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Implications of an "Americas First" Foreign Policy

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Allison Nathan: The Trump administration kicked off 2026 with a new, more forceful foreign policy. Driving this is the so-called Donroe Doctrine, President Trump's take on the Monroe Doctrine, a cornerstone 19th century US foreign policy that aimed to expand US influence and control in the Western Hemisphere. So what could this ultimately mean for the US's next moves in Latin America and the Western Hemisphere more broadly? How does it impact the calculus for China and Russia as they each pursue their own foreign policy goals? And what risks should investors be most focused on? I'm Allison Nathan and this is Goldman Sachs Exchanges.

Each month, I speak with investors, policymakers, and academics about the most pressing market-moving issues for our Top of Mind report from Goldman Sachs Research. I recently spoke with Hal Brands, professor of Global Affairs and the Johns Hopkins of Advanced International Studies, and with Mauricio Claver-Carone, President Trump's former Special Envoy for Latin America and managing partner of the Latin America Real Assets Opportunity Fund. I first asked them both for more insight into the Donroe Doctrine, starting with Hal.

Allison Nathan: You were pretty prescient in 2024. You argued that a second Trump presidency would feature a revitalized Monroe Doctrine. What do you see as the underlying factors that motivated this more forceful posture in the Western Hemisphere?

Hal Brands: The one factor is structural, and the other is personal. The factor that is structural is that the United States, because of its position in the world, typically tries to consolidate its position in the Western Hemisphere when the rest of the world is falling apart. And so during World War I, during World War II, during the Cold War, the

United States worked very hard to try to ensure its dominance in the Western Hemisphere, and it's not surprising that the US is doing the same thing as we enter a new era of great power rivalry.

The personal issue has to do with the president. Thinking back to Trump's first term, he and his advisors talked about renewing the Monroe Doctrine. Trump himself is very focused on this because he seeks a variety of benefits in the Western Hemisphere, from control of additional resources to control of additional territory, which he has talked about taking from Panama, Canada, and Greenland. And I should add that the president is most intensely focused on tangible threats to American sovereignty and security, which tends to make him look very hard at issues like drug trafficking and migration, which have their roots in the Western Hemisphere as well.

So when you put all those things together, it's not surprising that this administration has really put the focus on reconsolidating their position in the Western Hemisphere. If anything, what's surprising is how energetic the administration has been. The intervention in Venezuela has gotten a lot of attention, but that's just the capstone of a much bigger and broader campaign that has featured diplomatic pressure on countries like Colombia and Panama, economic support to regional allies like the Milei government in Argentina, partnerships with the Bukele government in El Salvador and other ideological fellow travelers, and a whole array of initiatives -- military, diplomatic, economic.

Allison Nathan: A lot of the initial reports and discussion around the developments in Venezuela seem to really focus on oil. So just to clarify, you think this is about oil?

Hal Brands: I think Trump focuses very intently on control of resources, and he associates national power with control of resources to a remarkable degree. He has long said that the primary mistake in the American invasion of Iraq was not taking the oil. And so for Trump, I think this is at the forefront of his calculus. And if you think about the way that Trump has described US aims in Venezuela since January 3rd, he says very little about democracy and good governance and seems perfectly happy to work with the remnants of the Maduro government there.

He's actually said relatively little about drug trafficking. He has said a lot about the United States exerting greater control over the disposition and sale of Venezuelan oil on the market and the desire for greater openness of the Venezuelan oil industry to the participation of US majors. And so I think different people in this administration value different things in this Trump corollary to the Monroe Doctrine, but for Trump himself the primary issues are essentially about economic gain and a neomercantalist approach to international economics.

Allison Nathan: So is that really what differentiates the Donroe Doctrine from the Monroe Doctrine?

Hal Brands: The Monroe Doctrine has evolved over time in terms of what it means. In the 19th century, it was initially about preventing the reimposition of colonial control by European powers. During the 20th century, it became really about keeping fascist and Communist regimes out of the hemisphere.

I think the Donroe Doctrine, in some ways, it's a reversion to an earlier style of statecraft. Much less apologetic about the desire to control the resources of weaker countries.

Much more willing to talk about outright acquisition of territory or other things that seem to have gone out of style with the end of the age of imperialism. So it's sometimes said that Trump is trying to revive a 19th century style of foreign policy. I think Trump would feel quite at home if he were presiding over some of the US interventions in Latin America in the late 19th and early 20th centuries.

Allison Nathan: And this was Mauricio's take on the Donroe Doctrine.

Mauricio Claver-Carone: The way the president sees it is you can't be the preeminent global power if you're not, first and foremost, the preeminent regional power. And what everybody seems to misunderstand is that this was the president's thinking himself. It wasn't advisors influencing him on the need to focus first and foremost on the region as a way of being a preeminent regional power, therefore then being able to reflect that globally. It was him because, not only did he know the region -- he's been throughout the region throughout his life and his career -- he's a developer from New York, right? And he very much thinks in building neighborhoods.

The president's view is always, listen, there is not a region in the world that impacts the United States more on a daily basis than Latin America and the Caribbean. Whether it's from a security perspective from the transit of drugs and even potentially terrorism, etc., that can cross through the borders, and that was always his philosophy. And I saw first-hand many times over, you know, and even when there were conflicts in Afghanistan, Syria, etc., during the first term, whereby the president, even in the use of military force, he would say, "You know, wow, we're so eager and so eagerly we send troops, you know, to fight in Afghanistan or Syria even, etc., but then yet as things were in 2019 building up in Venezuela, we're so scared to have any type of presence here in the Western Hemisphere which is where we live."

And I remember at one point particularly during that whole time and situation when things were really dramatically increasing in regards to Venezuela, at one point he asked, "Hey, can we send a ship to basically be present so they know at least we're there?" Right? And he was notified that there were no Navy ships in the vicinity of the Caribbean. It was just mind blowing. How is it that -- where are they all? They're all in the Persian Gulf, in

South Asia and the Mediterranean. Well, what about right here?

And so that was these stark experiences. But of course the team at the time in the first term was so focused on the Middle East and Asia. So the first term was very much about how do we set frameworks to, mostly through soft power, be able to pivot from China? Because the story of the last two decades has been China's growing influence in the region.

The second term is the implementation of what the president's vision is. When he was inaugurated in second term, he made it extraordinarily clear. He hearkened back President McKinley. He hearkened back to the golden era of American influence. And that was the golden era of American influence that was projected through bricks and mortars and through actual influence, through not only the concept of the Monroe Doctrine then with the Roosevelt corollary whereby we had primacy in the region but also in the sense of the Panama Canal and that type of influence.

And the big difference the second time around is also the team. There's no competing interest. So obviously you have a secretary of state and now an extra career advisor as well, Marco Rubio, who understands and cares and knows the region and understands the president's thinking. You have Stephen Miller, who has worked on the issues and also has a holistic view on immigration. You have a secretary of defense that also agrees.

That was probably the biggest problem. In the first administration, the secretary of defense didn't even believe that the DOD should be involved in counter narcotics.

Allison Nathan: I hear you talk about this influence in the region. What really is the goal of having that influence?

Mauricio Claver-Carone: Security, it crosses the gamut from narcotics to the terrorism, whether it's ideological or narcotics-based terrorism. Energy security is also an important part of security. The Achille's heel, as Hugo Chavez learned a long time ago and as Fidel Castro's always known, which is why he created Hugo Chavez and why Venezuela was ultimately his golden crown until he passed away, the Achille's heel of the Caribbean particularly is energy. Those countries have a pressing need for energy.

And by the way, so does Central America. One of the biggest drivers, frankly, of migration even throughout Central America has been the high cost of energy. So energy security, which then leads to obviously the security issues with migration, those all come hand in hand, which is why all of that is important.

And look, here's the reality, you know? And I think you've seen it across the board from day one of his administration, whether it's in the priorities that we've set forth and laid in Central America, the relationship we created with Mexico, the support we gave to Argentina during its time of crisis prior to the midterm elections, to obviously now Venezuela, all of this is based on, first and foremost, US security.

And by the way, it's very also consistent with President Trump and his thinking on energy. The US is an energy powerhouse on its own. And he's like, "Well, why aren't we exploring and producing more here and at the end of the day to help with energy prices?" And for us, you know, that's going to make us and keep us as a global powerhouse at its own.

And that's also the case with Latin America. Like Venezuela, first and foremost, but Mexico, Brazil, Argentina, Colombia, Bolivia in its own right, these are energy powerhouses or could be. The only reason why Mexico and Argentina and Venezuela, frankly, and Brazil to a degree aren't energy powerhouses, per se, you know, to the scale of the United States or Saudi Arabia or even Russia, to be quite honest, is because of poor management. I mean, just look right next door to Venezuela and Guyana.

Guyana is now -- probably it will change now with more proper management in Venezuela -- but Guyana is now producing more oil, more barrels per day than Venezuela. That's because there mostly it's been American companies working closely with the Guyana government. And I think that countries like Guyana are a great example that, when American companies work hand in hand with the government to develop good policies from the get-go and hopefully leaving behind a lot of the nationalist 20th century strains, ideological strains that at the time the different revelations embedded into the psyche of the populations.

Allison Nathan: I hear all that, but President Trump was elected on an America-first platform, so does expanding US influence in Latin America conflict with that platform?

Mauricio Claver-Carone: No. As the America-first movement propagated, it was natural that the next extension was going to be the Americas first. We were going to America first to Americas first in the sense of countering what was the notion of, you know, every expert in DC think tank had already been prognosticating that the 21st century would be the Chinese century while the 20th century was the American century. And the president was saying in his inauguration absolutely not. The 21st century is going to be another American century, and if not the greatest American century. There is no entanglement. We don't have boots on the ground in Venezuela.

At the end of the day, this is not nation building, and I think that's where people are confused. These are about partnerships. Practical partnerships between nations because it's with the left and the right. Like, right now we're working with the interim government of the left in Venezuela, and we're working with the conservative government in Argentina. We're working with the leftleaning government of Mexico and the right-leaning government of El Salvador, Costa Rico, or now Chile, etc.

So these are practical relationships. These are business-oriented relationships because what people are aspiring to throughout the region is our practical business relationships where people can live in secure countries and do well and be able to thrive and be able to have growing economies and be able to have business opportunities. And that's the psyche of all of these countries. And so I think there's a dynamic social shift there.

Allison Nathan: So, what might be next then for US action in Latin America?

Mauricio Claver-Carone: You have elections now in Colombia and Brazil which are going to be very important. Those elections will also kind of set the marker and particularly if the center-right, more conservatives win in those countries, you pretty much have, like, for the first time an ideological consolidation in the region.

But again, let me take my own advice and not discuss it in ideological terms. If new leaders choose the United States first and foremost as partners, at least you'll have a consolidation of partnerships throughout the region, which will be quite an opportunity to then consolidate those allies. Now, what does the expression of that look like? We've already done some of these commercial deals with some of them, at least definitely from a tariff perspective, etc. But I think a modernization of our business relationships and commercial partnerships to all those countries is in order that might start with Mexico and the USMCA renegotiation this year if that's the path the president chooses, which it seems like that's the case and that's where he's at right now.

But there's an opportunity now with our friends and allies throughout the region to really reconfigure what those partnerships look like and what those relationships look like and modernizing those who are very focused on trade and to move beyond that to one focused on US investment, equity, putting the flag, making partnerships and deals in the region that ensure strategic presence by the United States in these energy infrastructure sectors, etc. That hopefully by the end of this term no one again will be talking about, "Oh my god, the Chinese are getting this port and the Chinese are buying this grid or these mineral rights," etc. That it'll be unquestionable that the United States is the partner of choice for Latin America and the Caribbean.

Allison Nathan: I then turned back to Hal for his take on what the Donroe Doctrine could mean for other countries in the Western Hemisphere and the world more broadly. If you think about these recent developments, what do you think will be the implications for other Latin American countries?

Hal Brands: I think it has served notice that if there are vulnerable anti-American regimes that are playing strategic footsie with China and Russia, they are probably going to come in for greater pressure. Cuba might be the best example of this. That said, I am a little bit skeptical that we're going to see large-scale US military intervention in Cuba. I'm not actually sure that the administration wants the Cuban regime to collapse because that might produce a flood of refugees headed for the United States.

For countries from Colombia all the way up to Mexico, the result is going to be a sense of pressure to act with greater urgency on issues related to narco trafficking. And certainly I think you're already seeing that with the discussion the US and Mexico appear to be having about a potential role for the US military going after cartels that operate in Mexico. You're seeing it with some of President Trump's comments about Colombia.

Allison Nathan: Russia and China have significant interests in Venezuela and Latin America more broadly. What do you think they are learning or taking away from the US's recent actions?

Hal Brands: To some degree, Moscow and Beijing have run up hard against the reality of US hard power in the Western Hemisphere. And whether it is the US Navy and Coast Guard seizing shadow fleet tankers or the United States forcibly deposing Maduro or the Pentagon shooting up drug boats in the Caribbean, there's just really not much either Moscow or Beijing can do to contest the application of American military power in the Western Hemisphere.

That said, if you were thinking about China in particular, Chinese influence in the Western Hemisphere is relatively deeply embedded. It is embedded in trade relationships.

It's embedded in the diffusion of technology. It is embedded in both physical and digital infrastructure. And all of these things are going to persist. And I think Beijing is going to play the long game. It's going to try to continue developing economic relationships, political relationships, in some cases low-profile security relationships that will focus more on police and internal security than traditional military functions. And so I think Beijing is going to persist in its efforts to win influence in the Western Hemisphere over time, even though they recognize that there are areas where they're just not going to be able to compete with the United States. If anything, this simply tells us that we're entering a more intense phase of the competition for influence in the region.

Allison Nathan: Let's talk a little bit about Greenland. How does the administration's actions in Greenland really shift how we should be thinking about NATO, the global balance of power, what the US is really trying to achieve in the broader hemisphere?

Hal Brands: Greenland is both a hemispheric issue and a global issue. It's a hemispheric issue in the sense that Trump and people around him see consolidating US control of Greenland as part of this larger effort to revive the Monroe Doctrine. And they can point to historical examples in which the United States has increased influence in Greenland as part of a strategy of hemispheric defense, as President Roosevelt did in the runup to US entry into World War II.

It's a global issue, though, for two reasons. First, because it so powerfully affects the fate of NATO and the transatlantic community. And I think it is hard to overstate the degree of outright alarm that Canada and many European countries feel as a result of US desire to acquire Greenland.

But also number two, it's the best test of whether the United States is actually going to go down the route of seeking changes in the territorial status quo in the world. And the reason that's such an explosive issue is that this is exactly like what China is doing in the South China Sea and in the Himalayas, what Russia is doing in Ukraine. And so if you have a situation in which the US is also seeking to redraw borders through coercion or perhaps the use of force, you have a world in which the three most powerful countries are all violently or coercively disrupting the territorial status quo. That's something we haven't seen since the 1930s, and that could be deeply corrosive to the international order that has prevailed since 1945.

Allison Nathan: So would you say that recent US actions have helped further China's and Russia's ambitions in some ways?

Hal Brands: I think a few things can be true at once. First, the loss of Maduro is a loss for both Beijing and Moscow because they have both invested in this relationship. And also Beijing and Moscow never like it when they see the US use military power with the sort of ruthless efficiency we saw in Caracas in our late January.

But two, that doesn't mean that this is entirely a bad news story for Moscow and Beijing because, if we are entering a world where international law and international norms matter less, if we are entering a world in which great powers are free to do as they like in their immediate surroundings, that's exactly the sort of world that Chinese and Russian leaders would be comfortable in. And in fact, exactly the sort of world that they're trying to bring about, whether it's in Eastern Europe or the Western Pacific.

Moreover, if we're seeing an intensification of US military activity in the Western Hemisphere that is going to pull resources away from other regions then that's a potentially good news story for Russia and China as well. It's worth noting to the aircraft carrier that Trump redeployed from the Mediterranean to the Caribbean in November was meant to cover the Middle East and Europe. And so if you think about other regions of the world, the US is operating at a bit of a resource deficit at the moment. And that's not the worst thing for other US adversaries.

Allison Nathan: Iran doesn't really seem to fit into the Donroe Doctrine. Obviously, it goes beyond. So how does that fit into this?

Hal Brands: Iran is one of the key reasons why we should be skeptical of the idea that the world is rapidly transitioning into a spheres of influence arrangement. Yes, Trump wants an American sphere of influence in the Western Hemisphere, but he also likes to maintain unhindered freedom of action globally when he thinks that is advantageous to him. And so if you look at the national security strategy that the administration put out, there's a lot of talk about the need for American dominance in the Western Hemisphere. There's also a lot of talk about the role the president has played in trying to broker peace between Azerbaijan and Armenia or Cambodia and Thailand and a bunch of other countries around the world. And so President Trump wants dominance at home, and he wants freedom to roam abroad.

Allison Nathan: So what does this all mean for companies and investors? Here's what Hal had to say.

Hal Brands: The way I would put this is that I think we have lived for so long in an international system that is conditioned by mostly benign, mostly responsible US leadership that we just can't even conceive of what the world will look like if and when that leadership goes away. The post 1945 international order has featured very strong prohibitions on forcible conquest, very strong protections for freedom of navigation, which is essentially the foundation of the international economy. Free trade and globalization have proceeded in a world that is secured and stabilized by US power. Democracy and human rights have spread more widely than ever before, in part thanks to US influence.

And so the mega risk that I have in mind is that, if the United States ever decides that it wants to play a fundamentally different role in the world, the world order is going to change fundamentally. We're going to see more countries pursue nuclear weapons. We are going to see a retreat of democratic values in regions around the world. We're going to see much greater disorder on the high seas, which will have implications for global trade. And dollar dominance is going to come in for greater challenge. And so the mega risk that I keep my eye on is basically a fundamental shift in the US approach to global there because I think that will fundamentally shift the way that the world works in a number of different respects.

Thirty years ago, I would have said there's very little chance of this happening. Fifteen years ago, I would have said there are growing retrenchment-minded inclinations in the US foreign policy debate. We now have a president who often talks like he wants a fundamental change in the way the US does business internationally, even though the policies he pursues are sometimes a little bit more conventional than that. And so the prospect of a fundamental shift in US foreign policy is more real now than it has been at any time I think in the last 70 years.

Allison Nathan: Let's leave it there. Lots to watch. My thanks to Hal Brands and Maurício Claver-Carone. And thank you for listening to this episode of Goldman Sachs Exchanges. I'm Allison Nathan.

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