

**364. Memorandum From Secretary of State Haig to  
President Reagan<sup>1</sup>**

Washington, June 24, 1982

[Omitted here is discussion of issues unrelated to the South Atlantic.]

2. *Senior Interagency Group (SIG) Meeting on Post-Falklands Policy Toward Latin America.* Larry Eagleburger chaired a SIG meeting to address next steps in Latin America in the wake of the Falklands episode.<sup>2</sup> While there has been short-term damage to our relations with the hemisphere, it was generally felt that as emotionalism subsides most countries will resume business as usual with the United States—but with some new twists that require further analysis. Demands for

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<sup>1</sup> Source: Department of State, Executive Secretariat, Very Sensitive Correspondence Files of Alexander M. Haig, Jr., March 1981–February 1983, Lot 83D288, Evening Reading—June 1982. Confidential.

<sup>2</sup> See footnote 3, Document 362.

advanced military technology may increase, but the deep indebtedness of many countries may limit expansion of military budgets. Cuban opportunities for mischief will be few but the Soviets will have several, particularly through military sales to Argentina.

The Group concluded that our basic priority in favor of Mexico and the Caribbean Basin should not be changed. On the contrary: Latins will view our ability to follow through on the Caribbean Basin Initiative as a litmus test of U.S. attitudes toward the hemisphere. Overall, we should continue careful application of existing policies within our present guidelines, rather than begin any special U.S. programs or policies in the wake of the Falklands war. Finally, the Group believes that public relations efforts toward Latin America, such as those suggested by President Monge to you today,<sup>3</sup> can help rebuild an atmosphere of trust in the hemisphere. (C)

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<sup>3</sup> Likely a mistaken reference to Reagan's June 22 meeting with Monge at the White House. According to the President's Daily Diary, the two leaders met in the Oval Office from 11 a.m. until 12:03 p.m. (Reagan Library, President's Daily Diary)