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## European Community

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# EC torn over the Argentine sanctions

by Renée Sigerson and Mark Sonnenblick

Angry opposition to the European Community's economic sanctions against Argentina emerged by the end of April, and at the beginning of May Europe was in turmoil on the question.

On April 28, twenty Italian industrial and political leaders formed an Ad Hoc Committee Against Sanctions, calling on Italian President Sandro Pertini to use his influence and authority to have the sanctions revoked immediately. The initiative was launched by Fiorella Operto, secretary-general of the European Labor Party (POE) in Italy, and the initial members include representatives of meat and grain importing companies, Christian Democratic spokesmen, and leaders of the Italian community in Argentina.

The Bund Deutscher Industrien (German Industrial Federation) issued a public demand April 27 for nonrenewal of the sanctions, and on the same day, West German Christian Democrat Walter Leisler Kiep, a member of Parliament, stepped forward as the first leading West German politician to publicly denounce the sanctions. Kiep made his announcement after discussions in Bonn between a delegation of Latin American Christian Democrats and members of the West German CDU. Following that meeting, speculation was picked up in Bonn that the CDU may shift support behind Argentina.

### Some background

Italian businessmen told *EIR* at the end of April that the trade sanctions imposed April 14 on Argentina by unanimous decision of the 10-member European Community (EC) were conditional on Great Britain's abstention from military action in the Malvinas Islands. The *Observer* of London reported April 25 that "the decision to show solidarity with Britain was reached so quickly because of an unwritten agreement between the EC partners that the embargo on trade with Argentina would be lifted immediately if the British abandoned diplomacy in favor of force."

According to Italian and German industrialists, the EC wanted to appease London, and its threats of pulling troops out of Berlin, by *substituting* the economic sanctions for Britain's armed onslaught against Ar-

gentina. Following Britain's attack on the Argentines, the deal appears to be off, even before the official expiration of the sanctions on May 17.

The sanctions were voted at an EC meeting on April 14, but did not go into effect until April 17. A leader of an Argentine business delegation to Italy told *EIR* in late April that Bonn and Rome had engineered the 48-hour delay of the start of the sanctions. During two business days, he said, many of the European countries signed a mountain of new trade deals. West Germany and Italy, with support from countries such as Holland, had also pushed through an EC stipulation that economic deals signed before April 17 would not be affected by the sanctions.

And on April 29, the French Foreign Ministry reversed its initial position of one-sided condemnation of Argentina, and officially demanded that London immediately resume negotiations for a non-violent settlement. The Mitterrand government had opportunistically hoped to trade off British concessions on the EC-budget for all-out support of Britain in the Malvinas. When Britain broke its side of the deal, France did not feel bound by it; and French opinion is by no means heavily in favor of an alliance with Britain. The anglo-philic Socialist government is juggling day by day.

### No great damage

The pre-existing economic deals between EC members and Argentina are still in effect; most of the grain harvest has already been shipped, and exports continue to flow to Europe. The sanctions simply mean that for a month, no new deals may be concluded. The director of the Argentine Trade Office in New York, Ricardo Fox, told *EIR* that if necessary, Argentina could use third-party arrangements to circumvent the boycott. The condemnation of the EC boycott by the Latin America Association for Integration and Economic Development shows Latin America will be quite willing to help Argentina move the large harvest expected during the second half of this year.

Britain buys merely 2.1 percent of Argentina's exports, while the EC as a whole is taking 26 percent. Europe's percentage of Argentine exports has dropped from 40 percent several years ago due to the ever-increasing importance of the Soviet Union as a buyer of Argentine grain and meat. The Soviets already are buying three-fourths of Argentine grain exports. Western Europe understands that to the extent that Britain is able to squeeze Argentina out of its traditional Western markets, the economic influence of the Soviet Union in Argentina will advance. The official spokesman of the Argentine Air Force, Vice-Commodore Eduardo Fontaine, probably had such a shift in Argentine allies in mind when he warned, "The United States very well may be the biggest loser."