

UNITED STATES GOVERNMENT FIGURES ON LATIN AMERICAN MILITARY EXPENDITURES

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As all good social scientists know, to analyze a problem properly one needs hard data, the harder the better. The United States government thinks so too, and is a prolific producer and consumer of statistics. If one wishes to do research on the military expenditures of the Latin American countries, for example, one has available not one but at least four sets of statistics compiled by or for the federal government.

At this point, however, difficulties emerge: these sets of statistics not only are not identical, but often differ so drastically that they lead to diametrically opposed conclusions.

The most comprehensive sets of figures, for most years, are available in RAND Memorandum RM-5310-PR/ISA, *Latin American Defense Expenditures, 1938–1965*, by Joseph Loftus (RAND, Santa Monica, Jan. 1968). The memorandum is part of a RAND research program sponsored jointly by the United States Air Force and the Assistant Secretary of Defense for International Security Affairs, although this is not properly a government publication. The State Department, under its external research program, contracted for its own study, which has appeared as *Trends in Latin American Military Expenditures, 1940–1970*, by Gertrude E. Heare (GPO, Washington, D.C., Dec., 1971). Latin America was also included in *World Military Expenditures, 1970*, prepared and published by the United States Arms Control and Disarmament Agency (GPO, Washington, D.C., 1971). The United States Senate Subcommittee on American Republics Affairs of the Committee on Foreign Relations, in the course of surveying the performance of the Alliance for Progress program, commissioned various studies, including one on the Latin American military, which was prepared by Edwin Lieuwen in 1967, and which also includes data on Latin American military expenditures for 1965, *Survey of the Alliance for Progress: the Latin American Military* (GPO, Washington, D.C., Oct. 9, 1967).

Let us suppose that, encouraged by this wealth of data, one wishes to investigate the relative military expenditures of Argentina and Brazil. Since statements in terms of absolute amounts may be misleading, in a time series, because of inflation or unrealistic rates of exchange, all of the compilations of data present their figures in terms of constant-value dollars of a given base year. Since different base years were chosen, the absolute amounts given will not be the same; however, relative proportions between countries, or between different years for any one country, should be the same. There should then be no problem, say, in comparing Argentina and Brazilian expenditures for any one year.

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For the year 1965, according to the State Department study, there was no contest between the two countries: Brazil was spending almost twice as much as Argentina: \$598 million to \$347 million (p. 29). Lieuwen's figures are different (\$485 million and \$258 million; p. 33) but the proportions are about the same. The Arms Control and Disarmament Agency, however, has the two countries running neck and neck in spending, giving Brazil a slight edge at \$449 million to Argentina's \$412 million. The RAND study does not give a figure for Brazilian 1965 expenditures, but for each year from 1960 thru 1964 has Argentina spending slightly more than Brazil, year by year. Thus for 1964, according to Loftus (p. 11), Argentina outspent Brazil, \$290.6 million to \$272.6 million. For that year, the ACDA study has Brazil outspending Argentina by over 10%, \$457 million to \$402 million (p. 21), while the State Department study puts Brazil not quite 25% ahead, \$391 million to \$316 million (p. 29).

Perhaps for some reason the Argentine or Brazilian figures are exceptional. Let us make another comparison between putative military rivals, Chile and Peru. In 1965, according to the Lieuwen study (p. 33), Peruvian military expenditures exceeded those of Chile, \$114 million to \$104. ACDA has a slight difference the other way: Chile outspent Peru, \$119 million to \$115. The Heare State Department study (p. 29) agrees that Chile outspent Peru, but by a factor of better than 50%: \$161 million to \$103. Loftus does not give a 1965 figure for Peru. However, in 1964 he shows Chile substantially outspending Peru, \$83.8 millions to \$56.8 millions, while the ACDA figures, again, give Chile a very slight edge at \$108 to \$104.

Of course, there are other questions one would like to answer with the aid of military expenditure figures. For example: how great, proportionately, is the burden of military expenditures on the economy? What percentage of the gross national product do military expenditures take? Well, military expenditures in Brazil in 1965

TABLE 1
Military Expenditures, Selected Countries
(millions of constant dollars, different base years)

	Argentina	Brazil	Chile	Peru
<i>1965</i>				
Lieuwen/Senate*	258	485	104	114
ACDA	412	449	119	115
Heare/State	347	598	161	103
<i>1964</i>				
Loftus**	290.6	272.8	83.8	56.8
ACDA	402	457	108	104
Heare	316	391	148	106

* Gives 1965 data only.

** Data for 1965 incomplete.

(Note: Because of the choice of different base years, the significance of the figures lies not in the absolute amounts, but in the proportionate relation between countries.)

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constituted either 3.2% of GNP (Lieuwen, p. 33) or 2.3% (ACDA, p. 20). Or one can study the trend in military expenditures over time within a given country. Thus, for example, expressed in constant prices, Argentine military expenditures between 1964 and 1968 rose by 30%, from \$316 to \$411 millions (Heare, p. 11), or decline by 5½%, \$402 to \$380 millions (ACDA, p. 20). Between 1960 and 1964, they rose slightly, \$284 to \$290 million (Loftus, p. 11) or declined by more than 10%, \$356 to \$316 million (Heare, p. 11).

One should not minimize the problems faced by those who try to compile usable statistics. Official rates of exchanges are unrealistic. It is impossible to gauge exactly the extent of inflation. Different countries use different concepts in establishing budgetary categories. But perhaps next time I wonder why United States policy in Latin America is not only misguided but badly informed, I will remember that even if officials should want to become informed, their task is not easy.

TABLE 2
Military Expenditures, Argentina, 1964-1970
 (millions of constant dollars, different base years)

	ACDA	Heare	Loftus
1960		356	284.9
1961		445	291.2
1962		410	279.4
1963		323	274.4
1964	402	316	290.6
1965	412	347	279.0
1966	469	428*	
1967	355	418*	
1968	380	411*	
1969		430*	
1970		388*	

* Estimates.