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THE WEEK IN EUROPE

Tougher health warnings for cigarette packets. EC Health Ministers agreed on Tuesday in Brussels to a Directive on the labelling of tobacco products. The UK was the sole dissenting voice in voting against the Directive and against plans to enforce the printing of maximum tar and nicotine levels on cigarette packets. The new rules, which will come into effect on 1 January 1993, require manufacturers to print "Tobacco seriously damages health" on packet fronts and a second warning, chosen by Governments from a list of 16, on the back. The back-of-pack messages must be changed regularly to ensure familiarity does not breed contempt. They include, "Smoking causes cancer", "Smoking causes heart disease", "Smoking kills", "Smokers die younger", "Smoking causes fatal disease" and "Pregnant women: smoking harms your baby". Other provisions are that tar and nicotine yields must be clearly indicated on cigarette packs in the official language of the consumer country. The indication must cover at least 4% of the surface it is printed on. As far as the UK is concerned, the key difference between the warnings on the side of British packets and the new ones is that manufacturers will have to print them whether or not they agree with them. At present cigarette manufacturers agree warnings with the UK Government.

Following the Health Ministers' decision, it emerged that the UK Government may be considering a challenge to the decision in the European Court of Justice. In the House of Commons on Tuesday, the Prime Minister said the Government was considering the EC decision "very carefully" and voiced her concern that the Community was in danger of becoming too bureaucratic. It appears that the heart of the Government's objections are the interpretation of powers by the Commission in implementing measures under the Single Act. Under Article 100A of the Treaty of Rome, as amended by the Single European Act, majority decisions are acceptable on many issues concerning the creation of the Single large market in the Communities excluding, however, fiscal provisions or measures involving the free movement of people or employment rights which still require unanimity.

Commission proposes Social Rights Charter. Yesterday (Wednesday) the Commission published preliminary proposals for its Community Charter of Fundamental Social Rights, which represents the main "social" dimension of the Internal Market. These proposals will be examined on 12 June by Labour and Social Affairs Ministers and presented to the European Council under the French Presidency just before Christmas. The draft Charter deals with the following rights: improvement of conditions of life and work; right to free movement of salaried and self-employed workers; work and termination; right to social protection; right to freedom of association and collective bargaining; right to professional formation; right to information, consultation and participation by workers; right to health and safety in the work place; protection of children and adolescents; security in old age; and handicapped persons rights.

Revised VAT plan. Commissioner Christiane Scrivener has announced revisions of the indirect tax approximation plans, VAT and excise duties, which are scheduled to be implemented with the completion of the internal market. The 4-9% VAT rate would be kept for certain necessities, though with the limited option of some zero rates, on goods such as food and children's clothes in the UK. The plan for a 14-20% standard VAT rate would be replaced by a single

minimum rate and no maximum. The plan for a single rate of EC excise duty for tobacco, alcohol and petrol has been abandoned. Travellers will also be able to take 800 ecus (#532) worth of goods rather than the present 400 ecus (#266) across EC frontiers from the beginning of 1990. This allowance would rise to 1600 ecus (#1,064) from the beginning of 1992 for each journey.

Lord Plumb lauds role of European Parliament. Speaking in Vienna on 12 May, Lord Plumb, President of the European Parliament, highlighted the role of the European Parliament saying: "It was the European Parliament which proposed its draft Treaty on European Union in 1984. We have always been in the vanguard of those pressing for progress. I am delighted to have presided over the Parliament at a time when it has responded so well to the responsibilities imposed on it by the Single Act. Increasingly we are working as co-legislators within the Community. We have already given our formal assent in some thirty cases to the adoption or revision of association agreements to be entered into by the Community. Without our approval, such agreements or enlargement of the European Community, cannot be ratified by the EEC. Looking to the future, I can only see that role increasing as the Parliament meets its responsibility, on behalf of the electorate, and ensures the democratic nature of the Community".

DTI opens Information Line. 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 01-215 500 will operate 8.30 - 17.30.

UK grants for rural development. The Commission has announced that 24% of the UK is to be eligible for grants for rural development. This means that the Highlands and Islands of Scotland, rural Wales, the assisted areas of Devon and Cornwall and the intermediate areas of Dumfries and Galloway may receive support under the EC's Structural Fund's objective 5b which came into effect on 1 January 1989.

Further Commission action over UK Merchant Shipping Act. The Commission has followed up its action of 16 March when it sent a letter to the UK Government concerning application of the 1988 Merchant Shipping Act. Now it has sent the UK Government a reasoned opinion, which is the second step in EC procedure for violation of Article 169 of the Treaty. This step follows the UK response to the 16 March letter which the Commission found unsatisfactory. According to the Commission, the UK is in violation of Articles 7, 52, 59 and 221 of the Treaty of Rome over nationality conditions for fishing boat owners.

Europe Sans Frontieres, the Confederation of British Industry's 1992 briefing pack has been running successfully for a year now. The February issue is the "core" pack providing background information on all the key issues for business in the Single Market Programme. This pack will be complemented by quarterly updates which cover the changes and developments in the EC. The packs costs #50 for CBI members for an annual subscription (the core pack and 3 updates) and #100 for CBI non-members. One-offs are also available.

Diary Dates

Information ECO/FIN Ministers	19-21 May	S'Agaro-Gerona
Education Council	22 May	Brussels
General Affairs Council	22-23 May	Brussels
European Parliament Session	22-26 May	Strasbourg
Informal Justice Ministers	25-27 May	San Sebastian
Industry Council	29 May	Brussels
Agriculture Council	29-30 May	Brussels
ECO/SOC Plenary Session	31 May-1 June	Brussels
European Parliament elections	15 June	UK
European Council Summit	26-27 June	Madrid

Our next briefing will take place on Thursday, 25 May at 11.30am