

## 416. National Security Decision Directive 71<sup>1</sup>

Washington, November 30, 1982

### *U.S. Policy Toward Latin America In the Wake of the Falklands Crisis (S)*

The Falklands crisis has strained relations with several Latin American countries and resulted in uncertainty regarding the long-range policy goals of the United States in the region. This in turn has increased the potential for instability in Central and South America. (C)

U.S. national interests in Latin America and the region dictate policies that achieve the following objectives:

- a region free of Soviet-dominated or hostile governments;
- the development of stable and democratic political systems and institutions which promote respect for basic human rights;
- cooperative bilateral relations to deal with security and other issues flowing from geographic proximity;
- advancement of major U.S. trade and investment;
- access to raw materials;
- prevention of nuclear proliferation;
- maintenance of stable balances of power among the states in the region; and
- receptivity to U.S. leadership. (S)

Achieving these objectives has been complicated by the Falklands crisis. Accordingly, our policy must be aimed at ameliorating the following specific problems:

- Instability and irredentism in Argentina, which implies new opportunities for the USSR to gain access to a strategic position in the Southern Cone;
- Disillusionment with U.S. leadership in Venezuela and elsewhere, which provides tempting opportunities for Cuba to reduce its inter-American isolation;
- The need to improve U.S. relations with Brazil, recognizing Brazil's increased importance as a potential stabilizing factor in South America at a time when mounting economic and financial difficulties

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<sup>1</sup> Source: National Security Council, National Security Council Institutional Files, NSDD 0071 U.S. Policy Towards Latin America in the Wake of the Falklands Crisis. Top Secret. The NSDD was sent to Shultz, Weinberger, Casey, and Vessey under a December 2 covering memorandum from McFarlane on behalf of Clark, informing the recipients of Reagan's approval of it.

are eroding our ties and influence there and in the region as a whole.

- The vulnerability of burgeoning free enterprise economies and developing political institutions to radical insurgent movements supported by the Soviet Union and/or its surrogates.

- The interdiction threat to U.S. aerial and maritime routes in the Caribbean Basin by potentially hostile airbases and the introduction/augmentation of Soviet Bloc tactical aircraft and weaponry. (TS)

In redressing these problems, the highest priority for the United States will continue to be the reduction—and eventual elimination—of the influence and presence of the Soviet Union or its client states in our immediate environs—Central America, the Caribbean and Mexico. This will be accomplished through a coordinated application of our diplomatic, economic, military, intelligence and informational resources in the Caribbean Basin and Central America. (TS)

Our second priority is to restore and reassert United States influence in South America. To this end we will:

- Maintain our diplomatic position on the fundamental Falklands issues as it existed prior to the crisis. Specifically: The U.S. will continue as a neutral on the question of sovereignty over the islands and support negotiations, mediation or other peaceful efforts to resolve this dispute;

- Attempt to preserve a regional political and military balance, by seeking certification for Argentina and Chile, as eligible for U.S. military sales, jointly if possible, and as early in the new Congress as feasible. In order to progress on this initiative, the State Department will intensify efforts to resolve those issues that currently proscribe arms transfers to Chile and Argentina.

- Rebuild a close relationship with Brazil, through:
  - increased Cabinet-level, government-to-government consultations
  - renewed cooperation in economic trade and military training
  - enhanced cooperation in science and technology (particularly space activities)
  - a dialogue on nuclear issues, and
  - exploration, over time, of arms co-production agreements.

To develop this process, the U.S. will seek appropriate positive action by Brazil on the issue of nuclear non-proliferation (e.g., restraint in exports to sensitive regions and progress in discussions on the Treaty of Tlatelolco and safeguards). We will further attempt to resolve the matter of nuclear supply and permit resumed nuclear cooperation with Brazil. As contacts on these issues show progress, in order to encourage significant movement on non-proliferation concerns, consideration will

be given to seeking waivers to the Glenn/Symington amendment,<sup>2</sup> permitting enhanced military training cooperation.

- The U.S. will continue to seek prevention of regional arms races, to preserve sub-regional arms balances and to upgrade bilateral military ties. In order to support the legitimate security needs of democratic governments, the Department of State, in coordination with the Department of Defense, will use flexibility, within NSDD-5 guidelines,<sup>3</sup> to respond promptly to arms transfer requests. Measures will specifically be taken to reduce Peru's dependence on Soviet arms supplies.

- Within resource constraints, the U.S. will maintain assistance efforts in such economically weak states as Bolivia, Ecuador, and Paraguay. (S)

The aforementioned program—aimed first at the Caribbean Basin/Central American region, and second at South America—will be effected in concert with the following overall hemispheric actions:

- The United States will pursue more active bilateral diplomatic contacts throughout the continent in order to stay efforts to alter the Inter-American System. We will use a series of *ad hoc* bilateral cabinet-level meetings with substantial—though not exclusive—economic focus to show that dialogue with the U.S. is possible. Our Caribbean Basin Initiatives will serve as the framework for these discussions with the Central American States. In South America, the U.S. will lead with Brazil, Colombia, Peru, Venezuela, and then Argentina. Throughout, our goal is to support free enterprise economies and foster the investment and trade necessary to their growth.

- U.S. global sugar policy will be reviewed to assess its foreign and domestic impact on states in the region. If advantageous to our foreign policy goals, consideration will be given to establishing more flexible sugar import levels.

- We will use our influence through traditional diplomatic channels to promote development of democratic institutions and human rights in order to facilitate U.S. public support for expanded, closer relationships with the governments concerned.

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<sup>2</sup> The Symington Amendment of 1976 and the Glenn Amendment of 1977 amended the Foreign Assistance Act of 1961 to prohibit U.S. military assistance to countries that acquire or transfer nuclear reprocessing technology outside of international non-proliferation regimes or explode a nuclear device. The provision was included in the Arms Export Control Act of 1976.

<sup>3</sup> National Security Decision Directive 5, signed by Reagan on July 8, 1981, outlined the objectives of and criteria for U.S. conventional arms transfers. (Reagan Library, Executive Secretariat, National Security Council Decision Directives (NSDD), NSDD 5 [Conventional Arms Transfer Policy])

- A concerted effort will be made to increase U.S. military influence in the hemisphere through promotion of U.S. military training and doctrine, greater use of small mobile training teams, expanded military personnel exchanges and increased International Military Education and Training (IMET) resources. To implement this program the Department of Defense, in cooperation with the Department of State and the Director of Central Intelligence will develop a comprehensive prioritized list of defense requirements, by country, and propose a strategy for implementation.

- In order that we can take a pro-active stance in our relations with Central and South American states, the DCI will improve intelligence collection on and analysis of Soviet bloc and Cuban actions which may create internal instability or problems in bilateral relations with the U.S. (TS)

**Ronald Reagan**