U.S. POLICY TOWARD THE AMERICAS AS A RESULT OF THE FALKLANDS CRISIS *

INTRODUCTION

The conflict over the Falklands has resulted in strains in our relations with Latin America that have serious implications for U.S. interests and objectives in the region. Among the major tasks to be undertaken to repair this damage are the following: rebuilding and advancing positive diplomatic and military relationships with Latin America; reinvigorating the Inter-American system; gaining the active cooperation of other states to prevent further Communist inroads in this hemisphere; preventing other territorial disputes from erupting into armed conflicts; ensuring an appropriate role in the region's acquisition of weapons for legitimate self-defense without fostering an arms race; and limiting/monitoring the introduction of high technology weapons and the development of nuclear devices.

This National Security Study Directive (NSSD) establishes the guidelines for a basic reassessment of U.S. political, economic, military and intelligence programs and policies in the hemisphere, including arms and technology transfer, economic policies and the conduct of diplomacy. The result should be a series of policy measures in each of these areas designed to ensure a dynamic program to promote U.S. interests now and over the next decade together with implementing strategy.

SCOPE

This NSSD will address as a minimum the following topics:

-- U.S. interests in the region together with the priority in which they should be pursued in view of the crisis.

* This NSSD will build upon and embrace policy previously established by this Administration.
The nature of the damage to U.S. interests brought on by the crisis and the additional damage that would accrue if the Argentine-U.K. confrontation is not definitively resolved.

Assessment of the major threats to our interests in the region from whatever quarter.

Assessment of the threats within the region, e.g., conflict, instability, terrorism.

Specific U.S. objectives, both regionally and bilaterally.

Political, economic and other means/resources for securing these objectives.

Overall U.S. strategy inside the hemisphere, to address the problems, including:

- political/diplomatic strategy
- security strategy, including security assistance for the Americas
- intelligence strategy
- economic/trade strategy

Priority initiatives, which should be undertaken to support the overall strategy.

U.S. public/private declaratory policy.

Review of applicable U.S. laws, e.g., the Security Assistance Act, Arms Transfer, Nuclear Non-proliferation Act, restrictive amendments, etc.

ADMINISTRATION

This study will be conducted by the Interagency Group on Latin America, chaired by the Assistant Secretary of State for Inter-American Affairs. It should include representatives from the Departments of Treasury and Defense, the Central Intelligence Agency, the Joint Chiefs of Staff, the International Communications Agency, the office of the United States Trade Representative, and the National Security Council staff.

R. Reagan