U.S. ARMS TRANSFERS, DIPLOMACY, AND SECURITY
IN LATIN AMERICA AND BEYOND

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U.S. ARMS TRANSFERS, DIPLOMACY, AND SECURITY
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by

David Ronfeldt and Caesar Sereseres

I. INTRODUCTION

U.S. arms sales have become the most prominent, and perhaps the most important, instrument for conducting U.S. foreign policy on a bilateral basis. Meanwhile, U.S. officials charged with the management of weapons sales have become concerned about their apparent relation to the rise of war potential, human rights violations, and military dictatorships in the Latin American region. At the same time, military leaders in Latin America have proceeded to buy a new generation of prestigious, sophisticated weapon systems, including supersonic jet fighters from the United States, guided-missile frigates from Great Britain and Italy, submarines from West Germany, and medium tanks from France and the Soviet Union.

What is the significance of Latin America as part of the overall "arms transfer problem"? There appears to be a significant discrepancy between the political controversy generated by the concern for arms transfers to the region, and the comparatively low level of Latin American arms acquisitions. Latin American countries have participated in the global surge of arms transfers, seeking moderately advanced weapon systems from U.S. and European suppliers. Yet by most quantitative indicators, Latin America remains a relatively lightly armed region where military expenditures and acquisitions have grown rather slowly, compared to the developing world at large. The proportion of U.S. security assistance and sales has also remained relatively insignificant compared to other areas. For example, during the 1973-1975 period, Latin America represented 2 percent of the grant military assistance

*This paper was prepared for a chapter in a book on arms transfer issues to be published by the Council on Foreign Relations under the editorship of Andrew Pierre.
program, 2 percent of foreign military sale orders, 12 percent of foreign military sale credits, 4 percent of commercial sales, and received but 3 percent of grant excess defense articles from the inventories of the U.S. services. No single country seems to be excessively armed and the pace of acquisition does not seem at variance with historical development, obsolescence, and local capacities to absorb advanced technology. Arms races characterized by spiralling expenditures and swelling inventories do not exist between any two countries. Overall probabilities of regional border conflicts and arms races may be rising—but more slowly than in other areas of the world.

Statistics readily become poetry, however. The numbers that have been recited and updated for more than a decade of studies about rising arms transfers mean little by themselves. They provide political symbols, as well as factual bases, for discussing qualitative issues. These issues are represented as broadly in Latin America as in any other region. Thus Latin America, though a minor quantitative constituent of the global "arms transfer problem," holds nonetheless an equivalent place in which to consider possible qualitative explanations and resolutions. The major issues include assertions that the arms acquisitions and military development may increase the prospects for dangerous costly arms races, for local border conflicts and possibly wars, and for the strengthening of military dictatorships that violate human rights. At the same time, U.S. interests in good working relations and access, and in the acquisition of some influence and leverage, are said to require that the United States engage in some open marketing and preemptive selling given the likelihood that the clients may buy elsewhere, mainly from Western Europe but possibly from the Soviet Union. One purpose of this paper is to discuss pros and cons behind such general assertions, and in particular to challenge the expectation that arms transfers lead to political influence and leverage.

Apart from those general considerations, a seemingly entrenched focus on Latin America as a region has given it a unique role in discussions about arms transfers. No other region—whether Africa, the Middle East, South Asia, or Southeast Asia—has been so subject to
critical U.S. treatment and legislation as a region. Historically, the presumed homogeneity of nations and comparatively low threats to U.S. interests in Latin America have made it easy to generalize and skip exceptions and distinctions that have stood out elsewhere, such as Iran, South Korea, and the Philippines. Moreover, Latin America has often been viewed in the United States as the darker side of the New World into which a little Northern light should shine. Thus anti-liberal developments in Latin America have tended to arouse moral outrage, commonly paternalistic, in ways that have often taken the form of congressional legislation. As a result of these processes, one of the special themes of U.S.-Latin American relations, particularly in regard to arms transfer issues, is that Latin America, because of its distinctive regional characteristics, has periodically become a "dumping ground" for restrictive and discriminatory U.S. legislation that expresses principles wounded more seriously elsewhere in the world—but too difficult to apply without compromise because of the Soviet threat or some other compelling U.S. national interest. This was partly the case during the 1960s and early 1970s, when restrictive U.S. policies toward arms transfers cost the United States political goodwill in Latin America without furthering the advance of liberal aspirations or curtailing the acquisition of modern military weapons. A second purpose of this paper is to discuss this regional theme about the political costs of U.S. restrictions.

U.S. arms transfers to Latin America have been important more for their impact on political relations than for their contribution to U.S. defense. For the remainder of the 1970s, arms transfers will continue to be an important element of U.S.-Latin American relations. The prevalence of military-dominated governments will assure this. One potentially significant consideration for U.S. policymakers is that within Latin America prestigious weapons have been more significant for their diplomatic symbolism than for their operational military capabilities in affecting relations between neighbors. In other words, arms transfers are diplomacy by other means. A third purpose—indeed a unique contribution—of this paper is to formulate this hypothesis.
We have learned to view the impact of arms transfers on U.S.-Latin American relations from an essentially political perspective. However, the tendency prevails to view the impact on intra-Latin American relations from a primarily military perspective. This latter perspective has been reinforced by the new concern for a rising war potential in some parts of Latin America. Nonetheless, despite the great attention and controversy surrounding arms transfer issues, arms transfers seem to be of incidental importance to the main developmental struggles inside Latin America. Local military geopoliticians, the very thinkers who have most played up frontier-minded nationalism and potential threats from particular neighbors, have mainly emphasized the need for developing economic infrastructure and pursuing diplomatic initiatives in order to protect national security and sovereignty. A final purpose of this paper is to put arms transfers in perspective for the Latin American context by discussing these local geopolitical views.
II. THE TROUBLED HISTORY

The Latin America region has been dependent upon the industrialized world for the supply of military equipment.* Indeed, the historical evolution of Latin American acquisitions reveals considerable sensitivity to changes in the availability of weapons. Until World War II, arms were obtained primarily from European countries, in part because of U.S. limitations on the export of its weapons and munitions. However, World War II led the United States to seek military alliance with Latin America for hemispheric defense. As the U.S. government sought to maintain a predominant strategic position in the hemisphere, it also became the predominant supplier of most types of military equipment. Thus the availability after the war of a wide range of surplus weaponry from the United States (as well as Great Britain) enabled some Latin American countries to purchase their military equipment at relatively low cost, using the substantial foreign exchange reserves that had accumulated during the war. The United States also instituted policies that would gradually evolve into the Military Assistance Program (MAP) in the early 1950s. Through MAP, U.S. government grants and easy credit terms facilitated the transfer of numerous items, many reconditioned from U.S. military inventories, while U.S. doctrine, training and advice gained predominance in the Latin American armed forces. Surplus Korean War stocks later provided a further source of inexpensive but reliable arms and military equipment from the United States.

The founding in 1942 of the Inter-American Defense Board for military consultation, followed by the Rio Pact in 1947, led to an atmosphere of alliance supported by the U.S. Joint Chiefs of Staff. Hemispheric security "solidarity" was further strengthened by bilateral mutual defense pacts signed with most countries during the early 1950s. These pacts typically granted the United States a military advisory mission monopoly and thus symbolized de facto U.S. military predominance in the region. The emergence of the Soviet Union as arms provisioner to Cuba after the Bay of Pigs was the first significant challenge to what critics had by then come to call a new U.S. "imperial" order. In general, however, U.S. military predominance seemed to be securely established, until surprising reversals in the mid-1960s revealed the position to be more subject to challenge than had been believed.

Several elements were involved. From the beginning of MAP, the United States had tried to maintain some parity among neighboring nations and to keep the level of weapon sophistication very low, providing combat aircraft, ships, and tanks that were at best early 1950s, if not World War II vintage. There was in effect, a tacit, low-key U.S. policy of regional arms balancing and limitation. With the initiation of the "Decade of Development" at the beginning of the Kennedy era, U.S. dedication to the primacy of the economic development objective under the Alliance for Progress introduced a new concern over Latin American "resource diversion" from development to defense. MAP policies were thus generally reoriented toward support for internal security, and further downplayed external defense except for anti-submarine warfare (ASW) exercises. Latin American inventories of World War II weapons were simultaneously becoming increasingly obsolescent.

The underlying tension between declining U.S. responsiveness to requests for weapons for hemispheric defense and the growing obsolescence of major weapon systems held by Latin American countries was initially held in check by cost considerations and political uncertainties. While temporarily postponing military modernization programs, Latin American leaders hoped that the United States could ultimately be maneuvered into
sharing some of the escalating costs of modern weapons in the name of military alliance, international anti-communism, and the Rio Pact. But by the mid-1960s, Latin American hopes came to an end that either MAP or the Foreign Military Sales (FMS) Program would provide bargain-basement shortcuts to military modernization.

The main issue was military fighter aircraft. Latin America's first-generation subsonic military jets were rapidly becoming more difficult and costly to maintain (as well as accident-prone) while the advanced military powers phased early models out of their own inventories. Several countries favored the F-5 Freedom Fighter as the replacement for their obsolescent tactical fighter squadrons. A light jet fighter that could break the sound barrier only if carrying minimal armament, the F-5 was developed, partially with MAP funds, by the Northrop Corporation especially for the less developed countries. But attempts to purchase the Freedom Fighter revealed that the U.S. capacity to support such acquisitions would be limited by both economic and political considerations.

More was involved this time than the general tradition of self-imposed restraint and arms limitation toward Latin America. Though the F-5 was but marginally supersonic, U.S. critics saw it as a prime example of wasteful military expenditures for unnecessarily sophisticated equipment at a time when generous U.S. grants and credits were being extended for economic development. In addition, in 1966 it was revealed that foreign countries with severe debt-service problems were receiving large U.S. credits for arms purchases under the "Country-X" revolving loan feature of the Military Assistance Credit Account which was linked to the Export-Import Bank.* Although this revelation only marginally involved Latin American countries, it aroused fierce Congressional reaction that contributed ultimately to substantial restrictions on the amount and terms of credit assistance available to Latin America for military imports.

*Foreign Relations Committee Study, Arms Sales and Foreign Policy, U.S. Senate, 90th Congress, 1st Session, 1967.
When key Latin American countries turned to Western Europe for purchases of weapons denied them in the United States, U.S. reaction had profound consequences for economic as well as military assistance policies, and almost brought about Congressional rejection of the 1967 Foreign Assistance Act. The train of events was set in motion by the sale of 50 subsonic A-4B Skyhawk light attack bombers to Argentina in 1965. Chile then sought to purchase the F-5 Freedom Fighter. The United States government, however, was determined to delay the crossing of the supersonic threshold, and informed Latin American governments in 1967 that the F-5 would not be available to the region until 1969. The United States offered instead to sell Chile the A-4B Skyhawk or the F-86 Sabre. Venezuela tacitly accepted the limits set in Washington and bought 74 surplus German-built F-86 Sabres. The angered Chileans, instead of purchasing subsonic U.S. fighters, turned to England for the FGA-9 Hawker Hunter. The readiness of a Latin American country under progressive civilian rule to turn to Europe after being refused a U.S. sale was a portent of things to come.

The modernization of Peru's air force brought the clash with U.S. policy into the open. In harmony with enunciated policy on the F-5 but also in the shadow of Peru's economic troubles and of the controversy over the status of the International Petroleum Company, the United States offered to sell Peru additional F-86s, despite repeated Peruvian expressions of interest in the F-5. Peru then turned to Britain for Canberra bombers (the sale of which was initially blocked by the United States, but finally consummated in 1968), and to France for the faster and more expensive supersonic Mirage 5, thus breaching the supersonic barrier in Latin America for the first time.

The U.S. reaction to the snubbing of its arms control efforts went from exhortation and threats, to a reduction of economic assistance to

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*Latin American governments had similarly turned to Europe in the 1950s for combat aircraft and ships when the United States refused to supply them, but with smaller total outlays and less U.S. reaction than in the 1960s.
Peru, and finally to a succession of Congressional reductions and restrictions on military assistance and sales to Latin America. But the U.S. capability to control Latin American acquisitions was sharply limited by the presence of alternative suppliers from Western Europe, many of whom were riding a crest of European economic recovery and aggressive governmental support. More interested in fostering economic development than in being the exclusive arms supplier, U.S. policy had simply collided with the aspirations and sensitivities of increasingly independent Latin American governments which had more options available to them than those presented by the United States. Argentina, Brazil, Colombia, and Venezuela soon joined Peru in acquiring Mirages (the III and the 5 models) at a cost for the five countries approaching one quarter of a billion dollars.

By the late 1960s, the importance of non-U.S. suppliers grew in other areas as well. As in the past, Latin American navies turned to order new construction destroyers, submarines, and other vessels from Western European countries, while relying on the United States mainly for rehabilitated stocks. U.S. armored personnel carriers continued to be very popular, but the United States lacked the necessary tank inventories to be competitive in the Latin American market. Thus French AMX-30s and AMX-13s faced little competition and were ordered by Argentina, Ecuador, Peru, and Venezuela. The United States C-130 air transports were ordered by six countries, but most light transports were obtained from Canada and West European sources.

In the early 1970s, F-5E aircraft became available for cash sale, but the Latin American governments wanted FMS credit. Mainly for the purpose of regaining political goodwill among the Latin American militaries and governments, the Nixon administration authorized in 1973 the credit sale of F-5Es to various South American countries, by invoking a special provision of the Foreign Military Sales Act of 1968. This provision allowed the President, acting in the name of national security interests, to override the Congressional restriction against the sale of "sophisticated military systems" in Latin America. This act was combined
with the raising of the statutory military credit ceiling from $100 to $150 million for FY 1973, followed by complete removal of the special regional credit ceiling for FY 1975.

These measures enabled the United States to respond to a portion of the jet aircraft market. Brazil soon ordered 42 F-5Es on credit. Chile, whose government had previously ordered Hawker Hunters from Great Britain, in a deal that subsequently ran afoul of British protests against the harsh new Chilean regime, ordered 18 F-5Es in a cash sale. This was accompanied by additional sales of A-4s to Argentina and of A-37 light counterinsurgency aircraft to Chile, Guatemala, Peru, and Ecuador, while Ecuador also opted for Jaguars from Britain/France and Strikemasters from Britain.

By the mid-1970s local air forces were regretting their earlier decisions to procure Mirage fighters from France. The costs of spare parts and engine overhauls, the slow delivery of some spares, the necessity of shipping the engines back to France for overhauling, the seeming indifference of Dassault-Breguet to such logistics-support problems, and unhappiness with the flight performance of the Mirages, meant that the Latins made renewed efforts to purchase U.S. equipment. This renewed interest, however, was mainly for aircraft purchases.

For much new naval and ground equipment, the United States was not cost competitive, lacked surplus production beyond meeting Vietnam requirements, or simply did not manufacture the kind of systems in demand. The Latins continued to turn to Europe. Argentina, Brazil, Chile, Colombia, Ecuador, Peru, and Venezuela variously ordered new destroyers, guided-missile frigates, and submarines, from Great Britain, Italy, and West Germany. While new U.S. missile systems were classed as being too sophisticated for export to Latin America, South American countries in particular proceeded to place orders for a diverse range of anti-air, anti-ship, and anti-tank missiles, including Cobras, Exocets, GabrieIs, Ikaras, Matras, Nords, Otomats, Rolands, Sea Cats, and Sea Darts, from Western Europe, Israel and Australia, as well as Sidewinders from the United States.
Peruvian nationalism and the quest for political independence, combined with the relatively low cost of Soviet equipment, led to purchase in 1973 of T-55 medium tanks. This afforded the Soviets, who had earlier donated military helicopters to Peru as part of earthquake relief, with their first significant arms transfer in South America. The Peruvians also bought long-range artillery and radar-controlled anti-aircraft guns. Then in 1976-1977, after considering making a new effort to obtain F-5Es, the Peruvians ordered Sukhoi-22 tactical fighter bombers, in a move that introduced a new level of military capability and greatly disturbed the Chilean and Ecuadorian militaries. The Peruvian move undermined U.S. intentions to restrict the introduction of new technology, to prevent arms races and border disputes, and to support local arms control initiatives in the Andean area. Similar intentions were argued again in 1977 when the United States angered Ecuador by blocking an Israeli sale of its Kfir supersonic fighter-bombers (which are powered by U.S.-made General Electric engines).

Beginning in the mid-1970s, the Nixon-Ford Administrations made a strong effort to make U.S. military sales more responsive to foreign requests and to abolish or circumvent the restrictive legislation that had accumulated for the past decade. In the case of Latin America, motivations were primarily political, aimed at restoring goodwill and preserving access. This opening—apparently the most responsive to local demand since WWII—proved very short-lived, however. Congressional, media, and public concerns began to focus on human rights violations and apparently uncontrolled arms sales abroad. Demands were raised for new controls on arms transfers. These concerns found expression in the International Security Assistance and Arms Export Control Act of 1976. In addition to prohibiting security assistance to any country found in systematic violation of human rights, the legislation prescribed a yearly ceiling on worldwide sales, the termination (in but a few countries) of grant assistance and military assistance advisory groups by September 1977, and stricter Congressional review of arms transfers. These restrictions, with some modification, were maintained in 1977 legislation. The act has been viewed by both President
Ford and President Carter as containing unprecedented restrictions that inhibit the Executive Branch's capacity to implement foreign policy.

By the time President Carter took office, Congress had suspended sales to Chile and Uruguay because of human rights violations. During 1977, Argentina, Brazil, El Salvador, and Guatemala announced rejection of U.S. assistance or sales that would be tied to human rights provisions --viewing such conditions as an affront to national sovereignty and as interference into their internal affairs. Once again, U.S.-Latin American relations on a government-to-government basis were becoming the first, and main, casualties of new restrictions aimed at arms transfers worldwide.
III. PROCUREMENT AND PRODUCTION TRENDS IN LATIN AMERICA

Future procurement trends appear uncertain. Arms demands may level off but will probably not decline. Rising political tensions between neighbors, sovereignty over 200-mile territorial waters, expansion of the Soviet naval presence in the South Atlantic and Caribbean, the demonstration of Cuban military assistance in Angola and elsewhere, improved terms of trade for commodities and raw materials other than petroleum, and possibly a decline in the price of oil, are a few factors that might stimulate further arms demands. The emphasis will be more on force modernization than on force build-up. Yet the cycle of replacing obsolescent equipment appears to be slowly coming to an end, at least in the larger countries, with the major exception of tanks in Brazil and Chile. At least one country will probably seek to obtain F-4s before the end of the decade. The demand for precision-guided munitions (PGMs) of all types is likely to grow, since these are highly effective but relatively low cost items that are suited to defensive missions. Their impressive utility has been demonstrated in Vietnam, the Arab-Israeli wars, and in Angola. New demands may also develop for attack-type helicopters, ASW aircraft, and medium/heavy transports.**

*For a discussion of Cuba's Angola venture and its possible ramifications for the Western Hemisphere, see Edward Gonzalez, "Castro and Cuba's New Orthodoxy," Problems in Communism, Vol. XXV, January-February, 1976, pp. 1-19. Also see Gonzalez and Ronfeldt, Post-Revolutionary Cuba in a Changing World, The Rand Corporation, Santa Monica, R-1844-ISA, December 1975, pp. 71-78. Cuba's military involvement in Angola (with Soviet assistance) and Cuba's increasing presence elsewhere on the African continent has demonstrated to the Latin American nations that a conventional threat from Cuba may become a contingency. Nonetheless, it seems unlikely that Cuba's intervention in Angola will be duplicated in the Caribbean or Central American area.

**Nuclear proliferation for military purposes lies in the longer-term future. Meanwhile the demand for conventional weaponry may be rationalized in part as a way to forego resorting to nuclear weaponry. In the long run, the heavy spread of conventional weaponry in an area may then become a rationale for resorting to the acquisition of nuclear weaponry for allegedly defensive purposes.
The number of supply sources is likely to become even more diverse in the future. In particular, Israel is making a determined effort to sell its equipment; and additional Soviet sales cannot be discounted. By the end of the decade Brazil may be making great strides toward developing indigenous military industries, based partly on co-production arrangements with the United States, West Germany, France and Italy, for the assembly or fabrication of jet aircraft, transport aircraft, helicopters, tanks, and surface-to-surface and surface-to-air missiles. Argentina produces a light aircraft it would like to sell to its neighbors, and has co-assembly arrangements with various European countries for naval and ground equipment. Co-assembly arrangements for destroyers, submarines, and fast patrol boats are spreading throughout South America. Israel is to establish a plant in Mexico for producing and repairing its transport and light aircraft. Moreover, intra-regional arms transfers of used equipment, training exchanges, and joint exercises are likely to grow. The "miscegenation" or "hybridization" of weapon systems will grow, as components from various countries are mixed together and as business firms propose to modify Soviet systems with Western engines or components for some regimes, as is to be done in Egypt.

Thus, while the United States has recovered its position as a major supply source for aircraft by the mid 1970s, the supply picture looks generally complicated and will surely continue to involve a variety of sellers for the remainder of the decade. From a comparative standpoint, the efficiency of U.S. logistics and re-supply systems has proven to be an advantage to many customers, who have found the French and Soviet systems to be quite irregular, costly, and disappointing at follow-on support.

Indigenous Production, Co-Production, and Arms "Miscegenation": Brazil

Anti-dependency arguments are spreading to support the development of local military technologies and industries. As a leading Peruvian military strategist has written,

...The technology of modern warfare has caused industrial development to be a preponderant factor in national power. In Latin America, any change in industrial status affects
the hierarchy of government power.... A lightning war has such destructive power that.... After two or three weeks of conflict, the supply capacity of the small beligerent nations is exhausted, as is their ability to replace the destroyed materiel and to maintain it; and as the requirements increase, they become even more limited. The mechanization of armies requires concurrent creation of an efficient logistic system for supply maintenance, and, consequently, the creation of an industry that will make available, as a minimum, an infrastructure suitable for manufacturing spare parts, ammunition, portable weapons, light military vehicles, etc., so as to gradually facilitate the creation of our own technology in the area of military manufactures and the training of skilled personnel. The most tyrannical kind of dependence is military technological dependence.* [Emphasis added]

By far the most energetic and advanced country in this respect is Brazil. It is the leading Third World country in terms of the home use and export of locally produced military equipment. Brazil's effort is clearly linked to its quest for national independence, and for reducing reliance on the United States in particular. Indeed, Brazilians now consider theirs to be the only Latin American country, Cuba excepted, that would be capable of surviving as an organized military power without support from the United States.

While local military production has a lengthy history in Brazil, the current effort stems from a decision by the new military government in 1965 to initiate an industrial program for achieving the material self-sufficiency of the armed forces, through projects developed with the collaboration of private industry and state enterprises. The decision was motivated in part by a desire to move away from reliance on the United States for the grant or lease of deactivated U.S. equipment, none of it first-line. Brazil made important advances in the production of air and ground equipment during this period, and the effort has been given new stimulus with the signing in 1975 of a new law to create IMBEL, the War Materiel Enterprise.

It will expand the indigenous production and co-production of modern equipment for meeting local requirements and for export markets. The plan is to increase private participation in the development of local defense industries, partly on grounds that the state enterprises were becoming obsolete and needed internal reorganization. IMBEL will reportedly require that foreign factories interested in establishing production lines in Brazil—the list reportedly includes Krause-Maffei of Germany, which manufactures the famed Leopard tanks, and Armalite of the United States which produces M-16 rifles—must bring technology, capital, and foreign customers into the deal.

Brazilian leaders have repeatedly emphasized that their reequipment programs are geared to the replacement of old World War II equipment that was not only obsolete and inefficient, but also had come to require excessively high operational and maintenance costs. Yet, going beyond mere equipment replacement, their plans reveal high ambitions for national independence that are consistent with their conviction that security and development are closely linked. Brazil is reportedly following a policy of importing only the quantity of war materiel that is necessary in order to acquire patent rights and specialized technology. The future purchase of new weaponry is to be guided by two concerns in particular: internal security and the domestic production of war materiel. A further important factor is said to be the training of technicians in various skills and specialities. The shortage of technicians is regarded as a great constraint on which in the final analysis both national development and national security will depend.

IMBEL is intended to serve primarily the army. Various plants have long produced a range of artillery, firearms and quartermaster equipment, and Brazil has held rights to produce Belgian/NATO and Italian firearms for a number of years. Impressive gains have been made by a firm known as ENGESA in the original design and production of light armored vehicles. These include the Cascavel armored car and wheeled reconnaissance vehicle, the amphibious Urutu armored personnel carrier, and most recently the Sucuri, another amphibious vehicle. The Cascavel and the Urutu are powered by a Mercedes Benz engine produced in Brazil, but could accommodate a Brazilian-made Perkins or a Detroit
Diesel engine. While the Cascavel may carry locally produced armament, export versions have been fitted with guns removed from old U.S. M3A1 light tanks. A gun turret from the British Scorpion light tank has also been experimentally tested on the Cascavel and Urutu. The Sucuri is to carry a French-made turret.* While numerous Cascavels and Urutus have been purchased by the Brazilian army and navy respectively, others have been ordered by Kuwait, Libya, Qatar, and reportedly Bolivia and Chile.** Sales negotiations have also taken place with Abu Dhabi, Canada, Israel, Peru, Paraguay, and Turkey. In other production areas, Brazil has exported bulletproof tires for British armored cars, military jeeps to Peru, and heavy all-terrain trucks to various African countries. Co-production of French 90 mm cannons is a future possibility.

Some three-fifths of the operating aircraft of the Brazilian Air Force are reportedly manufactured nationally, and many imported aircraft carry weapons and parts produced in Brazil. For example, Brazil's purchase of F-5Es from Northrop was predicated on partial local assembly and co-production. The F-5s are to be sold to Brazil with Brazilian controls and bomb racks, while Northrop agreed to help manufacture and buy vertical tail assemblies in Brazil.

Through a firm known as EMBRAER, Brazil is presently engaged in an energetic effort to master the entire enterprise, from aircraft design and engineering through fabrication and assembly. Since EMBRAER's founding in 1969, it has proceeded with an ambitious program involving the production of aircraft piston engines and parts in association with Brazil's successful automotive industry. The production of gas turbine engines is being developed. By means of a helpful licensing and co-production arrangement with Aermacchi of Italy, Brazil presently assembles a relatively simple jet fighter-trainer, the Xavante. EMBRAER has also designed and developed, mainly on its own, a twin-turboprop light transport called the Bandeirante, which comes in military and commercial versions, and is powered by two Canadian Pratt and Whitney engines. EMBRAER's goal

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** Sales to OPEC countries are important to Brazil because of its dependence on oil imports.
for the future is to produce STOL (short take-off and landing) aircraft. Plans are underway for the production of a medium-sized transport, powered by a turboprop or jet engine, that could carry troops and paratroopers. EMBRAER and Aermacchi are also proposing the joint development and manufacture of a new light attack aircraft, possibly powered by a Rolls Royce or a General Electric turbofan. 

All these aircraft are intended for home use and for export. Brazil's Air Force has purchased numerous Xavantes and Bandeirantas. Xavantes have been exported to Togo. Some military, but mainly commercial versions of the Bandeirante have been exported to various Latin American and African countries. EMBRAER is keenly interested in developing these markets, and is negotiating with a French company to have it provide follow-on maintenance and overhaul for sales in Europe, Africa and the Middle East. Brazil's other aircraft manufacturers produce a military trainer used by Bolivia, Chile, and Paraguay.

The navy is considered to be the service that remains most vulnerable to a possible cut-off of U.S. aid or support, since the navy operates a small number of costly, complex units in which it is very difficult to increase the number of nationally-produced components. Nonetheless, diversification through resort to West European suppliers is thought to reduce the risks of dependency. Moreover, Brazil increasingly requires local co-production of its purchases of new naval craft. Of the frigates ordered from Britain's Vosper Thornycroft, Ltd., two are being co-produced under license in shipyards in Rio de Janeiro.

*While the discussion above has focused on military aspects of local production, Roberto Pereira de Andrade, "Brazil Stresses Air Capability," Air International, September 1976, pp. 111ff, makes the important point (p. 112) that,

...the principal role of the FAB is seen in most Brazilian official circles—if not necessarily in the FAB itself—as an instrument of economic development; its missions are predominantly social and, in consequence, the average Brazilian thinks of the FAB not so much as a fighting force but as a state-owned enterprise for the transportation of passengers, mail and freight into and out of places into which commercial operators cannot or will not fly, for mitigating the effects of natural disasters and for aeromedical tasks, including such hearts-and-mind duties as transporting doctors, vaccines and relief aid into the interior.
Brazil plans to assemble submarines in the future. Furthermore, a mixed company has been formed with a British firm to produce mini-computers for the control of naval armaments.

In the area of missile systems, Brazil has acquired rights to assemble the Cobra anti-tank rocket from West Germany, and to produce the Roland ground-to-air missile from a French-West German consortium. French missile-related systems are to be installed on the frigates acquired from Great Britain. Within the country Brazilian scientists have gained experience by designing and testing rocket vehicles that can carry a payload of 110 pounds to an altitude of 310 miles. The X-40 and X-20 rocket designs have a range of 40 km and 20 km respectively for the potential destruction of ground targets.

Brazil's progress in the indigenous production, co-production, and "miscegenation" of weapon systems is impressive and may raise various issues for U.S. arms and security policies in Latin America. The more obvious points are that U.S. arms transfers to Brazil may increasingly involve sensitive technology transfers, and that U.S. transfers may provide little military or diplomatic leverage. Moreover, Brazil may become an arms supplier competing with the United States in selected areas, thereby complicating possible U.S. efforts to promote arms controls or to restrict weapons flows into Latin America (not to mention Africa). Indeed, as a result of U.S. restrictions recently imposed on arms sales to Chile, the latter turned to Brazil for the purchase of a range of light equipment items for army usage, and is considering the purchase of a wider range of weaponry for the future.
IV. IMPACT ON INTERNAL POLITICO-MILITARY DEVELOPMENT IN LATIN AMERICA

The troubled history and the prospective supply-demand picture serve to raise issues about the impact or consequences of arms transfers. The next several sections consider these issues in regard to (a) domestic politico-military development within Latin America, (b) intra-regional relations between countries, and (c) the evolution of the inter-American security system. The discussion questions some generalizations that have suffused the policy debates, and suggests that the impact of arms transfers tends to be ambiguous, ambivalent, and marginal. The discussion elaborates further the point that restrictive U.S. arms policies have carried political costs for U.S.-Latin American relations. The point is introduced that within Latin America arms acquisitions have been more important as symbolic diplomatic instruments than as operational military weapons.

Military Capabilities

Perceptions of the impact of arms transfers on local military development and capabilities seem greatly exaggerated. In the first place, statistical work on the volume and value of arms transfers has told us very little, perhaps nothing, about the development of military preparedness and combat potential in the separate Latin American countries. Statistics on acquisitions do not readily translate into indicators of development or capability. A country that has three destroyers and three submarines does not necessarily have a stronger navy than a country that has two destroyers and one submarine; nor do such numbers mean that arms acquisitions are out of balance. Indeed, the numerically weaker might be militarily the stronger.

The problem is that very little is known about local technological capacities to absorb, operate, and maintain the equipment whose numbers have been continually recited and updated for more than a decade of studies on arms transfers to Latin America. While the numbers have risen fast enough for some observers to fear an "arms race," an important arms-control constraint on local military activities has been the fact that
utilization is determined largely by the operational effectiveness and combat readiness of individual weapons, rather than by how modern-looking or "sophisticated" they appear. Relatively weak technological bases, inadequate logistic systems, deficient manpower procurement and personnel systems, poor levels of education, lack of high command interest, and the limited financial resources typically available in the region for preparing and maintaining combat-effective forces, are practical factors that have limited military capabilities and the potential for armed conflict. These internal constraints on weapon utilization seem to change slowly and remain in effect whether a local military buys from one, two, or a diversity of sources, or whether the military budget is growing or decreasing. Indeed, supply diversification may constrain military preparedness. Greater knowledge about this less publicized dimension of military conditions, long ignored by academic researchers, would help clarify, and probably qualify, inferences that growing weapons acquisitions will result in mounting capabilities, threats and risks of actual utilization. In examining the impact of arms transfers we need to recognize the great variations in technological/operational capability among individual countries and services.

The impact of arms transfers on the institutionalization of the armed forces has also been poorly explored. Major end items, the prestigious symbols of national power and institutional dignity, tainted according to one Congressional report as the "pursuit of illusory prestige," have had much less impact on the institutionalization and centralization of the armed forces than have the acquisition of mundane equipment items for communications, transportation, maintenance, logistics, and administration, along with general educational and managerial advances. These latter, and generally non-lethal acquisitions have strengthened the local militaries as central institutions and effective political forces, more than have ships from Britain, tanks from France, or jets from the United States.

Local militaries and governments have not had to rely on sophisticated hardware or foreign security assistance for military operations against insurgents, terrorists, or other dissidents. Indeed, U.S.
military aid and sales programs probably had only marginal impact on the demise of guerrilla movements, for which favorable local conditions did not exist, and whose failure owed more to local political than military factors. Nonetheless, U.S. programs probably did serve to strengthen central institutions and command structures within the armed forces by contributing to the professionalization of the officer corps. \* Mean-while the U.S. emphasis on counterinsurgency missions did not serve to diminish Latin American interests in conventional external defense, against regional neighbors.

Local Politics

Are security assistance programs and arms sales antithetical to American political values? It is often claimed that U.S. security assistance programs have led to the unproductive diversion of scarce economic resources, fostered military intervention in politics, and facilitated the establishment of repressive authoritarian regimes that prove inimical to their own citizens and to U.S. interests in human rights. Recent events in the Southern Cone countries—Argentina, Brazil, Chile and Uruguay—have appeared to lend credence to these hypotheses, and thereby have raised doubts that the United States has interests in the continuation of security programs that associate closely with such regimes.

The few available research studies, using statistical reviews of numerous cases, reveal no consistent or significant support for these generalized claims. Higher levels of military spending may be weakly associated with higher levels of military participation in politics, However, "civilian" governments have been about as likely as "military" governments to allocate resources for military development and arms purchases. Increases as well as decreases in military spending have happened before as well as after coups—or the change back to civilian government. Moreover, the size of past MAP programs also appears to be

\* Such conclusions are elaborated in one case study by Brian Jenkins, Caesar Serereses, and Luigi Einaudi, U.S. Military Aid and Guatemalan Politics, Arms Control and Foreign Policy Seminar, California Institute of Technology, Pasadena, March 1974, and reprinted in Armed Forces and Society, Summer 1977, pp. 575-94.
statistically unrelated to military interventionism and arms orders. Propositions about the wastefulness of resource diversion from development to defense are also proving unreliable. In general, higher defense expenditures seem to be unrelated, or correlated positively, to higher civilian economic growth rates—just the reverse of the original worry. Major defense expenditures for costly advanced weaponry, as opposed to military programs that emphasize civilian skills, may burden growth potential somewhat—but one must take into account the fact that expenditures for advanced weapons by Latin American countries have been fairly low level by world standards. Finally, the more costly and sophisticated items obtained through U.S. military programs, or purchased elsewhere, are of marginal utility for repressing local populations. It is even doubtful, as noted above, that MAP programs of the 1960s contributed much to the defeat or containment of rural guerrillas. Thus, in general terms, statistical studies suggest that foreign military programs alone cannot be used to account for general trends in local development.*

Statistics may be disarming, however. The professionalization of the officer corps and unavoidable local involvement in internal security have evidently fostered institutional military roles in politics. Professionalization, by strengthening central command structures and improving administrative and technical skills, strengthened indirectly the capacity of the military as an institution to adopt roles within the government. At the same time, new doctrines spread that national development and national security were linked as mutual requirements, thereby indirectly reinforcing concepts of military responsibilities for development as well as security, and making officers more sensitive about signs of civilian incompetence. Professionalism reinforced nationalism, and a new concept of "participatory professionalism" was fashioned, as exemplified in Peru where French influences prevailed in the 1960s. Thus professionalism and counterinsurgency brought a new

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generation of officers to politics. The demise of liberal democratic forms was the result in several countries, most notably in South America. Therefore, some MAP and FMS programs, especially in regard to schooling and training, may have inadvertently contributed to the trend toward dictatorship. That is, U.S. programs may have affected the institutional form of military participation in politics but did not lessen the frequency.

Yet if this argument is to be accepted, then perhaps so must another: that U.S. efforts to export liberal democracy during the 1960s may have inadvertently contributed to the current trend toward authoritarian executive rule. Liberal democratic experiments under civilian leadership in countries like Argentina, Brazil, and Peru may have failed in part because U.S.-style democracy did not fit with local conditions. Corporatist-style regimes, coming in more democratic as well as dictatorial versions, appear to provide a more acceptable and stable basis for rule through civil-military coalitions. The attribution of such great influence to U.S. programs and policies, however, seems to misjudge local factors that eventually overwhelm foreign intentions.

The renewing emphasis in Latin America on external defense seems unlikely to reduce military interests in political participation. Recent indigenous geopolitical writings by military officers in Latin America reveal deep concerns about national development as being the basis for national security, especially in regard to the development of isolated

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or frontier regions of the national territory, and the development of communications and transportation infrastructure for linking a country together. One purpose is to resist potential expansive pressures by neighbors or aggressive economic exploitation by foreign businesses or powers. Moreover, the concern for external defense has raised the necessity for military strategy to be geared to wise political policy—thereby making it useful not only for military officers to study politics, but also for politicians to learn military affairs.* Thus even if by the 1980s military rule seems less pronounced, in the long run a return to strictly civilian rule seems highly unlikely in Latin America, whatever policies the United States may pursue.** It is difficult to see that U.S. arms transfer programs and policies could or will exert guiding influence on such potentialities in local politics, whose course will be determined mainly by domestic factors in individual countries.

The central importance of military leaders and institutions in Latin American politics, and their potential for making positive contributions to national development in collaboration with civilian sectors, suggest that it is important for the U.S. government to maintain constructive relations with them as well as with elites and institutions in civilian sectors. Relations with military rulers need not, and for historical and ideological reasons often cannot, be close. A general antagonism against military participation in politics, however, is unwarranted. In the past, disapproving measures have reflected prejudicial misconceptions of military and civilian roles in Latin American politics, and moreover, have generally proven ineffective or counterproductive.

* See Mercado Jarrín, op. cit., which states that "Some of the problems would disappear if, in peacetime, the politician would learn to consider military factors; and the military man, in turn, would learn to consider political concepts."

** The melding of corporativist tendencies and technocratic capabilities may lead to new kinds of civil-military systems based largely on the sophisticated concentration and control of information—a kind of "cybernocracy." As the world enters the post-industrial era, "information" may well surpass "capital" as a currency of political power and struggle for change. If so, then "surplus information," mainly concentrated in state bureaucracies, may replace "surplus capital" as a central intellectual concern.
The Human Rights Issue

A new priority concern has recently entered the lists: human rights. The U.S. Government has maintained close military relations and engaged in major arms deals with various governments that have been reported to commit severe violations of human rights, for example, through torture of political dissidents. The new criterion holds that arms transfers programs should be curtailed to governments that are found to be systematically violating human rights within their country. The grounds are that U.S. military programs should not help even indirectly to sustain such governments, that the denial of arms programs might provide some external leverage for inhibiting brutally repressive practices in some countries, and that in any case U.S. ideals and interests are better served by barely associating with security forces that may be blamed for atrocious violations of human rights.

To some extent, human rights has represented a fallback issue for U.S. liberals who have watched the failure of campaigns in the 1960s to spread democracy as the antidote to both dictatorship and revolution. Now that dictatorships appear to have widely overruled the hopes for liberal democracy in the 1970s, protest against violations of human rights has become the core issue.

Human rights are a proper and useful emphasis for U.S. foreign policy. Even in South American countries where specific congressional measures have been criticized, there is recognition that the new emphasis has restored a vigorous and progressive image to the United States as a superpower and as a traditional champion of freedom. The problem has lain in giving human rights such singular priority at times, while also singling out arms transfers as a tool for leverage and punishment.

One Brazilian newspaper has labelled U.S. human rights policy as representing realism for the strong, and idealism for the weak. Indeed, the human rights provision is proving difficult to apply in an even fashion since so many governments engage in some internal security tactics of "counter-violence." In practice, it appears easiest to affect the smaller, less important governments, or those governments that are "inefficient" at violating human rights. It seems most difficult to
apply the provision to the larger, more important countries, such as Iran or South Korea, where violations may occur, but where broader security, political, and economic considerations may "protect" relations. Exceptions also seem likely for governments that newly seek U.S. arms sales and related programs after a history of acquiring weapons from the Soviet Union. In the end, therefore, it would not be surprising if once again Latin America ends up being the brunt of the "solution," in part because both the Pentagon and the State Department may continue to be willing to concede to Congress on matters pertaining to Latin America.

Historical experiences suggest that, as a lever or instrument for changing the behavior of the arms recipient, the potential effectiveness of the human rights provision seems doubtful. It extends the tradition of restrictive legislation that has sought in the past to inhibit excessive resource diversion from economic development, to prevent the arming of oppressive military dictators, and to punish failures to compensate for expropriated U.S. policy. The provision is also in keeping with U.S. moves in the 1960s to influence local government successions or policies by suspending assistance and/or diplomatic recognition, for the intended purpose of levering outcomes that would be more in keeping with liberal democratic practices. These earlier paternalistic measures proved to be relatively ineffective, and their application often cost the United States political goodwill beyond the immediate case at hand.*

Such considerations indicate that U.S. curtailment of arms transfer programs will not lead to successful results in endeavoring to sanction against local indigenous tendencies to violate human rights. Leaders

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*The target of some restrictive amendments was not only Latin America but the Executive branch of the U.S. Government which, from a variety of Congressional views, seemed lax in utilizing military and economic assistance to protect U.S. investments, tuna boats, human rights, democratic government, and discourage Latin American purchase of expensive and sophisticated military hardware. An excellent review of past efforts to dictate behavior via the supposed "leverage" obtained from U.S. assistance programs is provided in Herbert Goldhamer, The Foreign Powers in Latin America, Princeton, New Jersey, Princeton University Press, 1972, pp. 260-302.
of several governments in Latin America—most notably in the Southern Cone countries of South America—have shown that they prefer to postpone or diminish relations with the United States over the short run rather than to succumb to U.S. influence and relinquish the use of techniques that have unfortunately proven brutally effective for destroying terrorist movements.* U.S. human rights policies, these leaders insist, represent intolerable infringements of national sovereignty and as intervention in domestic matters.

Some changes in harsh government policies have been announced in several Southern Cone countries—but these changes have been largely cosmetic and carefully attuned to improving national images abroad. Nonetheless, in terms of the long-run, most of the governments affected believe that they are in fact laying foundations for future democracy within their traditions.**

Reactions to U.S. human rights measures may have inadvertently pacified the course of intra-regional foreign relations. The claim has been made (albeit facetiously) that the U.S. policy has done more to stimulate South American integration than did Simon Bolivar himself, who originated and fought for the dream in the 19th Century wars for independence from Spain. Some South American governments have in fact sought to rally common cause against the U.S. policy, while also strengthening their mutual cooperation regarding internal security matters. Moreover, Brazil’s relations with its neighbors have been smoothed by U.S. criticisms over human rights issues, which have served to disabuse the Brazilian government of its former, unwanted image as a sub-imperial agent of the United States in South America during the Nixon-Ford administrations.

*In Argentina, for example, the release of hundreds of political prisoners by former president Hector Campora in 1973 is one explanation for the subsequent rise of terrorism.

**On this point, see Mariano Grondona, South America Looks at Detente (Skeptically)," Foreign Policy, Spring 1977, pp. 184-203.
V. IMPACT ON REGIONAL ARMS CONTROL AND CONFLICT MANAGEMENT

The potential for intra-regional conflicts has increased in Latin America. External defense missions have regained priority over internal security, although the latter remain important. Small-scale war in the Latin American region is not an unrealistic scenario. Indeed, evolving regional trends are similar in important ways to trends that transpired in the 1930s, when several border engagements and one protracted conflict took place in South America. At present, the trends include a decline of U.S. power and presence (Latin Americans characterize this as the post-Vietnam/Watergate syndrome), the diversification and expansion of Latin American relations with non-hemispheric nations, and locally rising tensions based in part on geopolitical perceptions. Earlier decades of peace, stretching from the end of the Peru-Ecuador conflict in 1942 through the Honduras-El Salvador clash of 1969, may be attributed in part to U.S. hegemony and to the greater priority that Latin American governments gave to relations with foreign powers over relations with their neighbors.

So far the data seem to indicate that at present no arms races characterized by spiraling purchases or rapidly swelling inventories exist in Latin America. Individual governments have made recent acquisitions for a variety of reasons, ranging from generational obsolescence of existing inventories to reactions stimulated by assessment of acquisitions made by neighbors. Some country-pairs, such as Peru-Chile and Venezuela-Colombia, are more sensitive than others, for historical and geographic reasons, but this is to be expected. Some balancing and emulation is occurring—but no two countries have yet engaged in a spiraling arms race that has consumed large expenditures and led to swollen arms inventories.

There are no reliable formulas for judging whether arms transfers are likely to alleviate conflict potential or stimulate arms races under various circumstances. Assessment in this area becomes especially complicated when a country such as the United States provides arms to two
neighbors—as in the cases of Peru-Chile, Venezuela-Colombia, and Honduras-El Salvador—for defense against a third-party internal or external threat, when in fact the two neighbors become more interested in using the weapons for defense against each other. However, it is not necessarily true that an influx of weapons raises the risks that political disagreements will more likely turn to armed conflict. Instead, symbolic strength provided by arms acquisitions may facilitate diplomacy to resolve some dispute at least temporarily, as may have been the case with Peru-Chile and elsewhere with Iran-Iraq.* The limited knowledge that we now possess regarding individual cases does not suggest that arms transfers contribute more to an armed conflict than do local political conditions.

Inflammatory nationalistic journalism during a period of high border tension seems more likely to precipitate a military engagement than would the availability of newly purchased weaponry. Although the Latin American press is generally government controlled, these controls are not designed to deter the arousal of nationalist passions against potential enemies.

In the past, the argument could be made that an exclusive or highly dominant supply relationship represented a form of U.S. arms control. Accordingly, such a supply relationship would enable the United States to influence the type and rate of local arms orders, and to curtail supplies in the event of an unwelcome local conflict. During the 1950s and early 1960s, the U.S. did in fact attempt to follow a policy of regional arms balancing and limitation. In this respect, the Military

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* The claim has frequently been made for the Persian Gulf that rising arms transfers will surely raise the potential for regional conflicts. The standard methodology has been to list the volume of new arms purchases on the one hand, and then to list the variety of possible border conflicts on the other hand—and then to claim that the two lists have some cause-effect relationship, without ever clarifying or explaining the linkages. Even if the original proposition should prove valid, this methodology is shabby. It certainly could not account for the surprise easing of Iran-Iraq relations in 1976. An important factor that needs to be taken into account is the diplomatic utility of weapons as symbols of power and prestige, especially among monarchs like the Shah.
Assistance Program and the allocation of Foreign Military Sales credit assistance were used to try to establish some parity among neighboring militaries and to keep the level of weapon sophistication reasonably low. Such a policy, as has already been suggested, is no longer viable.

Some Latin American countries accused of arms racing have simultaneously promoted local arms control measures. Leading diplomatic and military officials from eight Andean countries joined in the Declaration of Ayacucho in 1975 to recommend that their governments prohibit further acquisitions of highly sophisticated modern armaments and offensive weapons. Peru, Chile, and Bolivia, which appeared close to conflict over the land-locked status of Bolivia and the disposition of territory gained by Chile from Peru and Bolivia during the War of the Pacific around 1890, have managed to relax border tensions and to consider entering into a non-aggression pact. This is not to say that all tensions are being adequately managed. Several South American countries have reported concern about Brazil's growing capabilities. However, the fact that seems to disturb them most is the formation of a 7,000 man parachute brigade transported by several squadrons of C-130s—replacing a brigade transported by the much smaller and shorter-range C-47s. This kind of item does not look impressive in typical, quantitative arms race studies.

The Andean Declaration of Ayacucho

Partly as a result of the ever-increasing proliferation of expensive military weapons, the Latin Americans have not ignored the very real need for arms control efforts in the region. One indigenous effort has been initiated in South America. Following a proposal from Peru to freeze arms purchases for ten years, the six Andean countries of Chile, Bolivia, Peru, Colombia, and Venezuela (along with Argentina and Panama) signed in December 1974 the Declaration of Ayacucho. The signatories thereby committed themselves to "create conditions which permit effective limitations of armaments and put an end to their acquisition for offensive
warlike purposes in order to dedicate all possible resources to economic and social development."

Since 1974, several technical meetings have been held in Lima, Santiago, and La Paz in the attempt to implement the Ayacucho Declaration. As a result of these meetings, attended by technical representatives of the respective countries, agreement was reached on the following: a ban on certain types of advanced weapons not now present in Latin America, further study on limiting the acquisition of other major weapons, and consideration of a treaty to strengthen peace in the region. In addition, the possibilities were also discussed of reducing border forces, establishing demilitarized zones, and monitoring weapons inventories. Despite the fears and concerns expressed in 1974, by mid-1977 these recommendations were still being taken "under consideration" by the governments of the Ayacucho Declaration. Meanwhile, recent purchases of, or attempts to purchase, Soviet SU-22 attack-bombers by Peru, Israeli Shafrir air-to-air missiles by Chile, and Israeli Kfir high-performance jet fighters by Ecuador, suggest that there still remains a wide gap between Ayacucho intent and local national security concerns that require the purchase of modern weapons of both a defensive and offensive nature. While the Ayacucho declaration has not slowed local arms demands, U.S. support for it has become a new decision-making factor in favor of restraining some arms transfers into the Andean region.

As an adjunct to the Declaration of Ayacucho, the countries of Bolivia, Chile, and Peru have engaged in their own discussions about arms limitations and conflict management. After a 1975 meeting, high level military personnel from these three countries issued a communique to state that they had (1) agreed in principle to find ways to consult regularly and exchange information in advance about military activities along the three borders, (2) acknowledged Bolivian concern for an outlet to the sea, and (3) supported the Ayacucho arms limitations talks. Although their Tripartite Conferences have further proposed establishing

an early-warning system along the borders and possibly the signing of a non-aggression pact, the outlook for these arms control measures seem dim. The most likely outcome will be the establishment of consultation bodies as instruments to manage border tensions or accidental clashes between the respective armed forces. Meanwhile spokesmen from all three countries have variously blamed foreign/extra-continental powers and arms salesmen for fomenting the widespread rumors of an impending refight of the War of the Pacific.* Moreover, denials have emanated from each country that it is engaging in an arms race or harbors military ambitions; the dominant rationales for new arms demands have continued to be the modernization of obsolescent equipment, and the maintenance of local power balances that discourage warfare and deter lightning attacks.

The Guatemala-Belize Territorial Dispute

Despite the absence of border conflicts within the hemisphere in the post-World War II period (with the exception of the El Salvador-Honduras "Soccer War"), there exist several "hot points" of periodic tension and arms competition. The difficulty of pursuing an arms control program in these areas of potential conflict is clear in Central America where Guatemala has periodically threatened a military solution to enforce its claims to the disputed territory of Belize, to which Great Britain would like to grant full independence. The case serves to illustrate that a small country will purchase arms according to its own national interests even if it means coming into conflict with its patron power.

Historically, the United States has exercised great economic, political and military influence in Central America. Nonetheless, following the decline in MAP grant aid the Central American countries

*The U.S. position on the Ayacucho Declaration and the Tripartite negotiations has been to keep at a distance because of the sensitivities of these nations. The fear is that a strong U.S. involvement and/or encouragement would be perceived as an effort to keep these countries militarily weak and dependent on the United States. See the Hearings before the Subcommittee on Foreign Assistance, International Security Assistance U.S. Senate, 94th Congress, 2nd Session, Washington, D.C., 1976, p. 26.
have diversified their inventories with purchases of new equipment from Western Europe and elsewhere—thereby continuing the pattern that began among the larger countries of South America in the mid-1960s. El Salvador, Honduras, Guatemala, and Nicaragua have all purchased Israeli and French jet fighters, helicopters, and air transport craft, thereby laying to rest traditional U.S. expectations of arms monopoly and standardization even in the Central American region.

Since 1975 military relations between the United States and Guatemala have cooled as a result of American unwillingness to support Guatemalan claims to Belize, but more importantly because of U.S. reluctance to deliver military equipment, weapons, and ammunition. On one occasion this cooling extended to the placing of U.S. military advisors on travel restrictions. Since the mid-1970s the Guatemalans have indicated at least twice that they were prepared to engage in armed conflict with the British armed forces in order to forestall a declaration of independence for Belize.

The Guatemalan position is that it must receive a portion of Belizian territory in exchange for acquiescing to independence for Belize. Since the early 1960s, a basic strategy of Guatemala has sought to get the United States into a "good offices" position. The United States has resisted this since 1968, on grounds that the problem is primarily a British responsibility and should be resolved by the three immediate parties without deeply involving the United States. Having failed at this, the Guatemalans in the mid-1970s adopted a different strategy to involve the United States. The new strategy was to begin a substantial and credible armaments program as a way to demonstrate Guatemalan resiliency and determination.

The U.S. government's reaction to the buildup in Guatemalan military capabilities was officially termed "Plan Peace Maya." The Plan was an explicit effort by the United States to regulate the flow of arms into Guatemala (partly as a response to the appeals of Great Britain). However, after experiencing difficulties in purchasing vintage C-47s and M-16 rifles from the United States in late 1974, the Guatemalans placed orders for $20-25 million worth of military equipment
from European countries. Israel alone has sold Aravas (a STOL transport aircraft), automatic rifles, armored cars, transportation vehicles, and ammunition. From France have come jet helicopters; and Spain, Formosa, Yugoslavia, and Portugal have provided assortments of military equipment and ammunition. (In addition, the Guatemalans investigated the possibility of purchasing armored personnel carriers from Brazil.) Thus despite the concerted U.S. (and British) efforts to limit the military capabilities of a presumed client-state, Guatemala turned to purchase most of what it desired from non-traditional suppliers.

In the process, arms transfers have become a tool of military diplomacy and bargaining. The Guatemalans have consistently sought to make the United States an unwilling participant in their attempt to acquire territorial concessions from the British. Despite repeated efforts, the Guatemalans have been unsuccessful in utilizing the military aid relationship as an instrument to influence directly the U.S. role in the dispute. Nonetheless, the Guatemalans have succeeded in getting both the United States and Great Britain to take Guatemalan diplomacy more seriously.

The case illustrates the limits on U.S. capabilities to regulate the flow of weapons into Latin America, even to a small Caribbean Basin country. A U.S. arms control effort can be circumvented by a country willing to buy from non-traditional sources and by suppliers willing to sell for the purposes of economic and political gain. Israel, for example, has not sought a military presence in the distant Central American region. Israeli export of military equipment is linked to specific foreign policy objectives—that is, military sales are an instrument to gain and maintain political friends in international forums and to gain foreign exchange earnings. Like other suppliers, Israel is prepared to take advantage of opportunities to sell, even at the expense of its most important ally, the United States.*

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*Israel has apparently been able to utilize its recent military sales to Guatemala as a lever to acquire additional commercial sales. The American company Texas Instruments was said to have "sewn up" a lucrative $2.5 million radar system sale prior to U.S.-Guatemalan arms purchase problems. However, the Israeli sale of Arava transports is reputed to have provided access to the lucrative commercial deal. The Arava which has a selling price of about one million dollars, has also been sold to El Salvador, Mexico and Nicaragua.
Future Prospects for Arms Control and Conflict Management

Formal arms control agreements among suppliers, recipients, or both seem unlikely.* Most if not all Latin American governments would surely resent the imposition of a suppliers' agreement, or treatment as an arms control laboratory by the great powers. The United States and Western European countries seem unlikely to agree on arms limitations for Latin America. It is difficult to spot significant direct gains for the Europeans from entering into such an agreement for the distant Western Hemisphere. Indeed, future European purchases of F-16 aircraft and Leopard tanks, for example, may release a new generation of surplus equipment from existing inventories that the European governments will likely want to sell in the Third World.

While European interests in arms sales to Latin America appear to be primarily economic in nature, this is not the case with other important potential suppliers. In particular, the Soviet Union and Israel, and possibly Brazil in the not too distant future, seem to have political interests at stake in their arms export policies. These political interests militate against their potential agreement to arms control constraints. An arms control agreement does not seem to fit into Soviet interests, for the expansion of its politico-military presence as a great power in the developing world is closely linked to its capacity for arms transfers. Recent Soviet sales to Peru, and offers to several other Latin American countries, indicate that the USSR is interested to gain a foothold by penetrating a regional market heretofore, with the exception of Cuba, off-limits to Soviet arms. While Soviet success in penetrating this market has been confined to Peru, favorable terms and Soviet promises of quick delivery of equipment, combined with local interests to assert independence of the United States, may contribute to more Soviet sales in the Latin

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American market. Soviet re-equipment programs may also release huge quantities of weapons for sale abroad. If some suppliers' agreement should guarantee the Soviets part of the regional market and leave Cuba with strong capabilities for potential local interventions, then the Soviets might agree.

The prospects for supplier arrangements are further diminished by the continuing appearance of talented new suppliers. Israel, in particular, has high quality weapons to offer, is making a major marketing effort, and will not be restrained easily by U.S. pressures to desist.* Israel seems interested in using arms transfers for the purpose of gaining political friends, as well as for earning foreign exchange.** Furthermore, neighboring governments would surely not favor a suppliers' agreement if it left Brazil in a strong position as the major local producer of weapons systems in Latin America.

The assumption is made that a suppliers' agreement to curtail arms transfers would likely reduce conflict potential in Third World regions. Even if a suppliers' agreement could be fashioned, the consequences might exacerbate regional tensions and raise the potential for local military conflict. How might that be possible? In a number of cases in Latin America, Africa and the Middle East, the acquisitions of advanced weapon systems seem more significant for their diplomatic symbolism than for their military capabilities. Depriving these governments of diplomatically useful symbols might increase the difficulties.

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* The United States was able to prevent the sale of Kfirs to Ecuador in early 1977 because the aircraft contained American-made engines. However, the U.S. government may have indirectly reimbursed the Israeli government for loss of the sale by adding $285 million to the 1978 International Security Assistance Act appropriation for Israel. In most cases, the U.S. will not possess an ability to prevent the sale of military equipment to Latin America by third countries.

** In 1976, Defense Minister Shimon Peres claimed Israel would export $320 million worth of weapons that year, and was aiming to export one billion dollars in overseas sales within the next few years. Israeli sales efforts in Guatemala, discussed above, are not an isolated case in the Latin American region. In 1973, Israel quietly added fuel to the smoking relations between El Salvador and Honduras when it sold old Ouragan jet fighters on easy credit terms to El Salvador. This disturbed the local power balance and spurred the Honduran purchase of Israeli super Mystere interceptor/ground attack jet fighters.
they may have in avoiding local politico-military disputes or negotiating their pacification. Moreover, intermediate and traditional weapon systems would probably remain available through indigenous production and secondary suppliers, both of which might well be boosted in case of a major suppliers' agreement. Local governments and their militaries might become increasingly likely to focus on developing operational preparedness, and to overreact militarily when serious diplomatic disputes arise. If such projections seem possible, then peace might not be served by a major suppliers' agreement to curtail arms transfers.

The varied Latin governments would appear to have considerable interests in arriving at local arms control agreements. Local arms acquisitions and rising border tensions have contributed directly to the deterioration of both the Andean Pact and the Central American Common Market, two major efforts at integrated economic development. Yet the experiences involving the Ayacucho Declaration indicate the outlook for institutionalized arms controls is dim. More likely is the establishment of new institutional mechanisms for conflict management, such as early-warning systems, command-and-control systems, and consultation bodies.

Despite the poor prospects for arms controls, the military-diplomatic efforts made in their favor are still worthwhile to aid balancing, lessen chances of arms races, promote instances of self-restraint, and improve communications about intentions and capabilities among rivals (at the risk of confirming suspicions). Discussions and negotiations can be useful; symbolic temporization can help to pacify the current of affairs. Indeed, it is not inconsistent to arm for war and parley for peace at the same time.

Having weapons may in fact be a precondition to having a voice in peace discussions, as has been illustrated in the past. At the inter-American conference convened in 1942 to settle the Peru-Ecuador conflict that cost Ecuador a piece of its territory, Ecuador was sternly criticized for having depended on the principles of international law and
Pan Americanism for protection. The Ecuadorian representatives were admonished that these principles "exist to solve problems. You are not a problem for America. You, with your lack of military resistance, have not made your problem an American problem."

A recent episode is reminiscent of Ecuador's earlier experience. After learning that the United States had blocked the sale of Israeli Kfir jets to Ecuador, its Minister of Foreign Affairs reportedly accused the United States of criminal action by selling arms to some countries while leaving others defenseless.

In sum, arms transfers are diplomacy by other means. Having arms, especially prestigious arms, appears to be essential for the successful conduct of traditional diplomacy. Indeed, arms have often been more important for their diplomatic symbolism than for their military capabilities. The acquisition and display of advanced weapons have seemed useful not so much to prepare for war, as to gain effective diplomatic instruments for negotiating and resolving conflicts short of war. Thus as a result of Guatemala's independent acquisition of Israeli arms, Guatemala's intentions and capabilities are taken much more seriously by the United States and Great Britain in regard to the Belize issue.

Elsewhere, it has been suggested that U.S. arms transfers to Egypt might serve to strengthen its confidence in its military capacity, so as to thereby encourage diplomatic negotiations with Israel. Even the maintenance of the U.S.-Soviet strategic balance, the course of their arms limitation negotiations, and their superpower images abroad have depended in part on the diplomatic symbolism of their weapon systems. The lessening of U.S. influence in Latin America and the expansion of intra-regional relations probably mean that military diplomacy, based in part on the acquisition of prestigious weapons, will be increasingly significant in the conduct of intra-hemispheric relations and in the resolution of potential conflicts. Particularly in South America a country deprived of arms modernization may well become diplomatically as well as militarily defenseless.

VI. IMPACT ON THE INTER-AMERICAN SECURITY SYSTEM

Following World War II and throughout the Cold War era, U.S. arms transfer policies were intended to operate in tandem with broader U.S. policies to fashion an inter-American security system for hemispheric defense and peacekeeping.* A multilateral framework and bilateral ties were developed through the establishment of the Inter-American Defense Board (IADB) in 1942, formulation of the Rio Pact in 1947 against extra-hemispheric aggression, and of the Pact of Bogota in 1948 for peaceful settlement of disputes within the inter-American system. The inclusion of Latin America as a Mutual Security Act grant aid recipient in 1951 led to a series of bilateral Mutual Security Treaties. Through the Military Assistance Program (MAP), U.S. advisory missions and training efforts spread throughout the hemisphere during the 1950s. Significant developments during the 1960s included creation of the Inter-American Defense College, establishment of the Central American Defense Council (CONDECA), an increase in the size and significance of the regional U.S. Southern Command (SOUTHCOM) headquartered in the Panama Canal Zone, the periodic convening of regional conferences of the chief commanders of each service branch, frequent joint maneuvers and exercises such as the navies' "Operation UNITAS" for anti-submarine warfare, and the creation of inter-American radio nets.

Throughout this time Latin American governments kept the Organization of American States (OAS) essentially free of military organs. The IADB was specifically excluded from the formal OAS structure. A strong reaction by Latin America to the U.S.-dominated Inter-American Peace Force that intervened in the Dominican Republic in 1965 largely prevented permanent institutionalization of that entity. Measures taken successfully through

the OAS since 1969 to help resolve the Honduras-El Salvador "soccer war" dispute have been largely diplomatic, though military observers were stationed along the border. A Special Consultative Committee on Security was established to monitor Cuban subversion during the 1960s, but it was disbanded in 1975. Furthermore, the Rockefeller Commission did not receive a favorable response to its proposal in 1969 for establishing a Western Hemisphere Security Council linked to the OAS.

It appears in retrospect that U.S. arms transfer policies were more successful in supporting bilateral security relations with individual countries, than in promoting or supporting U.S. goals for complex multilateral collaboration. During the 1940s and 1950s, "hemispheric defense" proved to be a practical rationale for U.S.-Latin American security cooperation and U.S. arms assistance. However, the U.S. goal of weapons standardization, long considered essential to joint military action, could not be realized. The diversity of interests and national characteristics ruled out the possibilities for "standardization" of materiel, doctrine, organization, or activities under U.S. leadership. During the 1960s, when "internal security" became the dominant rationale for U.S. arms assistance, the Latin American governments demonstrated considerable capacity for dealing with local guerrilla threats, without requiring a significant expansion or strengthening of the collective security apparatus. Bilateral U.S. assistance, advisory, and training programs meanwhile helped to secure U.S. access to local decisionmakers and to build U.S. contacts with several generations of officer corps in Latin America.

U.S. restrictions on arms transfers that took effect after the mid-1960s were a contributing factor to the subsequent deterioration of U.S.-Latin cooperation in sustaining an inter-American security system. Nonetheless, this deterioration has owed to numerous complex factors involving global as well as regional changes that have made the system anachronistic. It is by no means clear that U.S. arms policies were a decisive factor. Indeed, a more responsive U.S. arms transfer policy in this period might well not have made much difference in this area.
While most of the institutional apparatus of the inter-American security system has remained intact since its establishment in the 1940s-1960s, events in the past few years reveal a degree of deterioration that requires new attention and fresh ideas. The prior U.S.-sponsored emphases on defense against an extra-hemispheric threat and subsequently against Cuban/Communist subversion have given way to new, locally-sponsored concepts. In 1975 during the OAS meeting in San Jose, Costa Rica, members voted to incorporate the principle of "ideological pluralism" into the Rio Pact. A further prominent proposal, essentially referring to certain activities of the United States and multinational corporations, has called for a concept of "collective economic security" and defense against "economic aggression" to be written into the OAS Charter, if not also the Rio Pact. Meanwhile, Cuban military assistance to Angola, the Guatemala-Belize dispute, Peru-Chile border tensions, and Soviet arms sales to Peru have served to stimulate traditional concerns about preventing conventional military conflicts from developing within the region.

For the past several years, OAS members have been working to draft a new OAS Charter. They aim to respond to the changes in the context of inter-American relations wrought by the emergence of detente and the growing capacity of the Latin governments to influence each other and the foreign powers. In addition, regional meetings of military commanders have continued to consider proposals for revising or reforming the inter-American security system. A proposal to make the IADB into the center-piece has not met with success. Part of the problem is lack of agreement over the definition of the "threat." Thus at the eleventh regional meeting of army commanders in 1975, there was a sharp split over whether the greater danger came from the Left or the Right, from pro-communist or pro-capitalist extremists, and over whether military training schools should teach anti-subversive tactics against the Right as well as the Left. The army commanders also discussed the issue of economic aggression by foreign powers and companies. Despite all this activity and searching, redefinition of the inter-American system is far from settled.
U.S. Roles

The revision or reform of the inter-American security system involves so many complex issues that U.S. arms transfer policies will likely have only marginal influence on what emerges. Nonetheless, despite recent efforts by some Latin American countries to form organizations that may diminish, exclude or oppose U.S. roles in regard to some problem issues, most Latin American governments do not want to exclude the United States from playing a significant role in hemispheric security. The United States is needed not only as one source of weapons technology, but also as a potential mediator and balancer in case of local conflict or war. It has even been pointed out, by a Peruvian military intellectual, that politico-military planners should anticipate U.S. or OAS roles in terminating a military conflict, should one arise.

It will be the responsibility of politics, through diplomatic negotiations both before, during and after the conflict, to obtain and maintain the support of the great powers, especially that of one of them, to neutralize the others (or other) in the event that they attempt to intervene on behalf of the adversary, by supplying the latter with arms, or if they try to stop the war before it has succeeded in securing the objectives concerned.

In a local limited war in Latin America, military action will occur with the likelihood that the United States, or the OAS, through a meeting for consultation of the ministers of foreign affairs, will restrict the progress of the hostilities in time, by curbing or halting them. Therefore, there must be an appropriate correlation between the political objective (the purpose for which the war is being fought), the available facilities and the probable duration of the conflict, a result of the international political situation.*

The more the Latin American countries become wary about each other as potential threats, the more some may blame the United States for instigating or exacerbating the potential threats; yet the more most will want the United States to remain in the game as a potential

*From Mercado Jarrín, op. cit.
mediator and balancer. U.S. interests will surely be best served by an absence of regional conflicts, and thus U.S. policies should aim in part at supporting peaceful balances. This may prove to be a difficult objective. In the recent decades of low local threat perception and weak intra-Latin American contact, local balancing was easier—in part because the symbolic prestige of weapons was diplomatically more useful, and militarily more important, than were actual military capabilities. In the future, however, capabilities may begin to loom larger than prestige in the assessments made by some Latin American armed forces.

The Panama Issue

What happens to the proposed U.S.–Panama treaty over disposition of the Canal and its zone will have important bearing on the future of the inter-American security system. The "Canalocrats" and other opponents of the proposed U.S.–Panamanian treaty have objected that its passage will increase the risks of the Canal falling under Soviet and/or Cuban control, and of the Canal being nationalized in the future. However, non-passage of the proposed treaty seems even more likely to lead to Panamanian demands for nationalization, and to create opportunities for Soviet and Cuban penetration not only within Panama but throughout Latin America. In a number of countries, non-passage would likely lead to a critical diplomatic reaction against the United States, as well as renewed efforts to reduce association with and reliance on the United States.

The best guarantee of reliable Panamanian responsibility for the Canal may prove to be widespread and equitable distribution within Panama of the economic fruits from Canal operations. The U.S. Government might usefully consider measures for developing and supporting an institutional framework that would in effect provide a popular economic basis within Panama for the internal security of the Canal.

As a military basis for the security of the Canal, the proposed treaty provides for bilateral U.S.–Panamanian military cooperation. A further option for the future might be trilateral cooperation among the United States, Panama, and an additional Latin American or Western
Hemisphere nation. While the United States and Panama remained permanent defenders of the Canal, the third party role might rotate from one hemispheric nation to another, possibly every year or two. While a trilateral approach might appear to dilute the U.S. role, it might have the advantage of providing a new basis for continuing inter-American defense cooperation, and also might help to justify the maintenance of some inter-American military schooling and training facilities in the Canal area. Consideration might even be given in the future to inviting Cuba to participate in such a trilateral defense arrangement, for Cuba's island economy and foreign trade (e.g., with Japan) are dependent on keeping the Canal open to shipping.

U.S. Security and Regional Powers: Brazil

In the future the two Latin American countries with which the United States seems most likely to share a sense of mutual mission requirements are Brazil, in part because of its interests beyond Latin America, and Venezuela, because of its potential presence in the Caribbean Basin area. Brazil and possibly Venezuela belong to a class of emerging regional powers, along with Indonesia, Iran, and Nigeria among others, whose emergence depends much more on economic growth than on military development, and whose disposition will have increasingly important consequences for U.S. security in the changing international environment. Indeed, by the 1980s U.S. security relations with major regional powers may attain the importance accorded in the past to lesser NATO-West European allies.*

Close relations with regional powers in the Third World hold great attraction for the United States. Politically, most have relatively strong, stable government institutions and presently are ruled by nationalist elites that are fairly pro-American and anti-Soviet. Economically, these countries possess and export important energy and other raw materials on which the United States and its traditional allies are increasingly dependent. Militarily, they are developing as the major

regional forces, a few as clients of U.S. military programs; and they may play important balancing rather than destabilizing roles in regional security affairs.

Close relations, however, may lead to creeping commitments that entail risks for the United States—three stand out. First, adventure-some or hegemonial regional powers may draw the United States into local conflicts in which it has no direct interest. Second, close relations may jeopardize relations with neighbors in which the United States also has significant local interests. Third, there is a risk of the internationalization of local conflicts when rival foreign powers become closely associated with local proxies. Overall, there is a risk of loss of leverage over the presumed client, and even of "reverse leverage" in which entanglement leads to manipulation of the generally stronger partner by the presumably weaker client. "Superclients" exist as well as superpowers. Clearly, the United States faces a challenge in building professionally close, but correct, military relations with regional powers like Brazil, especially if the regional power should acquire nuclear weapons.

A different set of incentives and risks appear to confront policymakers within a regional power. Although on balance U.S. security in the evolving world context would probably be served by close cooperation, if not alliance, with selected regional powers, the local security and development of those regional powers will probably require distance, if not disassociation, from close identification with the United States. Local security is a key factor: the regional power seems best served by a clear status of independence and even non-alignment in order to promote diplomatic initiatives that will prevent or manage potential regional conflicts. Local flexibility and sovereignty are perceived to depend upon reducing national dependency and reliance on U.S. goodwill and suppliers. Furthermore, negotiating and bargaining with the United States seem to be advanced by assertions of national independence, and at times by threats to reduce future collaboration and ties.
In light of such considerations, it is unclear how Brazil may and should fit into U.S. security policies. What is clear is that Brazil seems to be growing as a regional power, and its military government has taken steps in recent years to become increasingly independent of the United States.* Arms transfers will likely remain a critical policy area having broad impact on overall relations.

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* Brazil's recent cancellation of military assistance agreements with the United States, although timed as a protest against U.S. human rights policies, had actually been under consideration for months and owed to broader considerations.
VII. COMPLEXITIES FOR U.S. POLICYMAKING CRITERIA

The preceding material suggests that arms transfers will continue to prove difficult to orchestrate as an instrument for protecting and promoting U.S. policy interests. Arms transfers have constituted an important element for political goodwill. Yet, in general U.S. arms transfer measures appear to have had ambiguous, if not ambivalent and unexpected consequences for other U.S. policy concerns. Under these circumstances, there has been no easy solution to the design and application of standardized criteria for incremental arms transfer decisions. Commonly-argued truisms do not hold; each case becomes different. And we do not clearly understand the conditions that may make each case different.

In terms of general foreign policy objectives and decision criteria, the U.S. government has traditionally aimed to transfer arms that (1) meet "valid military requirements" and (2) gain "political influence and leverage" for the United States.* The criterion of meeting valid military requirements has generally been the preference and responsibility of the Defense Department, while the quest for political influence and leverage has mainly governed State Department decisions. This is a rough generalization, but it helps to characterize the past ten to fifteen years. The practice of (3) pre-emptive selling is more recent, and has owed mainly to the emergence of supply competition.

Valid Military Requirements

It has become increasingly difficult for the U.S. government to assess and set valid requirements for militaries that are determined to fix their own requirements and to emphasize local defense missions against neighbors, especially where these missions do not involve Soviet threats and thus may disinterest the U.S. military. The situation becomes even more difficult where the United States supplies both parties

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Economic objectives of arms sales to Latin America are not discussed here. They are not as important as are political and military objectives in relations between the U.S. and Latin American governments.
to a potential arms race or regional conflict (as in the cases of Honduras-
El Salvador, Peru-Chile, India-Pakistan, and Greece-Turkey), or where the
United States aims to maintain close, positive relations with all parties
to a dispute (as in the case of Guatemala, Belize, and Britain), or
where the equipment being demanded does not appear justifiable in terms
of the local threat or absorptive capacity. The criterion of meeting
valid military requirements was much clearer in earlier periods when
collective defense against Communist external and subversive threats
was based on some shared perceptions of threats and enemies. Now the
United States is asked more and more to accept the local assessments
of specific equipment needs, and to indicate subordinate requirements
in regard to the size and timing of orders and the local technical
capacity to absorb and operate the deliveries.

For many countries the U.S. military "requirement" has shifted
away from simply defending against shared threats, toward just main-
taining some U.S. military access, cooperation, and assets in the
recipient country. The present environment in Latin America makes it
more difficult than in the past to justify arms transfers in terms of
valid military requirements that clearly relate to U.S. defense interests.
There may exist some sharing of threat perceptions and mission objectives
in the South Atlantic with Brazil and Argentina, in the Caribbean Basin
with Venezuela, and with Panama regarding the Canal. Latin America in
general remains an important source for some strategic raw materials
and natural resources, such as petroleum. Brazil's northeastern bulge
might represent a strategic location in case of a conflict involving
the United States in Africa. Nonetheless, these few points, most of
them very traditional, represent a meager basis for roundly justifying
significant arms transfer programs in terms of shared threat perceptions
and mutual mission requirements.

An acceptable, limited military rationale may be found in simply
trying to maintain professional military access and goodwill through
correct, respectful relations that may necessarily involve responding
favorably to some local arms demands. That at least would provide a
basis for limited relations that could be expanded if a future need
should arise. Local absorptive capacity may need to be treated as a
limiting criterion that could be discussed technically with the purchasing country, in the interest of finding a mutually agreeable, technical basis for limiting some weapons demands. For many years "local absorptive capacity" has been treated rhetorically as a limiting factor --but in fact little empirical analysis has been undertaken. While the capacity of a client to bargain in a buyer's market reduces U.S. capacity to shape and restrain military requirements, it is not necessarily unwise for the United States to provide weapons that may not be used for promoting U.S. military security interests.

These considerations relate to a significant issue that we have never seen discussed in either policy or academic literature: How best to evaluate the impact of arms transfers on intra-Latin American relations? U.S. policymakers tend to evaluate the impact on U.S.-Latin American relations from a primarily political perspective. But the impact on relations between Latin American countries is normally treated from a primarily military perspective. A point that emerges from the preceding discussion is that, in accordance with the symbolic significance of prestigious weapons, a more political-diplomatic perspective should also be adopted in evaluating the potential impact of U.S. arms transfers on intra-Latin American relations.

**Political Influence and Leverage**

The U.S. Government has tended to expect arms transfers to return benefits in the form of political influence and leverage. Indeed, arms transfers are an important element within the web of relations, and may serve to create dependencies and interdependencies. Certainly arms transfer programs can contribute to a climate of political goodwill and can provide access to influential military and political elites. In addition, during a moment of crisis the dependence on U.S. logistics and re-supply may be manipulated for short-term gains--though often at

*In the Persian Gulf area, however, local rulers have succeeded in converting questions about local absorptive capacity into questions about U.S. capacity to provide technical support (e.g., through contractor personnel).*
some expense to longer-term goodwill and influence, as in the cases of Honduras-El Salvador, India-Pakistan and Greece-Turkey.

In between the extremes of routine access-goodwill and crisis leverage, the potential returns for diplomatic influence are unclear and appear to be greatly exaggerated. Multiple-case research is needed to analyze the linkages and consequences of arms transfers with respect to related political issue areas. A distinction among the objectives of access, goodwill, influence, and leverage might serve to form one useful dimension or spectrum for constructing an analytical framework. On balance, it would appear easier to use arms transfers for gaining access and goodwill than for acquiring influence and leverage.

A distinction may be useful between cases in which the arms transfer objectives relate to a specific issue or activity, such as a recipient's stance toward U.S. basing rights or toward military relations with the Soviet Union, in contrast to U.S. objectives that may be quite general or systemic in nature, such as reinforcing the stability of a particular regime and the policy paradigm it espouses. For instance, transfers have proven very important for maintaining U.S. access and support with Latin American militaries in whose potential political future the United States may have some interests, as in the cases of Brazil in 1964 and Chile in 1973. Elsewhere, arms transfer policies have served to keep King Hussein and the Shah in power as moderate rulers of Jordan and Iran respectively.

At times a direct quid pro quo may be the issue: the arms transfers represent currency for negotiating the use of bases and facilities, or some other concrete tradeoff or offset. This has generally not been the case in Latin America except in regard to U.S. access to raw materials during World War II, and possibly for negotiations in the

* In general, U.S. negotiating strategy has been to keep the links quite indirect between the arms transfer and the quid pro quo. For example, a MAP or FMS program and U.S. rights to operate an in-country facility would be negotiated separately with the local government. The two issues would not be directly linked in discussions—even though both sides understood the linkage existed. In contrast, Soviet negotiating strategy is evidently often quite direct: arms transfers and the quid pro quo are negotiated at the same time.
1950s relating to the temporary installation of missile tracking stations in Brazil and the Dominican Republic.

Where the *quid pro quo* is not clear and is supposed to follow at some future time, then the quest for political influence and leverage through arms transfers often leads to meager investment returns. While a "superclient" like Iran has at times provided an example of this, the United States has also encountered difficulties in exerting control over a small client like Guatemala, which recently turned to buy Israeli military transports and put the U.S. military mission on restriction after the United States bowed to a British plea to deny the sale of U.S. transports. In another earlier instance, the suspension of military assistance and sales to Ecuador did not halt the seizure of U.S. fishing boats. It appears that, where effective, the presumed leverage requires constant renewal in the form of further arms transfers, whose utility is of short-duration and non-cumulative as a form of political investment currency. Furthermore, the presumed leverage depends greatly on local sensitivities and priorities regarding the non-arms transfer issues to which it is being linked.

Another distinction might be useful between issues or objectives that seem closely linked to arms transfers, such as local diplomatic-military negotiations to end a border conflict, and those issues or objectives that may be distantly and quite indirectly linked to arms transfers, such as a recipient's commercial policies. A further distinction may be made between influencing a recipient's foreign policy behavior, and the often much more sensitive area of its domestic policy behavior. In general, arms transfers would appear to have some potential utility for influencing closely-related foreign policy issues—and most likely to arouse counterproductive reactions where the U.S. objectives relate to sensitive domestic issues that are distantly related to arms transfers, as in the area of local human rights practices.

A distinction may be made between short-term and long-term effects. Expectations of influence may relate less to present conditions than to future contingencies that may possibly arise. In some cases, however, arms transfers might bring immediate leverage on some particular
issue, but at the cost of future goodwill and influence regarding other issues—whereas in another case immediate goodwill might not lead to future leverage. In some cases the U.S. government may treat an incremental arms transfer as an investment for future influence, but the recipient may treat the same transfer as a payoff or reward for some cooperative action already taken. While these distinctions may be useful, there is always the problem of knowing whether a presumed cause-effect relationship owes in fact to arms transfers, or whether it owes to some other factor or consideration, such as domestic policies.

It is rarely true that the more arms the United States transfers to a country, the more leverage the United States obtains. This is especially the case for governments that have become skilled at negotiating with the United States and that have the option of resorting to alternative suppliers. Yet even recipients that are almost totally reliant on U.S. supplies may not lack a capacity to bargain and manage U.S. influence attempts. Indeed, U.S. economic and military assistance programs in the 1960s seem to have provided an important training ground for foreign elites to learn how to negotiate with U.S. bureaucracies, to exploit U.S. objectives and programs, and at times to exercise "reverse leverage." Thus, arms transfers may sometimes be more an indicator of local bargaining capacity than of U.S. influence and leverage. Even though it is unclear and uncertain that U.S. arms transfers serve to build political influence and leverage, it nonetheless seems true that U.S. restrictions on arms transfers may well lead to a deterioration of political goodwill and military access. Such restrictions may also open the door to increased presence and roles for extra-hemispheric suppliers.*

* Observations that it is difficult to analyze whether Soviet arms transfers have afforded the Soviet Union with direct political leverage appear in: Roger F. Pajak, "Soviet Arms Aid in the Middle East," Center for Strategic and International Studies, Georgetown University, January 1976; and Uri Ra'anana, "Soviet Arms Transfers and the Problem of Political Leverage," prepared for conference on Implications of the Military Build-Up in Non-Industrial States, The Fletcher School of Law and Diplomacy, Tufts University, May 6-8, 1976.

Abraham S. Becker, "Arms Transfers, Great Power Intervention, and Settlement of the Arab-Israeli Conflict," The Rand Corporation, July 1977, P-5901 also deals with this issue, and questions assertions that arms transfers necessarily have a destabilizing impact on regional affairs.
Pre-emptive Selling

Given the fact that it has been a buyers market, pre-emptive selling has become a leading criterion for arms transfers. It has evidently become more significant than meeting valid military requirements. Pre-emptive selling has been touted as a means to minimize third-party sales that may jeopardize U.S. military advisory and training relationships, that may lessen potential U.S. leverage through logistics and re-supply functions, that may prove more costly to the recipient and divert greater economic resources than would U.S. sales, and/or that may potentially lead to the disruption of good U.S. access and relations with individual Latin American countries. The measure of U.S. influence becomes the pre-emption or limitation of a rival supplier's potential influence. Accordingly, if the United States will not sell to them, then the clients may buy elsewhere; if they are going to buy something anyway, then the United States might as well sell it to them.

No one has yet made an attractive case to refute the reasonableness of this policy line. Yet there are grounds for being wary. It is clear that various governments have threatened to buy elsewhere partly in order to gain bargaining leverage for the sale of U.S. weapons on good terms. Moreover, in the evolving international context there may sometimes be advantages to the United States in not being or trying to be an exclusive or highly dominant supplier.

U.S. domination of Latin military relationships during the 1940s-1960s served to "control" arms transfers, maintain local military balances, and preserve the regional peace that existed from the end of the Peru-Ecuador conflict in 1942 until the El Salvador-Honduras "soccer war" in 1969. In the current international and regional environment, however, it is no longer feasible for the United States to dominate hemispheric military relations and arms transfers. Most governments, in Central as well as South America, have learned to be wary about the reliability of U.S. support in case of local conflict, and about the likelihood of U.S. interference with the supply of necessary parts and ammunition. As a result, some governments appear to be diversifying so that their armed forces have both U.S.-equipped and non-U.S.
equipped units. Moreover, some may have begun to stockpile light arms and ammunition, and to seek potential re-supply arrangements with neighboring countries that have similar equipment inventories. The more that Latin American governments endeavor to circumvent potential unilateral U.S. arms control and conflict management designs, the more "unstable" Latin America may look to U.S. observers who would prefer to return to the "arms stability" of the post-WWII/Cold War years. Nonetheless, in the current environment important reasons may be emerging for the United States to prefer not to win virtually every arms sales contract.

Important advantages for U.S. interests may accrue from developing U.S. policies that stress the potential politico-military benefits, rather than the presumed costs, from regional arms diversification. Being one among varied suppliers may prove to be a useful position at times. A very close or dominant arms transfer relationship may no longer optimize political influence and leverage—if it ever did. At present, a very close relationship carries the risk that a client or superclient may be able to exercise reverse-leverage. Local supply diversification serves to put distance between the recipient and the United States, thereby possibly making it easier for the United States to minimize association with regional tensions or conflicts, and to act as a mediator for their settlement if they occur. In this regard, it seems useful to recall that the era of small-scale Latin American wars in the 1930s was also an era of declining U.S. influence and intervention in regional affairs and of increasing diversification of local military relations with the European countries. Yet this was also the era of the U.S. "Good Neighbor" policy, which proved very constructive for U.S.-Latin American relations, while the local military conflicts in themselves had only marginal impact on U.S. relations.*

*These considerations, which would militate against pre-emptive selling practices, suggest a possibility for the United States to use its arms transfer policies for bargaining with other potential suppliers. Instead of asking what benefits can be obtained from the recipient by concluding a proposed sale, a more useful question might become: could a trade-off or offset be obtained from a supply competitor by offering to withhold or adversely affect U.S. competition for a proposed arms transfer, so that the competitor is able to conclude the arms deal. Such offset arrangements have apparently been negotiated in the past outside the Latin American region. They may be worth discussion in regard to some situations in Latin America.
A Policy Principle: Unrestricted but Unsubsidized Sales

Fitting the various criteria and considerations into an overall policy design has proven complex and difficult. In retrospect, it seems clear that during the past ten years restrictive U.S. arms policies have incurred serious political costs. Restrictive measures contributed to the deterioration of U.S.–Latin American military relations and stimulated the rise of political nationalism and the resentment of U.S. paternalism and indifference. Restrictive arms measures became a prominent way to offend local governments. Contradicting the spirit of the 1947 Rio Pact and the Mutual Defense Treaties of the 1950s, U.S. lack of response in selected military matters adversely affected Latin American judgements about U.S. responsiveness in other policy areas. These reactions were especially strong where the judgements were made by governments headed by military men who had had counterproductive encounters with the United States over arms sales.

The United States may only create continuing problems in hemispheric and bilateral relations by continuing to engage in restrictive or punitive arms sales policies that mainly serve to discriminate against Latin American governments, often more so than against governments in other regions. Nonetheless, the United States would have little to gain, and much to lose, from adopting large, aggressive, or promotional arms transfer programs; indeed the central policy considerations should not be framed in a manner that leads inexorably to getting a country to "buy American" regardless of the potential non-economic costs.

On balance, the principle of unrestricted but unsubsidized military sales has appeared to provide an acceptable policy guideline for arms transfers to Latin America so long as arms demands remain moderate.* Implementation of such a principle would seek to minimize both the

restrictive and promotional tendencies that have prevailed in much of the policy debates. Such a policy approach would facilitate U.S. capacity to respond to Latin American requirements within a framework of "correct" regional relations and international competition, while seeking to avoid the pitfalls of past policies that have strained relations with Latin American governments. Nonetheless, while this principle rests on central lessons from the past, by itself it constitutes only a limited guide to dealing with the complex trends, potentialities, and problems that seem likely to mark the future and that may enter into individual, incremental arms transfer decisions.

A foreign policy dilemma is facing the United States on how to effectively pursue U.S. national politico-military interests in Latin America, without having to depend on restrictive as well as punitive policies that attempt to impose standards of behavior that are deemed unacceptable by many countries of the hemisphere. While many of the Latin American governments are military-dominated (and most likely will remain so for the remainder of the 1970s), current attitudes in the United States may be stimulating a quasi-ideological reaction against "military dictatorships," and even against the Latin American region. A return to anti-militarism, and to a paternalistic attitude toward Latin America, could place the United States on the verge of a new era of recrimination and mutual alienation. The way in which U.S. arms transfer policies are managed for the region and for individual nations of Latin America will have central consequences for the extent and intensity of this potential alienation.
Even though U.S. arms transfers will continue to be central to U.S.-Latin American relations, arms transfers are nonetheless incidental to the central struggles developing within Latin America. While U.S. politico-military analysts have shown concern about the effects that arms transfer policies may have on Latin American development and U.S.-Latin American relations, Latin American military intellectuals have been showing greater concern about the effects that economic development policies may have on intra-regional relations and security conditions. Their concerns are embodied in a growing literature on geopolitics, whose leading outlet has become the polished journal ESTRATEGIA, published in Argentina. This new geopolitical thinking is both similar to, and substantially different from, the voguish "dependency analysis" that has been formulated by civilian intellectuals in Latin America and in U.S. academic circles.

Military leaders in Latin America are presently demonstrating an interest in geopolitical thinking similar to that experienced in Europe and the United States during the late nineteenth and early twentieth centuries. The claim is made that geopolitics is being rescued from foreigners who had originally used it to justify big-power colonialism and to condemn Latin America to perpetual backwardness and vassalage. Thus geopolitical thinking in Latin America is being used to urge the formation of new plans for economic progress, and to create optimistic visions of future national potentials, while at the same time calling attention to sensitive non-military factors at home and abroad that may adversely affect local development and security. While this trend is most prominent in the larger nations comprising the southern cone of South America, armed forces in the smaller nations, such as Panama, also lay claim to having geopolitical doctrines of their own. In addition, different service branches may have different geopolitical perspectives to stress their separate roles and importance. At times
somewhat ideological in nature, the new geopolitical thinking comes in
association with both pro-socialist and pro-capitalist ideas— but the
central thrust is a frontier-minded nationalism.

The geopolitical thinking focuses on the spatial distribution and
organization of natural resources, population, and the economic infra-
structure within the national territory. The primary objective of all
geopolitics is the territorial integration of the nation-state. Coun-
tries are analyzed as consisting of regions, "islands," or "peninsulas"
that are poorly interconnected and unevenly developed. The keys to
development become the creation of new "development poles" so as to
fill interior voids and eliminate the economic isolation of potentially
rich regions, especially those on the borders. The march into the
interior is necessary not only to exploit resources but also to prevent
foreign penetration and influence. The main policy instruments are to
be dynamic colonization, and the engineering of new infrastructure
for transportation, communications, and hydroelectric power, especially
highways, canals, railroads, ports and dams.* Spatial maladjustment,
not class structure, is treated as the central cause of economic stagna-
tion and political instability.

The new geopoliticians generally agree that Brazil has exceptional
comparative advantages. The "sub-continental heartland" or the "con-
tinental welding area" is seen to fall almost entirely within Brazil's
boundaries, and extend partly into Bolivia and Paraguay. Brazil also
embraces most of the Amazon, and parts of the Plate and Orinoco river
systems. Thus, Brazil is present in all the major geopolitical zones
of South America, giving it great advantage over its "Balkanized"
neighbors. This suggests that the territorial integration of Brazil
will necessarily involve some Brazilian intervention in the spaces beyond
its borders—yet it also implies a great Brazilian responsibility for
sub-continental stability.

If Brazil is the strong point, Bolivia is seen to be a critical
soft point or fulcrum for South American geopolitics. Bolivia connects
the Andean spine to the Amazon and Plate basins, and represents a stra-
tegic crossing between the Atlantic and Pacific Oceans. Thus it repre-
sents the "continental hinterland," "a nerve center," the "intermediary

* See footnote on page 18.
void between Brazil-Chile and Argentina-Peru," a "dangerous focal point for conflict in the southern cone," as well as a "contact zone...key stronghold for the development of a universal strategy for Latin America."

Bolivia is regarded as a competitive arena for Brazil and Argentina, not only for "marching" to the Pacific by building road, rail, and river transportation infrastructure, but also for gaining access to needed raw materials, including iron, oil, and gas. Furthermore, the need for secure linkages to Bolivia becomes an argument for promoting the development of provinces in Argentina and Brazil that border on Bolivia.

While only Brazil is favored with a geographic structure to "go it alone," its Spanish American neighbors can not afford to turn inward. They must emerge from their limited national spaces if they expect to defend their sovereignty and have bargaining power. Andean integration and diplomatic cooperation are considered to be necessary among the Spanish American countries, including Argentina because of its weak position as a downstream country on the Plate River system. Yet the Andean countries face difficult geopolitical problems. For example, Ecuador's access to the Amazon and Bolivia's access to the Pacific are prevented by earlier losses of territory, in both cases in wars involving Peru.

Rivers are extremely important to South American geopolitical thinkers. One great goal is the future development and interconnection of the three major river systems: the Plate, Amazon, and Orinoco. This prospect entails great concern about the distribution of potential benefits, and the consequent need to create inter-state commissions for purposes of bargaining and discussing trade-offs and plans that lead to equitable results. In this regard, a very sensitive issue area between Argentina and Brazil is the hydroelectric development through the Corpus-Itaipu projects, and any related diversion of waters in the Plate system. Argentine geopoliticians are profoundly worried that Brazilian interests and plans will prove detrimental to Argentina. It is said that the "essence of the nation's future is at stake," and that geopolitical issues involving the development of the Plate basin will determine the roles Argentina can and will play during the next 30-40 years.
The potential development of neighbors makes it imperative to develop one's own country. Otherwise security and sovereignty may become meaningless. Brazilian expansionism in particular, its concept of "living frontiers," is viewed as being geopolitically innate and representing a potential threat to Spanish America. Potential foreign threats and the need to maintain a peaceful "equilibrium" in South America are often raised in order to motivate home efforts to undertake great projects that will serve to forge a sense of national unity and will. Thus, even though the potentially threatening nature of a neighbor's development may be stressed, the policy implications of most geopolitical thinking are essentially defensive in nature, amounting to recommendations to put one's own house in order first.

The new geopolitical thinking is not at all status-quo oriented. Indeed, much of it calls for combating "forces of the status-quo" which may be said to block great projects in part because of ties to foreign capital. For example, Argentina's inability to develop has been blamed in part on the control wielded by traditional forces of the status-quo, and on the absence of national sectors from the centers of state power. According to one leading geopolitical analyst of Argentina's relations with Brazil,

...an understanding will be difficult and a conflict of interests could reach dangerous proportions if the regime in either country is controlled by powers alien to the area, or by foreign financial and economic groups whose self-interest prompts them to provoke regional conflicts.*

Such thinking leads to criticism of governments that do not give priority to proper domestic engineering and migration projects, and that do not undertake diplomatic initiatives for settling problems with neighbors. Requirements for future progress are often said to include internal

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*From a translation of an article by General Juan Enrique Gugliamelli, "Argentine Response to Brazil's 'Misiones Offensive'," appearing in ESTRATEGIA, November 1972-February 1973, pp. 7-15. General Gugliamelli is Director of ESTRATEGIA.
reorganization and planning, along with the building of national will, on the basis of new determinations of the kind of country that is desirable.

In sum, geopolitical writings reflect the fact that decisive battles for the defense of national interests are not won or lost in wars only. Indeed, war is to be avoided because it would only compound the economic problems and geopolitical disorganization that already exist. National development is accordingly the most secure approach to defending a nation-state against encroachment and exploitation by immediate neighbors and foreign powers, including the United States. The objective is to build nations through socio-economic projects, and to create appropriate legal-jurisprudence frameworks and use diplomatic initiatives for settling disagreements with neighbors well short of war. Geopoliticians exhibit a pronounced preference for negotiation and diplomacy; the point is repeatedly made that most border and boundary problems in Latin America's history have been resolved through diplomatic negotiations.

Geopolitical thinkers have led the way in analyzing and emphasizing potential threats from neighbors. Yet their analyses reveal that, for them at least, arms transfers are of marginal significance. The major "threats" are non-military and need to be met by non-military means. What happens to economic infrastructure projects seems far more serious to intra-hemispheric relations than whether Argentina or Brazil acquires another squadron of jet fighters.