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7 September 1989

From the Private Secretary

NETHERLANDS ELECTION

The Prime Minister would like to send a brief personal message to Mr. Lubbers on the outcome of the Netherlands election as follows:

"Dear Ruud,

I send you warmest congratulations on your election success. It is an excellent result and I am delighted to think that we shall be able to carry on working together.

Warm regards,

Margaret"

I should be grateful if you could arrange for this to be delivered as soon as possible.

(C.D. POWELL)

Stephen Wall, Esq.,
Foreign and Commonwealth Office.

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THE NETHERLANDS: NATIONAL ELECTION: 6 SEPTEMBER

1. THE DISTRIBUTION OF SEATS IN THE SECOND CHAMBER FOLLOWING THE ELECTION IS AS FOLLOWS (1986 RESULTS ARE IN BRACKETS):

CDA (CHRISTIAN DEMOCRAT)	<u>54</u>	(54)
PVDA (LABOUR)	<u>49</u>	(52)
VVD (LIBERAL)	<u>22</u>	(27)
D66 (DEMOCRAT)	<u>12</u>	(9)
CALVINIST	<u>6</u>	(5)
GREEN/LEFT	<u>6</u>	(3)
CENTRE PARTY	<u>1</u>	(0)

2. THE CDA HAS THUS CONSOLIDATED ITS POSITION AS THE LARGEST PARTY. THIS IS AN INDICATION OF LUBBERS' PERSONAL STANDING AMONG THE ELECTORATE AND VIRTUALLY ASSURES HIM OF THE PRIME MINISTERSHIP OF THE NEXT DUTCH GOVERNMENT.

3. THE PRINCIPAL LOSERS WERE, AS EXPECTED, THE VVD. VOTERS WILL HAVE HAD IN MIND THE VVD'S ROLE IN CAUSING THE FALL OF THE GOVERNMENT IN MAY, AND THE SUBSEQUENT DIVISIONS WITHIN THE PARTY. WHILE, THEORETICALLY, THEY WOULD COMMAND A MAJORITY OF ONE IN COALITION WITH THE CDA IN THE 150 SEAT SECOND CHAMBER, THE DAMAGE THE ELECTION RESULT HAS DONE TO THE PARTY'S CREDIBILITY IS SUCH THAT THE CDA IS UNLIKELY TO LOOK TO THEM FIRST AS A COALITION PARTNER.

4. ON THE LEFT, THE PVDA HAS LOST 3 SEATS BUT SUPPORT FOR IT HAS HELD UP REASONABLY WELL IN FACE OF AN ENERGETIC CHALLENGE FROM A COALITION OF SMALL FAR-LEFT PARTIES IN THE GREEN/LEFT GROUPING. THIS GROUPING, WHICH INCLUDES THE DUTCH COMMUNIST PARTY, HAS FALLEN SHORT OF POLL PREDICTIONS WHICH EARLY IN THE CAMPAIGN GAVE IT UP TO 12 SEATS. IT HAS ALMOST CERTAINLY PICKED UP SOME OF THE MORE LEFT-WING VOTERS FROM THE PVDA, BUT IT DOES NOT PRESENT A MAJOR THREAT TO THE PVDA. IN THE CENTRE GROUND, D66 HAS MADE SIGNIFICANT GAINS.

5. ONE UNWELCOME DEVELOPMENT IS THE RETURN OF THE ANTI IMMIGRANT EXTREME RIGHT PARTY WITH ONE SEAT.

6. THE NEXT STAGE IN THE FORMATION OF A NEW GOVERNMENT IS LIKELY TO BE THE APPOINTMENT BY QUEEN BEATRIX OF AN INFORMATEUR WHO WILL TAKE

SOUNDINGS OF THE PRINCIPAL PARTIES ABOUT THE PROSPECTS FOR A NEW COALITION. THE CDA HAS NOT YET STATED A PREFERENCE FOR A COALITION PARTNER BUT THE GENERAL EXPECTATION AT THIS STAGE IS THAT THEY WILL WISH FIRST TO EXAMINE THE POSSIBILITIES OF A COALITION WITH THE PVDA.

JENKINS

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(COLLAR)

MY TEL NO 341: THE NETHERLANDS: NATIONAL ELECTION: 6 SEPTEMBER

SUMMARY

1. ELECTION CAMPAIGN LOW KEY WITH LUBBERS REFUSING TO BE DRAWN BY PVDA (LABOUR) LEADER WIM KOK. LATEST OPINION POLL SUGGESTS LOSSES OF VARYING DEGREES FOR ALL 3 MAJOR PARTIES AND GAINS BY THE SMALL D66 (DEMOCRAT - LEFT OF CENTRE) PARTY AND GREEN/LEFT GROUPING. BUT CDA LIKELY TO REMAIN THE LARGEST PARTY AND LUBBERS TO CONTINUE AS PRIME MINISTER. DIFFICULT TO BE CERTAIN ABOUT COMPOSITION OF NEW GOVERNMENT. BUT UNLESS THE VVD (LIBERAL) PARTY SUDDENLY RALLIES SUPPORT, IT STILL LOOKS LIKELY THAT LUBBERS WILL TRY AT LEAST INITIALLY TO FORM A COALITION WITH THE PVDA.

DETAIL

2. THE ELECTION CAMPAIGN IS NOW ENTERING ITS FINAL STAGE. IT HAS PROVED TO BE A LOW-KEY AFFAIR. RUDING, FINANCE MINISTER, TOLD ME THAT, AS FAR AS THE CDA WAS CONCERNED, THIS WAS EXACTLY AS PLANNED: THE CAMPAIGN MANAGERS HAD TAKEN A DECISION AT THE OUTSET THAT LUBBERS SHOULD REMAIN ALOOF FROM THE DAY TO DAY CAMPAIGNING, ALLOWING HIS RECORD OF ACHIEVEMENT OVER THE LAST SEVEN YEARS TO SPEAK FOR ITSELF. KOK HAS TRIED, WITH LITTLE SUCCESS, TO DRAW LUBBERS, PARTICULARLY OVER THE ECONOMY, ACCUSING HIM OF ISSUING 'BOUNCING CHEQUES' BY FAILING TO EXPLAIN HOW THE CDA WOULD FINANCE THEIR PROMISES NOT TO RAISE TAXES AND YET SPEND MORE ON HEALTH, EMPLOYMENT, AND THE ENVIRONMENT. THE MAIN ISSUES IN THE CAMPAIGN HAVE INDEED PROVED TO BE DOMESTIC SOCIO-ECONOMIC ONES. THE ENVIRONMENT HAS BEEN IMPORTANT, PRIMARILY IN TERMS OF THE COST IMPLICATIONS OF THE NATIONAL PLAN FOR OTHER AREAS OF EXPENDITURE, BUT IT HAS NOT PROVED QUITE AS CENTRAL A QUESTION AS EARLIER FORESEEN, PARTICULARLY BY THE FOREIGN MEDIA.

3. EVEN IN HIS LOW-KEY ROLE, LUBBERS' PERSONAL STANDING AND IMAGE HAVE BEEN A MAJOR ASSET FOR THE CDA, ALTHOUGH IN THE FIRST TELEVISION DEBATE BETWEEN HIM AND KOK ON 2 SEPTEMBER, KOK (GROOMED BY SAATCHI

AND SAATCHI EXCLAM) CAME OVER MORE FORCEFULLY THAN HITHERTO. HOWEVER, THE LATEST OPINION POLL, CONDUCTED AFTER THE DEBATE, STILL SUGGESTED THAT THE PVDA WOULD RETURN TO THE NEW PARLIAMENT WITH FEWER SEATS (49 INSTEAD OF THEIR PRESENT 52). AS EXPECTED, THE POLL AGAIN CONFIRMED THAT THE VVD WOULD FARE BADLY, RETURNING WITH 22 SEATS AGAINST THEIR PRESENT 27. INTERESTINGLY, THIS POLL ALSO INDICATED A LOSS OF ONE SEAT FOR THE CDA (AT PRESENT THEY HAVE 54) THOUGH THE CDA WOULD STILL EMERGE AS THE LARGEST PARTY. THE GAINERS IN THE POLL WERE D66 (UP FROM 9 TO 12 SEATS) AND THE GREEN/LEFT GROUPING (UP FROM 3 TO 8). THESE GAINS, IF THEY MATERIALISE ON ELECTION DAY, WILL MEAN THAT THE PVDA'S DECISION TO FIGHT THE ELECTION ON A MODERATE PLATFORM, IN ORDER TO WOO THE MIDDLE OF THE ROAD VOTER, LOST IT THE SUPPORT OF THOSE FURTHER TO THE LEFT WITHOUT COMPENSATING GAINS FROM THE CENTRE. BUT THERE MAY STILL BE A SUBSTANTIAL PERCENTAGE OF VOTERS WHO ARE UNDECIDED.

4. IT REMAINS DIFFICULT TO PREDICT WITH ANY CERTAINTY THE COMPOSITION OF THE COALITION WHICH WILL EMERGE AFTER THE ELECTION. A GOOD DEAL WILL DEPEND ON PARLIAMENTARY ARITHMETIC. ANY EVENTUAL COALITION MUST HAVE 76 SEATS BETWEEN THEM TO GIVE A BARE MAJORITY IN THE 150-SEAT SECOND CHAMBER. A FIGURE NEARER TO 80 WOULD BE MORE COMFORTABLE (THE PRESENT GOVERNMENT HAS 81). IF THE INDICATIONS OF THE LATEST OPINION POLL WERE TRANSLATED INTO ACTUAL RESULTS ON 6 SEPTEMBER, THE CDA AND VVD TOGETHER WOULD BE JUST SHORT OF A MAJORITY AND LUBBERS, AS LEADER OF THE LARGEST PARTY, WOULD BE OBLIGED TO OPEN NEGOTIATIONS WITH THE PVDA FIRST. THIS PROSPECT WOULD PROBABLY NOT DISMAY LUBBERS, AND THERE ARE THOSE IN THE VVD WHO BELIEVE THAT THEIR PARTY WOULD BENEFIT FROM A SPELL IN OPPOSITION. BUT MANY IN THE CDA SEE THE VVD AS MORE NATURAL AND MALLEABLE PARTNERS THAN THE PVDA. IF THE VVD DO RATHER BETTER THAN CURRENTLY EXPECTED, AND A CDA/VVD COALITION COULD MUSTER A REASONABLE MAJORITY, THERE COULD WELL BE PRESSURE FOR A CONTINUATION OF THE PRESENT FORMULA. NOR CAN IT BE RULED OUT THAT, IF IT PROVES IMPOSSIBLE TO AGREE A PROGRAMME FOR GOVERNMENT WITH THE PVDA, THE CDA MIGHT LOOK TO THE POSSIBILITY OF INCLUDING D66 IN A COALITION WITH THE VVD.

5. WHATEVER THE ELECTORAL RESULT, THE PROCESS OF FORMING A COALITION, WHICH INVOLVES INTENSE BARGAINING OVER POLICIES AND JOBS, IS LIKELY TO BE PROTRACTED. THIS IS CONSIDERED NORMA. MEANWHILE THE PRESENT GOVERNMENT WILL CONTINUE TO FUNCTION UNTIL A NEW ONE TAKES OFFICE.

JENKINS