CONFIDENTIAL

FM THE HAGUE

TO IMMEDIATE FCO

TELNO 230

OF 190830Z MAY 89

INFO PRIORITY UKREP BRUSSELS

INFO ROUTINE OTHER EC POSTS

THE DELORS COMMITTEE RECOMMENDATIONS: NETHERLANDS REACTIONS

SUMMARY

1. SPEAKING TO EC AMBASSADORS, VAN DEN BROEK ARGUES FOR A PRAGMATIC APPROACH IN RESPONDING TO THE DELORS COMMITTEE REPORT. HE SUGGESTS THAT STAGE 1 MIGHT BE TAKEN FORWARD FROM MID-1990 BY WORKING GROUPS WITH AN OPEN MIND ABOUT SUBSEQUENT ACTION FOR WHICH THERE ARE A NUMBER OF OPTIONS. BUT HE ADDED A STRONG APPEAL FOR THOSE NOT IN THE EMS EXCHANGE RATE MECHANISM TO JOIN THE SYSTEM.

DETAIL

- 2. AT A PRESIDENCY LUNCH FOR THE NETHERLANDS FOREIGN MINISTER TODAY (18 MAY) VAN DEN BROEK RESPONDED TO AMBASSADORS QUESTIONS ABOUT NETHERLANDS VIEWS ON THE DELORS REPORT AND THE DUTCH MINISTER'S VISIT TO CHEQUERS.
- 3. VAN DEN BROEK SAID THAT THE NETHERLANDS GOVERNMENT SUBSCRIBED TO THE REPORT'S FINAL AIMS AND GOALS: THE CREATION OF A EUROPEAN MONETARY UNION AND A CENTRAL BANK. BUT THEY DID NOT ACCEPT THAT THERE WAS ANY CASE FOR FURTHER AMENDMENT TO THE EUROPEAN TREATY AT THIS STAGE NOR THAT FINAL COMMITMENT AS ENVISAGED IN ARTICLE 39 WAS NECESSARY. HE WAS CHALLENGED ON THIS BY THE FRENCH AMBASSADOR, WHO ASKED WHETHER THERE WAS NOT A CASE FOR EARLY TREATY AMENDMENT TO GIVE THE NECESSARY INCENTIVE TO REACH A STAGE III. VAN DEN BROEK DISAGREED AND ARGUED THAT THE IMMEDIATE NEED WAS TO KEEP ALL THE OPTIONS OPEN. THE DUTCH THOUGHT IT VERY IMPORTANT TO TRY TO GET ALL COUNTRIES TO COOPERATE IN CARRYING ECONOMIC INTEGRATION FORWARD. HE THOUGHT THAT ALL WERE AGREED ON THE NEED FOR PLANNING FOR THE CONVERGENCE OF ECONOMIC POLICIES. THE DUTCH SAW A NEED FOR DISCUSSION ON HOW TO REINFORCE AND EXTEND EXISTING ARRANGEMENTS. HE THOUGHT THAT THE BEST COURSE FOR THE MADRID SUMMIT COULD BE TO LIMIT DISCUSSION TO TALKING ABOUT GENERAL PROCEDURAL ARRANGEMENTS AND TO AFREE TO AIM TO START PHASE I ON 1 JULY 1990. THERE COULD THEN BE DECISIONS IN PARIS IN DECEMBER ABOUT THE MODALITIES OF THE FIRST PHASE. HE WAS PERSONALLY ATTRACTED TO THE IDEA OF ESTABLISHING A NUMBER OF WORKING GROUPS IN WHICH ALL WOULD BE FREE TO PARTICIPATE WITHOUT CONDITIONS. AN OPTION

PAGE 1 CONFIDENTIAL FOR THEM TO CONSIDER WOULD BE TO CONTINUE WITH PROGRESS TOWARDS MONETARY UNION ON THE LINES ENVISAGED BY THE DELORS REPORT. BUT THERE WERE OTHER POSSIBILITIES INCLUDING REINFORCING PRESENT INSTITUTIONS. TREATY AMENDMENT WOULD BE REQUIRED IF THE DECISION WAS TO PROCEED TO STAGE TWO OF THE PROPOSALS WHEN NEW INSTITUTIONS WOULD NEED TO BE ESTABLISHED EVEN THOUGH THEY WOULD NOT THEN BECOME INDEPENDENTLY OPERATIVE.

- 4. THERE WERE SOME OTHER POINTS ON WHICH THE DUTCH HAD CRITICISMS OF THE REPORT: COHESION AND THE WORDING ON ECONOMIC UNION WHICH THEY DID NOT THINK AS WELL DRAFTED AS THE MONETARY SECTION.
- 5. VAN DEN BROEK MADE ONLY TWO POINTS ABOUT THE CHEQUERS DISCUSSIONS. HE SAID THAT DUTCH MINISTERS HAD FOUND IT EXTREMELY USEFUL TO RECEIVE A DIRECT ACCOUNT OF BRITISH REACTIONS TO THE DELORS REPORT. THE DUTCH ACCEPTED THAT IT WAS DIFFICULT FOR ALL TO MOVE UNIFORMLY AHEAD TO THE LONGER TERM GOALS SET OUT BY THE DELORS REPORT BUT THE DUTCH HAD WISHED TO STRESS THEIR OWN DEEP CONVICTION THAT THE ENTRY OF THE UNITED KINGDOM INTO FULL COOPERATION IN THE EXCHANGE MECHANISM OF THE EMS WOULD BE IN THE INTERESTS OF THE UNITED KINGDOM ITSELF. THEY VERY MUCH HOPED THAT THE TIME WAS NOW APPROACHING WHEN ALL MEMBERS OF THE COMMUNITY WOULD FEEL THAT THE TIME WAS RIGHT TO COME INSIDE THE EXCHANGE MECHANISM.

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