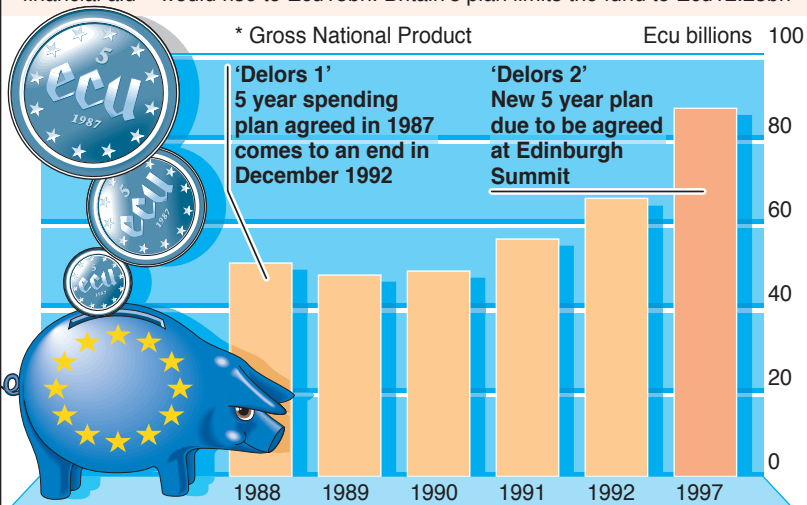


Budget showdown over EC spending

Britain's proposal to freeze contributions to the EC budget at 1.2% of GNP* until 1996 and permit them to rise to only 1.25% by 1999 is certain to be opposed by the four poorest nations, Greece, Ireland, Portugal and Spain.

Under Jacques Delors' new five year plan, contributions would rise to 1.36% of GNP by 1997, and the cohesion fund – designed to provide the poorer nations with financial aid – would rise to Ecu15bn. Britain's plan limits the fund to Ecu12.25bn



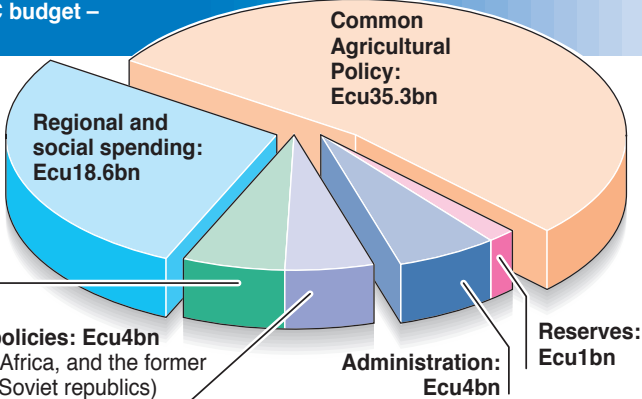
Total 1992 EC budget – Ecu66.6bn

Internal EC policies: Ecu4bn

(to enable EC industry to compete with America and Japan)

External EC policies: Ecu4bn

(foreign aid to Africa, and the former Yugoslav and Soviet republics)



'Delors 2' – Ecu87.5bn by 1997

Internal EC policies: Ecu6.9bn

External EC policies: Ecu6.3bn

