

UNCLASSIFIED
SAVING TELEGRAM

BY BAG

UNCLASSIFIED

FROM: THE HAGUE

TO: FCO

TELEGRAM NO 40 SAVING OF 16 SEPTEMBER 1980

Repeated for information Saving to Washington, UKDel NATO,
UKDel OECD, EC posts

Prime Minister

Toglanu

MMA

19/1X

NETHERLANDS GOVERNMENT POLICY: QUEEN'S SPEECH

1. Queen Beatrix today opened the new session of Parliament and delivered the traditional speech from the throne (copy of English translation sent to WED).
2. The speech is dominated by the heavy emphasis placed upon currently adverse trends in the world economy, and the fact that the Netherlands "can expect little if any economic growth in the coming year". Against that background, and taking as the point of departure the Government's determination to reduce the Public Sector Borrowing Requirement, the prime focus is on the problems arising from the need to divide between the public and private sectors those funds which are available.

Economic Policy

3. The main points made are as follows:
 - (a) the social security system can only be maintained if it is efficiently managed. It must not be allowed to discourage able-bodied people from working;
 - (b) with employment in mind, the Government has looked to salaries rather than public expenditure for budget savings;
 - (c) industries which are no longer viable must be abandoned, and new ones developed;
 - (d) all those involved in wage settlements in the private sector must exercise extreme moderation, "each according to his means". If this is done, then the need for social security contributions and taxes will be reduced.

Foreign Affairs

4. The speech contains only a short passage on this subject, emphasising the need:
 - (a) for the Brandt Commission's report not to be ignored, and for the Netherlands "to keep up development co-operation even when we ourselves are going through more difficult times";
 - (b) for a conference to be convened as quickly as possible on co-operation with the Netherlands Antilles;

/ (c)

UNCLASSIFIED

- (c) for the period of adversity now being experienced by the European Community to "spur us on to even greater communal efforts";
- (d) to pay a price, in the shape of membership of NATO, for the privilege of being a free country. The Netherlands will continue "to make an appropriate contribution to the preservation of peace and security in the world", and to seek "balanced arms control and disarmament".

Other Internal Matters

5. Two major legislative projects are announced:

- (a) a general revision of the Constitution;
- (b) the creation of a new Civil Code.

6. The speech also emphasises:

- (a) Regional Policy, on which the Government will shortly be putting forward proposals;
- (b) the need for minorities to be treated tolerantly, and to be provided with housing, work, suitable education and special welfare services;
- (c) the need for all to respect the outcome of democratic decision-making and the views of the courts;
- (d) information policy, on which new proposals are promised;
- (e) equal rights for women, on which a draft anti-discrimination Bill will shortly be published;
- (f) the need for effective action to counter pollution of the environment.

TAYLOR

[REPEATED SAVING AS REQUESTED]

FCO/WHITEHALL

WED