

An hourglass-shaped graphic with a globe inside. The top bulb is dark blue, and the bottom bulb is light blue. The globe is centered in the narrow neck of the hourglass. The text is centered within the hourglass.

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*Conventional Arms Transfers to Latin America: U.S. Policy*

Richard Grimmett, Foreign Affairs and National Defense Division

August 5, 1997

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## Conventional Arms Transfers to Latin America: U.S. Policy

Updated August 5, 1997

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<http://wikileaks.org/wiki/CRS-97-512>

### **ABSTRACT**

This report provides background on United States policy regarding conventional arms transfers to Latin America. It focuses on the development of U.S. policy toward arms sales and transfers to Latin America, and the debate over modifying existing policy and practices regarding such sales and transfers to countries in this region. It will only be updated if there is a significant change in U.S. policy or practices regarding arms transfers to this region.

# Conventional Arms Transfers to Latin America: U.S. Policy

## Summary

This report provides background on United States policy regarding conventional arms transfers to Latin America. It focuses on the development of U.S. policy toward arms sales and transfers to Latin America, and the debate over modifying existing policy and practices regarding such sales and transfers to countries in this region. United States policy on arms transfers to Latin America, as implemented, has gone through various modifications over the last forty years. However, there has always been some reluctance to provide large quantities of arms to this region. And, there has been a fundamental interest in not making sales or transfers of highly advanced weapons systems, such as combat fighter aircraft, that could undermine regional military balances or stimulate an arms race.

While there has been no generic "ban" on arms transfers to Latin American nations, there have been specific legislative controls and executive branch practices applied to this region that have restricted the flow of American weaponry into it. Recently, United States arms transfer practices regarding Latin America were clarified by the Clinton Administration, although they remain the subject of a debate over what approach the United States should follow. A review of the development of U.S. policy and practices toward arms transfers to this region follows to provide a context for understanding recent actions.

Some in Congress have expressed concern that the United States might stimulate an avoidable arms race in Latin America should it permit American defense firms to sell highly advanced weapons systems to this region. They have expressed particular concern with the prospect that the United States might sell very sophisticated combat fighter aircraft and the prospect that this would divert scarce financial resources that could be better spent in other ways. Others argue that it is appropriate for the United States to assist in the modernization of Latin American military forces, especially in light of the growth of democratic institutions there, and the practical need some nations have to replace obsolescent military equipment. Chile is the most likely candidate for a sale that would give tangible effect to the Clinton Administration's approach to U.S. arms sales to Latin America. Chile is considering the purchase of a modern combat fighter to upgrade its Air Force. In late March 1997, the Clinton Administration gave the U.S. companies who build the F-16 and F-18 fighters permission to provide technical data regarding these aircraft to the Chilean government, while noting that just because it has permitted U.S. defense companies to compete for the Chilean aircraft sale does not necessarily mean that it would approve a sale request from Chile's government. If and when Chile should choose to request the sale of an American fighter aircraft, the Clinton Administration would, at that point, have to agree to make such a sale or issue an export license for a commercial sale, and then justify that sale to Congress in accordance with the terms of the Arms Export Control Act. Congress, in turn, would have the opportunity to disapprove that sale by enactment of a joint resolution, should it choose to do so.

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# Conventional Arms Transfers to Latin America: U.S. Policy

## Background

United States policy on arms transfers to Latin America, as implemented, has gone through various modifications over the last forty years. However, there has always been some reluctance to provide large quantities of arms to this region. And, there has been a fundamental interest in not making sales or transfers of highly advanced weapons systems, such as combat fighter aircraft, that could undermine regional military balances or stimulate an arms race. While there has been no generic "ban" on arms transfers to Latin American nations, there have been specific legislative controls and executive branch practices applied to this region that have restricted the flow of American weaponry into it. Currently, United States arms transfer practices regarding Latin America are again under review, and have become the subject of a debate over what course the United States should follow in the future. A review of the development of U.S. policy and practices toward arms transfers to this region follows to provide a context for understanding these most recent deliberations.

## Congressional Restrictions on Arms Transfers to Latin America

In the 1960s, Congress determined that arms sales and military assistance to Latin America should be constrained generally during a period when emphasis was being placed on U.S. aid to that region for economic and social development purposes. This was also a period when Congress was concerned about providing advanced weaponry to underdeveloped nations globally, not just to Latin America. These concerns led Congress in 1967 to pass an amendment by Representative Conte to FY1968 foreign assistance funding bill that specifically forbade U.S. financing of the "purchase or acquisition of sophisticated weapons systems, such as missile systems and jet aircraft for military purposes, by or for any underdeveloped country ... unless the President determines that such purchase or acquisition of weapons

systems are vital to the national security of the United States and reports within 30 days each such determination to the Congress."<sup>1</sup>

In 1968, Congress enacted into permanent law a modified version of the Conte amendment as a proviso in section 4 of the Foreign Military Sales Act (FMSA). In this act Congress prohibited U.S. financing or guarantees of sales of "sophisticated weapons systems, such as missile systems and jet aircraft for military purposes to any underdeveloped country," not specifically exempted from this ban, unless the President determined that financing of such sales was "important" to the U.S. national security, and reported this finding to Congress within thirty days. Section 4 of the Arms Export Control Act (AECA), the successor statute to the FMSA, currently contains the same restrictions on credit or guarantee sales of "sophisticated weapons systems" to "underdeveloped" countries as did the 1968 Foreign Military Sales Act.<sup>2</sup>

Section 33 of the Foreign Military Sales Act of 1968 also placed an overall ceiling of \$75 million on the amount of cash, credit or guaranteed arms sales that could be made to "Latin American" countries in FY1969. The President was permitted to waive these limitations should he determine that doing so is "important to the security of the United States," and "promptly" report this to the Speaker of the House and the Senate Committee on Foreign Relations. This overall dollar ceiling on Latin American arms sales was raised to \$150 million by 1973. In 1974 it was repealed in its entirety by the Foreign Assistance Act of 1974.<sup>3</sup>

Although the overall dollar ceilings on arms sales levels to Latin America were eliminated in 1974, Congress did enact prohibitions on the sale or transfer of military equipment to specific Latin American nations -- notably Chile and Argentina -- due to concerns over actions taken by their governments, in particular human rights abuse of their citizens. The ban on military aid and arms sales to Chile was first enacted in 1974, while the one for Argentina was enacted in 1978.<sup>4</sup>

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<sup>1</sup> This amendment explicitly excluded from its restrictions Greece, Turkey, Iran, Israel, the Republic of China, the Philippines, and [South] Korea. See Title I, Military Assistance, of the Foreign Assistance and Related Agencies Appropriation Act, 1968, P.L. 90-249.

<sup>2</sup> See Section 4 of P.L. 90-629. The 1968 Foreign Military Sales Act exempted Greece, Turkey, Iran, Israel, the Republic of China, the Philippines and [South] Korea from this restriction as does the current Arms Export Control Act.

<sup>3</sup> See P.L. 93-559.

<sup>4</sup> Section 25 of the Foreign Assistance Act of 1974, P.L. 93-559, forbade the provision of any military assistance, cash or credit arms sales, loan guarantees, or excess defense articles transfers to Chile in FY1975. Section 404 of the International Security Assistance and Arms Export Control Act of 1976, P.L. 94-329, continued limitations on military assistance, arms sales and sales credits for Chile. Section 620B of the Foreign Assistance Act of 1961, as added in 1978 by P.L. 95-92 and amended by P.L. 95-384 prohibited, among other things, the furnishing to Argentina of grant military assistance, and the extension of credits, sales, or export licenses under the Arms Export Control Act after September 30, 1978. The prohibitions on U.S. assistance and sales to Argentina were repealed by Congress in 1989. The limitations on military assistance and arms sales to Chile were repealed in 1990

(continued...)

During the 1960s and 1970s, the United States was a key supplier of arms to Latin American countries. Nonetheless, other major arms exporters, including the Soviet Union, and major West European nations also sold notable amounts of weapons to this region. During the period from 1966-1975, the value of all arms deliveries to all Latin American nations was \$2.768 billion, or an average of \$277 million a year, according to the Arms Control and Disarmament Agency. The principal suppliers of arms to Latin America from 1973-1977 the period before President Jimmy Carter's arms transfer policy fully took effect were: the Soviet Union (delivering \$1.03 billion in weaponry to two nations Cuba and Peru), the United States (\$653 million), the United Kingdom (\$565 million), and France (\$475 million).<sup>5</sup>

### **U.S. Arms Sales Policy Toward Latin America Before 1977**

The U. S. limitations on the sale or transfer of advanced military equipment to Latin America, especially on combat aircraft, noted above, led to friction with prospective Latin American customers and resulted in other suppliers making sales that the United States refused to make on policy grounds. In the mid-to-late 1960s, the United States refused to sell combat aircraft more advanced than the A-4B light attack aircraft, and the Korean War era F-86 fighter. Some Latin American nations sought the F-5 light jet fighter, but the United States was not prepared to sell it until 1969. Peru responded to a U.S. rejection of its request to buy F-5s by purchasing Mirage 5 fighters from France, thereby becoming in 1969 the first Latin American nation to acquire supersonic fighter aircraft. Subsequently, Argentina, Brazil, Colombia, and Venezuela also obtained Mirage III and Mirage 5 fighters from France. In the early 1970s the U.S. F-5 fighter became available for sale to Latin America on a cash basis. In 1973, President Nixon waived the restrictions on credit sales to the region to enable Latin American states to purchase the F-5. Brazil purchased 42 F-5Es on credit terms. Chile bought 18 F-5Es for cash. Peru in 1976 chose not to seek U.S. F-5 aircraft. Instead Peru purchased Su-22 supersonic fighter bombers from the Soviet Union, thereby introducing a new level of military capability into the region.<sup>6</sup>

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<sup>4</sup>(...continued)

by P.L. 101-513, conditioned on a Presidential certification specifying certain things. The requisite certification was made on September 30, 1990, in Public Notice 1333 by the Secretary of State on behalf of the President.

<sup>5</sup> U.S. Arms Control and Disarmament Agency. World Military Expenditures and Arms Transfers, 1966-1975, 1977, p. 80. U.S. Arms Control and Disarmament Agency. World Military Expenditures and Arms Transfers, 1968-1977, October 1979, p. 115.

<sup>6</sup> Details regarding arms sales and transfers to Latin America in the 1960s and 1970s are found in Luigi, Einaudi, et. Al. Arms Transfers to Latin America: Toward a Policy of Mutual Respect. Rand Corporation, Report R-1173-DOS, June 1973, pp. 1-21; Ronfeldt, David and Caesar Sereseres, U.S. Arms Transfers, Diplomacy, and Security in Latin America and Beyond. Rand Corporation, Rand Paper P-6005, October 1977, pp. 5-12. Also see Sorley, Lewis, Arms Transfers under Nixon: A Policy Analysis. The University of Kentucky Press, 1983, pp. 152-160 and Foreign Military Markets. Latin America & Caribbean. 1996/1997 Forecast International/DMS. Newtown, Connecticut.

U.S. missile systems were considered to be too advanced to be available for sale to Latin America in the 1960s and early 1970s, so West Europe, Israel and Australia became primary sources for these weapons. Because the United States, during this period, did not have cost competitive surplus ground and naval equipment to sell to Latin America, European nations became the leading source of these types of weapons in the region. Great Britain, Italy and West Germany supplied new destroyers, guided-missile frigates, submarines and tanks. In 1973, Peru purchased T-55 medium tanks from the Soviet Union, as well as radar-controlled anti-aircraft guns and long-range artillery.

## **President Carter's Conventional Arms Transfer Policy and Latin America**

By the time of President Carter's election in 1976, Congress had already passed legislation that placed restrictions on sales or transfers of weapons to countries determined to be engaged in systematic violations of human rights. The Carter Conventional Arms Transfer Policy directive (PDD-13), publicly announced on May 19, 1977, noted that it would seek to advance respect for human rights in countries that received U.S. military aid, and would assess the economic impact of arms transfers to less developed nations receiving U.S. economic assistance. The Carter policy directive reflected the view that conventional arms transfers in general, except for those to major allies, needed to be restrained. The Carter policy stated that arms transfers would be viewed as "an exceptional foreign policy implement, to be used only where it can be clearly demonstrated that the transfer contributes to our national security interests." It also noted that "the burden of persuasion will be on those who favor a particular arms sale, rather than those who oppose it." It stated that the United States would not be the "first supplier to introduce into a region newly-developed, advanced weapons systems which could create a new or significantly higher combat capability." Further, the policy directive set in motion a revision of U.S. arms sales regulations that required authorization by the State Department before agents of the U.S. or private manufacturers could take actions to promote the sale of U.S. armaments abroad. And, U.S. embassies and military representatives abroad were forbidden from promoting the sale of U.S. weapons.<sup>7</sup>

It is the language of the Carter arms transfer policy directive on conventional arms transfers that has given the impression that strong restrictions on U.S. transfers to Latin America originated with his Administration. Yet, as noted above, Congress had already taken direct legislative action to limit U.S. sales to this region for at least a decade. Once in office, Carter did follow through with the key elements of his policy directive by refusing to sell any combat fighter aircraft to Latin America more advanced than the A-4 and the F-5. He also denied permission for Israel to sell its Kfir fighter aircraft to Ecuador in July 1977, an action he was able to take because

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<sup>7</sup> Statement on Conventional Arms Transfer Policy, issued by President Jimmy Carter, May 19, 1977.

the Kfir was powered by the U.S.-origin General Electric J-79 engine.<sup>8</sup> The Carter Administration's human rights policy had an important effect on overall levels of Latin American arms purchases from the United States. Some nations such as Brazil and Argentina, indicated that they did not appreciate U.S. criticism of their human rights records, or the linking of such records to levels of military assistance or credits for purchasing arms. U.S. government arms sales figures for the Carter years reflect a general decline in the total value of weapons purchased by all of Latin America from the United States during FY1977-FY1980.<sup>9</sup>

## President Reagan's Conventional Arms Transfer Policy and Latin America

President Ronald Reagan's Administration took a different position from President Carter on arms transfer policy generally as well as on arms transfers to Latin America. On July 9, 1981, President Reagan publicly announced his Presidential directive on Conventional Arms Transfer policy, which **explicitly superseded** the May 1977 Carter policy directive on the subject.<sup>10</sup> The Reagan policy directive stated that the transfer of conventional arms and defense articles was "an essential element of its global defense posture and an indispensable component of its foreign policy." It noted that the United States would evaluate arms transfer requests "primarily in terms of their net contribution to enhanced deterrence and defense." In making decisions to transfer arms a "broad range of factors" would be taken into account, including: "whether the transfer is consistent with United States interests in maintaining stability within regions where friends of the United States may have differing objectives; ... whether the proposed equipment transfer can be absorbed by the recipient without overburdening its military support system or financial resources; and whether any detrimental effects of the transfer are more than counterbalanced by positive contributions to United States interests and objectives."

The Reagan directive stipulated that all arms transfer requests would be considered "on a case-by-case basis," and that those involving "coproduction, or the transfer of sensitive or advanced technology" would receive "special scrutiny." At the same time, the Reagan directive removed the Carter prohibition on U.S. government representatives overseas providing assistance to U.S. firms that had obtained licenses to market U.S. defense items abroad.

During the Reagan Administration the United States made its first sale to Latin America of a highly advanced, supersonic combat fighter aircraft. This sale of 24 F-16 fighters to Venezuela was proposed on January 13, 1982 and cleared

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<sup>8</sup> Under U.S. law, all third-country retransfers of U.S.-origin military equipment and components must receive the prior approval of the United States before they can be made.

<sup>9</sup> Total U.S. arms sales agreements with Latin America fell each year from a high of \$83.3 million in FY1977 to a low of \$24.9 million in FY1980. U.S. Department of Defense. Defense Security Assistance Agency. Fiscal Year series.

<sup>10</sup> Announcement Concerning a Presidential Directive on United States Conventional Arms Transfer Policy released by the White House on July 9, 1981. This announcement stated that President Reagan signed the new Presidential Directive on July 8, 1981.

congressional review a month later. The principal justifications for the sale cited by Administration witnesses were the Cuban military buildup, including acquisition of MiG-23 fighters, Venezuela's measured decision to update its air force, Venezuela's important role as a force for stability in the region, and the fact that its oil revenues gave it the requisite funds to pay for the F-16 fighters.<sup>11</sup> The F-16 sale to Venezuela was the single largest sale of any major U.S. weapons system to Latin America during the Reagan Administration, and was larger than any single arms sale to that region made subsequently by the Bush Administration. From FY1981 through FY1992, the total of U.S. government arms sales to Latin American was \$3.32 billion or an average of about \$276.8 million a year. Most of the weapons sold in the region were of a less advanced character, and the largest sales totals were to nations such as El Salvador, considered a strong anti-Communist ally facing an internal insurgency. The highest arms sales total for any year to the region was in FY1982 -- \$523.9 million. Of this FY1982 total, \$456 million were for sales to Venezuela, the largest part of this figure was for the F-16 aircraft.<sup>12</sup>

## **President Clinton's Conventional Arms Transfer Policy and Latin America**

The Reagan Conventional Arms Transfer Policy directive was not modified during the Administration of President George Bush. Thus, the July 1981 Reagan directive was the basis for U.S. policy until it was replaced on February 17, 1995, when, after months of internal debate, President Clinton released details of his directive on Conventional Arms Transfer Policy (PDD-34). As outlined, the Clinton directive codified an approach toward arms transfers that had guided the Clinton Administration's decisions since the President took office. Under the Clinton policy directive, the United States continues to view transfers of conventional arms as a legitimate instrument of U.S. foreign policy when they enable the United States to help friends and allies deter aggression, promote regional security and increase interoperability of U.S. forces and allied forces.<sup>13</sup>

President Clinton's Conventional Arms Transfer Policy represents a public articulation of a policy approach that has governed United States arms transfers at least since the Reagan Administration. Given what the Administration believes are the multiple U.S. interests involved in each arms transfer determination, decisions will continue to be made on a "case-by-case" basis. The guidelines set out in the policy are sufficiently broad so as to permit most U.S. sales on the grounds of advancing the national interest. The policy guidelines do not reflect more tightly drawn criteria for U.S. arms transfers such as a strict "code of conduct" test that potential arms recipients would have to meet under a proposal by some congressional

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<sup>11</sup> See U.S. Congress. Senate. Committee on Foreign Relations. Proposed Sale of F-16's to Venezuela. Hearing. 97<sup>th</sup> Cong., 2<sup>nd</sup>. Sess., February 5, 1982, pp. 3-12.

<sup>12</sup> U.S. Department of Defense. Defense Security Assistance Agency. Fiscal Year Series.

<sup>13</sup> For a detailed analysis and text of key documents related to President Clinton's Conventional Arms Transfer Policy see CRS Report 95-639, Conventional Arms Transfers: President Clinton's Policy Directive, by Richard F. Grimmett, May 17, 1995.

arms control advocates. Nor do they explicitly single out any region of the world for special policy treatment.

Although the Administration has emphasized that its decisions on arms transfers will not be driven by commercial considerations but primarily by national security, the Clinton Conventional Arms Transfer Policy holds that supporting a strong, sustainable American defense-industrial base is a key national security concern, rather than simply a commercial matter. In so doing, the Clinton policy directive has publicly elevated the significance of domestic economic considerations in the arms transfer decision-making process to a higher degree than has been formally the case in previous Administrations.

## Current Debate Over U.S. Arms Sales Policy and Latin America

Although media accounts suggest otherwise, there has been no explicit statutory or policy "ban" on arms sales to Latin American nations, with the exception of Cuba. From FY1993 through FY1996, the United States government sold a total of \$789.8 million in arms to Latin America, averaging about \$197 million in sales a year. It is true, as outlined above, that since the 1960s, there has been reluctance on the part of the U.S. government to make sales of highly sophisticated combat weapons systems to Latin American countries. And it has been a general **practice** by the United States government not to seek to sell highly advanced weapons, particularly advanced combat aircraft, to this region.<sup>14</sup>

The current debate over prospective Latin American arms sales is a debate over whether or not the United States (or U.S. companies) should sell **specific sophisticated weapons** to **specific** nations in Latin America. It is a debate over whether or not the United States should, for example, be willing to sell advanced combat fighter aircraft to nations in the region for the first time since 1982, when the U.S. sold F-16 fighters to Venezuela. The **practice** of the executive branch, since the Venezuelan sale, has been either to discourage or turn down requests to sell highly advanced combat weapons systems to Latin American nations, especially fighter aircraft. It is this **practice**, in the implementation of U.S. arms transfer policy guidelines, that has been challenged by U.S. defense industry representatives. It is this practice that was under review by the Clinton Administration for about two years.<sup>15</sup>

On August 1, 1997, President Clinton made public his decision to place U.S. arms transfer policy toward Latin America explicitly "on a par with our policy toward

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<sup>14</sup> U.S. Department of Defense. Defense Security Assistance Agency. Fiscal Year Series.

<sup>15</sup> Jane's Defense Weekly, December 4, 1996, p.16; Jane's Defense Weekly, January 15, 1997, p.6; New York Times, January 16, 1997, p.A14; Reuters, January 16, 1997.; Washington Post, January 17, 1997, p. A22; Washington Times, February 12, 1997, p.A1, A8.

other regions of the world," through a process of "case-by-case" review of requests for "advanced arms transfers" by nations in that region. The White House statement announcing this approach regarding arms transactions with Latin America is consistent, in its focus and emphasis, with President Clinton's Conventional Arms Transfer Policy Directive of 1995. The President's August announcement, while clarifying the policy approach the Administration will follow in evaluating Latin American arms transfers, has not resolved the debate between proponents and opponents of advanced weapons transfers to this region by the United States.<sup>16</sup>

Many U.S. exporters of weapons systems argue that past restrictions on sale of advanced weapons sales to Latin America are no longer appropriate considering among other things: the positive changes in the nature of governments in Latin America toward greater democracy in the last decade, their better ability to pay for more costly weapons, and their practical requirement to upgrade key weapons that are at or near obsolescence. These exporters also argue that past history has demonstrated the likelihood that once a Latin American nation has decided to purchase a particular type of weapon, it will do so, whether the United States is willing to sell it to them. The sales in late 1996 of MiG-29 and Su-25 fighter aircraft to Peru by Belarus, has increased the interest of some Latin American countries in obtaining new combat fighter aircraft for themselves, and prompted calls by U.S. defense companies for the Administration to permit U.S. combat fighter sales to such countries.<sup>17</sup>

Conventional arms control advocates argue that the United States would foster an expensive and destabilizing arms race in Latin America if it sold comparable or better fighter aircraft than the Peruvian Mig-29s to other nations in the region. They argue that the Peruvian aircraft do not in themselves upset a military balance in the region. It is not certain the planes can be operated effectively or maintained, and thus there is no point in encouraging unnecessary new purchases of expensive fighters by other nations in Latin America merely because of Peru's acquisition. Instead, the United States could attempt to secure the support of all major states in the region to engage in collective self-restraint in the purchases of costly advanced weapons, and place more emphasis on confidence-building measures that could avert wasteful military expenditures. These arms control advocates believe the restraint the United States has displayed in arms sales to the region has served the interests of all nations in the region, and should not be changed just because new market opportunities for American contractors might exist.

Chile is the most likely candidate for a sale that would give tangible effect to the Clinton approach to U.S. arms sales to Latin America. Chile is considering the purchase of a modern combat fighter to upgrade its Air Force. In late March 1997, the Clinton Administration gave the U.S. companies who build the F-16 and F-18

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<sup>16</sup> White House Statement. Office of the Press Secretary. "U.S. Policy of Arms Transfers to Latin American," August 1, 1997; New York Times, August 2, 1997, p. A1; Washington Post, August 2, 1997, p. A15. For text of White House Statement of August 1, 1997 see Appendix 1.

<sup>17</sup> Jane's Defense Weekly, November 27, 1996, p.3; Jane's Defense Weekly, December 18, 1996, p. 9.

fighters permission to provide technical data regarding these aircraft to the Chilean government. Similar information is being provided by foreign aircraft exporters as part of an effort to convince Chile's government that their aircraft would best serve Chile's military requirements.<sup>18</sup> The Clinton Administration has noted that just because it has permitted U.S. defense companies to compete for the Chilean aircraft sale does not necessarily mean that it would approve a sale request from Chile's government. If and when Chile should choose to request the sale of an American fighter aircraft, the Clinton Administration would, at that point, have to agree to make such a sale or issue an export license for a commercial sale, and then justify that sale to Congress in accordance with the terms of the Arms Export Control Act. Congress, in turn, would have the opportunity to disapprove that sale by enactment of a joint resolution, should it choose to do so. The same process would apply to any other sale of advanced military equipment to a Latin American nation.<sup>19</sup>

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<sup>18</sup> New York Times, April 4, 1997, p.7; Reuters, April 3, 1997; Jane's Defense Weekly, April 16, 1997, p. 8;

<sup>19</sup> For details regarding the congressional arms sales review process see CRS Report 96-971, Arms Sales: Congressional Review Process, by Richard F. Grimmett, December 2, 1996.

## Appendix

THE WHITE HOUSE  
Office of the Press Secretary

August 1, 1997

Statement by The Press Secretary

### **U.S. POLICY ON ARMS TRANSFERS TO LATIN AMERICA**

Following a review of Administration security policy in Latin America, the President has decided to establish a process for case-by-case consideration of requests for advanced arms transfers to countries of that region. This decision puts U.S. arms transfer policy toward Latin America on a par with our policy toward other regions of the world and will be implemented in a way that serves our objective of promoting stability, restraint, and cooperation in the region.

In the last decade, Latin America has changed dramatically from a region dominated by coups and military governments to one of democracy and civilian control. Our partnership with countries in the region has reached a new level of maturity, cooperation and dialogue. As their democracies strengthen and their economies grow, the governments of some Latin American countries are now addressing the need to modernize their militaries. They are doing so in the context of greatly improved regional political cooperation and economic integration, and of increased defense cooperation, transparency and confidence-building.

It is in America's national security interest to promote stability and security among our neighbors in the hemisphere by engaging with them as equal partners as they modernize and restructure their defense establishments. In considering requests from appropriate civilian authorities for advanced conventional arms, we will take into account our guiding goals of strengthening democracy, including civilian control of the military; focusing resources on needed social and economic development; preventing an arms race; supporting transparency and confidence-building; and ensuring that defense modernization occurs responsibly and with restraint.

An interagency group has been formed under the Chairmanship of the Under Secretary of State for Arms Control and International Security Affairs to address and coordinate our efforts to achieve our security goals for the region, including enhancing regional cooperation and stability, and considering requests for advanced conventional arms transfers.