had then called it with a quality of affection.[3] They maintained an office in Intipucá and in the nearby city of San Miguel. Two thousand miles northeast of Intipucá, the Banquito operated its busiest office out of a storefront in Washington, D.C. Since the late 1960s, people from Intipucá, including several of the Banquito's founders, had been living and working in the D.C. metropolitan area while keeping close contact with friends and family in the pueblo through frequent communication, travel, and various forms of trade (Pedersen 1995).[4] The Banquito catered to *Intipuqueños* (people from Intipucá) and hundreds of other Salvadorans who fled the violent civil war during the 1980s to live and work in the Washington, D.C., area. With a fax machine and informal modes of bookkeeping and transporting cash, the Banquito owners charged a small fee to send U.S. dollars back to Intipucá and San Miguel. At its offices in El Salvador, the Banquito converted these dollars to the Salvadoran national currency, the colón (named after Christopher Columbus), at a rate slightly higher than what formal banks and exchange houses charged. At its Washington office, the Banquito provided savings accounts and other financial services for Salvadorans in the area who did not have legal residency documents and thus could not open an account with an official U.S. bank.

During the autumn of 1990, the Banquito faced a severe cash shortfall as clients in the Washington area and in Intipucá withdrew portions of their savings in anticipation of the holidays and, for many, to offset the effects of a growing U.S. recession that had led to a decline in jobs and wages. During most of its short history, the Banquito had existed clandestinely, remaining free of regulation in both countries. Most importantly, it had failed to comply with U.S. government-mandated requirements for depositors' insurance.[5] The owners had used their clients' deposits in several ways: to make loans to friends and family members, start several small businesses, and purchase land, houses, buildings, and securities in El Salvador and in the Washington area. At the same time as many legal Washington-area banks were going into crisis, failing, or were being taken over by larger U.S. banks and holding companies during the regional recession, many of the Banquito's investments ceased to yield sufficient revenue flows to meet the cash demands of its clients and the debts of the owners.[6] The drop off in deposits further threatened the four founders' highly leveraged situation. Pinched between personal losses and a possible run on their bank and without any depositor insurance or ability to obtain short-term emergency loans, the Banquito founders simply closed their doors, absconding with about $7 million dollars of deposits.

The crash of the Banquito echoed across Intipucá and Washington, D.C., lingering in the memory of people in a way that affected the later operations of Banco Agrícola in the pueblo. Since 1990, little of the stolen money has been recovered, the four founders have avoided serious penalties, and few depositors have received compensation.[7] For almost 30 years, Intipuqueños have referred to the D.C. area as *la mina de oro* (the gold mine). In El Salvador, Intipucá currently is known as "gringo city" and the "city of dollars." Since the Banquito's collapse, many residents of the pueblo and Salvadorans throughout the Washington area caustically refer to Intipucá as *el pueblo de los ladrones* (the town of thieves).[8]

The Storm of the Century

How to best make sense of these events and understandings? The popular phrases above each refer to aspects of Intipucá and Washington, D.C., especially the new presence of wealth in both places (i.e., the gold mine, the city of dollars), the altered national orientation of a Salvadoran town (gringo city), and the locus, morality, and relative agency of some people associated with stolen wealth (town of thieves). Compared with the past, Intipucá had become newly linked to the United States through the movement of people and remittances across national borders. These new flows of migrants and money are constitutive features of "globalization" and, with Agrícola's arrival in the pueblo, the bank itself may be seen as an agent of global processes. From the perspective of Agricola officials in Intipucá, memory of the Banquito's failure is also an important actor in the present. From the viewpoint of those depositors who lost their savings in the Banquito collapse, the most significant actors are the four founders originally from the pueblo. From yet another critical vantage, there is evidence of local resistance arising in opposition to larger globalizing forces and structures. Inquiry into the cultural politics of everyday life in the pueblo brings to light important symbolic texts (i.e., the phrase "town of thieves" or in the rumor of the tunnel) amidst the larger material and nondiscursive context of hemispheric economic integration. As globalization affects El Salvador, perhaps the feeling that precipitated the woman's utterance "They're all thieves" suggests a figurative space outside the enveloping logic of contemporary capitalism.

As a first take, these interpretations would seem plausible (if not also desirable in some instances) and lend meaningful shape to an otherwise open ensemble of events. The rhetorical frames that I have provisionally deployed draw upon a host of categorical distinctions frequently made by scholars across the humanities and social scientists, in particular: past and present, subject and object; economics and culture, meaning and matter. Each of these dyads is also substantiated in practice through the contemporary disciplinary divisions of academic labor. Obviously, precise distinctions are necessary for any kind of inquiry, analysis, presentation, and critique; however, it is also requisite at the same time to examine the determination of forms and categories so as to avoid turning change into stasis and relational interaction into seemingly separate, natural, and eternal things. To better understand the Banquito's collapse and Agrícola's arrival in the pueblo and to understand, furthermore, not only what life is like for Intipuqueños amidst these events but also some of the possible futures that appear for people living in both El Salvador and the United States, this article draws upon theories of value and meaning that resist contemporary academic disciplinary divisions and strong either/or distinctions. My analysis moves amidst spatio–temporal relations spread across both countries over the 20th century, exploring how and why, during the 1980s and 1990s, particular forms such as the U.S. dollar and Salvadoran colón, categories such as wealth, the practical habit of trust, and social relations of exploitation, domination, and control have all emerged from, become congealed in, reacted back upon, and also, sometimes, dissolved into, what is inherently a geohistorically open totality of both possibility and necessity.[9] The metaphor of a storm best captures this century-long process of restructuring enveloping Intipucá and Washington, D.C., El Salvador, and the United States. Before entering this storm, I would like to be more precise about the manner of discursive titration that this article develops and explain how it explicitly draws upon theories of two internally related precipitates: belief and value.

Determining Belief

The Spanish and English languages share the Latin root *credere* for many words that refer to the establishment of trust, confidence, faith, and conviction. In both languages, opposites of these terms also derive from the Latin word *dubitare,* as in the Spanish *dudar* and its English equivalent *to doubt.* Across both languages, belief and doubt form two sides of the same coin, so to speak. Using the now archaic word "copper" to refer to a U.S. one-cent coin, the scientist and philosopher Charles S. Peirce provides an example of the relation between doubt and belief in the context of a paradigmatic moment of late-19th-century exchange:

> If, for instance, in a horse-car, I pull out my purse and find a five-cent nickel and five coppers, I decide, while my hand is going to the purse, in which way I will pay my fare. To call such a question Doubt, and my decision Belief, is certainly to use words very disproportionate to the occasion. . . . Yet, looking at the matter minutely, it must be admitted that, if there is the least hesitation as to whether I shall pay [my fare with] the five coppers or the nickel (as there will be sure to be, unless I act from some previously contracted habit in the matter), though irritation is too strong a word, I am excited to such small mental activity as may be necessary to deciding how I shall act. [Peirce 1992:128]

According to Peirce, to overcome doubt and establish belief is a minutely percussive and unfolding process that yields not only something like a scratch upon an irritating itch but also "the establishment in our nature of a rule of action, or, say for short, a *habit*" (1992:128).[10]

I draw upon Peirce because he provides an alternative to dominant modes of analysis that presuppose rather than examine the appearance of discrete subjects and objects existing as autonomous entities interacting in otherwise empty time and space. Economist and activist Diane Elson has suggested that this rationalist approach assumes that "relations of determination [are] an effect of some already given, discretely distinct elements or factors on some other, quite separate, element or factors, whose general form is given, but whose position within a possible range is not" (1979:131). Literary critic Raymond Williams also took up the problem of determination and argued:

> Any abstraction of determinism, based on the isolation of autonomous categories, which are seen as controlling or which can be used for prediction, is then a mystification of the specific and always related determinants which are the real social process—an active and conscious as well as, by default, a passive and objectified historical experience. [Williams 1977:87–88]

More than a century ago, Peirce similarly attempted to avoid positing a world of separate and discrete factors, variables, or autonomous entities interacting conjuncturally. His inquiries into semeiosis (the action of signs) provide a way to move amidst "real social processes" through a mode of analysis that is sensitive to various grades of relative separability. Following this complex logic of internal relations, Peirce argued that any meaningful phenomena, such as money, a bank, a published report, a pueblo like Intipucá, the word Agrícola, and people like the Banquito founders—including their feelings, actions, and habits—are all essentially signs. According to Peirce, such entities are triadically determined through a process where "a sign . . . is something which stands to somebody for something in some respect or capacity. It addresses somebody, that is, creates in the mind of that person an equivalent sign, or perhaps a more developed sign. The sign, which it creates, I call the *interpretant* of the first sign. The sign stands for something, its object" (Peirce cited in Daniel 1984:14).[11] To tease out processes of sign determination involves inquiring into what is inherently dynamic and interactive. It is perhaps like joining a musical group that is already tightly playing or, as some musicians say figuratively, like jumping on the train and not falling off.

The ceaseless motion of semeiosis is characterized by three moments that Peirce called his "triune categories": The first moment is the quality of pure possibility and of being. The second is the quality of action and reaction, of actuality, brute encounter, and facticity. The third is the quality of general tendencies, laws, and habits. E. Valentine Daniel, in his careful interpretation of Peirce, helpfully injects the triadic sign relation with *vita activa* to illustrate its dynamism.

> [It is as if the] first sign represents an object—which Peirce calls a "Second"—that then comes to life, turns around, as it were, and does two things. It "determines," or rather, constrains, the sign's representational freedom on the one hand, but on the other, it incites it to invite ("determine" or constrain in its turn) another sign, the Interpretant (which Peirce calls a "Third"), to represent the same object in an even more developed if not identical fashion to yet another sign. The latter continues the same process of representation and determination in the same manner that the first Interpretant (now, a "second sign" in this string) represented and determined, by inviting another sign-sign to participate in the on-going process of semeiosis, a process that is, for all practical purposes, open and indefinite. [Daniel 1998:80]

At the moment when the horse-cart passenger reached into his pocket for money, he was confronted with a First: the pure and instantaneous possibility and such-ness of the coins independent of anything else. This gives way to a Second: a ticklish moment of confrontation, of excited action and reaction as the meaning of a nickel confronts that of five pennies. This yields to a Third: the establishment of some kind of generalizable interpretation or law or habit. Such a Third could then become the object of a subsequent triadic semeiotic sequence, entering into the continuous flow of semeiosis. As Peirce mentioned parenthetically in the passage, if a habit was already present and dominant, it might swiftly subsume not only the First of pure qualitative possibility, but also the moment of doubt and confrontation, the Second.[12]

We need not pursue all of Peirce's categories and their relations to appreciate how they take us into a difficult space that encompasses both the multiple qualities of connection and ceaseless transformative movement present in, for example, Hegel's *Geist* and the more rigid formal qualities of Kantian categorical distinctions. Well before it became politically expedient or fashionable in the 20th century to attempt all manner of retarding, confounding, and escaping notions of Hegelian sublation, reconciliation, mediation, and synthesis, Peirce reflected on his semeiotic logic in relation to that of Hegel:

> The truth is that Pragmaticism is closely allied to the Hegelian absolute idealism, from which, however, it is sundered by its vigorous denial that the third category (which Hegel degrades to a mere stage of thinking) suffices to make the world, or is even so much as self-sufficient. Had Hegel, instead of regarding the first two stages with his smile of contempt, held on to them as independent or distinct elements of the triune Reality, pragmaticists might have looked up to him as the great vindicator of their truth. [Peirce 1998:345]

Determining Value

When Peirce was a young man, another critic of Hegel, Karl Marx, had published important analyses of the legitimating doctrines of Anglo–European capitalist relations. As a handful of authors have noted, both Marx and Peirce shared a critical sense of realism in their work and a concern with the relational determination and activity of subjects and objects (Apel 1995; Bernstein 1999). While Peirce worked within and against many Kantian distinctions, seeking to go beyond them, Marx hoped to rescue "the dialectic of negativity as the moving and productive principle" from Hegel's entanglement with Kant, and this informed his lifelong inquiries into the structuring of human life within capitalist relations.

As in Peirce's logic of signs, particular forms in Marx's method of analysis, such as the commodity and money, categories like value, and the practices and social relations through which they circulated all congealed out of an open, though also specific, social and natural totality. By examining 19th-century capitalist relations and the main categories of political economy, its legitimating science, Marx asked why "labor is expressed in value, and . . . the measurement of labor by its duration is expressed in the magnitude of the value of the product" (Marx 1984:80).[13]

Marx distinguished among the various possible qualities of human activity contained in any commodity bought or sold for a money price. He identified the apparent domination of one ("objectified abstract labor") that allowed for the valuation of people and products in terms of a commensurable quality. The "phantom-like objectivity" of "homogeneous human labor" as it appeared to mediate capitalist relations intrigued Marx, especially the way that it was determined in a manner that both contained and occluded other ways of interacting and being human. In the following passage excerpted from Marx's *Capital,* the subject is "Mr. Moneybags," a capitalist with cash who confronts a moment of exchange much like Peirce's horse-cart passenger:

> In order to be able to extract value from the consumption of a commodity, our friend Mr. Moneybags must be so lucky as to find, within the sphere of circulation, in the market, a commodity whose use-value possesses the peculiar property of being a source of value, whose actual consumption, therefore, is itself an embodiment of labor, and, consequently, a creation of value. The possessor of money does find on the market such a special commodity in capacity for labor or labor power. [Marx 1990:451]

Similar to Peirce's carriage rider, Mr. Moneybags is confronted with the opportunity or obligation to purchase a commodity. Mr. Moneybags reaches in his pocket to buy the capacity of someone to perform actions that he can control and direct for a period of time in a particular place. As with Peirce's horse-cart rider, money is exchanged for the undefined human capacity to perform activities, labor-power, which is cardinally marked by its price in the money paid.

Reading the examples of Peirce's horse-cart rider and Marx's Mr. Moneybags together helps to slow down the process of habit formation that permeates our lives at these moments. By interjecting a "triadic dialectic" of possibility, actuality, and generality, a more tenuous process unfolds, hinted at, I believe, by Marx's sarcastic use of the word "lucky" (Pedersen 2001). The combined moments of production, consumption, and exchange in the general process of circulation are filled with the constant overcoming of doubt, the fixation of belief, the taking on of habits, and also of breaking them. Out of this, aspects of human life become abstracted and objectified or "determined" in the semeiotic sense. The experience is that of a constantly flowing quality of resistance written with a small *r*—an itch of doubt that is more pervasive and indeterminate than Resistance with a capital *R* sought with such earnestness in much recent scholarship.

This article so far has introduced a particular series of events, briefly traced some approaches and manners of interpretation, and conducted a brief exegetical reading of Peirce and Marx to develop provisionally a mode of analysis that focuses on the determination of belief and value. Informed by this approach, the next sections of the article trace in more detail some of the semeiotic strands that shaped the emergence of the Banquito and, later, Agrícola's arrival in the pueblo and the subsequent appearance of the tunnel rumor as an abrupt counternarrative. To explore spatio–temporal connection and formal difference in the same analytical breath, the article abstracts from several loci, modulating its focus and scope of analysis to overcome some of the more fixed and essentialist distinctions and separations that I have already mentioned.

In Money We Trust

In 1979, the U.S. Federal Reserve significantly altered future-oriented expectations and beliefs about the U.S. dollar. This quasi-governmental body shifted from a policy of controlling interest rates to slowing money growth in order to raise the relative worth of U.S. dollars when they were exchanged for other national currencies or commodities anywhere in the world. Given that, since the early 1970s, U.S. dollars had no other external referent from which they derived their meaning except these transactions as a composite whole, this was a bold attempt to initiate a practical change in the meaning of U.S. money on a global scale. This method of reducing inflation, combined with tax cuts in the 1980s and federal deficit spending, especially in the defense sector, led to a rise in real interest rates—the postinflation profits of loaning money. Foreign investment, especially from Canada, Japan, and Germany, poured into the

United States. Coupled with legal changes that allowed a wider range of financial institutions to take advantage of these higher real interest rates and lend more sources of money across larger regions of the country, the United States became awash in newly mobilized and "hardened" money and the many new kinds of social relations and habits that this powerful abstraction generated (Greider 1987; Meeropol 1998).

Overall, power was shifting throughout the world in favor of those entities and institutions that had the capacity to lend U.S. dollars. Borrowers of all kind lost ground. The new counters, managers, and owners of this money competed to enter into relations of credit where the money would be offered for a fee to a borrower in expectation of future wealth-generating activities. One domain where this occurred was in commercial real estate where developers borrowed the new money to pay for the land, labor, materials, and equipment to build high-rises, offices, and shopping malls (Warf 1994). They hoped that through strategic design and placement, their properties would yield rents that would more than offset the costs of developing them, including the interest paid on the initial loans. The promise of future high rents was predicated on attracting tenants whose activities were expanding, yet whose activities were also tied to particular locations and kinds of production that could not be orchestrated elsewhere.

Stimulated in part by the changing relations among those who trafficked in the two kinds of money described above—rents and interest—the Washington, D.C., area became a concentrated center of real estate development and giddy speculation during the 1980s. Federal spending in the region, tied to the high-tech defense industry, helped to transform the sleepy suburbs of Maryland and Virginia into concentrated centers of producer and consumer services. In Maryland, along the "I-270 Technology Corridor" from Bethesda to Frederick, there arose a concentration of biomedical research centers; and, stretching from National Airport (renamed after Ronald Reagan) toward Dulles International Airport, there emerged an array of firms devoted to high-tech military research and service provision (Markusen et al. 1991). The changing physical landscape of the D.C. suburbs contributed to the overall sense of growth and expansion captured in the phrase "the go-go 80s."

Out of Luck

A counterpoint to this form of metropolitan growth was the experience of the 1980s as "the lost decade" throughout Latin America. El Salvador entered the period with an acute foreign exchange shortage brought about by declines in international demand and in the prices garnered for its principle exports, coffee and cotton. The relative difficulty of purchasing the accoutrements of modernity abroad with hard currency was exacerbated by a rise in both world petroleum prices and overall levels of inflation—the latter of which was the object of the U.S. Federal Reserve policy change. In very real terms, all of Salvadoran society was increasingly hungry for U.S. dollars and what they could purchase abroad. In 1980, quotidian relations of violence gave way to outright warfare between a coalition of popular revolutionary organizations, Frente Farabundo Marti para Liberacion Nacional (FMLN) and the new government junta that had ousted the previous military dictatorship in the midst of the foreign exchange crisis. During the early years of the conflict (1980–1983), the FMLN was successful at attacking the domestic infrastructure that supported the export sectors, especially in the eastern regions of the country. It was a strategy aimed at destroying a crucial link in an already crisis-ridden system that combined sun, soil, and other resources, together with the human capacity to work, to produce primary agricultural commodities. The wealth obtained from the sale of these commodities abroad had provided the government and the military with its capacity to reproduce the system of production within El Salvador. If the growers and the Salvadoran state had been "so lucky as to find" Salvadoran labor power throughout the 20th century, they were now "unlucky" to find that their roads, bridges, electricity, and communication systems (purchased with coffee money) were being destroyed, which in turn drastically altered the conditions within which human life could actually become labor power.

Salvadoran authorities and some U.S. advisors at the time did not perceive the logic of the guerrilla strategy (Waghelstein 1994). The military and its associated "death squads" responded with assassinations and assaults on cities and towns, directly killing and terrorizing residents in an attempt to weaken guerilla support and undermine their assumed goal of controlling national territory. The FMLN strategy was to destroy the labor congealed in the state-owned infrastructure that had facilitated the harnessing of labor power and its transmogrification into export crops that could then be exchanged for money and manufactured commodities from aboard. The military responded by snuffing out the possibility of human life itself in El Salvador and, with it, of course, the capacity to work. In the broadest sense, the country was undergoing a massive process of "de-valuation." Despite great debate in El Salvador and also in the United States at the time, it is extremely difficult to distinguish this multidimensional crisis as either predominantly "political" or "economic."

At an aggregate level, El Salvador and Washington, D.C., were jointly undergoing an uneven process of restructuring. As the Reagan administration increased aid to the bankrupt Salvadoran government and military, thousands of Salvadorans moved from the cities and the most conflicted rural regions of the country to live in U.S. metropolitan regions that were expanding, in part, because of state spending in defense and U.S. Federal Reserve policy shifts. In the Washington, D.C., area, Salvadoran men tended to find work in the construction and restaurant trades while women most often worked in domestic and commercial services (Repak 1995). In general, these Salvadorans were servicing the expanding high-tech, military, real estate, and bureaucratic sectors of the D.C. region—taking part in a chain of service provisions that contributed to U.S. state power (Pedersen 1995).

If we consider both countries as part of a hemispheric whole, the immediate challenges of purchasing "cut-rate" Salvadoran labor-power in Washington, D.C., were limited since most migrants arrived there in desperate shape. All of the "Mr. Moneybags" in D.C. banking and real estate were "so lucky as to find" it. For Salvadorans, wages were high enough (and conditions in El Salvador bleak enough) that they were inclined to make sacrifices so that a portion of their income could be set aside as family savings or for relatives and friends who remained in El Salvador.

In 1980, as part of its efforts to better control the hemorrhaging of Salvadoran national wealth, weaken the relative strength of the largest growers and exporters, and recirculate wealth in specific ways within the country, the Salvadoran government had nationalized both the coffee and financial sectors. In this way, the state more directly controlled the nexus where Salvadoran national wealth joined with world financial and commodity markets. The growing level of remittances sent back to the country from the United States contributed, however, to the rise of a "black market" for U.S. dollars and greater unofficial fluctuation and instability in exchange rates in El Salvador.

In response to the crisis, the government attempted a series of administrative reforms but shortly switched and began to adopt fiscal austerity programs mandated by the International Monetary Fund (IMF). In 1982, the Salvadoran government implemented a series of policies designed to reduce overall consumer demand and the level of nonmilitary government spending. In July of that year, the Salvadoran government secured an $87 million dollar loan from the IMF. Among the many reforms that were exchanged for this loan and the important international legitimation that it signaled to potential investors, was the creation of a "parallel" currency exchange market outside of the government-controlled Central Reserve Bank that was free from the official government exchange rate of 2.5 colones per U.S. dollar. The history of Salvadoran financial reform at this time is complex, but, by June of 1985, more than half of all official transactions took place in this "parallel market" that had become dominated by remittances from Salvadorans living in the United States (Segovia 1996).

Throughout the 20th century, El Salvador had been intimately tied to the United States through the circulation of money and commodities, exporting coffee in exchange for imported manufactured goods. Objectified and abstracted, aggregate Salvadoran productive capacity traveled through these transnational circuits saturated with moments of quotidian doubt and the establishment of belief and habit. By the 1980s, the Salvadoran capacity to work, which was bought and sold to produce services and commercial property in Washington, D.C., had joined coffee and cotton as one of El Salvador's primary export commodities. These services, land, and buildings were all, in this sense, produced abroad—the object moved or "exported" was the general human capacity to perform an activity. This new "export" to the United States contributed to U.S. ability to exert political and military authority throughout the world, including El Salvador. The portion of their realized ability to perform work that was returned to Salvadorans in D.C. as wages not only helped to reproduce their capacity to continue work in D.C., but also contributed to maintaining Salvadorans who received a portion of the wages in the form of remittances. If, in the time of coffee and cotton, the Salvadoran state captured a portion of this wealth through its control of the Central Reserve Bank, after 1982, it was the private banks that had relatively more opportunity to compete for a piece of the circuit.

National Capital

During the 1980s, the Washington, D.C., node of the "coffee, cotton, and labor power" circuit appeared especially lucrative for lenders of U.S. dollars. Major U.S. banks sought access to the regional money market that was tied to particular kinds of land and labor use in the area. Banks like New York's Citicorp informally lobbied members of the D.C. government to assist them in finding favorable conditions within the District. In this context, Charlene Drew Jarvis, the Democratic member of the D.C. city council representing Ward 4 and chair of the council's Committee on Housing and Economic Development, organized the drafting and passage of a bill to establish the District of Columbia Banking Office. As its sponsor, Jarvis argued that the new office would help establish Washington, D.C., as an international financial center. According to the law, the D.C. Banking Superintendent would have the main responsibility to "promote a climate in which financial institutions will organize to do business in the District and contribute to the economic development of the District through the increased availability of capital and credit" (Brenner 1990a: C1). At the center of the bill was the provision that allowed banks from outside the District to acquire local institutions. For the first time in the history of the District (but like all 50 U.S. states), the bill gave the executive branch of the District government jurisdiction over banking in the city. Supporters touted the new bill as a way to bring money into the city's poorer neighborhoods through its requirement that banks make substantial investments in these areas.

Bank regulators from outside of the District criticized the bill for its lack of enforcement provisions and suggested that Jarvis had already maintained control of local banking issues even before the creation of the office and continued to do so with its inception. This dispute reflected a struggle over the authority to attract and control capital in the nation's capital. As in El Salvador, a country with limited exports relying on reserves of foreign currency to purchase the goods that circulate domestically, political leaders in Washington courted sources of investment to stimulate property development to push up rents, while yielding greater tax revenue in a unique city where the major landowner, the U.S. federal government, as well as numerous nonprofit agencies, paid not a "copper" of taxes to the District government. The central role that Jarvis played reflected the social geography of the city. Ward 4, which she represented, contained significant poorer regions but was also home to many of the wealthiest African American business owners in the city. Historically D.C. banks tended to be run by and for the city's white establishment. Under the leadership of Jarvis, the newly arriving banks would be steered toward the African American elite of Ward 4 who, in turn, would gain new access to credit for their commercial endeavors.

Just as big U.S. banks sought access to the D.C. end of the value circuit under favorable terms, the largest Salvadoran banks began to explore how to move up the trail of remittances to obtain the U.S. dollars earlier in an effort to better control the market of floating exchange rates in El Salvador. One strategy of the large banks was to open transfer offices in the U.S. cities where most Salvadorans lived, so that the bank could obtain dollars in the United States but pay out colones at their offices in El Salvador, charging a small fee for the transfer. By convincing other institutions that they had a stable long-term stream of remittance dollars, the banks in turn could buy and sell other financial instruments backed by this income.[14]

In 1988, after opening such a transfer office in the New York metropolitan area, executives of Banco Cuscatlán, also among the largest Salvadoran banks, contacted the D.C. government about setting up a similar transfer office in the city. In a short time, they received a letter granting them permission to begin activities from an office at 18th Street and Columbia Road, NW, in the heart the Adams Morgan neighborhood of the District, just south of Mount Pleasant where most Salvadorans in the District lived. In a supportive yet ambiguous letter, the D.C. Banking Office replied to Cuscatlán: "You should know, however, that this office expects to exercise jurisdiction over the types of activities described, once our statutory authority in this area has been clarified. Until that time, [you] need not obtain approval from our office before engaging in business" (Brenner 1990a: C1). Thus Banco Cuscatlán opened in Washington, D.C., named after the Pipíl word for a large indigenous population settlement that became the capital city of El Salvador, San Salvador, after three centuries of colonialism.

Banking on the Banquito

Like Citicorp, Fernando Leonzo, who had moved from Intipucá to the District in 1969, sought to connect in a particular way to the emergent value circuit that the U.S. Federal and the Washington, D.C., governments had helped to shape. Like the directors at Cuscatlán, he was aware of the growing number of Salvadorans living in D.C. and the thousands of dollars they were sending to southeastern El Salvador each month during the 1980s. With his childhood friends, Eberth Torres, Leonel Salinas, and Ursulo Márquez and his sister Elsy, who lived in Intipucá, he organized an informal money transfer and exchange service. Using a fax machine, they would transfer information about people's "accounts," much like a wire service. In D.C., they sold "money orders" that could be sent from the D.C. office to San Miguel and Intipucá, where a local town "radio" (public address system) would announce the arrival of people's money orders. The order would be converted to Salvadoran colones at a rate determined by the bank operators that was slightly higher than official bank rates. In practice, they kept a supply of cash at both offices, and the physical transfer of the orders was unnecessary as long as occasionally someone made a trip to transport quantities of dollars from the D.C. office back to El Salvador.

In 1983, the group incorporated themselves as Latin Investment Corporation (LIC) in Washington, D.C., and began to offer saving accounts for their customers, paying them about three percent interest on their deposits. After two years as a corporation, they had built up accounts totaling over $400,000, two of which they maintained at Perpetual Savings and Loan and one they kept as an official business account at Riggs National Bank, both prominent D.C. lenders. Flush with funds, Leonzo and his associates began to cash U.S. checks at the D.C. office so that people could buy Banquito money orders. The "bank tellers" also began to pay bills for depositors directly out of their accounts. Depositors could withdraw up to $1,000 in cash at the bank office and, if they requested more money, they were issued a check against the business account at Riggs. Depositors were also given small red books where their daily transactions and accrued interest were recorded.

These interactions among people and objects helped establish a series of meaningful relations of trust out of which relations of credit could be built and extended. Leonzo, as a representative of the group of owners, publicly worked to foster a special connection between Salvadorans in the D.C. area and himself as an icon of the bank. He frequently referred to himself and the many Salvadorans in D.C. as all sharing a similar condition in that they came from modest agricultural origins in Oriente, the eastern part of El Salvador, and were obligated to work hard and make sacrifices in D.C. to support their extended families in both countries. He frequently mentioned to journalists for Spanish- and English-language publications reporting on the growing Salvadoran presence in the city that he had been a farm worker in El Salvador and, after his arrival in D.C. in the 1970s, he had begun working as a janitor and a cook. Although he had obtained legal documents to live and work in the D.C. area, he identified himself as Salvadoran and stressed this kind of orientation over the less visible relationship that he had with the U.S. state as a naturalized citizen. His situation contrasted with that of other Salvadorans who did not have legal papers and risked apprehension and deportation by the U.S. Immigration and Naturalization Service.

Leonzo and his associates were able to build the image of a uniquely Salvadoran bank out of the notion of a shared Salvadoreness that was defined by ties to an agricultural lifestyle in El Salvador, the migration experience, and low-wage service work in D.C. While the Banquito performed useful activities for undocumented Salvadorans, the owners also took advantage of the fact that many Salvadorans could not open a conventional U.S. bank account nor cash their paychecks at the end of the week. With little time or resources to learn English, to have the bank pay their bills and negotiate with city offices seemed like a service.

In return for peoples' trust, dependency, and deposits, the bank made a more incredible offer in the form of paying depositors three percent interest on their accounts. From the perspective of the bank, this was the cost of holding and using other peoples' money. To the depositors, their money appeared to make more money as it "sat" in their account. By recording transactions, especially interest earned, in the small books issued to depositors, the bank offered the image of transparency and the opportunity for people to participate in and visually chronicle a sophisticated form of financial capitalism. For many Salvadorans who had never earned interest and were accustomed to working week by week without the possibility of saving in El Salvador or in the U.S., the bank seemed to represent a new way of life, but with the familiar trappings of Salvadoran nationalism, regionalism, and paternalism.

When the Banquito incorporated itself as LIC, the owners entered into different relations with the D.C. and U.S. federal governments. This formal title allowed them to open accounts with two major D.C. banks and thickened the foundation of trust among Salvadorans by suggesting that deposits ultimately lay within a bank that had U.S.-government insurance against default. Again, the Banquito owners were attempting to substantiate their relations of belief and credit with depositors by linking themselves with the prestige and authority of the U.S. government. This "safety net" allowed the Banquito to assure depositors of the security of their money while the Banquito earned interest for them as well.

During the late 1980s, the Banquito transferred millions of dollars, and the partners invested their money throughout the San Miguel, Intipucá, and the D.C. area. They founded Tuco y Tico, a propane gas distributorship in the San Miguel area, and purchased property in downtown San Miguel where Ursulo Marquez opened a popular restaurant, El Gran Tejano, and a Burger King franchise. In Washington, D.C., Leonzo and his associates purchased commercial real estate and made substantial loans to other businesses, including a small company called Land L Construction. Leonzo was part owner of the company together with Manuel Leiva, another Intipucá native. Leiva, in turn, made loans to the Intipucá local government where Ursulo's other brother, Rigoberto Márquez, served as a political official. In D.C., Leonzo used depositors' money to purchase a 30 percent stake in *El Latino,* the largest Spanish-language publication in D.C., making him the majority stockholder. His shares represented ownership of future wealth that could be obtained in relation to this newspaper's circulation in the D.C. area. All of these investments were transactions oriented toward future production. They tied the bank into a system of credit, rent, and wage relations that extended throughout D.C. and El Salvador. This was facilitated by associating directly with the power and prestige of U.S. banks and the U.S. state, a relationship that also carried with it the possibility of state regulation.

The ties between the Banquito and Riggs National Bank showed up in the form of a great amount of activity in the account—too much for a small corporation—arousing the suspicion of the U.S. Securities and Exchange Commission (SEC), which decided that the Latin Investment Corporation must be offering banking services in the District without being legally chartered. In spite of the enforcement capacity that the SEC and other institutions could potentially bring to bear in the realm of money circulation, the federal and municipal authorities were uncoordinated in their inquiries and actions. Following a brief investigation, the SEC alerted Jarvis's District of Columbia Banking Office.

In August 1987, a member of the D.C. Office of Comptroller of Currency also notified the D.C. Banking Office that the Latin Investment Corporation appeared to be an unincorporated bank in the District. In January of 1988, the D.C. Banking Office contacted Leonzo at LIC and requested that he file documents to become legally chartered as a bank operating in the District or he would face enforcement action; however, this possibility was presented in vague terms, much like the letter that had been sent to Cuscatlán. Indeed, at this time, the Banking Office struggled to clarify its enforcement role and contacted the D.C. Corporation Council in this regard. They received a short memorandum stating that neither the Banking Office nor the Council had any jurisdiction over the case.

Even as they began to encounter minimal inquiry by U.S. federal agencies and the D.C. Banking Office, the Banquito's owners had become celebrities in Intipucá and Washington, D.C. In May 1989, Charles Lane, the Central American correspondent for the weekly magazine *Newsweek,* published a short essay in the popular (and now defunct) D.C. monthly, *Regardie's Magazine.* He described the apparent wealth and prosperity of Intipucá and linked it with the success of the Banquito and especially the entrepreneurial spirit of Leonzo, Torres, Márquez, and the other bank principals. According to the article, the bank had $6 million in capital and the partners grossed about 1.15 million dollars from their combined investments in D.C. and El Salvador.

The short article provided a powerful dual representation of the Intipucá–D.C. circuit that contributed to dominant discourses in both countries. In the D.C. area, the bank owners seemed to be successful entrepreneurs who were realizing a contemporary version of the "American Dream." In El Salvador they appeared as important agents in a new development model for El Salvador. Their ties to the visible wealth of Intipucá provided a positive image of El Salvador–U.S. relations defined by migration and remittances. Paradoxically, the Banquito's success was predicated on the transgression of national borders through the relatively unregulated movement of people and money, yet it also buttressed tenets of U.S. and Salvadoran nationalist discourse based on the integrity of these very same borders.

"The Banquito is in trouble . . ."

On Thursday, November 29, 1990, an important public evaluation of the relations into which the bank was woven circulated among Salvadorans living in Mount Pleasant and Columbia Heights neighborhoods of the District: "The Banquito is in trouble." On the door that day hung a sign explaining that the bank was closed for auditing. By the following week, several hundred Salvadorans in D.C. gathered outside the office in hope of withdrawing their savings; and the president of Latin Investment, Fernando Leonzo, spoke on WMDO (Radio Mundo), a Spanish-language station in the District. "The current economic situation is critical, but we want to face our obligations," he said. On the program, Leonzo apologized to the depositors and assured them that their money was "safely invested in real estate" (Sanchez and Brenner 1990a).[15]

For depositors' money to be invested in real estate meant that it had been exchanged for land and buildings (or shares in them) in the belief that these places would become sites of new productive activity and yield substantial rents for the owners. During the fall of 1989, the great real estate and construction boom in the D.C. area, in which the Banquito and many other banks and investment groups had joined the previous decade, came to a crashing halt. Commercial buildings and shopping centers stood empty across Maryland and Virginia. As physical shells with thousands of feet of unrented space, they were the visible representation of a bubble that was in the process of bursting. At this time, the Washington, D.C., area became one of the most concentrated regions of bank and savings and loan failures in the United States. Among the institutions that collapsed was Perpetual Savings Bank where the Banquito kept two accounts. Riggs also experienced a rash of "nonperforming loans," which provoked initial fear of a collapse. For Perpetual, federal insurance for depositors with up to $100,000 dollars would shift the losses into the future and spread them across an abstract national space and population. Investors with more substantial sums were usually given preferential treatment and warned well in advance of an actual collapse so that they might shift their accounts to more solvent institutions.

The Banquito had no emergency government insurance if its loans and investments ceased to yield income beyond the costs of their operations, including the cash necessary to service their depositors. With depositors' balance plus interest due, but with rapidly declining income, the owners of the bank risked losing all that had made them the living examples of successful immigrant capitalists and exemplary models of national development in El Salvador. They simply closed the bank and kept what they could.[16]

The shutdown of the Banquito provoked concern among Salvadoran depositors who almost immediately sought to mobilize the same kind of high-level political authority that the Banquito had used to build its legitimacy. Jorge Guerrero, president of the newly formed Depositors Committee of Latin Investment Corporation, visited the Salvadoran Embassy in Washington, D.C., to ask that the Salvadoran government intervene in the matter on behalf of its citizens who resided in D.C. According to the ambassador at the time, the Salvadoran Consulate in Washington could gain jurisdiction over the problem only if the U.S. government formally recognized the problem and officially denounced it to the Salvadoran government.

The relative disinterest in the Banquito situation reflected conflict among U.S. and Salvadoran governmental factions and the emergence of Intipucá as an important discursive locus in these conflicts. In 1987, two years before members of the Salvadoran armed forces murdered him, the Salvadoran sociologist and Jesuit priest Segundo Montes had published a pioneering study of Salvadorans living in the United States and remitting money home. Among the case studies in the book was one based on research conducted with university students in Intipucá. The Ford Foundation supported some of Montes's research in the United States and a version of the book was published in English supported with funds from the U.S. State Department (see Montes and Garcia 1988). In the context of the Salvadoran war and U.S. involvement at this time, Intipucá and the success story of the bank owners served as an important positive symbol of U.S. relations with El Salvador and suggested a workable model of future capitalist development in El Salvador that also echoed "the American Dream" of immigrant entrepreneurship in the United States. In spite of the strong criticism of the growing remittance economy as a new form of dependency in the Montes report, the bank and its visible forms of wealth helped contribute to these two powerful narratives.

When high-level government officials neglected to intervene, the pursuit of the depositors' money shifted to the hands of local organizations and law firms that sought to recover a percentage of the money for themselves. Shortly after the collapse, about 1,500 people gathered at La Peña, a community center in the basement of a Catholic church in the Mount Pleasant neighborhood, where a group of lawyers, headed by Brian Leitch of the large D.C. law firm Arnold and Porter, urged people to seek direct negotiations with Leonzo as soon as possible. Outside the building, Richard Deering, another lawyer in competition with Leitch, handed out flyers as the depositors entered and left the building, saying that he would represent them for $75–$100 plus 15 percent of any recovered money. There was great urgency among all parties to determine the amount of money that was to be recovered. Elaine Grant and the staff of the Wilson Community Center in Northwest D.C. began to collect the names of all depositors and examine their savings and checking account documents. She estimated that about 2,000 people had lost altogether close to $13 million dollars.

As the number $13 million circulated in discussions, competition over recovering a portion of the money pitted the two lawyers against each other. Enough people had picked up Deering's flyer so that he shortly filed a restraining order on behalf of 300 people in D.C. superior court, prohibiting Leonzo or anyone on his behalf from gaining access to their accounts at Riggs. Jorge Guerrero began to consult regularly with the lawyers led by Leitch and they suggested how he might file charges on behalf of the depositors against Leonzo, forcing him into involuntary bankruptcy and guaranteeing that all depositors would have equal access to any recovered funds.

On Friday, December 14, 1990, the SEC opened a formal investigation and subpoenaed the financial records of LIC and two related businesses. One name frequently appeared in the record books: Manuel Leiva, Leonzo's partner in L and L Construction. Leonzo had made substantial loans to L and L with no record of repayment. A week later more connections became public as the *Washington Post* ran a front-page story on Intipucá, the hometown of Leonzo, his associates, and many of the depositors. On Saturday, December 22, 1990, on the front page of the *Washington Post,* the SEC announced their findings that the owners of LIC had, in fact, used depositors' funds in a host of personal investments without their knowledge. Although the case had not been acknowledged publicly by either the U.S. or Salvadoran governments, in early January of 1991, SEC investigators visited El Salvador with the goal of seeking out and freezing company assets. They received assistance from staff at the U.S. embassy under the direction of the U.S. ambassador, William Walker.

On Thursday, March 21, 1991, Leonzo spoke in public for the first time and admitted that he and his associates had "diverted" depositors' funds. On April 6, Leonzo testified in detail at his own bankruptcy hearing and, over the ensuing week, more details of the money use become public. The federal judge denied LIC's attempts to reorganize, setting the stage for the sale of all properties owned by the Banquito in the United States. Based on its investigation into the material assets of LIC that could be turned back into liquid form, the SEC estimated that in the best of circumstances, investors would recover only 25 cents for each dollar deposited.

Since fall 1990, depositors had been concerned about the bank closure, yet the sense of doubt and disbelief that accompanied the SEC report was stunning. The most obvious culprits were the bank founders and owners whose relationship of trust had been constructed upon the shared experience of being a Salvadoran migrant in D.C. with ties to Intipucá and Oriente. "Our own countryman!" was the incredulous refrain delivered by many Salvadoran depositors. "It was a bank where everyone spoke Spanish," said a man who lost $28,000 with the collapse. "It was my bank and the bank of other people. We felt good," said another. At another level, the abstraction of "the United States" had failed the depositors. "This could have happened in El Salvador, but not here," said a woman whose family had lost close to 7,000 dollars. "In this country we believed the law was respected and everything was okay. If you park your car in the wrong place, there is someone to give you a ticket right away. But this time . . . everyone knew about this bank, and they did not take the care," explained a man (Leff 1994). The failure also prompted a crisis in the D.C. Banking Office, angry public exchanges between Jarvis and her critics, and an emergency rewriting of the D.C. banking laws. In the absence of D.C. municipal or U.S. state authority, the Salvadoran government was similarly held to blame, but there was little expectation of redress among Salvadorans in either country. Finally, the many places where the depositors' money had been paid out in expectation of future returns was to blame, for these projects did not generate the income needed to cover the withdrawals. Salvadorans had lost the materialization in money of their life and activity in D.C. Much of that money was now gone, as was the future that the bankbooks and their multiplying numbers promised to deliver.

In the context of the recession throughout the D.C. area and the Banquito collapse, a controversial encounter between D.C. police officers and a Salvadoran man on May 5, 1991, rapidly gave way to a three-day uprising concentrated in the neighborhood of Mount Pleasant. A female officer had tried to arrest the man for drunk and disorderly conduct. In a struggle with the man, she fired her gun, critically wounding him. Word spread throughout the neighborhood that the man had been handcuffed at the time of the shooting. This account fit into a generalized perception of unfair treatment by police that was shared by many Salvadorans in the neighborhood. Coupled with the recent Banquito collapse and more widespread contraction in employment and wages amidst the regional recession, the shooting triggered an outburst of frustration and violence. Salvadorans as well as many other residents of the neighborhood poured into the streets, attacking police, destroying property, and looting stores. Residents from elsewhere in the metropolitan area flocked to the neighborhood over the next two nights, joining in the melee. Only after regular tear gassing of crowds and the enforcement of strict curfews did the uprising abate.[17]

The Americanization of Intipucá

Within three weeks of the uprising in D.C., the U.S. ambassador to El Salvador, William Walker, visited Intipucá and met with the newly elected mayor and other town officials. He delivered a short speech in the town and donated about $10,000 dollars directly to the town via the mayor. This cash award was part of a United States Agency for International Development (USAID) program of direct payment to town mayors called Municipios en Accion (Municipalities in Action or MEA) begun near the end of 1986 as part of a shift in the overall U.S. military effort in the country. The MEA program was designed to foster local democratic process and sow legitimacy for the Salvadoran government and military.

Before this program was implemented, USAID would usually design, fund, and hire contractors to build a project (such as a school, a road, or public utilities). Frequently the projects were not completed and there was little collective sense of proprietorship and responsibility nor legal recourse to sue a delinquent or negligent contractor who had no ties to the region. In principal, under MEA, local townships would meet and vote on a project establishing a sense of local participation and ownership. As part of the overall project, USAID officials instructed mayors how to conduct town meetings, occasionally inviting them to the United States for conferences. In some cases, actors were hired in El Salvador to enact a theatrical representation of effective local politics. USAID characterized its project as a "quiet revolution," although critics in the U.S. government argued that "since the program is conceived and financed by the United States, and since its orientation is specifically local, it establishes little loyalty toward the government and the armed forces of El Salvador" (Moore 1997).

When the ambassador visited and spoke publicly, he stressed that although the $10,000 was a gift to the town, it was not from the U.S. government, but from hard-working people in the United States who paid their taxes, including the many Salvadorans who lived and worked in the D.C. area with legal documents. By suggesting that it was money earned partially by Salvadorans, he attempted to unify Salvadoran national sentiment in the town and in Washington, D.C. The ambassador never spoke publicly of the Banquito and its direct ties to Intipucá, nor did he mention the unrest in Washington, D.C., that had occurred earlier in the month.

Later, in 1997, when Walker was serving as Vice President of the U.S. Naval War College in D.C., he recalled to me how he had heard of Intipucá, why he had made the trip to the town, and what he had done during his visit:

> By 1988, of course, there were lots of people from Intipucá already in the Washington area, so I heard of this town. I'm not sure if I can remember when I sort of zeroed in on the fact that it was a very unique place and it had this back-and-forth traffic to the Washington area specifically. I expressed a desire to go to Intipucá just to see what it was because my curiosity was there. I wasn't sure what to expect, but I can assure you I sort of underestimated, I guess, what I would call the Americanization of Intipucá.

Although Intipuqueños had spoken of his visit to me in detail and stressed the story of the money and its origins, I asked the ambassador what he spoke about that day. "I'm sure I was conveying the special relationship between this town, and by extension, I thought, of El Salvador itself with the United States, and that we're growing closer together, and that they were sort of a symbol of this," he replied.

The most visible legacy of his visit is that a main street in Intipucá was paved with the $10,000 and named after him, Calle Central William Walker. I asked him how this came about.

> Well, [US]AID had lots of funds for infrastructure and infrastructure improvement and when I was asking around to see what could be done, what I could bring in the way of a token gesture our support for Intipucá, our AID people said that they could probably put together some money to . . . I can't remember what it was . . . help pave it or do something with the street. So when I was there, I announced that AID would be doing this. We left and I swear it was three months later, five months later, six months later, a delegation came to San Salvador from Intipucá to tell me that they were naming the street after me.

The Wealth of Pueblos

The ambassador's telling phrase in reference to his visit continues to resonate well beyond the pueblo: "I was conveying the special relationship between this town, and by extension, I thought, of El Salvador itself with the United States, and that we're growing closer together and that they were sort of a symbol of this." The paved street with his name, the arrival of the new Agrícola office, and more generally the appearance of wealth in the town in the form of the many new commodities all combine to make Intipucá an important symbol, a sign that actually stands for its object—El Salvador's new relationship with the United States and its ties through migration and remittances. Since the Banquito collapse, Salvadoran politicians have visited the pueblo, including Former President Armando Calderón Sol. Nongovernmental organizations have also sent researchers to Intipucá to attempt to discover and replicate the apparently successful mechanisms of remittance-led development, as

Agrícola and other public-sector banks offer precious little in the way of local credit.

The same year that Agrícola arrived in Intipucá, the World Bank released an 85-page report that profiled El Salvador's national economy and recent political history, congratulating the government for "meeting the challenge of globalization" and, at the same time, further prodding it to "seize the opportunities arising from globalization." The government was told to continue crafting and enacting new policies that would reform state institutions and encourage "outward-oriented private-sector growth" (Grandolini 1996:xiii).

The first chapter of this document, which was on macroeconomic stability, argued that the government should focus on policies designed to improve the fiscal performance of the state, control inflation and interest rates, keep the exchange rate stable (especially in regard to U.S. dollar exchanges), and increase and broaden the range of export commodities. At the center of the later three issues is an acknowledgement by the bank report that a fundamental change had occurred in El Salvador as a result of "high foreign exchange inflows," particularly the money remitted by Salvadorans living and working in the United States. According to the bank report, "Worker remittances have increased faster than any other inflow and currently represent approximately 70 percent of total exchange flows, while official transfers represent about 20 percent" (Grandolini 1996:14).

In its analysis, the report profiles the two kinds of inflows, capital and remittances, and introduced an important conceptual model for understanding how both affect the Salvadoran economy. Known as the "Dutch disease" phenomenon, countries that experience an export boom and an influx of foreign exchange (such as Holland did during its discovery and exploitation of North Sea oil reserves in the 1970s) tend to experience conditions of inflation and a drop in the value of their domestic currency, a rise in the circulation of foreign consumer products, and a limiting or retarding effect on the development of other productive sectors in the country. Viewed as a short-term affliction, "Dutch disease" is rare for large diversified economies like those in the United States and Europe and hence constitutes something like an acute 24-hour flu. For countries such as El Salvador that have exported only one or two primary commodities since colonial times and that have relied on the foreign exchange garnered from their sale for purchasing all the accoutrements of modern life, "Dutch disease" constitutes a chronic state of being. In his historical ethnography of the Venezuelan state, Fernando Coronil has suggested that "as a colonial plague that malformed the Third World into narrowly specialized primary product exporters, the Dutch disease should be renamed the Third World or neocolonial disease" (Coronil 1997:7). However, the World Bank does not recognize the sense of history that this renaming suggests. Instead, by invoking the "Dutch disease" model, the report highlights the newness of this transformation and its implications for the Salvadoran government and its administration of the national economy.

The report's emphasis on the newness and uniqueness of the remittance flow is established through two important claims: (1) the flow is long-term and structural and (2) people in El Salvador use remittances to purchase mostly nontradable consumer goods. The first claim makes no reference to any supporting evidence: "As long as emigrant workers remain in the United States, and the U.S. economy continues growing, remittances will continue. However, they should not increase much beyond current levels, remaining at 8–10 percent GDP" (Grandolini 1996:16). These two claims are striking in the subtlety of their authority. By using the category "gross domestic product" under which to categorize and measure the remittances, the money is rhetorically and in practice "domesticated" into the Salvadoran national economy. Part of this product, however, is the array of activities performed by Salvadorans in the United States. This deft nationalizing move is substantiated by reference to a report written by the policy research center known as FUSADES (Fundacion Salvadorena para el Desarollo Economico y Social) founded in 1984 with support from the United States Agency for International Development and known for its steady production of neoliberal-oriented policy reports and its support for a dominant faction of the conservative ARENA party.

The FUSADES report referred to by the Bank report is the *Economic and Social Bulletin* of January 1994 entitled "Salvadoran Emigration and its Economic and Social Impact" (FUSADES 1994). The report is short and contains four sections. In the third section, "Economic and Social Impact of the Emigrations," the authors refer to "studies completed by CEPAL" (known as ECLA in its English acronym for the Economic Commission for Latin America and the Caribbean) indicating, according to the FUSADES authors, that remittances are principally used for family consumption. There is no more reference information for the CEPAL reports, but it seems likely that the FUSADES authors have in mind a report issued on June 19, 1991, that was based on research conducted by the Salvadoran sociologist Juan José García who served as a consultant to the Commission. The report is called "El Salvador: International Remittances and Family Economics," and it draws upon a wealth of survey research, interviews, and review of government documents conducted by the author (CEPAL 1991). The report analyzes the social and economic impact of the remittances on daily life among poorer urban and rural sectors of Salvadoran society and suggests several ways to more effectively channel and concentrate the remittances at a local level to increase people's productivity and thereby improve living conditions.

García has had a distinguished research career in El Salvador and abroad (he was a visiting professor at Swarthmore College in 1992–93) and was among the researchers who worked with Jesuit priest and sociologist Segundo Montes during the 1980s in his groundbreaking research on Salvadoran migration and remittances. García has remained one of the most active scholars working in the tradition of Montes and pursuing lines of inquiry that were developed and advanced from the 1980s research. As I have mentioned, among Montes's and García's most well-known collaborative work was a study that included a brief survey and case study of Intipucá that was published first in El Salvador and later in the United States by the Hemispheric Migration Project and the Center for Immigration Policy and Refugee Assistance at Georgetown University with a grant from the U.S. State Department.

As part of the new reality of remittances, the World Bank report urged the Salvadoran government to institute policies that would "deepen" the formal financial sector, bringing more people into relations with the private banks. This would facilitate not only increased domestic credit (at least potentially) but also the creation of more sophisticated financial instruments and deepen El Salvador's "outward-oriented" participation in world financial markets.

Transvaluation

Contained and partially obscured in the measures of wealth reproduced in the World Bank report, the paved street named after William Walker, the Agrícola office a block away, and the story of the tunnel, lies Salvadoran labor abroad in the United States, the Banquito itself, and countless other aspects of life in Intipucá and in Washington, D.C. The cumulative effect across both countries has tended to be the objectification of abstract labor in the form of its price in money and its further abstraction as the price of the price of this price and so on. But other possible qualities of active human life always pressed at this "phantom-like objectivity" as constant doubts that threatened to fold into the radical "habit" of breaking a habit.

James Jakób Liszka, an interpreter of Peirce and philosopher of language, has suggested that Peirce's third element of a sign relation, the Interpretant, may be understood as containing the important process of valuation, translation, or interpretation. Liszka has used the term *transvaluation* to describe this moment of the "translation of the perceived mark and rank of a referent by its sign" (Liszka 1990, 1993). This article has considered competing processes and moments of transvaluation or sign determination. Through the lens of the value problematic, the "economic" practices and rhetoric of U.S. monetarism and D.C. municipal banking regulation, as well as "cultural" practices such as trust or nationalism, comprise part of broader systemic transformations in the production and meaning of people, places, and objects across El Salvador and the United States. What I have called provisionally a materialist semeiotic of value allows one to enter the storm called neoliberal capitalist restructuring and consider its multiple dimensions in a relational fashion without unduly fetishizing or reifying particular moments, locales, or groups of people. In this effort, I have sought to develop and use categories appropriate for a combined account of value and belief formation, where each are understood to be partial and differentially refracted dimensions of a larger social whole. Changing habits, overcoming of doubt, and fixing belief are central to the process of determining how active life can be "valued" and aspects of life can be measured in terms of the "value" of what they yield. In spite of the crisis-prone moments that the article has sought to illuminate, particular objectified dimensions of social life continue to be reproduced through their measure in money and they tend to dominate even as they are undergoing transformation.

In January 2001, the Salvadoran government passed laws to allow the U.S. dollar to circulate alongside the Salvadoran colón as an equivalent national currency. Although proponents of this change in El Salvador argue that dollarization provides investment stability and ultimately may encourage large U.S. banks to open offices in El Salvador, critics decry the loss of national sovereignty. The gradual dollarization of El Salvador and its "de- colón -ization" may be a form of recolonization as the Salvadoran government loses the same tool of domestic monetary power that the U.S. Federal Reserve had wielded effectively since the late 1970s to alter the practical meaning of the U.S. dollar worldwide.

Notes

Acknowledgments. This article draws upon research conducted in El Salvador during 1996 and 1997 and was supported by a Fulbright-IIE Dissertation Research Award. Earlier versions were presented at a conference sponsored by the Doctoral Program in Anthropology and History at the University of Michigan ("Touching Ground: Descent into the Material/Cultural Divide"), April 2–3, 1999, and at the Annual Meetings of the American Anthropological Association, November 2001, Washington, D.C. A longer consideration of these materials appears as Chapter Five in my Ph.D. dissertation, *American Value: Migrants, Money and Modernity in El Salvador and the United States*. I thank Mauricio Alarcón, Ann Anagnost, Mario Bencastro, Leigh Binford, Sharad Chari, Marvin Chávez, Fernando Coronil, Val Daniel, Paul Eiss, Elizabeth Ferry, Oren Kosansky, Monica Prasad, Ana Patricia Rodríguez, Daniel Rothenberg, Roger Rouse, Julie Skurski, Terence Turner, and Tom Williamson, as well as members of the Michigan Society of Fellows and the Doctoral Program in Anthropology and History, for comments and discussions that have influenced this version of the article.

1. In 1997, Banco Agrícola Comercial (BAC), founded in 1955 by Luis Escalante, was the largest bank in El Salvador and the largest commercial bank in Central America, excluding Panama. According to the business magazine *Estrategia y Negocios*, by June 2001, it was one of four banks that together accounted for more than half of all financial sector profits in the region.

2. Confidential interview, Intipucá, December 30, 1997.

3. The names of these four founders are well known and have been published in Salvadoran and U.S. newspapers and magazines. See the public report, *El Escandalo Confidencial de "Inversiones y Ahorros Latinos,"* written in February 1992 by two former Salvadoran ambassadors to the United States, Dr. Francisco Roberto Lima and Ernesto Rivas Gallont.

4. Residents estimated that up to 16,000 people had moved to live and work in the D.C. area since 1967 and that they currently remitted about $150,000 per month to family and friends in the pueblo. These numbers correspond with estimates made by Agricola officials, prior to their arrival in the pueblo. See also "Unlicensed Banking Practices and Failure of Latin Investment Corporations," Hearing before the Subcommittee on General Oversight and Investigations of the Committee on Banking, Finance and Urban Affairs, House of Representatives, 102nd Congress, June 4, 1991:1–114.

5. The Federal Depositor Insurance Corporation (FDIC) created by the Banking Act of 1933 and the Federal Financial Institutions Examination Council (FFIEC) write

and enforce regulations, including reserve requirements, meant to help maintain the solvency of U.S. banks and savings institutions. The FDIC also offers limited insurance to most depositors in the event of collapse. At this time in El Salvador, there was no official system of depositor insurance.

6. In December 1990, analysts reported that defaults on commercial real estate loans were growing faster in the Washington area than anywhere else in the United States (Brenner 1990b).

7. In 1994, Fernando Leonzo, the former Banquito president, was sentenced by a U.S. federal judge to 21 months in prison for attempting to defraud several U.S. banks when he tried to secure loans to rescue the failing Banquito. Officials had been able to liquidate about $600,000 in Banquito assets and estimated that depositors would recover about 15–20 cents per dollar invested. See Lisa Leff, "Savings Firm President Sentenced," *Washington Post,* March 31, 1994: B1.

8. Eight days before Agricola opened its office in Intipucá, the popular conservative daily newspaper *El Diario de Hoy* published an article titled, "Intipucá, La ciudad 'gringa' de oriente" [Intipucá, The 'Gringo' City of the East], by Francisco Arturo Gonzales, August 18, 1996: 20.

9. In this endeavor I acknowledge the significant influence of Bertell Ollman's discussion of abstraction defined by "extension, level of generality and vantage point" (Ollman 1993:23–83). See Ollman 2001, 1993, 1971. See also Roy Bhaskar's conceptualization of "causality, change and emergence" (Bhaskar 1994:67–88).

10. The quoted passage originally appeared in an article entitled "How to Make Our Ideas Clear," appearing in 1878 as part of a series in the magazine *Popular Science Monthly.*

11. Most scholars of Peirce refer to his work from the *Collected Papers,* edited by Charles Hartshorne and Paul Weiss, by citing the volume and paragraph number. For example, this passage would be notated as CP 2.228 and may be found that way in Daniel (1984:14).

12. I have explored some of the implications of a Peirce-inspired "triadic dialectic" in Pedersen 2001.

13. See also the introduction to this issue of *Cultural Anthropology.*

14. For example, in 1997, Banco Cuscatlán sold remittance-backed bonds facilitated by the now defunct Japanese bank, Daiwa International.

15. The next day, Leonzo privately appealed to the D.C. banking office to close his bank so that he might avoid appearing responsible to his depositors.

16. Several of them fled back to Intipucá immediately. At least one D.C. depositor followed him to the town with the intent to somehow seek retribution. This owner still claims to sleep with a gun under his pillow out of fear that other depositors might try to kill him.

17. This uprising and its aftermath is a complex and ongoing story that I do not pursue in this article. See the report by the Latino Civil Rights Task Force, Washington, D.C., October 1991.

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