DECLASSIFIED AND RELEASED BY

CENTRAL INTELLIBENCE ABENCY

SOURCES METHOOS EXEMPTION 3828

NAZI WAR CRIMES DISCLOSURE ACT

DOCUMENT ID: 178979056

DOCNO: 024721 PRODUCER: WASHDC AGENCY: STATE

DOCTYPE: OUT DOR: 19980212

TOR: 003245

DOCPREC: R

ORIGDATE: 199802111339 MHFNO: 98 0516857

DOCCLASS: C

CDS

CONFIDENTIAL

DATE 2001 2007

FRP: ,2,3,4, , ,

ACTION: NONE INFO: ACIS/LGL, C/MSP, CAC/TIS, CIC/AG, CIC/LA, CIC/OGSTB, CIRAS, CP/ARAB, CP/EURB, CP/TECH, CTC/AIGIS, CTC/COPS, CTC/HWG, CTC/IEB, CTC/IFC, CTC/MEG, CTC/MSB, CTC/OFP, CTC/OWG, CTC/PAS, CTC/TTB, CTCARCHIVE, DC/MSP/M, DC/MSP/RD, DC/MSP/SP, DC/MSPMOG, DDA, DONOVA, EUR/CGRR, EUR/NGRR, EUR/RIG, EUR/SGI, EUR/SGRR, EUR/SS, F/ARMS, F/CUBA, F/INTECDEV, F/IRAN, F/NETHERLA, F/TERROR, FSS/AB1, INT/CC, INT/RQ, INT/RR, IRL, IS/CUBIS, LA/CSCSEC, LA/CUBA, LA/CUBARR, MDSX, MSP/MOG, MSP/MRB, MSP/RMRPPB, MSP/SPB, MSP/TAG, MSP/TIB, NCI/OPS, NCI/PIO, NE/ESP, NE/ITFI, NE/ITFX, NE/SAOPAS, NHTC/EUR, NHTC/LA, NHTC/ME, NIMA/CHRNI, NIMA/SRS, NPC/IFC, NPC/OSG, NPCEDC, ODPD, ODPG, ODPS, ODPW, ODPX, ODPY, OPCTR/LA, OPCTR/NARC, OPCTR/NES, OPCTR/TERR, ORMS/CAG, ORMS/LA, ORMS/NHTC, OWTPSTABIT, STATDICT, FILE, C/NHTC, C/CTC, C/PCS, CTC/CASB, CTC/CCB, CTC/SPB, DC/CTC, DC/LA, DDO, NE/ITF, NE/ITFESP (12/W)

98 0516857 SCR

PAGE 001

NC 0516857

TOR: 120531Z FEB 98 STATE 24721

HEADER RR RUEAIIB DE RUEHC #4721 0421343 ZNY CCCCC ZOC STATE ZZH MPF4721 RR RUEHC DE RUEHC #4721 0421343 ZNY CCCCC ZZH R 111339Z FEB 98 FM SECSTATE WASHDC TO AMEMBASSY THE HAGUE 0000 INFO ALL EUROPEAN UNION POST COLLECTIVE

NAZI WAR CRIMES DISCLOSURE ACT

CONTROLS



CONFIDENTIAL STATE 024721

E.O. 12958: DECL: 1/28/08

TEXT

TAGS: ETTC, ETRD, PREL, PARM, PTER, EAID, EUN, IR, CU SUBJECT: U/S EIZENSTAT'S JANUARY 28 MEETING WITH DUTCH MFA STATE SECRETARY PATIJN

REFS: A) STATE 19909 B) THE HAGUE 315

1. (U) CLASSIFIED BY U/S EIZENSTAT, REASON 1.5 (B) AND (D).

SUMMARY

2. (C) IN A JANUARY 28 DISCUSSION, U/S EIZENSTAT EXPRESSED APPRECIATION FOR THE DUTCH DECISION TO SET ASIDE TGC GOLD FOR DUTCH VICTIMS AND TO CONTRIBUTE AN EQUAL AMOUNT TO ASSIST VICTIMS IN OTHER PARTS OF THE WORLD. PATIJN EXPRESSED GRAVE CONCERN ABOUT THE CONSEQUENCES OF U.S. SANCTIONS LEGISLATION ON TRANSATLANTIC RELATIONS, BUT STRESSED HIS GOVERNMENT'S INTEREST IN IMPROVING BILATERAL AND MULTILATERAL COOPERATION ON IRAN. HE AFFIRMED DUTCH WILLINGNESS TO HELP TIGHTEN CONTROLS ON WEAPONS OF MASS DESTRUCTION (WMD) AND EFFORTS TO COUNTER IRANIAN TERRORISM. THE TWO ALSO REVIEWED DEVELOPMENTS IN CUBA -- WITH PATIJN URGING U.S.-EU DIALOGUE ONA POST-CASTRO

TRANSITION -- AND THE PROSPECTS FOR A SOLUTION IN NEGOTIATIONS ON PROPERTY DISCIPLINES. THE TWO ALSO BRIEFLY REVIEWED EUROPEAN COMMISSION VICE PRESIDENT BRITTAN'S TRADE PROPOSAL AND THE STATE OF PLAY ON SRMS AND GMOS. PATIJN INVITED EIZENSTAT TO ATTEND A DUTCH-HOSTED CONFERENCE ON PUBLIC-PRIVATE PARTNERSHIPS TO FINANCE INFRASTRUCTURE IN CENTRAL AND EASTERN EUROPE, SCHEDULED FOR MARCH 31-APRIL 1. END SUMMARY

NAZI ASSETS

3. (U) U/S EIZENSTAT, JOINED BY EUR PDAS WAYNE, BEGAN THE SESSION BY EXPRESSING U.S. APPRECIATION FOR THE ROLE THE DUTCH PLAYED IN BRINGING THE LONDON CONFERENCE ON NAZI GOLD TO A SUCCESSFUL CONCLUSION AND HELPING TO LAUNCH THE NAZI PERSECUTEES' FUND. HE RECALLED THAT THE SECRETARY SENT A NOTE OF THANKS TO FM VAN MIERLO RECOGNIZING THE DUTCH DECISION TO SET ASIDE ITS SHARE OF THE FINAL .DISTRIBUTION OF GOLD. FROM THE TRIPARTITE GOLD COMMISSION (TGC) FOR DUTCH VICTIMS AND TO CONTRIBUTE AN EQUAL AMOUNT TO ASSIST VICTIMS IN OTHER PARTS OF THE WORLD. EIZENSTAT ALSO EXPRESSED HIS PERSONAL THANKS TO MFA OFFICIALS. PATIJN CREDITED FINMIN ZALM FOR PLAYING A DECISIVE ROLE IN THE OUTCOME.

IRAN, ILSA

(C) U/S EIZENSTAT THANKED THE DUTCH FOR THEIR EFFORTS

TO BETTER COORDINATE WITH THE U.S. ON POLICIES TOWARD IRAN AND CALLED FOR CONTINUED COOPERATION. DRAWING A STRICT LINE BETWEEN DISCUSSION OF IRAN POLICY AND ILSA, EIZENSTAT WELCOMED THE NEW TONE IN KEATAMI'S RHETORIC, BUT NOTED RECENT SIGNS THAT THE IRANIANS WERE PULLING BACK FROM INITIALLY POSITIVE STATEMENTS. WHILE WE MIGHT SEE SOME UNOFFICIAL EXCHANGES, GOVERNMENT-TO-GOVERNMENT DIALOGUE HAD NOT BEEN ACCEPTED BY THE IRANIANS. IN ANY CASE, THE U.S. HAD SEEN NO EVIDENCE OF CHANGE IN IRANIAN POLICIES ON WMD AND TERRORISM. OUR INFORMATION SHOWED A CONTINUED CRASH PROGRAM IN MEDIUM AND LONG-RANGE MISSILE SYSTEMS WHICH COULD REACH THROUGHOUT THE GULF AND TO ISRAEL. THIS WAS A THREAT TO U.S. TROOPS AND ALL OUR FRIENDS AND ALLIES IN THE REGION. EIZENSTAT STRESSED THAT WE WOULD HAVE TO WAIT TO SEE IF THERE WOULD BE CHANGES IN IRANIAN BEHAVIOR, BUT AS LONG AS IRAN CONTINUED TO BUILD UP ITS WMD ARSENAL AND SUPPORT INTERNATIONAL TERRORISM, THE U.S. AND EU MUST WORK TOGETHER TO CONSTRAIN IRANIAN CAPABILITIES IN THESE AREAS.

- 5. (C) EIZENSTAT SAID THAT BOTH HE AND U/S PICKERING WERE MEETING WITH OTHER EU MEMBERS IN WASHINGTON AND IN ROME, PARIS AND LONDON ON THE ISSUE. HE EXPRESSED HOPE THAT THE UK EU PRESIDENCY WOULD PULL TOGETHER INITIATIVES SUCH AS STRENGTHENING THE MULTILATERAL REGIMES TO CONTROL WMD AND TERRORISM, INCLUDING ECONOMIC MEASURES.
- 6. (C) TURNING TO ILSA, EIZENSTAT OBSERVED THAT THE U.S. WAS IN THE FINAL STAGES OF ITS ANALYSIS OF THE TOTAL-SOUTH PARS DEAL. WE HAD MADE NO FINAL DECISION, BUT WERE RELATIVELY CLOSE TO A JUDGMENT. THE U.S. WAS KEEPING IN CLOSE TOUCH WITH THE FRENCH AND THE UK EU PRESIDENCY ON THE MATTER. IF A FINDING OF SANCTIONABILITY WAS MADE, EIZENSTAT CONTINUED, IT WOULD NOT NECESSARILY MEAN THE IMPOSITION OF SANCTIONS. THE SECRETARY HAD THREE OPTIONS: A WAIVER; IMPOSING SANCTIONS; OR ENGAGING IN A CONSULTATIVE PERIOD. EIZENSTAT COULD NOT FORECAST WHICH OPTION THE SECRETARY MIGHT CHOOSE. IN THE EVENT OF A SANCTIONABILITY DETERMINATION, WE WOULD CONTINUE TO CONSULT WITH RUSSIA, THE EU AND THE DUTCH ABOUT A NUMBER OF INITIATIVES TO WORK MORE CLOSELY ON IRAN.
- 7. (C) CHARACTERIZING THE IRAN ISSUE AS CRITICAL TO THE FUTURE OF THE TRANSATLANTIC RELATIONSHIP, PATIJN REPLIED THAT NEITHER THE NETHERLANDS NOR THE EU HAD REAL DIFFERENCES WITH THE U.S. ON THE OBJECTIVES. AS HE DID DURING A SEPARATE MEETING WITH U/S PICKERING (REF A), PATIJN EMPHASIZED HIS GOVERNMENT'S INTEREST IN IMPROVING BILATERAL AND MULTILATERAL COOPERATION ON IRAN, BUT RULED OUT ECONOMIC SANCTIONS. PATIJN STRESSED HIS GOVERNMENT'S INTEREST IN COOPERATING IN ANY WAY IT COULD -- SHORT-TERM OR LONG-TERM, BILATERAL AND MULTILATERAL, FORMAL OR INFORMAL. THE NETHERLANDS ALSO WOULD BE HAPPY TO TAKE THE INITIATIVE ON SOME OF THE PROPOSED MEASURES. THE U.S. MUST RECOGNIZE DIFFERENCES IN APPROACHES TO IMPLEMENTING THOSE OBJECTIVES, ESPECIALLY THE EMPLOYING ECONOMIC MEASURES. EUROPEANS UNIFORMLY OPPOSED ECONOMIC SANCTIONS

OR WHAT HE TERMED PUNITIVE MEASURES. THIS WAS ESPECIALLY TRUE OF THE DUTCH WHO TRADITIONALLY OPPOSE UNILATERAL TRADE SANCTIONS ON GROUNDS OF PRINCIPLE AND EFFICACY.

8. (C) PATIJN ASSERTED THAT THE ADMINISTRATION WAS CAUGHT IN THE MIDDLE BETWEEN CONGRESS AND THE EUROPEANS. CREATIVE THINKING WAS NEEDED TO REDUCE TENSIONS AND FIND A SOLUTION. JUST AS WITH THE HELMS-BURTON LEGISLATION, THE U.S. AND EU COULD ENTER INTO A STABLE PHASE. TENSIONS COULD BE SIDETRACKED FOR AWHILE, BUT THE SWORD OF DAMOCLES (SANCTIONS) CONTINUED TO DANGLE OVER EUROPE. THIS WAS THE

WEAENESS IN THE U.S. POSITION. THE U.S. THREAT COULD BE TURNED OFF OR ON EVERY TINE RELATIONS WITH CONGRESS CHANGED, PATIJN ARGUED. IT PRESENTED A CONSTANTLY MOVING TARGET. IF THE U.S. AND EUROPE COULD NOT AGREE ON THE TARGET, HOW COULD THEY REACH AN OVERALL AGREEMENT ON EITHER HELMS-BURTON OR ILSA. SOONER OR LATER, A WAY NEEDED TO BE FOUND TO STABILIZE THE SITUATION AND TO MAKE IT MORE PREDICTABLE, PATIJN CONTINUED. THE U.S. SHOULD SPARE ITS EUROPEAN PARTNERS FROM OMINOUS THREATS EACH TIME A EUROPEAN COMPANY WAS CONSIDERING AN INVESTMENT IN A TROUBLED REGION. IT WAS POLITICALLY COUNTERPRODUCTIVE TO ANNOUNCE THAT THE U.S. WAS STUDYING WHETHER A DUTCH COMPANY'S ACTIONS WERE SANCTIONABLE.

- 9. (C) EIZENSTAT SAID THAT THE U.S. WAS KEENLY AWARE OF THE NEED TO AVOID HOLDING THE SWORD OF DAMOCLES OVER EUROPE'S HEAD. WE RECOGNIZED THAT WE HAVE DIFFERENT APPROACHES, BUT NEED TO FIND COMMON GROUND ON WMD AND TERRORISM. HE URGED AGREEMENT ON TIGHTENING EXPORT CONTROL REGIMES, INCLUDING ON DUAL USE ITEMS, AND ENCOURAGED DUTCH LEADERSHIP WITHIN THE EU ON NON-PROLIFERATION, INCLUDING EXPORT CONTROL ASSISTANCE TO IRAN'S NEIGHBORS (ESPECIALLY RUSSIA), AND INFORMATION EXCHANGES ON IRANIAN VISA APPLICANTS VIA SYPHORE SYSTEM.
- 10. (C) TURNING TO THE NEED FOR EUROPEANS ALSO TO ADOPT ECONOMIC MEASURES AIMED AT LIMITING IRAN'S HOSTILE ACTIONS, EIZENSTAT URGED PATIJN AND THE EU TO CONSIDER SUCH MEASURES IN STRICTLY ECONOMIC TERMS. EIZENSTAT SAID HE FULLY UNDERSTOOD THAT THIS WAS AN EXTREMELY SENSITIVE AREA FOR EUROPEANS, BUT UNDERSCORED THAT THESE MEASURES WERE DEFINED IN COMMERCIAL NOT POLITICAL TERMS. SUCH MEASURES MIGHT INCLUDE MODIFYING THE EXTENT TO WHICH EXPORT CREDITS ARE EXTENDED; USING STRICT CREDENTIAL STANDARDS FOR DETERMINING CREDIT RATINGS AND LIMITING EXPOSURE FOR OFFICIAL CREDITS; LIMITING DEBT RESCHEDULING NOT WITHIN THE PARIS CLUB. HE OBSERVED THAT THE ITALIANS HAD INDICATED PRIVATELY THAT THEY WERE WILLING TO PLACE A MORATORIUM ON LENDING TO IRAN. IF THE EUROPEANS ADOPT SUCH ECONOMIC MEASURES, TOGETHER WITH IMPROVED COOPERATION ON WMD AND COUNTER-TERRORISM, IT COULD HELP PROVIDE FLEXIBILITY IN THE MANAGEMENT OF ILSA.
- 11. (C) PDAS WAYNE NOTED THE ONGOING EFFORTS OF EU

WORKING GROUPS ON TERRORISM AND WMD. HE THOUGHT THE UK PRESIDENCY WOULD PROVIDE FURTHER IMPETUS ON THESE ISSUES AND EXPRESSED HOPE DUTCH REPRESENTATIVES CAN BE SUPPORTIVE OF THE PRESIDENCY'S EFFORTS IN THESE VENUES. EIZENSTAT

SAID THAT U.S. IDEAS HAVE ENJOYED A GOOD RECEPTION IF NOT ACCEPTANCE. IT WAS WORTH CONTINUING TO ELABORATE THESE IDEAS FURTHER.

- 12. (C) EIZENSTAT ALSO OBSERVED THAT SOME ALTERNATIVE VOICES - FROM BUSINESS, NGOS AND ON THE HILL - WERE EMERGING. REPRESENTATIVES HAMILTON, LUGAR AND CRANE HAD PROPOSED A BILL WHICH WOULD REQUIRE A COST-BENEFIT ANALYSIS BEFORE THE IMPOSITION OF SANCTIONS. THE ADMINISTRATION WAS ALSO CLOSELY EXAMINING THE ISSUE. THE DEPARTMENT HAD FORMED ITS OWN INTERNAL TASK FORCE ON SANCTIONS.
- 13. (C) IN THE HELMS-BURTON CASE, THE U.S. RECOMMENDED THE CREATION OF A HIGH-LEVEL GROUP THAT WOULD MEET TO ASSESS COMMON THREATS AND APPROACHES TO MITIGATE OR AVOID DIVERGENT VIEWS. SUCH AN APPROACH COULD REDUCE THE OCCASIONS FOR UNILATERAL SANCTIONS. THE ADMINISTRATION COULD NOT CONTROL CONGRESS, BUT IT WAS DOING EVERYTHING IT COULD TO AVOID A BLOW UPAND MOVE TOWARD A MORE PRO-ACTIVE SYSTEM. EIZENSTAT ALSO NOTED THAT THE UK PRESIDENCY WAS LOOKING AT PROPOSALS TO EDUCATE THE CONGRESS ABOUT EUROPEAN SENSITIVITIES IN A MORE SYSTEMATIC WAY. ALL THESE WERE POSITIVE FACTORS.
- 14. (C) PATIJN REITERATED THAT THE DUTCH WOULD BE PLEASED TO TAKE THE INITIATIVE IN THE WMD, INTELLIGENCE AND COUNTERTERRORISM AREAS. HE ALSO PLEDGED TO LOOK CLOSELY AT THE ISSUES OF DEBT RESCHEDULING AND EXPORT CREDITS, BUT UNDERSCORED THE DUTCH TRADITION OF KEEPING POLITICS OUT OF COMMERCE GENERALLY. PATIJN MENTIONED THAT THE NETHERLANDS HAD A SHORT-TERM PROBLEM DOMESTIC CONTROVERSY OVER DUTCH ASYLUM LAWS WHICH REQUIRED THE GON TO KEEP A LOW PROFILE. HE REMARKED THAT THE GOVERNMENT WOULD BE ENGAGED OVER THE NEXT 6-10 WEEKS IN A NASTY REVIEW WITH PARLIAMENT OVER IRANIAN ASYLUM SEEKERS. FOR THE MOMENT, SOME RESTRAINT ON PUBLIC STATEMENTS REGARDING IRAN WAS PRUDENT.

TRADE ISSUES: BRITTAN PROPOSAL

15. (SBU) EIZENSTAT SAID HE ALSO WANTED TO TAKE THE OCCASION TO REVIEW SOME OF OUR TRADE-RELATED PRIORITIES WITH A KEY ECONOMIC PARTNER. THE U.S. WAS INTERESTED IN LEON BRITTAN'S PERSONAL INITIATIVE ON TRADE. IN RESPONSE, THE U.S. HAD DECIDED THAT IT WAS USEFUL TO ENGAGE ON THE BRITTAN PROPOSAL AND WE WERE SETTING UP A WORKING GROUP TO LOOK AT IT. THIS DID NOT MEAN THAT WE NECESSARILY ACCEPT

EVERYTHING IN THE PROPOSAL. PATIJN SAID THAT THE DUTCH

WELCOMED THE STRATEGIC OBJECTIVES OF THE PROPOSAL. THE DUTCH LIKE BRITTAN'S LINE OF THINKING AND THE IDEA OF FORMING A BILATERAL COOPERATIVE RELATIONSHIP WITH THE U.S. ON ISSUES OF LONG-TERM ECONOMIC INTERESTS TO BOTH THE U.S. AND EU. PATIJN THOUGHT THE IDEA COULD PULL THE INTERNATIONAL TRADING SYSTEM FORWARD, BUT HE VOICED CONCERN THAT ANY NEW MECHANISM NOT OVERLOOK THE VIEWS OF WEAKER EU MEMBERS.

- 16. (SBU) EIZENSTAT ALSO URGED DUTCH ACTIVISM WITHIN THE EU TO WORK WITH THE U.S. MULTILATERALLY ON SCIENTIFICALLY-BASED STANDARDS. PDAS WAYNE THOUGHT MODEL MARKET PLACES COULD SHOW THE WAY. PATIJN AGREED ON THE NEED FOR CLOSER COOPERATION ON ITEMS OF RELEVANCE TO THE WTO.
- 17. (SBU) PATIJN SAID HE HAD THAT MORNING BUMPED INTO A DUTCH BUSINESSMAN WHO COMPLAINED ABOUT U.S. ANTI-DUMPING PROCEDURES. THERE WERE 35 CASES AGAINST EU COUNTRIES, MOSTLY ON THE OLD TECHNOLOGY INDUSTRIES (E.G., STEEL). THE BUSINESSMAN COMPLAINED ABOUT THE MECHANICAL APPLICATION OF U.S. LAWS. WE COULD USE DIALOGUE ON "CLEANING UP" THESE PROCEDURES, PATIJN OPINED.

SRMS AND GMOS

- 18. (SBU) EIZENSTAT STRESSED THAT MUCH SERIOUS WORK REMAINS TO BE DONE FOR THE EU TO IMPLEMENT BY APRIL 1. A SPECIFIED RISK MATERIALS (SRMS) POLICY THAT PROTECTS HEALTH WITHOUT UNNECESSARY TRADE RESTRICTIONS. THE PARTIES NEEDED TO DEVELOP AN ORDERLY PROCESS TO DEAL WITH THE ISSUE. IT WAS UNTHINKABLE TO ESTABLISH A SYSTEM TO MAKE THOUSANDS OF DRUG DECISIONS. EIZENSTAT RECALLED DISCUSSION AT THE TABD IN ROME THAT IN 18 MONTHS TO 2 YEARS, AN ALTERNATIVE TO THE USE OF SRMS WILL BE AVAILABLE. THEREFORE, ALL WE NEED IS A LITTLE BREATHING SPACE. PATIJN REPLIED THAT HOLLAND SHARED U.S. CONCERNS. HE SUGGESTED THAT DISCUSSIONS BE WIDENED BEYOND THE AGRICULTURAL MINISTERS TO MINISTERS OF HEALTH. THE DUTCH HEALTH MINISTER, FOR EXAMPLE, WAS RELAXED ABOUT THE ISSUE. PATIJN PROMISED TO LOOK INTO WAYS TO PROMOTE A SOLUTION.
- 19. (SBU) EIZENSTAT ASKED FOR DUTCH SUPPORT IN PUSHING PROMPT EU ACTION ON APPROVALS FOR GENETICALLY MODIFIED ORGANISMS (GMOS) PRODUCTS NOW IN THE PIPELINE. HE NOTED THE UNCERTAINTY DELAYS ARE CAUSING FOR U.S. -DUTCH TRADE,

ESPECIALLY IN CORN. THE U.S. HAS AN ORDERLY, SCIENTIFIC PROCESS IN PLACE WHILE THE EU DOES NOT. HE URGED DUTCH SUPPORT FOR ESTABLISHING A CREDIBLE EU SYSTEM AND NOT ACCEPTING PSEUDO-SCIENTIFIC STANDARDS. PATIJN REPLIED THAT THE DUTCH STAND READY TO COOPERATE, BUT NOTED THAT THE FLIP SIDE OF THE PROBLEM IS LABELLING TO MEET THE CONCERNS OF LESS EDUCATED CONSUMERS.

CUBA, HELMS-BURTON

- 20. (C) RECOGNIZING PATIJN'S SPECIAL INTEREST IN CUBA, EIZENSTAT SAID THAT THE U.S. VIEWED JOHN PAUL II'S VISIT AS AN IMPORTANT EVENT WHICH BROUGHT MESSAGES OF HOPE AND RESPECT OF HUMAN RIGHTS. IT WAS THE ONLY EVENT IN RECENT TIMES THAT HAD OFFERED ANY HOPE OF MOVEMENT IN A STAGNANT SITUATION INSIDE CUBA. HE STRESSED THAT OUR POLICY WAS TO PROMOTE A PEACEFUL TRANSITION TO DEMOCRACY ON THE ISLAND. THE PRESIDENT AND OTHER SENIOR OFFICIALS HAD MADE CLEAR THAT THE U.S. WAS PREPARED TO RESPOND RECIPROCALLY IF THE CUBAN GOVERNMENT UNDERTOOK FUNDAMENTAL, SYSTEMIC CHANGE TOWARD DEMOCRACY AND RESPECT FOR HUMAN RIGHTS. HE ENCOURAGED DUTCH TO CONTINUE COOPERATING WITH THE U.S. AND OTHERS IN FINDING WAYS TO PROMOTE DEMOCRATIC REFORM IN CUBA.
- 21. (C) PATIJN URGED THE U.S. AND EU TO BEGIN A DIALOGUE ON A POST-CASTRO TRANSITION. THE EU HAD LEARNED MUCH FROM THE TRANSFER OF POWER AND THE AUSLANDER ISSUE ARISING OUT OF GERMAN UNIFICATION. THE TWO AGREED THAT THERE WAS NO ASSURANCE THAT A POST-CASTRO TRANSITION WOULD BE DEMOCRATIC.
- 22. (C) ON HELMS-BURTON, EIZENSTAT SAID THAT WE WERE MAKING SLOW, BUT STEADY PROGRESS ON INVESTMENT DISCIPLINES. HE URGED THE DUTCH TO REMAIN HELPFUL BILATERALLY AND WITHIN THE EU ON TALKS ON DISCIPLINES. THE KEY ISSUE WAS HOW TO HANDLE CLAIMS. OF THE TWO TYPES OF CLAIMS -- FUTURE AND PAST EXPROPRIATION - THERE WAS GENERAL AGREEMENT ON THE FORMER CATEGORY. THE U.S. WANTED CASES INVOLVING PAST EXPROPRIATION, PARTICULARLY WHERE THERE WAS NO EQUITY INTEREST ISSUES, TREATED LIKE THOSE OF FUTURE EXPROPRIATION. THE U.S. NEEDED THIS PROTECTION, HE STRESSED. EIZENSTAT SAID THAT IF WE COULD GET THIS AGREEMENT, THE ADMINISTRATION WAS PREPARED TO CONSULT WITH CONGRESS ON AN AMENDMENT TO HELMS-BURTON WHICH WOULD PROVIDE WAIVER AUTHORITY FOR TITLE IV.
- 23. (C) PATIJN REPLIED THAT THE DUTCH WERE HAPPY TO

CONTINUE CONSULTATION WHICH WOULD AVOID HELMS-BURTON BECOMING A FLASHPOINT, BUT HE WAS NOT OPTIMISTIC WITHOUT A MULTILATERAL AGREEMENT ON INVESTMENT (MAL). THIS WOULD INEVITABLY LEAD TO A WTO CASE. THAT SAID, THE U.S. AND EU UNDERSTAND EACH OTHER AND THE MAI NEGOTIATIONS WERE THE BEST APPROACH TO PURSUE. MEA STATE SECRETARY FRANS ENGERING WOULD BE IN WASHINGTON IN THE COMING WEEKS TO DISCUSS IT FURTHER.

CONFERENCE ON INFRASTRUCTURE IN CENTRAL & EASTERN EUROPE

24. (U) AS THE MEETING DREW TO A CLOSE, PATIJN HANDED

EIZENSTAT A DRAFT PROGRAM FOR PM KOK'S PROPOSED CONFERENCE "BRIDGING GAPS IN FINANCING INFRASTRUCTURE: AN INTERNATIONAL CONFERENCE ON PUBLIC-PRIVATE PARTNERSHIPS". PATIJN INVITED U/S EIZENSTAT TO PARTICIPANT IN THE MARCH 31-APRIL 1 EVENT, REMINDING HIM THAT KOK HAD FIRST PROPOSED THE CONFERENCE DURING PRESIDENT CLINTON'S VISIT TO THE HAGUE DURING LAST YEAR'S COMMEMORATION OF THE FIFTIETH ANNIVERSARY OF THE MARSHALL PLAN. THE CONFERENCE WILL BE HOSTED BY THE GON, CHAIRED BY EUROPEAN COMMISSIONER ANDRIESSEN, AND IS ORGANIZED IN COOPERATION WITH THE WORLD BANK, THE EBRD, EIB, EUROPEAN COMMISSION AND THE OECD. PATIJN INVITED EIZENSTAT'S REACTION TO THE DRAFT PROGRAM AND EXPRESSED HOPE THAT HE COULD ATTEND. STATE SECRETARY ENGERING WOULD FOLLOW UP THE INVITATION WITH EIZENSTAT, HE SAID. EIZENSTAT PROMISED PATIJN THAT HE WOULD SEE THAT RELEVANT OFFICES IN THE DEPARTMENT WERE INFORMED.

PARTICIPANTS

25. (U) PATIJN WAS ACCOMPANIED BY DUTCH AMBASSADOR VOS, MFA DEPUTY DIRECTOR SOETERS, PRIVATE SECRETARY KOSTER, EMBASSY ECON COUNSELOR SOLLEVELD, AND POLOFF SORENSON. U/S EIZENSTAT AND EUR PDAS WAYNE WERE JOINED BY EUR/UBI DIRECTOR BELL AND EUR/UBI DESOTO (NOTETAKER).

26. (U) THE UNDER SECRETARY DID NOT HAVE THE OPPORTUNITY TO CLEAR THIS CABLE. ALBRIGHT

ADMIN END OF MESSAGE

CONFLOENTIAL