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FOR US SECURITY 7

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1 January 1981

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ABSTRACT

In Latin America, the next two decades will see the growth of more effective governments, a greater role for the region in world affairs, increasing competition for resources, the development of more diversified economies, the diffusion of conventional military power, and the possibility of nuclear proliferation. The further breakdown of the bipolar world system will loosen traditional bilateral and multilateral relationships and render Latin America less dependent upon the United States. At the same time the emerging dependence of the United States upon external markets and sources of raw materials may urge greater cooperative economic efforts and thus a broadening of the concept and organization of Inter-American security.

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FOREWORD

This paper presents the author's views on conditions in Latin America in the 1990's and the implications for US security. The author concludes that Latin America's growing role in world affairs, decreased dependence on the United States and the emerging dependence of the United States upon external markets and sources of raw materials will lead to more emphasis on both the concept and organization of Inter-American security.

This paper was prepared as a contribution to the field of national security research and study. As such, it does not reflect the official view of the US Army War College, the Department of the Army, or the Department of Defense.



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LATIN AMERICA IN THE 1990's: IMPLICATIONS FOR US SECURITY

INTRODUCTION

US Interests and the Economic Future of Latin America

The primary strategic interests of the United States in Latin America are: access to resources and markets, a level of strategic equilibrium to preclude contingencies requiring major diversion of resources, and access to bases, facilities, and lines of communication. Preferring to secure its strategic interests in Latin America through "economy of force" policies, the United States deploys a limited number of forces to the region--chiefly in Panama to defend the Canal, administer security assistance to regional clients and maintain a military presence, and naval and air elements at Roosevelt Roads, Guantanamo, and in Key West (a joint task force headquarters) for maritime surveillance, defense of lines of communication, training, and political presence. Until recently the environment in the US strategic "rear" posed no problem in terms of its larger global responsibilities. That environment is becoming less benign as the result of the following: the emergence of the Soviet navy's blue water capabilities, which among other things places its missile-carrying submarines in the Caribbean; Cuba's activist role in support of leftist revolutionary movements in addition to its Soviet linkage; the possible demise of a friendly Central America as Nicaragua and El Salvador move leftward; and the increasing

importance of the South Atlantic as the lifeline of North Atlantic economies because of the transit of the major portion of Persian Gulf crude. Moreover, there is the widening perception within Latin America that the United States can no longer be counted upon to moderate regional conflict, or to even attend to its Rio Treaty collective security commitments in the region. There is a generalized view that collective security ought to include economic development. Although the United States has publicly rejected this position, there are indications that the United States is more sympathetic to the notion that military sufficiency does not assure security. With this realization, the United States should pursue a more comprehensive security policy in the 1990's with its Latin American partners. Indeed this has been the pattern in its relations since 1940. When a strategic challenge arises, the United States responds to Latin American aspirations for economic development, e.g., the Export-Import Bank lending in World War II, the Eisenhower support of the Inter-American Development Bank after Vice-President Nixon's trip to Latin America in 1958, the Cuban Revolution and the Alliance for Progress.¹ The emergence of socialist and Marxist governments in the Caribbean and Central America is creating a similar response as the United States attempts economic instruments to strengthen these countries' options for pluralistic political development. What may in fact be developing is a greater agreement on hemispheric security.

The new convergence on hemispheric security comes at a time when Latin America is becoming a more important part of the world economy. This is evidenced by growing industrial capabilities, increasing agricultural exports, and the location of large petroleum reserves in the region. Mexico's

potential reserves of 250 billion barrels of hydrocarbons, Venezuela's gigantic tar belt (50 billion barrels of which are recoverable with current technology at a cost of \$5 to \$13 per barrel), what has been termed a potentially rich geological formation between Argentina and the Falkland Islands, and the possibility of perhaps as much as 16 billion barrels in Guatemala, make Latin America a critical factor in the future world energy picture. Moreover, Latin America is a major market for US products and investment and an important source of raw materials, including copper, bauxite, iron ore, and manganese. Total US-Latin American trade reached \$59 billion in 1979, an increase of some 30 percent over 1978. US exports to Latin America and the Caribbean now approximate those to the European Economic Community and are nearly four times larger than US exports to the rest of the developing world. These amounts will increase significantly in the next decade.

US political interests stress cooperative relations with the multiplicity of nations, support aspirations for democracy and human rights, and for the fashioning of an Inter-American Community to achieve common international objectives. Given the emergence of more self-confident and assertive nation-states and the decline of US political dominance in the region, future cooperative US-Latin American relations will depend increasingly on economic concerns.

Subregional Change - The Caribbean

Events and trends in the Caribbean are heightening the concern of the United States about the security of its southern flank. Three complementary trends are occurring with potentially disturbing consequences: the proliferation

of new sovereignties, economic impoverishment, along with a new wave of Cuban activism. The newly emerging English speaking mini and microstates (Grenada, St. Lucia, Dominica, St. Kitts-Nevis, St. Vincent) along with some of the larger and more established ones, such as Jamaica and Guyana, confront a cruel Hobson's choice--a future that in many ways will be dimmer than the immediate colonial past. The future promises economic stagnation, emigration, unemployment and underemployment--conditions which will test the resilience of their English parliamentary tradition. The smaller states are fundamentally unviable by themselves and will require outside subsidies for their survival. Regional economic integration is a partial answer, but there are serious problems in bringing into cooperative relationships small insular societies whose economies are often competitive, in such commodities as sugar and tourism, and who have a weak tradition of cooperation. Moreover, in many cases there are several internal cleavages along racial lines. Currently, Caribbean governments are experimenting with indigenous forms of socialism--and Guyana's "cooperative socialism"--in order to unify their societies. The results are disappointing,² but searches for extremist solutions will continue. In March 1979, Grenada opposition leader Maurice Bishop seized power from the eccentric Prime Minister Sir Eric Gairy, making the first instance of a successful coup in the English Caribbean--an area where the parliamentary system has taken deep roots. Since then Grenada has installed a left wing government with close ties to Cuba. Grenada demonstrates another disturbing aspect in the future Caribbean environment--the ministates are vulnerable to takeover by small bands of well organized revolutionaries,

and although Cuba was not directly implicated in the overthrow, it stepped in quickly to provide assistance to the Bishop government.

The Special Case of Puerto Rico

Puerto Rico is potentially the most troublesome issue for the United States in Latin America in the next 10-15 years. It is already an economic and ecological disaster. Improvement in status means that at least 50 percent of the population no longer accepts the current status.³ Statehood is in the ascendancy, but may not yet command an overwhelming majority (66 percent +) of Puerto Ricans. The following scenario by Yale University scholar Alfred Stepan is entirely plausible: The third status referendum is held in 1981-83 under the auspices of pro-statehood Governor Romeró Barceló and statehood wins by less than a convincing majority (50 to 65 percent).⁴ The US Congress consequently fails to pass the implementing statehood legislation, fearing that this is not a sufficiently popular mandate, thus throwing the matter back to the Puerto Rican electorate for a fourth referendum. In the meantime, the congressional rejection is interpreted by Puerto Ricans as a rejection, giving greater support to the independence option. There are two major independence movements on the island--the traditional Independence Party and the Puerto Rican Socialist Party (Marxist), with ties to Cuba. Such a turn of events would hasten the complication of the status issue, which might in turn cast grave doubt upon the continuing validity of ties with the United States. Puerto Rico may thus become the Quebec of the United States. What is recommended at this point is a thorough discussion of the status question in Puerto Rico and the mainland and the appointment of a joint Puerto Rican-US high level commission to make policy recommendations on the better manner to resolve the status issue. It may be distasteful for many Americans and Puerto Ricans

to contemplate, but the independence option is entirely within US law; moreover, economic viability is not a sine qua non for independence. Even more distasteful by the 1990's would be a Puerto Rico distanced from the United States as the result of mistakes in policy judgments made in the 1980's. The November 1980 island elections change these calculations, but do not eliminate the long term issues. Romero Barceló who was returned to office by the narrowest of margins--some 2,500 as 47 percent voted for statehood, 47 percent for commonwealth, and 6 percent for independence--stated his intention to postpone the referendum. These results notwithstanding, Puerto Rico will continue to be a vexing case for US policymakers.

Cuba, The Soviet Union, and the United States

Cuba, by virtue of its activist and sophisticated diplomacy, Soviet support, forceful involvement in Africa, its relations with Caribbean and Central American governments and revolutionary movements, has become an important force. This is so despite the fact that Cuba's socialist revolution is an unmitigated disaster--a verdict rendered eloquently by the 10,000 tenants of the Peruvian embassy in Havana in spring 1980 and the 120 thousand or more who rejected Cuban socialism by seeking asylum in the United States. Internal failures are seldom reflected in its capability to project power and influence into the region. Abandoning the old and discredited technique of exporting revolution, Cuba works through state-to-state relations in projecting itself as a disinterested and fraternal developing nation, anxious to assist, for example, Nicaragua rebuild from its disastrous civil war of 1978-79 with the dispatch of approximately 6000 foreign aid personnel. It cultivates this image also with Jamaica, Guyana, and Grenada, while at the same time maintaining its options open with national revolutionary movements.

Cuba will continue to develop as a bureaucratized Communist state, no closer to the socialist utopia. In his December 27, 1979 speech, President Fidel Castro promised Cubans 20 years more of austerity. Cuba's foreign

policy will reflect pragmatism and be closely coincident with that of the Soviet Union. Yet the costs of association with the Soviets will bear heavily upon the Cubans; it will be economically, ideologically, and politically costly and they will strive for more independence of the Soviets. Unless certain geopolitical realities are changed, Cuba will have little choice but to be a bleak, pro-Soviet dictatorial system. Those realities are as follows: minimal diplomatic or trade relations with the United States, a growing Soviet subsidy of the Cuban economy (now \$10-15 million per day), a weak economy heavily dependent upon external trade and sugar, a mutual perception of hostility between the United States and Cuba, and a Cuban international role out of proportion with its national elements of power--10 million people and active armed forces of about 175,000.

Cuba's association with the Soviet Union is resented by many Third World nations who advocate nonalignment with any single bloc--a lesson brought home by the proceedings of the September 1979 summit meeting of the nonaligned in Havana, where a number of nations criticized Cuba for its pro-Soviet stance, and a lesson underscored by the Soviet invasion of Afghanistan, which left Cuba with the historical dilemma of having to approve the invasion of a non-aligned country by the leader of the Socialist world.

The contradictions in Cuba's foreign and domestic policies will not easily disappear in the future. US policy can have some impact on modifying the geopolitical realities that compel Cuba in that direction. The ideal from a US standpoint would be the elimination of Communism in Cuba and the reintegration of a pluralistic Cuba into the Inter-American community. Such an option is not available in the short and medium term, because of the internal system of control and because of its relationship of dependence upon the Soviet Union. There does not seem to be any potential for a successful counter-

revolutionary upheaval from within Cuba nor for an adequate replacement for the Soviet sugar daddy. The best the United States can hope for in the short term is a Cuba more autonomous of the Soviets, and thus less eager for joint political and military activities that damage US interests. A useful analogy here would be Yugoslavia--an autonomous Communist state at the geopolitical doorstep of its enemy, the Soviet Union, sensitive to the reality that the Soviets consider it a renegade, but able to maintain itself as different, not unfriendly to the West, while at the same time nonaligned. This analogy does not overlook the stark differences between Cuba and the United States, between Eastern Europe and the Caribbean, and the pivotal and contrasting personalities of the respective leaders, Tito and Castro. The United States should devise approaches that strengthen Cuba's chances of exercising greater autonomy in its relations with the Soviets. Such approaches require putting more emphasis on Cuban national interests in the trilateral context of US-Cuban-USSR relations. Thus the United States should target those Cuban interests and interest groups that aspire for system reform and autonomy from the Soviet Union--two fundamental drives in all Communist societies, as Eastern Europe has amply demonstrated. As long as the United States is perceived to be the enemy of Cuba and as long as the Soviets are perceived as indispensable for Cuba's survival, the chances of weakening Soviet-Cuban ties are minimal. The prescription is nothing new--normalization of relations in order to begin the long and difficult process of weaning the Cubans from the Soviets. This will provide alternatives to the Cubans for their national security concerns and nurture more hope for internal system reform. There is no guarantee that

such an approach will bear fruit by the 1990's, but twenty years of mutual hostility has certainly not produced positive results for the United States and Cuba.

Mexico

While a favorable Caribbean environment is important for the security of the United States, Mexico is becoming vital to the functioning of the American economic system. At the same time, the third largest trading partner of the United States confronts the critical question of how to maximize the benefits of newly found petroleum wealth before it succumbs to internal socioeconomic problems such as unemployment, underemployment, inflation, low agricultural productivity, hyperurbanization, and rapidly expanding population of 70 plus millions, which will surpass 100 million by the year 2000 and may well overtake the United States by 2025. Because of the increasing level of national integration with the industrial colossus to the North, Mexico's problems automatically become those of the United States and vice versa. This interdependence is well illustrated by the issue of undocumented aliens and its impact upon a range of policy areas in the United States: such as border security, treatment of migratory labor, community social services, and labor-management relations, as well as the entire spectrum of US-Mexican bilateral relations.

Mexico's energy reserves--50 billion barrels of oil and gas in proven reserves, another 34 billion probable, and 250 billion potential--demonstrate another dimension of interdependence. With such reserves, Mexico may become the second largest oil supplier to the world, with a corresponding potential to influence world power relations. The energy deficient United States is a natural market for Mexican petroleum. By reducing US dependence upon Middle

East oil, it will provide a more secure source not vulnerable to political interruption ~~or~~ to maritime interdiction. Mexican oil may account for 20-25 percent of the US imported oil needs in the future. Such a calculation is, however, highly contingent upon the evolution of Mexico's oil production policy--which will be determined by its national priorities. President Lopez-Portillo spoke unequivocally of these in the following terms:

Organize our society in such a way as to generate labor-intensive projects financed with our oil resources and designed to permit us to make use of the other natural and human resources which we possess. . . .

and

We have 20 or 30 years in which to organize our country so that it can enter the next century as a full employment society.⁵

Mindful of the lessons of Iran, Mexico will be reluctant to inject oil revenues into its society at a pace which might accelerate inflation, create undeliverable economic demands, strain the social fabric and undermine support for the government. Nonetheless, oil revenues will dramatically improve Mexico's trading position and have the potential, if properly developed, to become a positive factor in reducing outward emigration into the United States. Trade between the United States and Mexico reached \$12.7 billion in 1978, up 34 percent from \$9.5 billion in 1977, and is expected to grow rapidly as Mexico strengthens its export position, particularly in oil, and as the market for US products enlarges.

It is evident that Mexico merits a much higher priority in US policy-making. The increasing integration of the societies calls for greater integration of policies. Mexican affairs will simply demand a more coordinated higher level treatment than has heretofore been the case in the United States. Luigi Einaudi, Director of Policy Planning at the Bureau of Inter-American

Affairs of the Department of State, argues for a clearer conceptual framework for policymaking, and favors a community approach in which "Mexico would be seen as a partner whose growth and importance as a neighbor make a common future highly desirable if not inevitable."⁶ Lopez-Portillo called for a similar approach:

. . . we have proposed to the Carter administration. . . an overall approach to dealing with our problems, considering each in its proper place . . . whether the problems concern immigration or are financial, commercial, monetary, diplomatic, or a matter of general policy, they should all be examined within this overall approach, because if we continue to deal with them in an isolated fashion, they will never be resolved.⁷

On trade, the Mexican President urged "reasonable understandings on trade with the United States that would allow us to take advantage of the complementary nature of our two economies."⁸

A Mexico that is politically democratic and economically prosperous is in the best interest of the United States. At the same time the United States and Mexico confront some common issues in the area of security. Both are more dependent upon each other economically, while Mexico is developing the attributes of a major force in world affairs. Managing these processes is a serious challenge to both countries. Although Mexico is sensitive to such a notion, the two will have to develop some common approaches to regional security as part of a larger North American security concept or what some call North American Interdependence--a concept that also includes Canada.

Central America

The revolutions in Nicaragua, where the military phase ended in July 1979, and in El Salvador, where a Marxist insurgency threatens the reformist military-civilian government, typify the problems of societies in transition

from narrow elite control to broadened popular systems. The transition is worrisome to the United States because Communist elements may come to power in Central America. The area's problems are deeply rooted and have no easy solutions. Moreover, the political alternatives, with the exception of Costa Rica and possibly Honduras, may be repressive systems of the left or of the right. Single crop, port oriented agricultural economies, with a high concentration of the ownership of land, combined with highly stratified social structures and closed political systems to make balanced national development problematic.

In the past, the United States has been identified with narrowly based governments that oppose change through programs of military assistance.

A likely political evolution for Nicaragua is a mixed leftist-socialist government with broad internal support until a moderate equilibrium is restored. Against this background Nicaragua has yet to face the crucial question of how to conduct the peaceful revolution. While the political revolution may be over, the socioeconomic revolution--that of creating a more just and prosperous society--has hardly begun. US policy should strengthen the option for the Nicaraguan people to maintain pluralism, and thus avoid ". . . falling prey to the kind of inefficient and shabby dictatorship that Fidel Castro last December [27 December 1979] described as the lot of the Cuban people."⁹ The United States should not repeat the mistakes made in Cuba two decades earlier.

While Nicaragua consolidates into a possible political stalemate, El Salvador, another domino in Central America, confronts insurgency from both the Marxist left and the conservative right. A country that has postponed

meaningful reform for decades under an originally reformist military government is now trying to broaden support for the narrowly based government while that government tries to maintain internal security and at the same time conduct tax and agrarian reform--a formidable task even in peacetime.

The United States should cooperate with the forces of change in Central America and the Caribbean and strive to channel them in the direction of moderation and pluralism. The process of change comes at a time when its own leadership position in the world is in decline and at a time when the demands on its limited resources are greater than ever. To paraphrase former Secretary of State Cyrus Vance: if the United States wishes to maintain a leadership position in the world it must use those resources.

SOUTH AMERICA IN THE 1990's: THE
BIG POWERS AND THE NEW NATIONALISM

The United States views the bigger and more self-reliant powers of South America differently. Venezuela, Colombia, Peru, Chile, Brazil and Argentina have better developed state systems, relatively large populations, better resource bases, and not coincidentally, more professional military forces. Moreover, the big South American powers are diversifying their international economic and political relations while they develop stronger economic bases. At the same time, it is precisely with the big South American powers that the United States is currently having serious disagreements on human rights and nuclear proliferation--matters that touch deeply the respective national interests.

The impact on regional politics is the renaissance of dormant border issues and heightened competition for subsoil and maritime resources and spheres of influence. Since the 1960's there has been an increase of border related conflict, the most serious being the Chilean-Argentine dispute over the Beagle Channel.¹⁰ The future may be more conflictual and at a time when the perception of US "hegemonial" control is waning. In the center region Brazil pursues economic expansion towards Uruguay, Paraguay, Bolivia, Peru, Venezuela and Colombia. On the West Coast Peru, Chile, Bolivia, Ecuador and Argentina are concerned once again about old territorial questions--particularly the Tacna-Arica issue that directly involves Peru, Chile, and Bolivia, and indirectly Ecuador and Argentina.¹¹ The most serious dispute concerns jurisdiction in the desolate Beagle Channel, specifically over the three islets of Picton, Nueva, and Lennox. The issue is not so much the islands, but territorial sea delineations that affect Antarctic claims and

the exploitation of oil and krill. While the issue is now under arbitration, the respective parties maintain military readiness and the outbreak of conflict is not discounted if the papal decision is deemed unfavorable by either side. The dispute triggered a vast arms purchasing program by Argentina and Chile.

Important also is the recent entry of the Soviet Union into South American international affairs. The Soviets first entered the South American arms market by selling Peru after 1974 \$2 billion plus worth of tanks and aircraft, whose ostensible purpose is operations in the Atacama desert spanning Chile and Peru. The Soviet entree has roots in the refusal of the United States in the late 1960's to sell sophisticated aircraft to Peru and points up the hazards of an arms transfer policy of unilateral seller's restraint. As a partial result of this policy the United States is not a decisive factor in the Latin American arms market; France, Germany, the Soviet Union, and Israel are more important suppliers. In response to the US sponsored 1980 grain embargo the Soviets have found substitute sources and an eager seller in Argentina, which can provide perhaps 6 - 8 million bushels of the Soviet shortfall, and another 25 million in the next five years. A telling indicator of the declining influence of the United States in the strategic southern cone was the failed visit of General Andrew Goodpaster, sent by the Carter Administration as a diplomatic emissary to line up Argentine and Brazilian support for the embargo. The usually pro-US O Estado de São Paulo of Brazil editorialized that: "It would have been better if President Carter had sent the Argentine and Brazilian Governments a telegram recommending them to read the daily newspapers."¹²

Chile is developing an economic model which has important implications for the Third World. It is a model which emphasizes the elimination of government support for industries, the elimination of tariffs to force

domestic producers to become more efficient, and the development of economic enterprises where Chile has comparative advantages--in such areas as lumber, fishing, fruits and vegetables, and petrochemicals. This breaks with the economic gospel of import substitution prescribed for three decades by the influential Economic Commission for Latin America headed by the Argentine economist Raul Prebisch under the auspices of the United Nations.¹³

In the 1980's the military institutions of Argentina, Brazil, Chile, Peru, and Uruguay will act as superintendents of the process of political devolution to civilian control. They will be opposed to the reappearance of what they consider to be the political excesses that marked the liberal democratic experience of the 1960's and 1970's. With this in mind and the spreading of the so-called "national security state" relations between the United States and South American governments will be somewhat tense in the future. Security relations of the type that existed between the United States and Latin American institutions will be weaker, particularly because of the declining level of US military diplomacy assistance, and sales in the area and because of the Latin American desire for independence in military equipment. New mechanisms may have to be developed and existing ones strengthened. In the future, the United States must adapt to the broader doctrines of national security emanating from South America.

Brazil

Brazil is the top Latin American power, and the one with the greatest potential to become the first southern hemisphere nation to achieve major power status. Its importance is also confirmed by the following data: the largest country in Latin America, the sixth in the world in population

(125 million), potentially the eighth largest economy by 1985, the second largest agricultural exporter, by far the largest military establishment in Latin America, and the sixteenth in the world in military capabilities.¹⁴ It possesses the technological ability to develop nuclear weapons. In addition, Brazil is ranked number eight in civilian aviation--an important element of reach--and is developing a maritime surveillance capability that will become increasingly important in the strategically critical choke point known as the Atlantic Narrows.

There are dangers in assigning premature power status to a country with serious internal weaknesses. It may at best be an important middle power and according to one expert "has the strong potential through the 1980's to be one of the most important middle powers and will probably be taken more seriously by more nations."¹⁵ At the same time, Brazil exhibits the attributes of "a great power and tropical slum, an Austria inside an Indonesia, where social equity is ignored and unbalanced development continues."¹⁶

In its quest for greatness, Brazil will be slowed by two important factors: the lack of sufficient domestic energy sources and unbalanced internal socioeconomic development. Neither has an easy short or mid term remedy. Nuclear power and alcohol will not make an appreciable dent into the energy deficit for some time. The notion of balanced and socially equitable internal development will require a decision to devise effective means of spreading the wealth without weakening the political system of limited participation. Brazil's military-civilian technocratic government has a wide base of support. In addition, the transition to civilian control may be destabilizing if the military decides to delay it or import difficult preconditions.

Brazil challenges the creativity of US statesmanship. It already perceives a greater role for itself in the South Atlantic and has the potential to be a useful ally of the United States, particularly in building bridges between the Third World and the industrialized nations. It is developing an impressive maritime surveillance capability and exporting a wide range of military equipment, such as aircraft and armored personnel carriers. It is furthermore striving to achieve self-sufficiency in military hardware. Brazil may also achieve a modest nuclear military capability before the next century, which would encourage Argentina to do the same. It will thus be imperative to maintain a cooperative relationship as Brazil's importance rises.

This will be difficult for the United States and Brazil, as Brazil naturally develops national interests that compete with those of the United States. There is a potential clash on trade, energy policy, nuclear and conventional military proliferation, and access to capital and technology. As one observer notes: "The United States is likely to have more reasons in the 1980's to conflict with capitalist Brazil than with Communist China."¹⁷ The prospect is not encouraging for the Inter-American security system.

Latin America in the 1990's: Military Implications

The next two decades will see the growth of more effective national governments, the increasing import of Latin America in world affairs, the competition for resources, the development of more diversified economies, and the diffusion of conventional military power with the possibility of nuclear proliferation. The further breakdown of the bipolar world system will loosen traditional bilateral and multilateral relationships and render Latin America less dependent upon the United States. At the same time the

emerging dependence of the United States upon external markets and sources of raw materials may urge greater cooperative economic efforts and thus a broadening of both the concept and the organization of hemispheric security. Perhaps the most direct implication for the military is that so long as there is significant Soviet influence in Cuba the US military must expend an extra effort to protect its lines of communication for any action in Europe, the Middle East, Africa or South Asia. There are also trends that will more subtly affect the US defense posture, as follows:

- the emergence of Mexico as a major source of energy to the world and to the United States;
- internal instabilities in conflict prone societies of the Caribbean and Central America that may attract big power involvement;
- Cuba's vacillation between cooperative political-military relations with the Soviet Union and a yearning to rid itself of the burden;
- the end of the US "hegemonic" role in the region;
- Brazil's emergence as an important economic power with a maritime surveillance capability and an expanding sphere of influence in the South Atlantic;
- the increased potential for regional conflict; and,
- the increasing requirements for arms modernization and the search for less dependence upon external sources for military equipment.

As the United States becomes dependent upon more comprehensive political, economic, and military relations with its friends and allies, it will have to develop pragmatic approaches that emphasize common objectives. What is needed is a new framework from which to develop meaningful action on the substantive issues of Inter-American security in its broadest sense, economic

as well as military. Such a forum would require ministerial level profile and a genuine commitment by all parties to discuss the comprehensive aspects of security. In essence this means making the Inter-American organization machinery do what it is supposed to do--resolve conflict, promote socio-economic development, political cooperation, and security.

Military Implication Questions Raised by This Paper

This Futures Paper, conforming to the charter of the Futures Group, was written to present some ideas concerning the future of Latin America and to stimulate thought about the long range. Several members of the Group, together with the author, have attempted figuratively to place themselves behind the desk of a long range planner and ask themselves the following question: "Now that I have read this paper, what are some of the problems and issues which must be met?" The following questions resulted from this exercise and are offered as a means of highlighting a practical use for this paper.

1. What is the current status of military assistance groups in the region?
2. What are the latest recommendations from military assistance groups for assisting the host nations?
3. Should our military assistance to the area be increased, decreased, remain the same, or eliminated? What components?
4. Are our Army forces adequately prepared for civil disturbance or counter-insurgency operations in Puerto Rico? What are the security vulnerabilities for our installations in Puerto Rico?

5. If directed by national authority to upgrade military assistance efforts in the region, what type of assistance would be most urgently needed? What are the priorities and modernization needs?

6. What are the US military implications should Argentina and Chile engage in hostilities with each other?

7. What security role can Brazil play in support of Western interests?

8. What are the equipment requirements for such a role and how will Brazil acquire them? Indigenous development, co-production, or foreign purchases?

9. What is the threat posed to the United States by Cuban military capabilities? What naval, air, and ground elements would be required to neutralize them in general war?

10. What security role can Mexico adopt in the region in support of Western interests? Given Mexico's suspicion of the United States, how can we encourage it to assume an expanded role?

11. Can the United States and the Latin American countries develop a more systematic and productive dialogue on security issues? What is to be the forum--the Inter-American Defense Board, the Conference of Service Chiefs, or ministerial level meetings?

12. What are the defense requirements of the newly emerging mini-states of the Caribbean and how can the United States address them--bilaterally or multilaterally?

ENDNOTES

1. Albert Fishlow, "The Mature Neighbor Policy," in Joseph Grunwald, ed., Latin American and World Economy: A Changing International Order, Beverly Hills: Sage, 1978, p. 49.
2. On these various points see the brilliant article by Tad Szulc, "Radical Winds in the Caribbean," The New York Times Magazine, May 25, 1980, pp. 16-19, 56-60, 70-73.
3. This was the criticism of the United States applied by all three major political movements--commonwealth, statehood and independence at the United Nations in 1979.
4. Alfred Stepan, "The United States of Latin America: Vital Interests and the Instruments of Power," Foreign Affairs, Vol. 58, No. 3, pp. 672-680. See also Josefina Cintrón Tiryakian, "United States, Puerto Rico and the Caribbean: Rethinking Geopolitical Realities," paper presented at the annual meeting of the Middle Atlantic Council of Latin American Studies, Newark, Delaware, April 17, 1980.
5. Transcript of speech and press conference of José López-Portillo, President of the Republic, at the 19th Annual Conference of United Press International Editors and Publishers, October 13, 1978, Tijuana, p. 5.
6. Luigi R. Einaudi, "The Future of US-Mexican Relations," remarks presented at the Mexico-United States' Editors Conference, Racine, WI, March 26, 1979, p. 8.
7. López-Portillo, p. 6.
8. Ibid., p. 7.
9. William G. Bowdler, Assistant Secretary of State for Inter-American Affairs, "The US and Central America," address to the Pan American Society, New York, April 8, 1980.
10. On these conflicts see Jorge I. Dominguez, Ghosts from the Past: Territorial and Boundary Disputes in Mainland Central and South America, Harvard University, unpublished manuscript, June 1979. Dominguez concludes that "objectively weaker South American states initiate conflict to extract redress and benefits, while objectively stronger South American states compromise for larger political and economic objectives." In Central America the opposite is true: objectively stronger states initiate conflict with expectations of winning.
11. The Tacna-Arica question is a relic of the 1879-1883 War of the Pacific, fought by Chile against Bolivia and Peru. Though its antecedents are ancient, Chile wrested coastal territory from Bolivia thus depriving that country of an outlet to the Pacific. The outlet has been a bone of

contention since then. The Treaty of Ancón of 1927 stipulates that the three signatories be consulted in case of any future territorial adjustment. Tensions heightened towards 1979 as the 100th anniversary of the war approached, as Chileans and Peruvians seemed to be preparing for refighting the war. Bolivia, of course, makes the quest for a Pacific outlet a matter of the highest national priority. On this complicated issue see William L. Krieg, Legacy of the War of the Pacific, US Department of State, External Research Program, October 1974.

12. "Visita de Goodpaster é tema de especulações," O Estado de São Paulo, January 30, 1980, p. 3. It should also be noted that the US government grossly underestimated Argentina's wheat export potential. As Patricia Derian, head of the State Department's Human Rights Bureau commented: "We forgot what grows down there."

13. For a further elaboration see, US Embassy Santiago, Chile: Economic Outlook, December 1979; The World Bank, Chile: An Economy in Transition, Washington, D.C.; January 1980.

14. Max G. Manwaring, Brazilian Military Power: A Capability Analysis, unpublished manuscript, Memphis State University, April 1980, p. 9.

15. Wayne A. Selcher, "Brazil in the World: A Ranking Analysis of Capability and Status Measures," paper presented at the Latin America Studies Association, Eighth National Meeting, Pittsburgh, April 5-7, 1979, p. 33.

16. Ibid., p. 26.

17. Abraham Lowenthal, "Changing Patterns in Inter-American Relations: Continuity and Change in the Eighties and Beyond," Proceedings of the National Security Affairs Conference, National Defense University, July 23-25, 1979, p. 199.

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No 20 (cont'd) markets and sources of raw materials may urge greater cooperative economic efforts and thus a broadening of the concept and organization of Inter-American security.

