

Jets for Chile – A Risk Worth Taking?

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Colonel Cameron “Cam” Hall, USAF, was understandably nervous as he entered the State Department building on his way to his job on the staff of the assistant secretary of state for political-military affairs. This was only his third day as the military executive assistant to the office with State Department oversight responsibility for most political and diplomatic issues that have a direct or indirect military connection including the sale of United States military defense articles to international customers, the humanitarian demining programs, and peacekeeping security operations among others. As Cam walked through the door and took his place in line at the security checkpoint, he reflected on his first meeting only two days ago with his new boss, Richard Enron, a prominent attorney from Texas who had been quite helpful to the Bush campaign during the 2000 November election. Richard Enron had only recently been confirmed by the Senate and was eager to make a good impression on Secretary Powell as well as his friends on the White House staff.

“Cam” the secretary said, “I have my first marching orders from the top and I need your help to get some fast answers. As an F-16 fighter pilot, you seem like the right guy to take the lead on this issue. As you know, since 11 September the White House has been focused like a laser on the war against terrorism. Secretary Powell, however, has been looking a little further down the road and sees some thorny issues that need some immediate attention to ensure the administration does not get caught flat-footed. One of these issues is the president’s decision to sell advanced fighter aircraft to Latin American countries, specifically the F-16 to Chile. I know this has been a controversial issue for several years, going all the way back to the early days of the Clinton administration. I also know that on 13 June (2001), the Pentagon—specifically the Defense Security Cooperation Agency (DSCA)—officially notified Congress of the president’s intent to sell the aircraft to Chile.¹ The White House staff is now in a hurry to update the president on issues and decisions that have fallen off the front burner due to the war on terrorism—decisions that could still get him in hot water later down the road.”

The secretary continued, “Secretary Powell has asked me to be the Department’s point man on the Chilean F-16 sale and to give the president a background ‘update’ brief next week at Camp David. I probably don’t have to remind you how strongly President Bush feels about our relationship with Latin America, so we want to get this right. What I need from you is simple: put together a paper that includes a short history of the issue, a summary of who is promoting the sale, who is against the sale and an analysis of their respective

positions. Do the best you can in the short time we have. From what I know about the issue, we are talking about two different, but related decisions. First, as I understand it, President Clinton made the initial decision in 1997 to allow the United States aerospace industry to compete for the Chilean fighter aircraft buy—with the intention of selling a United States fighter to Chile if we won the competition. We then competed with several other countries for over three years—until recently, when the Chilean government announced its preference for the Lockheed Martin F-16. President Bush essentially endorsed the Clinton decision with his notification to Congress in June of this year of his intent to sell the F-16 to Chile. I understand there are some individuals and groups pretty upset with this deal. I want to be able to remind the president who he has made happy and who he has made unhappy with his decision to re-enter the advanced arms market in Latin America.”

The secretary smiled, and said in a more decidedly Texas drawl, “Cam, this first one is important to me. I don’t want to be an ‘all hat and no cattle’ member of this organization—I know you can do it. Please brief me in three days.” With that, Cam shook hands and walked out of the office slightly dazed with the daunting task, yet excited with the prospect of working on an issue with such high-level visibility.

Following the initial meeting with his boss, Cam reflected on his current predicament. He had spent most of his career flying jets, not too concerned with the political or diplomatic overtones of his profession. Fortunately, he had just completed a year at the Naval War College where he had been exposed to the complex interaction between diplomatic, political, and military forces and the profound impact of these forces on the realities of United States foreign policy implementation. He specifically remembered comments from his War College professors who, on academic trips to Chile, had been pestered continuously by senior Chilean government officials as to the status of the F-16 sale. While it was not a hot topic in the United States, the issue was front-page news in much of South America. As an accomplished F-16 pilot, Cam knew that many allies of the United States had either purchased various versions of the F-16 for use in their own military or were very interested in purchasing what he considered to be the best fighter aircraft available on the market today—even at the cost of \$35 million per plane.² Cam had detected and appreciated a certain degree of anxiety in his boss over this issue. He knew that a relatively small ten to twelve airframe sale to a close ally of the United States had the potential of creating enormous tension in the international community.

Cam discussed his next step with his State Department colleagues. They suggested he begin his research with Janet Rios, a former White House staffer, now a lobbyist for the Lockheed Martin Political Action Committee, located with a consortium of defense contractors in Crystal City. She had experience as a White House staffer in the Clinton years. It was also suggested that he talk to Bill Garza, a staffer on the Senate Foreign Relations Committee that oversees foreign military sales. Garza had been on the committee for fifteen years and understood the issue from a congressional perspective as well as anyone on the Hill.

Following the advice, Cam scheduled back-to-back meetings with Janet and Bill for this afternoon in Crystal City and on Capitol Hill, respectively.

Cam emptied his inbox and answered his emails before he left his office for his first appointment at a Crystal City restaurant. He stepped off the yellow line train at the underground Crystal City Metro stop and hurried into the Southern Cone Grill where he joined Janet at a corner table. Following a brief introduction, Cam quickly turned the conversation to the subject at hand, “Janet, I very much appreciate your time so I will be brief. Would you please provide some insight on the sale of the F-16s to Chile from the perspective of the Clinton administration? What decisions did Clinton make and what were the influencing factors?” Cam continued, “On the surface, this seems like a simple, straight forward decision. Why has the process dragged on for so long and become so controversial?”

In a condescending—yet friendly—manner, Janet rolled her eyes and smiled at the Air Force colonel. “There was never anything simple or straightforward about selling war planes to Chile,” Janet said. “When the issue surfaced in 1997, we in the White House thought we were doing the right thing by permitting the United States aerospace industry to compete in the Chilean jet fighter competition. As it turned out, we grossly underestimated the buzz saw of resistance waiting for us just around the corner. Overnight, many of our traditional supporters became adversaries, and many of our adversaries became our supporters. This was a true case of politics making strange bedfellows.”

Janet continued, “First you have to understand the history of this issue. During the Cold War, the United States would freely sell or transfer arms directly to those states that supported our national security policy. Simply put, if a state was anti-communist, they qualified as an arms customer. Latin America, being a Cold War hot spot for communist and leftist flare-ups, was a recipient of large amounts of United States weaponry in the 1960’s and early 1970’s. Unfortunately, many leaders of Latin America who we supported with arms to fight communist insurgency turned out to be pretty unsavory characters who were not reluctant to use these weapons on their own people to stay in power. This led to Congress taking much tighter control of the process by linking a state’s human rights record with their eligibility to buy or receive arms from the United States.³ The capstone event to this trend occurred in 1977 when President Carter issued *Presidential Directive(PD)-13* which required that all arms transfers be directly linked to United States security interests and tied them closely to the human rights record of recipient governments.⁴ Moreover, PD-13 prohibited the United States from introducing weapons more sophisticated than weapons already in the region. We did not want to give any particular state a significant technological edge in military hardware over that of their neighbors in the region. What with the authoritarian governments with poor records on human rights and the low tech military forces of Latin America in the 1970’s, Carter’s PD-13 essentially cut off all significant arms sales to the region.”⁵

Janet paused, sipped her water and continued, “Following President Carter, Ronald Reagan viewed the world a little differently. As I am sure you know, President Reagan was very much in support of providing weapons to governments to help put down communist insurgencies within their borders. Latin America was a windfall benefactor of this philosophy in the 1980’s—including Guatemala, El Salvador, and particularly Venezuela, where in 1982 President Reagan essentially waived President Carter’s PD-13 and sold F-16’s to

Venezuela to provide a regional counterbalance to Cuba's acquisition of Soviet MiG-23's. Though the flow of less advanced arms continued to Latin America during the Reagan years, the Venezuelan F-16 deal was the last sale of United States advanced fighters to the region—that is until now."⁶

Before Janet could continue, Cam jumped in, "But when the Cold War ended, I thought we opened the spigot for arms sales and transfers—sort of 'to the victor goes the spoils' type of thing. I would think United States military hardware would have been in high demand."

Janet responded, "We did. From 1989 to 1990, United States arms sales doubled—just not to Latin America. Former President Bush wanted the Latin American governments to stabilize as democracies without the economic drain and threat of well-armed militaries. Most of the Latin economies could not support large defense expenditures and sufficiently fund critical social programs. Moreover, following the collapse of the Soviet Union, President Bush's priority in Latin America focused primarily on strengthening regional democracies and promoting economic and social reform. A renewed emphasis on these priorities combined with the trend towards tighter control over military forces by democratically elected governments resulted in many Latin American militaries actually decreasing in size from 1989 to 1993."⁷

Cam then asked the obvious question, "So what happened when the Clinton administration took office? I would think President Clinton would have been very much against selling large numbers of weapons to the world. He did campaign on a strong domestic agenda."

Janet smiled, "Not so fast. Let's look at the political realities of the issue. It's true that during the campaign, Clinton indicated he would reduce the sale of United States weaponry to other countries, but it wasn't long before our campaign mantra of 'it's the economy, stupid' became the driving force in much of our domestic policy. The defense industry was very important to the economy and it was taking some serious hits in the defense downsizing that followed the Cold War. The economic realities of a shrinking defense industry and the associated job loss combined with serious congressional pressure resulted in Clinton issuing *Presidential Directive-34* in early 1995. PD-34 was important for two reasons. First, it clearly stated that conventional arms transfers should be used as a 'legitimate instrument of foreign policy.' Moreover, and perhaps more importantly, the directive implied that a strong, sustainable defense industrial base is an important national security concern, not just a commercial concern of importance to the domestic economy."⁸ This was a significant change in arms transfer policy. In essence, the White House supported the sale of expensive weapons systems to other countries if the sale contributed to the strengthening of the domestic military industrial base. Needless to say, United States weapon manufacturers were pleased with the directive."

Janet took a deep breath and continued, "In August of 1997, President Clinton shocked much of the Washington establishment when he ended the twenty year moratorium on the sale of advanced military equipment to Latin America."⁹ It was not an easy decision for him to make. The White House staff had begun to look very closely at the issue two years earlier

immediately following PD-34. In fact, there was a strong difference of opinion between the State and Defense Departments on the issue of selling advanced weapons to Latin America. Before his tenure ended in January 1997, Secretary of State Christopher was not enthusiastic at all about President Clinton's decision to renew high-tech arms sales to Latin America.¹⁰ He had reservations concerning the policy shift in PD-34 and cautioned the president to go slow. He was concerned with both the corrosive impact the arms sale might have on fragile Latin American democracies as well as with the anticipated protests from some countries in the region fearing a renewed arms race. I vividly remember a high profile letter to Secretary Christopher, signed by twenty-nine non-governmental organizations (NGO) and special interest groups, strongly urging him not to promote the sale of advanced weapons to Latin America.¹¹ The signatories were an eclectic bunch ranging from domestic groups such as 'Women's Strike for Peace' and the United Methodist Church to international groups such as 'Peru Peace Network' and the 'Guatemala Partners' organization. Different groups from all over the world were working together to pressure the Clinton administration to abandon the policy shift. As I said earlier, many of these groups were former supporters of the administration.

"As you might expect, the Defense Department had less of a problem with the decision to end the moratorium. The State Department was particularly furious with the Pentagon when, in 1996 at an air show in Chile, the U.S. Air Force, with the enthusiastic help of the Commerce Department, flew our best, most advanced aircraft to the show with the not so discreet goal of impressing the Latin American militaries.¹² Mind you this was before the 1997 policy shift to allow United States companies to legally compete! There was still a ban on the sale of these aircraft to Chile at the time of the air show. At an interview with the Chilean press during the air show, then-Secretary of Defense Perry said 'he hoped the new (arms sale) policy will be more liberal'.¹³ By the way, Perry's successor, Secretary of Defense William Cohen, was also a strong supporter of the sale—both during his time as a Republican senator from Maine on the influential Senate Armed Services Committee, and later after he became the secretary of defense."¹⁴

Fascinated with the history and context of the issue, Cam asked, "What about the aerospace industry? Was there a significant lobbying effort on its part?"

"Glad you asked", Janet replied. "The defense industry, particularly the aerospace industry, has always had significant impact in Washington. While the industry's total campaign contributions have been on the decline relative to other sectors, they are very good at targeting donations to candidates who are in a position to do the industry the most good.¹⁵ Since we are talking about the F-16, which of the major United States aerospace companies do you think has been the most generous in political campaign contributions for the last seven election cycles, going back to 1992?"

Not being naïve, Cam replied, "Lockheed Martin, the manufacturer of the F-16?"

Janet grinned, "Exactly. The Martin Marietta and Lockheed Corporations were always number one and two in total campaign contributions before the 1995 merger.¹⁶ Now, after

the merger, the Lockheed Martin Corporation has been number one by a significant margin since the 1996 election. To be fair to President Clinton, he never was the darling of the defense industry, even as an incumbent. Both George Bush in '92 and Bob Dole in '96 received a great deal more in contributions from the aerospace industry.¹⁷ Now reasonable people can disagree on whether or not the campaign financing system is productive or corrosive. However, regardless of your position on campaign contributions, the aerospace industry certainly lobbied senior officials in both the executive and legislative branches of our government. As such, some very persuasive economic arguments in favor of the arms sale were presented to the administration as well as Congress at a time, again, when the Clinton governing mantra was 'it's the economy, stupid.'

Janet hesitated, and then added, "The congressional piece of the story is also very revealing, but I will leave that for your visit this afternoon to the Hill."

Cam thought about what Janet had said. He assumed there had to be individuals or groups who had tried to influence the president to maintain the ban on the sale of fighter aircraft to Latin America. Janet had mentioned the State Department resistance, but who else had joined the Foggy Bottom bandwagon?

As if she was reading his mind, Janet continued, "I don't want you to think this was an easy call for President Clinton. There was plenty of pressure on him to maintain the ban and not sell the advanced weapons to Latin America—the F-16s to Chile in particular. There was strong domestic as well as international pressure not to change the long-standing policy. Several senators, including Sen. Joseph Biden (D-DE) and Sen. Chris Dodd (D-CT) were quite vocal against the arms sale—and they were from our own party! Both held positions of leadership in the Congress. In fact we received a bipartisan letter in January 1998 signed by fifty congressional representatives strongly urging the president to reverse his decision and not approve the sale of the advanced fighter aircraft to Latin America.¹⁸ I must say their position was compelling. They argued that the sale would contribute to the destabilization of the region and possibly trigger a destructive arms race. Moreover, they argued that the high-tech aircraft would do little to combat the new security threats emerging in the region, including narcotrafficking, leftist guerilla movements, social inequalities, and various forms of 'white collar' crime such as money laundering and corruption. Simply put, they argued that the large amounts of money—we are talking up to \$600 million—would be put to better use if Chile invested the resources in law enforcement, education, health-care, and job creation programs."

With hardly a pause, Janet continued, "Congress was not the only source of dissent. The Council for a Livable World—a powerful and sophisticated special interest and Washington lobbying group—worked very hard to organize NGOs and other interest groups to act *against* President Clinton's policy shift in general and the sale of the F-16 to Chile in particular. In fact, as we speak, they are working hard to influence President George W. Bush to reverse Clinton's decision and *not* sell the F-16 to Chile. I have seen a copy of a letter, signed by twenty-four domestic and international NGOs, urging President Bush not to support the arms transfer.¹⁹ Many of the signatories had signed a similar letter to the Clinton

administration. Their main concern is the diversion of limited funds away from social programs and into defense related purchases. It remains to be seen what impact these groups will have on President Bush.

“Cam then asked, “What about the Latin American reaction? I would think they would generally be pleased that the United States had abandoned the moratorium in favor of the high-tech arms sales. Didn’t the United States appear to be a bit patronizing in refusing to sell the same aircraft to Latin America that we were eagerly selling to other regions of the world?”

“You might be surprised,” Janet responded. “For the most part, the Latin American response—with the exception of the Chilean government—was very much against the arms sale. One of the most influential protesters was the former president of Costa Rica and Nobel peace prize laureate Oscar Arias. In fact, shortly after the decision was made in 1997 to authorize United States firms to participate in the Chilean jet fighter competition, Mr. Arias joined with former President Jimmy Carter and the heads of state of most Latin American countries to call for a two-year continuation of the moratorium on arms transfers to allow time to study the regional impact of introducing a new, high-tech weapon system.”²⁰

She continued, “Interestingly—and to some extent a paradox—while Chile, Brazil, Peru, and Venezuela never endorsed the Carter/Arias initiative, all of these countries vigorously protested the potential sale of F-16’s to their Chilean neighbor.²¹ It appears some countries might have been hedging their bets out of their own future national security interest! They unanimously cautioned President Clinton, as well as Chile, of the possibility that the arms sale would ignite a regional arms race in the Southern Cone of South America. Coincidentally, at about the same time as President Clinton announced his shift in policy on advanced arms sales to Chile, the United States awarded *Major Non-NATO Ally* status to Argentina as a reward for their support in Desert Storm and numerous UN peacekeeping missions.²² This provides Argentina, among other things, special access to certain military hardware, selected intelligence, and most importantly, bidding rights to NATO equipment maintenance contracts. Even though this *special status* is primarily symbolic in nature, Argentina was the first Latin American country to receive this prestigious and coveted recognition from the United States. It is debatable whether or not there was a Chilean-United States aerospace industry connection to Argentina’s designation as a Major Non-NATO Ally. What is certain though is that Argentina did not protest the F-16 sale quite as loudly as did Peru and Brazil. Rest assured however, that if Chile acquires modern fighter aircraft, most regional militaries would want to follow suit.”²³

Janet looked at her watch, “Have to run,” she said. “Lobbyists never rest in DC! You need to hurry if you are going to make it to the Hill.” Cam thanked her again for her time and did not protest when she insisted on picking up the check for lunch. He now had a better idea of the history of the proposed F-16 sale to Chile and the various positions different groups had taken on the issue.

Cam arrived at the Crystal City Metro station just in time to catch a blue line train to the Smithsonian Mall and then take the short, pleasant walk to Capitol Hill for his meeting with

Bill Garza, a senior staffer for the Senate Foreign Relations Committee. Passing through the security checks, Cam continued into the Dirkson Senate Office Building and headed directly for Bill's office.

Bill greeted Cam at the door, "Good afternoon colonel. Janet called ahead to tell me you were on the way. We're old friends from her days at the White House. I know you want to talk about the sale of F-16s to Chile, but we have to talk fast. The Chairman has called an emergency nomination hearing in fifteen minutes—White House is pushing us hard for a confirmation. Let's walk and talk."

Bill talked as they rushed through the crowded hallways, "This issue provides a perfect example of the struggle our congressional representatives have in trying to balance the extraordinary pressure received from various domestic and international interest groups—particularly industry lobbyists and foreign governments—with the never-ending requirement to continually raise funds for the next campaign. What makes this issue so perplexing is that everybody has a good argument—and everyone sincerely believes they are doing the right thing. The conundrum is having to choose between national security and domestic defense production—read jobs—and what the United States believes is best for a developing country thousands of miles from the United States. To complicate the matter, the United States position on what is best for the developing world is different from what other industrialized states believe is best for the developing world. As Janet probably told you, arms trade issues were relatively non-controversial in Latin America until 1997 when President Clinton lifted the ban on selling high-tech weapons to Latin America. The policy shift ignited a firestorm of activity, from both domestic and international organizations with a stake in the region. Janet probably mentioned the strongly worded letters from Congress and NGOs to President Clinton requesting he reverse his decision.²⁴ Powerful special interest groups, particularly human rights organizations, also intensified the pressure on congressional members citing the human rights abuses committed in Chile during the Pinochet regime. The Federation of American Scientists and the Foundation for National Progress, both high profile Washington special interests groups, were two of the most vocal organizations involved in a well-orchestrated letter writing campaign designed to stop the weapons sale to Chile."²⁵

Bill paused to answer a cell phone call, then continued, "Janet might not have mentioned that there was an equal and opposite reaction by other Congressmen who were very much in support of the policy reversal and wanted to sell the planes to Chile. There was a strong bipartisan effort to support the sale of the F-16s to Chile citing the 'if we don't sell the weapons somebody else will' argument. No one was pushing this argument harder than the aerospace industry, particularly the lobbyists from Lockheed Martin.²⁶ Critics of the president and those members of Congress who were supporting the sale of the F-16s continue to claim the defense industry lobbyists 'bought' the policy change with campaign contributions. The industry has responded with an economic-based, realist argument that is essentially this: the United States needs to compete in the process of Latin American military modernization programs because Europe is knocking the door down to sell their high-tech

military hardware to the region. Why let the Europeans make all the money? Moreover, the supporters claim, selling United States weapon systems to Latin America will enhance our military to military relationship and increase the United States diplomatic and economic influence in the states that purchase our weapon systems.”²⁷

Bill continued, “As a former political party fund raiser, I would be remiss if I did not mention that Lockheed Martin has—at least since 1992—consistently contributed two to three times more than any other aerospace company to political campaigns.²⁸ Moreover, they have been an equal opportunity contributor. The Democratic and Republican Party received about the same amount, with a slight majority of contributions going to whichever party was in control of the House or Senate in any given election year. They are a smart lobbying group. The defense industry does not—by a long shot—contribute the most money to political campaigns. For example, since 1990, labor organizations have contributed \$345 million to political campaigns compared to the defense industry’s \$66 million.²⁹ That said, the defense industry is arguably smarter in targeting the contributions. They target those congressional members assigned to committees who have jurisdiction over their issue of concern as well as those members representing states and districts where the industry has a large number of employees. As an aside, most labor political action committees have also directly or indirectly supported the sale of United States arms to our allies. The sale of advanced arms not only provides jobs for the United States defense industry, this market also helps counter a threatening trend by foreign competition of moving weapons factories and jobs to the country that is making the arms purchase. To be fair, competition has recently forced the United States defense industry to allow some aircraft ‘final assembly’ to occur in selected foreign markets. European companies in particular, however, have used this *factory export* concept as a bargaining tool to win arms sale contracts with Latin American countries.³⁰ Regardless, congressional representatives from Texas and California have always done well by the labor and defense aerospace industries as have influential members of Senate Foreign Relations, Armed Services and the Intelligence Committees. You would probably find a similar pattern in the House.”

Bill continued, “Another interesting sideshow of this issue is the alliance that has formed between the Pentagon and the Department of Commerce. The Pentagon wants to sell more F-16s because it is not only good for one of their most important industrial suppliers (Lockheed Martin), it also makes the F-16 program less expensive for the U.S. Air Force—an ‘economy of scale’ sort of thing. One of the main charters of the Department of Commerce is to promote the sale of United States products to overseas customers—essentially build markets for United States manufactured products. Commerce views Latin America as an untapped market for advanced United States defense items. It is not surprising that Defense and Commerce have worked together closely to push the sale of the F-16 to Chile, a policy that has not always been in alignment with the State Department.”³¹

While the current Bush administration has endorsed the Clinton policy—Secretary Powell has personally said very little with respect to the specifics of the case. Cynics on the Hill argue that President Bush’s support is no surprise considering he is a Texan with a

strong affection for Latin America as well as the former governor of the state where Lockheed Martin's headquarters is located. I don't know if these cynics have it right or not, but it is something the Bush administration has to deal with. To complicate this even more, President Bush has to consider the strong reaction coming from the Chilean media as well as many other Latin American countries protesting the F-16 sale on the grounds that it will trigger another regional arms race.³² It is not only the Chilean media that has weighed in on the potential transfer. While the issue stayed below the radar horizon during the Clinton administration, the domestic media has been more vocal with President Bush. Both the *Washington Post*³³ and *Christian Science Monitor*³⁴ have written strong editorials and op-ed pieces directed at the Bush administration pointing out negative aspects of the sale. Deciding to proceed with the sale was anything but an easy decision for President Bush."

Bill was about to end the conversation when he grinned and said, "Remember I said I was in a hurry to get to a confirmation hearing? Well you might be interested in this particular nominee. President Bush has nominated Mr. Otto Reich for assistant secretary of state for western hemisphere affairs—essentially the president's number one Latin American guy. Most of the Republicans are inclined to support the president's nominee—he appears to be well qualified in terms of regional experience. The Democrats however, in coordination with some special interest groups—particularly the Coalition for Latin American Policy (CSLAP)—are strongly protesting the nomination. The CSLAP is an informal—but influential—coalition of church groups, think tanks and advocacy organizations ostensibly committed to promoting a democratic United States foreign policy. Among the many objections to his confirmation is the claim that Mr. Reich should not have such a prestigious position because of his recent actions as a lobbyist for a major defense aerospace corporation—Lockheed Martin.³⁵ They believe Mr. Reich would have a conflict of interest—what is best for Latin America versus what is best for Lockheed Martin. Your guess is as good as mine as to his confirmation chances, but this is an interesting twist to the Chilean F-16 saga.

"Finally," Bill concluded, "You have to understand the fine line Congress walks on this issue. This is not a hot button issue to most Americans—and as such, it is often shoved aside on the Hill by other domestic issues of interest to the constituents. I am here to tell you, however, that I have taken many congressional delegate, or CODEL, trips to South America and have seen how important and controversial arms sales are for our neighbors to the south. This *is* a hot button issue in South America and could significantly impact our foreign policy in the region—a region that is growing appreciably in economic importance to all Americans. We get this wrong and it could affect middle America much more than many realize."

Cam thanked him for his time as Bill rushed into the hearing room. He continued to assimilate the information he had received from Bill and Janet as he walked across the mall to the Metro stop. This was indeed a complicated issue. Cam realized he simply did not have sufficient time to talk to all the parties who had a 'dog in this fight.' However, as an Air Force officer, and an F-16 pilot to boot, he owed it to his own organization to at least get their side of the story. Stepping onto the yellow Metro line, Cam found an empty seat, closed his eyes and relaxed as the train rumbled towards his Alexandria home.

Cam was up early the next day in time to make his 0800 Pentagon appointment with Colonel Barry “Buzz” Brackett an action officer on the staff of the secretary of defense for international security affairs. Buzz was the secretary’s liaison with the Defense Security Cooperation Agency (DSCA), the defense organization with direct oversight responsibility to administer and supervise the sale and transfer of arms to international customers.

Buzz sat down and quickly moved to the point of Cam’s visit, “Cam, I am really glad we have you over at State. They don’t always see things very clearly at Foggy Bottom. This F-16 sale is very important to us. While it is not a large sale in terms of dollars, it is more symbolic in the sense that it allows us a forum to finally refute all the counter-productive arguments circulated by many in Congress, by NGO’s and special interest groups, and by individual countries with their own security agendas and self interests. Right now the Air Force has the Bush administration’s support for the F-16 sale, but we know this is an ongoing battle that could turn on us at anytime, particularly considering the unpredictability of world events after ‘9-11.’

Buzz continued, “Let me sum this up for you: the ban put in place by President Carter in 1977 was designed to keep high-tech weapons out of Latin America. Simply put, the ban did not work. While Presidents Reagan, Bush and—prior to 97—Clinton were for the most part supporting the 1977 ban imposed by President Carter’s PD-13, other countries were establishing lucrative military hardware markets in Latin America. These included France, Israel, Canada, and Russia.³⁶ While there were restrictions on what advanced weapon systems United States firms could sell to Latin America, their foreign competitors had no such constraints. You might know that as recently as 1995, Belarus sold MiG-29s to Peru.³⁷ Because of Clinton’s 1997 policy change, the United States is now competing with the Russians, Swedes, Italians, and French to sell a high-performance fighter to the Brazilian Air Force.³⁸ We want our F-16 to win the Brazilian competition. You cannot overestimate the influence the United States has with foreign governments whose militaries choose to fly our airplanes. Right now, it appears the French have the inside track to sell up to 24 Mirage fighters to Brazil for \$700 million dollars—but at least we can now compete!³⁹ In Chile, the French and the Swedes have been pushing the Mirage 200 and the Jas 39 Gripen, respectively, as an alternative to the F-16. Chile has recently indicated they want to buy our F-16.⁴⁰ All three candidate aircraft are excellent choices—but there is more at stake here than simply selling airplanes. It is clear that Chile has decided to buy a high-performance jet fighter—if not from us, then from some other country. We want Chile to buy a U.S.-built airplane.”

Cam inquired, “But what about the social and economic development arguments used by so many to drum up support to continue the ban on the weapons sale? Many smart people, particularly on the Hill, are taking this position. The Air Force has to develop a persuasive response to this line of reasoning.”

Buzz nodded in agreement, “I think you’re right. This is probably the most persuasive argument against the sale of the weapons. They are expensive and the purchase might very well divert money from other programs. I would respond in this way: it is not a decision for the United States to dictate security requirements to sovereign states. While we might

suggest the resources would be better spent in other areas, like health care or education—and believe me, your friends at state department have suggested this many times—when a sovereign state makes the decision to upgrade their military, it is in U.S. economic and political interest to be the supplier of the hardware. Let's face it, there is insufficient data to prove that this is a zero sum game. That is, we cannot be sure that money not spent on defense would necessarily be spent on social and education programs. Moreover, not only would the F-16 sale help create stability in the F-16 production line, it would also provide United States diplomatic leverage to influence foreign policy in states and regions that rely on our support for security hardware and maintenance. It could be a win-win-win from the defense, state, and industry perspectives. Of course our ace-in-the-hole is the domestic jobs issue. While the components for the F-16 are manufactured in many different states, the plane is assembled in Texas. Let's face it, it takes a lot of people to assemble an F-16—people who vote and live in Texas, President Bush's home state."

Buzz's argument was persuasive, but Cam knew there were many who strongly disagreed with the Pentagon line of reasoning. "What about the arms race issue? Are we setting off a trip wire that will push Latin America back to the days of strong militaries and weak democracies?" Cam asked.

Buzz shook his head emphatically, "Not at all. It is clear that many Latin American countries have made the decision to upgrade their military forces—with U.S. assistance or without it. If the United States is a player in the process, we have a greater opportunity to influence policy formulation and continue to push the region toward the development of strong democracies with civilian control of the militaries. We do not see the arms race scenario materializing. In fact, only a few months ago, Chile and Argentina signed an agreement to adopt a standard system to measure military spending—a strong move toward transparency in military hardware acquisition.⁴¹ The agreement was promoted by the Economic Commission for Latin America and the Caribbean. Considering Argentina's current economic woes, it might be some time before they invest heavily in military modernization. To be fair, Peru continues to protest the F-16 sale to Chile.⁴² It is encouraging, however, to see a productive regional dialogue underway to manage military modernization programs. The current political trend among states in the Southern Cone is one of cooperation, not conflict."⁴³

Buzz continued, "As I said earlier, the F-16 decision could very well set a precedent that will have a lasting impact on future sales of high-tech arms to other developing regions of the world. We need to work hard to convince the president, Congress, State Department, special interest groups, and the countries themselves that, if properly managed, the purchase of United States military equipment can be an economic and diplomatic force multiplier—not a failed policy inevitably damaging and corrosive to our allies whose only 'crime' is wanting to increase their national security.

"You can help us with this Cam," Buzz concluded.

Cam smiled, stood up and shook Buzz's hand. "Thank you for the time, Buzz. I now have the unenviable job of putting the whole picture together for my new boss, a new political appointee, fresh off his Texas ranch. Buzz, I have to tell you, there are a lot of people who think differently from the Pentagon. If you want the F-16 sale to go through, you have your work cut out for you."

With that, Cam made the long walk to the Pentagon concourse for a quick cup of coffee with some old friends. He then hurried down the escalator to the Metro to catch a train back to his office at the State Department. As the train rumbled over the Potomac River, Cam tried to think of a way to organize the results of his research and present the many diverse and conflicting views to his new boss. President Bush had endorsed President Clinton's decision to sell the F-16 fighter to Chile—he now had to be reminded of the political minefield created by the controversial endorsement.

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