

# Majorca Daily Bulletin

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## European Union decides to defer action on Spain and Portugal deficits

*London.*—The European Commission deferred any disciplinary action against Spain and Portugal over their excessive budget deficits until after a Spanish general election on June 26, handing caretaker Prime Minister Mariano Rajoy a political favour.

The EU executive had been due to recommend on Wednesday whether to fine Madrid and Lisbon for their repeated breaches of the European Union's deficit limit of 3 percent of gross domestic product, the first time such a sanction would have been ap-

plied, even though it was likely to be purely symbolic.

Instead, the Commission told Spain and Portugal to take further action to reduce their deficits this year and next, and said it would review both countries' position in early July.



## Police in major operation against drug trafficking

- Hundreds of officers take part in a series of raids across the island.
- Scores of people were arrested and the investigation is on-going.
- See Full Report on Page 3 Inside.



## Queen unveils reform agenda: P9