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Eric Linder

Dutch ideas are pretty far from ours on some parts. CBR 8/3.

Mr Synnott, WED

Working Supper with the Dutch Foreign Minister in Brussels on 5 March

After the Foreign Affairs Council on 5 March, and after the Secretary of State had seen the Indian Foreign Minister, he gave a working supper to Mr Van den Broek. The Dutch Minister was accompanied by his Director General for European Integration, Mr Van Swinderen and his Deputy Political Director, Mr Christiaan Kroner. The Secretary of State was accompanied by HMA The Hague, and Mr Kerr. The discussion was open and useful, but kept at a fairly general level.

EC Issues

Mr Van den Broek foresaw a strengthened Germany in five or six years time. The Dutch were fairly relaxed at this prospect provided that EC integration proceeded and intensified. They held no dogmatic belief in supra-nationality, but they believed that their hesitations, and those of others, about a unified Germany could be removed through greater integration of the EC, which would constrain Germans ambitions. Greater integration would require institutional change, and more of a role for the European Parliament, in addition to the role that would have to be devised for it as one of the bodies to which new monetary institutions would be accountable.

The Secretary of State said there were two sets of possible worries about Germany. Fears about German military strength were not for the EC to consider. Fears about greater German economic strength, once the GDR had been digested, might not be met by institutional changes. He was not sure that seeking to imprison the FRG in strengthened EC institutions would make any significant difference to the future German role in Europe. Could any form of institutional change stop Germans being Germans?

The Secretary of State hoped that discussion of EMU during 1990 would make progress, so that the start of the IGC at the end of the year would not just prompt a repetition of earlier arguments. Looking beyond the EMU IGC, a wider discussion of the EC's future would be unavoidable. The Danes, for example, had ideas about enlargement, as would other member states.

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Mr Van den Broek spelt out the political fear of the Dutch: they feared that the Germans might be so absorbed, mentally and financially, in the process of unification that their interest in European integration would falter, and the FRG would become increasingly oriented towards Eastern Europe. Did the new situation in Europe not demand from EC member states something more than a continuation of a customs union? The Dutch did not favour new institutions for the sake of new institutions; they believed that to preserve a democratic bulwark in Western Europe required more cement than would be provided by the forthcoming IGC. He believed that the Europeans would have to try more federative structures.

The Secretary of State agreed that the EC needed to be more than a customs union; he believed that it was already so. For example, young Europeans travelling within the EC certainly felt part of something greater. He did not exclude a greater EC role in some policy areas - eg the environment. He knew from his last job as Home Secretary that the need for closer co-operation in the fight against serious crime was clear, and widely recognised. And the question of enlargement could not be deferred for ever: he believed that in, say, seven or eight years time, if things went well, the Community would need to take in some of the EFTAs and Eastern Europeans. Previously thoughts about enlargement had been curtailed for fear of the entry of neutral countries. But this constraint might now fall away of its own accord.

Mr Van den Broek said he would stop at Norway and Austria. Any enlargement would of course have an important effect on EC institutions. He had recently talked at length with Mr Delors about the institutions. When Van den Broek had asked about practical bottlenecks in the current Commission arrangements, M. Delors had complained about the failings of the present structure. Delors had said he he would immediately cut the number of Commissioners to 12. Mr Van den Broek said it was absurd for someone like Andriessen, Commissioner for External Affairs, to devise political frameworks for discussions between the EC and Eastern Europe. But while the Dutch tended to be federalist there were quite a few factions in the Dutch Parliament which feared loss of their national powers and responsibilities, and a watering down of Dutch culture. These fears manifested themselves in more and more requests for decentralisation in the Netherlands. When the Dutch saw more decisions being taken in Brussels, they countered with requests for devolution to the district and regional level. People were bothered by the gap between the point of decision taking and the point of implementation. Recently, for example, there had been requests for locally based schemes to combat unemployment.

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The Secretary of State thought this Dutch experience fitted with the logic of subsidiarity: decisions should be taken at as low a level as possible. But this had not been the principle of the Founding Fathers of the Community, and those who had given the Commission the exclusive right to initiate legislation. (Of course any change to that might only expose the Community to the vagaries, and pet-schemes, of successive Presidencies and/or the Parliament.)

Mr Van den Broek was bothered by uncertainty over the prospects for UK membership of the ERM: we appeared to have added a new GEMU-related item to the Madrid "conditions". He also wondered what the UK expected of the IGC in terms of content and timing. The Secretary of State said that if he were Machiavellian he would support a wider IGC in the belief that it would take for ever to reach agreements on all the elements. But HMG thought the IGC should remain focussed on EMU. They would be working out their approach to the IGC during the year so that a serious discussion should be possible when it opened. For the next few months the timing of sterling's joining the ERM would probably not be an issue in Britain, although the picture would be different in the second half of the year if, as he hoped, the Italians lifted their exchange controls this spring, and, as we expected, UK inflation was clearly on a downward path by the autumn. We had not added any new conditions.

Mr Van den Broek said he too believed in limiting the scope of the IGC. In the Dutch Cabinet on 2 March he had asked his colleagues why they favoured greater powers in general for the European Parliament. He implied that he had not received a satisfactory answer. The Secretary of State thought that giving the European Parliament any control over monetary developments would run clean counter to the arguments about the importance of independence.

Security Issues

The Secretary of State summarised his meeting with the NATO Secretary General that morning (UKDel NATO telno 093). Genscher had indicated during FAC discussions that afternoon that the Russians could probably in the end accept the sort of arrangements for GDR security which were being mooted. But there were obvious dangers when the Alliance had to deal with a new German domestic electoral scrap every week. He thought that the special meeting of NATO Foreign Ministers in April should look at specific issue of future GDR security. When Ministers met in June in Turnberry they should answer the question "Why NATO?".

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Mr Van den Broek said he could not convince himself of the credibility of the idea of European security being guaranteed at 35 - although he was in favour of using the CSCE rather than any new structure, and he thought the 35 CSCE Ministers should meet once or twice a year. The Dutch had been thinking about a European Security Council. The Secretary of State wondered what it would be able to achieve. The need was to provide people like the Hungarians with protection from people like the Romanians.

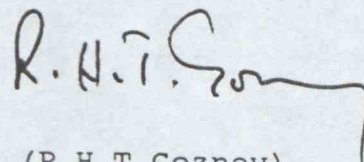
Mr Van den Broek thought that the Alliance would soon have to discuss again nuclear questions, especially the future of SNF. He believed that if there were no other argument for maintaining short range nuclear forces, it would be wrong for the Alliance to hang on to SNF just because once removed it would be difficult to re-deploy it. The Secretary of State and Mr Kerr thought that early talk of the removal of SNF would have a bad effect on the debate, eg in the US Congress, about the future of stationed forces in Europe.

Council of Europe

Mr Van den Broek was concerned about the Secretary General of the Council of Europe developing her own ideas, without sufficient guidance. In particular, if the Soviet Union joined the Cultural Convention it would have disproportionate access to relevant funds. It would also take full advantage of access to some two thirds of the Council of Europe's activities. The Secretary of State said that he had discussed the issue with Mme. Lalumiere in London on 27 February, but undertook to look at it again.

EBRD

Mr Van den Broek was cross that the French had now formally proposed Attali as EBRD President. The Secretary of State stressed the strength of our conviction that the right EBRD site was London. Mr Kerr criticised the Luxembourg bid for the CTMO site, and observed that both the UK and The Netherlands were bidding for both EBRD and CTMO, and realistically couldn't get both. We of course supported Ruding for the EBRD Presidency: realistically the Dutch couldn't win on both Presidency and site. Mr Van den Broek commented that the exchange was becoming rather interesting.



(R H T Gozney)

7 March 1990

/cc:

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cc: PS
PS/Mr Waldegrave
PS/Mr Maude
PS/PUS
Mr Weston
Mr Bayne
Mr Broomfield
Mr Greenstock
Mr Tait
Mr Goulden
Mr Kerr
Mr Burns, News Dept
Heads: Sec Pol
ECD(I)
ECD(E)
CSCE Unit

PS/No.10
PS/Chancellor of the Exchequer
HMA The Hague

Notelords Ret.





Amanda
Does X
make any
difference?
Ch

Foreign and Commonwealth Office

London SW1A 2AH

7 March 1990

Dear Charles,

Foreign Secretary's Meeting with Mr Van den Broek,
Brussels, 5 March

The Foreign Secretary thought that the Prime Minister might be interested to see some of the points which Mr Van den Broek made during an informal bilateral meeting in Brussels on 5 March. I enclose a copy of the record.

X | I understand that the Foreign Secretary mentioned to the Prime Minister that Mr Van den Broek would be coming to London before long, and that she expressed interest in seeing him. As I think you also know, we were working on the date Wednesday 28 March. I know this would be very difficult for the Prime Minister. It now looks more likely that Mr Van den Broek will be in London on 27 March. I doubt this would be any easier for the Prime Minister, but perhaps you or Amanda Ponsonby could let us know.

Yours ever,

(R H T Gozney)
Private Secretary

C D Powell Esq
10 Downing Street



cc to PC
Ded CW

10 DOWNING STREET
LONDON SW1A 2AA

From the Private Secretary

8 March 1990

Dear Richard,

NETHERLANDS FOREIGN MINISTER

Thank you for your letter of 7 March about the visit of Mr. Van den Broek. I am afraid the week in question is perfectly awful and I simply do not see any chance of the Prime Minister being able to see Mr. Van den Broek on either of the days you mention. Perhaps we had better keep it for another time.

*Your sincerely,
C. D. Powell*

(C. D. POWELL)

Richard Gozney, Esq.,
Foreign and Commonwealth Office.

KLB