

GRS 500
CONFIDENTIAL
FM THE HAGUE 201445Z JUNE 84
TO PRIORITY FCO
TELEGRAM NUMBER 222 OF 20 JUNE
AND TO ROUTINE INFO ALL EC POSTS

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EUROPEAN COUNCIL

1. AT A COMMUNITY AMBASSADOR'S LUNCH ON 20 JUNE VAN EEKELEN SAID HE SAW COMPLETION OF THE POST-STUTTGART NEGOTIATIONS AT FONTAINEBLEAU AS POSSIBLE BUT BY NO MEANS EASY. HE HAD THE FIRM IMPRESSION THAT BRITAIN WAS PREPARED TO MAKE CONCESSIONS TO CLINCH A DEAL ON BUDGETARY IMBALANCES PROVIDED OTHERS DID SO. HE EMPHASISED THE CONCESSIONS ALREADY MADE BY THE NINE IN OFFERING 1,000 MECU AND A PERMANENT SYSTEM AND SAID IT WOULD BE DIFFICULT FOR THEM TO MOVE MUCH FURTHER. REFERRING TO SOLUTIONS BEING FLOATED, HE MENTIONED A SIMPLER VERSION OF THE SYSTEM PROPOSED BY THE PRESIDENCY IN MARCH WHICH HAD BEEN PREPARED BY THE COUNCIL SECRETARIAT. VAN EEKELEN STRESSED THAT THE NETHERLANDS WOULD TAKE NO INITIATIVE IN THE SEARCH FOR A SOLUTION : THIS WAS A TASK WHICH ONLY THE PRESIDENCY COULD PERFORM. HE SAW NO ROLE FOR THE COMMISSION. HE WAS CONCERNED THAT A SOLUTION WOULD BECOME MORE DIFFICULT IF THE GERMANS WERE TO INSIST ON RAISING AT THE COUNCIL THEIR DESIRE FOR INCREASED COMPENSATION TO THEIR FARMERS. (ALTHOUGH HE DID NOT REPEAT THE POINT AT LUNCH, VAN EEKELEN WAS REPORTED FROM LUXEMBOURG AS SAYING ON MONDAY THAT THE NETHERLANDS WOULD REJECT A SIMPLE SPLITTING OF THE DIFFERENCE BETWEEN 1,000 AND 1250 MECUS.)

2. VAN EEKELEN SAID THAT THE NETHERLANDS WISHED TO SEE THE RETURN OF A MORE INFORMAL ROLE FOR THE COUNCIL, AND SPOKE WITH APPROVAL OF THE PROPOSAL IN OUR PAPER FOR A REDUCTION TO TWO MEETINGS A YEAR WITH THE POSSIBILITY OF A THIRD GYMnich-TYPE MEETING.

3. WHILE NOT OPPOSED IN PRINCIPLE TO THE IDEA OF A POCO SECRETARIAT, THE NETHERLANDS NEEDED TO BE CONVINCED THAT, IN THE ABSENCE OF PROGRESS TOWARDS A COMMON FOREIGN POLICY, ENOUGH WORK WOULD BE FOUND FOR A SECRETARIAT TO JUSTIFY ITS EXISTENCE.

4. WHILE THE DUTCH ACCEPTED THE INEVITABILITY OF A DEFICIT IN 1984, THEY WISHED IT TO BE KEPT AS SMALL AS POSSIBLE. THEY HOPED HEADS OF GOVERNMENT WOULD GIVE FOREIGN MINISTERS A STEER AND INSIST THAT AGREEMENT BE REACHED BEFORE THE SUMMER ON HOW THE DEFICIT SHOULD BE COVERED. THE DUTCH PREFERENCE REMAINED FOR ADVANCES BY MEMBER STATES ON THE BASIS OF THE VAT KEY.

5. POINTING TO SOME PROGRESS ON ENLARGEMENT AT THE FOREIGN AFFAIRS COUNCIL, VAN EEKELEN SAID THAT PROGRESS ON THE DOSSIERS SHOULD BE TAKEN AS FAR AS POSSIBLE BEFORE THE SUMMER BREAK AND THAT THE COMMISSION BE ASKED TO DRAW THE THREADS OF THE NEGOTIATIONS TOGETHER THEREAFTER.

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6. HE WAS SCEPTICAL OF THE PROGRESS MADE SO FAR IN THE EC/ACP NEGOTIATIONS AND FELT THAT THE BALANCE BETWEEN TRADE AND AID HAD BEEN LOST. THE NETHERLANDS FAVOURED THE MAINTENANCE OF THE EDF IN REAL TERMS SUBJECT TO REVIEW OF THE FINANCING KEY. HE ACCEPTED THAT IT WAS NOT REALISTIC TO PURSUE THE ALTERNATIVE PROPOSAL OF BUDGETISATION WITH A CONSEQUENT INCREASE IN OWN RESOURCES BEYOND 1.4.

8. ALTHOUGH IN THE DUTCH VIEW THE AGENDA FOR THE EUROPEAN COUNCIL WAS ALREADY TOO LONG, VAN EEKELLEN SAID THEY WISHED IT TO INCLUDE A DISCUSSION ON UNEMPLOYMENT, ON WHICH A STATEMENT WAS BEING PREPARED FOR LUBBERS. THE NETHERLANDS GOVERNMENT WOULD FIND IT DIFFICULT TO EXPLAIN DOMESTICALLY A FAILURE TO DISCUSS THIS SUBJECT AT FONTAINEBLEAU.

CHAPMAN

FRAMEGENERAL
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