



BRITISH EMBASSY,  
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A J Coles Esq  
Private Secretary to the Prime Minister  
10 Downing Street  
London SW1

A.S.C. 2/11  
h.a.

Dear John

MR LUBBERS/MRS THATCHER

In case you missed it, I enclose a copy of a piece in Time Magazine of 23 January which dates back to the time of the Prime Minister's visit to The Hague last September. A slightly hotted up version appeared locally in De Telegraaf, a popular newspaper with wide circulation here.

Yours Gov

Philip

Philip Mansfield

WEST GERMANY

## General Unease

*An old soldier won't fade away*

When the West German defense ministry last month abruptly announced the early retirement of a four-star general who was one of NATO's two deputy commanders, Bonn buzzed with rumors about why the alliance's high command harbored a security risk. West German Defense Minister Manfred Wörner last week ended the speculation, but added to the uproar. He asserted in a terse televised announcement that General Günter Kiessling, 58, was an active homosexual. In a letter to Kiessling's lawyer, which was not made public but was excerpted in some German newspapers, Wörner said that the general had been mixing with "criminal elements" at seedy gay bars in Cologne for at least a dozen years, a practice that left him open to blackmail. Evidence gathered in an investigation, said Wörner, gave the defense ministry no choice but to dismiss the general.

The allegation came as a surprise to colleagues who had followed Kiessling's career. He became the youngest general in the Bundeswehr in 1971, took command of an armored tank division in 1976, then moved to a high-level staff job at the defense ministry in Bonn. In 1982, after Kiessling became a deputy to U.S. Army General Bernard Rogers, the NATO Commander, his progress was halted. A personality clash with Rogers apparently encouraged Kiessling to take early retirement effective next April. In September, Kiessling cleaned out his office at NATO headquarters in Casteau, Belgium, and shortly before Christmas he was relieved of his command.



Kiessling

Kiessling, a bachelor, had stirred mild comment when, shortly after arriving at NATO, he indicated his intention to share a house with his male chauffeur. Nevertheless, the general has stoutly maintained that he is innocent of impropriety. "Never in my life have I had homosexual contacts of any kind," he said. In the wake of last week's charges, suspicion began to arise that the West German defense ministry may indeed have the wrong man. Both a Cologne newspaper and a radio station reported that patrons of two gay bars Kiessling was supposed to have frequented had never seen him before. In one bar, a man said that investigators had shown him a picture of a frequent customer who looked like Kiessling, but was in fact a civilian employee of the army. Some of the civilian investigating officials who cooperated with military-security officers in the probe now refuse to testify against the general again. Kiessling last week asked that official disciplinary procedures be brought against him by the military in order to clear his name. The defense ministry says that it is looking into the case further. ■



Lubbers: trying to hold the NATO line

THE NETHERLANDS

## Ruud Shock

*The crunch and the cruise*

Britain's no-nonsense Prime Minister Margaret Thatcher stopped by The Hague not long ago to call on her Dutch counterpart, Ruud Lubbers. As conversation turned to their mutual attempts to impose economic austerity, the Dutch Christian Democratic leader outlined his bold program of budgetary cutbacks. Thatcher reacted with feigned dismay. "Mr. Lubbers, are you really intending to cut the salaries of your public employees by more than 3%?" she demanded. "That's a disaster. I am supposed to be the toughest in Europe. You are going to ruin my reputation as the Iron Lady."

After little more than a year as Prime Minister, Rudolphus Franciscus Maria Lubbers, 44, has not just dented the Iron Lady's reputation. He has transformed The Netherlands from one of Western Europe's freest-spending welfare states into its leading belt tightener. During Lubbers' visit to Washington this week for talks with President Reagan, however, Holland's pivotal role in another issue will top the agenda. Alone among the NATO allies destined to receive new medium-range missiles, Holland has not yet made a final decision to accept them. Amid rising fears that the powerful Dutch peace movement could persuade Parliament to reject the deployment, possibly producing a domino effect of repudiation by other NATO countries, the Reagan Administration is counting on Lubbers to hold the line.

The tousle-haired politician from Rotterdam has not always commanded such high expectations. A former Minister of Economics and millionaire businessman, Lubbers earned a reputation in his early years in politics as a colorless, woolly-mouthed party functionary. But when Prime Minister Andreas van Agt

resigned in the fall of 1982 for health reasons, he surprised many by naming Lubbers his successor. The new leader inherited a collapsing economy. Recession-pinched tax revenues were being drained by the most bountiful social welfare system south of Sweden, dispensing such goodies as 80%-of-salary unemployment benefits and \$250 monthly stipends for school graduates and dropouts. The budget deficit stood at \$10.5 billion, or 12% of gross national product. Unemployment had risen from 7% in 1980 to 15% in 1982.

Lubbers responded quickly. Unemployment compensation was cut by 5%. The first of several planned reductions lowered the minimum wage by 2.5%. The biggest sting, however, was the 3% public-sector wage cut. Outraged transport workers responded by interrupting rail, bus and tram service for five weeks. Then the sanitation workers struck, turning Holland into a landscape of trash—and taking pains to block Lubbers' own street with refuse. A postal strike halted mail deliveries for three weeks. Still, Lubbers stood firm. After Parliament approved the wage cuts, the unions conceded. But Lubbers' victory came at a cost. His center-right Christian Democrats and their Liberal Party coalition partners have dropped from a 52% public approval rating last summer to 42%. Meanwhile, unemployment has climbed to 18%.

The missile issue could be similarly risky. Holland approved NATO's strategy in 1979, but made deployment of the 48 cruise missiles intended for its soil contingent on a parliamentary vote, which is expected to take place this June. Lubbers could count on a majority in favor were it not for divisions within his own party. Influenced by a tide of European pacifism and the urgings of Holland's muscular Inter-Church Peace Council, the Christian Democrats' left wing stands poised to defect from the right and center. Says a senior NATO diplomat: "If it were held today, I fear Lubbers might not get the vote."

Lubbers' NATO allies have privately urged him to avoid a parliamentary showdown. So delicate is the issue, however, that U.S. officials claim they will not even press the Prime Minister on the deployment question while he is in Washington, for fear of fueling antimissile activists' charges that the U.S. is meddling in Dutch affairs. As it happens, some fellow politicians believe that Lubbers has already decided either to fragment the decision, converting it into a series of politically more palatable votes on separate stages of deployment, or to postpone a vote to a time closer to the planned installation of the missiles in 1986.

However he handles the tactics, Lubbers is convinced that deployment is necessary. "Western Europe's rejection of the neutron bomb during the Carter Administration was interpreted as a success for Communist propaganda," he says. "Today the European democracies can prove that they are strong enough to deploy." ■