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Falkland Islands Dispute

I. British Request for Support in applying Sanctions Against Argentina

1. The British request for support for sanctions against Argentina has taken two forms:

- (a) Bilateral
- (b) Within the Community framework.

The British Embassy made an approach yesterday with a request that Ireland take the following measures:

- (i) impose an embargo on the export of military and other strategic equipment to Argentina
- (ii) withhold the granting of export credit guarantees to Irish firms selling into the Argentinian market.

At the same time, two other requests more political in nature were made viz.: (a) to call in the Argentine Ambassador and formally make known to him our attitude to Argentina's action in defiance of the Security Council and (b) to withdraw our own Ambassador "for consultations".

It is understood that similar requests were being made by Britain in other capitals.

Subsequently with regard to Community action, the British Embassy called again this morning, 6 April, 1982, with a request that Ireland accede to a British proposal which would be made later today in COREPER by which a request to partners to apply a full-range of import restrictions on Argentina. Details of the measures sought are set out separately

II. Political implications of the British request

2. The British proposal is that partners apply sanctions against Argentina on the basis of Article 224 of the Treaty of Rome which provides that:

"Member States shall consult each other with a view to taking together the steps needed to prevent the functioning of the common market being affected by measures which a Member State may be called upon to take in the event of serious internal disturbances affecting the maintenance of law and order, in the event of war serious international tension constituting a threat of war, or in order to carry out obligations it has accepted for the purpose of maintaining peace and international security."

3. This is the basis on which Britain itself proposes to take action against Argentina in so far as that action impinges on her Community obligations.

The fact that Britain has invoked Article 224 rather than 113 which would require joint Community action may have been dictated by a desire to get measures agreed speedily. However by placing the obligation on each individual Member State to react, the UK in effect is setting each of its partners a political test.

Since none of them can easily resort to the ploy of indicating a willingness to agree to measures if these were Community wide, in order to avoid the obligation of taking a national decision, each partner would be obliged to respond individually to the British request.

Consequently, from a political point of view the decision taken by each partner for or against will have an impact on bilateral relations with the UK at a moment of evident national and international crisis for Britain.

4. The wider international political implications, include: the following

- (i) The objective stated by the UK in seeking sanctions is to try to put morimum international economic pressure rapidly on Argentina with a view to achieving the political objective of UN withdrawal from the islands without the use of force. A British Embassy official indicated that this was the case, although naturally it would not be in British interests to have this interpreted as a lack of determination on her part to use force if necessary.
- (ii) neither Britian, on the basis of the Security Council Resolution of April 3, is in a position to seek mandatory United Nations sanctions which would be universal in scope against Argentina, it is unlikely that the British will seek such a decision since it would almost certainly be vetoed either by the Soviet Union or China, the former trading partner of Argentina.
- (iii) Nonetheless it is a fact that Argentina has acted in clear defiance of the Security Council and thus placed itself in a position where the international community if it so willed could justifiably apply sanctions. A comparable although not wholly similar situation arose in the case of Iran during the hostage crisis. The US Government sought sanctions against Iran in the Security Council and when due to a Soviet veto they did not succeed asked their friends and allies to act veto they did not succeed asking their friends and allies to act vis-a-vis Iran as if a resolution applying sanctions had been adopted. Thus, the UK is seeking analogous action on the part of its Community partners and is likely to request the same response from its allies in NATO and other Commonwealth countries.

III. Economic implications

5. Obviously, apart from the political factors, any decision or the attitude to take to the British request must take into account the economic interests involved. A cut-off of imports from Argentina by us in concert with our Community partners (even if this were not done under Article 113) would not have serious repercussions for industry here since the quantity, range and nature of the goods are relatively small and easily replaced. The risk, therefore, involved is that of retaliation by Argentina against Irish exports. For this reason, it will be necessary to establish:

- (a) whether in fact such retaliation is likely to take place; and
- (b) whether in any event the impact of the Falkland islands crisis on trade with Argentina and on the already over-stretched Argentinian economy will make export to that country and the granting of related export credit guarantees a bad risk in business terms thereby obliging Irish firms to look elsewhere.

IV. Implications for Anglo/Irish Relations

6. (1) Britain is involved in a major national and international crisis - in effect faced with the prospect of war in defence of what the government has (however rashly) made an issue of national credibility.
- (11) Whatever about the merits of the dispute (and in this we have taken, over the years, a stance which favours the ceding of sovereignty over the Falkland islands to Argentina), it is a fact that Argentina has acted in defiance of the Security Council. Politically given the time pressure and the likelihood of a Soviet or other veto, the UK has little chance of succeeding in obtaining mandatory sanctions via the Security Council in time for these to be diplomatically useful, even if they were to succeed in getting a resolution passed.
- (111) Therefore, Britain has resorted to seeking bilateral and Community support and solidarity and has done so in a way which will put pressure on each country she has approached to respond individually. If we were to accede to the UK's request, this would build up credit which could be turned to political and economic advantage, if not immediately at least in the long term, and not only with the present administration in the UK, given the degree of national solidarity which has been displayed in the UK on this issue. By the same

token, to refuse to support Britain or to respond in a dilatory or evasive way would almost certainly incur British ill-will and have a negative impact both on our bilateral relations generally and on British willingness to move forward on the economic and political questions on which we have differences. Moreover a refusal by the Community to show solidarity could affect continuing British membership with consequent damaging effects for Ireland.

7. There are other considerations which must be borne in mind and which would argue for a less forthcoming approach on our part:

- (1) Eventhough we have been careful to avoid taking sides on the substance of the dispute between the UK and Argentina and have explicitly emphasised this stance in the Security Council and in discussions among the Ten, to support the idea of sanctions or to implement them could be construed as taking sides in the dispute itself, particularly since the measures which Britain is looking for are not being sought simultaneously in the Security Council.
- (11) It is likely that there would be some criticism of such a stance from the Argentinians and among sections of Irish/Argentinian opinion who not suprisingly are partisan of the Argentinian point of view and domestically from the "neutrality lobby".
- (111) The willingness to apply sanctions against ARgentina or the actual imposition of such measures could give rise, in time, to demands for similar measures outside the framework of the United Nations e.g. against South Africa.

V. Recommendation

8. It is difficult in a situation of this kind, given the issues which are at stake to give a conclusive, recommendation i.e. one which will meet fully the complexities of the case and accord one hundred per cent with our national interests. Nonetheless, and weighing the various factors involved, it would seem that the following line would best meet the needs of the situation, in terms of our bilateral relations, our international obligations and our national interest.

- (1) We should continue to act politically consistent with the approach which we have taken, as a result of the events which triggered off this crisis namely, the armed intervention of Argentina in defiance of the Security Council.
- (11) We are likely to add to the credit which has already accrued in our bilateral relations (judging from the response of British politicians of all parties and the media) by indicating a willingness to go along with Community action and by taking some of the bilateral measures which the British have sought e.g. talking to the

Argentiniens, imposing an embargo on exports of military equipment etc. Conversely an evident unwillingness to "be helpful" will almost certainly harm our relations in the medium and long term with any British administration.

- (111) The likelihood of Britain being able to obtain effective action as distinct from token support in the Community in the time required is not great and consequently the measures we shall be asked to take may not amount to much in practice.
- (iv) We might therefore indicate:
- a willingness to consider these measures carefully
 - argue that the most effective measures are those which would be applied by the Community as a whole i.e. via Article 113; but nonetheless
 - signal a willingness to apply national measures if a reasonable number of our partners will do likewise.
- (v) If it is decided to respond favourably to the British request, there might be advantage in making this response known to the British Prime Minister who is writing to the Taoiseach, e.g. by a telephone call from the Taoiseach. On that occasion our willingness to respond favourably might be employed in order to suggest that the UK might reciprocate on specific economic issues which are of considerable interest to the Government. The Taoiseach might also refer to a willingness to try to be helpful in the context if Britain wishes to have resort to the peace-making and peace-keeping machinery available to the UN. (However it must be said that our role in this regard, however modest, might not be enhanced vis-a-vis the Argentiniens at least, by our participation in economic measures directed against that country).

¶. In sum, there is more to be gained, despite the risks and despite our attitudes on the merits of the case and the rash judgement which has brought the UK into its present predicament from a display of political good-will combined with cautious cooperation in the economic field, than from appearing to be negative or unduly dilatory.

for you

Political Division

Department of Foreign Affairs

6 April, 1982