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CENTRAL INTELLIGENCE AGENCY
NATIONAL FOREIGN ASSESSMENT CENTER

9 June 1980

MEMORANDUMBELGIUM: THE MARTENS III CABINET: FOREIGN AND
DOMESTIC PROBLEMS AND THE OUTLOOK FOR TNF []

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Summary

The new Belgian government, which Prime Minister Martens put together last month after 45 days of complex bargaining, must soon deal with a series of domestic and foreign policy problems likely to strain relations among the coalition partners. On the domestic side, economic policy and the long-standing linguistic dispute--particularly the status of the Brussels region--will pose the greatest problems. In foreign policy, the issue of greatest concern to the US--whether Belgium will base theatre nuclear forces (TNF)--is once again the most nettlesome issue. []

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With the Flemish Socialists spearheading the opposition to TNF, it is now clear that Brussels will be unable to make a decision in time for the NATO ministerial meeting this month. The new government is committed first to carry out "soundings" among the Warsaw Pact countries in order to reassure the Flemish and Francophone Socialists that arms control possibilities have been exhausted--a course of action that could produce false signals from the East and give Belgian TNF opponents further cause for delay. []

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This memorandum, requested by the National Security Council, was prepared by [] the Western Europe Division of the Office of Political Analysis. The paper was coordinated with the National Intelligence Officer for Western Europe and the Office of Economic Research. Research was completed on 9 June 1980. Questions and comments may be addressed to the Chief of the Western Europe Division. []

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Despite these problems, the increased Belgian attention to the issue and the presence in the new cabinet of more TNF advocates have marginally improved the prospects for an eventual positive decision. The Belgians will probably focus on the question only under discreet but consistent US pressure. The longer they delay a decision, the greater the chance that it will become entwined with domestic political disputes that might once again push TNF into the background. [redacted]

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Primacy of Domestic Policy: Taxes and Budgets

The bargaining among the parties that resulted in the formation of the Martens III cabinet was almost entirely about domestic policies, although agreements reached are vague on most issues. Now the government must come up with detailed programs and this promises to stir more controversy. For example, there is general agreement on an across-the-board budget cut of 2.2 percent in order to deal with a spending deficit of about \$3 billion and a trade deficit which could reach \$5 billion. The speed with which the parties approved such cuts "in principle" is not likely to characterize their deliberations on the specifics. [redacted]

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The government program also calls for cuts in direct taxation for businesses and individuals--ardently favored by the Liberals--and increases in indirect taxation--accepted with the utmost reluctance by the Socialists. The extent of specific tax changes has yet to be determined and promises to cause debate within the cabinet. [redacted]

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As a sop to the Socialists, Martens has indicated that the social security system will be left intact and that inflation-indexing of wages and salaries will be continued, although many Liberals doubt the wisdom of this policy given the need for budgetary austerity. Belgium has maintained a relatively low rate of inflation--currently about 6.3 percent--the one bright spot in the economic picture. Despite probable Socialist opposition, the Liberals are determined to maintain strict monetary controls and high interest rates which support the exchange rate of the Belgian franc and help keep inflation in line. [redacted]

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The government faces an end of July deadline for formulating its detailed budget and tax policy. The legislature adjourns for the summer then, and it is likely that the parties will agree on a budget which meets immediate needs. Longer-term measures will have to thrashed out later among the coalition parties, however. If the economic situation continues to worsen, agreement among the parties--especially between the Liberals and Socialists--will be harder to maintain. As one observer describes the approach of Martens III to domestic concerns: it is like "...six mothers-in-law, each watching jealously lest her rightful position be infringed in one way or another." [redacted]

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Test for Survival: Regional Autonomy and Brussels

The fundamental test for the Martens III cabinet will be the same one that brought down Martens II and that has bedevilled Belgian politics for decades---the regional controversy between French-speaking Wallonia and Flemish-speaking Flanders. In his 20 May statement on the government program Martens claimed that there was "a broad consensus...with respect to new political structures" for the two countries. Efforts are to be started "immediately" with the aim of transferring financial authority to Flanders and Wallonia, a process that he hopes will be completed in about five years. The only specifics agreed on so far are rough dates for progress; for example, the central government will continue to collect property taxes but within two years will transfer these funds, at a rate of 20 percent a year, to the two proposed regional authorities.

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Many potentially contentious aspects of the regional question have yet to be resolved. Long-exposed nerves will be touched in any discussion of additional funds for economically depressed Wallonia, especially if aid is to come at the expense of the more prosperous Flemings. "House keeping" details--where regional executives will be located (especially important in relation to the Brussels problem), and whether they will be part of the central government or autonomous--have yet to be worked out.

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The thorniest issue, the status of Brussels, has simply been "put on ice" for two years. Any arrangement involving the capital will have to take account of the sharp differences between its Francophone majority and the strong and vocal Flemish minority. The members of the coalition have for the moment all but admitted that no solution is possible. Some Francophone Socialists have indicated that their party should review its support for the government if there is no movement on the Brussels question by next summer at the latest. Flemish and Francophone differences are as deep as ever and the longer the problem continues the more likely it is to intrude on the Belgian decision-making process in other areas of more concern to the US.

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TNF Prospects Under Martens III

Prospects for an eventual favorable decision on TNF have improved somewhat with the installation of the new cabinet, although Belgian officials have now indicated that the government will not be able to make a decision by the 22 June NATO ministerial meeting in Ankara. For one thing, the new government's program calls for "appropriate consultations" with the East on arms control before Belgium makes a decision on TNF. The form, timing and result of these "consultations" will greatly influence the Belgian decision.

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Six parties make up the Martens III cabinet--the Flemish and Francophone Social Christians, Socialists, and Liberals. The Liberals were not in Martens II and their inclusion reinforces the Social Christians as supporters of TNF. However, the Liberals, because of their small size, have the least bargaining power in the coalition. [redacted]

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The Flemish Socialists continue to offer the most vehement opposition. They continue to favor a "Dutch solution," i.e., delaying a deployment decision until at least December 1981, but may suggest at a minimum delaying any decision until after the US Presidential election, arguing that it will be easier then to gauge the prospects for Salt II ratification. There are even indications that Flemish Socialist leader Van Miert is beginning to see opposition to TNF as a vote-catching issue, at least among younger voters. [redacted]

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The new Foreign Minister, Charles-Ferdinand Nothomb, will play a key role in the TNF debate. Nothomb, a Francophone Social Christian, has generally been pro-US and pro-NATO, and supports TNF deployment. His priority goal, however, may be to restore the post-war consensus with the Socialists on foreign and defense policy--a consensus that was broken by TNF. Reflecting this rift, the Socialists refused to permit a member of either branch of their party to become Foreign Minister. Nothomb and Martens may therefore try to find a "lowest common denominator" on TNF that everyone can accept, thereby allowing the government to deal with domestic concerns without complications created by the TNF issue.

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Nothomb, young (44) and ambitious might not be willing to take great risks over TNF, considering the detrimental effect endorsement of the program had on the career of his Socialist predecessor, Henri Simonet. Chances are, however, that Nothomb will be the major Belgian interlocutor on TNF over the coming months while Martens struggles with pressing domestic matters. The Prime Minister may not be averse to escaping from the TNF line-of-fire to the extent he can, though his continuous active support for deployment is important in securing a prompt decision. [redacted]

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Belgian TNF Policy Decisions: Hurrying Cautiously

In recent discussions with US officials, Belgian political leaders, including Nothomb, have indicated that Brussels is now fully aware of the importance Washington attaches to TNF. However, this has not reduced Belgian resolve to proceed with "soundings" in the Warsaw Pact about arms control. [redacted]

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US officials have urged that any "soundings" be taken with Warsaw Pact diplomats in Brussels. In this way, decision process would be hastened and the Soviets and their allies would not be able to delay a Belgian decision simply by saying that no meetings could take place until after June. Belgian officials have expressed understanding of the US position and have said that they will not allow their "soundings" to delay a decision; they emphasize that high-level consultations are necessary mainly for domestic political reasons. [redacted]

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Nothomb, eager to cut a figure on the diplomatic stage, may also be anxious to tour Eastern European capitals while conducting his "soundings" on arms control. He even thinks that a meeting with Gromyko is necessary. The Belgians assume that no results will come from their meetings with the Warsaw Pact, but Martens and Nothomb do not seem to be giving adequate consideration to the possibility that the Belgian Socialists could seize on any Soviet offer--even a domestic one--as another excuse for delay. [redacted]

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After the "soundings" on arms control the government says it will prepare a "TNF dossier" for consideration by the Cabinet (principally the Flemish Socialists) and Parliament. [redacted]

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Belgian Attitudes and US Pressure

The Belgians hope to complete the decision-making process by the fall of 1980. However, all important Belgian policy-makers, including Martens and Nothomb, have warned that heavy, public pressure by the US or other NATO members would be counter-productive. Pressure from whatever source would be seen by opponents of TNF as directed by Washington, and would give these opponents a basis for urging resistance to "American bullying." The Francophone Socialists are particularly sensitive to US pressure, whether direct or through third-countries. The Flemish Socialists were able to play upon this sensitivity to force a delay in a deployment decision during the negotiations which brought about Martens III. They are likely to play the card again if given the opportunity. [redacted]

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Discreet private US approaches to the Belgians are probably essential. If the US simply ignores TNF, allowing the Belgians to proceed at their own pace, there is a high probability that they will place the issue on the back-burner until late this year, when domestic problems, notably the status of Brussels in any regional arrangement, would make a decision impossible; the situation would revert to what it was when the Martens II cabinet fell in April--no decision possible because of domestic considerations. [redacted]

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The Belgians are likely to act only if they are reminded periodically that this is an important alliance issue and not just a favor they are doing for the Americans or an issue useful as a bargaining chip in domestic politics.

Martens III: Prospects for Survival

The Martens III cabinet is nothing new in Belgian politics. The six parties that make up the coalition also comprised most of Belgium's earlier post-war governments. The cabinet members are for the most part long-experienced in the vagaries of Belgian politics.

Perhaps significantly, no party presidents consented to serve in Martens III. There is a singular lack of enthusiasm for the new government among the Belgian political elite; the general attitude during the party negotiations seemed to be that it was better to form a government than to inconvenience everyone by holding elections just before the summer vacation season. Given this tepid response to his new cabinet, Martens might be reluctant to move on an issue as potentially controversial as TNF unless he remains convinced that it is vital. 25X1

The cabinet should be able to survive over the next year, if Martens can keep the lid on Belgium's most divisive domestic disputes. Despite Martens' problems no party really desires an election any time soon. However, the Brussels issue, which has been merely put off, will have to be addressed, probably sometime this year. At present, no solution acceptable to Flemings and Walloons is in sight, and if there is a continued deadlock, the government will be hard-pressed to survive much beyond this year. And the longer the TNF decision is delayed, the greater the chance that it will become linked to the Brussels issue-- a linkage that would damage prospects for deployment. 25X1

If the Belgian decision is not made before the next NATO ministerial meetings at the end of 1980, it might also become linked to Dutch theater nuclear debates, and vocal Dutch anti-nuclear sentiment could affect the Belgian position. Officially the Hague has deferred its deployment decision until December 1981, but it is doubtful that the Netherlands will agree to base the weapons. 25X1

Distribution: Belgium: The Martens III Cabinet: Foreign and Domestic
Problems and the Outlook for TNF [redacted]

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