

Belgian Politics in 1988

Content

I. The painstaking forming of the Martens VIII Cabinet	303
A. The forming of regional governments complicates the making of a national cabinet	303
B. The information mission of Dehaene	305
C. Dehaene's formation mission	305
D. Martens VIII wins vote of confidence in Parliament	308
II. Phase one of the constitutional reform	309
A. The amendment of seven constitutional articles	309
B. The special August 8, 1988 Act.	310
C. The bill on the language privileges	312
III. The second phase of the constitutional reform	314
A. The new political status of the Brussels Region	314
B. The Arbitration Court	315
C. The regional financing law.	315
D. Consultation and meditation	316
IV. The municipal elections, the government reshuffle and the debt of the larger cities	317
A. The municipal elections, Fourons and municipalities with special language status	317
B. The government reshuffle	318
C. The debt of the larger cities	318
V. The social and economic policy of the Martens VIII cabinet	319
A. The 1988 and 1989 budgets	319
B. Tax reform	320
C. Labor Relations-Public Service Strikes-Health Insurance	321
VI. Foreign Affairs and Defense.	323
A. Foreign Affairs	323
B. Defense	325
VII. Internal political party developments.	325

Belgian politics in 1988

by Ivan COUTTENIER,

Licentiate in Political Science

During the first four months of 1988, Belgium witnessed the painstaking formation of the Martens VIII center-left Cabinet. In October 1987, the Christian Democratic-Liberal Martens VI Cabinet had been forced to resign over the perennial Fourons affairs. After the parliamentary elections of December 1987 which had resulted in a Socialist victory, the center-left Martens VIII Cabinet was sworn in on May 9, 1989, marking the end of a political crisis which had lasted 147 days; i.e., the longest crisis in Belgian history. During the remaining months of 1988, the new Government sought parliamentary approval for its ambitious constitutional reform program, having very little time left for continuing the economic recovery policy started under the Martens VI Cabinet.

I. The painstaking forming of the Martens VIII Cabinet

A. *The forming of regional governments complicates the making of a national cabinet*

On January 4, 1988, Francophone Socialist Party (PS) President Guy Spitaels, who had been asked to make an evaluation of the political situation, presented this findings to the King. Commenting on these findings, Spitaels told the press that he personally was in favor of a Christian Democratic-Socialist Cabinet since such a coalition would reflect the result of the December 1987 parliamentary elections. He added that the other party leaders had excluded a tripartite (the six "traditional" parties), or a system whereby there would be different governmental coalitions at national and regional levels.

On January 4, 1988, the King asked Flemish Socialist (SP) Minister of State Willy Claes to start negotiations. Claes urged the parties to postpone the forming of the regional coalition governments until the national government was in office. However, the political parties ignored Claes' pledge. On January 7, the PS executive board decided to start negotiations with the Francophone Democratic Front (FDF) and the francophone greens (ECOLO) on the forming of the Francophone Community and Walloon Region Executives (governments). Meanwhile, negotiations had started between the CVP and the Flemish Liberals (PVV) on the forming of the Flemish Community Executive.

Claes tried to bring Christian Democrats and Socialists closer together. There were allegations in the press that the francophone Christian Democrats (PSC) had opted for a coalition with the Socialist, but the CVP was adamantly opposed to such a cabinet. Nevertheless, on January 14, Claes managed to bring Christian Democrats and Socialists around the table. There was first a meeting between SP and PSC, followed by a meeting of CVP and PS delegations. At the end of these

meetings, CVP President Frank Swaelen emphasized that his party remained in favor of continuing the center-right coalition, but the PSC was now clearly moving in the direction of a center-left cabinet. On January 18, Claes formally invited PS, CVP, SP and PSC to start negotiations on the forming of a new government.

When the directly elected and provincial senators chose the remaining 26 senators to complete their 183-member assembly, it became clear that a center-right cabinet would no longer be possible. In the Senate, Christian Democrats and Liberals were down to 94 seats while in the Chamber of Representatives (Lower House) they had 109 seats on a total of 212. Another element which pointed in the direction of a center-left cabinet was the joint memorandum of the Socialist Trade Union Confederation (ABVV/FGTB) and its Catholic counterpart ACV/CSC. It was the first time the two confederations had agreed on a joint memorandum on the occasion of a government formation. Moreover, on January 19, CVP Deputy Erik Vankeirsbilck was elected president of the Chamber of Representatives with the support of the Christian Democrats, Socialists and the Flemish nationalist Volksunie (VU).

On January 20, both SP President Van Miert and PSC President Deprez stated that they would only join a national cabinet if their respective parties were allowed to become part of the regional governmental coalitions. While the CVP discarded the SP claim, the francophone Socialists said they were willing to talk to the PSC.

On January 22, Claes asked the King to be relieved from his mission. Commenting, Claes said that his failure to get the negotiations started was due to the "brutal no" of the CVP. The same day, the King charged care-taker Social Welfare Minister Dehaene (CVP) with an information mission. Dehaene's appointment came as no surprise since he was a personal friend of Prime Minister Martens and had close ties with Catholic labor.

The moment Dehaene started his mission, the forming of the regional governments had reached the conclusive stage. On January 26, CVP and PVV reached an agreement on the forming of the Flemish Community Executive. Commenting on the agreement reached between the two parties, CVP President Swaelen admitted that this agreement would complicate the task of Dehaene, adding that the regional political autonomy implied that political parties had the freedom to make regional coalitions of their liking. When the agreement was discussed at a special CVP convention called for the occasion, party militants warned their leaders that they would oppose any later attempt to let the Socialists become part of the executive.

On the francophone side, ECOLO withdrew from the negotiations and on January 28, PS, PSC and FDF reached an agreement on the Francophone Community and Walloon Regional Executives. On February 2, the ministers (two PS, one PSC) of the Francophone Community Executive were sworn in, and the next day it was the turn of the ministers of the Walloon Regional Executive (three PS and three PSC) and of the Flemish Community Executive (six CVP and three PVV) to take the oath. Deputy Antoinette Spaak (FDF) was elected chairperson of the Francophone Community Council (legislative assembly), the other chairpersons being PVV Senator Jean Pedé (Flemish Community Council) and PS Deputy Valmy Féaux (Walloon Regional Council). PSC Senator Guy Lutgen, Secretary of State of Modernization of the Public Service in the national government, resigned

to become minister in the Walloon Regional executive. On this occasion, the Flemish Socialists reiterated their position that they were willing to start negotiations on the forming of a national government, provided they obtained written guarantees as to their participation in the Flemish Community Executive. Once again, this demand was turned down by the CVP.

B. *The information mission of Dehaene*

On February 12, after having explained to the press that continuing the center-right government or forming a tripartite were no longer possible, Dehaene invited the two Christian Democratic, two Socialist parties and the Flemish nationalist Volksunie to start "informal preliminary talks". The Volksunie was included to have the two-thirds of the vote in Parliament required to amend the constitution, while the presence of a fifth party was a way to ease the tension between CVP and Socialists. While the talks broke up in different groups of experts, Dehaene had separate talks with the CVP, SP and VU on the Flemish Community Executive in which both SP and VU wanted to be included upon joining a national government coalition.

On March 7, Dehaene announced that an agreement had been reached on the Flemish Community Executive issue. For a period of four years starting October 18, 1988, the Flemish Executive would be composed proportionally (requiring amendment of the August 8, 1980 devolution act). It was also agreed that the Francophone Community Executive would be composed the same way the moment it took over the responsibilities of the Walloon Regional Executive. This was a purely theoretical point, since both PS and PSC had on many occasions stated their opposition to such a merger. Moreover, CVP, SP and VU agreed that this new Flemish Community Executive would decide by consensus and that the PVV would be asked to join the negotiations for a new governmental program. It was also agreed that if the PVV refused to join these negotiations, CVP, SP and VU would conclude a separate agreement for the responsibilities which were to be transferred from the central government to the Flemish Community Executive. The PVV strongly assailed the CVP for having rescinded the January 26 agreement signed between the two parties.

During the following weeks, the negotiators reached an agreement on the social and economic platform, but their remained fundamental differences on the "linguistic" issues. Aware that the talks were in a stalemate, the King asked Dehaene to report to him, and to the general surprise, on March 24, Dehaene's mission was terminated by the King.

C. *Dehaene's formation mission*

On March 27 after consultation with leading politicians, the King asked Dehaene to form a government. Dehaene produced a new draft dealing with a wide range of issues, but remained silent on the controversial linguistic issues. On April 6, Dehaene made his first move in the constitutional field. He tabled a proposal granting political autonomy to the Brussels capital region. (Unlike Flanders and Wallonia, who had obtained a great measure of political autonomy in the 1980 constitutional reform, Brussels had remained under the direct control of the na-

tional government). Dehaene proposed the creation of a Brussels Council (legislative assembly) and an executive which would take over the responsibilities from the moribund Brussels Agglomeration Board. Although there remained differences on the number of Flemings, the minority linguistic group, the Brussels executive should have, Dehaene's proposal for Brussels received the support of the parties involved in the government formation talks.

On April 8, the negotiators agreed on the text for a new article 17 of the constitution on the freedom of education. One major breakthrough in the government formation talks was the April 15 agreement on the new financial resources for the regions and communities. A revenue sharing scheme for the regions was worked out based on the income tax yield. After a 10 year transitional period, the allocation of the resources to the regions would be done pro rata the yield of the income tax in each region, with compensation (block grant) for the poorer region. It was also agreed that the regions would do their share in paying the national debt. The financing of the communities, it was agreed, would only be partly based on income tax, and educational appropriations (from the VAT yield) would be allocated to two communities pro rata the number of pupils. Like the regions, the communities would also have a 10 year transitional period. The negotiators also agreed that the additional responsibilities allocated to the communities would be education, aid to the press, media advertising. The regions would become responsible for municipal and provincial funding, public works, public employment programs and industrial policy (coal, steel, textile, shipbuilding, ship repair and glass).

Shortly after Dehaene had tabled his plans on the Fourons issue, the Catholic press alleged that Martens would be willing to head the next cabinet. This was rather surprising since Martens himself had often stated that he would never take the command of a cabinet including Socialists. It was said that Martens had come under pressure from the Royal Palace to remain Prime Minister. This leak seemed untimely since the negotiators had not yet reached an agreement on Fourons.

Meanwhile, the Fourons issue was causing tension inside the PS. Liège PS senator Jean-Maurice Dehousse, a supporter of former Fourons mayor Happart, was removed from the PS delegation and was replaced by former Vice Premier André Cools.

On April 22 Dehaene made his final proposal on Fourons and related linguistic issues :

- There would be no changes to the linguistic border and no amendment of the laws on the use of languages ;
- Amendment of the language legislation for special status municipalities (Fourons, Comines and six municipalities of the Brussels periphery) would only be possible by a special two-thirds majority ;
- The regions would obtain administrative control over all municipalities of their territory, including the municipalities with special language status ;
- There would come a special administrative control system for Fourons and Comines ;
- In Fourons, Comines and the six municipalities of the Brussels periphery, al-

dermen would be elected directly, and there would a proportional composition of the college of aldermen ;

- The aldermen would have to decide by consensus, and if no consensus is reached the matter would be referred to the municipal council ;
- Elected officials from these municipalities would be supposed to have sufficient command of the official language of the region. It would only be possible to challenge the language knowledge of mayors and of chairpersons of the municipal assistance commissions, except for those who have exercised this function during three years uninterruptedly between January 1, 1983 and January 1, 1989 ;
- If revoked by the Council of State within 60 days after the complaint has been filed, it would be impossible to re-name these persons nor would they be allowed to exercise these functions in a caretaker status until the next municipal election ;
- For the national and European elections, inhabitants of Fourons and Comines would be allowed to vote respectively in the adjacent Verviers and Ieper districts.

When the proposals were made public, a storm of protest broke out in Comines where the local PSC municipal majority strongly opposed linkage to Fourons. The Comines municipal authorities exercised strong pressure on PSC Party President Deprez not to accept the Fourons deal.

Meanwhile, dramatic events were taking place inside the PS. Because of the strong opposition to the Fourons deal, PS Party President Spitaels decided to retire as head of the PS delegation in the government formation talks. Moreover, he decided to no longer chair the weekly meetings of the party's executive board. Happart publicly announced that he was opposed to the Fourons deal, and reports came in of growing support for Happart in the Liège and Charleroi local party organizations. By withdrawing, Spitaels was forcing his party to choose between him and Happart.

On April 27, the party delegations – with Deputy Philippe Moureaux replacing Spitaels – reached an agreement of Fourons. The original Dehaene proposal was only slightly amended. Contrary to the original proposal, the province governors of Limburg and Hainaut would not exercise the control over Fourons and Comines jointly, but would have to ask preliminary advice from all province governors. This advice would be binding upon them, and in the case there was a tie in the college of governors, the advice would be regarded as being negative, with the possibility of an appeal being submitted to respectively the Flemish and Walloon executives.

On April 27, the Fourons arrangement was approved by the PS executive board by 27 to 2 votes and 4 abstentions. During the last phase of the formation process the party delegations easily reached an agreement on the following issues :

- There would be no eighth nuclear power station ;
- The Brussels executive would have five members ;
- A bill would be submitted to Parliament aimed at protecting the competitive position of Belgian industry ;

- The route of the high speed train would be decided on in consultation with the regions ;
- The possibility of implementing a shorter military service for conscripts would be reviewed ;
- On abortion the parties would take no parliamentary initiative until the end of 1988.

On May 2 during a second reading, the governmental program was approved by the party delegations in the presence of Wilfried Martens. Meanwhile, tension rose inside the PS. Many militants bitterly complained that the party leadership had let down Happart, and the traditional May 1 celebrations turned in Liège into a bitter slanging-match between friends and foes of Happart.

On May 5, the party conventions were called to vote on the governmental program proposals. All party conventions approved the deal, be it by a narrow margin in the PS:

	Yes	No	abstentions
CVP	664	41	23
SP	343	13	4
VU	526	47	32
PS	337	206	19
PSC	352	11	59

On May 6, formateur Dehaene was relieved from his mission by the King.

D. Martens VIII wins vote of confidence in Parliament

On May 6, the King named Martens government formateur, and after two days of negotiations the Royal Palace announced the names of the ministers and secretaries of state. The new cabinet was sworn in on May 9. The new team was composed of 19 ministers (9 Flemings and 9 Francophones plus the prime minister) and 13 secretaries of state (eight Flemings and five Francophones). Each of the majority parties had a vice premier. During a press conference, Martens emphasized that at a later stage his cabinet would be reduced from 32 to 27 members. As a consequence of the constitutional reform, the public works minister, the two education ministers and the two secretaries of state for the Brussels region would be transferred from the national to the regional governments.

The making of the Martens VIII cabinet caused a first reshuffle in the regional governments. Guy Coeme (PS), President of the Walloon Regional Executive, resigned to become Defense Minister. Bernard Anselme (PS) became the new head of the Walloon Regional Executive. Regional minister Philippe Busquin (PS) was named Social Welfare Minister in the national government, and he was replaced in the regional government by PS Senator Edgard Hismans. PS Deputy Philippe Moureaux, resigned as President of the Francophone Community Executive to become Vice Premier in the national government. PS Deputy Valmy Féaux became the new head of the Francophone Community Executive. PS Deputy Willy Burgeon took Féaux's place as chairman of the Walloon Regional Council. Robert Urbain became Foreign Trade Minister, and was replaced as minister of the Francophone Community by PS Deputy Charles Picqué. Another political arrangement

resulted in the election of PSC Deputy Charles-Ferdinand Nothomb as the new President of the Chamber of Representatives, while under the same arrangement CVP-er Lambert Kelchtermans was elected President of the Senate. The arrangement stipulated that in October Kelchtermans would cede his chair to CVP President Frank Swaelen. Another political deal was made with regard to Foreign Minister Tindemans. He would stay in office until after the elections for the European Parliament, and would then be replaced by CVP Deputy Mark Eyskens. Moreover, SP President Van Miert would become Belgium's next EC Commissioner as of January 1, 1989. Moreover, it was agreed that when the Flemish Socialists and Volksunie would join the Flemish Executive in October, SP Deputy Louis Vanvelthoven would become chairman of the Flemish Community Council in replacement of PVV-er Jean Pede. This jockeying for positions and constant stream of reshuffles was severely criticized by the media and by the public opinion.

When Martens read the policy statement of his new government in Parliament he emphasized that this government had two major goals: i.e., to continue the economic recovery policy and to implement the constitutional reform. He said that his cabinet would reduce the budget deficit to 7 percent of GNP in 1989, adding that fighting unemployment would be one of his cabinet's priorities. Moreover, he announced implementation of the tax reform promised under the previous government and gave more details on the constitutional agenda of his government. In the Lower House the new government won the vote of confidence by 140 to 65 votes and 1 abstention. Three members of the majority voted against the government. The Senate voted the confidence by 122 to 45 votes and 2 abstentions. Two senators of the majority voted against the government, while two abstained.

II. Phase one of the constitutional reform

A. *The amendment of seven constitutional articles*

After having won the confidence of Parliament, the Cabinet announced that it would in a first phase amend seven articles of the constitution; i.e., article 17 on the freedom of education, articles 47 and 48 on the electoral code, article 59b on the jurisdiction of the communities, article 107d on the Arbitration Court, 108d on the Brussels Agglomeration and 115 on the public finances. To have the quorum for amending the constitution, 142 of the 212 members of the Chamber had to be present. The majority parties had 149 seats in the Chamber. The quorum in the Senate was 123, while the majority parties had 133 seats on a total of 183. The amendment of these seven articles was easily won in Parliament, although on some of these votes the quorum was only narrowly reached. The amended articles appeared in the July 9 and 19 issues of the official gazette.

Articles 47 and 48 were amended to allow the inhabitants of Fourons and Comines to vote outside their respective electoral districts. The amended articles gave also voting right to Belgians living abroad. By amending article 108d the responsibilities of the Brussels Agglomeration Board were transferred to the Brussels capital region whose institutions (council, executive and colleges) would later have to be created by a law voted by the special two-thirds majority. The amended

article created linguistic groups in the Brussels Capital Council, which together with the colleges (respectively the francophone and Flemish members of the executive) would become responsible for cultural (and related) issues, which, hitherto, had been the responsibility of the Brussels Cultural Commissions. The latter would be abolished. The joint colleges would be responsible for mediation and coordination between the two cultural communities of the capital region.

Amendment of article 115 of the constitution was needed to make possible a new financing system for the regions.

Article 17 was amended to make freedom of education a right protected by the constitution. This article also allowed the communities to transfer part of their educational authority to autonomous bodies, making possible, for example, the creation of the (Flemish) Autonomous Council for Community Education which had to become the governing body for public schools in Flanders. Moreover, the amended article took over the principles governing the educational truce the political parties had signed back in 1958 (commonly called the "school pact"). Moreover, the article stated the right to education free from any charge during the years of compulsory school attendance.

Through amendment of article 107d, the jurisdiction of the Arbitration Court was extended to allow the court to become a constitutional court for issues covered by the articles 6, 6b and 17 of the constitution (i.e. the articles dealing with the equality of all citizens and the freedom of education). Not only the public authorities but also citizens were allowed to challenge the validity of an act or decree supposedly violating one of the above mentioned constitutional articles. Moreover, the amendment made also possible extension of the court's constitutional verification authority to other articles of the constitution, paving the way for a genuine constitutional court.

The new article 59b made possible the transfer of the educational authority from the central government to the communities. Although this transfer had already been included in the 1970 constitutional amendment, the central government had retained virtually all educational authority. All these restrictions were lifted. The only educational issues which remained the responsibility of the central government were the starting and ending age of compulsory school attendance, the minimum criteria for diplomas, and the teachers' pensions. Moreover, the communities obtained the treaty-making authority. The new article 59b also stated that amendment of the language legislation for special status municipalities could only be done by a special two-thirds majority in Parliament, and it made possible enactment of new legislation on the financing of the communities.

B. The special August 8, 1988 Act

While Parliament was in the process of amending the constitution, the Council of Ministers drafted a bill aimed at amending the 1980 devolution act. This amendment was necessary to extend the responsibilities of regions and communities and to make possible the proportional composition of the Flemish Executive.

Tension suddenly rose inside the Government when on July 11, the Flemish national day, Volksunie Vice Premier Hugo Schiltz declared at a public meeting:

"Wallonia and Belgium are no longer our problem." Under pressure from the francophone parties, Martens was forced to urge Schiltz to withdraw his statement, which he did. The press alleged that because of his statement Schiltz had been called to the Royal Palace. During his July 21 Belgian national day address, the King emphasized that the constitutional reform ought to lead to better mutual understanding. He pleaded for a strong central authority, emphasizing that the central government ought to have the necessary powers to preserve the economic and monetary union.

On July 29, the bill was approved by 141 to 62 votes and 3 abstentions, and on August 5 in the Senate the tally was 130 to 46 and 1 abstention. The bill extended the jurisdiction of the regions in the following fields :

- Urban planning ;
- Environment, with the exclusion of import and export of nuclear waste ;
- Rural planning, including forests, fishing, fish farming, dikes and hunting ;
- Water policy, including public water works ;
- Economic policy, including the policy of the steel, coal, textile, shipbuilding, ship repair and glass sectors (which had remained under the jurisdiction of the national government), the regional aspects of the credit policy, the natural resources and public aid to industry.

The act stipulated that in exercising their responsibilities the regions had to take into account the principles of the economic and monetary union ; i.e., free circulations of persons, goods, services, and capital, and that they had to respect the freedom of commerce and industry. To that aim, the national authorities remained responsible for establishing the rules on public offers, consumer protection, the organization of industry, and for establishing the upper ceilings on aid to industry. Moreover, the bill specified that the national government had jurisdiction over monetary policy, financial policy, savings policy, control over the financial institutions, credit unions, banks, insurance companies, price and income policy, rules on competition, trade policy, corporate law, the National Investment Agency, labor legislation and social security.

The regions became responsible for :

- The regional aspects of energy policy, but nuclear energy remained the realm of the national authorities ;
- Public works and communications, including roads, waterways, ports and regional airports ;
- Control over provincial and local governments, the financing of these authorities (including subsidies allocated through the Provincial and Municipal Funds. There were restrictions with regard to the control over Brabant Province, the German-language municipalities, and the municipalities with special language status.

After implementation of the bill, the communities were responsible for :

- Cultural policy (language, fine arts, musea, libraries, the media, aid to the press, youth policy, open air, sports, physical education and tourism) ;

- The "personalized" items such as family policy, certain aspects of public health, immigration, the disabled, youth protection, policy for the aged;
- Scientific research related to specific issues;
- Education (with the earlier mentioned restrictions);
- Treaty-making;
- The use of languages in the public administration.

The August 8, 1988 act also laid down the rules on cooperation between the national authorities, regions and communities, establishing on what sort of issues the regions had to conclude compulsory cooperation agreements (e.g., for roads and waterways passing through more than one region). Finally, the August 8, 1988 act made possible enlargement of the regional and community executives: the Flemish Community Executive from 9 to 11 ministers, the Walloon Regional Executive from 6 to 7 ministers, and the Francophone Community Executive from 3 to 4 ministers.

C. The bill on the language privileges

Part of the government's constitutional reform plans was the amendment of the provincial and municipal legislation and the national, provincial and municipal electoral codes. This new bill was needed to solve the perennial Fourons issue, and was therefore called the "pacification bill". Drafting the bill led to tension inside the Government. The differences centered on the confidential character of the deliberations in the municipal college of aldermen. The francophone parties wanted through this confidentiality to protect the aldermen of municipalities with special language status who were unable or refused to use in office the official language of the region. The Government finally decided that only the minutes of these deliberations would be recorded, not the deliberations themselves, making it impossible to file a complaint based on the deliberations. Moreover, the francophone parties wanted that inhabitants of Fourons and Comines, who opted to vote in the adjacent electoral district, would be allowed to exercise this privilege in their own municipality. This demand was rejected. The Flemish demand for imposing a deadline on the deliberations of the college of province governors was equally rejected.

Not only were there differences in the Government, also the counselors of the Council of State, the body which issues legal advice on bills, could not agree on a common recommendation to the Government. The Flemish counselors said that the government's bill amended the 1963 languages laws, and that under the new article 59b of the constitution this could only be done by a two-thirds majority in Parliament. The Flemish counselors also stated that the governmental bill was violating the homogeneity of the linguistic regions of Belgium protected by the constitution. They said that allowing the inhabitants of Fourons and Comines to vote in adjacent electoral districts violated the "territorial principle" laid down in the constitution. With the Francophone counselors supporting the bill, this stalemate led to a divided advice of the Council of State. This division greatly helped the Government which was determined to press ahead with its controversial bill. In the end, some "technical" adjustment were made to meet some of the criticism voiced by the Council. The Government re-drafted the memorandum attached

to the bill, stating that this new bill would not amend the language legislation, and that since only the electoral code was going to be amended it needed not to be approved by a two-thirds majority in Parliament. The Government said that no conditions of eligibility were being introduced and that the articles 47 and 48 of the constitution allowed special arrangements for Comines and Fourons.

In Flanders the opposition to the bill came mainly from academic circles but there was little public commotion. Francophone politicians from the special language status municipalities were adamantly opposed. Mayor de Grunne of Wezembeek-Oppem (Brussels periphery) called on the other mayors of the Brussels suburbs to boycott the October municipal elections, and although many of these mayors shared de Grunne's criticism they showed publicly more restraint. They mayors called on the Prime Minister, but to no avail. In Comines the PSC municipal majority decided that they would no longer operate under the PSC banner, saying that in the October municipal election their ticket would be named "Agir".

When the bill was put to a vote in Parliament, there were more dissenters in the majority ranks than when the constitution was amended, but that was no problem since approval of this bill did not require a two-thirds majority.

The major provisions of the August 8, 1988 act were :

- For Fourons and Comines, a number of controlling responsibilities normally exercised by the Permanent Deputation will be exercised by the province governors ;
- The Limburg and Hainaut province governors will exercise these responsibility after consultation with the other province governors, including the vice-governor of Brabant ;
- The deliberations of the college of mayor and aldermen are not public, and only the minutes can be subject of judicial action ;
- The aldermen of Comines and Fourons, and of the six municipalities of the Brussels periphery are directly elected ;
- In these municipalities the decisions of the college of aldermen are taken by consensus, and if no consensus can be reached, the case is referred to the municipal council ;
- In these municipalities the members of the assistance commission council are directly elected ;
- The chairman of the council is appointed by the community executive upon proposal of the council ;
- In these municipalities the council members, the aldermen, mayors, acting aldermen and mayors, chairpersons and acting chairpersons of the assistance commission council need to have sufficient command of the official language of the region. Because of their election, this language requirement is implied, and cannot be challenged for all directly elected officials, and for mayors and chairpersons of the assistance commission councils who have held this office uninterruptedly for three years between January 1, 1983 and January 1, 1989 ;
- For other officials this language command can be challenged upon request of a member of the municipal or assistance commission councils. Such a complaint has to be submitted to the Council of State within 6 months after the official has been sworn in. If the complaint is sustained by the Council of State, the

nomination is revoked and the official cannot be re-named or exercise the function in a caretaker status until after the next election. Ignoring these provisions can be a ground for suspension or impeachment.

- For the European and parliamentary elections, voters of Fourons and Comines municipalities can cast their vote in the adjacent electoral district.

III. The second phase of the constitutional reform

After the parliamentary summer recess, the legislative procedure started on phase two of the constitutional reform which included the status of the Brussels region, the Arbitration Court, the financing of the regions and communities and the forms of cooperation between the different levels of government. Because the PS and VU, the two parties most in favor of greater political autonomy for the regions and communities, feared maneuvers by the PSC aimed at obstructing realization of this second phase, they proposed either to move cooperation to the third phase or the treaty-making jurisdiction for regions and communities from the third to second phase, but no action was taken on these requests.

A. *The new political status of the Brussels Region*

On September 30, the Government approved the text of the draft bill on the new political institutions for Brussels. When in November the Council of State issued its advice on the bill, it urged the Government not to include the technical aspects of the Brussels regional council elections since the bill required approval by a two-thirds majority in Parliament, and would make amending the electoral system in the future almost impossible. The Government complied with the advice, and submitted to Parliament a separate bill on the Brussels Council elections. During the debate in Parliament, the Flemish parties argued that there would only be a handful of Flemish members elected to the council, 15 on a total number of 75 members at the most. With three Flemings becoming member of the Brussels executive, the Flemish representation in the Council would be further reduced. The Government said it understood this Flemish concern and added that appropriate action would be taken to deal with it. The bill on Brussels was approved early 1989. It created the Brussels capital region composed of the 19 municipalities belonging to the Brussels capital area. The election of the members of the Brussels Council would take place together with the European elections. Brussels obtained the same responsibilities and financial resources as Flanders and Wallonia, while it would also exercise the responsibilities of the Brussels Agglomeration (fire and sanitary services). The Brussels Council would be composed of 75 members, serving a five year term, with the first election taking place on June 18, 1989. The candidates would be elected on unilingual lists according to the proportional representation system. However, the Flemish and Francophone votes would first be pooled separately, and seats awarded to the pools of Flemish and francophone votes. Thereafter, the seats would be awarded to each party according to its voting-strength within each pool. The five-member executive would be elected by the Council. The Flemings were guaranteed two members in the executive. The latter would have to decide by consensus. Upon request of the Executive, the Council could choose from among its members three regional secre-

taries of state, of whom one had to belong to the minority linguistic group. These regional secretaries of state would not become member of the executive, but would be allowed to attend its meetings.

The Council would enact "ordinances" which would have force of law, but contrary to decrees enacted by the community and regional legislative assemblies, the courts (including the Council of State) would refuse implementation if they violated the constitution and the act instituting the Brussels Region. Moreover, ordinances and regulations enacted by the Brussels council on urban planning, public works and communications would be suspended by the Government or even annulled by the Chamber of Representatives if they infringed the international role of Brussels. The former cultural commission of Brussels would be replaced by the Flemish and Francophone Community Commissions, composed respectively of the Flemish and francophone members of the Council. The executives of these Community Commissions would respectively be the two Flemish and the two Francophone members of the executive. These commissions would become the "organizing authority" for cultural, educational and "personalized" issues, and the two commissions would jointly exercise control over those institutions which work for the two communities of Brussels (e.g. musea).

B. *The Arbitration Court*

On October 7, the Cabinet approved the text of the bill implementing the new constitutional article 107c reorganizing the Arbitration Court. Advising on the bill, the Council of State argued that the Government could not partly amend the 1983 bill instituting the Arbitration Court by means of a bill which required a special majority in Parliament. The government, following the Council of State's advice, decided to replace the 1983 act. Surprisingly, the new bill obtained the support of the greens in Parliament. They argued that it enhanced protection of the citizens and deserved their endorsement. The new act repeated the provisions of the 1983 act giving the Arbitration Court the authority to nullify laws and decrees which violate the delimitation of the jurisdiction between laws, decrees and ordinances. Moreover, under the new provisions, the Court obtained the authority to nullify laws, decrees and ordinances which violated articles 6, 6b and 17 of the constitution on equality, non-discrimination and education. Not only the Council of Ministers and the regional executives, but also president of the legislative assemblies, upon request of these assemblies, and citizens were allowed to file a complaint.

C. *The regional financing law*

The text of the bill had been prepared during the summer by teams of experts, but when in the fall the ministers had to agree on the final version a problem emerged over education. The experts had calculated that by the year 1998, Dutch-language education would receive BF 14 billion less than it had received back in 1988 because of the declining birth rate, and a similar loss would occur on the francophone side. The Government agreed to make adjustments so that this declining birth rate would have less dramatic effect on the revenue of the communities. At the end of November, the Government reached an agreement to transfer

BF 610.6 billion of the budget allocations to the regions and communities : BF 212 billion to the Flemish community ; BF 164.2 billion to the francophone community ; BF 121 billion to the Flemish Region ; BF 87.2 billion to the Walloon Region and BF 26.3 billion to the Brussels Region.

During the Parliamentary debate, the Liberal opposition alleged that the new regional financing system would thwart the efforts to reduce the national budget deficit started under the center-right Martens VI cabinet. The Flemish Liberals (PVV) argued that as a basis for this re-allocation of budget funds the actual needs of Wallonia had been taken into consideration, and that instead of forcing Wallonia to cut its expenditures, Flanders would obtain in compensation additional unwarranted funding. The bill was approved by the two houses of Parliament early 1989.

The regions obtained five sources of revenue : user charges and fees, returned taxes, the revenue of taxes levied by the regions themselves, a national solidarity allocation (block grant) and borrowing. The communities were granted three sources of revenue : user charges and fees, shared taxes and borrowing.

The regions were allowed to levy some of their own taxes from 1989 onwards, provided they did not increase the total tax burden during the 1989-92 period. Within this constraint, each region was free to set its own taxes on gambling and on the issuance of alcoholic licenses. The regions were entitled to the full revenue from real estate taxes, inheritance taxes, registration rights (not fully returned in a first phase) and motorway taxes, but for the latter the rates had to be uniform across the country. The returned taxes were a part of the yield of the income tax on which the regions were allowed to levy surcharges or grant rebates, this possibility being severely restrained not to endanger the economic and monetary union of the country. In the final phase ; i.e. as of the year 2000, the total allocation to the regions would be adjusted to the growth of GNP, and divided over the regions pro rata the yield of the income tax in each region.

In the transitional period, not the full allocation would be awarded to the regions in order to force them to participate in the reduction of the national budget deficit.

The shared tax for the communities would be part of the radio and television tax, value-added tax and income tax. The yield of the VAT would be distributed over the communities pro rata the number of pupils, with a adjustment for the declining birth rate.

The possibility to borrow would be limited, and, depending on the sort of loan, the regions and communities would have to inform the national government and obtain its consent.

The majority parties also agreed that as of 1990 the region(s) whose yield of the income tax is under the national average would obtain a block grant of BF 468 per habitant and per percentage point the yield is under the national average.

D. Consultation and mediation

The August 8, 1988 devolution act and the financing law provided for many forms of consultation and mediation between the various levels of government.

It made it possible for the central state, the communities and regions to conclude cooperation agreements. For certain items, e.g. public works, these cooperation agreements were made compulsory.

IV. The municipal elections, the government reshuffle and the debt of the larger cities

A. *The municipal elections, Fourons and municipalities with special language status*

The municipal elections were held on October 9. In Flanders, the Flemish Liberals (PVV) gained while the Flemish nationalist Volksunie lost. More significant, however, was the breakthrough of the ultra-right "Flemish Bloc" in Antwerp. The party campaigned on an anti-immigration platform, and garnered 17.7 percent of the vote, winning 10 seats (plus 8) in the city council. Stunned by the success of the Flemish Bloc, the Prime Minister immediately announced that his government would name a commissioner for immigration issues, but it would take until March 1989 before the commissioner was actually named.

In Wallonia, the PS reinforced its already strong position in the municipalities, while in Brussels the incumbent mayors, disregarding their party affiliation, were successful. Minister of State Paul Vanden Boeynants, who had headed a PSC-CVP ticket, announced that he was a candidate for the Brussels city mayoralty. However, Interior Minister Tobback stated that a mayor should be free of any blame. In 1986, Vanden Boeynants had been convicted for fiscal fraud and a file containing new charges had been forwarded to Charles-Ferdinand Nothomb, President of the Chamber of Representatives. Prime Minister Martens met with Vanden Boeynants and told him that his government would only name him the moment he was cleared of any charge. Following this meeting with the Prime Minister, Vanden Boeynants decided to withdraw his candidacy. After this withdrawal, the francophone Socialist Hervé Brouhon was named mayor of Brussels city. He headed a PS-PSC-CVP-VU-BON-ECOLO coalition.

The amended linguistic legislation provided for the direct election of the aldermen under the proportional representation system in municipalities with special language status. In Fourons, the party of former mayor José Happart lost one seat to the rivaling Flemish ticket, the later winning one aldermen position. In the six special language status municipalities of the Brussels periphery, the Flemish tickets lost ground, particularly in Rhode-Saint-Genèse where the Flemish ticket lost its majority position in the council. In Comines, a municipality of the Hainaut province, the Flemish list failed to win an alderman position.

As the year was drawing to a close, there were growing fears that Happart, whose earlier nomination had been revoked by the Council of State in 1986, would be proposed by the Fourons municipal council for nomination as mayor. Happart himself alleged to have sufficient command of Dutch to qualify for the nomination. Interior Minister Tobback, under whose jurisdiction the nomination of mayors came, stated that he would not present Happart for nomination by the King, arguing that Happart would have to meet more requirements than just language command. On December 28, it became public that following mediation

by the Vice Premiers Dehaene (CVP) and Moureaux (PS), Happart and Huub Broers, leader of the Flemish ticket of Fourons, had reached an agreement. Nico Droeven, a francophone ally of Happart with sufficient command of Dutch, would be proposed as mayor. Droeven was named at the end of December. Part of the deal was the promise of the PS made to Happart that as an incumbent Euro-MP he would keep his place on the party's ticket for the 1989 European election. Happart's brother, Jean-Marie, obtained guaranties as to his Parliamentary mandate.

B. *The government reshuffle*

On September 17, Secretary of State for Finance Herman Van Rompuy resigned to become CVP party president. He was replaced by Deputy Wivina Demeester. Van Rompuy's responsibility over the small businesses was temporarily transferred to PSC Vice Premier Melchior Wathélet, and on October 18, CVP Deputy Jos Dupré moved from the Flemish to the central government to become Secretary of State in charge of the small businesses.

As had been agreed on when the Martens VIII government was formed, on October 18 the Flemish Socialists and Volksunie joined the Flemish Executive. The SP Secretaries of State De Batselier and Van den Bossche resigned from the national government to become minister of the Flemish Executive which was extended from 9 to 11 ministers. Composed according to the proportional representation system, the Flemish government included, henceforth, a ministers from all the major Flemish parties, including the Liberal opposition party - PVV.

SP Deputy Pierre Chevalier replaced Van den Bossche as Secretary of State for Education in the national government, while CVP Deputy Dupré took over the institutional reform portfolio from De Batselier.

Following the municipal elections, Minister Freddy Willockx announced that he would resign as of January 1, 1989 to become mayor of Sint-Niklaas. It was also decided that he would become at the same moment SP floorleader in the Chamber. Marcel Colla would take over the PTT portfolio from Willockx. As had been agreed on when the government was formed, on October 11, Frank Swaelen was elected President of the Senate in replacement of Lambert Kelchtermans who had in his turn replaced Roger Lallemand (PS).

C. *The debt of the larger cities*

On September 1, it became known that Interior Minister Tobback had proposed that the Government would take charge of part of the debt of the larger cities, Brussels and Liège in particular. In 1983, these cities had been allowed to borrow at very advantageous conditions, but this had not been sufficient to redress the heavy indebtedness of Brussels and Liège. On August 1, the Flemish Community Executive made objections. The national government promised to consult with the regional governments, since the latter had administrative control over the cities, and Minister Tobback imposed on Liège additional savings. The final deal was struck when the regional financing was discussed. The central government decided to take charge of BF 45 billion of the Liège debt, BF 30 billion

of the Brussels debt and BF 2 billion of the Charleroi debt. The Brussels debt was regarded as being a matter of "national interest", but for the money allocated to Liège and Charleroi, Flanders would obtain a BF 64.1 billion compensatory fund. Antwerp and Ghent would share among them BF 17.1 billion, the remainder would be used for the financing of other Flemish projects.

V. The social and economic policy of the Martens VIII cabinet

A. *The 1988 and 1989 budgets*

On January 5, acting Vice Prime Minister Guy Verhofstadt (PVV) announced that the 1987 budget would have a BF 430.5 billion deficit, BF 125 billion less than the preceding year. He alleged that deficit was at the forecasted 8.1 percent of GNP. According to Verhofstadt, the goal for 1988 had to be 7.4 percent as had been agreed on by the Martens VI center-right government in September 1987. Although being in a care-taker status, Verhofstadt felt it was his duty to do the annual budget review. He presented a document to the Cabinet containing additional budget cuts, but failed to win endorsement for his document.

The parties involved in the government formation talks had come as early as February to the conclusion that without additional savings the 1988 deficit would amount to BF 467.5 billion : i.e., BF 62.5 billion more than originally forecasted.

When the Martens VIII cabinet was formed at last, it set as its goal to reduce the deficit to 7 percent of GNP. On June 10, the new Budget Minister Schiltz (VU) presented a report to the Cabinet in which he pointed out that the 1989 deficit would be BF 469 billion, i.e., 8.8 percent of GNP. Moreover, the political observers were surprised that just after having taken office the new Social Welfare Minister Busquin (PS) requested BF 36 billion additional budget allocations for 1988. On June 16, at the end of tight negotiations, the new government set the 1988 budget deficit at 462 billion ; i.e. BF 57 billion more than the original budget. It was initially assumed that after the summer recess the Government would announce an new batch of savings, but the ministers rapidly gave up this idea, saying that they would concentrate on the 1989 budget.

On August 2, Finance Minister Maystadt reached an agreement with the financial institutions and the insurance companies whereby BF 28 billion interest payments due in 1989 would be rescheduled, but the net yield of the operation would only be BF 647 million.

On August 15, the ministers reached an agreement on the 1989 budget. The deficit was set at BF 403.2 billion for BF 1,563.6 billion revenue. The deficit was 7 percent of GNP. Minister Schiltz emphasized that this deficit was lower than the interests which would be paid in 1989. The most important savings were realized in health insurance (BF 12 billion), pensions (BF 4.8 billion), employment and labor (BF 3.2 billion), communications (BF 4.1 billion), defense (BF 4.2 billion) and the interior ministry (BF 4.7 billion). The Government announced that revenue would be raised by means of an upgraded management of the resources of the National Bank (BF 7 billion) and the sale of state-owned shares (BF 2 billion).

The Government also decided on additional benefits. The minimum pensions were raised, together with family allowances, allowances for disabled, the minimum monthly income, and the minimum income for aged. Moreover, compensation was raised for unemployed aged 57 and more with a professional career of at least 30 years. The military service or service performed by conscientious objectors would be taken into account for part of the waiting period school leavers have to complete before qualifying for unemployment compensation. Moreover, BF 1.2 billion was earmarked for public employment programs for long term unemployed.

The two Socialist parties wanted BF 8 billion to stimulate the economy, but it was decided that this money would not be drawn from the budget, and that other ways of financing would be explored.

The 1989 revenue budget was approved by Parliament before the end of the year, but the Government decided to postpone the submission of its expenditures budget since as a result of the constitutional changes, important transfers would take place from the national budget to the regions and communities.

B. *Tax reform*

On July 17, the ministers reached an agreement on a tax reform program, and the text of the bill was approved by the Cabinet on August 12. There were no fundamental departures from the reform plan submitted by the centre-right Martens VI government, but which had not been implemented because of the fall of the Government.

Whereas the Government originally had planned to implement the reform in four stages, upon demand of the Christian Democrats, it was decided that the whole package of measures would be implemented as of fiscal year 1990 (income of 1989).

The reform package provided for :

- Separate taxation for working couples ;
- Indexation of the different tax brackets ;
- Higher lump sum deductions based on the family size ;
- Reduction of the fourteen different existing rates to seven, the lowest rate being 25 percent and the highest 55 percent ;
- Splitting of the taxable income for families with only one income ;
- Tax exemption raised to BF 130,000 each for couples and to BF 165,000 for singles.

The Government said that on average, income tax would be reduced by 10 percent.

The tax reform would cost the government BF 89 billion, spread over four years. To finance the reform, the Government decided to raise excise duties, and to abolish/reduce a number of company-related deductions, including the deductibility of investment sums.

C. Labor Relations – Public Service Strikes – Health Insurance

In the fall of 1988, the employers and labor leaders started negotiations for the 1989-90 nationwide ("interprofessional") collective bargaining agreement for the private sector. During the talks the unions requested better protection of their delegates (shop stewards) in the workplace, and a place for trade union delegates in small businesses. These demands met stiff opposition from the employers. Labor Minister Vanden Brande, who was involved in his first interprofessional negotiation, proposed to discuss the issue of the trade union delegations in the small businesses (less than 50 employees) at branch level, and the protection of the shop stewards in the National Labor Council. This was approved by the employers and unions who also agreed to set aside the discussion of the more controversial demands for a later date. These issues were the extension of the 38-hour work-week to all branches of industry, automatic wage-indexation, and the lowering of the retirement age. Once all these hurdles were removed, an agreement was easily struck. What remained was minor: the employers agreed to pay an amount equal to 0.18 percent of gross wages into a vocational training fund; 0.10 of gross wages for higher compensation for the elderly longterm unemployed; and the two sides agreed on steps towards generalization of the early pension system at age 58. Moreover, the monthly minimum wage was raised, in two stages, by BF 1.000. This agreement was made possible after the government's commitment to continue the program whereby employers receive social security tax rebates (for a total amount of BF 15 billion) if they implement special employment programs. In November, the Government decided to continue this program for two additional years. Moreover, the Government conceded to the employers that verification of implementation of the earlier employment programs, agreed on under the previous national collective bargaining agreement, would be stopped. On this governmental commitment the "interprofessional agreement" was formally signed on November 19, 1988.

The public service grows impatient

Once the private sector had set the pattern, the Government had to bargain with the public sector unions. Pointing to the important losses in purchasing power suffered by the 815,000 employed under the civil service and related systems (including teachers) during the previous center-right governments, the public service unions demanded a pay rise of between 5 and 10 percent "to catch up with the private sector".

Initially, the Government offered more fringe benefits (higher vacation pay and end-of-the-year bonus), and a 1 percent wage rise as of September 1, 1990. The unions rejected the offer, and strikes in the public sector broke out. The first to start work stoppages were the municipal police of Brussels (November 7), and strike action rapidly spread to the other police forces of the country. The police were joined by the garbage men, customs officers, prison wardens, and other public servants and municipal workers. The public service unions organized work-stoppages and strikes at regional levels, and on December 7 some 60,000 civil servants marched in protest through the streets of Brussels in a national demonstration jointly organized by the major public service unions. In early 1989, the

public service unions and the Government reached an agreement. The public servants obtained a 2 percent wage rise in September 1989, and a BF 6,000 lump sum increment of the vacation bonus, adding up to a total increase of about 3 percent. The Government promised to meet with the public service unions later in 1989 to discuss additional benefits for 1990.

The labor interest also spread to the hospitals. The nurses, together with other groups of employees in the health care sector and social workers, staged a mass demonstration in Brussels on January 27, 1989. It was the first major strike in this sector which historically has been weakly organized (between 30 and 40 percent of the workforce). In May 1989 an agreement was reached. The nurses received the same pay rises as the public service employees, with additional compensation for night shifts and work performed on Sundays. The employers promised more jobs (paid for by the Government), but not all employers signed this collective bargaining agreement.

Health insurance

Under the previous center-right government the mutual aid societies had come under strong criticism, as had the health insurance system, which from year to year was facing a growing deficit. Perhaps more than the union leaders, the leaders of these mutual aid societies welcomed the center-left government which, they hoped, would be more friendly to them. On June 20, 1988 the largest professional organization of physicians (the Federation of Doctor Wynen) and the mutual aid societies reached an agreement granting higher fees to the physicians, cuts in clinical expenditures, and a higher deductible for clinical tests. A smaller organization of physicians, the labor unions and the political parties, criticized the agreement arguing it contained insignificant cuts.

In the fall of 1988, Social Welfare Minister Busquin convened the long-awaited round table conference on health insurance whose task it would be to lay the foundations of a new health insurance policy. The key question was to find ways to cut expenditures, as the system had by the end of 1988 an accumulated deficit of BF 60 billion. At the first sessions of the conference, Doctor Wynen assailed the mutual aid societies for making huge (illegal) profits. He threatened to sue them if they failed to implement spending cuts. At the end of the first round of the talks in 1989, all parties involved came to the conclusion that an overhaul of the system was necessary. Particularly significant was the determination of both the employers and the unions (representing the wage and salary earners), i.e., the two sides who make the largest financial contribution to the system, to break the quasi monopoly of physicians and mutual aid societies in the health field.

VI. Foreign Affairs and Defense

A. Foreign affairs

Zaire

During the fall, relations between Belgium and Zaire deteriorated, despite a visit to Belgium Zairian President Mobutu had made in June and the meeting of the mixed Belgian-Zairian Commission in October which had taken place in a friendly atmosphere. During this meeting of the mixed commission, Zairian Foreign Minister Nguza Karl-I-Bond had praised Belgium for mediating in the conflict which opposed his country to the IMF. Zaire had stopped payments of the IMF loans, and had hoped to win Belgian support to reach a compromise with the IMF. During the commission meeting, Foreign Minister Tindemans proposed that Belgium would forgive some of the Zairian debt. On October 20, the Belgian Government announced a series of measures within the framework of the initiatives announced at the Western Summit of Toronto. Belgium would for selected countries reduce the state-to-state debts by one-third by scrapping the annual instalments during a ten-year period. For Zaire this meant a debt reduction of BF 960 million.

From October 30 to November 6, Prime Minister Martens and Foreign Minister Tindemans were on an official visit in Zaire. During the first day of the visit, Mobutu told the press that he wanted a clear position from the Belgian Government on the debt issue, and he referred to Canada which had recently forgiven the entire debt. Prime Minister Martens proposed to reschedule the commercial debt over a 25-year period. During the first 14 years, Zaire would only pay interests (Zaire's commercial debt was BF 17 billion). In the final communique at the end of the visit, Zaire expressed its satisfaction about this debt relief plan. However, just before his return to Belgium, Martens became the focus of criticism in Belgium because of his "love declaration to Zaire" made in Kisangani. Martens came under attack from Socialist politicians, particularly from Interior Minister Tobback, SP Deputy Louis Vanvelthoven and PS Party President Guy Spitaels. The latter said that for every additional Belgian franc granted to Zaire, he would demand an equal amount to cover the wage demands of the civil servants and policemen.

Upon his return in Belgium, Martens was forced to announce at the end of the November 10 cabinet meeting that his government had not yet reached a decision with regard to the commercial debt. Some Members of Parliament urged the Government not to make concessions on the debt issue because of the poor human rights record of Zaire. They argued that debt relief would only be beneficial to a "corrupt elite", and Mobutu came under personal attack for having amassed huge wealth on the back of the population. These remarks infuriated Mobutu and the Zairian Government, and Minister Nguza was dispatched to Belgium to hand over a message to the Belgian Government. In the message, Zaire said that it would fully reconstitute its debt, and it asked the Belgian Government whether it was willing to continue the cooperation agreement. At a press conference held November 30, Nguza assailed those Belgian politicians and media

who had "insulted" Mobutu and Zaire. He said that since Belgium was not sincere about its debt relief proposals, they had been turned down by the Zairian Government. On November 30, the Belgian Government reiterated its position on the state-to-state debt, adding that it was reviewing ways to relieve the commercial debt. The Government confirmed it was willing to continue its development aid programs.

Early December, Zaire announced that President Mobutu had decided to donate all the real estate he owned in Belgium to the Zairian state. Zairians living in Belgium were ordered either to liquidate their assets or transfer them out of Belgium before the end of the year. Zairian Students, researchers and trainees would have to return to Zaire at the end of the academic year. Zairian public companies were ordered to close their offices in Belgium.

On December 9, a Zairian delegation arrived in Belgium to hold a public debate on the dispute between the two countries. The delegation was headed by Kamanda Wa Kamanda, the Deputy Secretary General of the Mouvement Populaire Pour la Révolution (MPR). The delegation met with the leading Belgian ministers, with Members of Parliament and with the Belgian Business Federation (VBO/FEB). They participated in televised debates with journalists on both the Flemish and francophone public television networks. During these debates, Kamanda announced that the "privileged relations" between the two countries had come to an end.

On December 18, Foreign Minister Tindemans traveled to Zaire where he met with President Mobutu and with Prime Minister Kengo Wa Dondo. Earlier, Prime Minister had a telephone conversation with Mobutu.

It occurred at that moment that tension between the two countries would ease. However, on December 21, with the Zairian delegation about to leave Belgium, the Belgian Cotoni corporation filed a demand for seizure of Mobutu's assets in Belgium as collateral for a BF 171 million outstanding damage claim dating from the nationalization of the Zairian economy. The Zairian press agency AZAP rebutted by announcing that Tindemans' mission in Zaire had ended in a complete failure, and that President Mobutu had come under pressure from Zairian politicians to suspend diplomatic relations with Belgium. On December 29, a Brussels judge ruled that Cotoni's demand was without ground, saying that such a procedure was not possible vis-à-vis a foreign head of state and that the Zairian government was not Cotoni's debtor. In December 28, Development Aid Minister André Geens traveled to Zaire with the official position of the Belgian Government. Belgium proposed a three-month truce which would be followed by a round-table conference. In Belgium, political observers attributed this conflict to the dismal state of Zaire's economy and to the growing influence of a younger generation of nationalist Zairian politicians.

The Gulf

The minesweeper Breydel which in 1987 had participated with the minesweeper Bovesse and the commando and support vessel Zinnia in minesweeping operations in the Persian Gulf, arrived back in Belgium on February 13. One month later, the minesweeper Crocus replaced the Bovesse, the latter arriving in Zee-

brugge on April 16. On March 25, the Government announced that after consultation with the Dutch Government, Belgium had decided to discontinue all minesweeping operations as of July 1.

B. *Defense*

On December 13, in implementation of the December 8, 1987 INF treaty, the last twenty cruise missiles were withdrawn from Florennes air base. During the summer, Parliament had approved an agreement with the United States allowing Soviet inspectors to verify implementation of the INF treaty at Florennes and at the Sabca factory of Gosselies where until 1991 maintenance will be done of the missiles deployed in Europe. A first inspection took place in August.

The modernization of the short-range nuclear forces caused tension inside the Government. On October 21, the Government decided that Defense Minister Coëme would not endorse the High Level Group report at the NPG meeting of The Hague (October 27-28), and that Belgium would only take position on the issue when the NATO allies had agreed on the comprehensive concept. When the Flemish Socialists pointed out that, in their view, this was a first step toward a third zero option, Foreign Minister Tindemans rebutted saying that nuclear defense remained necessary in Europe, emphasizing that Belgium had commitments in that respect. In the NPG's final communique no reference was made to Belgium's reservations. Afterwards Tindemans said that the position as defended by Minister Coëme at the NPG meeting, had never been formally approved by the cabinet. Coëme rebutted saying that Tindemans had a failing memory.

On December 8, the government decided to buy 46 Agusta-109 helicopters for a total amount of BF 11.973 billion. Agusta was in competition with the French Ecureuil and the German BO-105. Agusta promised 73 percent economic compensation.

As for the next generation fighter, the replacement of the F-16, the competition involved Dassault's Rafale and the Agile Falcon of General Dynamics, the manufacturer of the F-16. Minister Coëme said that the Government would only announce its final decision when the report on the future tasks of the Belgian armed forces was available.

VII. Internal political party developments

On September 17, Herman Van Rompuy was elected president of the Flemish Christian Democratic Party (CVP) with 717 votes to 147 and 45 abstentions. Van Rompuy's election marked the end of a long struggle for the replacement of president Frank Swaelen. As early as January, the party's youth branch had pleaded for an open election, urging the party leaders to discontinue the practice whereby the party president is chosen in the "smook-filled rooms". When the Martens VIII cabinet was formed, it was decided that Swaelen would not seek re-election, at which time the party's youth branch decided to enter the race with its own candidate, Eric Taes, to ensure that there would be a real election. During the following weeks more candidates entered the race, including Eddie Bruyninckx (Secretary-General of the Flemish Social-Economic Council), the Deputies Wivina

Demeester, Johan Van Hecke, Eric Van Rompuy, Senator Maurice Didden and party official Luc Martens.

A committee was created to design the profile of the new president, which in reality meant that the committee had to look whom among the seven was the suitable candidate. Early September the committee, backed by the party leadership, came to the conclusion that none of the seven candidates "qualified". On September 5, the party executive board proposed Secretary of State for Finance Herman Van Rompuy for the job. Later this decision was endorsed by the larger party council. There was some discontentment in the local party branches about this "undemocratic" way of selecting the party president, and Luc Martens, the party's deputy-secretary general and one of the unsuccessful candidates, publicly voiced this criticism. This was not appreciated by the party leaders, and early 1989 he was removed as party official.

Karel Van Miert who had headed the Flemish Socialist Party (SP) since 1977, had at the 1987 general election announced that this would be his last two-year term as party president. During the government formation talks, Van Miert had obtained the assurance that as of January 1, 1989, he would become the next Belgian EC Commissioner, replacing the Flemish Liberal Willy De Clercq. It was widely believed that Deputy Louis Tobback would be the next party president, but the latter opted for the Interior portfolio in the new government. On November 8, the party executive board reached a consensus on the name of the young Deputy Frank Vandenbroucke who was formally elected at a party convention early 1989.

In the Flemish Liberal Party (PVV), former Vice Prime Minister Guy Verhofstadt openly challenged the position of party president Annemie Neyts. Once the Martens VIII cabinet was sworn in, Verhofstadt created his own "shadow cabinet" which did not include party president Neyts. Verhofstadt and his shadow cabinet opted for a head-on confrontation with the new government, while Neyts favored a more cautious approach. Verhofstadt had planned that Neyts would accept to become a minister in the Flemish Executive as of October 18, but on the evening of the October 18 municipal elections, Neyts announced that she intended to stay on as party president. At that moment an open confrontation between the two was ineluctable, and on October 14 the party executive board decided to advance the election of the new party president from November to June 1989.

In June, Gerard Deprez was re-elected president of the Francophone Christian Democratic Party (PSC). He beat his unknown opponent Jean-Pol Poncelet with an unconvincing 60.7 percent of the vote. This result demonstrated the weak position of Deprez inside his party, and it triggered a debate on organizational matters. On December 5, the party decided on an overhaul of its organization. Henceforth, the party president would be seconded by a team composed of two vice-presidents (Danielle Lecleire, the party's secretary-general, and Raymond Langendries, the Senate floorleader), a political secretary (Jacques Lefevre), and a secretary of the executive board (Thierry Faut, who also was named secretary to the president). It was generally believed that the ultimate test for Deprez's position inside the party would be the 1989 European elections.

For the first time in ten years, the Volksunie was back on the government benches, but that did not quell the internal tensions. The Brussels party branch was unhappy that Jef Valkeniers, not residing in Brussels, was named Secretary of State for the Brussels Region, and had been preferred to Vic Anciaux, former party president and resident of Brussels. Euro-MP Willy Kuijpers' name was mentioned in an affair of payoffs, but the allegations were never substantiated. The party's image was severely damaged in Flanders by Vice Premier Schiltz being forced, under pressure from the Royal Palace, to withdraw the passage from his July 11 address in which he had said that Belgium and Wallonia were no longer his problem. The public withdrawal of this passage was ill-received in Flemish nationalist circles. Equally ill-received was Schiltz's "long live Belgium" declaration made in Groningen (Holland). Moreover, the municipal elections were a great disappointment for the party. The internal tensions were discussed at the November 11-12 party council. The council attributed the poor showing in the municipal elections to the low profile in governmental business, and new aims and actions were laid down in a manifesto called "The Better Flanders".

In the Flemish green party Agalev, controversy arose over the position of Senator Ludo Dierickx, one of the "founding fathers" of the party. It was alleged that Dierickx had failed to make the financial contributions to the party treasury imposed by the party on its elected officials. Dierickx first decided to resign, but after an arrangement was worked out he decided to stay. On December 24, the Flemish Socialist tabloid "De Morgen" leaked a report by former party official Karel Anthonissen in which the latter criticized the party officials for being out of touch with the rank-and-file. The report assailed political secretary Leo Cox who just a few days earlier had resigned for health reasons.

On June 18, the Belgian Communist Party announced that it was changing its organizational setup, and that it was becoming a "federal union of the Belgian Communists" composed of a Flemish Communist Party, a Walloon Communist Party, a bi-lingual Brussels party organization, and a separate organization for the German-speaking area. A conflict broke out between Jef Turf, the leader and the Flemish party wing, and the national party organization. Turf intended to turn the weekly magazine "De Rode Vaan" into a magazine open to the entire left wing. This was opposed by the national party leaders who wanted the magazine to remain a party paper. They revoked Turf as political director of the magazine. Turf was later suspended for two months for having gone public in this controversy.

On March 9, the anti-tax party RAD-UDRT was disbanded and it was changed into a "political movement." In 1987, Flemish militants of the party had joined the Flemish Bloc, and in February 1988 other party militants defected and formed "Free and Responsible".

In March, Jaak Peeters resigned from the Flemish Bloc saying that the party was focussing overly on the immigration issue. Although denied by the party leaders, this issue divided the party, with many militants urging party president Karel Dillen to concentrate on the ethnic issues. In December, Geert Wouters, chairman of the party council, resigned dissatisfied with what he termed as the "opportunistic party line."

Summary: Belgian Politics in 1988

During the first four months of 1988, Belgium witnessed the painstaking formation of the Martens VIII center-left Cabinet. In October 1987, the Christian Democratic-Liberal Martens VI Cabinet had been forced to resign over the perennial Fourons affairs. After the parliamentary elections of December 1987 which had resulted in a Socialist victory, the center-left Martens VIII Cabinet was sworn in on May 9, 1989, marking the end of a political crisis which had lasted 147 days ; i.e., the longest crisis in Belgian history. During the remaining months of 1988, the new Government sought parliamentary approval for its ambitious constitutional reform program, having very little time left for continuing the economic recovery policy started under the Martens VI Cabinet.

During the second half of 1988, relations between Belgium and Zaire deteriorated.