

# Foreign Policy In Focus



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## Arms Sales to Latin America

by Thomas Cardamone, Council for a Livable World

On August 1, 1997, the Clinton administration announced that the U.S. would end a successful 20-year moratorium on the sale of advanced military equipment to Latin American states. This marked the culmination of a protracted interagency debate that highlighted Defense and State Departments' differing opinions on the issue. Despite opposition by a number of Latin American leaders and warnings from President Clinton's first Secretary of State Warren Christopher in August 1996 congressional testimony that the U.S. should show "great restraint," the White House abandoned the moratorium, creating the possibility for billions of dollars in high-tech arms sales to the region.

### Key Points

- The 20-year old U.S. moratorium on sales of advanced military equipment to Latin America was successful in preventing a high-tech arms race in the region.
- Even throughout the moratorium, the U.S. was the world's largest supplier of military equipment to Latin America.
- The U.S. decision to allow the sale of advanced fighter jets to Latin America was driven by jobs and export earnings rather than security imperatives.

An early test of the new policy is a U.S. offer to sell jet fighters to the Chilean military, whose army chief is former dictator General Augusto Pinochet. Ironically, Pinochet's bloody 1973 coup and human rights violations during his dictatorship (1973-90) were the reasons the Carter administration originally imposed the high-tech arms sale moratorium.

In May 1977, based on concerns about human rights abuses by Latin America's many dictatorships, President Jimmy Carter issued Presidential Decision

Directive 13, banning sales of US attack jets and other high-tech items. Except for a 1982 transfer of 24 F-16 jets to Venezuela in response to Cuba's acquisition of MiG-21 fighters from the Soviet Union, the policy held for two decades. Other jet suppliers such as France and Sweden followed the U.S. lead and refrained from selling the most sophisticated equipment. As a result, Latin America now has one of the world's lowest levels of military technology.

Despite Washington's moratorium on the sale of advanced weaponry, the U.S. is still the largest supplier of military equipment to Latin America. According to a 1997 Congressional Research Service study, from 1993-96 the U.S. supplied over 25% of all arms shipped to

the region—three times more than any other nation. Moreover, a 1997 U.S. Arms Control and Disarmament Agency report notes that from 1984 to 1995, the U.S. led all countries in deliveries (through both sales and military aid) of military aircraft to the region.

The 1997 White House decision signaled the successful conclusion of a quiet but tenacious lobbying effort by American military contractors, the Pentagon, and 116 senators and congressmen who had received aerospace industry PAC funds in the 1996 election. This lobbying effort was itself prompted by the Chilean military's decision, first announced in 1994, to purchase 24 advanced combat aircraft, estimated to be worth \$1 billion. The contractor's primary rationale for reversing U.S. policy—the possibility of lucrative new contracts in a post cold war era when both domestic and foreign orders for combat equipment have plummeted—was especially persuasive to the White House. The Clinton administration has made arms exports an important component of its economic globalization strategy, and Washington assesses the economic impact on U.S. weapons makers when contemplating export decisions. The lure of the Chilean contract, together with intense industry lobbying, convinced the White House to lift the moratorium, even though Chile faces no significant security threat.

Within weeks of this decision, the U.S. further ruffled feathers in the region with the announcement that it would grant Major Non-NATO Ally (MNNA) status to Argentina, ostensibly as a reward for that nation's participation in Desert Storm and UN peacekeeping missions. In reality, Washington's move appears aimed at quelling Argentina's vocal opposition to the shift in U.S. policy. With MNNA status, the Buenos Aires government will be given deep discounts on used American defense articles and allowed weapons co-production agreements. The move is highly unusual. Only six other nations, including Israel, have MNNA status; none is in Latin America, and there are no threats to U.S. security in the region. After Chile and Brazil protested granting Argentina MNNA status, Washington added to the confusion by reportedly indicating that those nations might be given MNNA status as well.

Despite the implication by the lengthy interagency review process that the move is an exception to normal U.S. foreign policy, the Clinton administration's decision to end the moratorium on sales of advanced weapons to Latin America is consistent with its conventional arms export strategy. A 1995 White House fact sheet on the Clinton administration's new *Conventional Arms Transfer Policy* described arms sales as a "legitimate instrument" of U.S. foreign policy, adding that a criterion for approval is the "impact" the decision will have "on U.S. industry." Under the combined weight of Chile's effort to acquire new jets, U.S. arms exporters' intense lobbying, and millions of dollars in political donations, the administration's decision was easily forecast. Ironically, though, there was no firm deal with Chile, whose air force is also considering purchasing the jets from France or Sweden.

Historically, the U.S. has justified arms exports as vital to bolstering the security of its allies around the globe. With no cross-border security imperative in South America, however, the U.S. arms industry was successful in shifting the debate to focus on economic gains. American weapons makers argued that if they did not sell Chile the jets, their European competitors would. Statements by administration officials underscored the point that regional security was not the only issue discussed during the policy review process. In early April 1997, after a preliminary move to allow U.S. firms to supply technical data to potential Latin American arms buyers, State Department spokesman Nicholas Burns noted that the decision was reached "so that our companies. . . would not be at a disadvantage in the competition."

Washington further justifies its new arms policy by noting that all countries in the region (except Cuba) are democratically elected, that trade ties among these states are increasing, and that their economies are improving. Further, the administration argues, most border disputes that for decades plagued regional security have been resolved, and human rights abuses have decreased. While supporters of the new U.S. policy argue that these gains should be rewarded with renewed high-tech sales, opponents question how the transfer of sophisticated military aircraft will promote stronger democracies, foster civilian control of the military, or continue trends of economic growth and regional interdependence.

Transfers of advanced equipment are likely to adversely affect both the external and internal security of the countries in the region. Although a massive arms buildup reminiscent of the Middle East after the Gulf War is improbable in cash-strapped Latin America, countries are likely to begin acquiring expensive arms with little

military utility. South American nations now enjoy relative military parity, but Chile's purchase of F-16s will represent a substantial technological leap in the region, forcing other states to bolster their defenses. This is certain to create, in turn, a call for foreign military financing and increased military assistance from the United States.

Given the fragility of both democratic institutions and economic stability in Latin America, these countries need to be investing their limited resources in production for local and export markets, as well as in physical infrastructure and social services such as health care and education. A 1996 World Bank report found, for instance, that Latin America needs to spend up to \$1 billion per week to maintain and upgrade crumbling or non-existent communication, water, and transportation systems.

Advanced attack jets cannot address the real security threats currently facing Latin America, such as extreme economic inequality, rampant drug-trafficking, and nagging guerrilla movements. The large investment needed to address these infrastructure, social service, and security challenges will be impossible if a new round of military acquisitions is initiated. Indeed, just days after the Peruvian government announced its purchase of 18 MiG-29 fighters—at a cost of some \$200 million—from Belarus in December 1996, the Japanese embassy in Lima was occupied by Tupac Amaru rebels.

Further, the decision to abandon the current policy of arms sales restraint may actually undermine the Clinton administration's longer term goals. The president's domestic policy emphasizes exports to build the U.S. economy and create job growth. At the same time, his stated foreign policy objectives are to promote democracy, regional stability, and strong economies in order to provide viable markets for U.S. goods. Though lifting the moratorium may bring a short-term boost in weapons exports, in the long term it will undermine foreign policy objectives by shifting investment capital away from domestic development and into military spending. This shift will likely result in lost export opportunities for non-military American industries and a downturn in export-related jobs. In sum, the Clinton administration's decision to lift the high-tech weapons moratorium and extend MNNA status to Argentina is militarily and politically risky and economically short-sighted.

## Key Problems

- The sale of advanced weapons to Chile will likely spur neighboring states to increase purchases of advanced weapons at the expense of domestic investment.
- Sales of such equipment will not address drug trafficking, unequal income distribution, or other security threats faced by the region.
- New sales could undermine President Clinton's effort to promote economic development and political stability in the U.S. and Latin America.

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Ideally, the U.S. should reimpose its moratorium on all advanced weaponry, but this is unlikely. There are, however, steps the Clinton administration can take prior to authorizing sales of combat jets or other advanced equipment to Latin American countries.

First, the U.S. should embrace and promote a recommendation put forth in April 1997 by current and former Latin American heads of state for a two-year moratorium on the purchase and sale of attack jets to the region. The goal of the proposed moratorium is to provide time for high-level representatives of all states to meet and discuss their security concerns and formulate a plan to provide for their defense without purchasing expensive combat aircraft.

Twenty-seven current heads of state in the hemisphere, including those of Colombia, Mexico, and Canada, now support such a cooling-off period to give them time to address regional security threats and needs. While some of Latin America's largest nations (including Chile, Argentina, Brazil, Peru, and Venezuela) have not yet endorsed the plan, there is increasing interest in

a new framework to ensure regional stability. Indeed, during a visit to Washington in September 1997, Chilean Foreign Minister José Miguel Insulza noted that there is "no hemispheric security [and] there hasn't been a security policy since the cold war."

Second, the Clinton Administration should propose a regional convention calling for numerical and technological limits on military hardware. The resulting treaty should be modeled on the Conventional Forces in Europe Treaty—with some modifications.

For instance, the number of weapons categories should be expanded from the five used in the European compact (tanks, armored combat vehicles, artillery, combat aircraft, and attack helicopters) to include warships and missiles, which are part of the UN Register on Conventional Arms. Further, the treaty should put limits on technology to prohibit ground-attack or night-attack capability for jets, thereby reducing the risk of a fatal miscalculation in times of high tension. Provisions such as these would build military security in the region

by providing for a strong defensive force while decreasing the probability of an offensive military action.

Third, the U.S. should foster additional discussions on confidence- and security-building measures (CSBM). These measures could include requiring a defensive positioning of military forces and the creation of crisis management teams to aid in the peaceful resolution of disputes. Such actions would allow nations in the region to resolve disagreements and preempt military crises.

Over the past year the Clinton administration has taken several steps that demonstrate a willingness to seek CSBMs. Washington has urged all states to promote transparency in defense planning by issuing defense white papers describing each nation's foreign and security policy. The U.S. has also established the Inter-American Center for Defense Studies at the National Defense University in Washington in an effort to enhance civilian expertise in regional security and defense issues. Moreover, the Clinton administration is sponsoring a promising proposal to require all nations in the hemisphere to notify other states before acquiring weapons in the seven UN register categories. Transparency of defense acquisitions is a key component of a peaceful region, and the U.S. is wise to pursue this approach.

Given the region's long-held distrust of U.S. intentions, the Clinton administration must walk a fine line in promoting these measures. The approaches discussed here must be pursued as a pragmatic attempt to ensure national security, enhance regional stability, bolster democratic governments, promote civilian control of the military, and foster economic development. Moratoriums on high-tech military acquisitions and transfers of excess defense articles are crucial components of a comprehensive approach toward these goals. Further, the U.S. must embrace the notion promoted by the 1996 Presidential Advisory Board on Arms Proliferation Policy stating that an unwise arms sale is still unwise no matter how many jobs are created. Without a serious attempt at arms restraint, further progress is at risk.

*Thomas Cardamone is director of the Conventional Arms Transfer Project of the Council for a Livable World Education Fund and editor of Arms Trade News, the project's monthly newsletter.*

## Key Recommendations

- The U.S. should endorse and promote the call by 27 Latin American states for a two-year moratorium on acquisitions of advanced military equipment.
- The Clinton administration should propose a regional convention that would set numerical and technological ceilings on combat equipment.
- The U.S. should encourage additional confidence- and security-building measures to lessen regional tensions.

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## Organizations

### Arms Control Association

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### Arms Sales Monitoring Project Federation of American Scientists

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### British American Security Information Council

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### Latin American Working Group

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### The Arias Foundation for Peace and Human Progress

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## World Wide Web

**The Carter Center Latin American Program**  
[http://www.emory.edu/CARTER\\_CENTER/demo.htm#lacp](http://www.emory.edu/CARTER_CENTER/demo.htm#lacp)

**The Library of Congress**  
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