



Ref. A085/765

PRIME MINISTER

Cabinet: Community Affairs

The Foreign and Commonwealth Secretary may report on the preparations for the important Foreign Affairs Council on 17 to 20 March, which will attempt to settle outstanding points on enlargement and to deal with the handling of the revised own resources decision and the 1985 budget overrun. This meeting will largely determine which issues come to the European Council on 29-30 March. There is a reasonable chance of settling on satisfactory terms the various negotiating issues on enlargement, although the integrated Mediterranean programmes will certainly come to the European Council. On the budgetary issues two approaches remain on the table:

- a. the "mixed solution" (own resources to be increased from 1 January 1986 through the revised own resources decision, with the United Kingdom's 1000 million ecu abatement implemented in 1985 on ratification: the 1985 budget overrun to be financed by an intergovernmental agreement). This is blocked by Germany but they are having second thoughts;
- b. the "double IGA" (the 1985 budget overrun and the United Kingdom's 1000 million ecu abatement to be financed through an intergovernmental agreement; new own resources from 1 January 1986 through the revised own resources decision). This is blocked by France (and possibly Belgium and Italy), because they do not want to ask their national Parliaments to provide for the United Kingdom's abatement by an intergovernmental agreement, ie outside the Community mechanism.



It is still possible for either method to deliver our abatement in 1985 and it is recommended that, at least during March, we should keep up the pressure for either solution. We have an unequivocal commitment from Fontainebleau on the 1000 million ecu abatement and no-one has challenged it. Almost all member states are under much greater pressure than we are to settle the financing of the 1985 budget.

2. The Secretary of State for the Environment will report on the difficult Environment Council on 7-8 March, at which the United Kingdom was represented by the Parliamentary Under Secretaries of State in the Departments of the Environment and Trade and Industry (Mr Waldegrave and Mr Butcher). This agreed the Environmental Impact Assessment Directive, which had been blocked by Denmark for over a year. On a United Kingdom initiative there was a helpful discussion on the integration of agriculture and the environment. The main debate, lasting 19 hours, however was on vehicle emissions, which the Germans consider (apart from enlargement) to be the most important current Community issue. There was agreement that a substantial reduction in harmful emissions should be sought within a reasonable period, the longer term objective being the introduction of European standards, adjusted to each category of vehicle, which would have an impact on the environment in Europe comparable to that achieved by United States' standards. It was also agreed - in line with United Kingdom instructions - that the dividing lines should be at 1400 cc and 2000 cc; this is a step forward. Although no agreement was reached on any figures for any size of vehicle, in practice there was a wide measure of agreement that the emission figures to be set for the large cars (over 2000 cc) would be such that three-way catalysts would normally be required and that the emission figures to be set for the small cars (under 1400 cc) could be met by lean burn cars. The disagreement centred, as expected, on medium cars. This was contentious, principally because the Germans refused to move at all and because the suggested date (1990) for new limits was too



early. The United Kingdom Ministers have wisely not used all the authority given by E(A) and, if the Germans are prepared to make some move next time, it may be possible to settle on figures within option 2 and on a time scale which Ford at least considers that it can meet with lean burn. The United Kingdom has made quite clear that the dates for medium cars will have to be put back, that the definition of European standards will have to recognise the differing problems of each category and that the position on the Germans' proposed fiscal incentives will have to be clarified. So far the French and Belgians have stayed broadly alongside the British position. There is another Environment Council on 20 March. The Commission are in London for a preparatory meeting on 15 March.

3. The Chancellor of the Exchequer will report on the Finance Council on 11 March at which the Economic Secretary represented the United Kingdom. This reached a majority decision to give an opinion to the Agriculture Council that the new ceiling for 1985-89 expenditure on the financing of agricultural structures should be 5.25 billion ecu to cover all elements in the Commission's structures proposals - ie within the position agreed by OD(E). The Economic Secretary made clear our view that reimbursement rates would have to be adjusted as necessary to ensure that the ceiling was respected. The decision of the Finance Council has been widely recognised in the Community as a victory for the new budget discipline arrangements.

4. The Minister of Agriculture, Fisheries and Food will report on the Agriculture Council on 11-12 March. This had an initial discussion of the Commission's 1985-86 price fixing proposals. It also succeeded, after lengthy discussion, in reaching agreement on the agricultural structures measures by the Finance Council. The final package does, however, include the provision for which the United Kingdom has been pressing which would enable member states to give grants to farmers in environmentally sensitive areas.



5. The Energy Council will meet on 15 March and the Foreign Affairs Council on 17 to 20 March. There may also be a Fisheries Council on 18 March. The Environment Council meets on 20 March.

REA

ROBERT ARMSTRONG

13 March 1985

European Community (Agricultural Prices)

The following questions stood upon the Order Paper:

2. **Mr. Gavin Strang** (Edinburgh, East): To ask the Minister of Agriculture, Fisheries and Food what is Her Majesty's Government's policy towards the European Commission's latest agricultural price proposals and package; and if he will make a statement on the progress made to date by the Council of Agriculture Ministers in considering those proposals.

5. **Mr. Michael Latham** (Rutland and Melton): To ask the Minister of Agriculture, Fisheries and Food what is the latest position regarding the progress of the Common Market price negotiations.

The Minister of Agriculture, Fisheries and Food (Mr. Michael Jopling): I refer the hon. Members to the reply I gave yesterday to my hon. Friend the Member for Torridge and Devon, West (Sir P. Mills) on the outcome of the meeting of the Council of Agriculture Ministers earlier this week.

Mr. Strang: Is the right hon. Gentleman aware that the announcement that the Council is prepared to fund the conservation of wildlife in our rural areas is welcome in principle? Can we have an assurance that we shall have an end to the payments under management agreement that involve paying out large sums of money to landowners, on some occasions indefinitely, not to plough up land or do something else to it that they have no intention of doing anyway? Will he give us an assurance that money is not being used for that purpose?

Mr. Jopling: The intention of this power, which we have been given with the blessing of the Council of Ministers and the Commission, is to ensure that where traditional forms of agriculture are endangered they can be preserved. I do not know what the hon. Gentleman is going on about. I remember that, at the end of the time when the Labour Government were in power, they attempted to take legislative steps to do the same thing on Exmoor.

Mr. Latham: Why did yesterday's long answer contain no suggestion that Ministers intend to press for the total abolition of the milk co-responsibility levy? Has not this impost long since lost all meaning with the new quota regime?

Mr. Jopling: I have always made it very clear to the Council of Ministers and the House that I believe that if it is the intention to help dairy farmers a much better way to do so is by reducing the co-responsibility levy — which is ineffective — rather with giving them price increases.

Dr. David Clark (South Shields): With regard to the environmental aspect of the Minister's statement, as we shall have to enact legislation to obtain EC money, and as the Parliamentary Secretary to the Ministry of Agriculture, Fisheries and Food and her colleagues defeated clause 4 of my private Member's Bill, which would have permitted that, will the Minister accept my invitation to reinstate clause 4 on Report?

Mr. Jopling: I understand that the Committee, for what I believe are extremely good reasons, decided to

delete a clause from the hon. Gentleman's private Member's Bill and it is not intended to reinstate it. He is mistaken, because the provision that was agreed on Tuesday in Brussels does not envisage, at this stage, Community money being available for these projects, although the Commission has agreed to examine within the coming months the ways in which this scheme can be brought more broadly within the Community system.

Mr. Douglas Hogg (Grantham): Does my right hon. Friend agree that we are clearly moving away from the policy objectives of the past 20 years, aimed at maximising production? Would it not be helpful to the farming community if my right hon. Friend could state, within the context of the CAP negotiations, what exactly are his policy objectives and those of his Department and farming generally in this country?

Mr. Jopling: I have made the Government's policy objectives on the current price-fixing clear. I hope that I shall have another opportunity to explain them soon. We shall hear what my right hon. Friend the Leader of the House says shortly. My hon. Friend is right; we are no longer looking for maximum production. We have major, damaging and expensive surpluses. The Government want a new sense of realism in the CAP so that the growth of those surpluses can be controlled properly.

Mr. Nigel Spearing (Newham, South): In respect of that realism, does the Minister agree that the first possible date for evaluating the effect of the disciplinary system on agricultural prices cannot be before March 1987, because the first crop year to which it will apply is 1986-87?

Mr. Jopling: The hon. Gentleman is right to mention the new feature of our negotiation, which is covered by the budgetary discipline and financial guidelines agreed at Fontainebleau. Those powers and constraints became effective for the first time on Tuesday in Brussels with regard to the new structures directive. We were given guidance by the ECOFIN Council to keep within 5.25 billion ecu. We succeeded.

Mr. Tony Marlow (Northampton, North): Would my right hon. Friend like to take this opportunity to tell his partners in the Community that he will not accept the package of measures, which alter significantly the nature or the level of the beef variable premium scheme? If he is not prepared to do that, does he realise that many farmers will be deeply worried?

Mr. Jopling: My hon. Friend has heard me say outside the Chamber in the past 24 hours that we shall do everything possible to attain the continuance of the beef variable premium scheme.

Mr. Robert MacLennan (Caithness and Sutherland): What additional resources will be put into the British hills and upland sector as a result of the structures package?

Mr. Jopling: The new structures package gives a scheme which runs another five years after the previous five-year scheme. It is business as usual for assistance that can be drawn on for hills and uplands.

Mr. Kenneth Carlisle (Lincoln): Is my right hon. Friend aware that his efforts to win CAP money for the conservation of the countryside and its protection merit praise? Will he persevere in those efforts and carry them through to success?

taxation rates up to 98 per cent. That is confiscation. It is a tax on enterprise and initiative and it will not help the country, jobs or industry to recover.

Q5. Mr. Marshall asked the Prime Minister if she will list her official engagements for Thursday 14 March.

The Prime Minister: I refer the hon. Gentleman to the reply that I gave some moments ago.

Mr. Marshall: Further to the question of the right hon. Member for Western Isles (Mr. Stewart), is the Prime Minister completely unaware of the outrage felt in Scotland about revaluation? Will she now instruct the Secretary of State for Scotland to postpone the revaluation either until he carries out his promise to reform the rating system or until revaluation takes place in the rest of Britain?

The Prime Minister: The difficulty that arises from revaluation is the variation between the amounts raised from industrial and commercial ratepayers and those raised from domestic ratepayers. That is only a small part of the problem. The real problem is the high rate of expenditure and the comparatively few domestic ratepayers. That means that rates are not a proper tax on the accountability of the local authority.

Q6. Mr. Colvin asked the Prime Minister if she will list her official engagements for Thursday 14 March.

The Prime Minister: I refer my hon. Friend to the reply that I gave some moments ago.

Mr. Colvin: Will my right hon. Friend find time today to confirm that teachers' pay has increased by 9 per cent. ahead of prices since 1979, and that if we wish to improve what is currently on offer to individual teachers the way to do so is to reward merit, which would not involve paying any more to those teachers who deny children examination opportunities and who also threaten schools for the handicapped, 10 of which are under serious threat?

The Prime Minister: I agree with my hon. Friend that teachers' pay should be restructured to take into account performance and success in teaching children, which, after all, is the fundamental job. I agree also in condemning some of the strikes that there will be this week and next week that affect special schools. That is one of the most despicable and disgraceful things that a teacher can do. For example, this week teachers are on strike at a boarding school for 300 partially sighted children, among others. That is disgraceful.

Mr. Jopling: I am grateful for my hon. Friend's kind words. It is our continuing objective to get Community money as part of these schemes. At the moment, the arrangement is that they can be funded only nationally. I assure my hon. Friend that we shall continue in our endeavours.

Mr. D. N. Campbell-Savours (Workington): Does the right hon. Gentleman agree that clause 4 of the Wildlife and Countryside (Amendment) Bill introduced by my hon. Friend the Member for South Shields (Dr. Clark) is indistinguishable from the stance that the right hon. Gentleman has negotiated in the Community? If he agrees, why does he not accept clause 4? By rejecting it, he is merely undermining the agreement that he has negotiated and which the public relations people in his Department have spent the past 24 hours advocating as a great win for the British Government.

Mr. Jopling: The hon. Gentleman might not think that this is a successful move, but many conservation bodies throughout the country have applauded it warmly and welcomed what we have achieved. As for the clause that the hon. Gentleman mentioned, I invite him to go away and read what my hon. Friend the Minister said on Second Reading, and the rest of the debate. He will see that there are two quite separate issues here and that the reasons for voting out the clause were extremely good.

Mr. Robert Adley (Christchurch): Following the supplementary question of my hon. Friend the Member for Grantham (Mr. Hogg), may I ask whether my right hon. Friend is aware that there is considerable anxiety about people in Israeli-occupied territories, such as the citrus growers of Gaza, being denied access to the EEC for their produce while Israel, which goes rampaging around the middle east, appears to enjoy favourable terms? Will my right hon. Friend examine that matter personally?

Mr. Jopling: As my hon. Friend will know, the conduct of the negotiations for the enlargement of the Community is not my direct ministerial responsibility, but I shall draw his remarks to the attention of my right hon. and learned Friend the Foreign Secretary.

Mr. Eric Deakins (Walthamstow): Is the Minister prepared to use his veto in the Council of Agriculture Ministers, if, as seems highly likely, that Council, by a

majority, decides to increase agriculture prices in the coming year far in excess of those recommended by the European Commission, and in defiance of the financial guidelines that have been recommended in the House?

Mr. Jopling: I have made my position clear, which is that I believe that there should be price restraint at this time. I have given general support to the Commission's proposals and, indeed, I have said that in some cases price reductions should be even more stringent. With regard to talking about vetoes, I am not prepared to conduct negotiations with the hon. Gentleman in the Chamber.

Mr. Brynmor John (Pontypridd): Reverting to the structures agreement, the principles of which we agree, does the right hon. Gentleman accept that only when we see how much money is spent can we judge whether the welcome that was given overnight is justified? Is it true that we shall need primary legislation even for the national power that we now have to deal with the environment and farming? If that is true, what legislative vehicle will the right hon. Gentleman use? He has told my hon. Friend the Member for South Shields (Dr. Clark) that he will not use my hon. Friend's Bill. What legislation will he bring forward, and when will it be brought forward, so that we may have some actual results? How much money will the right hon. Gentleman spend on that national initiative? May I finally ask him about the Community examination? Has the Community now agreed in principle—and, in particular, has the Commission agreed—that Community money should be expended on the environment, or is it merely a cursory examination, to be rejected at the end of the year?

Mr. Jopling: With regard to the money available for the structures directive, the hon. Gentleman might like to know that the Commission's original proposals were that it would cost over 8 billion ecu and we have now fitted those provisions within a budget of 5.25 billion ecu. Therefore, that is a move towards realism. We believe that it is likely that we shall need primary legislation to bring about the environmental provisions. We are not yet able to do so, and, of course, it will ultimately depend on the views of the House, in dealing with legislation, as to how much money will need to be available. With regard to the environmental schemes, the hon. Gentleman will realise that we are already using part of the funds from my Department in an experimental scheme in the Broads.

Luton Football Match (Crowd Violence)

3.42 pm

Mr. Graham Bright (Luton, South) (*by private notice*) asked the Secretary of State for the Environment if he will make a statement on the crowd violence and rioting in Luton yesterday which coincided with the football match between Luton and Millwall.

The Parliamentary Under Secretary of State for the Environment (Mr. Neil Macfarlane): I have already discussed last night's violence with the chief executives of the two clubs concerned. We need to establish all the facts. There is to be an inquiry by the Football Association, and my right hon. and learned Friend the Home Secretary has asked the chief constable of Bedfordshire for a report. It would be wrong for me to prejudice those reports. As a separate matter, at the request of my right hon. Friend the Prime Minister, I am calling for a report from the Football Association within a week on what action it intends to take to deal with those clubs, some of whose followers have a history of violence. When that report is available, my right hon. Friend the Prime Minister intends to meet the officers of the Football Association.

Mr. Bright: Does my hon. Friend agree that when clubs have a track record of violence, which is the case with Millwall, adequate provision should be made to forestall trouble, preferably by means of ticket only matches, which unfortunately was not the case yesterday? Does my hon. Friend further agree that there should be much more co-operation, in that clubs should give information of the number of supporters who are likely to go to away matches? I understand that in this case there was some under-estimation. Will my hon. Friend do whatever he can to urge magistrates to dish out some jolly good punishments to those who were arrested yesterday, and will he join me in offering condolences to all those policemen who were severely injured?

Mr. Macfarlane: I certainly wish to associate myself and my hon. Friends with the sentiments expressed in the latter part of my hon. Friend's question. Sentencing procedures are a matter for individual courts, and my hon. Friend will not expect me to be drawn on that point.

My hon. Friend's point about the importance of appraisal before each match was graphically illustrated in my letter of 3 February 1983 to all 92 professional league football club chairmen. I said that this would require "careful and detailed preparation and planning, especially with the police. This will involve a rigorous on-site assessment by both clubs well in advance of all matches involving sides with a history of violence by a minority of their supporters."

I must now establish the facts, together with my right hon. and learned Friend, to find out exactly what went wrong with that pre-match planning because it seems to me to be the most important element in all these types of activities.

Mr. John Carlisle (Luton, North): Is my hon. Friend aware that last night I attended the Luton-Millwall match and that consequently I was prevented from returning to the House to vote on a three-line Whip? I witnessed scenes which can only be described as terrifying. Is my hon. Friend aware that my constituents are very angry about the

destruction of their homes, their shops, their town and their football club? They demand nothing less than revenge on those who inflicted that damage.

Is my hon. Friend aware that urgent consultations must take place between him and the Home Secretary—I am sorry that the Home Secretary is not in his place this afternoon—on the question of harsher and stiffer penalties? Is he also aware that the only way to deal with these hooligans is to inflict upon them the physical pain which they last night so readily inflicted upon others? Does my hon. Friend appreciate that the time for talking, commissions and inquiries is over and that we must take action?

Mr. Macfarlane: I must point out that my hon. Friend the Minister of State, Home Office, who is responsible for the police force, is sitting with me on the Front Bench. I am grateful for that. I believe that my hon. Friend the Member for Luton, North (Mr. Carlisle) has underlined the anxieties which many people in many cities now feel as a result of the activities of a minority of so-called football followers.

As for individual assessment by the courts, my hon. Friend must not expect me, from my Department, to be responsible for the conduct of those sentencing policies. They are very much a matter for the magistrates. But his comments will no doubt be noted outside the House. I well understand my hon. Friend's anxieties. That is why I am not conducting another inquiry. During the past few years there have been many inquiries and conferences. I am conducting an urgent appraisal of what went wrong yesterday evening and am endeavouring to find out what took place.

Mr. Joseph Ashton (Bassetlaw): Why was it that the National Coal Board did not have to pay for the police on the picket lines, while football clubs have to pay for policing inside football grounds? Is the Minister aware that this problem will not be overcome until there is proper crowd control and proper segregation, for which most clubs cannot afford to pay? The Chancellor of the Exchequer takes 42p in every pound by means of the football pools betting duty, which brings £200 million a year into the Exchequer. When will the Government use some of that money to enforce law and order inside football grounds and protect the spectators?

Mr. Macfarlane: Money from that source is used to enforce law and order inside football grounds and protect spectators. In recent years there has frequently been a subsidy to cover the cost of policing inside football grounds. I hope that the Football Trust, which has presented the better part of £20 million to football over the last 10 years, can play its part. I welcome what it has done so far.

The hon. Gentleman referred to police duties both outside and inside football grounds. I must remind him that the cost of policing is a matter for the football authorities and the individual clubs to decide with the local police force.

Mr. Rob Hayward (Kingswood): Is my hon. Friend aware that the last city which Millwall supporters broke up was Bristol, particularly causing severe damage to the Bristol, South constituency, represented by the Opposition's Chief Whip, and that the general view now held in Bristol is that it is about time the Government took