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Belgian politics in 1986

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The Social Christian-Liberal Martens VI Cabinet, which took office on November 28, 1985, after winning the parliamentary elections of that year, concentrated in 1986 on reducing the budget deficit. However, during the second half of the year ethnic tension rose again when the Council of State unseated Fourons Mayor Jose Happart.

I. The Government obtains special powers.

A. THE SPECIAL POWERS BILL.

Arguing that this was going to be the most important budget cut ever tried by a government, and in an attempt to proceed swiftly, the Martens Cabinet wanted « special powers » to bypass the lenghty parliamentary discussions. In its January 8, 1986 advice on the governmental special powers bill, the Council of State pointed out to the Government that special powers ought to be limited in time and scope. After having obtained special powers in 1982 for an eleven month period, and in 1983 for nine months, this time the Government wanted to cover 13 months without parliamentary interference. The Council of State objected this was an extremely long period.

During the debate of its special powers bill in an *ad hoc* committee of the Chamber of Representatives, the Government made two concessions to the majority parties : it would report three times on the use of the special powers, and the special powers executive decrees enacted between August 1 and December 31, 1986, would have to be ratified by Parliament before March 31, 1987.

On February 28, after an attempt of the opposition parties to delay public discussion, the Chamber of Representatives approved, majority against opposition, the Government's special powers bill. Speaker of the

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Chamber, the francophone Liberal (PRL) Jean Defraigne, abstained to mark his opposition to this curtailment of Parliament's powers. One month later the special powers bill was approved by the Senate.

Under the provisions of the bill the Government was now empowered to take unilateral measures to maintain the competitive position of the Belgian economy, to create new jobs, and to take the necessary measures to improve the flexibility of the labor market, if labor and management would fail to reach an agreement covering these issues. Moreover, the bill allowed the Government to take all necessary measures to reduce the budget deficit, to check the cost of the social security programs, to limit the cost of hospitals, to create new jobs and to ensure the future of selected branches of industry (steel, coal, textile, shipbuilding, ship repair and glass). (These ailing branches of industry operating on extensive national government subsidization are commonly called « the national sectors »).

The bill further stipulated that the executive decrees had to be taken before December 31, 1986, but that for measures relating to the budget the period was extended until March 31, 1987.

B. TENSION RISES OVER VARIOUS ISSUES.

As it was the third time a Social Christian-Liberal coalition was bypassing Parliament by means of special powers, there was growing nervousness on both the majority and opposition benches of Parliament. This nervousness grew as the Government failed to introduce its 1986 budget. Meanwhile, the Government managed on a continuing resolution, and in fact would do so for the remainder of the year.

Economic Affairs Minister Philippe Maystadt, a francophone Social Christian (PSC), added to the tension by declaring that an agreement which was reached under the previous Cabinet on the economic spinoffs of defense contracts would have to be re-negotiated. Under the terms of the agreement which covered six major defense contracts, Flemish industry would obtain between 54 and 56 percent of this « economic compensation », Wallonia between 34 and 36 percent, and the Brussels Region between 9 and 11 percent. However, at the time Minister Maystadt made his declaration, Flanders had received less than 40 percent of the economic spinoffs of the contracts passed to date. The Flemish parties argued that as it was realistic to envisage that the Government, in light of the budget restrictions, would postpone the purchase of new helicopters for the army, Flanders would never attain the compensations it was promised. Defense Minister de Donnea (PRL) promised that the percentages set under the previous Government would be maintained, but being a francophone, he

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requested a similar regional compensation plan for other government contracts (i.e. public works and telecommunication).

On February 4, the Catholic Trade Union Confederation (ACV/CSC) complained about governmental plans to make school leavers complete a longer waiting-period before qualifying for unemployment compensation, about plans to exclude certain other groups from compensation, and about plans to levy higher taxes on people on an early retirement schemes.

There were also rumors that the labor wing of the Flemish Social Christian Party (CVP) would opt for less stringent budget cuts. The labor wing of the CVP was reported as saying that the governmental plan to cut the deficit by BF 200 billion was unrealistic. It argued that as the price of oil was dropping, an extra excise duty on gas would allow the Government to settle for less dramatic cuts. The latter referred to its promise not to rise taxes, and said that an extra duty on gas was excluded.

On February 20, Vice Premier and Justice Minister Gol (PRL) fell ill attending the « Francophone Summit » in Paris. He had to be hospitalized, and until April 14 Public Works Minister Louis Olivier (PRL) was in charge of Gol's portfolios. Gol's name was also mentioned for having obstructed the course of justice in a fiscal fraude affair, but the opposition parties, which had demanded that Gol's parliamentary immunity be lifted, failed to substantiate their allegations.

II. **The budget crisis.**

A. THE FIRST EXECUTIVE DECREES.

There were skirmishes among the majority parties when the Government planned to implement its first special powers executive decrees. CVP floorleader Van den Brande warned that the Government first had to introduce its 1986 budget before announcing the first executive decrees. He argued that in the 1986 budget message the Members of Parliament would have a complete account of the governmental plans. The Prime Minister replied that the government's policy statement, drafted in 1985 when the Government had taken office, continued a detailed account of the governmental plans, and that no more time could be lost.

On March 28-29, the Government announced a first batch of measures. They dealt predominantly with educational matters. For example, the Government decided to reduce its subsidies for the construction of schools. Operational allocations for schools were diminished, and the subsidization of bussing was partially stopped. Moreover, subsidies to universities were reduced. A new system of subsidization of hospitals

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came into force, and the first measures were taken to reduce the number of hospital beds. The yield of the cost-of-living adjustments not received by wage and salary earners (2 percent in 1984, 1985 and 1986) were definitively allocated to the social security system. (Because of the low inflation rate in 1986, the 2 percent withholding scheduled for that year came only into effect in 1987). Meanwhile Budget Minister Verhofstadt designed measures to prevent the transfer of budget allocations from one fiscal year to the next.

B. THE SCHOOL PACT COMMISSION IN A DEADLOCK.

In the School Pact Commission majority and opposition parties clashed over the cuts in education. Since the spring of 1985 the Commission had not convened properly because of what the francophone Socialists (PS) termed as the discriminatory measures taken against the public schools. On March 6, the PS agreed to discuss « subsidization of the special curriculum schools », but on March 18, disagreement on how business would be conducted in the Commission made the PS walk out. When on March 29, the first cuts in education were announced, the Flemish Socialists (SP) insisted on an urgent meeting of the School Pact Commission. Te Government was willing to talk to the opposition parties in the Commission, although the cuts did not require formal approval from the Commission. Tension rose even more when PSC Party President Gerard Deprez argued that it would be better to suspend the Commissions's meetings. Louis Michel, President of the PRL — a party closer to the public schools — threatened not to participate in the forthcoming budget talks if the Government would follow the suggestion of the PSC President. Prime Minister Martens said it was the government's duty to reduce the budget deficit, including the cuts in education, but that there was no reason to suspend the meetings of the School Pact Commission. On April 29, the King received SP President Van Miert upon the latter's request. Van Miert wanted to inform the King that not only in educational affairs, but also in many other fields, the rights of the opposition were being thwarted.

C. THE BUDGET TALKS.

On April 3, Prime Minister Martens, the Vice Premiers Verhofstadt (Budget), Nothomb (Interior), Social Welfare Minister Dehaene (CVP), Public Works Minister Olivier (replacing the convalescent Gol), and Finance Minister Eyskens started the budget discussions. This discussion had been prepared by Minister Verhofstadt who had compiled cards containing all possible savings for each individual ministerial department.

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During the April 5-6 weekend, the Finance Ministers of the European Monetary System countries met in the Dutch village of Ootmarsum. The new French Premier Chirac insisted on a devaluation of the French currency. As a result of the meeting the French franc was devaluated with 3 percent. The Dutch guilder and the German mark revaluated with the same percentage, while the Belgian franc and Danish krone were revaluated by 1 percent.

The Budget negotiations only started for real when on April 15 Minister Gol was back from convalescense. However, what was supposed to be secret talks, soon leaked in the press. A number of papers printed a document allegedly from Minister Olivier to his colleague Gol, containing an outline of the most important measures the Government intended to implement. This press leak stirred controversy among the majority parties.

On May 6, the public service unions organized a 24-hour strike against the governmental plans. The strike affected Belgium's railroads, municipal transportation, post, telephone and other services.

On May 12, the railroad workers of the Charleroi area started a wildcat strike, upon which the Union of Socialist Railroad Workers decided to back up with an official strike as of May 14. In Wallonia and Brussels, the strike continued for several weeks, but it was less general in Flanders.

On May 7, over 10,000 teachers of the Catholic schools demonstrated in Brussels against the governmental plans, which, according to the Catho-teachers' unions, would cause the loss of 28,000 teaching jobs. Meanwhile, in Limburg Province the miners went on strike. The document which was leaked contained a plan to close three of the five remaining coal mines (all located in Limburg Province). The miners' unions first endorsed the strike, but after talks with Prime Minister Martens, they asked their affiliates to return to work. A small group of radical miners continued the strike until May 21.

III. **The budget plan.**

A. THE DEFECIT REDUCED BY BF 195 BILLION.

On May 20, the ministers reached an agreement on a plan to cut the budget deficit by BF 195 billion. All ministerial departments were required to make an effort. Aid to the press was reduced, as well as subsidies to local government. The developing aid programs were cut plans for the purchase of military equipment were cut by BF 3.2 billion, and the government decided to replace professional soldiers by less expensive conscripts.

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The Government cut its subsidies to a wide range of enterprises and public utilities. It equally envisaged to sell (recycle) part of the shares it had in « national sector » enterprises (steel, coal, textile, glass, ship building and ship repair). The railroads, the national airline SABENA, urban and rural transporation, post, telephone and telegraph, were among the public utilities which suffered cuts in subsidization. Social security benefits and social welfare programs were cut by BF 52 billion. The Government also decided on a very controversial reform of the unemployment compensation system. It were the longtime unemployed and the cohabiting unemployed who wouldsuffer most. It also decided to rise the compulsory retirement age for women from 60 to 65. The Government reduced its subsidization to hospitals. Moreover, patients would have to pay a greater deductible for certain categories of technical medical treatment. The subsidization of administrative costs borne by the mutual aid societies were reduced, while to government decided to privatize the occupational illness insurance.

In the field of education the Government decided to cut subsidies to school building funds, and the schools' operational allowances were cut. Smaller boarding schools no longer qualified for subsidization, and the number of teachers in the new curriculum secondary schools would be gradually reduced. The Government further decided to discontinue a number of tax deductions. It decided to reduce the total wage sum for civil servants, and the wage withholding imposed on them to compensate for their job security was continued.

B. PROTEST CONTINUES.

On May 23, Prime Minister Martens read the government statement on the budget in Parliament. He said it was the most important cut of the budget deficit ever attempted by a Belgian Government. He emphasized that the cuts would not result in higher taxes. Martens acknowledged that the plan may cost the loss of 32,000 jobs, but he added that many of these jobs would be regained because of the more advantageous international economic situation. He said the final balance would be a loss of a mere 18,000 jobs. After this statement was read the Government won a vote of confidence in the two Houses of Parliament.

Although the Government had won a political victory, protest continued. From May 17 on, public transportation came to a complete standstill in Wallonia and Brussels. The Socialist unions struck the public utilities, but attempts to make the strike spill over to the private sector failed. On May 31, more than 100,000 marched through the streets of Brussels participating in a demonstration organized by the Socialist Trade Union

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Confederation (ABVV/FGTB). The demonstration was the culmination of three weeks of strikes and demonstrations. The Catholic Trade Union Confederation (ACV/CSC) was opposed to a number of governmental decisions, particularly to cuts in public employment programs, to the higher pension age for women, and to restrictions in compensation for cohabiting unemployed. Although the Confederation was opposed to nationwide action of its affiliated unions, individual Catholic unions joined in strikes and demonstrations organized by the Socialists. The strongest protest came from the teachers and school directors, surprisingly more in the Catholic schools and in the francophone part of Belgium. On May 30, there was a general strike of the Catholic, public, provincial and municipal schools, and on June 8 about 50,000 Catholic teachers were present at demonstration in Brussels. Observers said it was the largest teachers' demonstration since the fifties, when Catholic schools were involved in a bitter conflict against the then Socialist National Education Minister.

IV. **Implementation of the budget cuts.**

A. NEGOTIATIONS AND AMENDMENTS.

The two Social Christian majority parties came under strong pressure from Catholic labor in general, and from the teachers in particular. This pressure was particularly felt inside the PSC. On June 4, PSC Party President Gerard Deprez said that the Government was cutting « too deep and too fast », but Deprez received a prompt warning from the Liberal ministers who said that the budget plan would not be amended. Meanwhile, the two Education Ministers, the Fleming Daniel Coens (CVP) and the francophone Andre Damseaux (PRL), had started talks with representatives of the educational world (teachers, school directors). On June 13, the Government made a first series of concessions, particularly aimed at reducing the jobs which would be lost in the new curriculum secondary schools. These concessions divided the Catholic educational world. On June 19, a meeting of the General Council of Catholic Education (ARKO) could not take position on the concessions made by the education ministers as the Flemings were willing to approve the concessions while the francophones argued this was not enough. On June 20, the Catholic educational world decided to continue its actions, but the school directors and the parent organizations dissociated. On July 16, the Government and the educational world agreed to give a more permanent character to their talks, much the way business is done between government, labor and management.

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Meanwhile the Government had continued its talks with the labor unions and employers on other aspects of the budget plan. Both unions and employers obtained some minor concessions from the Government, but these could not satisfy the ACV/CSC. It threatened to start actions in the fall if the Government was unwilling to grant more substantial concessions.

B. THE 1986 BUDGET AND THE TAX ACT.

It took until June before the Government managed to introduce its 1986 budget into Parliament. Originally the deficit was set at BF 585 billion ; i.e. BF 14 billion more than the year before. This led to such an outcry in the financial world that the Government decided on a more rapid implementation of its savings allowing it to lower the deficit to a more acceptable BF 567.6 billion ; i.e. 11.5 percent of the GNP. The Government wanted the 1986 budget approved by the two Houses of Parliament before the summer recess, and succeeded in doing so because the majority parties in Parliament were willing to bend the parliamentary rules.

The 1986 Tax Act contained a wide range of measures aimed at stimulating the creation of new jobs, at improving the competitive position of private enterprises, and at limiting tax deductions. It also contained measures aimed at stimulating the faltering construction sector. A special section of the act dealt with the « protection of the rights of the taxpayer », a demand of the Liberal majority parties. The most controversial section of the Tax Act curtailed the power of the Special Tax Inspection Branch. This special branch of tax auditors was no longer allowed to participate directly in prosecuting tax crimes. On the other hand, an additional number of magistrates were nominated to deal specifically with tax matters.

C. CONTROVERSY OVER EDUCATIONAL MATTERS.

In July, more controversy broke out when a report of the Inspectors of the Finance Ministry leaked alleging that francophone Education Minister Damseaux (PRL) was cutting less than his Flemish opposite number Coens (CVP). Minister Damseaux said that in francophone education less job would be lost because the number of pupils was actually increasing. In Flemish educational circles this allegation met great apprehension, especially as the Minister failed to give the exact number of pupils attending francophone schools. Damseaux's position came under great fire, and it was even rumored that because of poor management of

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his department he was going to be replaced by PRL Party President Louis Michel. However, the latter denied these rumors. Meanwhile, more cuts in education were being implemented. They were aimed specifically at limiting the number of medical students, and the universities would receive less subsidies for their foreign students.

Before the summer recess Justice Minister Gol attempted to impose limitations on the number of political refugees entering the country. He wanted to realize this by means of an executive decree. However, the Council of State opposed this procedure, and the Government agreed to introduce into Parliament a bill on the issue.

On August 3, Finance Minister Eyskens reached an agreement with the banks on a rescheduling of the government debt. The Government claimed this would yield BF 63.1 billion savings. The opposition parties rebutted that this was windowdressing, and that the actual savings would be less than BF 2 billion.

Just before the summer recess Prime Minister Martens proudly announced that the 1986 budget deficit would be reduced by BF 198 billion. He said that the goal set by the Government had been reached.

V. The Happart affair.

A. THE VERDICT OF THE COUNCIL OF STATE.

After the summer recess Belgium's perennial inter-community issues came to the fore. Jose Happart had been appointed Mayor of Fourons on February 4, 1983, but at that time his appointment led to such political controversy that it was December 31, 1983, before he could effectively take office. Upon his appointment Flemish municipal councilmen of Fourons had filed a complaint with the Council of State, arguing that Happart did not speak Dutch in office in a municipality located in Flanders.

On May 31, 1985 the Council of State had decided to wait with its verdict in the Happart affair until the Arbitration Court had ruled on the Lepaffe Decree. Through the Lepaffe Decree the Francophone Community Council had ruled that francophone office holders could not be compelled to use another language than French, also outside the territory of the Francophone Community. On March 26, 1986, the Arbitration Court nullified the Lepaffe Decree, arguing that the Francophone Community was not competent to decide on the use of languages outside its territory. The Arbitration court ruled that mayors and aldermen came under the laws governing the use of languages in public administration.

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Jose Happart was unseated by the Council of State on September 30, 1986. The Council said that as incumbent of the office of mayor, he had to uphold the use of languages as prescribed in the Constitution and in the laws on the use of languages in public administration. Since Fourons is located in the Dutch-language area, the Council argued, the mayor of Fourons has to use Dutch for his official business. The special « facilities » (mainly window services) for the francophones of Fourons were only designed for the inhabitants' business with the municipal authorities. The Council said that the fact that Happart was presented for the office of mayor by a francophone majority of the municipal council, was not an argument for bypassing the laws on the use of languages. The Council of State implicated Interior Minister Nothomb (PSC) by saying that the Minister had not adequately verified whether Happart had sufficient command of Dutch to exercise the function of Mayor of Fourons. In its verdict the Council of State rejected similar claims introduced against the Mayors of Wezembeek-Oppem and Linkebeek, two municipalities of the Flemish periphery of Brussels with francophone majorities in the council.

Once the verdict of the Flemish Chamber of the Council of State was made public, the francophone majority and opposition parties assailed the Flemish Chamber for abusing its role of court in administrative affairs, and for allowing itself into political considerations. To the general surprise, the next day Minister Nothomb introduced an appeal at the Supreme Court of Appeals against Happart's revocation. Implicated in the affair, Nothomb argued that he would use all legal means at his disposal to keep Happart in office. Prime Minister Martens, caught between the Flemings and francophones in his Government, said this was a personal initiative of the Interior Minister.

B. NOTHOMB FORCED TO RESIGN.

As Nothomb's appeal did not suspend Happart's revocation, the latter was no longer Mayor of Fourons. According to the Prime Minister, Happart could not be elected first alderman and acting mayor by the Fourons municipal council, but the francophone Social Christians (PSC) argued that because of his revocation Happart was automatically back in the position he held before his appointment ; i.e. first alderman and acting mayor.

When interpellated in Parliament by the opposition parties about the Fourons affair, the Flemish and francophone ministers failed to reach an agreement on what to answer. Although Interior Minister Nothomb made a few concessions, i.e. he notified the revocation to Happart and he

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named a new acting Mayor, the Fourons affair was taking a bad turn for the Government.

On October 14, Prime Minister Martens had to present the resignation of his Cabinet to the King, because the ministers had failed to reach an agreement on the content of a statement Martens would read in Parliament. The King refused the cabinet's resignation. Meanwhile, Nothomb tried to find a Fourons personality willing to take over the job of mayor. First he tried to convince first alderman Lang to accept the job, but Lang refused. Then Nothomb thought to have found the right man in Roger Wynants, a moderate bi-lingual teacher close to the francophone majority of Fourons. Wynants first accepted and upon request of Nothomb, in the early morning of October 17 he was appointed Mayor of Fourons by the King. Because there was a new mayor, the King refused the resignation of the Government, which was allowed to continue with its business. However, as soon as the deal was struck Wynants came under heavy pressure from the francophone majority of Fourons. Later during that day Wynants said he only would take office the moment Parliament changed the linguistic status of Fourons. Minister Nothomb, having put the King in a very difficult situation, had to issue a Royal Decree withdrawing Wynants' nomination. In the early morning of October 18, Nothomb presented his resignation to the King. It was Joseph Michel, a former Speaker of the Chamber of Representatives and former minister, who replaced Nothomb as Interior Minister, while Economic Affairs Minister Philippe Maystadt took Nothomb's Vice Premier portfolio. Political observers later said that PSC Party President Gerard Deprez and Minister Maystadt, representatives of the younger generation in the PSC, had been instrumental in the fall of Nothomb, a representative of the more traditional line in the party.

C. THE PSC SEEKS A TRUCE.

As soon as Nothomb had resigned the PSC proposed a three month truce. On October 23, answering questions from the opposition spokesmen, the new Interior Minister Michel said the Government would respect this truce, and not intervene in Fourons, leaving the matter with the controlling authority, i.e. the Governor of the Limburg Province Harry Vandermeulen. Meanwhile, Happart had been elected first alderman and acting mayor by the Fourons municipal council. Governor Vandermeulen came under mounting pressure from the Flemish parties either to suspend or to nullify the decision of the Fourons municipality. He had 40 days to do so. On November 13, Governor Vandermeulen suspended the decision of the Fourons municipal council by which Happart had been

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named first alderman and acting mayor. The Governor argued that as acting mayor had to observe the same rules as a mayor. Two days later, the Fourons municipal council counter-attacked by re-electing Happart first alderman and acting mayor. There was growing discontent among the Flemish political parties about this seemingly endless tug-of-war between the Fourons municipality and the Limburg Governor. In The Flemish Council CVP Deputy Suykerbuyk and Volksunie Deputy Coveliers introduced a draft decree empowering the Flemish Community Government to become involved in the appointment of mayors of the municipalities located in Flanders. The Francophone Community Council introduced an appeal against the decree because, it argued, the decree would infringe the interests of the Francophone Community. The Government mediated unsuccessfully between the Flemish and Francophone Communities. The Flemisch Community Council went ahead and approved the decree. It got force of law early 1987.

VI. **Employment policy.**

A. LABOR RELATIONS AND THE NATIONAL COLLECTIVE BARGAINING AGREEMENT.

When the Martens VI Cabinet was formed in November 1985, it had asked labor, business, and the representatives of the small businesses, shopkeepers and the farmers' organizations, to reach an overall « inter-professional agreement » (sort of national collective bargaining agreement) on measures to ensure the competitive position of the enterprises, on measures to create new jobs, and to improve the flexibility of the labor market, while the agreement would also have to cover incomes policy and purchasing power. In the government's mind such an agreement would be for a three year period (1987-1989). In the event labor and management failed the reach such an agreement, the policy statement read, the Government would impose all necessary measures by means of special powers executive decrees.

The Catholic Trade Union Confederation (ACV/CSC) was in favor of the Government not getting involved in such negotiations, while its Socialist counterpart ABVV/FGTB wanted the opposite, because, it argued, it was the Government which was responsible for the problems. At the outset of the negotiations the Government promised it would take no further belt-tightening measures against the civil servants, but the cost-of-living adjustments not received by the civil service would be forfeited.

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The first round of negotiations was seriously hampered by the continuing labor unrest, and by the persisting disagreement between labor and management on the cost-of-living adjustment of wages and salaries.

The breakthrough came in September when the Belgian Business Federation (VBO/FEB) proposed free bargaining in all branches of private industry. In the matter of one day an agreement was reached. The agreement restored free bargaining in the private sector, and the various sectors were recommended to use 0.5 percent of total wages for the creation of new jobs. The minimum wage was raised, and the sectors were free in seeking ways to implement the 38-hours working week. The wage-indexation issue was referred to the Central Economic Council for further discussion.

The ACV/CSC General Council approved the draft interprofessional agreement, but opposition to the budget cuts was maintained. Nevertheless, the ACV/CSC decided to refrain from specific action against the government's austerity policy. In the Socialist Confederation (ABVV/FGTB) 68 percent voted in favor of the agreement. The agreement was officially signed on November 7. It was the first agreement of its kind since 1975.

B. THE GOVERNMENT'S EMPLOYMENT POLICY.

The Government had hoped that the « interprofessional agreement » would generate enough jobs to compensate for the jobs lost as a result of the budget cuts. When the ministers closely scrutinized the text of what labor and management had agreed upon, they realized that their hopes would not materialize. Indeed, in October unemployment figures rose sharply, which prompted the Government to issue in November its « jobs plan ». The government said that employers hiring longtime or young unemployed in 1987 would benefit from a reduction in social security taxes. A similar reduction would apply for young unemployed who were hired on a part-time work/part-time training scheme. Moreover, a number of measures were continued including the scheme whereby a 5 percent reduction in working time is combined with a 3 percent reduction in pay, and the creation of 3 percent new jobs.

VII. **Implementation of the budget cuts.**

After long political debate, the government agreed in November on the tax-deductible pension fund scheme sponsored by the Liberal majority parties. For the fiscal year 1987, participants in the scheme would be

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allowed to deduct BF 20,000 from their taxable earnings (a maximum of BF 40,000 per household).

The Government also decided to weaken (e.g. excluding longtime unemployed from unemployment compensation), or to abandon (e.g. privatization of the occupational illness insurance, pension age for women at 65) a number of austerity measures.

A. COMMUNITIES AND REGIONS OBTAIN MORE FINANCIAL MEANS.

As part of the governmental budget cut plan, the Government had envisaged to reduce subsidization of the community and regional governments. Gaston Geens, the Social Christian Minister-President of the Flemish Government, said he would only agree upon such a plan provided the Flemish Community would be allowed to extend its jurisdiction over more fields, with the necessary financial means attached. He had in mind a transfer of competences of BF 95 billion. The francophone ministers said such a transfer would mean more responsibilities, but because the Flemish side insisted on financing through revenue-sharing rather than through central government donations, also proportionally less financial means for the Francophone Community and Walloon Region. The communities and regions finally agreed upon a reduction of their subsidies which, in part, was realized through the transfer of the outstanding debts of the social housing programs from the Central Government to the regions. (The jurisdiction over the National Housing Co. was transferred from the Central Government to the regions). The most controversial measures of the package was the transfer of a number of scientific organizations to the regions. The National Nuclear Research Center of Mol came under the jurisdiction of the Flemish Region, while two other scientific institutes were transferred to the Walloon Region. The Central Government also agreed to allocate to the regions and communities the yield of selected taxes. In total only BF 10.5 billion additional financial means were allocated to the regions and communities, substantially less that Gaston Geens had hoped to obtain.

B. THE 1987 BUDGET.

Because of the budget cuts implemented in 1986, the drafting of the 1987 budget led to less political controversy. With total expenditures set at BF 1,864.4 billion, and total revenue at BF 1,452.6 billion, the 1987 budget projected a deficit of BF 417.8 billion, i.e. 8.1 percent of the GNP, the target set by the Martens VI Cabinet when it took office in 1985. At the end of 1986 not a single 1986 budget of an individual

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ministry had been approved, whereas, in theory, these budgets should have been approved before December 31, 1985. Throughout 1986 the Government had operated on a continuing resolution. Not only the opposition parties, but also spokesmen for the majority parties expressed their dissatisfaction with the little care the Government was showing about budget orthodoxy. The floorleaders of the majority and opposition parties threatened to obstruct all legislative initiatives of those ministers who would have failed to introduce their budgets into Parliament before the end of February, 1987.

VIII. **Other inter-community issues.**

A. THE LIMBURG COAL MINES AND THE GHEYSELINCK PLAN.

On January 30, 1986 the Government met with the miners unions and the management of the Limburg coal mines (KS). The participants agreed to merge two of the remaining five coal mines, as part of a complete reorganization of the coal mining industry in Belgium. The miners, very concerned about the future of their industry, organized work stoppages and held demonstrations. In the middle of these negotiations the independent francophone daily *Le Soir* revealed that during the budget talks the ministers had discussed plans to close down three of the five mines. This news triggered a wildcat strike which started April 16. After a few days, the miners' unions decided to endorse the strike. During a meeting with the miners' leaders, Prime Minister Martens succeeded in assuring that there were no immediate financial problems for the mines, and that there would be no mass-layoffs. As a result of this meeting the unions called off the strike. However, a group of radical miners continued the wildcat strike until May 21. After a first candidate had declined the offer, Thyl Gheyselinck, the Belgian Shell manager in Portugal, was appointed new KS manager. On December 17, Gheyselinck announced the long-awaited reorganization plan for the Limburg mines. He maintained the idea of closing three of the five mines, and added that the two remaining mines would merge into one operation. The labor force would be reduced from 17,200 tot 9,200 through early retirement, termination of contract and a transfer of workforce to the two remaining mines. Miners opting for termination of their contracts would qualify for an upgraded severance pay. Announcing his plan, Gheyselinck said he needed BF 100 billion to implement his plan; i.e. BF 65 billion for continuing the two mines, 28 billion BF to finance the termination of contracts, and another BF 7 billion for new investments in the Limburg Province. Gheyselinck proposed the union leaders to negotiate on how

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to make the best use of the BF 28 billion earmarked to support the termination cost.

When during the December 20-21 weekend, the cabinet ministers met to discuss the plan, the francophone ministers demanded compensation for the Walloon Cockerill steelworks which, a couple of years ago, had undergone a similar reorganization. On December 31, the Ministers struck a deal. About BF 8 billion on the national budget was earmarked for the reorganization of the mines. The remainder was to be borne by the Flemish Government ; i.e. through loans contracted by the Flemish Government which would have to be serviced through the yield of the inheritance taxes levied in Flanders, and through the sale of shares the national government had in Flemish enterprises (mainly in steel).

B. BRUSSELS.

On December 31, 1986 the Ministers also struck a deal on Brussels. Since 1984, the Flemish and Walloon Regions had been allocated the yield of the inheritance taxes levied in their respective regions, but no agreement had been reached on Brussels. The Martens VI policy statement said that as of 1986 Brussels would be allocated the yield of these taxes, provided the Brussels Executive agreed on a plan whereby the 19 Brussels metropolitan communes would cut their defecits and agree on a reorganization plan which could contain the merger of municipal services, the transfer of municipal competences to other authorities, and eventually a freely accepted merger of Brussels municipalities. Flemish and Francophone politicians, inside and outside the Government, disagreed on the meaning of this text, especially about what the reorganization plan should contain. According to the Flemings this paragraph of the government's policy statement was meant to give Flemings their share of the power in Brussels, both at agglomeration and that municipal level. According to the francophone Liberal (PRL) Minister of the Brussels Region de Donnea, this passage meant a mere « technical transfer » of municipal competences. On October 28, when te Chamber of Representatives discussed the continuing resolution, Deputy Georges Clerfayt, President of the Francophone Democratic Front (FDF), introduced an amendment allocating the yield of the inheritance taxes levied in Brussels to the Brussels Region. On the Government's request the amendment was voted down, but a spokesman for the PRL said that for the allocation of these inheritance taxes no other conditions would be accepted then those mentioned in the government's policy statement. In December, the Flemish party leaders started to quarrel among themselves. PVV Party President Annemie Neyts proposed the transfer of competences from the Brussels Agglomeration to the Brussels

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Regional Executive. The other Flemish Party Presidents said that Neyts' offer was made in breach of an earlier agreement reached among the Flemish party presidents that the Agglomeration Council not the Brussels Regional Executive, would become the most important body at the moment the definitive institutional set up for Brussels would be discussed. The agreement reached at the end of the year went the way Neyts had suggested. A number of competences were transferred from the Agglomeration to the Brussels Executive, while the Brussels metropolitan municipalities were allowed to transfer some of their competences to the Flemish or Francophone Cultural Commissions of the metropolitan area. It was agreed that the election for the new Agglomeration Council would be held together with the municipal elections of 1988, and the yield of the inheritance taxes was permanently allocated to the Brussels Region.

IX. **Foreign policy and defense.**

A. FOREIGN AFFAIRS.

Zaire.

After the failure of covert diplomacy in 1985 to release Ronald Van Den Bogaert, a Flemish Socialist (SP) Zaire expert sentenced to 10 years imprisonment for smuggling documents and tapes into Zaire destined for the opposition, Belgian Ambassador in Zaire Luc Putman was called back on January 7, for consultation with Foreign Minister Tindemans. The same day Tindemans met with Zairian Ambassador Ekila Lyionda to express Belgium's concern about the imprisonment of this Belgian subject.

On January 17, the French-language radio and television announced that the King had received Ambassador Lyionda and had handed over a personal message for President Mobutu.

On January 25, President Mobutu extended clemency to Van Den Bogaert. Both the Zairian press agency AZAP and Ambassador Lyionda commented that Mobutu's gesture was the result of the Belgian King's personal intervention in favor of Van Den Bogaert. The latter was set free on January 29, and arrived in Brussels the next day.

The Belgian-Zairian relations, already heavily strained by the Van Den Bogaert affair, further deteriorated during the March 10-11 informal meeting in Brussels of Zaire's creditors. Although the meeting, which had been chaired by Prime Minister Martens and the Zairian Premier Kengo Wa Dondo, took place in a friendly atmosphere, AZAP released the story that the MPR leadership was stunned by declarations made by Minister

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Tindemans who was quoted as saying that : « hairsplitting of the Zairian bureaucracy was hampering investments in Zaire », while Tindemans was also accused of having made adversary comments on the « zairization ». After more attacks by AZAP, Tindemans called Ambassador Lyionda who told the Belgian Foreign Minister she was surprised by AZAP's allegations and she would attempt to find out the reasons for these repeated attacks made by AZAP.

On April 5, a Bruges judge ceased a Zairian DC-8 aircraft at the Ostend airport. This confiscation took place in the framework of a labor dispute between a Belgian pilot and his former Zairian employer. Zaire rebutted by denying SABENA landing rights in Kinshasa and by removing its European headquarters from Brussels to Paris. After a first unsuccessful meditation of State Secretary for Aid Kempinaire (PVV), on April 19, Foreign Minister Tindemans went to Zaire where he had a personal conversation with President Mobutu. During this discussion the disputes were settled and the two countries emphasized their preferential relations.

At the end of July, Defense Minister de Donnea visited Zaire, and on this occasion announced that Belgium's military assistance with Zaire would be upgraded. He also proposed an African-European alliance within the framework of the West European Union (WEU). This statement pitted the Defense Minister against Foreign Minister Tindemans. The dispute between the two ministers was settled during a cabinet meeting held July 11. The Belgian Government agreed to upgrade its military assistance, but the Defense Minister was disallowed additional budget allocations to that effect.

The joint Belgo-Zairian Commission met in Brussels, July 7-10. During this meeting the Belgian Government promised BF 500 million economic aid, and a BF 550 million loan to Zaire.

Libya.

As part of EC sanctions against Libya's support of terrorist acts, on April 28, the Belgian Government ordered half the Libyan diplomatic corps to leave the country, and restricted the freedom of the remaining Libyan corps. Lybia retaliated by expelling two Belgian diplomats. Brussels responded negatively to the United States' request for economic sanctions.

Arms Trade.

On December 17, *Le Soir* alleged that in June 1985 parts of military aircraft had been flown over to Iran via Zaventem airport. If so, this transit would have been in breach of the Belgian policy of not supplying

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arms to belligerent countries. Also the Volksunie weekly *Wij* alleged that back in 1981, when the Gulf war had already started, arms had been shipped to Iran via the Zeebrugge and Antwerp ports. Foreign Minister Tindemans first only admitted the shipment of two hunting rifles, but subsequently ordered an administrative inquest into the alleged shipments to Iran.

B. DEFENSE POLICY.

On November 28, Defense Minister de Donnea told the Cabinet that the budget cuts meant a loss of BF 65 billion in military equipment over the next ten years. The minister said that because of these cuts Belgium would only be able to realize 38 percent of its defense priorities. He equally stressed that there was great concern among NATO allies about Belgium's defense posture, especially about Belgium's air defense, and about the striking capacity of the Belgian First Army Corps stationed in Germany. Members of Parliament pleaded to review with the allies Belgium's NATO tasks.

As agreed upon in the cabinet's policy statement, the military service for conscripts was extended from 8 to 10 months in Germany, and from 10 of 12 months for a military service in Belgium. This extension of the service was linked to a program of « revalorization » of the service. As part of this program the conscripts' pay was increased by 50 percent. The Liberal majority parties pressed hard for reduction of the number of draft exemptions, but when the government's bill was introduced into Parliament it led to controversy with the CVP, which wanted to maintain exemptions for sons of larger and deprived families.

On February 14, the Government announced plans to draft during the next ten years 4,000 conscripts into the gendarmerie. First, the Government planned to include this provision into the annual conscription quota bill, but later decided to introduce into Parliament a separate bill. At the end of 1986, this bill was still being discussed in Parliament.

The Government also decided to lenghten the service conscience objectors have to perform.

In May the decision of the United States to produce chemical weapons, led to controversy among the majority parties. The CVP strongly opposed the storage of chemical weapons on Belgian territory, while the other majority parties rallied behind the government position that in time of a crisis or in wartime the Belgian Government would independently decide if a departure from the ban on deployment of chemical weapons would be allowed. This government position was laid down in the directives issued for NATO's Defense Planning Committee meeting of May 22 :

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— The American force goals and the consultation procedure in time of a crisis were approved;

— The Belgian Government estimated it was not timely to discuss the deployment of chemical weapons outside the United States;

— It said it was opposed to the deployment of chemical weapons on Belgian territory;

— In time of a crisis or during wartime, the Belgian deployment ban could only be lifted by a positive decision of the Belgian Government;

— Belgium said it would continue its efforts to obtain a complete and verifiable ban on chemical weapons.

After the Government had announced its position, the CVP members of Parliament continued to voice their opposition to chemical weapons. On June 4, Parliament approved an ambiguous motion which reflected the conflicting views inside the majority. The motion, while endorsing the position of the Belgian Government, said it was necessary to inform the NATO allies of Belgium's refusal to deploy chemical weapons on its territory and to equip its troops with such weapons. Upon request of the Chamber of Representatives, the motion was sent to NATO Secretary General Carrington and to Belgium's NATO allies.

On February 18, SP floorleader Tobback questioned Defense Minister de Donnea in Parliament on the Pégard affair. Tobback alleged that the part the United States had promised to pay into the Pégard milling machine was research money Belgium had paid for howitzers purchased in the United States.

The Defense Minister told Tobback that without the Pégard affair the United States might not have refunded these costs, and that, consequently, it was American money.

X. **Other events.**

The German-language Community.

On October 26, elections were held for the German-language Council, the legislative assembly of the German-language Cultural Community. The Council is the first of the decentralized assemblies with directly-elected members, the Flemish Community and Francophone Community assemblies being composed of Members of the National Parliament. In the election, the local Social Christian party garnered 37.3 percent of the vote, the German regional party 20.9 percent, the Liberals 18 percent, and the Socialists 12.6 percent. While the German regional party was the great loser, the most surprising result came from the local Ecologists

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who won 6 percent of the vote. After the vote Social Christians and Liberals decided to form a coalition government composed of two Social Christians and one Liberal. The Social Christian Joseph Maraite became President of the German-language Executive.

Law and order.

After the terrorist attacks of the previous year, in 1986 the Government introduced into Parliament a bill on law enforcement. The bill dealt with wiretapping, the sale of arms, the use of arms by the police and gendarmerie, and the recognition criteria to be observed by the private security companies. At the end of 1986 the bill was still being discussed by Parliament.

Political refugees.

Like all other Western European countries, Belgium faced in 1986 a rapidly increasing number of political refugees who attempted to enter the country. In 1984, some 3,700 political refugees had applied for political asylum, and the number had risen to 6,240 the following year. In 1986 there was a monthly average from 800 to 900 applicants, mainly from Iran and Ghana. On January 24, the Government decided to step up border control. Belgian consulates were ordered to be strict in issuing visas, and the airline companies were requested to control their passengers more thoroughly.

Justice Minister Gol announced that the application procedure would be revised. He wanted to implement this reform through special powers executive decrees, but the Council of State advised against such a procedure, and consequently a bill was introduced into Parliament which at the end of 1986 was still under discussion. The presence of this growing number of refugees also caused problems for the municipal authorities. First certain municipal assistance commissions of Brussels and other larger cities refused to support the refugees, upon which State Secretary for Social Emancipation Miet Smet had to introduce a bill into Parliament allowing a more rapid payment of cash to these municipal assistance commissions. In October former army barracks were readied to receive this growing stream of refugees. Later the Government decided to direct a number of refugees, who usually arrive in Brussels, to municipalities outside the Brussels metropolitan area.

XI. Developments in the Parties and Trade Unions.

In January 1986, Volksunie President Vic Anciaux, dissatisfied with the performance of his party during the 1985 Parliamentary election,

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announced he would step down as Party President in the summer. The contest for party leadership opposed Deputy Jaak Gabriels to Euro-MP Jaak Vandemeulebroucke. The election, which was held during the September 27 meeting of the party's General Council, was a surprising close call. The favorite Gabriels only garnered enough votes in a third round. His opponent Vandemeulebroucke was elected first Vice-President and incumbert Jef Maton remained second Vice-President. Senator Paul Van Grembergen was elected Secretary General, while Deputy Hugo Coveliers took over Gabriels' former position of party floorleader in the Chamber.

In September 1986, SP Party President Karel Van Miert pleaded for more pragmatism in his party, recognizing that the socio-economic platform had been of little effect in the 1985 election. Observers came under the impression that Van Miert also pleaded for a more pragmatic attitude on the cruise missile issue, which was strongly denied by the President himself. Nevertheless, there was an outcry of the party rank-and-file. During the party's convention of October 25, Van Miert was criticized, and the party rallied behind the official platform, and in particular behind the party's unconditional opposition to the cruise missile deployment in Belgium. On October 30, the Flemish Socialist daily *De Morgen* went bankrupt. The party had control over 95 percent of the company's shares. This bankruptcy caused a public clash between the party leadership and the daily's editor-in-chief Paul Goossens. The latter alleged that failing to invest more money, the party had contributed to the bankruptcy of his paper. A shocked President Van Miert rebutted that over the past years the party had invested BF 400 million in the paper, and that because of this effort the party itself was now severely indebted. Van Miert also disclosed that Goossens had been fully informed about the pending bankruptcy. After the bankruptcy the journalists of the daily organized a public fund raising campaign which allowed the paper to take a fresh start, while the SP accepted to support the daily as a minority shareholder.

A survey conducted among the members of the CVP's women organization led to the surprising result that 87 percent of the surveyed members were in favor of amendment (liberalization) of the legislation on abortion. In an attempt to preclude debate in his party, CVP President Swaelen said that the survey did not reflect the view of the 42,000 female members of his party. During the 15-16 November convention, the party radicalized its opposition to liberalization of abortion. It said it would support legislation which empowered the judge to grant abortion only when the life of the mother is in danger. During the convention, Swaelen was re-elected Party President. He was unopposed. On March 16, Jaak Lambrecht was elected President of the CVP's youth branch. He replaced Deputy Johan Van Hecke.

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On January 26, incumbent Louis Michel was unopposed in the party presidential election. He only obtained 75,5 percent of the vote, because, reportedly, Brussels party affiliates had not voted for Michel to demonstrate their dissatisfaction with the insufficient number of representatives from Brussels in the party hierarchy.

On January 31, the PRL and PSC concluded an agreement to form a coalition majority in the Walloon Region and Francophone Community during the next eight years. Under the terms of the agreement, the two parties committed themselves to negotiate jointly with a third party if the majority would be lost, or to join together the opposition benches. This agreement stirred controversy in the PSC, and was particularly opposed by the party's local branches and by its youth organization. After clarification by the party leadership the agreement was ratified by the party's regional branches.

In the francophone green party Ecolo discussion broke out between « fundamentalists » and « realists ». Paul Lannoye, one of the party's founders, openly criticized the February 23 decision of the party convention to disallow more power to the party's federal secretariat. On March 22, Brussels Ecolo Deputy Olivier Deleuze gave up his parliamentary seat because he disagreed with the decision of the ECOLO federal council to grant selective support two the one seat PSC-PRL majority in the Walloon Regional Council. This decision was opposed by the Brussels branch of the party. However, this cooperation agreement never materialized because of PRL opposition. During the May 11 convention the « realists » won a narrow victory over the « fundamentalists ». Deputy Jacques Preumont, Deleuze's replacement in Parliament, was excluded from the Ecolo ranks for not complying with the party's code of conduct for elected officials.

On September 3, Georges Verzin, Secretary General of the Francophone Democratic Front (FDF) was excluded from his party after publishing a plan to dismantle the party, and to turn it into a « movement ». On October 11, Georges Clerfayt was re-elected Party President.

On January 20, Karel Dillen, President of the Flemish Bloc announced his decision to step down as Member of Parliament early 1987.

On April 18-20, the 25th convention of the Communist Party decided on a new organizational setup. Jef Turf, President of the Flemish wing of the party, resigned and was replaced by Ludo Loose. Theo Cockx, another newcomer in the Flemish wing leadership, joined the ranks of the Flemish Socialists. On June 15, incumbent Louis Van Geyt was elected national Party President, while Robert Dussart replaced Claude Renard as President of the Walloon wing. Jacques Moins remained head of the Brussels party branch.

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On October 20, the executive of the Catholic Trade Union Confederation (ACV/CSC) decided that National Secretary Willy Peirens, would replace Jef Houthuys as National President of the confederation. The executive preferred Peirens over Decuyper, the National Secretary in charge of the public service, who, reportedly, had the support of outgoing President Houthuys. This decision of the confederation's executive was later ratified by the confederation's General Council.

On December 7, Andre Vanden Broucke was re-elected President of the Socialist Trade Union Confederation (ABVV/FGTB). Jean Gayetot was elected Secretary General in replacement of Alfred Delourme who retired, and was allowed to remain President of the Walloon wing of the confederation. Although the ABVV/FGTB confirmed its attachment to a united confederation, observers believed that Gayetot being allowed to combine the two functions was another step toward a more independently operating francophone wing.

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