

# Bill Newton Dunn's European Parliament Report

(received 26<sup>th</sup> October, 2012)

## Israel ACAA agreement with the EU for trade in medicines

The controversial agreement was ratified by the parliament on Tuesday 379 in favour, 230 against, 41 abstentions.

The official report is at

<http://www.europarl.europa.eu/news/en/pressroom/content/20121019IPR54032/html/Parliament-approves-deal-with-Israel-to-ease-trade-in-medicines>

There may still be a stumbling block – see <http://euobserver.com/foreign/117982>

An agreement between the EU and Palestine was made last year.

## Proposed Banking Union

Details are being argued out between the national governments and the European Parliament. Banking Union may eventually have three pillars - first, a single supervisor for Banking, then later a bank recovery mechanism, then supervision of deposits. Later there will have to be a single supervisor for the euro-zone's insurance companies. MEPs want the supervisor to be powerful, independent, and in Frankfurt but not under the same roof as the ECB. Treaties require that its ultimate supervising body will be the Governing Board of the ECB (so MEPs fear a conflict of interest and want it to be accountable to the European Parliament.). The Supervisor could delegate to national supervisory bodies but with the right to over-rule them at European level. It excludes the UK having any say because we are not in the Euro-zone, but non euro-zone states may opt in.

The time-scale is very tight but it may legally be in place by January 2013 but then need time to build up experience, rule book and staff. One working, then treaties will allow failing banks to be recapitalized.

It is another example of the UK allowing Frankfurt to continue being built up as a financial rival to London and of the UK is drifting away from the EU toward isolation. Apparently right-wing MPs believe that we can survive all on our own in the new globalised world. We could of course, but increasingly left behind and poor and without any influence at all on any European or world decisions. Foreign businesses would invest less in us (Ford are just ending car-making in the UK) and our brightest kids would leave the UK for better careers. It baffles me why the British people are allowing this to happen and allow themselves to be led by a minority of blinkered backward looking MPs at Westminster. Where is the Labour party's voice? Why are Lib Dems allowing this ? As a Swede said to me this week in the parliament "The UK is a lost case." In today's changed world we are losing power to globalisation, to the markets, in short to the modern world. This is precisely the "raison d'être" for the European project. Integrating Europe is a project in regaining sovereignty. It is a project to give back to citizens – be they German, Polish or even British - some control over the world we now live in.

## Scare about used Jam jars

The allegation is that the EU has banned empty jam-jars from being re-used to sell home-made jam at village fetes.

I am told that the scare started as a FaceBook page called "Preserve Home Made Jam". A right-wing Sunday newspaper splashed it as a story, without checking the facts...and angry emails started reaching me. The truth is that there is no such EU legislation. It has not been through the European Parliament. The EU's Food Safety Agency confirms that it has not given any such advice. But the damage done to the EU's reputation by yet another silly false story is utterly frustrating. If it was a clever euro-sceptic trick, didn't they do well.

## **JHA opt-out**

Right-wing Tory MPs in the Commons are driving Cameron to demand opt-outs for the UK from EU Justice and Policing cooperation. Tories want a "mass opt-out". And then to be able to opt back into some of the EU arrangements.

Former police chiefs in the UK are describing this as "lunacy". How are they to catch criminals more effectively if we don't cooperate with our neighbours?

Of course there are still defects in EU cooperation. The Poles are issuing too many European Arrest Warrants, even for very minor offences, and are said to send a plane every three weeks to the UK to pick up accused offenders who have fled Poland. A proportionality test is needed. We need the European Arrest Warrant with more safeguards, not to opt out of it. The Tories used to be the law and order party, but if they opt out, they will not be any more. It is a real opportunity for Lib Dems to step in, but will they ?

## **EU legislation against Food Speculation also known as "Mifid"**

The parliament approved this today - by 495 to 15 with 19 abstentions - and will use this strong majority to negotiate the final terms of the law with the 27 governments.

## **Fisheries**

How to reform the policy - the intense debate continues between MEPs and the 27 national governments. In the parliament's Fisheries committee, two thousand five hundred amendments have been tabled by MEPs to the proposals.

The key arguments are :

1. What to do with discarded dead fish ? To say that "all discards must be landed and sold" would only encourage overfishing. Instead MEPs want to see nets with bigger mesh sizes which allow smaller fish to swim through and not be caught. What to do about the reduced amounts of unwanted dead fish which would still be caught is still not agreed.
2. To agree Maximum Sustainable catch levels. The Council of Ministers wants to insert "where ever possible" in order to allow themselves to evade the rules when they need to be popular with an election approaching.
3. The problem of buying and selling of fishing quotas, with danger of creating monopolies
4. How to get the new rules genuinely enforced. In the past, in some ports, fishermen operated a private insurance scheme - if one vessel was caught cheating and fined, the others would chip in and keep the offender sailing. In future, punishments should be the same right across Europe. But Brussels seems unlikely to be given powers by ministers to punish,. Instead it appears likely that powers will be delegated regionally to different parts of Europe.
5. Timetable. The target is to have the new rules in place by 2015 - by a vote in parliament's committee in January, then by the full parliament in May 2013, then negotiations with the national governments over a final text in the second half of 2013.

## **Future Financing of the EU**

You may have read about Cameron threatening to veto arrangements about future financing of the EU.

The European Parliament's own budget for 2013 will increase by only 1.9% (less than inflation) despite the addition of Croatian MEPs and their language from January. The Commission has proposed a draft budget for 2013 which would be an increase of around 6.3% compared with 2012. It is approximate because the uncertainty is because the 27 national governments have not yet sent in all their bills for EU money which they have spent in 2012 and earlier. The Council are proposing an increase of only 2.79% (roughly in line with inflation) and what they deliberately fail to tell the public in order to appear virtuous, a second unspecified budget later in 2013 when there are extra unpaid bills to be settled to them by the Commission. In the parliament, British MEPs of Labour, Conservative and others, are voting to support the virtuous 2.79% increase only. Some Lib Dems however say this is merely playing to the popular gallery and we should tell the public the truth - that the 6.3% increase by the Commission is

there because the Member states are over-spending.

There is a separate financial argument going on - called the MFF (Multi-annual Financial Framework) - about the long term financing of the EU over the following seven years (which is the one which Cameron is "threatening to veto" but if he does, the EU will proceed year by year instead and Cameron will not have a veto).

Together with Tory demands to be exempt from EU financial regulation of Banking and from Policing, one can see the trend to a two-speed EU with the UK in the outer circle, stripped of most of its influence.

One hears the cry "The House of Commons should decide our laws" Which is an insular (literally) remark and ignores that there is an outside world, which is globalising, and we not being a superpower like the USA, and we can not set any of the rules by which we live now.

Sorry if this was too long

All the best

Bill