



COMMISSION
OF THE EUROPEAN
COMMUNITIES

8 Storey's Gate London SW1P 3AT
Telephone: 01-222 8122
Fax: 01-222 0900

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THE WEEK IN EUROPE

Organic farmers may get EC subsidies. John MacGregor, the UK Minister for Agriculture, told the House of Commons this week that a pilot scheme would begin later this year offering incentives to beef farmers who revert to more traditional methods. A similar scheme for arable crops will begin next year. The pilot schemes follow a decision by the EC last year to offer special aid to farmers who agree to reduce their production of certain commodities by 20%.

More EC aid for Central America. The San Jose V talks in the northern Honduran city of San Pedro Sula earlier this week have highlighted the growing involvement of the EC in Central America. The San Jose talks began in 1984 between EC countries, Central America and four Latin American countries including Mexico and Venezuela. EC aid to the area has risen from £25m to £59m in the past five years, with Nicaragua, the poorest country in the area, receiving up to 30%. The EC is now likely to recommend raising financial support to a new high of £64.9m. Last year, EC Ministers agreed to help refugee projects in Central America and to support the establishment of a regional Parliament.

Development of the European Monetary System. Speaking to the European Business Institute in London on 24 February, Vice-President Sir Leon Brittan said in approaching the tenth anniversary of the entry into operation of the European Monetary system, "the EMS has succeeded in providing the structure within which movement between member currencies has been significantly limited. The role of the Deutschmark as linchpin of the system has led to a convergence on a low inflation level for those countries in the exchange rate mechanism: this has been a highly constructive development both for them and for the cohesion of the Community more generally".

Sir Leon went on to say that for some years he had thought and said that the next step should be sterling's full membership of the system within the same parity band as the Deutschmark and the French Franc. Sir Leon argued that it would be advantageous for the UK to join the EMS for three reasons: first, because joining the EMS now would be a clear signal to the financial markets that the UK government's political commitment to low inflation had been given institutional form; second, the UK's full membership of the EMS would put the UK "in a far more favourable position from which to help guide its future development"; lastly, membership of the EMS would be of benefit to British business and industry by providing for the first time "a framework within which receipts from goods exported to the community could be planned in sterling terms."

Food Aid. The Commission has decided on the following amounts of food aid - India: 15,000 tonnes of milk powder; Djibouti: 5,000 tonnes of cereals; Mozambique: 80,000 tonnes of cereals, 2,000 tonnes of vegetable oil and 5,000 tonnes of vegetable products.

EC's 3rd Swimming Championship. The third edition of the European Community's Swimming Championship will take place on 29-30 April this year at the Alster Schwimmband in Hamburg. Twenty-four teams in all will take part. These Community Championships were first held in Leeds in 1987 and in Luxembourg in 1988.

Biotechnology programme. The EC has adopted a new five-year programme of agro-industrial R & D to exploit the most recent developments in biotechnology. The programme, known as ECLAIR (European Collaborative Linkage of Agriculture and Industry through Research) was proposed by the Commission in December 1987. Funding from the Community budget will amount to a total of 80m ecus (£52m) for the period 1988-1993.

Research Awards. In order to encourage university research in the field of European integration, the Commission has decided to award 20 research grants of a maximum of 5,000 ecus (£3,300) in July 1989. Applications by 31 March 1989 to Directorate-General of Information and Culture, Brussels.

Diary Dates

Vice-President Sir Leon Brittan will provide a briefing on Competition Policy and Financial Services in the Single Market on Friday, 10 March. This briefing will be the first given by a Member of the Commission which assumed Office in January this year and will cover an important range of policy issues currently of topical interest in the United Kingdom. Registration and coffee from 10.30 am. Contact Mrs Carole Smith if you would like to attend the briefing, Tel: 01-222 8122 Ext 236.

Conference on Euromarkets or Eurocontrol? The Institute of Economic Affairs is holding a conference on this subject at the Queen Elizabeth II Conference Centre on Wednesday, 22 March. Speakers include Sir John Hoskyns of the Institute of Directors and Professor Ralf Dahrendorf. Details from Sally-Anne Edwards, Tel: 01-799 3745.

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| Industry Council | 6 March | Brussels |
| Agricultural Council | 6/7 March | Brussels |
| Informal Labour Ministers | 6/7 March | Seville |
| ECO/FIN Council | 13 March | Brussels |
| Research Council | 14 March | Brussels |
| Transport Council | 14 March | Brussels |
| Informal Education Ministers | 17/18 March | Segovia |

Our next briefing will take place on Thursday 9 March at 11.30 am.