

COMMISSION OF THE EUROPEAN COMMUNITIES

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THE WEEK IN EUROPE

Compromise reached on Lingua Programme. EC Education Ministers, meeting in Brussels on Monday, gave their unanimous approval to a modified version of the Lingua Programme which deals with language teaching and learning in the Community. They voted, after opposition from the UK and FRG, to scale down the original spending plan from 250m ecus (#166m) to 200m ecus (#132m) over the next five years and to allow national governments to exclude school age pupils from Lingua. The bulk of the money will go for teacher trainer swaps and for exchanges between students over 16 years of age.

Nuclear deal with USSR proposed. New evidence of the increasing co-operation between East and West Europe emerged on Monday when EC Foreign Ministers, meeting in Brussels, agreed in principle to a proposal for civil nuclear co-operation between the EC and the Soviet Union. Such an agreement would form part of a wide-ranging trade agreement between the EC and the USSR and would cover the exchange of confidential data, co-operation to improve security and safety, and increased transfer of nuclear industry technologies. Commission Vice-President for External Affairs, Frans Andriessen, said military matters would not be covered by the co-operation. Another priority for agreement between the EC and the USSR is over protecting the environment.

Further indication of closer economic ties between East and West Europe also came from the Brussels meeting of Foreign Ministers. They agreed to study how cheap loans from the European Investment Bank might be made to Poland to help that country manage its huge foreign debts. Although the UK thought it was beyond the EC's competence to consider issues relating to the debt of Poland, or of any other country, Commission President Jacques Delors said he hoped to raise this question at the forthcoming EC Summit in Madrid on 26 and 27 June. The EIB is reported as saying there would be no constitutional block on loans to Comecon countries, once they had a formal agreement with the EC. But it has pointed out that EIB lending last year outside EC amounted to only 700m ecus (#455m) out of total lending in 1988 of 10.2bn ecus (#6.8bn). However, the UK gave support to another suggestion at the meeting that in view of Poland's recent political reforms, including the legalisation of Solidarity and holding relatively free elections next month, the EC should admit more Polish industrial and agricultural goods.

<u>UK's CAP spending.</u> The UK spent #379m less on Common Agricultural Policy Support in 1988-89 than was provided for in the supply estimates, the Minister of Agriculture, John MacGregor, said in reply to a Parliamentary question. The largest savings were on intervention purchases of cereals (#147m) following two relatively low cereal harvests and on butter (#107m) following changes to the milk regime.

<u>Inquiry into Japanese bearings dumping.</u> The Commission this week launched an inquiry into whether to increase anti-dumping duties of up to 45% levied on heavy duty roller bearings imported from Japan. The move came after a complaint from the Federation of European Bearing Manufacturers' Association which represents the EC's seven main producers of tapered roller bearings, including the UK.

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Brittan on "The City and 1992". Delivering the Chairman's Lecture at the International Stock Exchange in London on 18 May, Commission Vice-President Sir Leon Brittan summed up the 1992 programme for the City of London by saying: "The three main changes we want to bring about in order to integrate the market are: freedom of capital movements, freedom of branching and freedom of cross-frontier provision of services based on single licence and home country control". He went on: "I believe that when the package of measures that I have referred to is in place, this will make possible a genuinely liberalised European market in financial services, particularly in banking and securities, one that will take full advantage of the complete freedom of capital movements that has now been agreed and which will come into effect for eight of the twelve Member States in June 1990."

<u>Eurobarometer</u> According to the latest surveys conducted in the EC three European citizens out of four are acquainted, through the media, with the Single European Market. General attitudes towards the Community have changed very little since Autumn 1988. Small drops appear in FRG, Luxembourg and Holland about the perception of benefits obtained by EC membership. On the other hand, there is a notable increase in support for Western Europe unification in the UK (plus nine points). Three EC citizens out of four declare that the adoption of a Charter of Fundamental Social Rights for the entire EC would be a "good thing".

New European The Summer 1989 issue of New European Quarterly Review (price #2.50) contains a rich variety of articles ranging from "The EEC and the Future", by Stan Newens, to "Safeguarding the British Constitution", by Ronald Butt, to "Switzerland and European Integration" by Rene Felber, Foreign Minister of Switzerland. For details contact New European Publications Ltd, 14/16 Carroun Road, Vauxhall, London SW8 1JT.

Emergency medical aid for Poland. The Commission has decided to finance emergency medical aid valued at 1.4m ecus (#920,000) for Poland. The programme involves the dispatch to Poland, free of charge, of a selected range of medicines not currently available in that country.

<u>DTI opens Information Line</u>. The Department of Trade and Industry has opened a new telephone line for businesses and individual members of the public seeking help and information on matters within their competence. The new number 01-215 5000 will operate between 8.30 - 17.30.

Diary Dates

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European Parliament Session	22-26 May	Strasbou
Industry Council	29 May	Brussels
Agriculture Council	29-30 May	Brussels
ECO/SOC Plenary Session	31 May - 1 June	Brussels
EEC/ACP Council	2 June	Brussels
Transport Council	5-6 June	Brussels
Environment Council	8 June	Brussels
Social Affairs Council	12 June	Brussels
General Affairs Council	12-13 June	Brussels
Internal Market Council	14-15 June	Brussels
European Parliament elections	15 June	UK
European Council Summit	26-27 June	Madrid

Our next briefing will take place on Thursday, 1 June at 11.30 am.