
WILSON CENTER PAPERS

Summaries of key reports given at recent Wilson Center meetings

“United States–Latin American Relations: Shifts in Economic Power and Implications for the Future.”

Paper by Sergio Bitar presented at a colloquium sponsored by the Wilson Center’s Latin American Program, July 13, 1983.

Between 1945 and 1960, the United States and its Latin American neighbors developed a tightly knit economic and security relationship that virtually closed the Western hemisphere to outsiders. That arrangement has crumbled, says Bitar, an expatriate Chilean businessman and government official, though the full effects have yet to be felt.

In 1960, Latin America’s gross domestic product (GDP) was 13 percent of U.S. GDP. In 1950, the United States provided 50 percent of Latin America’s imports and bought 50 percent of its exports.

During the 1970s, things began to change radically. South and Central America’s GDP had grown to 26 percent of U.S. GDP by 1980. Latin Americans were buying only 30 percent of their imports from the United States, and were sending only 33 percent of their exports north. The Latin Americans had opened their doors to business from outside the hemisphere. Imports from East Asia, for example, increased by almost 10-fold during the 1970s. In 1959, North American companies owned 111 of the 156 largest manufacturing firms in Latin America. By 1976, European and Japanese

corporations had moved in, U.S. firms had moved out: Only 68 of the top 156 were North American.

While Latin America was welcoming new investors, U.S. businessmen were also looking elsewhere. Latin America’s share of U.S. overseas investment dropped from 38 percent in 1950 to 12 percent in 1980.

The United States and Latin America have left behind them not only the “special relationship” and the massive U.S. aid envisaged by the 1961 Alliance for Progress, but also subsequent initiatives to promote trade by extending preferences to Latin America. Today, Washington is erecting protective barriers to impede the flow of cheap manufactured goods from the south.

Now that the United States no longer dominates the Americas economically, predicts Bitar, its political leverage in the region will decline. But the Latin nations have been slow to grasp what has happened.

Washington’s muscle-flexing in Central America today makes it seem as if little has changed during the past two decades. But Bitar warns that the United States can ill afford to ignore alterations beneath the surface.

“Squaring Many Circles: West German Defense Policy between Détente, Alliance, and Deterrence.”

Paper presented by Josef Joffe at a conference sponsored by the Wilson Center, September 22–23, 1983.

The political turmoil set off in West Germany by the December 1983 deployment of 572 U.S. Pershing II and cruise missiles poses yet another test

for the North Atlantic Treaty Organization (NATO). But West Germany is not likely to loosen its NATO ties, asserts Joffe, a West German journalist

now at the Carnegie Endowment for International Peace.

West Germany is the "product, the pillar, and the problem of the Atlantic Alliance," he says. It is a "child of the Cold War," nurtured by the Allies to counter Soviet expansion. After rearming in 1950, Germany joined NATO in 1955, and has since been one of its staunchest members. Today, the West Germans field 500,000 troops and provide 30 percent of all NATO combat aircraft in Central Europe, while playing host to 213,000 U.S. troops.

Yet harsh political and geographical realities separate the West Germans from the other members of NATO. Rearming and joining the Alliance were the price of regaining sovereignty after World War II. NATO membership meant abandoning all hope of reunification with East Germany. But maintaining cross-border family and cultural ties necessitated an "irreducible level of collaboration" with the Soviets that the NATO allies, particularly the Americans, sometimes find nettlesome.

Bonn's NATO membership also ensured that West Germany would be the front line in any superpower confrontation—it shares a 1,000-mile-long border with East Germany and Czechoslovakia. There is always the temptation for Bonn, Joffe believes, to go it alone in defense to avoid being trapped between the Soviet Union and the United States.

The dilemma is deepened by uncertainty over the U.S. nuclear guarantee of West Germany's security. Ever since Moscow built its first ICBMs in 1957, West Germans have wondered whether Washington really would protect them at the risk of a nuclear attack on America.

Yet, the West Germans have long found the price of alliance worth paying. One reason, says Joffe, is that they could "enjoy the comforts of a cocooned civilian power while the United States, France, and England squandered their blood and treasure in military intervention around the globe."

The advent of the new American missiles—originally requested by the West Germans to ensure U.S. involvement in any East-West conflict in Europe—has exacerbated West Germany's "double-bind." Mass protests attest to the belief of many Germans that the weapons only increase the chance of a war in which they would be the chief victims.

The deployment controversy is not without parallel in West Germany. In the spring of 1958, German Chancellor Konrad Adenauer forced and won a vote in the Bundestag to authorize the stationing of the first American tactical nuclear weapons on German soil. At the time, 52 percent of all West Germans favored a general strike to stop the deployment. But by the summer, the "grassroots had wilted," writes Joffe, and the antideployment Social Democrats lost badly in regional elections to Adenauer's Christian Democratic Union. Joffe argues that today's renascent peace movement is no more likely to prevail. "Every generation, it seems, must come to grips with the terrifying implications of nuclear weapons on its own."

Today's youthful protesters, he believes, will join their elders, most of whom accept the paradox of deterrence—"that we must forever hone our nuclear sword so as to render it ever more useless"—and the costs of membership in an alliance that guarantees their freedom.