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# ARMS SALES AND THE POLITICS OF HEMISPHERIC POWER: THE TRUMPADMINISTRATION'S NEW ARMS TRANSFER STRATEGY

This paper argues that the United States transfers arms to the Latin American countries of Argentina, Brazil, Chile, and Mexico for the purposes of buying specific types of influence. Historically, the United States has been the world's major exporter of arms. It has done so to secure the following types of influence within the global balance of power: regional stability, friendship, and to counter an enemy, secure access to natural resources, and/or to strengthen existing alliances. We argue that in the case of these four countries, ensuring regional stability, countering China's encroachments into the Latin American region, and trying to secure access to its natural resources—particularly its critical minerals—are the principal reasons for arms transfers. The Trump administration has made serious efforts to reassert American primacy within the Western Hemisphere. In turn, studying the role of arms transfers is an important, although relatively overlooked, instrument of American power in the region. Furthermore, we also show how certain challenges have presented themselves, such as China's penetration into the economy of Argentina being too deep to fully reverse despite the Trump admainistration's achievement in convincing it to not buy certain types of Chinese weaponry, as well as potential opportunities for American business within the framework of the Trump administration's newly declared America First Arms Transfer Strategy.

## INTRODUCTION

The Trump administration has made clear that it intends to reassert American primacy in the Western Hemisphere. From the 2025 National Security Strategy and the 2026 National Defense Strategy to Operation Absolute Resolve in Venezuela and the transatlantic diplomatic crisis caused by Trump's statements on Greenland, America has consistently shown that it seeks to augment its

influence in the hemisphere to ensure that other great powers are not able to assert theirs. By influence, one refers to the power or capacity of a country "to affect events or conditions in other countries or regions…It is about the ability to shape the world stage and advance one's own interests."[1] Throughout Trump's first year, most analyses of American power in Latin America have mainly focused on the more explicit elements of that power, such as the military build-ups, operations, and economic statecraft.

However, there is another important, understudied, and subtler aspect regarding how the United States asserts influence over Latin America: arms sales. Weapons trade, in general, is an important instrument for shaping national and geopolitical interests, appearing simultaneously as commercial and foreign policy tool—a tool that has now been codified by the Trump administration as a constituent part of its National Security Strategy. On February 6, 2026, President Donald Trump signed an Executive Order which established the "America First Arms Transfer Strategy."[2] Arms transfers refers to the supply of military weapons through sales, aid, and transfers made through manufacturing licenses.[3] This aspect of the strategy seeks to ensure that U.S. arms transfers do four things. First, to "build production capacity for weapons that are most operationally relevant for the execution of the National Security Strategy." Second, "support domestic reindustrialization and improve the resiliency of our defense industrial base." Third, "strengthen critical supply chains." Fourth, to "prioritize partners that have invested in their own self-defense and have a critical role or geography for executing the National Security Strategy."[4] In essence, the Trump administration's America First Arms Transfer Strategy is now leveraging arms sales to strategically reindustrialize the United States. Therefore, centralizing the arms trade is a core aspect of America's grand strategy under Donald Trump.

America consistently ranks as the world's leading arms exporter. According to data from the Stockholm International Peace Research Institute (SIPRI), the five largest importers of arms globally from 2020 to 2024 were Ukraine, India,

1 "Geopolitical Influence," *Sustainability Directory*, accessed March 18, 2026, https://esg.sustainability-directory.com/term/geopolitical-influence/.

2 The White House, "Fact Sheet: President Donald J. Trump Establishes the America First Arms Transfer Strategy," February 6, 2026, https://www.whitehouse.gov/fact-sheets/2026/02/fact-sheet-president-donald-j-trump-establishes-the-america-first-arms-transfer-strategy/.

3 "Argentina: Arms Imports," *The Global Economy*, accessed February 19, 2026, https://www.theglobaleconomy.com/Argentina/arms_imports/.

4 The White House, "Fact Sheet: President Donald J. Trump Establishes the America First Arms Transfer Strategy."

Qatar, Saudi Arabia, and Pakistan.[5] From 2019 to 2023, the top destinations for U.S. arms exports were Saudi Arabia (15 percent), Japan (9.5 percent), Qatar (8.2 percent), and Australia (7.1 percent).[6] This list does not include other notable importers of U.S. weapons, including European NATO countries and Israel. Latin America features relatively low in terms of the number of weapons the United States exports and sells to it.

Nonetheless, just as arms sales were instrumentalized during previous conflicts to alter the balance of power, such as during the Cold War, in an increasingly uncertain and multipolar world order, it is necessary to explore how the United States is again doing so, albeit to a lesser extent than in other regions, such as the Middle East and Europe. To investigate this, we will look at four case studies: Argentina, Brazil, Chile, and Mexico. In a world order defined by increasing great power competition between the U.S. and China, within which Latin America has become a strategic domain, these countries have—in their own ways—been trying to position themselves in the most advantageous manner possible, at times signaling closer ties with Washington and, at others, countersignaling a more independent and non-aligned posture to continue doing business with China. Much of this business has also come in the form of buying weapons from the People's Republic; not coincidentally, a key source of the latter's growing influence in Latin America.[7] As the State Department's Agency Strategic Plan for 2026–2030 states, as part of the objective to strengthen strategic partnerships in the Western Hemisphere, the United States "will be providing alternatives—either commercial, security, or otherwise—to our neighbors in the region. The Department will accordingly work with our regional partners to stand firmly against foreign interference and to uproot it where necessary…by keeping outside great powers at ocean's length, [laying] the groundwork for the entire region's security and prosperity."[8]

5 Matthew George et al., "Trends in International Arms Transfers, 2024," Stockholm International Peace Research Institute, March 2025, 1, https://www.sipri.org/sites/default/files/2025-03/fs_2503_at_2024_0.pdf.

6 Nordic Defense Review, "U.S. Tops Arms Trade — While Allies Plot a Plan B," accessed Monday, February 16, 2026, https://nordicdefencereview.com/u-s-tops-arms-trade-while-allies-plot-a-plan-b/.

7 Simon Shuster, "Some Foreign Influence Will Be Hard to Reverse: China Will Remain a Player in Latin America Long after Maduro," *The Atlantic*, January 14, 2026, https://www.theatlantic.com/national-security/2026/01/china-latin-america-venezuela-beijing/685603/.

8 U.S. Department of State, "Agency Strategic Plan Fiscal Years 2026-2030," 8, https://www.state.gov/wp-content/uploads/2026/01/Agency-Strategic-Plan-for-Fiscal-Years-2026-2030.pdf.

In this paper, we draw upon a framework developed by arms trade specialists to identify different types of influence the United States buys through its global arms sales.[9] According to the framework, it has five aims with arms sales: (1) promoting regional stability, (2) strengthening alliances, (3) securing resources, (4) buying friendships, and (5) countering an enemy. When the United States sells weapons, the reason usually provided is maintaining peace and stability. However, we argue that it sells weapons, in this case to Latin American countries, to buy at least one or more of these other types of influence, as well. For example, the United States sells weapons to Saudi Arabia primarily to secure access to oil, although—of course—promoting regional stability is another factor. In turn, when the United States, or any other big power, sells weapons to a country, that sale comes with expectations pertaining to how the weapons sales will expand the seller's influence and power. Thus, while there may be an element of all five types of influences being considered in the relationship between the U.S. and the recipients of its arms, there are certain considerations that are more significant than others.

In the case of Argentina, we argue that the United States is transferring it weapons to primarily to counter an enemy, namely China, which had made encroachments into Latin America's industry and economy. U.S–Argentina cooperation, especially in the area of natural resources, is aimed at undermining China's territorial footprint. In the case of Brazil, the United States also prioritizes access to rare earths, but the promotion of regional stability and countering China matter as well. In the case of Chile, similarly to Argentina, we believe that U.S. interests are principally based on securing mineral resources, specifically lithium reserves, and countering China, particularly given Chile's access to Antarctica. Finally, in the case of Mexico, the main goal is to promote regional security, considering that decades-long narcotraffic-related violence not only undermines the authority of the Mexican state, but jeopardizes security on the U.S. side of the border as well, not to mention the hazard it means for citizens' health and the economy overall.

9 Johnny Harris, "Why the US Sells Weapons to 103 Countries," posted March 6, 2024, YouTube, 22 min., 59 sec., https://www.youtube.com/watch?v=ViKMEg57qx8.

### *Argentina*

Since 2005, China has invested over $300 billion in Latin America, which includes investments in critical and military infrastructure projects, such as a space tracking center in Patagonia, Argentina.[10] Military agreements with countries in the region, including Argentina, have made up a significant part of China's increasing business in the region in the 2000s. As of 2025, the Chinese have invested $23 billion in the country.[11] However, Javier Milei's government, as Treasury Secretary Scott Bessent said in 2025, "is committed to getting China out of Argentina."[12] In October 2025, Trump told Milei that "any Chinese military activity in Argentina wouldn't be received well in Washington."[13] He noted that, "You can do some trade, but you certainly shouldn't be doing beyond that…Certainly shouldn't be doing anything having to do with the military with China, and if that's what's happening, I'd be very upset about that."[14]

Despite Milei's libertarian, anti-leftist, and anti-big government ideology, it is proving to be a difficult task to extricate Chinese influence from the country. This is because China has financed, constructed, and purchased assets in key sectors of the economy and operated as a kind of "banker of last instance."[15] While the Trump administration has pursued its own form of engagement with Argentina to augment American influence and diminish Argentine dependence on China—such as when the administration provided a $20 billion bailout in the form of a loan to give Argentina's central bank access to dollars to prop up the peso—it is becoming clear that the administration also wants to leverage the arms trade to further secure influence.[16] This has not been

10 Luis O. Noguerol and Verioska Velasco, "The Enigma of China's Strategic Base in Argentina," Miami Strategic Intelligence Institute, November 23, 2025, https://miastrategicintel.com/the-enigma-of-chinas-strategic-base-in-argentina/.

11 Eugenia Muzio, "Chinese Investments in Argentina Tops US$23 Billion, Defying Milei's Alignment with Trump," *Buenos Aires Times,* November 26, 2025, https://www.batimes.com.ar/news/economy/chinese-investment-in-argentina-tops-us23-billion-defying-mileis-alignment-with-trump.phtml.

12 Muzio, "Chinese Investments in Argentina."

13 Manuel Tobias and Patrick Gillespie, "Trump Says He'd Be 'Very Upset' by Chinese Military in Argentina," *Bloomberg*, October 15, 2025, https://www.bloomberg.com/news/articles/2025-10-14/trump-says-he-d-be-very-upset-by-chinese-military-in-argentina.

14 Sakshi Tiwari, "After 'Puncturing' JF-17 Thunder Sale, U.S. Sets Sights on China's Deep Space Tracking Centre in Argentina?" *The Eurasian Times,* October 16, 2025, https://www.eurasiantimes.com/usa-sets-sights-on-chinas-space-observation-centre-in-argentina/

15 Muzio, "Chinese Investments in Argentina."

16 David Noriega, "How $20 Billion for Argentina Aligns with Trump's National Security Strategy," *MS Now*, December 10, 2025, https://www.ms.now/news/how-20-billion-for-argentina-aligns-with-trumps-national-security-strategy.

that difficult to do given the fact that, although China has ingrained itself into much of Argentina's infrastructure, it has not been able to assert the same level of influence in defense cooperation. Meanwhile, between 1950 and 2020, Argentina was the third-largest recipient of U.S. military equipment in Latin America.[17]

According to data from the World Bank, in 2000, Argentina imported $208 million in arms, while in 2024 it imported only $44 million, although this was more than double the $21 million in 2023.[18] These are, of course, relatively humble figures, which include fewer and fewer purchases from China. In 2015, China and Argentina announced substantial weapons sales and defense cooperation agreements, which included the latter coproducing and purchasing fourth-generation fighter aircraft, 100 armored personnel carriers, and five naval vessels, as well as China constructing the space tracking facility in the Patagonian province of Neuquen.[19] However, thanks to the efforts of the United States, arms transfers from China to Argentina have waned in the years since. In 2023, Argentina imported 13,571 small arms and light weapons (SWAL), the main providers of which were the United States (38.4 percent), Italy (29 percent), and Brazil (14.9 percent).[20]

Juan Battaleme, Argentina's Secretary of International Affairs for Defense, wrote in 2023 that as it pertained to the acquisition of combat aircraft, the previous government of Alberto Fernandez believed that pursuing Chinese products, as well as Chinese-financed options, aligned with its desire for sovereignty "as an anti-Anglo-Saxon power. They believe that aligning with China will effectively serve Argentina's national interest."[21] Even under Joe Biden, however, an Argentine aircraft deal with China would have been interpreted as an opening to enhance its influence in the region. In 2025, the United States successfully convinced Argentina to buy secondhand F-16 jets from Denmark

17 Juan Battaleme, "Modernising the Argentinian Air Force: F-16/JF-17 Conundrum," Royal United Services Institute, September 21, 2023, https://www.rusi.org/explore-our-research/publications/commentary/modernising-argentinean-air-force-f-16jf-17-conundrum.

18 "Arms Imports (SIPRI Trend Indicator Values) – Argentina, 2020-2024," World Bank, accessed February 19, 2026, https://data.worldbank.org/indicator/MS.MIL.MPRT.KD.

19 "China's Military Agreements with Argentina: A Potential New Phase in China-Latin America Defense Relations," U.S.–China Economic and Security Review Commission, May 11, 2015, https://www.uscc.gov/research/chinas-military-agreements-argentina-potential-new-phase-china-latin-america-defense.

20 ATT Monitor, "ATT Monitor Report 2025," August 25, 2026, 69, https://attmonitor.org/wp-content/uploads/2025/08/ATT_Monitor-Report-2025.pdf.

21 Battaleme, "Modernising the Argentinian Air Force."

instead of new JF-17 Block III aircraft from China.[22] While China's influence in the realm of defense cooperation as "low," Trump has continued to make the case that it needs to stay that way and even be further reduced.[23]

A focal point of Argentina's foreign policy under Milei has been to establish closer ties with the United States as part of a balancing act against China's global dominance in rare earth production and processing. Argentina is rich in rare earth element deposits, which makes it a significant geostrategic actor within global supply chains.[24] On February 4, 2026, U.S. Secretary of State Marco Rubio hosted the inaugural Critical Minerals Ministerial at the Department of State, where he welcomed delegations from 55 nations "to advance collective efforts to strengthen and diversity critical minerals supply chains."[25] At the event, Rubio stated that Argentina had the necessary capabilities to become a producer of rare earths.[26] Afterwards, not long after Argentina and the United States signed an agreement on critical minerals, Argentine Foreign Minister Pablo Quirno posted on social media that, "Argentina is committed to deepening cooperation with the United States on critical minerals, supporting secure supply chains and promoting a strategic partnership based on clear rules and long-term predictability."[27]

China dominates the global rare earth supply chain. The People's Republic mines 60 percent of global rare earths, separates and processes around 90 percent, and manufactures around 94 percent of magnets containing rare earths.[28] Such leverage, which was employed in April 2025, permits it to threaten the U.S. defense industrial base by imposing export controls on rare earth elements

22 Tiwari, "After 'Puncturing' JF-17 Thunder Sale."

23 Lucas Winter et al., "Instruments of Chinese Military Influence in Argentina," FMSO's Military DIME Research Project, August 2024, https://hg2wordpressfmsostor01.z2.web.core.usgovcloudapi.net/M-DIME/2024-08/TRADOCG2_FMSO_20240AUG08_MDIME_CHI_Argentina.pdf.

24 Muflih Hidayat, "Argentina's Rare Earth Potential: American Minerals Investment Opportunities," *Discovery Alert*, February 4, 2026, https://discoveryalert.com.au/argentina-rare-earths-role-2026-minerals/.

25 U.S. Department of State Office of the Spokesperson, "The United States to Host Critical Minerals Ministerial," February 2, 2026, https://www.state.gov/releases/office-of-the-spokesperson/2026/02/the-united-states-to-host-critical-minerals-ministerial.

26 "Argentina Is Key US Partner for Rare Earth Extraction, Says Rubio," *Buenos Aires Times*, February 4, 2026, https://www.batimes.com.ar/news/economy/argentina-is-key-us-partner-for-rare-earth-extraction-says-rubio.phtml.

27 Buenos Aires Times, "Argentina Is Key US Partner for Rare Earth Extraction, Says Rubio."

28 Madeleine Rzad, "Market Concentration of Rare Earth Elements: China's Dominance and the Global Response," *Michigan Journal of Economics*, January 9, 2026, https://sites.lsa.umich.edu/mje/2026/01/09/market-concentration-of-rare-earth-elements-chinas-dominance-and-the-global-response/.

necessary for the production of American weaponry.[29] Given the reported delays in production by U.S. defense contractors after the Chinese export controls were put in place, West Point's Modern War Institute suggested in 2025 that the United States needs to employ a three-pronged strategy, which one could argue the Trump administration has now codified with the America First Arms Transfer Strategy: (1) revitalize the National Defense Stockpile with ready-to-use materials, (2) "accelerate domestic magnet manufacturing through bold market incentives," and (3) "forge binding partnerships with trusted allies."[30] In this light, the "surge in military consumption of traditional metals such as copper and silver for ammunition, electronic and weapon systems, and graphite and lithium used in battery production, military communications and unmanned systems, have singled out the Western Hemisphere as a growing strategic playfield due to its abundance of these resources."[31]

### *Brazil: Natural Resources, Regional Stability, and Countering China*

Historically, Brazil has been one of the most powerful countries in Latin America; this power has manifested in the scale with which Brazil has imported and exported arms. A 1984 C.I.A. report highlighted the impressiveness of Brazil's weapons industry when it stated that, "Brazil's emergence as the world's eighth-largest arms exporter has made the weapons industry an important factor in the nation's economic and international standing."[32] The country has thus been on the American radar for a long time as a significant regional actor in the defense space. According to data from SIPRI, Brazil was the twenty-fifth largest importer of arms globally between 2020 and 2024.[33] Unlike Argentina, however, Brazil does not import the majority of its arms from the United States—only 5.5 percent of its arms came from the United States between 2020 and 2024.[34] During this time period, Brazil imported 53 percent of its weapons from France,

29 Macdonald Amoah et al., "Minerals, Magnets, and Military Capability: China's Rare Earth Weaponization Should be a Wake-Up Call," Modern War Institute at West Point, July 10, 2025, https://mwi.westpoint.edu/minerals-magnets-and-military-capability-chinas-rare-earth-weaponization-should-be-a-wake-up-call/.

30 Amoah et al., "Minerals, Magnets, and Military Capability."

31 Carlos Solar, "Critical Minerals and the U.S.-China Rivalry in South America," Royal United Services Institute, August 1, 2025, https://www.rusi.org/explore-our-research/publications/commentary/critical-minerals-and-us-china-rivalry-south-america.

32 Directorate of Intelligence, "Brazil: Exporting Arms to the Third World, An Intelligence Assessment," Office of African and Latin American Analysis, July 17, 1984, iii, https://www.cia.gov/readingroom/docs/CIA-RDP85S00317R000200020003-4.pdf.

33 Campaign Against Arms Trade, "Brazil's Arms Suppliers," October 28, 2025, https://caat.org.uk/data/countries/brazil/brazils-arms-suppliers/.

34 Campaign Against Arms Trade, "Brazil's Arms Suppliers.

20 percent from Sweden, 11 percent from Italy, and 4.2 percent from the United Kingdom.[35] Moreover, Brazil, along with the United States and Canada, was one of the top three importers of major arms in the Americas in the 2020–2024 period.[36] During this period, Brazil's arms imports increased by 77 percent and accounted for 49 percent of the subregional total.[37] Its 2026 military budget of $26.2 billion exceeds every other Latin American country's defense spending combined, and, as one news report recently put it, "Washington wants in."[38]

While the United States may not be the biggest source of Brazil's weapons imports, the former has recently declared a clear strategic interest in ensuring that the arms that it does transfer to the latter prioritizes American interests. Those interests primarily revolve around ensuring regional stability, which includes neutralizing narcotraffickers and countering China's territorial footprint, whether in the security or economic realms. For example, a U.S. Congressional report from July 2025 stated that Congress may assess whether and, if so, how "to influence U.S.-Brazilian relations as it oversees U.S. defense and trade policies" as well as consider appropriations for security assistance.[39] In the report, the authors write that there has been significant cooperation in the realm of defense, with the United States providing military and law enforcement aid to Brazil's security forces and additional defense capacity-building support. In November 2025, a Brazilian police raid on a gang that led to the deaths of over a hundred people caused controversy, since the sniper rifles used were sold from the United States. After the raid, a State Department spokesman noted, "The previous administration's disastrous foreign policies aided and abetted our hemisphere's most violent gangs… Last year, Biden's State Department denied critical defensive equipment to trusted security partners in Brazil while asking them to protect President Biden during his 2024 trip to Rio. In the interest of a safer hemisphere, we remain committed to ensuring that our partners have what they need to fight vicious criminals."[40]

35 Campaign Against Arms Trade, "Brazil's Arms Suppliers."
36 George et al., "Trends in International Arms Transfers, 2024."
37 George et al., "Trends in International Arms Transfers, 2024."
38 Lachlan Williams, "Brazil Is Spending More on Weapons Than All Its Neighbors Combined—and Washington Wants In," *The Rio Times*, February 5, 2026, https://www.riotimesonline.com/brazil-is-spending-more-on-weapons-than-all-its-neighbors-combined-and-washington-wants-in/.
39 Congressional Research Service, "Brazil: Background and U.S. Relations," August 5, 2026, https://www.congress.gov/crs-product/R46236#ifn152.
40 Gram Slattery and Fabio Teixeira, "Exclusive: U.S. Sold Sniper Rifles to Brazil Police Unit Tied to Deadly Raid," *Reuters*, November 7, 2025, https://www.reuters.com/world/americas/us-sold-sniper-rifles-brazil-police-unit-tied-deadly-raid-2025-11-07/.

It is evidently clear that the Trump administration sees arms transfers as an instrument of its effort to reassert American interests within the region, which, naturally, includes the riddance of the region's violent drug gangs and cartels.[41]

Another consideration for American influence in the country pertains to access to critical resources, particularly rare earths. Brazil enjoys a favorable strategic position as it is "self-sufficient in niobium and uranium. Its ambitions to reduce dependence on China for rare earth elements via domestic development have put the country in direction towards a regional leadership role in defense industrial cooperation."[42] Such a decoupling from China is a welcomed development from the U.S. perspective. In 2025, Brazil updated its national defense strategy, which outlined Brazil's goal to develop its military capabilities and advance its foreign policy initiatives. The U.S. Department of Commerce noted how the updated strategy defined nuclear, cyber, and space technologies as three priority sectors, which present "substantial business opportunities for U.S. companies" to engage in long-term collaborations.[43]

In sum, Brazil should be seen by the Trump administration as the country with the greatest potential for deepened security and defense cooperation. While the Trump administration has outlined an arms transfer strategy dedicated to advancing American interests through the revitalization of American industry, which opens up the possibility to engage in more defense cooperation with Brazil, and has declared the Trump Corollary to the Monroe Doctrine aiming to reassert U.S. hemispheric power, political differences between the Trump administration and Brazil under Lula appear to be stalling arms transfers and other forms of defense cooperation. This is unfortunate given the potential areas for cooperation in infrastructure and energy modernization, critical minerals and secure supply chains, which are vital to advanced manufacturing and defense applications, security and aerospace collaborations, and agribusiness integration.[44]

41 Bailey Schwab, "Attack on Venezuela and the Removal of Maduro from Power: The Trump Doctrine in Action," Hungarian Institute of International Affairs, January 7, 2026, https://hiia.hu/en/attack-on-venezuela-and-the-removal-of-maduro-from-power-the-trump-doctrine-in-action/.

42 Solar, "Critical Minerals and the U.S.-China Rivalry in South America.

43 U.S. Department of Commerce, "Brazil Aerospace and Defense Policy," accessed February 24, 2026, https://www.trade.gov/market-intelligence/brazil-aerospace-and-defense-policy.

44 Luciano de Almeida Freitas, "Brazil's Rising Strategic Value: New Opportunities for U.S. Businesses Under the 2025 National Security Strategy," Carlton Fields, December 15, 2025, https://www.carltonfields.com/insights/publications/2025/brazils-rising-strategic-value-new-opportunities-for-us-businesses-2025-national-security-strategy.

### *Chile: Friendship, Lithium, and the Chinese Threat*

U.S.–Chile relations occupy a very special place among inter-American dealings. Of all Latin American countries, Chile has the closest and most integrated defense cooperation with the United States. We argue that this is due principally to three reasons. First, the countries have strong bilateral ties based on common foreign policy and national security interests. Second, the critical mineral cooperation between the two states has reached a significant level. Third, during the last decade, China built a stronger presence in the country's strategic infrastructure and mineral sector.

Close cooperation is particularly true for defense matters. Chile forms part of the Inter-American Treaty of Reciprocal Assistance (Rio Pact), which is constantly reinforced through exchange and exercise operations with allies, particularly with the United States.[45] Washington and Chile work together through bilateral Defense Consultative Committee meetings, and their forces regularly engage in joint exercises with a goal of improving interoperability.[46] Chile actively participates in the work of the U.S. Southern Command while holding permanent positions there. Chilean officers can study at any of the top military academic institutions without restriction. Less than a year ago Chile even progressed to Tier 2 in the NATO Cataloging System (NCS) after signing a bilateral technical agreement with Germany, which signals a closer strategic defense cooperation with NATO members.[47]

The U.S. Department of War provides all types of capacity-building support, including but not limited to military equipment through Excess Defense Articles.[48] An important factor of this defense cooperation is Chile's purchase of U.S. military hardware. In 2023, Santiago signed a $177 million contract with Lockheed Martin to modernize its existing F-16 fleet. According to Gral. Griffiths, the pride of Chile's naval equipment consist largely of ships manufactured by the United States.

45 Vaccarezza Green et al., "Countering the Trojan Dragon: A Chilean Case Analyzing External Influence in Latin America from the US and China," *Revista de Marina,* October 29, 2019, https://revistamarina.cl/es/articulo/countering-the-trojan-dragon-a-chilean-case-analyzing-external-influence-in-latin-america-from-the-us-and-china.

46 Clare Ribando Seelke, "Evolution of U.S.-Mexico Security Cooperation (CRS Report for Congress)," Congressional Research Service, December 11, 2025, https://www.congress.gov/crs_external_products/IF/HTML/IF10578.web.html.

47 Osvaldo Silva, "Chile's Defense Policy Shift Carries High Costs," Space Media Network, June 13, 2025, https://www.spacewar.com/reports/Chiles_defense_policy_shift_carries_high_costs_999.html.

48 "Defense Trade and Arms Transfers: Excess Defense Articles," U.S. Defense Security Cooperation Agency, accessed March 18, 2026, https://www.dsca.mil/Programs/Defense-Trade-and-Arms-Transfers/Excess-Defense-Articles.

Military spending in Chile is rather volatile from year to year and not only follows the values of tenders but a carefully orchestrated budgetary commitment, which greatly depends on whether the government left or right leaning. As the right-leaning leadership have always committed to stronger military arsenal and technological development. Nothing mirrors it better than the World Bank data comparison[49]: in 2024, under the socialist Gabriel Boric government, which "penalized" the Chilean military on an ideological basis, Chile imported only $14 million in arms, while the number in 2020, under conservative businessman President Sebastian Pinera, was $304 million. It is important to note that Chile's military expenditure is influenced by another interesting factor and that is the "Reserved Copper Law" or *Ley Reserva del Cobre.* This 1958 law guarantees a steady flow of funds for military acquisitions allowing a significant investment into arms. The law mandates that 10 percent of copper export revenues from the state-owned company, Codelco, must be transferred directly to the military for armament purchasing. The largest ever arms import occurred in 2006, when copper prices increased significantly and Codelco had a record income. In that year the military's arms import passed $1.1 billion.[50] The copper law was repealed in 2019.[51]

Chile is also important for the United States in terms of critical minerals. It is the world's largest producer of copper, which the U.S. Department of Energy specifies as a "critical material for energy." The South American country is also the world's second largest producer of lithium, which the Department of War categorizes as "strategic material of interest for national defense."[52] Because of the growing competition for the control of rare earth elements and critical minerals between the United States and China, Chile's role has become even more important strategically for both parties. For the United States, countering Chinese interest in the region's mineral sector and in strategic infrastructure with the help of Chile is vital, and it is a major factor driving U.S.–Chile military cooperation.

49 "Arms Imports (SIPRI Trend Indicator Values) - Chile," World Bank, accessed March 18, 2026, https://data.worldbank.org/indicator/MS.MIL.MPRT.KD?locations=CL.

50 Eva Vergara, "Pinera Eyes Chile's Military Funding," *Rutland Herald,* March 27, 2010, https://www.rutlandherald.com/news/pinera-eyes-chiles-military-funding/article_01d1d4e3-bb2f-5c19-9438-4aaed10ef.

51 Fabian Cambero, "Chile Abolishes Law Requiring State-run Copper Miner to Finance Military," *Voice of America,* July 24, 2019, https://www.voanews.com/a/americas_chile-abolishes-law-requiring-state-run-copper-miner-finance-military/6172551.html.

52 Emma Kaboli, "Critical Minerals and Materials for Selected Energy Technologies," Congressional Research Service, March 5, 2025, https://www.congress.gov/crs-product/R48149.

Chile's largest commercial partner is China, and the second largest one is the United States. Besides traditional commercial activity, the Chinese presence in dual-use infrastructure and critical mineral mining has significantly increased in Chile in the last ten years, but particularly under the socialist Boric government. Some years ago, 57 percent of Chile's electricity grid and supply went to business interests in the People's Republic of China. This and other Latin American electricity networks are controlled via the Chinese space agency's (military) BDS satellites.[53] The recent revelation of the plan regarding an undersea digital cable construction between China and Chile is another sign of strategic interest from the part of China.[54] Chile recognizes that Chinese interests and commercial actions might be laden with concealed motives, which run counter to the long-term interests of the country.[55]

With the departure of president Boric and the newcoming head of state, conservative José Antonio Kast, Chile's navy, air force, and army are expected to increase spending, focusing on modernization while strengthening strategic alliances.[56] Kast can justify increased military budget and arms import because significant external security threats exist: territorial disputes with Bolivia, a massive flow of illegal immigrants from Venezuela, and international narcotrafficking from the country's northern borders. Chile must also replace its aging submarines and amphibious ships and acquire modern drone technology. It is in the interest of the United States to strengthen regional stability through Chile while reducing Chinese interference in the country.

### *Mexico: Regional Security*

In the case of Mexico, the primary concern for the United States is regional security. Mexico shares a land border of over 3,000 kilometers with the United States. A significant proportion of the Mexican border area and a large part of northern Mexico is *de facto* cartel-controlled, and the presence of Mexican

53 Evan L. Pettus, "The Expanding Leverage of the People's Republic of China in Latin America: Implications for US National Security and Global Order," *Journal of Indo-Pacific Affairs,* October 5, 2023, https://www.southcom.mil/MEDIA/NEWS-ARTICLES/Article/3553735/the-expanding-leverage-of-the-peoples-republic-of-china-in-latin-america-implic/.

54 Antonia Mufarech and Carolina Gonzalez, "US Revokes Visas for Chile Officials Over China Cable Plan," *Bloomberg,* February 20, 2026, https://www.bloomberg.com/news/articles/2026-02-20/us-restricts-visas-for-chile-officials-citing-regional-security.

55 Vaccarezza et al., "Countering the Trojan Dragon."

56 Harry McNeil, "Chile's Defence Market Poised for Modernisation Amidst Political Stability," *Army Technology*, July 20, 2023, https://www.army-technology.com/news/chile-defence-market-poised-for-modernisation-amidst-political-stability/?cf-view.

military and federal police (*guardia nacional*) is very limited. Crime associated with drug trafficking is extremely high and spills over the U.S. border. This is the same border across which most illegal immigrants arrive to the United States. In addition, narcotics pouring into the United States fuels further violence and constitutes a national health hazard.[57] Subsequently, the goal of the United States regarding Mexico is to strengthen its ability to fight organized crime and illegal immigration so that it can function as a forward garrison against the flux of other non-desirable elements from Central America.

Having a large territory south of the United States where the Mexican authorities are fighting an inefficient war against crime presents a national security challenge, thus putting political pressure on Washington to interfere. President Trump promised the complete elimination of the cartels, of which six were recently designated as foreign terrorist organizations. One way to enhance efforts against the cartel is the export of military-grade weapons to the Mexican army.[58] Powerful cartels receive their weapons from illegal U.S. sources (either from looted army depots or legally bought guns) via smugglers. These are often high-powered, military-grade weapons like .50 caliber rifles and, in some cases, military-style machine guns, which pose a particular danger to the drug-fighting Mexican forces. The United States therefore uses a combined tactic, trying to stop the flow of illegal weapons to Mexico (Operations Southbound[59]), while supporting the Mexican authorities with adequate armaments and training through bilateral security frameworks like the Merida Initiative or the Bicentennial Framework.[60] Arms exports form part of a complex counter-narcotics policy, which includes training, anti-corruption measures, and anti-money laundering efforts, among other tools.

Overall, for Washington, exporting weapons and defense systems to Mexico contributes to the foreign policy and national security of the United States. In Mexico, only the Department of Defense (*Secretaria de Defensa* - SEDENA) is

57 Pan American Health Organization, "Drug Use Disorders a Growing Public Health Concern in the Americas, PAHO Study Finds," January 14, 2026, https://www.paho.org/en/news/14-1-2026-drug-use-disorders-growing-public-health-concern-americas-paho-study-finds.

58 The White House, "Designating Cartels and Other Organizations as Foreign Terrorist Organizations and Specially Designated Global Terrorists," January 20, 2025, https://www.whitehouse.gov/presidential-actions/2025/01/designating-cartels-and-other-organizations-as-foreign-terrorist-organizations-and-specially-designated-global-terrorists/.

59 Caguichi, "In 4 Months, US Seized Nearly 10,000 Firearms Bound for Mexico," *Mexico News Daily,* May 7, 2025, https://mexiconewsdaily.com/news/atf-trump-intensifies-firearms-trafficking-mexico/.

60 Congressional Research Service, "Evolution of U.S.-Mexico Security Cooperation," December 11, 2025, https://www.congress.gov/crs_external_products/IF/HTML/IF10578.web.html.

licensed to import arms. The major provider is the United States (52 percent), followed by Israel (24 percent) and Czechia (9 percent).[61] Of all the U.S. firearms sales to Latin America, Mexico accounts for about 50 percent.[62] U.S. arms sales to Mexico focus on four areas: (1) Among small arms and personal weapons with vast amounts of ammunition, AR-15 variants, Sig Sauer, Glocks and Berettas, and high-powered .50-calibre Barretts dominate the market. (2) Over 2,000 reinforced Humvees and other APCs were sold in the past years so they can more easily withstand high-caliber machinegun fire. (3) The United States has also sold numerous Sikorsky Black Hawk and Bell helicopters equipped with miniguns. (4) Sales of maritime defense systems, including anti-ship missiles and torpedoes, are significant as well.[63]

Some of the U.S. weapons delivered to the Mexican military and police end up in the hands of cartel members because of collusion and corruption. According to certain U.S. estimates, about 32 percent of these weapons are unaccounted for![64] Research has established that increasing flows of small arms into regions with relatively low state capacity (like the northern regions of Mexico) increases homicide rates. When it is easy to get arms and a state is dealing with corruption and internal conflict, the chances are rather high that small arms sales would aggravate the violence.[65] In the future, it is important that the United States and Mexico establish a more transparent way to follow the route of legally purchased armaments. Easy access to guns in the United States fuels an "iron river" of firearms trafficking into Mexico, arming cartels. The United States should therefore establish better control of looted and legally purchased arms from its territory reaching the Mexican border, while Mexico should curb its corruption within its own armed forces. Both nations have acknowledged the crisis, with recent initiatives like *Misión Cortafuegos* launched in 2025 to curb illegal arms trafficking, alongside increased

61 Mexican Ministry of Economy, "Armas – Intercambio comercial de México" [Weapons – Mexico's Trade], 2024, https://www.economia.gob.mx/datamexico/es/profile/product/weapons.

62 John Lindsay-Poland, "Free Trade Firepower: The Growing Hemispheric Gun Trade," North American Congress on Latin America, November 9, 2023, https://nacla.org/free-trade-firepower/.

63 Robert Beckhusen, "Mexico Is Arming Itself with U.S. Military Hardware," *Medium,* April 1, 2015, https://medium.com/war-is-boring/mexico-is-arming-itself-with-u-s-military-hardware-a57c-91b8283a.

64 Diana Escalante Ilarraza, "U.S. Arms Exports in the Mexican War on Drugs: A Violation of the Arms Trade Treaty," American University, March 28, 2011, https://jgspl.org/u-s-arms-exports-mexican-war-drugs-violation-arms-trade-treaty/.

65 A. Trevor Thrall and Jordan Cohen, "2021 Arms Sales Risk Index," CATO Institute, January 18, 2022, https://www.cato.org/study/2021-arms-sales-risk-index#salw-sales-risk-amplifying-violence-conflict.

joint security cooperation.[66] Thanks to this initiative, for the first time, the United States and Mexico are implementing joint inspections, real-time information sharing, and expanded investigations to stop the weapons that fuel the cartels. Success depends on whether parallel efforts to curb the drug cartels' access to illegal guns are effective.

## CONCLUSION

Arms transfers have always been instruments of American strategy. The Trump administration's America First Arms Transfer Strategy formalizes what has long been true: weapons are currency in the international system. In Argentina, Brazil, Chile, and Mexico, the United States is not merely selling weapons; it is purchasing leverage over supply chains, security alignments, and the geopolitical orientation of the Western Hemisphere. Across the four case studies, three patterns emerge. First, countering China is a consistent theme in the American rationale to transfer weapons to these countries. In Argentina and Chile, arms transfers serve to constrain Beijing's security footprint while reinforcing American-aligned defense interoperability. In Brazil, they function as both a hedge against China's expanding reach and as a mechanism to bind Latin America's largest power closer to U.S. defense-industrial networks, although challenges have arisen in this regard. Second, critical minerals have become a central strategic driver of decision-making. Lithium, copper, and rare earths are the material foundation of advanced weapons systems and emerging technologies. Securing reliable access to them is inseparable from sustaining U.S. military primacy. Third, regional stability, particularly in Mexico, is critical to not only sustaining American geopolitical dominance in the region, but also to domestic security in the U.S. homeland. The narcotics crisis and cartel violence are not peripheral issues but direct threats to U.S. domestic security, making arms transfers a core aspect to the broader strategy against criminal elements in Latin America.

In an era of great power competition, the Western Hemisphere has re-emerged as a contested strategic terrain. The United States is now responding to its neglect of the region, as it pursued other issues, through a reassertion of American military might and through the arms trade. However, the evidence

66 "¿En qué consiste la Misión Cortafuegos? El acuerdo entre México y EE.UU. contra el tráfico de armas" [What Is the Firewall Mission? The Agreement between Mexico and the U.S. to Combat Arms Trafficking], *TRT Espanol*, October 2, 2025, https://www.trtespanol.com/article/662d7a543b4c.

shows that China's economic entrenchment cannot just be undone by arms sales alone. For example, political divergences between certain Latin American countries and Washington can complicate deeper defense integration, which, in the case of Brazil, it has done. The real test is whether Washington can integrate arms transfers, as part of the Trump administration's new strategy, into an effective Western Hemispheric strategy that not only balances competition with China, but secures the industrial foundations to American power and manages the divergences in a sustainable way.

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