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P.M.'s meeting with Mr. Van Agt in The Hague;
February 1981: Policy.

NETHERLANDS

DECEMBER 1980

Referred to	Date	Referred to	Date	Referred to	Date	Referred to	Date
23.1.81							
4.2.81							
9.2.81							
13.2.81							
PREM 19/552							

PS / No. 10 Downing Street .
210



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With the compliments of

WESTERN EUROPEAN
DEPARTMENT

Nickolas Amour

FOREIGN AND COMMONWEALTH OFFICE,
LONDON, SW1A 2AH



Netherlands
BRITISH EMBASSY
THE HAGUE

13 February 1981

The Right Honourable The Lord Carrington KCMG MC
Secretary of State for Foreign and Commonwealth Affairs
London SW1

My Lord,

VISIT TO THE NETHERLANDS BY THE PRIME MINISTER ON 6 FEBRUARY 1981

1. I have the honour to report that the Prime Minister, the Right Honourable Margaret Thatcher MP, paid a short working visit to the Netherlands on 6 February. She was accompanied by her Private Secretary for Overseas Affairs, Mr M O'D B Alexander, her Press Secretary, Mr B Ingham, and by Mr J L Bullard (FCO) and Mr M D M Franklin (Cabinet Office).

2. During her visit Mrs Thatcher was received in audience by Queen Beatrix, and had talks with the Netherlands Prime Minister, Mr van Agt (who was supported by the Minister of Foreign Affairs, Dr van der Klaauw, and the State Secretary for Foreign Affairs, Mr van der Mei). She also met over lunch the Minister of Finance, Mr van der Stee, and the President of the Netherlands Central Bank, Dr Zijlstra. I enclose the full programme of the visit.

3. Mrs Thatcher's visit to the Netherlands - her second following that made as Leader of the Opposition in December

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1976, but her first since becoming Prime Minister - came at a time when Mr van Agt was facing a number of difficult problems in an atmosphere increasingly affected by the approach of the general elections due on 26 May. Only three days before she arrived the Government had been defeated in the Second Chamber on a motion calling for the reversal of the decision to grant the Dutch heavy industry conglomerate RSV export licences to supply Taiwan with two submarines. Debate on at least two other controversial issues in Dutch politics, nuclear energy and TNF modernisation, is again running at a high pitch; and disagreements about them in both the Government and the CDA have left Mr van Agt in an uncomfortable position.

4. Yet Mr van Agt has long been at pains to present in public the image of a man unworried by domestic political turmoil. He (and his Ministers) went to particular pains to ensure that Mrs Thatcher's visit passed off without a hitch. The traditional Cabinet meeting held here on Fridays was postponed to permit Mr van Agt to play the fullest part in welcoming Mrs Thatcher. We for our part can conclude with confidence that the visit had the intended effect.

5. In planning the visit our main objectives were:
- (a) to reaffirm the Government's commitment to Europe; and to put across our views on the main Community issues of the day, bearing in mind the current Dutch Presidency, and the fact that the UK will succeed the Netherlands on 1 July;

/(b)



- (b) to demonstrate that Dutch attitudes and concerns are of importance to us;
- (c) to emphasise the importance of ensuring the continued cohesion and effectiveness of NATO and of maintaining solidarity over the role of nuclear weapons in NATO strategy.

6. The talks between the two sides were held in a markedly cordial atmosphere, both in private discussion between the two Prime Ministers (joined later by Dr van der Klaauw) and in plenary session. The strength of the Government's commitment to the Community was an aspect of which the Dutch had already taken note, but they were undoubtedly glad to have this underlined by Mrs Thatcher herself. Mr van Agt paid tribute to the constructive nature of recent UK policy on the outstanding fisheries problems, and took careful note of our concerns on agricultural prices and a number of other subjects. The Prime Minister for her part showed an evident sympathy for Dutch concerns which was much appreciated by her hosts.

7. The Dutch were also left in no doubt about the importance we attach to the maintenance of NATO solidarity, and to a positive decision by the Netherlands on TNF modernisation. The public statements made by the Prime Minister on this issue in the run-up to and during her visit came to many of her Dutch listeners, perplexed by the failure of their own Ministers to

/provide



provide a lead, as a breath of fresh air. And while the problem of guiding public opinion naturally remains one primarily for Netherlands Ministers, Mrs Thatcher's remarks have had a valuable effect in causing her listeners to sit up and think rather more coolly about the dangers inherent in the policies now being advocated by some Dutch political parties. From the start the visit attracted widespread interest from the media. The Prime Minister gave an interview to the independent Netherlands Broadcasting Corporation, NOS, a few days before the visit took place and this secured a wide audience. The joint press conference given by Mrs Thatcher and Mr van Agt was well attended and brief, separate television interviews given on the day of the visit to the BBC, ITN and NOS were also much appreciated.

8. In sum, this was a most successful working visit which will help to set the seal on the cooperation and collaboration which had been so marked a feature of Anglo-Dutch relations in recent years. It came at a particularly opportune moment as regards the Community and indeed the NATO Alliance. All concerned are most grateful to the Prime Minister for undertaking it.

I have the honour to be
Your Lordship's obedient servant

R B R Hervey

SIT TO THE NETHERLANDS BY THE PRIME MINISTER ON 6 FEBRUARY 1981

ALL TIMES LOCAL

TRANSPORT PROGRAMME AT ANNEX

- 0945 Departure from London (RAF Northolt).
- 1015 HMA and meeting party leave Chancery/Residence for Ypenburg (RNLAf) airfield.
- 1045 Arrival at Ypenburg. Met by:
Netherlands Government
Mr van Agt, Netherlands Prime Minister
Royal Netherlands Air Force
Col J J François, Base Commander, Ypenburg
Ministry of Foreign Affairs
Jonkheer Beelaerts van Blokland, Director of Protocol
Representatives of: The Ministry of General Affairs
The Netherlands Information Service
- British Embassy
HE Sir Jock Taylor KCMG, HM Ambassador
Mr R B R Hervey CMG, Counsellor
Wing Commander R F Mudge, Air Attaché
Mr C R Budd, Head of Chancery
- 1100 The Prime Minister and Mr van Agt leave for Lange Voorhout Palace, The Hague.
- 1100 Other members of the delegation leave for the Embassy.
- 1115 The Prime Minister is received in audience by HM Queen Beatrix.
- 1115 Mr Bullard calls on the Netherlands Political Director, Mr Reinink, at the MFA (accompanied by Sir Jock Taylor).
Mr Franklin calls on the Director-General for European Integration, Mr Posthumus Meyjes, at the MFA (accompanied by Mr Hervey) (on foot).
and Miss Sargent
- 1145 Mr Alexander/leave Embassy for Catshuis.
- 1200 approx The Prime Minister, accompanied by Jhr Beelaerts van Blokland, leaves the Lange Voorhout Palace for the Catshuis.
- 1215 Talks at the Catshuis (the Prime Minister and Mr van Agt only).

1230

The Netherlands Foreign Minister, Dr van der Klaauw, Mr Alexander and Mr Holtslag join the talks.

1235

Other members of the delegation and HM Ambassador leave the Embassy for the Catshuis.

1300

Lunch at the Catshuis (attended on the UK side by the Prime Minister, HM Ambassador and Messrs Bullard, Franklin, Ingham and Alexander; and on the Dutch side by Mr van Agt, Mr van der Stee, Dr van der Klaauw, Mr van der Mei (State Secretary, MFA), Dr Zijlstra, Dr Reinink, Mr Posthumus Meyjes, Mr Fack (Netherlands Ambassador in London), Mr van de Graaf (Mr van Agt's PPS), and Mr Holtslag (Mr van Agt's PS for Foreign Affairs)).

1530

Talks resume at the Catshuis, attended by full delegations and note takers.

1630 approx

Departure for Binnenhof.

1645

Joint Press Conference (Treveszaal), followed by brief separate TV interviews (NOS, BBC and ITN).

1730 approx

Departure for Rotterdam (Zestienhoven) airport.

Seen off by: Mr van Agt

Jonkheer Beelaerts van Blokland

Mr Holtslag

HM Ambassador

1815

Departure for London (Northolt).



Netherlands

10 DOWNING STREET

From the Private Secretary

13 February 1981

Dear Francis,

Visit to the Hague

I enclose the record of the Prime Minister's discussion with the Dutch Prime Minister, in plenary session, in the Hague on 6 February.

I am sending copies of this letter and its enclosure to John Wiggins (HM Treasury) Kate Timms (Ministry of Agriculture, Fisheries and Food), Stuart Hampson (Department of Trade), Ian Ellison (Department of Industry), Julian West (Department of Energy) and David Wright (Cabinet Office).

Yours ever

Richard Alexander

F.J. Richards, Esq.,
Foreign and Commonwealth Office.

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Ref: A04248

PRIME MINISTERCommunity Affairs

1. You might wish to give the Cabinet a brief account of the Community aspects of your talks with the Dutch Prime Minister in the The Hague on 6 February. Mr van Agt agreed with you on the need to keep the pressure up on the Commission to produce their restructuring proposals in good time for the June European Council; thought this year's CAP price increases should average 8-9 per cent with less for surplus products; and made clear his support for our position on the Common Fisheries Policy.
2. If he is back from Brussels, you will wish the Minister of Agriculture to report on the outcome of the Fisheries Council. If the outcome is unsatisfactory, you could say that you will discuss the next steps with the Ministers immediately concerned. The question of further finance for the United Kingdom fishing industry, raised at last week's Cabinet, is coming to E Committee on 4 March.*
3. Next week the Finance Council meets on 16 February and the Foreign Affairs Council on 17 February.



Robert Armstrong

*. now, according to the MAFF, the first possible date: they cannot talk to the industry until next week, and then will not be able to put proposals together and submit them to Ministers before you go to Washington.

12th February 1981

SUBJECT.

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RECORD OF A MEETING BETWEEN THE NETHERLANDS PRIME MINISTER,
MR. VAN AGT, AND MRS. THATCHER, IN THE HAGUE AT 1530 HOURS
ON 6 FEBRUARY 1981

Present

The Prime Minister	Mr. A.A.M. van Agt
Sir Jock Taylor, KCMG	Dr. C.A. van der Klaauw
Mr. J.L. Bullard, CMG	Mr. D.F. van der Mei
Mr. M.D.M. Franklin, CMG, CB	Mr. R. Fack
Mr. M.O'D.B. Alexander	Dr. K.W. Reinink
Mr. B. Ingham	Mr. H.C. Posthumus Meyjes
Mr. R.B.R. Hervey, CMG	Mr. T. van de Graaf
Mr. C.R. Budd	Mr. P.C. Nieman
	Mr. H. de Ru
	Mr. J.W. Holtslag
	Mr. J.W. Bertens
	Mr. K.H. Birkman

* * * * *

Mr. van Agt began by asking the Prime Minister to repeat for the benefit of those not then present the gist of what she had said earlier in the afternoon about restructuring of the EC budget and agricultural prices for 1981/82.

The Prime Minister said that the first imperative was that the Commission should be urged to go ahead with all speed in preparing their proposals about the restructuring of the budget. There was no advantage in delay, for the situation would not improve. The present timetable, under which the Commission were scheduled to present their proposals by June, must not be allowed to slip.

For the UK it was important that agricultural prices should not go up by too much. The Government were trying to hold wages down: their own employees had been told that a six per cent increase would be the maximum this year, and some private firms, faced with the task of surviving the recession, would be unable to agree to even as much as that. If the British people were now against that background to hear of agricultural price increases averaging, say, eight

/ per cent

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per cent they would find that difficult to bear. The British Government would therefore want to limit these increases to a reasonable level, most of all in the case of products which were currently in surplus (wheat and barley being the latest additions to the list). The UK would press for an average figure of less than the eight to ten per cent wanted by some other countries, and would find it helpful if the Commission's opening proposals could be pitched at a suitably low level.

The Prime Minister added that a third problem which at the moment concerned her greatly was the Community's failure so far to agree on a common policy on fisheries. This was not for any lack of resolve on the part of the UK. We were ready to settle, and had thought at the end of last year that agreement had been very close. Unfortunately France was now preventing further progress. The UK for its part continued to think it important, in the interests of all the fishermen of the EC, that an agreement should be achieved; there could be no question of waiting for the French elections and thus allowing fresh problems to develop. The British hope was that the Presidency would be able to use its influence to secure progress.

Moving on to other topics, the Prime Minister said that the UK was also keen to see matters moved forward in 1981 with regard both to the Commission's proposals providing for freedom of insurance services and the liberalisation of civil aviation in the Community. Another subject of importance was steel: the present quota arrangements would come to an end in June, and in view of the continuing recession appeared likely to require continuation in some form. The Germans seemed to think a voluntary agreement would be possible. If so, well and good, but if not then there would have to be further mandatory arrangements. The Community's overseas trade also raised certain difficulties. It was essential for the Member States to have a common policy vis-a-vis Japan,

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- 3 -

which as matters stood was noticeable only by its absence, and there was an urgent need for a common Community approach to the problem posed by energy underpricing in the US, which was imposing great pressure on all gas-using industries in Europe. Another subject causing concern was the seat of the European Parliament. Luxembourg was coming under great pressure from certain quarters in that connection, and was anxiously looking for support.

Finally, the Prime Minister turned to the North-South dialogue (a term which she had always disliked). The question of aid to developing countries had come up at the Venice Economic Summit, where concern had been expressed about the way in which some international aid was being distributed. The UK felt that not enough of its aid was given on a bilateral basis: too much was being channelled through international agencies, and not enough, to be frank, was going to countries with traditional links with the UK.

Mr. van Agt said that a number of messages were thus clear. The Commission should speed up its work on the Community budget, and the Presidency should keep them up to the mark with the June meeting of the European Council in mind. The UK position on agricultural prices was plain and well understood. A figure of between eight and ten per cent would be too high, in the light of the need to restrain wage claims. On this the Presidency could of course do no more than take note, since some other Member States wanted a larger increase, but from the point of view of the Dutch (this with a wry smile) the UK's attitude on this point could have been worse. As for fisheries, the Netherlands appreciated the constructive nature of the proposals recently put forward by the UK, and thought they were worthy of acceptance by all concerned, including France. The Dutch were ready to intervene with the French at all conceivable levels, to try to persuade them of the desirability of an early settlement. Turning to insurance, this had been included by the Presidency on the agenda for the ECO/FIN Council in March. On steel Mr. van der Mei said that the Presidency were pressing for an early Commission proposal, the first discussion of which was expected to take place in February or March.

/ Mr. van Agt

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Mr. van Agt said that the Dutch too wanted a united EC approach towards Japan, with no bilateral steps or measures. The problems posed by Japan should be studied in conjunction with relations with the US. As for the Japanese, it was certainly necessary (as they had been told) for them to practise self-restraint. But the Netherlands - and they were not alone in this - were opposed to any revival of protectionism. The Belgians were currently urging the Dutch to agree to measures under the Benelux Treaty to restrain the unlimited import of Japanese cars into the Benelux area; the Dutch had replied that they preferred to approach the problem in the Community rather than Benelux context. Dr. van der Klaauw suggested that the Community would do well to look at relations with Japan in the round. The Europeans were worried about trade, while the Japanese were keen to develop much closer political relations with Europe. The aim should be to set in motion a discussion embracing both the economic and the political aspects of the relationship. The idea could perhaps first be discussed by the Political Committee, and then in Brussels; it might even be suitable for inclusion on the agenda of the March European Council. The Prime Minister argued that the matter might best first be examined by the Foreign Affairs Council. The key point was that the Member States should not allow themselves to be picked off singly by the Japanese; an agreed, united policy was essential. At present each Member State had separate arrangements, some for historical reasons. There was much to object to in Japan's current practices, with regard both to their trading methods (notably their use of uneconomic price-cutting in certain sectors to bring about the collapse of the European industries concerned) and their non-tariff barriers. The net result of their policies was that they were able to meet their energy costs through the export of manufactured goods - and were aided in this by the fact that they spent little on defence (which in itself was not necessarily to be regretted: any substantial increase in Japanese defence expenditure would have enormous repercussions in the Far East and be controversial in Europe). Dr. van der Klaauw then reverted to his earlier suggestion that it would be useful if the whole subject could be examined by the Political Committee.

/ Mr. Posthumus Meyjes

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Mr. Posthumus Meyjes commented that it was also necessary to keep in mind the dual economic and political dimensions of relations with the US. The Americans had just told the Commission that any EC move to restrict imports from Japan would almost inevitably spark off a similar move by the US, and had asked to be consulted before any such move were taken by the Community. The Prime Minister agreed: it was no use the Community closing doors if by doing so it simply hurt its friends.

The Prime Minister then asked if there were any bilateral points which the Dutch side wished to make. Dr. van der Klaauw said that there was no problem of any significance. On Urenco matters there had been one recent difficulty (evidently an allusion to the question of the reprocessing contracts), but the Government now had that well under control in the Second Chamber.

Turning to foreign affairs Dr. van der Klaauw said that in the Second Chamber's foreign affairs debate on 4-5 February he had come under most pressure on the question of a possible oil boycott against South Africa. On Namibia, he had the impression that the front line states wanted another opportunity for discussion with the South Africans, with a view to finding a peaceful solution. The Prime Minister said that in the UK view it was essential to keep the discussions going and to maintain the search for a new approach, in order to avoid a further ventilation of the whole problem in the Security Council, which would present the UK (as well as, among others, some of South Africa's black neighbours) with acute difficulties. The use of sanctions was never effective, as the UK knew from experience. The Prime Minister said that when she had seen Mr. Pik Botha before Christmas she had told him that it was essential for South Africa to proceed with the Geneva conference. The fact that a general election was now in the offing in South Africa was inevitably acting as a brake on progress, but it was important that forward movement should continue. Further resort to the Security Council on the issue would result once again in the triumph of emotion over reason; the aim must therefore be to keep negotiations in train in order to prevent that being necessary.

/ Dr. van der Klaauw

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Dr. van der Klaauw commented that it would be helpful if Mrs. Thatcher could tell the Dutch press that sanctions did not work. Even that, however, would fail to meet the point made by many of his Dutch critics, who argued that sanctions would be useful even if they were not effective, because they would give an encouraging signal to the oppressed black population of South Africa. The Prime Minister said that for the UK another dimension of the problem concerned employment: if as a result of banning exports to South Africa unemployment were to increase, the Government would then be blamed for that too.

Mr. van Agt said that it was often suggested in the Netherlands that South Africa had been fully responsible for the collapse of the Geneva Conference. Did the UK agree with this analysis? The Prime Minister said that the South Africans had clearly decided to block progress until the views of the new US Administration had become clear. She had told Mr. Botha that in her view the US attitude would be no different from that of the UK, and had urged him to take a positive approach. One point to be borne in mind was the fact that the South African Prime Minister had difficulties in getting his people to move forward as fast as he himself wanted to.

Dr. van der Klaauw then reported on his recent talks with the Algerians about the North-South dialogue. There seemed unlikely to be much progress in New York on the new round of global negotiations. The Algerian view was that Chancellor Kreisky's proposal for a fresh summit would not get off the ground until agreement had been achieved in New York, and that without such agreement there could be no question even of discussing the procedural aspects of a new summit (on which the Dutch remained unhappy - since the Austrian/Mexican formula did not provide for them to attend).

Turning to the Middle East, Dr. van der Klaauw said that he had now started to arrange talks with the various interested parties, under the terms of the mandate he had been given by

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the January Foreign Affairs Council. He was due to meet Klibi, the Secretary-General of the Arab League, in The Hague next week. During his forthcoming (bilateral) visit to Washington with Mr. van Agt, which it was hoped would take place in early March, he would be taking time off to talk in his Presidential capacity to Mr. Haig, and before that he hoped to visit Iraq, Syria and Jordan. In addition he would be going to Israel, since with an eye to the Netherlands it was politically necessary for him to do so before contacting the PLO; he had had a discussion with Mr. Peres during the latter's recent visit to Holland, but in view of the coming Israeli elections it would of course have to be left to the UK to develop further and bring to a conclusion the Israeli part of the mission. Dr. van der Klaauw said that he would not finish his programme of Middle East contacts until the end of May; he would then present a report to the June European Council. The latter would, incidentally, have a particularly heavy agenda - restructuring and preparations for the Ottawa Summit, as well as the Middle East.

The agenda for the March European Council looked relatively light. It would no doubt include a discussion of economic and social problems, covering unemployment and inflation, and also East-West relations, with special reference to Poland and the Madrid CSCE conference. The Prime Minister commented that any debate on the economic situation would inevitably come to the conclusion, as before, that it would be impossible to pull out of the recession so long as the price of oil kept rising because of the OPEC monopoly. If anything could be done to resolve the Iraq/Iran conflict and thus enable those two countries to resume their traditional oil exports that would much improve matters. What influence could the Community bring to bear in this direction? Dr. van der Klaauw pointed out that Sheikh Yamani had recently forecast a cut in Saudi production in the event of Iranian and Iraqi supplies being resumed. Mr. Franklin commented that for the European Council to debate the economic situation would inevitably

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create expectations; it might therefore be a mistake to hold such a debate unless there were a reasonable chance of some constructive conclusion being reached. Dr. van der Klaauw noted that there were predictions of a demonstration during the March Council by the European trade union organisations; some reaction by the Council seemed likely to be politically necessary. Looking more widely, the proposed 'Jumbo' Council seemed unlikely to produce a constructive solution. Part of the answer might be to focus on the new round of global negotiations: if energy could be included in that framework then there might eventually be the makings of a mutually acceptable package - though there were of course great problems for the 'North' in the concessions being sought from them on the IMF/IBRD front.

The Prime Minister commented that the Arabs would certainly not be prepared to discuss oil in isolation from other issues. The possibility of another discussion of the economic situation by the European Council required very careful and precise examination: it would be no use simply following the old pattern of discussion followed by a collective shrugging of shoulders. Mr. van Agt noted that there would also be unattractive implications if it appeared to the public that the Community's leaders did not consider the subject worth discussing. The Prime Minister agreed that discussion would be necessary. What was needed was the preparation of a paper containing possible proposals. Dr. van der Klaauw said he would discuss the matter with Mr. Thorn. The Arabs and the Community had at least one thing in common - the wish to fight inflation inside the EC (which concerned the Arabs because of their investments there). The Dutch would be grateful for any UK ideas as to what the paper proposed by Mrs. Thatcher might contain.

Mr. van Agt concluded with a cri de coeur about the new round of global negotiations: the Dutch hoped very much that it could be started just as soon as possible. The Prime Minister said that this message had been received and understood.

The meeting ended at 1630 hours.

12 February 1981

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Foreign and Commonwealth Office

London SW1A 2AH

12 February 1981

Dear Michael,

Prime Minister's Visit to The Hague: 6 February

I enclose the draft record of the afternoon meeting between Mrs Thatcher and Mr van Agt. It incorporates comments from Michael Franklin.

Yours ever,

Francis Richards

(F N Richards)
Private Secretary

M O'D B Alexander Esq
10 Downing Street
LONDON

*Type send to
me.*

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DRAFT: minute/letter/teleletter/despatch/note

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PRIVACY MARKING

SUBJECT: RECORD OF MEETING BETWEEN THE NETHERLANDS PRIME MINISTER, MR VAN AGT, AND MRS THATCHER IN THE HAGUE AT 15.30~~PM~~ ON 6 FEBRUARY 1981

.....In Confidence

CAVEAT.....

Present:

Mr AAM van Agt
 Dr CA van der Klaauw
 Mr DF van der Mei
 Mr R Fack
 Dr K W Reinink
 Mr HC Posthumus Meyjes
 Mr T van de Graaf
 Mr PC Nieman
 Mr H de Ru
 Mr JW Holtslag
 Mr JW Bertens
 Mr KH Birkman

The Prime Minister
 Sir Jock Taylor *KCMG*
 Mr JL Bullard *CMG*
 Mr MDM Franklin *CMG, CB*
 Mr MO'DB Alexander
 Mr B Ingham
 Mr RBR Hervey *CMG*
 Mr CR Budd

1. Mr van Agt began by asking the Prime Minister to repeat for the benefit of those not then present the gist of what she had said earlier in the afternoon about ~~the~~ restructuring of the EC budget and ~~the~~ agricultural prices for 1981/82.
2. The Prime Minister said that the first imperative was that the Commission should be urged to go ahead with all speed in preparing their proposals about the restructuring of the budget. There was no advantage in delay, for the situation would not improve. The present timetable, under which the Commission were scheduled to present their proposals by June, must not be allowed to slip.
3. ~~An allied problem was the question of agricultural prices~~ For the UK, it was important that ~~they~~ should not go up by /too

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too much. The Government were trying to hold wages down: their own employees had been told that a six per cent increase would be the maximum this year, and some private firms, faced with the task of surviving the recession, would be unable to agree to even as much as that. If the British people were now against that background to hear of agricultural price increases averaging, say, eight per cent they would find that difficult to bear. The British Government would therefore want to limit these increases to a reasonable level, most of all in the case of products which were currently in surplus (what^e and barley being the latest additions to the list). The UK would press for an average figure of less than the eight to ten per cent wanted by some other countries, and would find it helpful if the Commission's opening proposals could be pitched at a suitably low level.

4. The Prime Minister added that a third problem which at the moment concerned her greatly was the Community's failure so far to agree on a common policy on fisheries. This was not for any lack of resolve on the part of the UK. We were ready to settle, and had thought at the end of last year that agreement had been very close. Unfortunately France was now preventing further progress. The UK for its part continued to think it important, in the interests of all the fishermen of the EC, that an agreement should be achieved; there could be no question of waiting for the French elections and thus allowing fresh problems to develop. The British hope was that the Presidency would be able to use its influence to secure progress.

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6. Finally, the Prime Minister turned to the North-South dialogue (a term which she had always disliked), ~~and found inappropriate~~. The question of aid to developing countries had come up at the Venice Economic Summit, where concern had been expressed about the way in which some international aid was being distributed. The UK felt that not enough of its aid was given on a bilateral basis: too much was being channelled through international agencies, and not enough, to be frank, was going to countries with traditional links with the UK.

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with the June meeting
of the European
Council in mind.

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8. Mr van Agt said that the Dutch too wanted a united EC approach towards Japan, with no bilateral steps or measures. The problems posed by Japan should be studied in conjunction with relations with the US. As for the Japanese, it was certainly necessary (as they had been told) for them to practise self-restraint. But the Netherlands - and they were not alone in this - were opposed to any revival of protectionism. ~~A relevant point here was the fact that~~ **T**he Belgians were currently urging the Dutch to agree to measures under the Benelux Treaty to restrain the unlimited import of Japanese cars into the Benelux area; the Dutch had replied that they preferred to approach the problem in the Community rather than Benelux context. Dr van der Klaauw

/suggested

suggested that the Community would do well to look at relations with Japan in the round. The Europeans were worried about trade, while the Japanese were keen to develop much closer political relations with Europe. The aim should be to set in motion a discussion embracing both the economic and the political aspects of the relationship. The idea could perhaps first be discussed by the Political Committee, and then in Brussels; it might even be suitable for inclusion on the agenda of the March European Council. The Prime Minister argued that the matter might best first be examined by the Foreign Affairs Council. The key point was that the Member States should not allow themselves to be picked off singly by the Japanese; an agreed, united policy was essential. At present each Member State had separate arrangements, some for historical reasons. There was much to object to in Japan's current practices, with regard both to their trading methods (notably their use of uneconomic price-cutting in certain sectors to bring about the collapse of the European industries concerned) and their ~~controls on European imports~~ ^{non-tariff barriers}. The net result of their policies was that they were able to meet their energy costs through the export of manufactured goods - and were aided in this by the fact that they spent little on defence (which in itself was not necessarily to be regretted: any substantial increase in Japanese defence expenditure would have enormous repercussions in the Far East and be controversial in Europe). Dr van der Klaauw ~~concluded~~ that it would be useful if the whole subject could be examined by the Political Committee.

9. Mr Posthumus Meyjes commented that it was also necessary to keep in mind the dual economic and

/political

then reverted
to his earlier
suggestion

political dimensions of relations with the US. The Americans had just told the Commission that any EC move to restrict imports from Japan would almost inevitably spark off a similar move by the US, and had asked to be consulted before any such move were taken by the Community. The Prime Minister agreed: it was no use the Community closing doors if by doing so it simply hurt its friends.

10. The Prime Minister then asked if there were any bilateral points which the Dutch side wished to make.

Dr van der Klaauw said that there was no problem of any significance. On Urenco matters there had been one recent difficulty (evidently an allusion to the question of the reprocessing contracts), but the Government now had that well under control in the Second Chamber.

11. Turning to foreign affairs Dr van der Klaauw said that in the Second Chamber's foreign affairs debate on 4-5 February he had come under most pressure on the question of a possible oil boycott against South Africa. On Namibia, he had the impression that the front line states wanted another opportunity for discussion with the South Africans, with a view to finding a peaceful solution. The Prime Minister said that in the UK view it was essential to keep the discussions going and to maintain the search for a new approach, in order to avoid a further ventilation of the whole problem in the Security Council, which would present the UK ^{(as well as, among their,} ~~and also~~ some of South Africa's black neighbours) with acute difficulties. The use of sanctions was never effective, as the UK knew from experience. The Prime Minister said that when she had seen Mr ^{Pik} Botha before Christmas she had told him that it was essential for South Africa to

proceed with the Geneva conference, ~~if acute problems were to be avoided.~~ The fact that a general election was now in the offing in South Africa was inevitably acting as a brake on progress, but it was important that forward movement should continue. Further resort to the Security Council on the issue would result ~~as~~ ^{once} ~~usual~~ ^{again} in the triumph of emotion over reason; the aim must therefore be to keep negotiations in train in order to prevent that being necessary. Dr van der Klaauw commented that it would be helpful if Mrs Thatcher could tell the Dutch press that sanctions did not work. Even that, however, would fail to meet the point made by many of his Dutch critics, who argued that sanctions would be useful even if they were not effective, because they would give an encouraging signal to the oppressed black population of South Africa. The Prime Minister said that for the UK another dimension of the problem concerned employment: if as a result of banning exports to South Africa unemployment were to increase the Government would then be blamed for that too.

12. Mr van Agt said that it was often suggested in the Netherlands that South Africa had been fully responsible for the collapse of the Geneva conference. Did the UK agree with this analysis? The Prime Minister said that the South Africans had clearly decided to block progress until the views of the new US administration had become clear. She had told Mr Botha that in her view the US attitude would be no different from that of the UK, and had urged him to take a positive approach. One point to be born in mind was the fact that the South African Prime Minister had difficulties in getting his people to move forward as fast as he

/himself

himself wanted to.

13. Dr van der Klaauw then reported on his recent talks with the Algerians about the North-South dialogue. There seemed unlikely to be much progress in New York on the new round of global negotiations. ~~The~~ ^{Chancellor} Algerian view was that ~~President~~ Kreisky's proposal for a fresh summit would not get off the ground until agreement had been achieved in New York, and that without such agreement there could be no question even of discussing the procedural aspects of a new summit (on which, ~~incidentally~~ the Dutch remained unhappy - since the Austrian/Mexican formula did not provide for them to attend).

14. Turning to the Middle East, Dr van der Klaauw said that he had now started to arrange talks with the various interested parties, under the terms of the mandate he had been given by the January Foreign Affairs Council. He was due to meet Klibi, the Secretary-General of the Arab League, in The Hague next week. During his forthcoming (bilateral) visit to Washington with Mr van Agt, which it was hoped would take place in early March, he would be taking time off to talk in his Presidential capacity to Mr Haig, and before that he hoped to visit Iraq, Syria and Jordan. ^{In addition he} ~~he~~ would ~~also certainly~~ be going to Israel, since with an eye to the Netherlands it was politically necessary for him to do so before contacting the PLO; he had ~~also~~ had a discussion with Mr Peres during the latter's recent visit to Holland, but in view of the coming Israeli elections it would of course have to be left to the UK to develop further and bring to a conclusion the Israeli part of the mission. Dr van der Klaauw said that he would not finish his programme of Middle East contacts until the end of May; he would then present a report to the June European Council. The latter would ^{/incidentally}

incidentally, have a particularly heavy agenda - restructuring and preparations for the Ottawa summit, as well as the Middle East.

15. The agenda for the March European Council looked relatively light. It would no doubt include a discussion of economic and social problems, covering unemployment and inflation, and also East-West relations, with special reference to Poland and the Madrid CSCE conference. The Prime Minister commented that any debate on the economic situation would inevitably come to the conclusion, as before, that it would be impossible to pull out of the recession so long as the price of oil kept rising because of the OPEC monopoly. If anything could be done to resolve the Iraq/Iran conflict and thus enable those two countries to resume their traditional oil exports that would much improve matters. What influence could the Community bring to bear in this direction? Dr van der Klaauw pointed out that Sheikh Yamani had recently forecast a cut in Saudi production in the event of Iranian and Iraqi supplies being resumed. Mr Franklin commented that for the European Council to debate the economic situation would inevitably create expectations; it might therefore be a mistake to hold such a debate unless there were a reasonable chance of some constructive conclusion being reached. Dr van der Klaauw noted that there were predictions of a demonstration during the March Council by the European trade union organisations; some reaction by the Council seemed likely to be politically necessary. Looking more widely, the proposed 'Jumbo' Council seemed unlikely to produce a constructive solution. Part of the answer might be to focus on the new round of global negotiations: if energy could be /included

NOTHING TO BE WRITTEN IN THIS MARGIN

included in that framework then there might eventually be the makings of a mutually acceptable package - though there were of course great problems for the 'North' in the concessions being sought from them on the IMF/IBRD front.

16. The Prime Minister commented that the Arabs would certainly not be prepared to discuss oil in isolation from other issues. The possibility of another discussion of the economic situation by the European Council required very careful and precise examination: it would be no use simply following the old pattern of discussion followed by a collective shrugging of shoulders. Mr van Agt noted that there would also be unattractive implications if it appeared to the public that the Community's leaders did not consider the subject worth discussing. The Prime Minister agreed that discussion would be necessary. What was needed was the preparation of a paper containing possible proposals. Dr van der Klaauw said he would discuss the matter with Mr Thorn. The Arabs and the Community had at least one thing in common - the wish to fight inflation inside the EC (which concerned the Arabs because of their investments there). The Dutch would be grateful for any UK ideas as to what the paper proposed by Mrs Thatcher might contain.

17. Mr van Agt concluded with a cri de coeur about the new round of global negotiations: the Dutch hoped very much that it could be started just as soon as possible. The Prime Minister said that this message had been received and understood.

18. *The meeting ended at 16.30,*

Handwritten signature

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10 DOWNING STREET

From the Private Secretary

9 February 1981

PERSONAL

The Prime Minister's visit to the Hague: Talks with the
Dutch Prime Minister

As you know, the Prime Minister's session of talks with her Dutch opposite number, Mr. Van Agt, before lunch on Friday fell into two parts. The first part, which lasted for 20 minutes, was tête-à-tête; for the second part, which lasted 35 minutes, the Dutch Foreign Minister, Mr. Van Der Klaauw as well as Mr. Van Agt's Private Secretary and me were present. We were instructed to take no notes and make no record of the discussion. I should be grateful therefore if what follows could be given a very limited distribution. In fact most of the points raised in the restricted session were subsequently covered at the plenary meeting.

Deployment of nuclear weapons systems

Much of the tête-à-tête discussion between the Prime Minister and Mr. Van Agt had been devoted to the question of the deployment of nuclear weapons systems in Europe, and specifically, in the Netherlands. On joining the meeting Mr. Van Der Klaauw was invited to describe the previous day's debate in the Dutch Parliament. He said that he had been, on the whole, encouraged. It seemed to him that the Opposition were less united than he had expected in their opposition to the deployment of Theatre Nuclear Forces on Dutch soil. Their opposition to the deployment of Enhanced Radiation Weapons was, of course, absolute. Mr. Van Agt evinced considerable scepticism about Mr. Van Der Klaauw's report. His own assessment was that if the Americans persisted with the proposal to deploy ERW, the effects would spill over into TNF and make it unlikely that any further nuclear weapons systems would be deployed in the Netherlands. The Prime Minister commented that the Americans had not yet made a definite proposal about ERW.

Community Budget

Both the Prime Minister and Mr. Van Agt agreed about the need to ensure that the Commission kept to the agreed timetable for the production of its proposals on the restructuring of the Community budget. Mr. Van Der Klaauw said that he saw no reason why the Commission should not have produced its ideas by the beginning of June. The two Heads of Government were more cautious but agreed it was essential that the proposals should be available before the June meeting of the European Council. If this was to be achieved,

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SUBJECT

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Netherlands

pressure would probably have to be brought to bear on the Commission.

Agricultural Prices

In response to a question from the Prime Minister, Mr. Van Agt said that he thought this year's rise in agricultural prices should be in the region of 8/9%. The Prime Minister said that she thought this was too high. Although she recognised that agricultural prices did not feed through directly into the cost of living, it would not be understood in the United Kingdom if the Government were to accept price rises of this order when they were arguing that wage increases should be held at a lower level.

Discussing possible mechanisms for controlling the cost of the CAP, the Prime Minister said that further use of co-responsibility levies would be unacceptable to HMG. They did not deal with the underlying problem. Mr. Van Agt said that more use should be made of differential price rises. If, for instance, this year's overall rise in agricultural prices was 8%, the price rises for the products most obviously in surplus e.g. milk should be held at 3% or 4%. Mr. Van Der Klaauw said that he favoured an approach which set absolute levels for the production of various products by member countries. National Governments would have to be responsible for production in excess of the agreed levels of production. When the Prime Minister asked Mr. Van Der Klaauw to confirm that he was proposing a system of national aids, he did so.

Common Fisheries Policy

The Prime Minister described the difficulties posed for us by the failure of the Community so far to agree on a Common Fisheries Policy. She said that it was essential for the British Government to have an agreement soon. We could not wait for the French elections in April. But for the French, it seemed clear that agreement would have been reached at the last meeting of the Fisheries Council. We had been deeply disappointed by the failure registered then. It now looked as if the French might be trying to establish some form of linkage between the fisheries issue and agricultural prices. If so this was likely to prove counter-productive. Mr. Van Agt made it clear that he was sympathetic to the British Government's position on the CFP.

Afghanistan

A discussion of the vagaries of French policy on the CFP led to a discussion of the recent French initiative on Afghanistan. Both Mr. Van Agt and Mr. Van Der Klaauw displayed considerable irritation at the manner in which the French initiative had been announced. Mr. Van Der Klaauw in particular considered it inexcusable that the Dutch, as holders of the Presidency, had received no advance warning whatever.

The Cost of European Institutions

Mr. Van Agt agreed with the Prime Minister that the recent expedition by members of the European Parliament to Latin America

/ had been

had been an unwarrantable extravagance. Both Heads of Government expressed concern about the mounting cost of European institutions, notably of the European Parliament - because of its need to commute, and of the Commission - because of its demands of interpretation and translation. In the latter context, Mr. Van Der Klaauw said that he thought that it would sooner or later be necessary for the Community, like the United Nations, to adopt two or three official languages and devolve upon member states the responsibility for interpretation and translation into the other languages. Mr. Van Agt did not dissent but commented on the difficulties which such a policy would pose for e.g. the Belgians.

I am sending copies of this letter to John Wiggins (H.M. Treasury), Brian Norbury (Ministry of Defence), Kate Timms (Ministry of Agriculture, Fisheries and Food) and David Wright (Cabinet Office).

M. O'D. B. ALEXANDER

Francis Richards, Esq.,
Foreign and Commonwealth Office.

↓/b

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TO IMMEDIATE F C O
TELEGRAM NUMBER 46 OF 06 FEBRUARY
INFO IMMEDIATE UKREP BRUSSELS (DESKBY 061730Z) PARIS AND BONN
INFO SAVING OTHER EC POSTS

TELECON HERVEY/HANNAY ; MRS THATCHER'S VISIT TO THE NETHERLANDS ;
CFP

1. IN THE COURSE OF HIS TALKS WITH MRS THATCHER THIS AFTERNOON, THE
NETHERLANDS PRIME MINISTER STRESSED HIS BELIEF THAT THE UK
HAD MADE GREAT EFFORTS TO REACH A SETTLEMENT AND HAD PUT FORWARD
CONSTRUCTIVE PROPOSALS DESIGNED TO BRING THE NEGOTIATIONS TO A
SATISFACTORY CONCLUSION. AGAINST THIS BACKGROUND THE DUTCH
REMAINED READY TO INTERVENE WITH THE FRENCH AT ANY LEVEL IN TRYING
TO PERSUADE THEM OF THE NEED FOR A SOLUTION TO BE FOUND.

FCO PLEASE PASS TO SAVING ADDRESSEES.

TAYLOR (REPEATED AS REQUESTED)

FRAME FISHERIES
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PRIME MINISTER'S VISIT TO THE HAGUE
6 FEBRUARY 1981

COMMUNITY STEEL POLICY AFTER 30 JUNE 1981

Brief by the Cabinet Office

POINTS TO MAKE

1. Glad Dutch have arranged a special Steel Council for 3 March.
2. Crisis in Community steel industry continues. Mandatory production quotas expire on 30 June. They have helped but their influence will be lost unless effective measures continue in force from that date. Disciplined market must be maintained if necessary restructuring is to be achieved. Decisions are needed quickly because steel ordering for the third quarter will be in progress after Easter.
3. Early progress on restructuring essential. Any state aid must be linked to capacity reduction.
4. Hope Presidency will encourage Commission to bring forward early proposals on restructuring and state aids. UK intends to contribute thoughts^{on}/restructuring in advance of the Council. Helpful if Dutch

continue to keep up the pace in consideration of these issues in the Community.

BACKGROUND

5. Large excess of production over demand and falling prices resulted in Council assent on 30 October 1980 to Article 58 production quotas. These expire on 30 June 1981. The measures are intended to provide time for restructuring, i.e. reduction in capacity and modernisation of remainder. Only UK and France have made significant net closures of capacity. Germans claim that their industry was rationalised in early 70s. The BSC plan envisages a capacity reduction to 14.4 million tonnes per annum with an employment reduction of 20,000 following 50,000 jobs lost last year. The success of the plan will be crucially dependent on the continuation of a disciplined market in the Community which will sustain prices. Otherwise increased price competition and German exports to other Member States will destroy the industry.

6. Commission has powers to deny approval of investment proposals. Accepted that aids must be linked to restructuring. Most Community countries give State aids to their steel industries, many without requiring any capacity reductions.

7. The UK steel industry prefers a continuation^{of} Article 58 production quotas to voluntary restraints which broke down last year. They have considerable doubts whether new voluntary arrangements will be agreed by July.

8. French position very similar to ours. Belgium and Luxembourg tend to contribute to problem by aiding their own industries and exporting to other Member States. The Italians have increased output and only reluctantly accepted restraint. But German position critical. They are opposed to State aids and recognise the need for tight market discipline, but without going as far as favouring a continuation of mandatory production controls. We are concerting our position with French and Germans so that effective measures can be continued in force and restructuring furthered.

Cabinet Office

5 February 1981



25

Foreign and Commonwealth Office

London SW1A 2AH

5 February 1981

Dear Michael,

Prime Minister's Visit to The Hague, 6 February: Enhanced
Radiation Warheads (ERW)

The Embassy at The Hague have advised us that Mr van Agt may raise ERW following the US Secretary of Defence's press conference on 3 February. The Prime Minister may find it useful to have the following comments to supplement the brief on defence issues already provided (Brief No PMVG(81)3).

Ministers here have not yet had to address themselves to the ERW problem because US policy has remained unchanged since April 1978 when President Carter deferred any final decision on ERW. In recent months, however, there have been numerous indications that the new US Administration would want to look again at ERW deployment in Europe as part of its general review of military policies. Weinberger's off-the-cuff reference to "the opportunity that this weapon gives to strengthening theatre nuclear forces is one that we very probably would want to make use of" is yet another such indication, but it is not yet a firm US Government position.

The military case in favour is much as it was in 1977/78. It is generally recognised that ERWs provide a useful deterrent against massed armoured attack. But the political context has changed significantly. Even in 1977/78, ERW was an emotive issue for European public opinion. This is unlikely to be any less today. But in addition the Alliance is now in the process of implementing the TNF modernisation package. There is much opposition in Western Europe to TNF modernisation, particularly in the countries where basing of cruise and Pershing II missiles is planned (UK, FRG, Italy, Belgium and the Netherlands). A decision to deploy ERW now could result in greatly increased anti-nuclear opinion and thus jeopardise the TNF modernisation programme which has become an important symbol of Alliance solidarity on nuclear issues.

The Dutch have major political problems over TNF (see brief No PMVG(81)3). There has already been widespread opposition in the Dutch Parliament to the latest US statement and calls for the Dutch Government to oppose ERW deployment on Dutch soil on the grounds that the weapon lowers the nuclear threshold. Our Embassy's initial view (telno 43, copy enclosed) is that if the Americans press the ERW issue there will be no hope of the Dutch being able to take a positive decision to accept TNF basing in the Netherlands.

/The



The Prime Minister may wish to draw on the following points if Mr van Agt raises the subject:-

- a) This is a difficult issue on which the British Government have not yet taken a view. We are considering it carefully in view of the indications that the new US Administration may be considering ERW deployment.
- b) It is generally recognised that there is an important deterrent case for ERWs. But we do not want to overload political circuits in Europe and thereby endanger TNF.
- (c) The Americans must understand the political difficulties posed by ERW in Europe and realise that this issue should so far as is possible be kept out of the public domain. But where public debate is unavoidable, it is up to Governments to correct fundamental misconceptions about the nature of ERW and give a lead to informed debate on this, as on other nuclear issues (see brief No PMVG(81)3).

I am copying this letter to Brian Norbury in the Ministry of Defence and David Wright in the Cabinet Office.

Yours over,
Francis Richards

(F N Richards)
Private Secretary

M O'D B Alexander Esq
Private Secretary
10 Downing Street
LONDON

HAGFO 002/05

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PP MODUK (DS17)

PP UKDEL NATO

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PP BRUSSELS

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TO IMMEDIATE FCO

TELEGRAM NUMBER 43 OF 5 FEBRUARY

INFO PRIORITY MODUK (DS17), UKDEL NATO, WASHINGTON, BONN AND BRUSSELS

INFO SAVING OTHER NATO POSTS

YOUR TELNO 40 TO BONN : ERWS

1. WEINBERGER'S REMARKS HAVE ALREADY AROUSED STRONG PUBLIC AND PARLIAMENTARY REACTIONS IN THE NETHERLANDS. THERE IS NO REASON TO BELIEVE THAT ERW DEPLOYMENT WOULD BE ANY LESS VIGOROUSLY OPPOSED HERE THAN IN 1978: AND HOSTILITY TO ANY US ATTEMPTS TO INTRODUCE THEM WOULD BE LIKELY TO ENGULF SUCH SIGNS AS THERE HAVE BEEN OF A RALLY TOWARDS A MORE HELPFUL ATTITUDE ON TNF STATIONING.

2. OPPOSITION IN THE NETHERLANDS IN 1978 TO ERW REACHED A PITCH PERHAPS MORE INTENSE (AND MORE ORCHESTRATED) THAN IN ALMOST

IMMEDIATE

ADVANCE COPY

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Hd NewsD

Sr A Alad

M P Moberly

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2. OPPOSITION IN THE NETHERLANDS IN 1978 TO ERW REACHED A PITCH PERHAPS MORE INTENSE (AND MORE ORCHESTRATED) THAN IN ALMOST ANY OTHER NATO COUNTRY. A PUBLIC PETITION WAS SIGNED BY MORE THAN A MILLION PEOPLE; THE THEN MINISTER OF DEFENCE, KRUISINGA, RESIGNED; AND IN LATE OCTOBER THE SECOND CHAMBER PASSED, ONLY THE VVD (LIBERALS) AND TWO SMALL RIGHT-WING PARTIES VOTING AGAINST, A MOTION "REGRETTING PRESIDENT CARTER'S DECISION" (THE HAGUE TELNO 342 OF 1978). THE STRENGTH OF FEELING IN THE COUNTRY FOLLOWING WEINBERGER'S REMARKS IS ILLUSTRATED BY UNIVERSALLY CONDEMNATORY COMMENT IN THIS MORNING'S PRESS AND THE PUTTING DOWN OF A MOTION IN THE SECOND CHAMBER, NOT YET VOTED ON BUT SUPPORTED BY THE PVDA (LABOUR), D'66 AND AN IMPORTANT ELEMENT (PROBABLY A MAJORITY) IN THE CDA (CHRISTIAN DEMOCRATS) CALLING FOR ERW'S NOT TO BE DEPLOYED AND FOR DUTCH FORCES NOT TO BE EQUIPPED WITH THEM.

3. IN THE RUN-UP TO THE ELECTIONS THERE IS, -REGRETTABLY, LITTLE PROSPECT OF THE NETHERLANDS ADOPTING A SIGNIFICANTLY LESS HOSTILE OR EMOTIONAL ATTITUDE IN ANY INTER - GOVERNMENTAL DISCUSSIONS OR BILATERAL CONTACTS WITH NATO PARTNERS.

FCO PLEASE PASS TO SAVING ADDRESSEES.

TAYLOR

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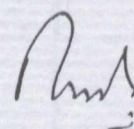
PRIME MINISTER

VISIT TO THE HAGUE

I attach further material for tomorrow as follows:-

- (a) a personality note on Queen Beatrix;
- (b) a despatch on the abdication of Queen Juliana and the accession of Queen Beatrix last spring;
- (c) some notes for your remarks at lunch: you need only speak for three or four minutes;
- (d) a list of those from whom the Dutch participants at lunch will be chosen. As you will see Dr Zijlstra is among them. I understand, incidentally, that he is due to retire in May.

I hope you are agreed that we should not take a gift with us. The exchange of gifts on a brief Community visit of this kind seems quite unnecessary. In the unlikely event that Mr van Agt gives you something substantial, we can reciprocate later.



5 February, 1981

QUEEN BEATRIX OF THE NETHERLANDS

Born 31 January 1938, the eldest child of HRH Princess Juliana and Prince Bernhard. Succeeded to the throne when Queen Juliana abdicated on 30 April 1980.

In Canada during the Royal Family's exile after the German invasion, she returned to the Netherlands in 1945. Studied at Leiden University and obtained a degree in Law in 1961.

Has travelled widely outside Europe, including the Soviet Union (1973) and China (1977).

Fond of riding, sailing, swimming, skiing and motoring. Shows less active interest in cultural matters. But she is particularly interested in everything to do with young people and is a member of the Advisory Board of the Silver Youth Centres Foundation. Takes an active interest in social welfare.

Married in March 1966 to Klaus von Amsberg (now Prince Claus). Despite harsh criticism of this marriage with a German while memories of the occupation were still fresh, the conduct of Prince Claus and the birth of a son, Prince Willem Alexander, in April 1967, enhanced the popularity of the Princess and her Consort and the controversy has now been largely forgotten. Two more sons were born to her in 1968 and 1969.

The Queen has a strong will and is less diffident than her mother, but her rather more regal manner, though partly due to her stature, may nevertheless mask some shyness. The long period of waiting to succeed to the throne was difficult, but she is fast settling into her new role which she performs with great presence and dignity. There has been some speculation

/that,

that, as Queen, she will wish to play a more active role in the life of the Netherlands than her mother did although the scope for this is limited in view of the requirements of the constitutional monarchy.

Queen Beatrix works hard and takes a keen interest in national and international affairs. She is said to want to modernise court procedures, though she has kept on many of her mother's court officials.

Her husband, Prince Claus, continues to work as an adviser to the Minister for Development and Cooperation and is thus still directly linked to the government's policies.

She received Lord and Lady Carrington in December 1980.

Speaks good English.

C

PRIME MINISTER'S VISIT TO THE HAGUE: NOTES FOR SPEECH AT LUNCH

1. Many thanks for friendly welcome. Delighted to be able to return to the Netherlands. Agreeable memories of visit in 1976. Can understand the view of Sir William Temple (Ambassador at The Hague 1668-70: ''Observations upon the United Province'') that ''the State of the United Provinces hath made them the envy of some ... and the wonder of all their neighbours''.

2. Especially glad to come back as Prime Minister, at time when so much scope for mutually useful co-operation between our countries. The bilateral relationship clearly stronger than ever. Basis of strong historical ties. Partners in EC and allies in NATO. Trade at record levels. Natural bond of understanding and sympathy between the populations of the two countries. Commitment of HMG to the Community and its development in both the economic and political spheres.

[REDACTED]

3. [REDACTED] Conjunction of Netherlands and UK Presidencies of EC, at vital stage of Community's development, gives us chance to work together for progress towards a stronger and healthier Community, as well as to co-operate actively on a number of issues of especial interest to both countries. Sure you will join with me in hoping that all concerned will take full advantage of these opportunities in the months ahead.

D

PRIME MINISTER'S VISIT TO THE HAGUE:

DUTCH PARTICIPANTS AT LUNCH

The Dutch participants will include some or all of the following:-

Mr van Agt

Mr van der Klaauw

Mr van der Mei, State Secretary MFA

Mr Reinink, Political Director

Mr Posthumus Meyjes, Director General European Integration

Mr Nieman, Director European Integration

Mr Bot, Assistant to Reinink

Mr Bertens, Director Press and News

Mr Fack, Netherlands Ambassador in London

Mr van de Graaf, PPS to van Agt

Mr Holtslag

Representative of geographical department

Representative of Rijksvoorlichtingsdienst (State Information
Service)

Dr Jelle Zijlstra, President of Netherlands Bank

Mr Alphons P J M M Stee, Minister of Finance

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STEE, ALPHONS P J M M van der (CDA)

Minister of Finance since March 1980.

Born 1928. Studied law at Catholic University, Nijmegen. A tax consultant 1956-71. Chairman, Arnhem Branch, Catholic People's Party (KVP) 1959-65. National Chairman of the KVP 1968-71. Elected to the First (upper) Chamber in 1971. State Secretary for Finance in the Biesheuvel and den Uyl Cabinets 1971-73.

In November 1973 he became Minister of Agriculture in place of Mr Brouwer, who had resigned through ill-health. Because of his relative lack of agricultural experience, he was not the first choice of the farming community. But he learned this job quickly and played a prominent part in Community discussions, often crossing swords with British Ministers of Agriculture, though retaining good personal relations with them.

He was made Finance Minister in March 1980, successor to M Andriessen who resigned over opposition to his proposal for big cuts in public expenditure.

He has a sociable manner and is a competent negotiator.

Married with three sons and a daughter.

Speaks good English.

CONFIDENTIAL

ZIJLSTRA, DR JELLE (CDA)

President, Netherlands Bank since 1967. *Retires in May 1981*

Born 1918. Studied economics at Rotterdam University. Professor of Economics, Free University of Amsterdam, 1948-52 and 1963-66. ARP Minister for Economic Affairs 1952-59 and Minister of Finance 1959-63.

Declined Ministerial Office after the 1963 elections, but became Prime Minister of a caretaker government from November 1966 to February 1967, during which time he took firm measures to control the Dutch economy. Prepared the ground for the formation of a government after the General Elections but refused to head it himself and, despite considerable pressure, withdrew finally from politics in May 1967.

Widely respected, and the man most often spoken of as the ideal Christian Democrat Prime Minister. But he remains adamant in his refusal to return to the political era.

He has an outgoing character, always ready to speak freely about his views and problems. A small rather birdlike man with a ready laugh, he enjoys social life and is quick to make friends. He is nevertheless one of the most influential men on the economic/financial scene.

Married with five children.

Speaks perfect English.

RESTRICTED



BRITISH EMBASSY,
THE HAGUE.

14 May, 1980

The Lord Carrington KCMG MC
Foreign and Commonwealth Office
LONDON SW1

My Lord,

THE ABDICATION OF QUEEN JULIANA AND THE ACCESSION OF
QUEEN BEATRIX OF THE NETHERLANDS

1. His Royal Highness the Prince of Wales visited the Netherlands on a Special Mission from Her Majesty The Queen to attend the ceremony of investiture of Queen Beatrix of the Netherlands in Amsterdam on 30 April, a day blessed by fine "royal" weather, but marred by violent demonstrations in the city.

The ceremonies on 30 April

2. In 1948, when Queen Wilhelmina abdicated in favour of her daughter Queen Juliana, the final announcement of the date of the abdication was also made at short notice, only three and a half months in advance. In 1980.

Queen Juliana surprised even her closest advisers by announcing in a television broadcast on 30 January that she

/would

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would abdicate on her seventy-first birthday, 30 April.

Because Princess Beatrix decided to have the investiture on the same day as the abdication, this allowed just three months for the preparations, with the added complication of a State Visit by King Juan Carlos and Queen Sophia of Spain in the interim.

3. The Netherlands authorities followed established Protocol. As before, no invitations would be extended to Special Missions, but any such Special Missions would be welcome. On your instructions, I informed the Netherlands Government on 29 February that Her Majesty The Queen had appointed His Royal Highness The Prince of Wales to represent Her on Special Mission at Queen Beatrix' investiture. The Dutch authorities and the Court were delighted by this appointment and, as I was privileged to witness, the new Queen was particularly appreciative of His Royal Highness' presence. Just as in 1948 all arrangements for the accommodation, entertainment and - a new element - security of the Royal Visitors and other Special Missions were in the hands of the Netherlands authorities. So numerous were the Special Missions that the Amstel Hotel, a mere part of which had sufficed to accommodate the visitors in 1948, had to be /supplemented

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supplemented by hotel rooms elsewhere. But, except for the Japanese who were here on a longer visit, the Royal Visitors and their suites all stayed at the Amstel. The Netherlands authorities attached Vice-Admiral H E Rambonet, ADC to the Queen, to the Prince of Wales' suite for the period of his stay in the Netherlands.

4. Prince Charles with his Private Secretary, the Honourable Edward Adeane, also appointed a member of the Special Mission, arrived at Schiphol Airport on the afternoon of Tuesday, 29 April and stayed until noon on 1 May when the party returned by air to London from the Royal Netherlands Air Force base at Ypenburg outside The Hague. His Royal Highness was accompanied by his Equerry, Captain Anthony Asquith, his personal police officer and his valet. I had the honour to join His Royal Highness as a member of the Special Mission.

5. The Constitution of the Netherlands demands that the ceremony of inauguration of a new monarch take place in the Nieuwe Kerk in Amsterdam, in recognition of the city's status as capital. Since Amsterdam is also the largest city in the country, this of course makes sense in that it

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guarantees the largest possible public involvement. But it carries risks too: the security problems in Amsterdam were immense. Not only did the Dutch authorities have to protect their Royal Family and the distinguished foreign visitors from terrorist attack; the city had for months been subject to violent clashes between the police and well-organised groups of squatters and their supporters, who threatened to do all they could to disrupt the ceremonies, and in the event very nearly succeeded. Consequently a large area of the city centre, including the Palace and the Nieuwe Kerk, were closed to all vehicles and access to the zone was allowed only to people who could prove a specific need to be there, including residents. Such drastic measures caused the voices of disappointed hoteliers and restaurateurs to be added to those of the political objectors to the day's events. Perhaps because of these problems, the ceremonies, which had been spread over several days when Queen Juliana acceded, were compressed into 24 hours. The new Queen did not emulate her mother's Royal tour of the city on the day of her accession; as events turned out that was just as well. The degree of popular enthusiasm was in any case noticeably

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less marked than is suggested by films of the acclaim which greeted Queen Juliana's accession: but security precautions would have made a demonstration of the peoples' feelings difficult.

6. I enclose a copy of the programme prepared for the Prince of Wales, a list of Special Missions attending the ceremonies, and a copy of the programme of the installation ceremony itself. I need not duplicate here the information in the programme, but give rather some account of the main events in a crowded day.

7. The Dutch are notorious for taking months when governments have to be changed after elections: in 1977 it took them seven months. By contrast, the "Troonswisseling" is as smooth as the transition from one British government to another. On the morning of 30 April Queen Juliana abdicated in a simple but emotion-filled ceremony at the Royal Palace during which she and her daughter both made short speeches and then signed the Act of Abdication in the presence of Prince Bernhard, Prince Claus, the Cabinet, the Vice-President of the Cabinet, the Vice-President of the Council of State, a delegation from the Netherlands Antilles,

/the



the Queen's Commissioner for North Holland, the Mayor of Amsterdam and the Director of the Queen's own Cabinet. Thereupon the Queen of over thirty-one years became again Princess Juliana, and her daughter automatically acceded to the throne. Shortly afterwards they appeared together on the balcony of the Palace with their husbands to permit the outgoing Queen to present the new Queen to the people and then retire. Both made speeches, but against a great deal of noise some of it representing protest. During Princess Juliana's speech a smoke bomb went off in the crowd: the police were quick to arrest the perpetrator but the incident was a foretaste of things to come. This part of the day's proceedings did not involve foreign Special Missions. Queen Juliana had taken her leave of the Missions at a dinner the previous evening.

8. Immediately after she had formally acceded to the throne, the new Queen received the Special Missions in the Royal Palace on the Dam. Some leaders of Special Missions presented Letters of Credence, but it had been decided that such a formality would not be necessary in the case of the Prince of Wales.

/9.



9. After luncheon (given in the nearby Sonesta Hotel by the Netherlands Foreign Minister, Dr Christoph van der Klaauw) the Special Missions joined the members of the two houses of parliament, the States-General, sitting in joint session in the Nieuwe Kerk for the inauguration and oath-taking ceremony. It is often said that the Netherlands is a republic with a hereditary president. That paradox is embodied in this secular ceremony where a monarch is formally installed in a church under the chairmanship of the President of the First Chamber - a coronation without a crown, monarchy with no hint of divine right.

10. As Sir Philip Nichols recalled in his despatch of 11 September 1948, the roots of this paradox lie in the fact that the Crown was dedicated once and for all in 1815 to King William I and his lawful descendants. Subsequent embarrassments over whether Protestant or Catholic clergy should perform future dedications - even the question whether a religious representative should do so at all - are avoided. The Dutch custom of holding an investiture of a monarch rather than a coronation appears, however, to be common to other foreign monarchs also.

/11.



11. After the singing of the National Anthem, Queen Beatrix, poised and resplendent in a cream silk dress and an ermine-trimmed train and looking much less nervous than she had in the morning, made a moving speech. I enclose a translation. At the end of her speech she took the oath laid down in the Constitution.

12. Mr Thurlings, President of the First Chamber, replied to the Queen on behalf of the States-General. (A French translation of his speech is enclosed.) Then each member of parliament present followed him in making a Solemn Declaration of homage and loyalty, some with an oath, others with a promise. (Five members of the Second Chamber who objected to making such a declaration stayed away altogether.) At the end of this process Queen Beatrix was proclaimed inaugurated, the proclamation was repeated to the crowds outside, and the Royal procession left the church to return to the Palace.

13. Outside in the meantime violence had flared. The somewhat anarchist elements in Amsterdam who had been threatening to disrupt the day's proceedings in order to demonstrate their view that the money spent on the Queen's inauguration would have been better spent on housing, did
/their



their best to make their threats a reality. A demonstration by squatters groups, duly licensed by the police but reinforced by anarchist elements who can only be described as well-equipped and trained thugs, tried to force its way into the square before the Palace. Diverted by the police, the demonstrators proceeded to indulge in a running battle with the police, lasting until late into night, in which well over 100 people were hurt, including many policemen, and much damage done. Those involved in the ceremony in the Nieuwe Kerk saw nothing of all this.

14. In the evening the new Queen gave dinner to the Royal Special Missions while other missions, accredited diplomats, Dutch dignitaries and others were entertained elsewhere in Amsterdam, before all descended on the port of Amsterdam to watch a display of fireworks, a part of the programme which was nearly cancelled because of the violence elsewhere in the city.

15. The arrangements throughout went very smoothly, unaffected by the "alternative" events the rest of the city was experiencing.

/16.



16. Before he left the Netherlands from Ypenburg Air Force base on Thursday 1 May, His Royal Highness kindly agreed to visit the Chancery in The Hague to enable me to present to him the members of the Embassy staff, and also my house where the wives of the staff had the opportunity to be presented. I am very grateful to him for devoting his morning to this, which all in the Embassy greatly appreciated.

The New Queen

17. Queen Beatrix has a reputation as a woman of strong will who is not afraid to speak her mind. She is also widely thought to have some sympathy for left-wing political thinking, and there has for some time been speculation that the monarchy will change with her at the head of the royal house. But Queen Beatrix let it be known in a long television interview before her accession that she did not plan to make any dramatic changes. She would work herself gradually into the job, fully conscious of the legacy of her mother and grandmother, to whom she has publicly attributed the credit for the way in which the monarchy in the Netherlands has survived the upheavals of war and social change which the Netherlands has experienced in the last 80 years. From my own experience, I am able to report

/that



that the new Queen has within the first few days of her reign proved her popularity and her friendly approach to to her people.

18. Superficially there is no doubt that the monarchy will present a different appearance. The new Queen will inherit a staff newly re-organised at her mother's wish in a manner more suited to the 1980s. And the style will be new. Apart from the relative youth of the new Queen and her consort, there will be one fairly immediate change in that they will soon restore to The Hague the reality of its status as "the Residence" when they move to the Palace 'Huis ten Bos' and re-open another palace in the centre of The Hague as the offices of the Royal Household. This will bring the Queen into much closer touch with the political life of the nation and - people hope - will add a new spirit and purpose to life in The Hague, if the new Royal Couple open their doors in the way that Queen Juliana, living far away, never could.

18. These moves are expected within the next year or so, possibly in time for the aftermath of the next general elections, which are due to take place no later than May 1981. It is in this period that the monarchy is most

/closely



closely associated with the political process - and therefore exposed to criticism. It is worth recalling that Queen Juliana, on the principal events in whose reign I am reporting in a separate despatch, was frequently criticised, not least in 1977, for an involvement in the political process which seemed to some to be too deep. For the monarch has not only to select senior politicians, to canvass opinion and advise on the most likely composition of a government (the "informateurs") but also to select a potential Prime Minister from two or more candidates who may appear to have an almost equal claim to the post. Queen Beatrix' contribution to the formation of the next government will therefore provide the first significant measure of the extent to which she proposes to alter the rôle of the monarchy in the framework of its constitutional prerogatives.

I am My Lord
Yours faithfully,

A handwritten signature in dark ink, appearing to read "Jock Taylor", written in a cursive style.

Jock Taylor

Encs.

PRIME MINISTER'S VISIT TO THE HAGUE6 FEBRUARY 1981

1. STEERING BRIEF
2. EUROPEAN COMMUNITY QUESTIONS:
 - i. COMMUNITY STEERING BRIEF
 - ii. RESTRUCTURING (INCLUDING CAP REFORM AND 1981 AGRICULTURAL PRICES)
 - iii. 1981 BUDGET AND OTHER CURRENT ISSUES
 - iv. FISHERIES
 - v. EXTERNAL TRADE QUESTIONS
 - vi. POLITICAL CO-OPERATION
3. DEFENCE AND ARMS CONTROL (INCLUDING THEATRE NUCLEAR FORCES)
4. EAST-WEST RELATIONS (INCLUDING AFGHANISTAN, POLAND AND CHINA)
5. SOUTHERN AFRICA
6. SOUTH-EAST ASIA (CAMBODIA AND EAST TIMOR - Background only)
7. MIDDLE EAST (INCLUDING IRAN/IRAQ AND ARAB/ISRAEL)
8. CHAD - Background only
9. NORTH/SOUTH DIALOGUE AND SUMMIT
10. THE NEW UNITED STATES ADMINISTRATION
11. THE NETHERLANDS: INTERNAL POLITICAL SCENE
12. THE NETHERLANDS: INTERNAL ECONOMIC SCENE
13. NUCLEAR ENERGY PROBLEMS

*Brief AMVG (SA) 1-13
preserved in CAB 133/511.*

*This set therefore
destroyed.*

*R. Poorman
7 Jun 11*

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Foreign and Commonwealth Office

London SW1A 2AH

4 February 1981

Dear Michael,

Prime Minister's Visit to The Hague: 6 February

As you know, on her arrival in The Hague, the Prime Minister will first have an audience with Queen Beatrix of The Netherlands. Likely topics for discussion have already been covered in the briefing for this visit. I now attach in addition a personality note on Queen Beatrix and a Despatch of 14 May 1980 from H M Ambassador at The Hague on the Abdication of Queen Juliana and the Accession of Queen Beatrix.

*Attachments
in folder/
annexed/
to file*

I have been asked to point out that the Prime Minister will not be expected to curtsy when presented to Queen Beatrix; a slight inclination of the head is customary. If a foreign visitor wishes to curtsy, Queen Beatrix accepts this as the custom of the country from which the visitor comes, but She prefers such attentions to be omitted.

/ The Prime Minister may be expected to make a short
/ informal speech at lunch and I attach notes on which she
/ may care to draw. I also attach a list of those on the
/ Dutch side from whom the guests at lunch will be drawn,
/ and enclose personality notes on the Finance Minister, Mr
van der Stee, and on Mr Zijlstra.

Yours ever,

(F N Richards)
Private Secretary

M O'D B Alexander Esq
10 Downing Street
LONDON

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H M Treasury

Parliament Street London SW1P 3AG

Switchboard 01-233 3000
Direct Dialling 01-233 4225

Sir Kenneth Couzens KCB
Second Permanent Secretary
Overseas Finance

4 February 1981

M Alexander Esq
No.10 Downing Street
Whitehall
LONDON SW1

Dear Michael

PRIME MINISTER'S VISIT TO THE HAGUE ON FRIDAY, 6 FEBRUARY

In case the Prime Minister finds that it would be useful to refer to recent UK achievements in reducing inflation at some point in her visit to the Hague, I attach:

- i. an extract from the speech the Chancellor made in Paris on 27 January. The paragraph numbered 16 refers;
- ii. a table comparing the recent inflation experience of the seven major countries plus the Netherlands, Belgium, Denmark and Ireland. What the Chancellor said was based on this table. It shows how good the Dutch record on inflation has been, but also how rapidly our own position in the international inflation league has been improving. (It would however be dangerous to treat our 4.3% rate between May and November 1980 as suggesting a rate of $8\frac{1}{2}$ or 9% for the year up to April 1981. There tends to be bunching of public sector price increases in the early months of the year.)

Yours ever

Ken

K E Couzens

Economic Policies

15. A stable economic climate is of equal importance to political stability. The most important element in such a climate is stability in the value of money. Inflation is the enemy of economic stability - and so of economic progress. Like you, we have made the fight against inflation a central theme of our policies. Like you, we have accepted that a policy of so-called "reflation" cannot provide a lasting solution to the problem of unemployment. We have learnt that reflation brings only a temporary boost to output, followed by faster inflation and even higher unemployment. Like you too, we have had to restrain public expenditure to support our anti-inflationary policy.

16. This is an area where we have recently seen considerable improvement. Our annual inflation rate reached a peak of nearly 22 per cent last May. But in each month since then our index of retail prices has risen by less than one per cent. On the figures available to me, this puts our inflation rate in that period below that of France or the USA. We are determined to consolidate this success and not be deflected from our policies. They are essential if our economy is to recover and begin to grow again.

/Other changes

INFLATION

(Percentage increased in consumer prices over specified periods)

	<u>US</u>	<u>Canada</u>	<u>Japan</u>	<u>Germany</u>	<u>France</u>	<u>Italy</u>	<u>Belgium</u>	<u>Netherlands</u>	<u>Denmark</u>	<u>Ireland</u>	<u>UK</u>
Year to May 1980	14.4	9.4	8.2	6.0	13.7	20.8	6.5	6.6	10.7	20.2	21.9
Year to November 1980	12.6	11.2	8.4	5.5	13.5	21.1	7.6	6.7	8.1	20.2	15.3
May-November 1980	5.0	6.5	2.3	1.7	6.4	10.4	4.3	2.7	3.3	6.1	4.3

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10 DOWNING STREET

From the Private Secretary

3 February 1981

Dear Francis,

Call by the Dutch Ambassador

The Dutch Ambassador, Robbert Fack, called on the Prime Minister this morning to discuss her impending visit to The Netherlands. Apart from a brief discussion about the programme, the arrangements for the Prime Minister's call on Queen Beatrix and the constitutional relationship between the Dutch Prime Minister and his Foreign Minister, the only point of any substance mentioned by the Ambassador concerned the order in which subjects on the agenda should be taken.

The Ambassador said that his authorities were concerned that the agenda was so crowded as to make it unlikely that all the subjects on it would be dealt with. He wondered therefore if the Prime Minister could give an indication of which subjects she would like to take and in what order. The Prime Minister said that she thought the main topics would be:-

- (a) The EEC and its problems, notably the restructuring of the budget;
- (b) The EEC in the world context i.e. political co-operation, East/West relations, the Middle East and defence;
- (c) Relations with the new US Administration; and
- (d) Global economic problems.

The Prime Minister also commented that she would wish at some stage to mention the problems of non-tariff barriers within the EEC e.g. where insurance and civil aviation were concerned.

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/In subsequent

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In subsequent discussion, the Prime Minister agreed that it would probably make sense for her to take defence subjects and relations with President Reagan at the restricted session of talks before lunch and to deal with Community problems in the plenary session after lunch. Such bilateral problems as there were could be touched on over lunch.

The Ambassador told me on his way out that he thought his Prime Minister might well raise North/South problems at some stage in the discussions. Mr. Fack added that Mr. van Agt was well aware that he and the Prime Minister would not necessarily see eye to eye on the question of aid to the developing world.

I am sending a copy of this letter to David Wright (Cabinet Office).

Yours ever

Richard Alexander

F.J. Richards, Esq.
Foreign and Commonwealth Office.

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FM THE HAGUE 031610Z FEB 81
TO IMMEDIATE F C O
TELEGRAM NUMBER 040 OF 03 FEBRUARY
INFO SAVING EC POSTS, UKDEL NATO

PRIME MINISTER'S VISIT TO THE NETHERLANDS

1. THE PRIME MINISTER MAY FIND IT USEFUL TO HAVE ON THE EVE OF HER VISIT A SUMMARY OF THE CURRENT MOOD HERE.
2. VAN AGT FACES A NUMBER OF DIFFICULT PROBLEMS AND THE RUN-UP TO THE GENERAL ELECTIONS ON 26 MAY IS BEGINNING TO PREOCCUPY HIS ATTENTION. THE CHRISTIAN DEMOCRAT PARTY (CDA) COUNCIL DULY ELECTED HIM ON 31 JANUARY TO LEAD THE PARTY INTO ELECTIONS. BUT OF 300 VOTES MORE THAN 60 WERE CAST AGAINST HIM, REFLECTING A FEELING THAT HE LEADS FROM TOO FAR TO THE RIGHT; AND THERE IS STILL A CDA CONGRESS, WHICH WILL CONFIRM HIS LEADERSHIP AND DISCUSS THE PARTY PLATFORM, TO COME IN A FORTNIGHT'S TIME. HE WILL NOT HAVE AN EASY TASK IN HOLDING THE PARTY TOGETHER OVER THE COMING MONTHS. THE GENERAL ASSUMPTION IS THAT THE CHRISTIAN DEMOCRATS WILL EMERGE AS THE LARGEST PARTY AFTER 26 MAY. NEVERTHELESS, WHETHER VAN AGT AS EXPECTED THEN LOOKS TO THE LEFT AND SEEKS TO CONSTRUCT A COALITION WITH LABOUR, OR TRIES TO MAINTAIN THE PRESENT LINK WITH THE LIBERALS (THE MOST RIGHT WING OF DUTCH PARTIES), THE CHRISTIAN DEMOCRATS ARE LIKELY TO REMAIN RESTIVE.
3. NOT THE LEAST OF HIS CURRENT PROBLEMS IS THE TANGLE INTO WHICH THE PRESENT CABINET HAVE GOT THEMSELVES BY AUTHORISING THE DUTCH HEAVY INDUSTRY CONGLOMERATE RSV TO SUPPLY TAIWAN WITH TWO SUBMARINES ALONG WITH OTHER ENGINEERING AND CONSTRUCTION EQUIPMENT. VAN AGT, HAVING ALLOWED HIMSELF TO BE PUSHED INTO THIS DEAL BY HIS LIBERAL COALITION PARTNERS, IS NOW TRYING TO BACK OUT OF IT (BY REFUSING TO GIVE THE FIRM CONCERNED THE NECESSARY EXPORT CREDIT GUARANTEE): BUT THIS IS TOO LATE TO PREVENT SEVERE DAMAGE TO SINO-DUTCH RELATIONS. THE GOVERNMENT WERE DEFEATED ON THE ISSUE IN THE SECOND CHAMBER THIS AFTERNOON, THOUGH THEY ARE LIKELY TO WIN ANY SUBSEQUENT VOTE OF CONFIDENCE.
4. SUBMARINES APART, THE TWO GREAT CONTROVERSIES IN DUTCH POLITICS REMAIN NUCLEAR ENERGY AND NUCLEAR WEAPONS. ON BOTH VAN AGT REMAINS UNCOMFORTABLY PLACED, GIVEN THAT THEY ARE STRONGLY OPPOSED NOT ONLY BY A WIDE RANGE OF PUBLIC OPINION BUT ALSO BY A FACTION INSIDE HIS OWN PARLIAMENTARY PARTY LARGER IN NUMBER THAN THE SIZE OF THE GOVERNING COALITION'S MAJORITY. ON TNF STATIONING THE CDA ARE FIRMLY TAKING THE LINE THAT THE DECISION MUST ONLY BE TAKEN IN DECEMBER 1981 AS LAID DOWN BY THE GOVERNMENT IN DECEMBER 1979.

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5. AT A TIME WHEN PESSIMISTIC MEDIUM-TERM FORECASTS FOR THE NETHERLANDS ECONOMY ARE BEING LISTENED TO WITH INCREASING CONCERN AN INFORMED MINORITY IS ARGUING STRONGLY THAT GIVEN DECLINING NATURAL GAS RESERVES ECONOMIC GROWTH CANNOT BE ACHIEVED WITHOUT SECURE SOURCES OF ENERGY AND THIS MEANS NUCLEAR POWER. THE LOCAL EQUIVALENT OF THE CBI HAS JUST LAUNCHED A MAJOR CAMPAIGN ON THESE LINES - SO FAR UNSUPPORTED BY THE GOVERNMENT.

6. IN THE DEBATE OVER NATO AND NUCLEAR WEAPONS, TOO, THE GOVERNMENT HAS SO FAR FAILED TO PROVIDE A LEAD. SINCE CHRISTMAS THERE HAVE BEEN SOME ENCOURAGING SIGNS OF LIFE ON THE PART OF THE PRO-NATO LOBBY. LUBBERS, THE CHRISTIAN DEMOCRATIC FRACTION LEADER IN THE SECOND CHAMBER, HAS NOW SUGGESTED QUALIFIED SUPPORT FOR TNF STATIONING (16 GLCMS RATHER THAN THE 48 ORIGINALLY PROPOSED BY NATO). BUT VAN AGT HAS AS YET SHOWN NO SIGN OF PRODUCING THE LEAD HE TOLD ME THAT HE HOPED TO: AND WITHOUT A MOVE FROM HIM THE GOVERNMENT REMAINS TORPID.

7. THE POLITICAL SCENE IN THE NETHERLANDS IS THUS CURRENTLY DOMINATED BY DISSENSION AND UNCERTAINTY. EVEN THE NETHERLANDS PRESIDENCY CAN BE AFFORDING VAN AGT LITTLE SOLACE. ON THE COMMUNITY SIDE (REFORM OF THE CAP, RESTRUCTURING) HELPFUL THOUGH THE DUTCH REMAIN THERE IS SMALL HOPE - PARTICULARLY IN VIEW OF THE OBDURATE LINE CURRENTLY BEING PURSUED BY THE FRENCH - OF DRAMATIC PROGRESS BEING MADE BEFORE JULY. AS REGARDS POLITICAL COOPERATION, PRIDE IN THE DUTCH ROLE IN ARTICULATING THE VIEWS OF THE TEN (NOTABLY ON THE MIDDLE EAST) IS TEMPERED BY DOUBTS AS TO THE CAPACITY OF VAN DER KLAUW TO PLAY THE LEADING ROLE REQUIRED OF HIM.

8. AGAINST THIS BACKGROUND VAN AGT WILL BE ANXIOUS TO EXCHANGE VIEWS WITH THE PRIME MINISTER ON HOW BEST TO MOVE MATTERS FORWARD IN THE COMMUNITY DURING 1981. THERE ARE OF COURSE A NUMBER OF IMPORTANT POINTS TO BE MADE IN THAT CONTEXT (SEE THE BRIEFS ON EUROPEAN COMMUNITY MATTERS). BUT I HOPE ESPECIALLY THAT MRS THATCHER WILL FEEL ABLE TO SPEAK FRANKLY TO VAN AGT ABOUT THE DESIRABILITY OF A MORE FORWARD ATTITUDE ON NUCLEAR WEAPONS, AND TO A LESSER EXTENT ON NUCLEAR ENERGY. IT REMAINS A FAIR CHARGE THAT VAN AGT HAS TENDED TO PREOCCUPY HIMSELF WITH SHORT-TERM PROBLEMS TO THE DETRIMENT OF IMPORTANT LONG-TERM INTERESTS BOTH OF THE NETHERLANDS AND OF THE COUNTRY'S PARTNERS AND ALLIES. FOR THE NETHERLANDS GOVERNMENT TO CONTINUE TO HANG BACK FROM FIRM DECISIONS OVER TNF STATIONING AND NUCLEAR ENERGY CANNOT BUT AFFECT THE STRENGTH OF THE NATO ALLIANCE AND THE URENCO PARTNERSHIP; AS A MINIMUM IT IS REASONABLE TO SUGGEST THAT THE GOVERNMENT SHOULD BEGIN TO PREPARE AND EDUCATE PUBLIC OPINION TO THE RIGHT SORT OF DECISIONS TO BE TAKEN. AT PRESENT THEIR OPPONENTS MAKE NEARLY ALL THE RUNNING.

TAYLOR
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MR FERGUSSON
MR HANNAY

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Foreign and Commonwealth Office

London SW1A 2AH

27 January 1981

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envelope.

Am

Dear Michael,

The Prime Minister's Visit to The Hague

There is one matter not covered, because of its sensitive nature, in the briefing being prepared for this visit by the Foreign and Commonwealth Office, on which Lord Carrington would, nonetheless, wish to offer advice. This is the question of the succession to Dr Luns as Secretary-General of NATO.

Lord Carrington believes that any discussion on this subject in The Hague would be bound to find its way back to Dr Luns and could do us serious harm in our efforts to promote our own candidate. He considers that the next step must be to hear the views and to gain the support of the new American Administration. He will raise the matter with General Haig when he accompanies the Prime Minister to Washington at the end of February, and till then any further action would be unwise.

I am copying this letter to Brian Norbury and to David Wright.

(G G H Walden)

M O'D B Alexander Esq
10 Downing Street

Netherlands

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GRS 370
CONFIDENTIAL
FM THE HAGUE 231715Z JAN 81
TO ROUTINE F C O
TELEGRAM NUMBER 24 OF 23 JANUARY

YOUR TELS NUMBERS 9 AND 10: PRIME MINISTER'S VISIT

1. I HAVE NOW HAD A USEFUL MEETING WITH VAN AGT (COPY OF RECORD BY BAG). ON NUCLEAR WEAPONS HE BELIEVED THAT A GOVERNMENT LEAD WAS NECESSARY TO COUNTER THE PRESENT ANTI-NUCLEAR CAMPAIGN. BUT THE DISSENTERS IN THE CDA MADE THE SITUATION EXTREMELY DIFFICULT. HE WOULD THUS WAIT UNTIL AFTER EITHER THE PARTY COUNCIL HAD CONFIRMED HIS SELECTION AS LEADER LATER THIS MONTH OR UNTIL AFTER THE PARTY CONGRESS HAD RATIFIED IT IN FEBRUARY. HE WAS DETERMINED TO DO SOMETHING TO ENABLE THE NETHERLANDS TO CONTINUE TO BE A FULLY COOPERATING MEMBER OF NATO. (COMMENT: IN SO FAR AS IT GOES, THIS ADMISSION BY VAN AGT THAT HE INTENDS TO TAKE ACTION IS ENCOURAGING. I VERY MUCH HOPE HOWEVER THAT THE PRIME MINISTER WILL BE ABLE TO INDUCE IN HIM A GREATER SENSE OF URGENCY AND A GREATER AWARENESS OF REALITIES).

2. ON THE COMMUNITY, WE BRIEFLY DISCUSSED HERR GENSCHER'S RECENT SPEECH AND CALL FOR A GREATER SENSE OF PURPOSE IN THE COMMUNITY. MR VAN AGT HOPED THAT THE IMAGE OF THE COMMUNITY COULD BE IMPROVED AND THAT ALL COULD GET AWAY FROM CONSTANT BICKERING OVER DETAILS. HE HOPED IN PARTICULAR THAT FOLLOWING THE RESOLUTION OF THE UK BUDGET PROBLEM, THE UK WOULD BE ABLE TO GET CLOSER TOGETHER WITH GERMANY. A PARIS-BONN AXIS WAS WORRYING AND UK INFLUENCE WOULD BE HELPFUL. HE HIMSELF WOULD CONTINUE TO EMPHASISE THAT UK MEMBERSHIP OF THE COMMUNITY WAS ABSOLUTELY ESSENTIAL AND HOPED THAT THE NETHERLANDS AND UK PRESIDENCIES WOULD PROVIDE AN OPPORTUNITY TO MOVE THINGS AHEAD IN WAYS THAT WOULD HELP TO MAKE THE COMMUNITY BETTER APPRECIATED IN BRITAIN.

13.

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3. MR VAN AGT ENDED BY ASKING ME TO STRESS HOW MUCH HE WAS LOOKING FORWARD TO SEEING MRS THATCHER HERE. (WE HAVE HEARD THAT THE CABINET MEETING NORMALLY HELD IN THE HAGUE ON FRIDAYS HAS, EXCEPTIONALLY, BEEN PUT OFF IN ORDER TO ALLOW VAN AGT TO PLAY THE FULLEST PART IN THE PROGRAMME). HE WISHED TO SUGGEST SOME MINOR ALTERATIONS TO THE PROGRAMME AND WOULD BE ASKING HIS OFFICE TO CONTACT THE EMBASSY ACCORDINGLY.

4. THE PROGRAMME NOW PROPOSED (DETAILS IN MY IFT) DOES NOT DIFFER SUBSTANTIALLY FROM THAT IN MY TEL NO 4 EXCEPT THAT THE AUDIENCE WITH QUEEN BEATRIX HAS BEEN ADVANCED AND SOME MINOR CHANGES OF TIMING MADE.

5. SEE MY I.F.T.

TAYLOR

[THIS TELEGRAM WAS NOT ADVANCED]
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SIR E YOUDE
MR BULLARD
MR FERGUSSON
MR HANNAY
LORD BRIDGES
SIR A ACLAND
MR P H MOBERLY

COPIES TO
MR FRANKLIN CABINET OFFICE
MR D WRIGHT CABINET OFFICE

CONFIDENTIAL

Nehru's

K. M.

Cabinet Office,
70 Whitehall,
London SW1

22nd January 1981

PS(81) 2

Dear Private Secretary,

Prime Minister's Visit to The Hague: 6th February 1981

This letter sets out the briefing arrangements for the Prime Minister's visit to The Hague on 6th February.

The objectives for the visit, as approved by the Prime Minister, are at Annex A. The list of briefs to be prepared, with an indication of Departmental responsibility, is at Annex B. Instructions on format are at Annexes C and D. Those preparing briefs should note carefully the details on the format of briefs set out in Annex C, particularly (b) on the structure of briefs.

60 copies of each brief should be sent to the Cabinet Office as soon as they are ready, and should in any event arrive no later than 12.00 noon on Friday 30th January. They should be addressed to Mrs. M. Wagner in Committee Section, who should be consulted (tel. no. 233 7628) about any technical points arising.

I am sending copies of this letter to the Private Secretaries to Sir Michael Palliser, Sir Douglas Wass, Sir Frank Cooper, Sir Kenneth Clucas, Sir Donald Maitland, Sir Brian Hayes, Sir Peter Preston, Sir Kenneth Couzens and Mr. Robin Ibbs, and to Michael Alexander, No. 10.

Yours sincerely,

(Signed) D.J. WRIGHT

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PRIME MINISTER'S VISIT TO THE HAGUE: 6th FEBRUARY 1981

UNITED KINGDOM OBJECTIVES

1. To reaffirm the Government's commitment to Europe; to put across to the Dutch our views on European Community matters, particularly budget restructuring and the CAP, and to seek their support in view of their current tenure of the Presidency; to prepare the way for a smooth transfer of the Presidency to the United Kingdom on 1st July.
2. To demonstrate to the Dutch that their attitudes and concerns are of importance to us, particularly on the major international questions of concern to Europe and under discussion in political co-operation.
3. To emphasise the importance of ensuring the continued cohesion and effectiveness of the NATO alliance; and of maintaining solidarity over the role of nuclear weapons in NATO strategy and over decisions for strengthening Western defence (including Theatre Nuclear Force Modernisation).

PROBABLE DUTCH OBJECTIVES

1. To explain present lines of Dutch thinking on Community matters and to discuss the strategy for carrying forward and developing policies during the consecutive Dutch and British Presidencies. On restructuring, to stress their desire to see agreement reached no later than the June European Council on the broad principles to be followed in the restructuring discussions.
2. To exchange views with the Prime Minister on all the main areas of current international tension.
3. To gain electoral benefit from the visit of the Prime Minister.

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ANNEX B

LIST OF BRIEFS FOR PRIME MINISTER'S VISIT TO THE HAGUE
6th FEBRUARY 1981

<u>PMVG(81)</u>	<u>Subject</u>	<u>Lead Department</u>	<u>In consultation with</u>
1.	Steering Brief	FCO	as appropriate
2.	European Community Questions:		
	(i) Community Steering Brief	FCO	as appropriate
	(ii) Restructuring (including CAP reform and 1981 agricultural prices)	FCO	Treasury MAFF Cabinet Office
	(iii) 1981 Budget and Other Current Issues	FCO	Treasury Cabinet Office
	(iv) Fisheries	MAFF	FCO Cabinet Office
	(v) External Trade Questions	FCO	as appropriate
	(vi) Political Co-operation	FCO	as appropriate
3.	Defence and Arms Control (including Theatre Nuclear Forces)	FCO	MOD
4.	East-West Relations (including Afghanistan, Poland and China)	FCO	as appropriate
5.	Southern Africa	FCO	as appropriate
6.	South-East Asia (Cambodia and East Timor - background only)	FCO	as appropriate
7.	Middle East (including Iran/Iraq and Arab/Israel)	FCO	as appropriate

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<u>PMVG(81)</u>	<u>Subject</u>	<u>Lead Department</u>	<u>In consultation with</u>
8.	Chad (background only)	FCO	as appropriate
9.	North/South Dialogue and Summit	FCO	Treasury Trade Energy ODA
10.	The New United States Administration	FCO	as appropriate
11.	The Netherlands: Internal Political Scene	FCO	as appropriate
12.	The Netherlands: Internal Economic Scene	FCO	Treasury as appropriate

INSTRUCTIONS ABOUT FORMAT

All briefs should be laid out in the same way with a top page in accordance with the specimen layout at Annex D. Those preparing briefs should pay particular attention to ensuring that the following instructions are fully observed:

Content

- (a) Briefs should be concise. Each brief should if possible be no more than four sides long.
- (b) The main body of each brief should comprise two sections, a concise list of Points to Make, followed by a factual Background section which distinguishes clearly between information which can be freely used and information which should not be disclosed.
- (c) Briefs should be complete and self-contained with all the information required on that particular subject. Briefs should not be divided into separate self-contained sub-sections.

Layout

- (d) Briefs should be typed in double spacing, using both sides of the paper. Pages should be numbered at the foot of each page.
- (e) As shown in the specimen at Annex D, the top page only of each brief should contain the following details: the symbol and number of the brief in the top left-hand corner (e.g. PMVG(81) 10) with the date of production below; a copy number in red at the top right-hand corner; the visit heading; the title of the brief (in capitals) and the name of the Department responsible.
- (f) At the foot of the last page and on the left-hand side, briefs should bear the name of the originating Government Department and the date of origin.

Reproduction

(g) Briefs should be reproduced throughout on white paper, with each page bearing a security classification at top and bottom (as in Annex D). Care should be taken that the reproduction method employed results in clear readable copies.

- (h) It is important that on arrival at the Cabinet Office, briefs should be complete in all detail - collated, stapled and copy numbered and ready for immediate circulation.

Updating

- (i) If late developments require a brief to be amended or updated, an addendum should be prepared. It should be set out in the form described at (e) above, with the brief number (e.g. PMVG(81) 10 Addendum) and title to which it relates at the top of the front page. The Private Secretary to the Secretary of the Cabinet should be informed when an addendum is in preparation. Revised briefs and corrigenda should be similarly treated.
- (j) Additions to the list of briefs in Annex B require the authorisation of the Private Secretary to the Secretary of the Cabinet.

CLASSIFICATION

ANNEX D

THIS DOCUMENT IS THE PROPERTY OF HER BRITANNIC MAJESTY'S GOVERNMENT

PMVG(81) Serial No. as specified in Annex B

COPY NO in red

Date of production

PRIME MINISTER'S VISIT TO THE HAGUE
6 FEBRUARY 1981

Leave 1½"
margin

SUBJECT Insert subject in capitals

Brief by name of originating Department, eg Foreign and
Commonwealth Office

At the foot of the last page:-
left-hand side

Originating Government Department, eg Foreign and Commonwealth Office
or Department of Industry, not a subordinate section or division

Date of origin

CLASSIFICATION

SIR ROBERT ARMSTRONG

Prime Minister's Visit to The Hague:
6 February

The Prime Minister has seen and approved your minute of 19 January together with its annexes.

MODBA

21 January 1981

AZ



PM Tours Abroad: Dec 83
 Visit to Netherlands:
 Admin

Prime Minister

Agree Annexes A+C?

Paul 27, Yes not

Ref. A04027

MR ALEXANDER

Prime Minister's Visit to The Hague, 6 February

The Prime Minister will be visiting The Hague on 6 February at the invitation of the Netherlands Prime Minister, Mr van Agt. This will be the Prime Minister's first bilateral visit to The Hague. The Dutch currently hold the Presidency of the European Community. This gives particular point to the visit. But the Dutch Prime Minister will also particularly welcome the attention paid to him by Mrs Thatcher by this visit, because of the prospect of Parliamentary elections, which must be held before May.

2. The Dutch, as hosts, will decide the shape of the discussions. They have suggested an hour of talks in the morning, starting at 1100 hours, after which the Prime Minister would have an audience of Queen Beatrix. This would be followed by lunch, to be given by Mr van Agt, followed by further talks. These would end with a joint press conference, after which the Prime Minister will be free to return to London.

3. The agenda for the talks will, so far as it has been possible to establish it, be concentrated mainly upon European Community matters and topics under discussion in political cooperation. It is also recommended that the Prime Minister should raise defence issues, in particular Dutch problems with Theatre Nuclear Forces. This would also provide an opportunity to discuss the new United States Administration's defence policies. Indeed, in his capacity as President of the European Council, Mr van Agt will no doubt be particularly glad to talk to the Prime Minister about the likely approach of President Reagan to a wider range of issues of interest to the European Community, given the prospect of the Prime Minister's forthcoming visit to Washington. On present form she will be the first Community Head of Government to go there; there is no indication yet of plans for Mr van Agt to do so. As for other topics, the Prime Minister will need background briefing on South Africa, the North/South dialogue and possibly Chad, Cambodia and East Timor.

/4.



4. An assessment of both United Kingdom and Dutch objectives is set out in Annexes A and B. A list of proposed briefs is at Annex C: the preparation of these will be coordinated by the Cabinet Office. I should be grateful if you would let me know whether the Prime Minister is content with these arrangements. We will arrange for the briefs to reach you by Friday 30 January.

ROBERT ARMSTRONG

19 January 1981

United Kingdom Objectives

1. To reaffirm the Government's commitment to Europe; to put across to the Dutch our views on European Community matters, particularly budget restructuring and the CAP, and to seek their support in view of their current tenure of the Presidency; to prepare the way for a smooth transfer of the Presidency to the United Kingdom on 1 July.
2. To demonstrate to the Dutch that their attitudes and concerns are of importance to us, particularly on the major international questions of concern to Europe and under discussion in political cooperation.
3. To emphasize the importance of ensuring the continued cohesion and effectiveness of the NATO alliance; and of maintaining solidarity over the role of nuclear weapons in NATO strategy and over decisions for strengthening Western Defences (including Theatre Nuclear Force Modernisation).

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Probable Dutch Objectives

1. To explain present lines of Dutch thinking on Community matters and to discuss the strategy for carrying forward and developing policies during the consecutive Dutch and British Presidencies. On restructuring, to stress their desire to see agreement reached no later than the June European Council on the broad principles to be followed in the restructuring discussions.
2. To exchange views with the Prime Minister on all the main areas of current international tension.
3. To gain electoral benefit from the visit of the Prime Minister.

A handwritten signature in black ink, consisting of several stylized, overlapping loops and lines.

List of Briefs

1. Steering Brief
2. European Community Questions:
 - (i) Community Steering Brief
 - (ii) Restructuring (including CAP reform and 1981 agricultural prices)
 - (iii) 1981 Budget and Other Current Issues
 - (iv) Fisheries
 - (v) External Trade Questions
 - (vi) Political Co-operation
3. Defence and Arms Control (including Theatre Nuclear Forces)
4. East-West Relations (including Afghanistan, Poland and China)
5. Southern Africa
6. South-East Asia (Cambodia and East Timor - background only)
7. Middle East (including Iran/Iraq and Arab/Israel)
8. Chad (background only)
9. North/South Dialogue and Summit
10. The New United States Administration
11. The Netherlands: Internal Political Scene
12. The Netherlands: Internal Economic Scene

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H M Treasury

Parliament Street London SW1P 3AG

Switchboard 01-233 3000

Direct Dialling 01-233 3620

Sir Douglas Wass GCB
Permanent Secretary

Sir Robert Armstrong KCB CVO
Cabinet Office
Whitehall
LONDON
SW1

16 January 1981

See Robert.

PRIME MINISTER'S VISIT TO THE HAGUE: 6 FEBRUARY

I have seen a copy of Teddy Youde's letter of 15 January.

I have only two ^{minor} comments, both concerning Annex C to the letter (the list of briefs). The first is that, as the Dutch are experiencing severe economic problems with some similarities to our own, I think it would be worth providing a separate brief to the Prime Minister on the internal economic scene in the Netherlands. This would entail splitting the brief at present listed as number 11 in the Annex into two parts, political and economic. My second point is that brief number 9, on the North/South dialogue should include some reference to the IMF/IBRD implications of the main issues, in which the Netherlands have a strong interest. We shall of course be happy to provide an appropriate passage in due course.

Yours ever,
Douglas

DOUGLAS WASS

cc Sir Frank Cooper GCB CMG
Sir Brian Hayes KCB
Sir Peter Carey KCB
Sir Kenneth Clucas KCB
C A Whitmore Esq
M D M Franklin Esq CB CMG
Sir Edward Youde KCMG

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Foreign and Commonwealth Office

London SW1A 2AH

15 January 1981

Sir Robert Armstrong KCB CVO
CABINET OFFICE

L. S. Smith

Dear Robert,

PRIME MINISTER'S VISIT TO THE HAGUE: 6 FEBRUARY

1. As you know, the Prime Minister will be visiting The Hague on 6 February at the invitation of the Netherlands Prime Minister, Mr van Agt. This will be the Prime Minister's first bilateral visit to The Hague. The Dutch currently hold the Presidency of the European Community but the Dutch Prime Minister will particularly welcome attention paid to him by Mrs Thatcher because of the prospect of Parliamentary elections, which must be held before May.
2. The Dutch, as hosts, will decide the shape of the discussions. They have suggested an hour of talks in the morning, starting at 1100 hours, after which the Prime Minister would have an audience of Queen Beatrix. This would be followed by lunch, to be given by Mr van Agt, followed by further talks. These would end with a joint press conference, after which the Prime Minister will be free to return to London.
3. The agenda for the talks will, so far as we have been able to establish, be limited to European Community matters and topics under discussion in political cooperation. We would recommend that, in addition, the Prime Minister raise defence issues, in particular Dutch problems with Theatre Nuclear Forces. This would also provide an opportunity to discuss the new United States Administration's defence policies. Indeed, Mr van Agt will no doubt be particularly glad to talk to the Prime Minister, in his capacity as President of the European Council, about the likely approach of President Reagan to a wider range of issues of interest to the European Community/the Ten, in the prospect of the Prime Minister's forthcoming visit to Washington. On present form she will be the first Community Head of Government to go there; we know of no plans as yet for Mr van Agt to do so. As for other topics, the Prime Minister will need background briefing on South Africa, the North/South dialogue and possibly Chad, Cambodia and East Timor.

/4.

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/ 4. I attach at Annexes A and B our draft assessment of British and probable Dutch objectives and at Annex C a suggested list of briefs, the preparation of which might best be coordinated by the Cabinet Office unless you would prefer the Foreign and Commonwealth Office to do so.

Yours

Edward Youde

Edward Youde

cc: Sir Douglas Wass GCB
HM TREASURY
Sir Frank Cooper GCB CMG
MINISTRY OF DEFENCE
Sir Brian Hayes KCB
MAFF
Sir Peter Carey KCB
DEPARTMENT OF INDUSTRY
Sir Kenneth Clucas KCB
DEPARTMENT OF TRADE
C A Whitmore Esq
10 DOWNING STREET
M D M Franklin Esq CB CMG
CABINET OFFICE

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ANNEX A

UK OBJECTIVES

1. To put across to the Dutch our views on European Community matters, particularly restructuring, and to seek their support in view of their current tenure of the Presidency; to prepare the way for a smooth transfer of the Presidency to the United Kingdom on 1 July.
2. To demonstrate to the Dutch that their attitudes and concerns are of importance to us, particularly on the major international questions of concern to Europe and under discussion in political cooperation.
3. To emphasize the importance of ensuring the continued cohesion and effectiveness of the NATO alliance; and of maintaining solidarity over decisions for strengthening western defences (including Theatre Nuclear Force Modernisation).



ANNEX B

PROBABLE DUTCH OBJECTIVES

1. To explain present lines of Dutch thinking on Community matters and to discuss the strategy for carrying forward and developing policies during the consecutive Dutch and British Presidencies. On re-structuring, to stress their desire to see agreement reached no later than the June European Council on the broad principles to be followed in the restructuring discussions.
2. To exchange views with the Prime Minister on all the main areas of current international tension.
3. To gain electoral benefit from the visit of the Prime Minister.



ANNEX C

LIST OF BRIEFS

1. Steering Brief
2. European Community questions:
 - (i) Community steering brief
 - (ii) Restructuring (including CAP reform and 1981 agricultural prices)
 - (iii) 1981 Budget
 - (iv) Fisheries
 - (v) External Trade Questions
 - (vi) Political Cooperation
3. Defence and Arms Control (including Theatre Nuclear Forces)
4. East-West relations (including Afghanistan, Poland and China)
5. Southern Africa
6. South-East Asia
7. Middle East (including Iran/Iraq and Arab/Israel)
8. Chad (Background)
9. North/South Dialogue and Summit
10. The new United States Administration
11. The Netherlands: Internal Political and Economic Scene

GRS 275

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FM THE HAGUE 231115Z DEC 80
TO ROUTINE F C O
TELEGRAM NUMBER 344 OF 23 DECEMBER

*From TOU to Mervyn
Prime Minister*

MP 29/12/80

YOUR TELEGRAM NUMBER 180 : PRIME MINISTER'S VISIT

1. AS WED HAVE BEEN TOLD BY TELEPHONE, MR VAN AGT HAS EMPHASISED TO ME HIS READINESS TO DEVOTE THE WHOLE OF 6 FEBRUARY TO PARTICIPATION IN MRS THATCHER'S PROGRAMME. IT IS THUS PLAIN THAT THE DUTCH ARE TAKING THE VISIT SERIOUSLY.

2. IT IS PLAIN FROM DISCUSSION WITH CONTACTS THAT DUTCH THINKING ON OBJECTIVES FOR THIS VISIT IS STILL AT A VERY EARLY STAGE. IT IS HOWEVER ALREADY CLEAR WHICH SUBJECTS WILL TAKE PRIDE OF PLACE :

(A) COMMUNITY MATTERS - NOTABLY RESTRUCTURING, THE CAP, AGRICULTURAL PRICES, THE 1982 BUDGET AND FISHERIES. ON RESTRUCTURING THE DUTCH WILL BE LIKELY TO STRESS THEIR DESIRE TO SEE AGREEMENT BE REACHED NO LATER THAN THE JUNE EUROPEAN COUNCIL ON THE MAIN PRINCIPLES TO BE FOLLOWED IN THE RESTRUCTURING PROCESS. YOUR RECENT TALKS WITH VAN DER KLAUW AND LORD BRIDGES'S DISCUSSIONS WITH POSTHUMUS MEYJES HAVE INDICATED PRESENT LINES OF DUTCH THINKING. MR VAN AGT WILL HOPE TO DISCUSS STRATEGY FOR CARRYING FORWARD AND DEVELOPING POLICIES DURING THE TWO PRESIDENCIES.

(B) POLITICAL COOPERATION. MR VAN AGT WILL UNDOUBTEDLY WISH TO EXCHANGE VIEWS WITH THE PRIME MINISTER ON ALL THE MAIN AREAS OF CURRENT TENSION - INCLUDING AFGANISTAN, THE MIDDLE EAST, POLAND AND IRAN - IRAQ.

3. SUBJECTS FALLING OUTSIDE THE COMMUNITY / POLITICAL COOPERATION FRAMEWORK X HAVE CERTAINLY NOT BEEN SPECIFICALLY RULED OUT BY THE DUTCH, BUT AS YET WE KNOW OF NONE WHICH THEY INTEND TO RAISE. MR VAN AGT MAY HOWEVER WISH TO OFFER AN EXPLANATION - AND FAILING THAT SHOULD IN MY VIEW BE ASKED FOR ONE BY THE PRIME MINISTER - OF THE REASONS FOR THE CURRENT STRENGTH OF THE OPPOSITION TO NUCLEAR WEAPONS IN THE NETHERLANDS, AND FOR THE GOVERNMENT'S FAILURE TO COUNTER-ATTACK MORE BOLDLY. WE MUST NOT LET SLIP THIS OPPORTUNITY TO MAKE PLAIN THE IMPORTANCE WE ATTACH TO THE MAINTENANCE OF SOLIDARITY ON THE KEY QUESTIONS NOW FACING THE ALLIANCE.

TAYLOR

MINIMAL

WED

ECD (I)

ECD (E)

*cc No. 10
Mr. Ferguson
Defence J.*

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