

ADVANCE COPY

CONFIDENTIAL
FM THE HAGUE
TO DESKBY 151100Z FCO
TELNO 241
OF 150900Z JUNE 90
INFO ROUTINE UKREP BRUSSELS, EC POSTS

SECRETARY OF STATE'S VISIT TO THE HAGUE: CALL ON LUBBERS

SUMMARY

1. FRIENDLY AND USEFUL DISCUSSION OF E C QUESTIONS AND SOUTH AFRICA (NO SIGN OF LINGERING RESENTMENT OVER E B R D AFFAIR). LUBBERS PREOCCUPIED BY LIKELY DEVELOPMENTS OVER E M U AND POLITICAL UNION. VAN DEN BROEK ADVOCATES STEP BY STEP APPROACH OVER RELAXATION OF E C SANCTIONS

DETAIL

2. THE SECRETARY OF STATE HAD A HALF HOUR TALK WITH LUBBERS TODAY. VAN DEN BROEK AND I WERE ALSO PRESENT.

3. LUBBERS SAID THAT HE WAS A BIT PREOCCUPIED BY THE LACK OF FOCUS OF THE AGENDA FOR THE DUBLIN EUROPEAN COUNCIL. NO SUBJECTS SEEMED READY FOR DISCUSSION IN DEPTH. THIS APPLIED PARTICULARLY TO E M U, ALTHOUGH HE WAS WORRIED THAT PEOPLE HAD LITTLE UNDERSTANDING OF THE MAGNITUDE OF THE CHANGES WHICH WERE NOW UNDER DISCUSSION. HE HOPED INCIDENTALLY THAT THE U K WOULD SOON JOIN THE E R M.

4. LUBBERS ADDED THAT THE MAJORITY VIEW OF THE GOVERNORS OF THE CENTRAL BANKS, AND THIS INCLUDED DUISENBERG, APPEARED TO BE THAT THERE SHOULD BE A QUANTUM LEAP FROM STAGE 1 TO STAGE 3, WITH LITTLE TIME SPENT ON STAGE 2. IN LUBBERS' VIEW THIS WOULD REQUIRE A GREATER DEGREE OF ECONOMIC CONVERGENCE WITHIN THE E C THAN WAS AT PRESENT THE CASE AND THEREFORE IMPLIED A VERY LONG STAGE 1. VAN DEN BROEK SAID THAT THE SOUTHERN MEMBER STATES WERE ALREADY REALISING AT EVERY OPPORTUNITY THE NEED FOR GREATER RESOURCE TRANSFERS AS A CONDITION OF E M U.

5. THE SECRETARY OF STATE SAID THAT IT WOULD BE A MISTAKE NOT TO CONSIDER CAREFULLY WHAT COULD BE DONE BEYOND STAGE 1 OF E M U WITHOUT TAKING QUANTUM JUMPS, WHICH WERE RARELY IF EVER A SENSIBLE APPROACH WITHIN THE E C. WE WERE CURRENTLY GIVING MUCH THOUGHT TO HOW STAGE 1 MIGHT EVOLVE. A LOT OF TECHNICAL DISCUSSION WAS REQUIRED, AND HE DID

NOT SEE THESE MATTERS AS APPROPRIATE FOR DISCUSSION IN ANY DETAIL AT THE NEXT EUROPEAN COUNCIL.

6. ON POLITICAL UNION, LUBBERS SAID THAT HE WAS CONCERNED ABOUT THE EXPECTATIONS WHICH THE FRANCO-GERMAN INITIATIVE HAD AROUSED. THE NETHERLANDS WAS IN PRINCIPLE A SUPPORTER OF A MORE FEDERAL EUROPEAN COMMUNITY, AND HE FORESAW A SENSE OF DISAPPOINTMENT WHEN IT WAS SEEN WHAT THE FORTHCOMING I G C HAD ACHIEVED. DUTCH PRIORITIES WERE TO STRENGTHEN THE ROLE OF THE EUROPEAN PARLIAMENT, TO PUSH FORWARD THE PROCESS OF ECONOMIC INTEGRATION (SINGLE MARKET AND E M U) AND TO IMPROVE POLITICAL COOPERATION.

7. THE SECRETARY OF STATE SAID THAT HE THOUGHT A PRAGMATIC APPROACH WOULD BE ESSENTIAL IF ANYTHING SENSIBLE WAS TO BE ACHIEVED BY AN I G C ON INSTITUTIONS. TO THAT EXTENT, HE WAS ENCOURAGED BY THE DUTCH APPROACH (AS DESCRIBED THE PREVIOUS EVENING BY VAN DEN BROEK) OF FOCUSING ON A NUMBER OF PRACTICAL IMPROVEMENTS IN THE OPERATION OF THE INSTITUTIONS, WITHOUT PREJUDICE TO WHAT MIGHT FOLLOW LATER ON.

8. ON SOUTH AFRICA, THE SECRETARY OF STATE SAID THAT THIS WAS A MAJOR ISSUE ON WHICH THE E C NEEDED TO ACT IN ORDER TO SHOW CONCRETE RECOGNITION OF THE PROGRESS WHICH DE KLERCK HAD MADE. VAN DEN BROEK AGREED, AND SAID THAT WE SHOULD CONSIDER A STEP BY STEP RELAXATION OF SANCTIONS.

9. LUBBERS SAID THAT HE RECOGNISED THE RISKS WHICH DE KLERCK WAS RUNNING, BUT HE SAW PROBLEMS ABOUT RELAXING SANCTIONS WITHOUT GIVING THE IMPRESSION THAT THERE WERE NO REMAINING PROBLEMS OVER APARTHEID. MOREOVER IT WOULD BE UNFORTUNATE IF THE TWELVE APPEARED TO BE IN DISAGREEMENT OVER SANCTIONS AT A TIME WHEN DE KLERCK AND MANDELA WERE BEGINNING TO WORK WELL TOGETHER. VAN DEN BROEK SAID THAT NONETHELESS IN A SITUATION WHERE DE KLERCK AND MANDELA DISAGREED OVER SANCTIONS, THE TWELVE HAD TO TAKE A POSITION. A STEP BY STEP APPROACH WAS THE ONLY SENSIBLE ONE.

10. THE SECRETARY OF STATE SAID THAT THE TWELVE MUST NOT BE INERT ON THIS ISSUE. WE SHOULD ACTIVELY SUPPORT WHAT DE KLERCK WAS DOING. WE WOULD FIND OURSELVES IN A FAR WORSE SITUATION IF DE KLERCK WAS REMOVED BECAUSE OF A BACKLASH FROM HIS RIGHT. THE RECENT BY-ELECTION IN NATAL WAS A SALUTORY WARNING. LUBBERS SAID THAT HE TOOK THE POINT. AT THE VERY LEAST THE TWELVE NEEDED TO FIND A 'PERSPECTIVE' WHICH SHOWED THAT THEY SUPPORTED DE KLERCK AND WHICH WOULD ENCOURAGE HIM.

11. FCO PLEASE ADVANCE APS AND PS/NO 10.

JENKINS

YYYY

DISTRIBUTION

22

ADVANCE 22

.FRAME GENERAL

PS

PS/NO 10.

PS/MR MAUDE

PS/PUS

MR BAYNE

MR KERR

RESIDENT CLERK

HD/ECD(I)

HD/NEWS D

MR D A HADLEY CABINET OFFICE

MR B BENDER CABINET OFFICE

MR J OXFORD CABINET OFFICE

MR L PARKER CABINET OFFICE

MR N L WICKS HMT

MR H P EVANS HMT

MR R ALLEN HMT

MR M. MERCER HMT

MR C ROBERTS DTI VIC ST

PERMAMENT SECRETARY MAFF

NNNN

ADVANCE ROOM COPY
15 JUN 1990 10:53
DESPATCHED