

## Belgian politics in 1987

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### I. The Budgetary Problems.

#### A. TENSION RISES INSIDE THE RULING COALITION.

During the first half of 1987 Belgium was in charge of the EC presidency, and in order to have sufficient time for their European agenda, the ministers had tried to solve a number of pending domestic issues before the end of 1986. The Cabinet had reached an agreement on Brussels and on the Limburg Province coal mines. Finding no immediate solution for the perennial Fourons issue, the ministers had agreed on the next best thing ; i.e., a truce. Despite all these precautions political tension rose rapidly during the first half of 1987. François Martou, the president of the francophone Catholic Workers Movement (MOC), told the Catholic conservative daily « La Libre Belgique » (January 3-4), that the Government had to put an end to its austerity policy. MOC's Flemish counterpart, the ACW, urged the Government to issue a moratorium on social welfare benefit cuts. The ACW pleaded for higher unemployment compensation and medical benefits for certain categories of beneficiaries. It warned the Government that it would strongly oppose new cuts in education. Meanwhile, Vice Premier and Budget Minister Verhofstadt (PVV) warned the Government's critics that the additional budget allocations (BF 20 billion) requested by a number of ministers would have to be matched by an equal amount in savings. Vice Premier and Economic Affairs Minister Philippe Maystadt, close to Catholic labor, joined the debate by pointing out that if the Government's austerity measures caused the loss of 18,000 jobs, the ministers would implement measures aimed at creating new jobs.

On February 14, the CVP executive board endorsed the ACW position. Social Welfare Minister Jean-Luc Dehaene, the spokesman of the ACW on the Government benches, told the Catholic independent news-

paper « *De Standaard* » that his party remained in favor of the Government completing its term in office. In fact, Dehaene's statement was aimed at the francophone Christian Democrats (PSC) who seemed to favor a coalition government with the Socialists. During the February 21 PSC party convention, President Gerard Deprez denied these allegations saying that his party remained strongly in favor of continuing the center-right coalition, but he warned the other coalition parties that the PSC would oppose additional austerity measures in the educational and social welfare fields.

Traditionally late in submitting its budgets to Parliament, the Cabinet got involved in a tug-of-war with the Senate. On January 13, the Senate refused further discussion on bills of those Ministers who had failed to submit their budget to Parliament. The Senate threatened to deny a continuing resolution to those Ministers who would have failed to submit their budget by the end of June. Angered by the attitude of Parliament, Vice Premier and Justice Minister Jean Gol (PRL) suggested to use the special powers beyond the March 31 deadline to circumvent the recalcitrant Parliament. CVP Chamber floorleader Luc Van den Brande replied that the majority parties had agreed not to request new special powers. On April 10, during a debate in Parliament, Prime Minister Martens endorsed the viewpoint of the CVP floorleader saying that his Cabinet would no longer seek to obtain special powers.

#### B. THE 1987 BUDGET ADJUSTMENT.

It was the Cabinet's aim to reduce the budget deficit which had been 12 % of GNP in 1985, and 10.9 % in 1986, to 8.1 % in 1987. The Socialist opposition alleged that the Government was cheating, and that the deficit would be BF 30 to 35 billion higher than forecasted. The currency re-alignment within the European Monetary System (EMS) of January 12 was an encouragement for the Government. The Belgian franc was revaluated by 1.5 % against the ECU. On February 26, Minister Verhofstadt told the Cabinet that because of slower economic growth and higher unemployment, a BF 23 billion savings plan would have to be implemented to keep the 1987 budget deficit at BF 417.8 billion. When the ministers started to discuss ways to implement these savings, controversy arose over education. Francophone Education Minister Damseaux (PRL) asked much higher additional budget allocations for 1987 than his Flemish opposite number Daniel Coens (CVP). There were allegations in the Flemish press about Damseaux's sluggish management. Very damaging for Damseaux was a report from the budget administrative services pointing out that the

Minister had failed to implement part of the austerity measures agreed upon in 1986. Damseaux, who had meanwhile lost the support of his own party and particularly of Vice Premier Jean Gol, resigned on March 9. He was replaced by Antoine Duquesne (PRL), Gol's own chief-of-cabinet.

To keep the budget deficit at the planned 8.1% of GNP, the Government decided on a package of savings including cuts in the operational budgets for the bureaucracy, transfer of funds within the social security system to finance the fast rising unemployment compensation costs, and additional cuts in the educational allocations. The Cabinet also decided to sell gold and silver ECU coins minted on the occasion of the EC presidency. The Government expected to earn BF 2 billion by selling its shares of the Distrigaz public natural gas company. The ministers announced that other privatization schemes would be realized by means of bills introduced into Parliament. The governmental plans did not only consist of cuts. For example, some categories of family allowances were raised.

#### C. IMPLEMENTATION OF THE 1986 BUDGET PLAN.

The Government had until March 31 to implement the 1986 budget savings by means of special powers executive decrees. One of the most important decisions the Government still had to implement was privatization of the occupational health insurance which had a potential of yielding BF 7 billion for the Government coffers. However, the employers and private insurance companies had come to the conclusion that privatization would not work, and the scheme was put off. The Government decided to raise the BF 7 billion savings by means of a special employers' contribution which allowed the Government to reduce its subsidies to the insurance.

Futhermore, the Government decided to take another step toward complete privatization of the occupational injury insurance. This new measure was supposed to go into effect on January 1, 1988.

Another decision which had been agreed upon in 1986 but had not been implemented was the higher deductible for « technical medical treatment ». Social Welfare Minister Dehaene argued that this measure was no longer necessary since the health insurance budget was no longer in the red. As for raising the compulsory retirement age for women from 60 to 65, when announced in 1986, this decision had met strong opposition from the women organizations and the trade unions. The Government said it would only take a final decision after having received the advice of the National Labor Council. In the Council, employers and

employees failed to reach an agreement. The unions alleged that the funds of the pension system allowed reduction of the compulsory retirement age for men from 65 to 60. The Belgian Business Federation (VBO/FEB) endorsed the Government's view: i.e., compulsory retirement at age 65 for women, with the possibility of retiring at 60 for specific categories. It proposed compulsory retirement at age 60 for unemployed and disabled, measures which would do away with the early pension system, while it suggested ending the automatic cost-of-living adjustment for pensions.

In the teaching profession, negotiations on implementing the budget cuts never took off. On January 23, the teachers' unions organized work stoppages to put pressure on the Government. In March, the Government decided to continue the 1986 austerity measures without further consultation with the educators.

In the spring of 1987, Communications Minister Herman De Croo (PVV) got involved in a tug-of-war with the board of directors of the National Railroads. On April 17, Minister De Croo nullified 192 promotions. The Minister argued that the autonomy of the board was limited and that he, in his capacity of Communications Minister, had the political responsibility for the railroads. Honoré Paelinck, a private businessman recruited by De Croo to become managing director of the railroads, resigned on April 24. Commenting on his resignation Paelinck pointed out that it would be impossible for him to reorganize the railroads as requested by the minister, if he had not the necessary freedom to complete his mission.

During the second half of 1987, tension rose over the future of the river Scheldt ferries which used to provide free transportation to its customers. The Government decided to discontinue subsidizing the ferries. In the autumn, following heavy protest from the customers and local municipalities, and also because the parliamentary elections were near, the Government allowed the ferries to continue for a transitional period.

## II. The Happart Affair.

On September 30, 1986, the Council of State had nullified the nomination of Fourons mayor José Happart. The subsequent question was whether Happart, once unseated, could exercise the function of first alderman and acting mayor of his municipality. In October 1986, the majority parties had failed to answer this question, but had agreed on a truce.

However, from the first weeks of 1987 on the Government was again confronted with the issue.

#### A. THE GOVERNMENT ANNOUNCES IT WILL TAKE AN INITIATIVE.

On January 15, Prime Minister Martens told the Chamber of Representatives that the truce agreed upon in 1986 was limited in time and that as the Government's special envoy Pierre van Outryve d'Ydewalle had not succeeded in finding a compromise solution among the local Fourons politicians, the Government would soon announce a new initiative.

The Limburg Province Governor had until January 26 either to suspend or to nullify Happart's re-election by the Fourons municipal council as first alderman and acting mayor.

Meanwhile, inside the Government a consensus was growing on how to deal with the recalcitrant mayor :

- Happart would have to cede certain mayoral functions he was exercising as acting mayor. This would be implemented by means of a ministerial instruction to the province governors. The ministerial instruction would contain a reference to the obligation mayors of municipalities with language facilities have to use the two languages (Dutch and French).
- The Limburg Province Governor would suspend Happart's election as first alderman. During the forty day suspension period Happart would have time to consider accepting his reduced role in his municipality.
- The Government would introduce into Parliament a bill on the use of languages by mayors of municipalities in which language minorities have special privileges. It would be assumed that these mayors have sufficient command of the two languages. If there is doubt, the language knowledge would have to be proven.

On January 22, the CVP Chamber group rejected the governmental compromise. It argued that because of the ministerial instruction the Government planned to send, doubt may arise about the value of the Council of State's 1986 ruling which had unseated Happart. Moreover, the CVP Chamber group argued that by reducing Happart's mayoral responsibilities, the 1986 Council of State verdict was not fully implemented. The CVP group also argued that the Limburg Province Governor should retain his full jurisdiction in this affair, including the authority to impeach Happart on the grounds of « insubordination » or « neglect of office » as provided for in article 56 of the municipal code.

A few hours after the CVP Chamber group meeting, Limburg Governor Vandermeulen suspended for a second time Happart's election as first alderman by the Fourons municipal council. In his memorandum the Governor indicated that he had suspended rather than nullified the election, since the Government had announced a new initiative.

More controversy arose on January 23 when it was announced that a few days earlier the seventh (Dutch) Chamber of the Council of State had unseated René Capart, President of the Municipal Assistance Commission of Kraainem. (Kraainem is one of the six Flemish municipalities of the Brussels periphery where francophones have special language facilities). The Council had nullified Capart's nomination on the grounds that in exercising his office he did not use Dutch, the official language of the municipality. In Wezembeek-Oppem, another of the six municipalities, the election of three substitute members of the municipal assistance commission was nullified because they had not proven sufficient command of Dutch to exercise their function, while the nomination of three full members was not nullified because they had proven sufficient command of Dutch.

These two verdicts confirmed the Council of State's line of thought of 1986, but the Council extended its jurisprudence to members of an indirectly elected governing body (members of the municipal assistance council). Institutional affairs experts alleged that this was also applicable to the Fourons board of municipal aldermen.

In its verdict in the Kraainem and Wezembeek-Oppem cases the Council of State pointed out that through article 3b of the Constitution, Belgium is divided into linguistic areas, and that within each area the authorities have to use the official language of that area. Because the Flemish municipalities where francophones have language privileges belong to Flanders, the local authorities have to use Dutch in office without the help of interpreters. The special privileges (« facilities ») francophones enjoy in these municipalities have been designed only for the inhabitants' business with the municipal authorities, not for the elected officials. The Council argued that the members of the municipal assistance commission in exercising their function act as a municipal authority, and that, therefore, they have to observe the laws on the use of languages. The Council further pointed out that individual members of a municipal assistance commission in their written and oral contacts with the municipal assistance administration have to use the official language of the area, and that, consequently, they need to have sufficient command of the language.

These verdicts of the Council of State went beyond the language legislation as interpreted by the Arbitration Court when on March 26,

1986, it had nullified the Lepaffe Decree of the Francophone Community Council. According to the Arbitration Court individual elected officials came only under the jurisdiction of the language laws the moment they acted as an individual municipal authority, e.g. a mayor. In the Kraainem case the Council of State argued it was not bound by the finding of the Arbitration Court.

On January 25, the Cabinet met to discuss the political consequences of these new verdicts of the Council of State. The Flemish ministers argued that sending a ministerial instruction allowing Happart to retain some of his mayoral functions, would be in conflict with the recent findings of the Council. The same day, PSC Party President Gérard Deprez said his party was in favor of new legislation on the use of languages in public administration, but he warned that his party would oppose eligibility requirements for elected officials. He added that complaints would, henceforth, have to be reviewed by a bilingual chamber of the Council of State. The next day the CVP strongly opposed the idea of changing the way the Council of State operates. On January 30, the Fourons municipal council reinstated José Happart as first alderman and acting mayor. When the Cabinet met on February 1, it failed to agree on ways to cope with the Fourons issue, and was forced to prolong the truce.

#### B. THE JURISPRUDENCE.

On June 17, the Arbitration Court nullified the Suykerbuyck-Coveliers Decree of the Flemish Community Council. Through this decree the Flemish Council had laid down a procedure whereby mayors of Flemish municipalities would be proposed by the Flemish Community Council for appointment by the King. Both the National Government and the Francophone Community Executive had applied for nullification of the decree arguing that it went beyond the jurisdiction of the Flemish Community Council. In its considerations the Arbitration Court pointed out that proposing mayors for nomination by the King was the prerogative of the municipal council, and that the Flemish Council was not qualified to add additional requirements to the procedure for nomination of mayors laid down in the municipal code.

On March 2, the European Human Rights Court ruled in the Clerfayt case. In 1981, Georges Clerfayt and Lucienne Mathieu-Mohin, two Members of Parliament for the Brussels-based Francophone Democratic Front (FDF) had filed a complaint with the European Human Rights Commission against the Belgian State. At the time of filing their complaint, both FDF politicians were domiciled in the Flemish Halle-Vilvoorde

administrative district. However, they had been elected in the Brussels electoral district, of which Halle-Vilvoorde is part. Having taken the oath in French as Member of Parliament, they were not allowed to become member of the Flemish Community Council. They claimed that the 1980 Devolution Act which disallowed them membership of the Flemish Community Council infringed article 3 of the first protocol of the European Human Rights Treaty which deals with free elections. They also argued that article 14 of the Treaty on Non-discrimination was being violated by the Belgian State. On March 2, the European Court ruled that the principle of « *jus soli* » on which the Belgian legislation on the use of languages is based does not impair the rights of linguistic minorities, and that the obligation for elected officials to know and speak the language of the region does not violate the principle of universal suffrage and the European Human Rights Treaty. The Court also referred to the special clauses in the Belgian legislation aimed at protecting language minorities.

On April 10, the Court of Cassation rejected the appeal introduced in September 1986 by the then Interior Minister Charles-Ferdinand Nothomb against the decision of the Council of State to unseat Fourons Mayor Happart. The Court argued that complaints about nominations of mayors come under the jurisdiction of the Council of State which is a court in administrative affairs.

#### C. HAPPART WITH REDUCED RESPONSIBILITIES.

On March 13, Limburg Province Governor Vandermeulen nullified the election of Happart as first alderman and acting mayor by the Fourons municipal council. However, the *tit for tat* continued and on March 20 he was once again reinstated by the municipal council. The CVP was irked by these new developments, and when the Chamber Interior Committee met on April 7, CVP Deputy Suykerbuyck introduced a motion urging to impeach Happart under article 56 of the municipal code. The press reported that Interior Minister Michel (PSC) would oppose the use of article 56. On May 6, with Limburg Province Governor Vandermeulen on holiday, Miel Mannaerts, member of the Limburg Province executive (Permanent Deputation), nullified Happart's re-election. Moreover, the Permanent Deputation of Limburg decided to start the procedure aimed at sending a special envoy to exercise the functions Happart failed to perform because of his insufficient command of Dutch. The first stage in this procedure was the sending of a first warning to Happart. The francophone parties, caught by surprise, were outraged.



The PSC alleged that Social Welfare Minister Dehaene had masterminded the initiative of the Limburg Permanent Deputation.

Nevertheless, tension temporarily diminished and during the Chamber meeting of May 7, the CVP announced it was willing to withdraw its motion in which it insisted on the deposition of Happart. The majority parties approved a motion of confidence in the Government. Only PSC Deputy Gendebien voted against the motion. However, the majority interpreted the motion in very different ways. The PRL said it had only voted the confidence in its own ministers. The CVP said it endorsed the decision of the Limburg Deputation, while the PSC said it endorsed the Prime Minister and the Interior Minister in their efforts to « ensure that no special envoy would be sent to Fourons ». On May 8, it was reported that Interior Minister Michel had urged Governor Vandermeulen back from holiday. The Flemish parties feared that the Minister would ask Vandermeulen to appeal the decision of his own Permanent Deputation. A government crisis atmosphere was in the air. Nevertheless, the majority parties managed to weather the storm. Minister Michel promised not to nullify the first warning sent by the Limburg Permanent Deputation, while the latter promised not to send a second one. From its side the Government promised to submit to Parliament a bill on the use of languages by elected officials in municipalities with a special language status. However, on May 14, the Fourons municipal council once again reinstated Happart as first alderman.

On May 22, the leading Ministers of the Government started their negotiations on the bill they had promised to submit, but on May 25 they had to admit they had failed to reach an agreement. Instead of a bill, the Government announced that Happart's responsibilities would be reduced by way of a royal decree. This royal decree would give a new authoritative interpretation of article 107 of the municipal code. The decree would stipulate that until the next municipal elections, mayors whose nomination is nullified by the Council of State would not be allowed to chair the municipal council or to act as the civil servant of the public registration office. Violation of this royal decree would be regarded as a ground for impeachment as provided for in article 56 of the municipal code. The Government added that the decree it planned to enact would expire in January 1989 unless confirmed by law. Meanwhile, the Government asked the Members of Parliament of the majority parties to refrain from parliamentary initiatives which could endanger this truce. The opposition parties argued that this solution ignored the prerogatives of Parliament. Legal experts claimed that the solution was unlawful as it attempted to amend the municipal code by means of a royal decree. They added that the decree violated the existing lan-

guage laws as it allowed a mayor who does not meet the language requirements to perform some mayoral tasks in the capacity of first alderman. CVP Chamber floorleader Luc Van den Brande termed this solution as one step in the right direction. The PSC was less cooperative. The party said it would only accept this solution provided it was limited to January 1, 1988 (in lieu of January 1, 1989), and the Government had to promise it would introduce its bill before the summer recess. Pressed by the PSC, the Government met again and decided to ask the majority parties to take over the government's initiative, and draft jointly the text of a bill which would have to be introduced into Parliament, before March 1, 1988. The royal decree, the Government promised, would be confirmed before the summer recess for a period expiring on July 31, 1988. The PSC was still not satisfied and it requested introduction of the royal decree by way of an amendment to the bill ratifying the special powers decrees.

On May 27, after more negotiations the ministers agreed on a compromise solution :

1. The problems of municipalities with special language status would be referred to a parliamentary committee which would be called to produce a lasting solution from January 1, 1989 onwards ;

2. During the transitional period a royal decree would be issued implementing article 107 of the municipal code. This royal decree would be introduced as an amendment to the bill ratifying the special powers executive decrees. The text would be immediately forwarded to the Council of State for legal advice ;

3. Two mediators would be appointed by the Interior Minister to seek a truce among the local Fourons politicians.

The Government again asked the majority parties to refrain from parliamentary initiatives in the Fourons affair.

#### D. THE COUNCIL OF STATE REJECTS THE ROYAL DECREE.

In an interview with the conservative Catholic « *La Libre Belgique* » Interior Minister Michel qualified this agreement « solid as concrete ». He also revealed that the Cabinet had been on the verge of resigning, and that during the negotiations Prime Minister Martens had carried in his pocket the text of a draft decree dissolving Parliament. The Flemish Socialists alleged that the King had actually signed a decree dissolving the Chamber, but that the decree had not been issued. The SP assailed the Royal Palace for taking part in « Martens' little games ». The Prime

but denied it was ever signed. On June 15, the joint Dutch-Francophone Minister confirmed that a decree dissolving Parliament had been drafted, chambers of the Council of State issued their advice on the royal decree restricting Happart's responsibilities. The Council of State first objected to the idea of introducing the decree as an amendment to the bill ratifying the special powers executive decrees. The Council argued that the two matters were in no way related. On the matter itself the Council said that although the Council's September 30, 1986 verdict unseating Happart, did not explicitly cover a first alderman exercising the function of acting mayor, it was unconceivable that a person who was disallowed to exercise the function of mayor because he has no command of the official language, would be allowed to exercise the same function indirectly. The Council also pointed out that the government's royal decree restricting Happart's responsibilities was an implicit amendment of the language laws.

After having received the opinion of the Council, the Government decided the same day to ask the Council additional advice. Under heavy pressure from the PSC, the Government also asked the Council whether the advice meant that Happart could not be first alderman. The additional opinion of the Council would have great political significance, because on June 16 it was revealed that when the Government actually drafted its royal decree, the leading ministers in the Government had agreed to drop the decree if the Council would rule that the September 30, 1986 verdict meant that Happart could not become first alderman.

On June 19, the Council supplied the requested supplementary advice, confirming that, indeed, Happart could not exercise the function of first alderman. At the end of the July 3 Cabinet meeting Interior Minister Michel announced that Happart would be notified of these two advices via the Limburg Province Governor. Minister Michel also warned Happart that all future decisions and acts of public administration done by him would be nullified. As a consequence of the supplementary advice of the Council of State, the Government decided to drop its decree limiting Happart's jurisdiction and not submit draft legislation to Parliament.

On July 9, Governor Vandermeulen suspended the May 14 re-election of Happart. Shortly afterwards, the Limburg Permanent Deputation decided to send a second warning to Happart as part of the procedure which, ultimately, would have led to the sending of a special envoy. Minister Michel immediately instructed Governor Vandermeulen to appeal the decision. On August 8, the King, upon proposition of Minister Michel, nullified the decision of the Permanent Deputation. On July 20, on the eve of the Belgian national day, King Baudouin had made an

emotional plea for tolerance, saying to be saddened by the developments in the Fourons affair. On July 29, the Fourons municipal council re-elected Happart first alderman. In doing so, the municipal council ignored the government's pledge to comply with the advice of the Council of State.

### III. The summer budget talks.

#### A. FOUR FILES.

On May 13, during a parliamentary debate on the Fourons issue, Prime Minister Martens announced that before the summer recess his Government would have to decide on four pending files; the 1988 budget, the tax reform, the public enterprises (privatization) and employment.

When the Government was formed in 1985, Christian Democrats and Liberals had decided to reduce taxes. In 1986, a Royal Commission of experts had been created to advise the Government on the course to follow. On February 6, 1987, the experts presented their report to Finance Minister Mark Eyskens. The Commission proposed to reduce the tax rates from fourteen to four: 30 % for an income up to BF 300,000; 40 % for the BF 300,000 — BF 750,000 tax bracket; 50 % for the BF 750,000 — BF 1.5 million bracket, and 60 % beyond BF 1.5 million annual income. Furthermore, the Commission suggested to keep the total tax burden under the 50 % mark. It also proposed separate taxation for working couples, and suggested a 70/30 splitting for households with only one income. Moreover, it proposed to raise the tax-free minimum to BF 150,000 for singles, and to BF 225,000 for households (adding BF 45,000 for the first child, and BF 112,500 for the following children). The Commission suggested to treat substitute incomes as regular incomes, and said it favored globalization of all incomes, disregarding the origin. Moreover, the Commission proposed to cut tax deductions. The lump sum deduction on a net taxable income should be BF 50,000 per taxpayer, the Commission said, and there should be one single corporation tax rate. It also proposed to raise excise duties on alcoholic beverages, fuel and tobacco, while reducing the duties on other commodities. Furthermore, the VAT-rates would be reduced from 5 to 3, with a highest imposition of 25 % in lieu of 33 %. The Commission estimated that such a reform would cost the Government BF 62 billion in lost income, but that this would be compensated for by higher corporation and indirect taxes.

After the Commission had issued its recommendations, Finance Minister Eyskens announced he would introduce into Parliament a bill containing the government's new tax proposals. Eyskens said he was in favor of limiting tax deductions (BF 40 to 50 billion) to allow a reduction in incomes tax.

On June 9, the conservative daily « *Het Laatste Nieuws* » published a detailed tax reform plan of Vice Premier and Budget Minister Verhofstadt which would reduce incomes taxes by BF 102 billion. The plan was immediately opposed by Finance Minister Eyskens, and a few days later by the CVP executive board. On June 17, the CVP produced its own proposals which were more favorable for larger families than those of the Budget Minister.

On privatization the ministers agreed that the Government subsidies to public companies would be reduced by attracting private capital, and to that effect the corporate rules of these companies would be amended. Moreover, these public companies would be allowed greater autonomy. A group of experts and academics which had been asked by the Government to prepare a document on the issue urged the Government not to rush into a massive privatization plan. On March 11, during the budget review, Minister Verhofstadt proposed a five year plan to privatize the state credit institutions, the National Investment Agency, the public natural gas company Distrigaz, Sabena (the Belgian airlines), postal services and telecommunications, and the cross-channel ferries. Minister Verhofstadt claimed his plan would yield BF 25 billion. His plan being assailed by the Christian Democratic coalition parties, the ministers referred the issue to a ministerial working group which would have to produce a proposal in June. As a first step toward privatization, the Government decided that the capital increase of the National Investment Agency would be done by attracting private capital, while the government's Distrigaz shares would be sold. (This sale was not implemented in 1987).

The privatization issue pitted the Flemish Liberals (PVV), the champions of free market economy, against the other majority parties. Surprisingly, the francophone Liberals (PRL) gave only lukewarm support to Verhofstadt's privatization plans. One of the first privatization measures actually implemented was the partial privatization of the Zaventem Airport Authority. On July 10, Communications Minister De Croo (PVV) obtained the cabinet's approval to create the Brussels Airport Terminal Company (BATC), to operate the Zaventem airport facilities. Shareholders of the new company were the Airport Authority itself, banks and financial holding companies.

On April 10, Minister Verhofstadt proposed a number of measures to reduce the 1988 budget deficit to 7 % of the GNP. According the Government's own policy statement, this goal had only to be attained one year later, in 1989, but Verhofstadt argued that 1989 was an election year and that it would be politically difficult to implement the necessary budget cuts in the middle of an election campaign. However, the other majority parties ignored Verhofstadt's call.

## B. THE DECISIONS.

The summer budget talks started on July 17. Budget Minister Verhofstadt estimated total expenditures for 1988 at BF 1,909.6 billion and total revenues at BF 1,479.2 billion, leaving a budget deficit of BF 434.4 billion or 7.9 % of GNP. Verhofstadt proposed to reduce the deficit further to 7.1 % or BF 390 billion. This meant that the ministers would have to agree on an additional BF 44.4 billion savings. The Budget Minister noted that a more rigid implementation of the 1986 savings plan would have brought the 1988 deficit close to the 7 % target. In that respect, he pointed at Social Welfare Minister Dehaene who, Verhofstadt alleged, had only realized BF 1.6 billion of the BF 9.6 billion he was supposed to save.

### *The Budget.*

At the end of their negotiations the ministers fixed the budget deficit at BF 405 billion or 7.4 % of the GNP. This was based on a real economic growth of 1.9 % and 2 % inflation. To reach its goal the Government proposed a package of BF 20.9 billion additional savings and BF 11.3 billion extra revenue.

The government's savings plan contained :

- social Welfare (BF 9.4 billion) :
  - newly retired civil servants would receive their pension at the end of the month,
  - reduction of the subsidies to the wage and salary earners' pension administrative services,
  - stricter control of part-time workers drawing unemployment compensation,
  - reduction of the subsidies to the health and disability insurance ;
- reshuffling of the public debt ;
- hiring freeze in public administration.

The extra revenue would be generated by :

- the sale of gold ECU-denominated coins in the United States and Canada ;
- a toll for foreigners using Belgian highways ;
- sale of certain state-owned companies.

### *Tax reform.*

As for the tax reform the Government proposed a four year plan. In 1993, at full implementation, the tax reform would cost the Treasury BF 88.7 billion per year in revenue. Among the most important decisions were :

- separate taxation for working couples ;
- indexation of the different tax brackets ;
- a substantial tax reduction for families with three or more children ;
- the 14 tax rates reduced to 7 in 1989, to 6 in 1990 and 1991, and 5 in 1992 ;
- tax exemption raised to an annual income of BF 150,000 for singles and to BF 260,000 for households.

To finance the reform, the Government proposed to cut the deductions that could be made before taxation. In particular, the Government decided to reduce the lump sum deduction for wage and salary earners from BF 125,000 to BF 75,000. Moreover, for corporations there was a substantial reduction in deductibility of investments. The Government believed that the by cutting the tax deductions it would raise BF 44,8 billion. The other half, the Government argued, would have to come from supply-side economics, and higher VAT receipts.

### *Public companies.*

Together with its budget decisions, the Government announced a limited program of selling state-owned companies. The ministers identified three groups that would be affected. A first group, including the postal services, telecommunications, the Government Airport Authority, and the National Railroads would be given greater autonomy and freedom of management, but would remain completely state-owned. On a second list were companies that would be allowed to go public for capital increases, as long as the State retained fifty percent interest. This list included the state credit institutions, the Belgian airlines (SABENA) and the National Investment Agency. A third list comprised companies which would be sold outright. The list included the cross-channel ferries, the

national gas distribution company Distrigaz and the Mortgage Loan Bureau. According to the government's estimations its privatization plan would yield BF 7 billion in 1988.

### *Employment.*

With regard to employment the ministers merely continued, streamlined or extended existing measures ; e.g. the reduction in social security costs for employers hiring new employees. Moreover, the Government decided to increase the premium for longtime unemployed guest workers who decide to leave Belgium.

Most measures agreed on during the summer conclave were not implemented in 1987 because of the government crisis which came later during the year.

## **IV. The Government crisis.**

### **A. FOURONS, ABORTION AND MUTUAL AID SOCIETIES.**

During the summer vacation the political tension never eased. In an interview with the Flemish weekly *Knack* (July 29), CVP Deputy Eric Van Rompuy and his brother Herman, the Director of the CVP research department (CEPESS), severely criticized the governmental record. Eric Van Rompuy warned that if at the start of the new parliamentary year in October, Happart was still in office, a government crisis would become inevitable. His CVP colleague Herman Suykerbuyck said that the CVP deputies would no longer support the Government if the latter failed to produce a solution for the Fourons issue. On September 16, the CVP executive board issued a statement urging the Government to implement the verdicts and advices issued by the Council of State on Fourons. The same day the PSC said it would oppose the sending of a special envoy to Fourons or the revocation of its mayor via article 56 of the municipal code. On September 20, Prime Minister Martens announced that his Government would take a new initiative before the start of the parliamentary year. Three days later the CVP deputies warned that time was running out. On September 24, Interior Minister Michel refused to answer a question of Volksunie Deputy Sauwens in Parliament. This interpellation was postponed until October 7.

Meanwhile, controversy arose among the coalition parties over the abortion issue. In March 1986 the francophone Socialist Senator Roger Lallemand and Flemish Liberal colleague Mrs. Herman-Michielsens had submitted to Parliament a bill which would liberalize abortion. The bill



proposed a period of fifteen weeks during which, under certain circumstances, pregnant women could choose to abort. After the 15th week of pregnancy, abortion would still be possible if the physical and mental health of the mother was in danger, or if it was determined that the child would have a serious handicap. This bill was sponsored by politicians from the Flemish Socialist Party, the francophone Liberal party, the two ecologist parties and from the Francophone Democratic Front (FDF). On several occasions the CVP warned that continuing the parliamentary proceedings would create unwanted tension in the coalition. On April 8, Prime Minister Martens reminded that the majority parties had agreed to leave the initiative with Parliament. On June 3, the sponsors of the bill amended their text to meet suggestions from the PSC and Agalev. The fifteen week period was reduced to twelve weeks, but the CVP announced it would not compromise. The CVP directed its attacks against Senator Herman-Michielsen in particular since she was the Senate floorleader of the PVV, a party supporting the ruling coalition. The first of the bill's four articles was approved by a substantial majority of the Senate's joint Justice and Public Health Committees in early May, but a vote on the more controversial articles scheduled to take place on October 7, was postponed.

A third issue which caused concern to the majority parties at the start of the new parliamentary year was the mutual aid societies file. On September 7, the independent Catholic newspaper «*De Standaard*» alleged that a preliminary judicial investigation had revealed irregularities in the management of the mutual aid societies. The judicial inquest had started in 1983 following charges pressed by Doctor Wynen, the leader of Belgium's largest professional organization for physicians. Wynen alleged that the mutual aid societies were unlawfully transferring funds from the compulsory health insurance to «*slush funds*». To that effect, he alleged, the societies had falsified their books, and he added that the societies were making improper investments. The mutual aid societies denied these allegations, although Minister of State Willy Claes, a leading SP politician and President of the Socialist Mutual Aid Societies, admitted that in the past there had been irregularities. Social Welfare Minister Dehaene announced that he would take the necessary legislative steps to tighten up control. During the days that this scandal was in the press, it was rumored that top officials of the Catholic Mutual Aid Societies close to the PSC, were in favor of the fall of the Martens Government because, they hoped, a center-left cabinet would be more friendly toward their organization.

Political tension rose even more when in an interview CVP Party President Frank Swaelen hinted at the possibility of having anticipated

parliamentary elections in October 1988, jointly with the municipal elections.

#### B. MARTENS VI RESIGNS.

After a preliminary meeting a few days earlier, on October 14, the cabinet ministers started the ultimate negotiation on Fourons. The next day the Chamber had to vote on the motions introduced at the end of Fourons interpellations held before the parliamentary summer recess. The Cabinet meeting ended in a deadlock, because the PSC ministers refused to endorse a compromise which had been drafted by Gol and Dehaene, the two ministers in charge of institutional reform. Under the terms of the compromise, the Government would submit a bill on the use of languages by elected officials in municipalities with special language status. The elected officials would have to use the language of the region. For municipal councilmen the knowledge of the language of the region would be presumed by the mere fact of their election. This implied that it would have been impossible to subject these councilmen to language tests. This same presumption would apply to aldermen and mayors. If in office for three or more years, this presumption would have been irrefutable. This implied that it would become impossible to press new charges against aldermen elected and mayors appointed in the 1982 ; i.e., the previous municipal election, and against whom no complaints were ever filed. For the other aldermen and mayors there was the possibility of their language knowledge being challenged by a councilman. According to the text of the compromise, the Council of State, if the presumption was refuted, would disallow an alderman to exercise his function until after the next municipal election. If the presumption was refuted against a mayor, he would be unseated, not qualify for re-appointment, and be disallowed to exercise the function of mayor until after the next municipal election. These rules would also apply for presidents of the municipal assistance commissions in municipalities with special language status. According to the text of the compromise, the verdicts of the Council of State would be rendered by unilingual chambers, as was the case in the Happart verdict of 1986, but complaints would be reviewed by two bilingual auditors.

The ministers had also worked out an arrangement whereby Fourons' first alderman Lang would become acting mayor, and if Happart refused to comply he would be suspended for a three month period.

The PSC rejected this compromise on two particular points : the unilingual chambers of the Council of State and that Happart would become the subject of sanctions before the bill was approved by Parliament. Because this umpteenth compromise on Fourons was again rejected

by the PSC, political observers were of the opinion that both PSC President Gérard Deprez and PSC Vice Premier Philippe Maystadt were seeking the fall of the Government. After this failure to reach a compromise Prime Minister offered the resignation of his Cabinet, but the King wished to wait with his answer. Meanwhile, upon request of the Government, the two Houses of Parliament suspended their meetings. During the following days further political consultations took place but the PSC refused to yield. On October 19, after Prime Minister Martens had met with the King, the Royal Palace issued a statement saying that the King had accepted the resignation of the Cabinet and had asked it to continue in a caretaker status. Moreover, the King had asked Martens to form a new Government in order to prepare a statement on the amendment of the Constitution.

#### C. FURTHER DEVELOPMENTS IN THE HAPPART AND CAPART AFFAIRS.

On August 18, a Liège judge ordered Happart to exercise his function as mayor. Such a request had been filed by a Fourons inhabitant who needed official municipal documents. Minister Michel announced that an appeal would be introduced against the decision of the Liège judge, which he effectively did in September.

In Fourons, the other aldermen refused to chair the municipal council meetings, « compelling Happart to assume his responsibilities ». From September on Limburg Province Governor Vandermeulen systematically nullified all the decisions of the Fourons municipal council chaired by Happart. One of the consequences was that as of January 1, 1988 Fourons would no longer be in a position to pay the wages of its municipal employees. On October 22, Interior Minister Michel notified the Fourons municipal authorities, via Governor Vandermeulen, that, henceforth, alderman Lang was acting mayor, and in Lang's absence alderman Pinckaers. Both Lang and Pinckaers refused to comply arguing that Happart was first alderman.

Meanwhile, the tug of war between René Capart, President of the Kraainem Municipal Assistance Commission and the authorities continued. On February 3, Capart was re-elected by the Kraainem Council of the Municipal Assistance Commission. On March 10, Brabant Province Governor Roggen invited Capart for an interview to test his command of Dutch. Capart refused to appear and on March 25, Rika Steyaert, Minister of the Flemish Community Executive and controlling minister of the municipal assistance commissions located in Flanders, nullified the Kraainem decision. Upon protest from the Francophone Community Executive the case was referred for mediation between the central and

regional governments, but no solution was reached. Like in the Fourons affair, the Kraainem Municipal Assistance Commission Council ignored the verdict of the controlling authorities and re-elected Capart. This tit for tat, at a later stage involving the judicial branch, continued for the remainder of the year.

## V. The transitional Government and the elections.

### A. THE STATEMENT ON AMENDMENT OF THE CONSTITUTION AND THE FINANCE BILL.

On October 20, as requested by the King, Wilfried Martens started negotiations with his Vice Premiers and the presidents of the Christian Democratic and Liberal parties on the forming of a transitional government. In 24 hours an agreement was reached and the ministers (the same of the previous Cabinet) were sworn in. The discussion among Christian Democrats and Liberals had centered on the articles which should be open for revision or amendment by the next legislature. The PSC was extremely reticent about including article 59b of the Constitution, which would allow the transfer of the jurisdiction over education from the central Government to the Communities. The PSC had earlier opposed revision of article 59b. This time, however, it agreed on including article 59b on condition that in the Constitution guarantees would be included for the Catholic schools in Francophone Belgium. The ministers agreed that 59b would only be revised after amendment of articles 17 and 107c. Article 17 deals with the freedom of education, and article 107c deals with the Arbitration Court which would be empowered to nullify, also upon request of individual persons, acts and decrees which violate article 17 of the Constitution.

Christian Democrats and Liberals asked the Socialists, the other party which signed the 1958 school truce (the School Pact) to endorse the agreement reached between Christian Democrats and Liberals, which the Flemish Socialists refused to do. The SP objected a special provision agreed upon between CVP and PVV on the creation of an Autonomous Council for the Dutch-language public schools. The Flemish Socialists demanded an agreement of the three parties about this Autonomous Council, the new institutional authority for the public schools. Both PVV and CVP said that this would imply a « *de facto* » veto right for the Socialists. In the end, the two Socialist parties refused to sign the educational agreement.

On October 23, Martens announced that the new Government would introduce a bill on the 1988 conscription quota for the army, the finance bill and the statement on the amendment of the Constitution, and that the Government would continue the collective bargaining negotiations with the public service employees. The same day, the Christian Democratic and Liberal majority of the Chamber approved the governmental statement and the next day the transitional government won the confidence in the Senate. The following weeks the two Houses of Parliament debated the government's statement on the article of the Constitution open for revision. On November 9, the list appeared in the official government bulletin and Parliament was dissolved automatically. The Parliamentary elections were scheduled for December 13.

The finance bill of November 7 contained :

- a continuing resolution for the first quarter of 1988 ;
- confirmation of the legislation allowing the authorities to levy taxes ;
- and a number of socio-economic measures agreed upon earlier which awaited implementation.

The statement on the amendment of the Constitution, the ninth such statement in the parliamentary history of Belgium, contained over 50 articles. The statement also included a list of new articles, and three articles were earmarked for abolishment.

The articles dealt with the individual rights, protection of privacy, freedom of speech via new media techniques, freedom of education, and the extension of the secrecy of correspondence to the new communication techniques. A second series dealt with the institutional reform and included new responsibilities for the regions and communities, reform of the bi-cameral parliamentary system, introduction of the referendum, reform of the provinces, and turning the Arbitration Court into a constitutional court. Other articles aimed at imposing limits on taxation, the introduction of new budgetary methods and reform of the Audit Court. A proposal of the two Ecologist parties to give foreigners the right to vote was opposed by the other parties. The Government attempted to include an article which would give future governments more leverage over Parliament but it failed to win the necessary support in Parliament.

## B. THE ELECTIONS.

The election campaign took place in a lackluster mood. The Flemish parties emphasized socio-economic issues, while the francophone parties

concentrated their efforts on the institutional files. The entire CVP campaign focussed on Prime Minister Martens who, according to the campaign literature, was the guarantee for the continuation of the policy of the center-right Cabinet. The CVP posters had a picture of the Premier asking the voters to give him a referendum-style « yes ». In their campaign the Flemish Liberals proposed to lower taxes and to cut the government expenditures by means of privatization. The PVV said it was the only party capable of halting the Socialists. The Flemish Socialists concentrated on the employment issue and on the need to stimulate the economy. Meanwhile, the Volksunie said that the economic recovery would only materialize via a reform of the country's political institutions. Agalev emphasized its opposition to nuclear energy and strongly pleaded for disarmament. The Flemish Bloc focussed on the need to remove the foreigners from Belgium. In the francophone part of Belgium both the PS and PSC tried to convince the electorate of the need to unite to challenge the dominating position of the Flemings. Fourons mayor José Happart featured prominently in the PS campaign and was a speaker at all major party rallies, but he was not a candidate.

During the campaign the PSC and PRL started to argue about the loyalty pact they had signed in 1986. Not only had the two parties pledged loyalty in the Walloon Region and Francophone Community, but they had also promised to form coalitions at the provincial level. During the campaign it was reported that a secret agreement had been reached for the continuation of the PRL-PS coalition in the Luxembourg provincial executive.

Doctor Wynen, the president of Belgium's largest physicians' organization announced that he would press charges against Socialist Minister of State Willy Claes, the president of the Socialist mutual aid societies. Referring to the Socialist leader, Wynen said that, in the future, he would not like to have to deal with a Prime Minister « responsible for forging documents, falsifying books and embezzling money ».

In the December 13 election the CVP lost six Chamber seats, the PVV won three seats, Agalev won two and the Flemish Bloc one. Both the SP and VU made small percentage point gains but won no additional seats. Of all Francophone parties the PS was the only one that made substantial gains, winning five additional Chamber seats. Both the PRL and PSC lost one seat. Deputy Robert Hendrick, former President of the anti-tax party UDRT/RAD, won a seat on the Brussels PSC ticket, but shortly after the election he dissociated from the PSC, which made the PSC lose two seats compared to 1985. Despite percentage point gains Ecolo lost two of the four seats it held in the Chamber. To

the general surprise the Francophone Democratic Front managed to hold to its seats.

On aggregate the center-right majority in the Chamber dropped from 115 to 109 on a total of 212 seats. In the Senate, Christian Democrats and Liberals won 54 of the directly elected seats: i.e., a loss of five seats. They obtained 26 of the 52 senatorial seats elected by the Province Councils; i.e., a loss of two. When on January 14, 1988, the directly elected Senators and those elected by the province councils choose another 25, Christian Democrats and Liberals won 14 seats. This brought the total for the center-right coalition to 94 on a total of 183, i.e. 8 seats less than in 1985.

### C. SPITAELS INFORMATEUR.

As the tradition requires, the day after the general election Prime Minister Martens went to the King to present the resignation of his Cabinet. The King asked the Cabinet to continue in a care-taker status until the formation of a new Government. On December 14, the King started his political consultations and on December 18, PS Party President Guy Spitaels was named informateur. Spitaels said he was opposed to an asymmetric Cabinet: i.e., a Cabinet with only one of the two Liberal, Socialist or Christian Democratic parties in the coalition, and he added that it would be better to have the same coalitions at national and regional level, and that the new coalition should have a two-thirds majority in Parliament to amend the Constitution.

In theory the continuation of the Christian Democratic-Liberal coalition was still possible, and both the CVP and PVV announced they remained in favor of a center-right cabinet. However, the PS had 51 of the 104 seats in the Walloon Region Council and both the PSC and PRL pointed out that a Government without the PS would no longer be possible. The fact that the King had asked Spitaels to be informateur was seen as the Royal Palace's acknowledgement that a center-right cabinet was no longer possible. Moreover, for the first time since 1936 the two Socialist parties had surpassed the two Christian Democratic parties. When on December 15, PRL and PS reached an agreement on a coalition for the Luxembourg Province Executive, the PSC-PRL loyalty pact came to an end. The same day, the CVP executive board mandated its president Frank Swaelen to start negotiations with the PVV on the continuation of the center-right Flemish Community coalition government. These negotiations started in 1988. On this occasion SP President Van Miert said that his party would only join a national government if it was allowed to become party of the coalition in the Flemish Community.



On December 22, CVP President Frank Swaelen informed Spitaels in writing that his party would not allow tinkering with the Fourons status, and that the Fourons affair had to be settled in accordance with the verdict and advices of the Council of State. Spitaels continued his mission until early 1988.

## VI. Foreign Policy and defense.

### A. FOREIGN POLICY.

#### *The Gulf War.*

Upon request of the United States and after consultation in the West European Union (WEU), on September 14, the Belgian Government decided to send two minesweepers and one support vessel to the Gulf to participate in minesweeping operations. Announcing its decision, the Government emphasized that it would observe the strictest neutrality in the war between Iran and Iraq. In August, Great Britain and France had decided to send vessels to the Gulf, and the Dutch Government had unsuccessfully tried to organize the operation within the WEU framework. The Belgian decision came one week after the Dutch had decided to sail to the Gulf. Foreign Minister Tindemans justified the decision by pointing out that Belgium depended for 17 % of its oil supply on the Gulf. Among the opposition parties the Flemish Socialists (SP) and the Volksunie were the most vocal opponents. The francophone Socialists (PS) said they were not opposed in principle, but they complained that the decision had been taken without a debate in Parliament. The cost of the operation for the first four and a half months was budgetted at BF 50 million. The three Belgian vessels sailed to the Gulf on September 21, and were joined by two Dutch minesweepers. In a first period the Belgian-Dutch flotilla, sailing under Belgian command and under British protection, operated in the Gulf of Oman. On November 19, the flotilla sailed through the Strait of Hormuz and operated offshore Qatar where no mines were found. On December 1, the flotilla returned to the Gulf of Oman. On December 13, the Government decided to continue the operation until April 15, 1988, but both two minesweepers operating in the Gulf would be withdrawn and replaced by one more recently built minesweeper. The Government also announced that the crew of the support vessel would be replaced.

#### *The Netherlands.*

On March 10, the Belgian-Dutch negotiations on the amendment of the water treaties were resumed. The Dutch Communications Minister



Mrs. Nelie Smit-Kroes warned that her Government would not participate in the dredging of the Western Scheldt as long as Belgium was not taking action to improve the quality of the Scheldt water. Later during the year the Walloon regional authorities complained about not being involved in the talks.

### *Zaire.*

The 12th meeting of the mixed Belgo-Zairian Commission took place in July in Kinshasa. Belgium agreed on a BF 20 billion aid program for the 1988-92 period.

On April 6, during Belgium's EC presidency, King Hussein of Jordan was in Belgium to seek EC support for an international peace conference on the Middle East. In April, Minister Tindemans toured Jordan, Egypt and Saudi Arabia, and in May he was in Israel to discuss the situation in the Middle East.

In May, President Oscar Arias of Costa Rica was in Belgium to seek support for his peace plan for Central America. Three months earlier Minister Tindemans had represented the EC at the third Conference of the Contadora Group, held in Guatemala City.

From October 13 to 16, Eric Honecker, President of the German Democratic Republic, was on an official visit in Belgium. On this occasion a convention on economic, industrial and technological cooperation was signed.

In September, Klaas de Jonge, a Dutch subject was allowed to leave South Africa, but not his Belgian-Dutch ex-wife Helene Pastoors, condemned to serve a 10 year imprisonment sentence for high treason. Critics in Belgium alleged that Minister Tindemans had not exercised enough pressure on South Africa to obtain the release of Pastoors. On October 8, Tindemans met with South African colleague Botha in Paris.

On November 8, the Palestinian Abu Nidal terrorist group took eight hostages offshore Gaza, including three Belgians. The terrorist claimed that the hostages were Israeli spies. Both Brussels and Paris believed the hostages, including children, had been taken by mistake.

### B. DEFENSE.

Commenting on the signing of the INF Treaty, Prime Minister Martens said it was « good news for everyone ». He added that « Belgium's decision to deploy middle range nuclear missiles on its territory as a deterrence, had been the right one ».

Immediately after the signing of the treaty on December 8, the Belgian Government decided to stop the infrastructure works at the Florennes air base where the cruise missiles are deployed. On that moment it was revealed that not 16 but 20 cruise missiles were actually deployed at Florennes, but only 16 nuclear warheads. Another result of the INF treaty was that, in accordance with the March 15, 1985 decision, the remaining 32 cruise missiles would not be deployed in Belgium.

On May 22, after negotiations with the NATO allies, Belgium decided to dismantle the remaining Nike missiles deployed in the German Federal Republic, and not to replace them by the much more expensive Patriot. Belgium's NATO allies reacted negatively, and during a visit to the United States Martens hinted that this was not yet Belgium's final word. However, on June 23, the Government confirmed its May 22 decision.

When the 1988 budget was discussed, BF 40 billion was earmarked in new contracting authority for new defense equipment. This allowed Defense Minister de Donnea to start the formal tender procedure for new helicopters for the army and for electronic counter measures (ECM) for the F-16 fighters.

In the June 19 Official Bulletin the royal decree appeared extending the military service for conscripts from 8 to 10 months for a service in the German Federal Republic and from 10 to 12 months for a military service in Belgium. As of March 1, 1987 the soldiers' pay was raised.

In February a garage-owner and retired colonel Joel de Smet, Chief-of-Cabinet of former Defense Minister Vreven (PVV), were arrested in a case of alleged payoffs for a contract the Belgian Army passed in 1985 with the American company GDC for the purchase of 144,000 shells. GDC's Dutch competitor Eurometaal had made payoff allegations in 1985. De Smet and the other persons imprisoned were set free after a few weeks. At the end of 1987 the case was still under review.

## VII. Other Events.

The agreement reached in 1986 on Brussels was implemented by the August 21, 1987 act. The act allocated the proceeds of the inheritance taxes levied in Brussels to the Brussels region. It also stipulated that elections for the Brussels Agglomeration Council will be held every five years, together with the elections for the European Parliament. In 1989 these elections will be held on unilingual tickets, and from 1994 on bilingual lists of candidates will be allowed. The new Agglomeration

Executive will be composed of five members, two Dutch-speakers, two francophones and a president elected by the Agglomeration Council from among its members.

### *Legislation.*

The April 13, 1987 act discontinued for the parliamentary elections the pooling of votes between the Flemish Leuven district and the francophone Nivelles district in the bilingual Brabant Province. This legislation was enacted to avoid the election of Flemish candidates in Nivelles and of francophone candidates in Leuven. A bill introduced by CVP Deputy Tant aimed at merging the Aalst and Oudenaarde electoral districts for the Chamber elections, as is done for the Senate elections, was approved by the Senate, but had not passed the chamber when Parliament was dissolved.

### *Arms Traffic.*

In 1986 press reports had appeared about arms traffic to Iran. In March 1987, the Chamber decided to create a special commission to investigate into « the alleged arms traffic to countries involved in an armed conflict and that are the subject of an arms embargo ». The commission held 40 meetings and heard some sixty testimonies. In the fall the hearings had to be discontinued because of the government crisis, leaving the Commission no time to publish its findings. Only an interim report was drafted which, via Justice Minister Gol, was forwarded to the prosecutor. Based on reports of the Swedish customs the Commission managed to familiarize itself with the organization of the arms traffic. The Commission came to the conclusion that the Belgian customs services were poorly equipped to monitor fraud and there was very little political control. The most important fraud case traced by the Belgian customs was the shipping of 1 million kg of explosives and 1.6 million parts for ammunition which were smuggled into Iran by using documents carrying another destination.

### *RTT contract.*

On August 11, the Government allocated the telecommunications contract. The switchboards were allocated to Bell and Atea. Philips obtained the lion's share of the transmission equipment while the cables were to be supplied by a consortium of Belgian manufacturers. The Government also decided that the free market would be restored for end-user equipment.

*Media.*

In 1987 the monopoly of public broadcasting came to an end. The February 6, 1987 act stipulated that in both the Flemish and Francophone communities commercial advertising had to be allocated to either the public or the commercial broadcasting system, not to the two. The Francophone Community decided to allocate commercial advertising to RTL-TVi, a private company in which the Luxembourg commercial TV station RTL participates together with most of the francophone newspapers. On the Flemish side the commercial TV station (VTM) was established by the publishers of the Flemish newspapers (excluding *De Standaard*, *de Financieel Economische Tijd* and *De Morgen*), but at the end of 1987 VTM was not yet operational.

*The Limburg coal mines.*

On February 23, the Limburg mines (KS) management made public how the contracts of the miners made redundant by the Gheyselincx plan would be terminated. According to the plan, three of the five mines located in Limburg Province would be shut down. The miners could opt for termination of their contracts, early retirement or transfer to the two remaining mines. Miners of the pits that were to be closed down qualified for supplementary severance payment. On February 23, wildcat strikes broke out at the Waterschei and Winterslag mines, organized by an independent miners' committee. The strike spread to the other miners, and the two miners' unions (Catholic and Socialists) decided to endorse the strike. After consultation between management and the unions, it was announced that the miners of the remaining two mines would also qualify for supplementary severance payments. Once the agreement had been reached the unions decided to end the strike, but the independent miners continued the strike. On April 22, the Eisden miners were the last to resume work. On April 28, it was made public that 9,796 miners had opted to terminate their contract; i.e., 1,500 more than originally planned. On September 11, coal mining was stopped at the Waterschei mine.

*The high speed train.*

On October 9, the Cabinet allowed Communications Minister De Croo (PVV) to start negotiations with France, the Netherlands, the German Federal Republic and Great Britain, on Belgium's participation in the northern section of the European high speed train. The Cabinet requested that coming from France the train would have a first stop at Brussels, that the Germany-bound train would stop in Liège and the Netherlands-bound train in Antwerp. The Cabinet also announced that

the high speed train project would have to be self-supporting and that before a final decision, the environmental effects would be studied. The government's decision led to demonstrations in the Halle and Kempen areas. All Flemish parties, except the PVV, were very critical of the initiative. Wallonia showed less reservations, and Liège business and labor circles said they were in favor of the project.

#### *Civil service.*

On October 29, the Government concluded a collective bargaining agreement for the public sector with the Catholic and Liberal public service unions. The agreement covered 1987 and 1988. The Socialist Public Service Union (ACOD/CGSP) refused to sign the agreement. The agreement provided with a monthly wage rise of BF 1,000 and a gradual abolishment of the solidarity withholding the public service employees were paying since 1982 because of the job security they enjoy.

#### *The Mol Nuclear Research Center.*

After a truck transporting nuclear waste got involved in a traffic accident and after revelations in the West German media, the Flemish Ecologist party Agalev alleged that managers of the Mol Nuclear Research Center had been involved in nuclear waste fraud. Although at first the managers denied these allegations, an investigation conducted by the Research Center itself revealed that during four years large quantities of nuclear waste, in excess of the registered amounts, had been shipped from Germany to Mol, and that two managers had received bribes from the German transport company Transnuclear.

### VIII. Evolution in the political parties.

#### *The Flemish Socialist Party (SP).*

During the party's statutory convention of March 15, Karel Van Miert was re-elected party president. He was unopposed. On May 1, the last issue of « Links » appeared. The magazine was the mouthpiece of the party's left wing. A number of former « Links » collaborators, together with militants operating in « Breakthrough » and « Paks » created a new magazine entitled « Nieuw Links », in an attempt to include ecologists and progressive Catholics in the party. In the 1987 election, some 10 members of the « red-ecologist » movement were granted a place in SP tickets, but only Paks militant Paul Pataer made it to Parliament.

*The Flemish Liberals (PVV).*

On October 7, the Flemish weekly « Knack » alleged that Flemish Liberal politicians had received funds from a Brussels engineering company BVAI. In compensation, Knack alleged, BVAI would have obtained from the then Defense Minister Vreven (PVV) a research project for the housing facilities of the American troops at Florennes air base. The PVV acknowledged to have received BF 150,000 from BVAI but denied the linkage with the Florennes housing project. PVV press attache Patrick Bouwen acknowledged to have received BF 250,000 from BVAI for his election campaign, but also denied the linkage with Florennes. Other leading PVV politicians, including Party President Neyts, Vice Premier Verhofstadt and former Defense Minister Vreven denied to have received money from the engineering firm.

*The Volksunie (VU).*

Throughout the year the Volksunie leadership attempted to bring in new and younger people in the party organization while emphasizing the need of a « code of conduct » for its elected officials. On June 13, Senator Joos Somers was removed from the party on the grounds that his conduct was in conflict with the office he held. His removal had to do with the political situation in Mechelen, where Soomers endangered a fragile SP/VU/PVV coalition in the municipal council. For the December 13 elections the Volksunie leadership removed some less-performing parliamentarians from its tickets and replaced them by personalities from the academic world, from cultural organizations and by businessmen.

*The Francophone Socialists (PS).*

On February 15, Guy Spitaels was re-elected president of the Francophone Socialist Party. Deputy Guy Coëme remained vice-president for Wallonia, and Deputy Philippe Moureaux replaced Senator François Guillaume as vice-president for Brussels.

*The Francophone Liberals (PRL).*

On September 19, the PRL decided that in the future its president would be elected by general suffrage of all the party members, and that he would be allowed to hold office only for ten years maximum.

*Other parties.*

Two members of the francophone Ecologist party (ECOLO) broke with their party. Euro-MP François Roelants du Vivier decided to quit

because, in his words, the party was not active enough in the field of environment protection. Senator Edgard Flandre quitted because he disagreed with the party's pro-abortion stance.

Roger Frankinouille, the Flemish co-president of the anti-tax party UDRT/RAD left his party on April 15. Together with a few more Flemish party militants he joined the Flemish Bloc. Robert Hendrick, the UDRT/RAD President, was elected on the Brussels PSC ticket in the December 13 election. Once the election over, Hendrick dissociated from the PSC and announced he would sit in the Chamber as an independent member.

« Solidarité et Participation » (SEP), a small party originally sponsored by the francophone Catholic Workers Movement (MOC) decided on closer cooperation with Ecolo, and in the December election a few SEP militants were allowed on the Ecolo tickets.

The Party of the German-speaking Belgians (PDB) admitted to have received funds from the German Herman-Nierman Stiftung, an organization which, allegedly, had contacts with the German extreme right. In Germany the extremist character of the organization was denied.

### Summary : Belgian politics in 1987.

*In 1987 the Martens center-right cabinet had to resign over the perennial Fourons issue. The many painstakingly reached compromises each time met strong opposition from the Francophone Social Christian Party (PSC) and its ministers on the government benches. Once the government resignation accepted by the King, Parliament was dissolved and elections were held. They resulted in a Socialist victory, and a personal defeat for Prime Minister Martens. In the election aftermath, a cabinet of Christian Democrats and Socialists became more likely.*

*Because of the Fourons issue, the Cabinet found hardly time to address their other issues, and many of the decisions it reached were never implemented because of the government crisis ; e.g. the tax reform plan.*

*The most important decision in the international field was the sending of minesweepers to the Gulf.*

