

3285

SECRET

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FILE TITLE: Commitments		SERIES Prime Minister	
		PART: 9	
PART BEGINS: 16 July 03	PART ENDS: 18 DECEMBER 2003	CAB ONE:	
<div>15</div> <div>LABOUR ADMINISTRATION</div> <div>PREM 49/3285</div>			

SECRET

PART

CLOSED

DATE CLOSED	18 DECEMBER 2003
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Series : PRIME MINISTER

File Title : COMMITMENTS

Part : 9

Date	From	To	Subject	Class	Secret
16/07/2003	FA/APS	PM	Washington	S	314
16/07/2003	FA/APS	PM	Your Visit to Japan 18-20 July	C	
16/07/2003	FA/APS	PM	Visit to South Korea 19 July	C	
16/07/2003	FA/APS	PM	Visit to Hong Kong	C	
17/07/2003		PM	Letter to PM from Arun Sarin Chief Executive of Vodaphone - re Chin	U	
21/07/2003	FA/APS	Ch.Staff	Possible TB visit to Barcelona: 14 May 2004	C	
25/07/2003	FCO	FA/APS	Lebanon: Hariri Visit	R	
28/07/2003		PM	From The World Bank James D Wolfensohn - Thank you for invitatio	U	
01/08/2003	PM		To Anthony Gormley: invitatin to installation of Asian Field	U	
29/08/2003	FA/APS	FA/APS	Prime Minister: Bids for calls: 29 August	C	
04/09/2003	NIO	FA/APS	Johnathan Ball Trust	U	
05/09/2003	FA/APS	FCO	Prime Minister's Diary : Foreign Bids	R	
11/09/2003	FA/APS	FCO	Lord Carey request for meeting	C	
26/09/2003	Events	PM	Richard Desmond dinner request	U	
07/10/2003	FA/APS	FCO	Prime Minister's Diary: Foreign Bids	R	
14/10/2003	FA/APS	FCO	Diary Bids	C	
14/10/2003	POL	PM	Visit to Old Queen Street	U	
16/10/2003	PD(NA)		No10 Reception, 28th January 2004	R	
16/10/2003	MOD	FA/APS	Possible Visits to forces in the UK	R	
20/10/2003	ukrep	FA/APS	Prime Minister's lunch for Lord Robertson - 18 December	U	
24/10/2003	POL	PM	Political time	R	
27/10/2003	FA/APS	POL	TB attendance at Bertelsmann forum in Berlin	C	
05/11/2003	PRESS	PM	ASB Visit to Basildon. Regeneration at Ford, Dagenham, Thursday 6	U	
13/11/2003	FA/APS	PM	Saturday Dinner: Foreign Guests	R	
13/11/2003	FA/APS	Swiss/Ambo	World Summit on the Information Society	U	
16/11/2003	Events	PM	Visit to Birminham for CBI Conference and ASB visit 17 Nov 2003	U	
26/11/2003	Events	PM	Barnardos/News of the World Children's Champions Awards Thursda	C	
27/11/2003	Events	PM	From Jo Gibbons & Kate Garvey: Visit to Wales & Bristol for the Wels	C	
27/11/2003	Events	FA/APS	Christmas visit to the Troops to MR	S	436
28/11/2003	Events	PM	Christmas Visit to the Troops	S	442
28/11/2003	Events	PM	Consultation Event - Leeds - Monday 1 December 2003	U	
11/12/2003	DFID	FA/APS	Robin Hood International invitation	U	
12/12/2003	Events	FA/APS	Christmas Visit to the Troops	S	455
15/12/2003	Events	PM	Lunch 16 December 2003 - The Telegraph	U	
15/12/2003	PRESS	PM	Annual Christmas Armed Forces Message	U	
15/12/2003	PRESS	PM	Interview with BBC Arabic Service	U	
16/12/2003	FA/APS	D/SEC	Diary : Foreign Bids	C	
17/12/2003	Events	PM	Christmas visit to the Constituency	R	
18/12/2003	FA/PS	Ch.Staff	PM's overseas travel;	C	
18/12/2003	Egypt HME	FA/PS	PM's holiday in Egypt	C	
18/12/2003	RIU	PM	Briefing for visit Friday 19 Dec	U	

From: Catherine Rimmer
Date: 18 December 2003

PRIME MINISTER
MRS BLAIR

cc: Kate Garvey
Hilary Coffman
David Hill
Jo Gibbons
Angela Goodchild

BRIEFING FOR VISIT FRIDAY 19 DEC

Please find attached briefing:

Darlington Sure Start project
Key facts on Sure Start and childcare
Pre Budget Report – measures relevant to Sure Start
Child Poverty
The Big Conversation – subjects for discussion at each table and guest list
Briefing on the LADDER project (guests at the event)
Briefing in Ferryhill Sure Start (guests at the event)
Big Conversations briefing – questions from the relevant sections of the document
Press Release ‘Measuring Child Poverty’ consultation Dec 18 2003
Delivery in the North East

Merry Christmas,

Catherine

CATHERINE RIMMER

SureStart Darlington

- New building completed October 2003. Cost £1m SureStart capital. One building at centre of SureStart catchment area at request of community "Gives us a centre/a focal point".
- Currently working with children under 4 years and their families. Soon to extend to children under 5. In April 2004 we will rebadge as a Children's Centre (subject to Ministerial approval of Darlington's Strategic plan).
- Area covered – North Road corridor to Town Centre. Largely privately owned housing – privately rented sector – few gardens – little open space/outdoor play.
- Population of SureStart area: 13,000, Under 5s in the area: 900

Active in the programme – 355 children (311 families)

0-1 yrs - 107

2 yrs - 76

3yrs - 107

4yrs - 65

Expectant mothers - 24

Specific targeting on minority groups: traveller community & Bangladeshi's

Facilities and activities

- £50k funding for North Lodge Park: Transforming Your Space Initiative
- £70k funding for Children/families centre on travellers site
- Funding for playbus sessions at traveller site
- Health visiting and midwifery support and advice
- 41 place nursery – 30 places of which are neighbourhood Nursery Places
- Teenage Parent Support Worker
- SureStart Managers Domestic Violence Co-ordinator for Darlington
- Ongoing active role with local community partnerships – who form part of Darlington Local Strategic Partnership
- Joint learning/family activities with Darlington Railway Museum
- Home safety initiatives
- Developing links with Job Centre Plus – possible outreach services – to provide routes into employment
- Activities include: yoga for antenatal mums, baby massage, breastfeeding support, music and dance, play and craft sessions, toy library, mobile library, swimming, school holiday activities, mini bus, family Learning/training Courses, parents group, news letter, Citizens Advice Sessions, SureStart Web Site, ICT room

Other programmes in local authority district:

Within the Neighbourhood Nurseries Initiative portfolio, Darlington local authority has a target of creating 222 new childcare places. 4 Neighbourhood Nursery projects are open, providing 51 childcare places.

SURE START/CHILDCARE

- By 2004, there will be 524 local sure start programmes, helping up to 400,000 children living in disadvantaged areas, including a third of all under 4s living in poverty.
- There are now 107 Early Excellence Centres delivering integrated early education, childcare and family services - exceeding our target of 100 Centres by 2004.
- The Neighbourhood Nurseries are the biggest ever single investment to expand childcare. Around 450 Neighbourhood Nurseries now open. Over 1,000 further projects in development.
- In March 2003, the Government announced plans to rebrand Early Excellence Centres, Neighbourhood Nurseries and Sure Start projects that offer childcare as Children's Centres.
- 61 Children's Centres have already been established. Children centres bring together childcare, early education, family support and health services under one roof.
- In the PBR the Chancellor announced that there will be 1,000 children's centres by 2008.

Childcare places

- All 4 year olds guaranteed a free early education place and 88% of all 3 year olds.
- By April 2004 there will be a free place for all 3 year olds whose parents want one - 6 months earlier than originally planned.
- Since 1997, 745,000 new childcare places for more than 1,300,000 children. On track to meet the target of 1.6m places by March 2004.
- The Neighbourhood Childcare Initiative is expanding provision in the 20% most disadvantaged areas, creating up to 45,000 new places in Neighbourhood Nurseries and expanding out of school childcare and childminder places.
- £300 start up grant for every new childminder (up to £600 in disadvantaged areas) and funding to set up Childminder Networks.
- Ofsted has found early education quality has improved markedly. In March 1998, 74 per cent of provision was judged as good but by March 2001, this figure had risen to over 93 per cent

PRE-BUDGET REPORT 2003 – MEASURES RELEVANT TO SURE START

Employer-Supported Childcare: New reforms to encourage employers to support their employees' childcare costs with tax exemptions of up to £50 per week will be introduced from April 2005, with draft legislation published in January 2004. The proposals include a matching tax exemption alongside the current childcare voucher NIC's exemption. There will be a limit of £50 a week on exemptions to ensure they are affordable.

Children's Centres: A commitment to establishing 1,000 children's centres by 2008, with the long-term aim of a children's centre in every community.

Supporting Early Development: The establishment of nursery and school-parent links in 500 communities, so that young children can be introduced to early learning and books before compulsory education begins.

Housing Benefit: Maximum housing disregards will be increased by over 40% to the levels in the Working Tax Credit, significantly increasing the gains to work for parents on housing benefit with high childcare costs.

Unemployed Lone Parents: Help with childcare costs in the week before starting work. Enhanced help in finding work, increasing the number of work-focused interviews that lone parents with children aged 14 or over are required to attend.

Home Childcarers: Consultation in 2004 on streamlining the process of becoming a home childcarer, enabling people who are not registered childminders to become home childcarers (and enabling parents to claim support for the cost of using them.)

Child Tax Credit: From April 2004, the child element of Child Tax Credit will be increased by 13%. This means an extra payment of £180 a year (£3.50 a week) will be paid to 7 million children – at a cost of £1 billion a year.

Work Incentives in London: Extension of the pilots of the £40 per week in-work credit to parents (including lone parents) who have been on certain benefits for a year or more.

Child Poverty

We have pledged to eradicate child poverty in a generation, to cut number of children in poverty by a million by 2004. (Here poverty is defined as households under 60% of median income.)

Child poverty tripled when the Tories were in Government.

What we have done for Children:

- The number of children in poverty is down by 500,000 since 1998/99, and we are on track to hit the target.
- From next year we'll spending £9 billion a year more in real terms on support for children;
- Introduced Child Tax Credit – providing support to 5¾ million families. In Pre-Budget report Chancellor announced increased spending of £1 billion a year through Child Tax credit from next year.
- 280,000 lower and middle income families benefit from the childcare element of the Working Tax Credit.
- Record increases in Child Benefit.
- Families with children are on average £1,300 better off compared to 1997.
- New Child Trust Fund for all children born from September 2002.
- The proportion of children living in houses that don't meet basic standards has fallen from 43% to 30%.
- Increased investment in education – with best ever GCSE results, and smaller infant class sizes. Schools in deprived areas have seen results rise fastest
- Free, part time early education places for all 4 year olds whose parents want one – and all 3 year olds by April 2004.
- 500 Sure Start programmes will benefit 400,000 by next year.
- family-friendly policies: statutory maternity leave up from 14 to 26 weeks, new fathers' right to two weeks paid paternity leave; parents can take extra unpaid leave if they have worked for their employer for 12 months; right to time off to deal with emergencies at home
- New Deal has helped cut long-term and youth unemployment by about 80%. There are now almost 1.7 million more people in work. Minimum Wage and Working Tax Credit have helped tackle poverty pay.

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PIECE/ITEM 3225 (one piece/item number)	
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DOCUMENT PUT IN PLACE (TNA USE ONLY)	

The Big Conversation

Table Layout – (L) LADDER, (SS) SureStart

Table 1

(Fatherhood & Work)

Carol Dawson

Steve Crooks (SS)

Claire Stockill (SS)

Susan Forster (SS)

Nadine O'Sullivan (L)

Gladys Hall (L)

Christine Hall (L)

Nick Haberfield (L)

Bob Fleming

John Hepplewhite

Keith Lumsdon

Table 2

(Health Stress Management)

Kathleen King

Kerryann Stewart (SS)

Joanne Spry (SS)

Katherine Wright (SS)

Margaret Radford (L)

Ron Stadius (L)

Margaret Brunskill (L)

Charlie Magee

Jim Higgin

Jamie Corrigan

Paterick Melia

Marie Predki

Table 3

(Benefit Cycle & Employment)

Veronica Birchall

Gail Kelly (SS)

Julie Everitt (SS)

Joanne Phillips (L)

Lynne Gash (L)

Elle Hope (L)

Dawn O'Sullivan (L)

Kyle Phillips – child (L)

Nigel Porter

Vincent Robinson

Table 4

(Debt & Credit Unions)

Betty Shepard

Claire Wallace (SS)

Deborah Williams (SS)

John Birchall (L)

Maurine Byrne (L)

Jillian Brown (L)

Rachel McBride – child (L)

John Saxby

George Herbert

Tony Wolf

Table 5

(Youth crime, drugs & the Community)

David Newell

Ruth Bowry (SS)

Christine Wilson (SS)

David Gash – youth (L)

Eilleen Haberfield (L)

Dawn Askwith (L)

James Dark (L)

Steve Gater

David Wilkinson (school pupil)

Danielle Maughan (school pupil)

Hollie Seal (school pupil)

The L.A.D.D.E.R Project

Ferryhill Lakes and District, Development, Education, Resource Centre Ltd
Company Secretary: Veronica Birchall

Residents from Lakes Estate, Ferryhill decided to take action to improve local facilities. Formed a Residents Association in September 1997 and management committee registered as a company limited by guarantee in Jan 2001. Receives funding from a range of charities, companies, individuals and local government bodies

Mission Statement

'Provide a facility for the community of Ferryhill that will offer a range of educational courses, Lets/Skill share programs, infant /primary play facility, childcare, social education for young people, support for those with mental health issues in the community, training facilities and access to advice and information to be delivered in a safe, comfortable and convenient setting.'

Achievements

- Refurbishment of two houses to form the basis of the LADDER project
- Attracted funding for under 5's 'Messy Monkeys' crèche, out door play area
- LADDER youth established - *Youth Film Project*, Youth Forum, Youth Committee
- Healthy eating café, community dinners, training kitchen
- Drop-in services from housing department, Citizens Advice, Credit Union
- Training - IT, energy champions, basic benefits advice, food hygiene, first aid

Sure Start Ferryhill & Chilton (Kathy King - Manager)

The programme, funded since 2000, has taken a community development approach so that it responds to locally identified needs and the concerns of local families. Three family centres reflect the strong sense of community and identity that exists within the area (Chilton, Ferryhill Station and, most recently, the main centre in Ferryhill)

Achievements

- Increased support to promote the health of mothers before and after birth, preparation for all the family in relation to a new arrival and feeding support for parents.
- From babies to being ready for school there is an emphasis on raising awareness of the benefits of a stimulating environment to promote language, physical and emotional development.
- Parents have identified a range of training opportunities that they have been able to access ranging from sessions designed to build confidence to childcare qualifications. Links with local training providers are good and Job Centre Plus is working with the Programme to offer more local services through the centres
- Specific work with groups that are traditionally 'hard to reach' includes work with dads and grand-dads, Traveller families and with young parents

- The programme has successfully introduced good quality Early Years provision that supports the activities. This includes nursery education where a significant gap was identified. The aim is to extend our capacity for childcare by working in partnership with a local nursery school and aim to achieve Children's Centre status early in 2004.

Other programmes in local authority district:

- One Early Excellence Centre in the district (Eden Hall Infants School) approved in April 2003.
- Within the Neighbourhood Nurseries Initiative portfolio, Durham local authority has one of the largest targets in terms of new childcare places created (870 places). 12 Neighbourhood Nursery projects are open, providing 282 childcare places.
- Sure Start Peterlee was one of 32 settings announced as an early designation children's centre in June 2003.

BIG CONVERSATION QUESTIONS

HOW DO WE DO MORE TO TACKLE POVERTY AND INEQUALITY?

What more do we need to do to tackle child poverty? What balance should we strike between increasing family incomes and improving targeted public services?

- Sure Start is aimed at addressing early childhood disadvantage, improving healthcare, health and family support in most deprived areas.
- 1.3 million new childcare places; 8,000 out-of-school clubs
- New resources to reduce worklessness, maternal smoking and the number of children at risk and with learning and behavioural difficulties.
- Concentrated efforts to boost family incomes on those with young children, eg, through the enhanced child tax credit for babies.

How should we extend the principle of widening asset ownership embodied by the Child Trust Fund to other forms of savings?

- We need to address contribution that wealth and asset ownership can make to increasing life chances and lifting expectations:
- The Child Trust Fund provides an endowment of £250, doubled for poorer children.
- We are piloting the Saving Gateway that matches funds for people on low incomes to encourage saving.

How can we ensure that we get the best public sector professionals to work in poor areas where their skills are needed more?

- In some inner-city areas vacancy rates for social workers can be as high as 40%.
- Tackling problem of lack of affordable housing for key public service workers

How can we spread high educational aspirations to the poorest in society?

- Good parenting is crucial to children's healthy development and future chances.

- At primary school the impact caused by different levels of parental involvement is bigger than the differences associated with variations in quality of schools and social background.

What support to parents need to help them improve their children's behaviour and development? Are we doing enough to enable children from poor backgrounds to benefit from summer camps and out-of-school activities?

- We need to develop new kinds of support, advice and mutual parenting networks to help families in difficulty.
- Compulsory parenting classes help to reduce ASB and truancing
- We have excellent facilities for sports and training such as those in independent schools and armed services that are under-utilised.

HOW DO WE BALANCE WORK AND FAMILY LIFE?

- What could be done to increase levels of take-up of rights to maternity/ paternity leave and flexible working?
- How can we best provide advice to employers and employees and, particularly those working in smaller firms?
- What can we do to support women and men in their choices for caring for their own child at home or returning to work?
- What balance should we strike between financial support to parents, childcare provision and flexible working?
- Once the early period after the birth of a child is over should we provide equal entitlements for mothers and fathers to take time off to spend with their babies?
- Should we be extending entitlements to work-life balance to those who are caring for older children and those who are caring for a sick or elderly relative?

DRUGS/CRIME

- In tackling the problem of drug abuse in the UK, how should we balance treatment, punishment and prevention?
- How do we radically improve the enforcement of fines and other court decisions such as bail warrants and should these sort of functions be contracted out?
- Should we increase the use of suspended sentences, curfews and custody to punish offenders who breach a community sentence or

- refuse drug treatment when testing positive for class A drugs – particularly for those who have previous convictions?
- How do we build on the success of government's youth justice reforms to make adult prisons and the probation service more effective at reducing re-offending?

ANTI-SOCIAL BEHAVIOUR

- How can we reinforce the responsibilities that individuals and families have towards their neighbours?
- Should those who harass or intimidate their neighbours expect the same access to state support as those who respect others right to peace and quiet?
- How can we involve local people more in strategies for dealing with anti-social behaviour?
- How can local residents be more involved in the mediation of disputes and the delivery of justice in their communities?
- How do we best tackle the binge drinking culture and the problems that flow from it?
- Should businesses like large city centre nightclubs which generate public order problems pay towards the costs of controlling disorder outside as well as inside their premises?
- For those offences where most offenders admit their guilt how can we extend the principles of fast-track, summary justice embodied in the new Fixed Penalty notices?
- What more can we do to further expand community based interventions and sanctions for low level offending and anti-social behaviour?

18 December 2003

GOVERNMENT DEFINES AMBITION OF A SOCIETY FREE OF CHILD POVERTY BY 2020

Britain should rival Scandinavia's world-beating child poverty rates, the Government said today as it announced the results of its 'Measuring Child Poverty' consultation. Building a society free of child poverty by 2020 would also mean no child being forced to go without essential goods and services through lack of money.

The report comes on the day when new Eurostat figures show how much progress the UK has already made compared with the rest of Europe in recent years. In 1998 the UK had the very worst child poverty rate in Europe, but by 2001 had moved several places up towards the European Union average.

Last week's PBR increased the child tax credit, putting our target to reduce the number of children in low-income by 2004 within reach. The next step is to define how we will judge progress beyond this towards our historic mission to eradicate child poverty to ensure:

- the poorest families' incomes rise
- poor children narrow the income gap with typical families
- that fewer children lack essential goods and services

A different indicator will chart each of these. Our bold ambition on poverty means overall progress will require moving forward on **all three** counts.

Work and Pensions Secretary Andrew Smith said:

"No goal that this Government has set itself can be more important than that of eradicating child poverty.

"We've made good progress since 1997 – as a result of the action on jobs and incomes we've taken, the UK is no longer blighted with Europe's worst child poverty problem. We must now strive instead to be amongst the best.

"We're on track with our pledge to reduce the number of children in low income by one-quarter by 2004. Today we propose tough indicators to ensure we continue to be held to account for the progress we make on child poverty as we move beyond this towards our 2020 ambition of eradication.

"The new measure strikes the right balance by keeping our ambitious focus on low-incomes, whilst also tracking child deprivation more directly".

Notes for editors

1. The new child poverty measure announced today comprises three separate indicators:

- Absolute low income – the number of children living below a particular cash threshold, adjusted for inflation worth £210 for a couple with one child in today's terms.
 - Relative low income – set at 60% of contemporary median income.
 - Material deprivation – the number of children lacking particular necessities and living below 70% of contemporary median income
2. The measure will be used as the basis for tracking progress against the Government's long-term goals of halving child poverty by 2010 and eradicating it by 2020. PSAs to take us towards these goals will be published as part of successive spending reviews in due course.
 3. The requisite data will be collected from the Family Resources Survey from 2004/5 onwards.
 4. The way incomes are adjusted for family size in the poverty statistics will be brought into line with standard European practice on all three tiers.
 5. Today's document 'Measuring Child Poverty' consultation document can be found at: www.dwp.gov.uk/consultations/consult/2002/childpov/index.asp
 6. Today's document 'Measuring Child Poverty' consultation document, published in April 2002, can be found at:
www.dwp.gov.uk/consultations/consult/2002/childpov/index.asp
 7. The preliminary conclusions (published in May 2003) and the original consultation document (published in April 2002) are also available at:
www.dwp.gov.uk/consultations/consult/2003/childpov/index.asp

Delivery in the North East

880 more teachers

Funding per pupil up by £730

11-year-olds English up from 62% to 73% and Maths up from 58% to 73%

Class sizes down from 8,500 to 600

5 or more good GCSEs up from 37% to 46%

National Childcare Strategy delivered nearly 7,830 new childcare places

Employment up 3%

Unemployment down 45%

Long-term unemployment down 75%

Long-term youth unemployment by 75%

1,000 more nurses

Funding for the former Northern & Yorkshire Regional Health: £2,560m increase between 1997/8 and 2002/3

In-patient treatment waiting gone down by over 5 per cent since 2002

Over 13 weeks out-waits down by over 41% since 2002

250 more police

Domestic burglary down by 8% in last year

Car crime down 1%

NB recorded crime up 13% and robbery up 8%

£12.9m for CCTV, 47 projects so far

£3.5m allocated to Crime and Disorder Reduction Partnerships

£27.6m for the Tyne & Wear Centrelink, a bus way featuring state-of-the-art buses and connecting a new transport interchange at the Metro Centre with Gateshead and Newcastle

£8.1m for the construction of a Northumberland Pegswood Bypass on the A197 south of Pegswood, to relieve through traffic by 80%

£8.9m for Durham City Park & Ride to 3 park & ride facilities in outskirts of Durham

£17m for the Sunderland Southern Radial Route for an urban relief road, improving access to brownfield regeneration sites

Total transport allocation for 2003/4 is over £101m, includes £29m for major schemes

Over £119m through the Neighbourhood Renewal Fund

An additional £22.5m awarded to 7 districts in the region for 2004/05

Single Regeneration Budget has funded over 100 successful schemes with a total value of £637m.

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*if he doesn't so
much, he would
so for the year or so.*
JONATHAN POWELL

From: Nigel Sheinwald
Date: 18 December 2003
cc: Jeremy Heywood
Stephen Wall
Sally Morgan
David Hill
Matthew Rycroft
David Hallam
Liz Lloyd
Nick Cannon
Gavin Mackay
Kate Garvey
Kate's key

*Nigel ce x
As comb below. he should
discuss with TB in Jan*
Jonathan
in v against
the US
election
Sally
PRIME MINISTER'S OVERSEAS TRAVEL

You asked for a note on possible overseas trips by the Prime Minister in the first half of the year. This is our current list of unavoidable commitments:

- 5 February: Verhofstadt, Brussels
- 18 February: Trilateral Summit, Berlin
- 24-26 March: European Council, Brussels
- 1 May: Dublin, EU Accession
- Mid May: Progressive Governance Summit, Budapest
- 6 June: Normandy, Anniversary of the Normandy Landings
- 8-10 June: Sea Island, Georgia: G8 Summit
- 17-18 June: European Council, Brussels
- 28-29 June: Istanbul, NATO Summit
- 12-14 August: Athens, Olympic Games ?

We're excluding Latin America (EU/Latin America Summit in May 2004) and South Africa (10th Anniversary) – but we recommend a 2005 visit connected to our G8 aims and plan an event in the UK for African leaders in 2004.

We would also recommend:

- ✓ • Washington: A visit in the Spring before the main election campaign: Condi told me that the President would welcome this. May be combined with one other thing in the US.
- ? • Balkans, particularly Bosnia (Ashdown): May?
- ✓ • Day trips to Western Europe.
- ? ✓ • Turkey: 6 January or Spring (with Bosnia).

Other possibilities include:

- ✓ • Israel/PA/Egypt etc: only if there's unexpected movement on MEPP.

Nigel Sheinwald
Nigel Sheinwald

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File
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Inbox

From: Nigel Sheinwald
Date: 18 December 2003

JONATHAN POWELL

cc: Jeremy Heywood
Sally Morgan
David Hill
Matthew Rycroft
Nick Cannon
Gavin Mackay
Kate Garvey

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Other possibles include:

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- Israel/PA/Egypt etc: only if there's unexpected involvement in MEPP.

Nigel Sheinwald

NIGEL SHEINWALD

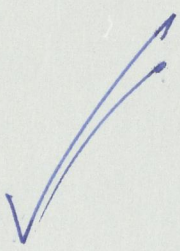
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RESTRICTED - VISITS

**PRIME MINISTER
CHERIE BLAIR**



**From: Kate Garvey
Date: 17 December 2003**

**cc: Hilary Coffman
David Hill
Angela Goodchild (E&V)
Jo Gibbons
Catherine Rimmer
Katie Kay
Duty Clerk
Detectives
Drivers**

**CHRISTMAS VISIT TO THE CONSTITUENCY, FRIDAY 19TH AND
SATURDAY 20TH DECEMBER 2003**

During your Christmas Constituency weekend you will make the usual visits to some festive gatherings of children and OAPs, with the customary carol singing by the Christmas tree and pulling of Christmas crackers... We have also scheduled a more sober Big Conversation event on Poverty and Inequality in Ferryhill, as well as some time at your GC.

**1140-1220 Fri 19 Dec: Opening of Darlington Sure Start, 2A MacNay Street
off North Road, Darlington**

You will both open this lovely Sure Start new building in Alan Milburn's constituency. Completed in September, it is already proving very popular with the local community.

You will be met by Pauline Murray, Manager; Mark Matthews, Ops Manager; Sharon Quincy, Head of the Day Nursery and Alan Milburn. They will introduce you to the key stakeholders involved in the programme, so you can thank them privately before spending the rest of the time with the children and parents.

You will then enter the day nursery where the children will be making Christmas cards. **You should join them at their table - perhaps Cherie could make a card for the PM?** You will then join staff and toddlers to watch the older children sing some Christmas Carols. **(POOLED).**

RESTRICTED - VISITS

RESTRICTED - VISITS

- 2 -

You will then spend some time with the parents – up to forty of them. This will be informal (mince pies and tea) and you should move around the tables. Before you leave you will say some words and unveil a plaque (**POOLED**).

1230-1345 Big Conversation – Tackling Poverty and Inequality, Catholic Club, All Saints Church, Dean Road, Ferryhill

You obviously won't be surprised by the venue – and rest assured there will be at least one priest on the guest list... (see attached).

Regional Media will have full access to the whole event and you will be miked up.

This will follow the Leeds model of Big Con events, with the theme of poverty and inequality. Fifty constituents have been invited to the event, most are residents of Ferryhill, and have been selected through the LADDER project and the Ferryhill Sure Start (see attached briefs). When you arrive they will be discussing different issues at each of the five tables, including issues such as **debt and family breakups which are particularly distressing at this time of year.**

Chris Lennie is facilitating (NB. he has been very helpful this week – it would be nice to have a word with him post OQS changes). John Burton will introduce you and Alan Milburn, who will accompany you from Darlington. You will both take a seat at a table and listen to five constituents express their views on Fatherhood and Work; Health and Stress Management; the Benefit Cycle; Debt and Youth Crime and Drugs (See pen pictures attached). You will then circulate round the five tables – 10 mins at each – before responding to what you have heard. You should thank Kathy King of Sure Start, Veronica Birch of LADDER and David Newell for all their help in organising.

Before you leave you may do an interview with Radio Cleveland.

1600-1630 Visit to Senior Citizens Christmas Party, Wheatley Hill Social Club

You and Cherie will pop in to this on Friday afternoon. Jeff Lamb, Chair, and Jeff Armstrong, Secretary will meet you and take you to the top table. Jeff Lamb will ask you to say a few words – you should recall the last time you were at the club, to present the Pigeon Club Prize Winners. You can also mention you used to hold your surgeries there. And also mention Les Jones, who died this year aged 58, having been the Club Secretary for 37 years.

RESTRICTED - VISITS

RESTRICTED - VISITS

- 3 -

You will then do a walk around the tables where the 200 over 65s will be seated eating their lunch. You will meet Bill Grainy, aged 88, the oldest person at the event. **You should sit down with a couple of them and pull a few crackers! (POOLED).**

KATE GARVEY

RESTRICTED - VISITS

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our file
copy

emailed
to all &
hard cc
for POPD
people.
16.12.03

From: David Hallam
Date: 16 December 2003

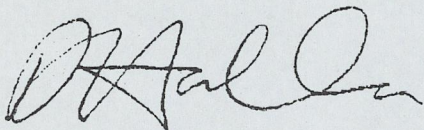
KATIE KAY

cc: Sally Morgan
Jonathan Powell
Jeremy Heywood
Jo Gibbons
Paul Brown
Natalie Acton
David Hill

DIARY: FOREIGN BIDS

One bid on our side this week:

PM to launch "Brandt Report 2". The Prime Minister wants Africa to be a major feature of the G8 in 2005, and he wants this new report on the state of Africa and what we should do about it to be a centrepiece of that. The launch will involve Bob Geldof, African experts and other luminaries. At least one hour, end of January.



DAVID HALLAM

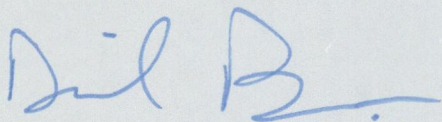
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From: Daniel Pruce
Date: 15 December 2003
Cc: David Hill
Nigel Sheinwald
John Pratt

PRIME MINISTER

INTERVIEW WITH BBC ARABIC SERVICE

1. We have slotted a quick (10 minute) interview with the BBC Arabic Service into your diary tomorrow afternoon.
2. This will be an important opportunity to speak direct to the Arab world about the capture of Saddam. For that audience the messages of your initial statement (attached) are key, ie:
 - this is a time for unity, reconciliation and peace – for Sunni and Ba'athist alike;
 - Saddam is gone from power for good;
 - it will be for the Iraqi people to decide his fate;
 - the celebrations on the streets of Iraq show the widesperad joy at his capture;
 - we will carry on working with the Iraqi people to rebuild their country after 3 decades of neglect and repression by Saddam;
 - 17,000 reconstruction projects have now been launched; the new dinar has been introduced; there is now more electricity than before the conflict;
 - and a political process that will deliver a democratic elected government;
 - so that we will have a free and stable Iraq – run by Iraqis for Iraqis.
3. We will do this in the Terracotta Room, immediately after your message for the armed forces. I will sit in.



DANIEL PRUCE

The shadow of Saddam is lifted from the people of Iraq. We give thanks for that. But let this be more than a cause for rejoicing. Let it be a moment to reach out and to reconcile. To the Sunnis, whose allegiance Saddam falsely claimed, I say, there is a place for you playing a full part in a new and democratic Iraq. To those formerly in Saddam's Party, there by force not by conviction, I say, we can put the past behind us. Where his rule meant terror, division and brutality, let his capture bring about unity, reconciliation and peace between all the people of Iraq.

Saddam is gone from power. He won't be coming back and it will be the Iraqi people who decide his fate.

In Iraq today, we work hard, coalition forces from 30 different nations and Iraqis who love their country, to rebuild Iraq, to nurture its wealth for its people, to bring prosperity to all. In the timetable we have established power will be handed over to Iraqis to run Iraq, a sovereign independent state, based on the principles of justice, democracy and the rule of law.

We have a common interest, coalition forces and Iraqi people. Our purpose is a common purpose. Our victory a shared victory. The coalition needs an Iraq that is stable and prosperous to help shape a stable and prosperous Middle East and world. Iraqi people, who were reduced to poverty and penury by Saddam and his sons, desire no more than to live in peace, develop their nation's wealth and put freedom in place of dictatorship.

Who is against us? The tiny minority of Iraqis who wanted Saddam back and who must now know their cause is futile. And assorted foreign terrorists whose greatest fear is that a new Iraq spells the end of their vile campaign of terror and propaganda against partnership between the Arab and western world. The rebirth of Iraq is the death of their attempt to sell the lie that we are fighting Moslems. Moslems were Saddam's victims; Moslems the beneficiaries of his demise. 400,000 remains of human beings found in mass graves.

So this is a time for celebration. But also a time to look forward, to unify, to reconcile.

Our thanks go to the coalition forces and the intelligence services who brought about Saddam's capture. Once again, they have proved their professionalism, courage and commitment.

But let us give thanks, too, to those brave Iraqis who have helped in his capture, who, in the new Iraqi police and defence forces, risk their lives daily for the good of their people. They are the new Iraq in action.

Now is a time of great opportunity. Let us seize it and use it for the good of Iraq, the region and the wider world.

From: John Pratt
Date: 15 December 2003

PRIME MINISTER

cc David Hill
PMOS
Nick Cannon
Anne Shevas
Daniel Pruce

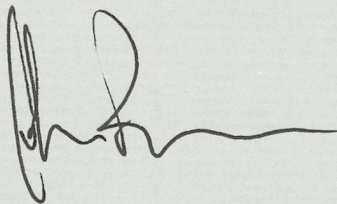
ANNUAL CHRISTMAS ARMED FORCES MESSAGE

You are recording your annual Christmas message for the armed forces with British Forces TV and Radio (BFBS) at 3pm tomorrow.

The message will follow an interview format as on previous occasions. BFBS know they only have 10 minutes. They will draw from the attached the list of questions, which cover Iraq, armed forces restructuring and the capture of Saddam Hussein. I attach some background material.

BFBS are also celebrating their 60th Anniversary this year, and will refer to this in their final question. There are some points you could draw on at this point in the attached background material.

We will do this in the White Room. David and Danny will sit in having briefed you beforehand. John Smith from PA will also sit in on the interview.

A handwritten signature in black ink, appearing to be 'John Pratt', with a long horizontal flourish extending to the right.

JOHN PRATT

LIST OF PROPOSED QUESTIONS (IN ORDER)

1. Prime Minister, it's been a remarkable weekend for Coalition Forces in Iraq. Will the capture of Saddam Hussein now make Iraq a safer place for British Troops? What will the effect be?

....are you holding out a hope that he may solve the riddle of the 'Weapons of Mass Destruction'?

2. Twelve months on from the moment you warned the Armed Forces to prepare for war - how long are you prepared to countenance British troops remaining in Iraq?

.....When you achieve your goal of civilian government in the country - won't you still need the experience of British Peacekeepers to support that government?

3. You've talked before about the difficult job of sending troops into battle - when the names of the casualties come in - as Prime Minister do you feel every one of them - or do your eyes remain firmly on the objective?

4. With publication of the Defence White paper last week, there are stories of a cash crisis in the MOD, of exercises being cancelled - and troops being without proper kit on the battlefield - it doesn't augere well for the next time you want them to go to war does it?

.....Isn't there a danger your War Against terrorism overreaching our Armed Forces?

5. Britain has thousands of troops spending Christmas away from home - from the Gulf to the Balkans to the South Atlantic - at the end of what's been a remarkable year for the Armed Forces - what would your message be to them tonight.....?

6. Finally - you're talking today on the British Forces Broadcasting Service which has just celebrated its 60th Anniversary - these airwaves belong equally to the 18 year old private on patrol in Basra as they do to you Prime Minister - do you think entertaining and informing the troops is still as important now as it was 60 years ago in World War 2?

DEFENCE WHITE PAPER

What you said in Adam Boulton interview on Sunday 7 December:

"It doesn't mean cuts, no. With our defence forces, I am not getting into the detail of this because there are a whole set of things still under discussion, but with our defence forces, like any defence forces around the world, there will be a debate as to how we best structure those forces for today's world and the types of operations we are now engaged in. But don't let anyone tell you that defence spending has been cut. It has not, it is being increased, defence spending in Britain is being increased, and that is after it being cut by something like 30% under the last Conservative government."

DELIVERING SECURITY IN A CHANGING WORLD - THE DEFENCE WHITE PAPER - Press Notice 11 December 2003

The Defence White Paper was published today by Secretary of State for Defence, Geoff Hoon. Entitled 'Delivering Security in a Changing World' it builds on the 1998 Strategic Defence Review, and the SDR New Chapter. The White Paper sets out the policy context within which the future structure and capabilities of our Armed Forces will be determine.

In an Oral Statement to the House, Secretary of State said:

"The shadow of the Cold War - which has shaped our Armed Forces for two generations - may have receded, and the threat of a large-scale conventional military attack on Europe may seem remote as a result.

But new threats are emerging. We must respond to today's strategic environment and prepare for tomorrow's. The proliferation of Weapons of Mass Destruction and the threat posed by international terrorism, coupled with the consequences of failed or failing states, present us with very real and immediate challenges.

"Resources must be directed at those capabilities that are best able to deliver the range of military effects required, whilst dispensing with those elements that are less flexible. It has historically been the fashion to measure military capability in terms of the weight of numbers of units or platforms - of ships, tanks and aircraft. That might have been appropriate

for the attritional warfare of the past but, in today's environment, success will be achieved through an ability to act quickly, accurately and decisively so as to deliver military effect at the right time."

The White Paper sets out a requirement for Armed Forces that are structured and equipped to deploy rapidly on a number of concurrent small and medium scale operations. As new flexible capabilities are developed, the UK will need to restructure those elements of our forces that are less able to meet these challenges.

Increasingly our Armed Forces need to be able to operate seamlessly alongside our allies. The White Paper stresses the need to focus our planning on the military effect that we require of our Armed Forces, rather than on simplistic calculations of platform or unit numbers.

The importance of new and emerging technologies is also highlighted. Command and control on the battlefield is becoming increasingly sophisticated as technology enables faster communications and the flow of intelligence across all elements of an operation; sea, land and air.

Improvements in precision weaponry continue to reduce civilian casualties and increase the speed at which the enemy is immobilised.

IRAQ: KEY FACTS

10Dec
03

Latest News

- The Iraqi Governing Council has announced (10 Dec) the establishment of an Iraqi Special Tribunal, to punish those found most responsible for committing atrocities under the former regime.
- The residents of Shaibah, Az Zubayr, Um Khayyal and Safwan in Southern Iraq are benefiting from flowing water again from the Basra Sweetwater Canal. Officials from the Water Directorate and British Army Engineers have completed urgent repairs of a breach caused by heavy rain.
- Former Secretary of State and former Treasury Secretary James Baker III has been named by President Bush as his special envoy on Iraq's external financial obligations.
- Representatives from international companies arrived for an economic conference in N Iraq on the first civil aircraft to have ever landed at Arbil international airport. (Monday 8th)
- The Iraqi Symphony Orchestra has appeared (Tuesday 9th) at the JFK Center for the Performing Arts in Washington.

Reconstruction

- A UK sponsored conference is taking place in Amman (9-10 Dec) on reconstruction and business in Iraq
- Nearly 90% of schools have received revised textbooks
- More than 1,750 schools have been refurbished
- More than 64,000 teachers and 5,000 principals and school administrators are to be trained in modern teaching methods,
- Overall 14,000 reconstruction projects, large and small, have already been launched

Governance

- The new political timetable is an important and welcome step forward
- Plan is inclusive – we want all Iraqis to have a stake in their future
- The first free elections in decades have taken place in an-Nasr town (Dhi Qar Province) – part of a series of elections taking place at village level in Iraq
- A new Governor and Deputy Governor have been elected in Dhi Qar following a 2 week campaign

Economy

- British companies exporting to Iraq will be able to insure credit risk after the ECGD announced (5 Dec) that it is providing \$100m in cover to businesses involved in reconstruction – one of 16 other export agencies including those from US and Japan.
- Senior teachers are being paid up to 25 times the level they received under Saddam

Recent polls?

- Latest poll from Centre for Studies and Research in Baghdad shows 88.7% believe democracy essential in building new Iraq – exactly what is being put in place

Democracy, media

- more than 200 newspapers have now appeared, over 90 published regularly
- satellite dishes are freely available and widely used

Security

- Over 130,000 US troops, mostly in North
- around 9,000 British troops in the South
- 16,000 troops provided by Coalition partners from over 30 countries
- Japan decided (Tuesday 9 Dec) to dispatch noncombat troops to help rebuild Iraq
- Over 45,000 Iraqi police are now on duty
- A large scale training programme is being undertaken that will bring the force up to 85,000 over the next year
- Nearly 250 Iraqi police officers graduated (8 Dec) from a 3 wk transition into policing prog in Baghdad
- The second class of 900 Iraqi Police Service cadets have begun attending the Jordanian Police Academy
- The Iraqi Civil Defence Corps is planned to double to 36,000 to take over and work alongside Coalition Forces
- More than 400 recruits have been identified for the next class of the CDC which begins training on 9 Dec
- Iraqi police in Basra have seized 6 vehicles carrying 250m dinars of smuggled money (9 Dec)

BFBS 60TH ANNIVERSARY MESSAGES

- BFBS has enjoyed a long and proud history since its first radio service went on air in Algiers at the end of 1943.
- Since then, wherever there have been significant numbers of servicemen and servicewomen overseas, BFBS has been alongside them providing news and entertainment, and a link with home.
- Thank all those who generously give programme rights to BFBS; without their goodwill troops overseas would be denied what the rest of us take for granted at home.
- It is worth noting that BFBS is staffed by civilians, who are invariably posted to wherever British Troops are deployed –sharing the same living and working conditions. In particular the Combined Forces in Iraq have drawn comfort from having BFBS with them before, during and after hostilities.
- BFBS 'Middle East' is based at Umm Qasr near Basra and now broadcasts to Coalition Troops across Southern Iraq.

PRIME MINISTER

From: Sharon Jubb
Date: 15 December 2003

cc: Jo Gibbons
Nick Matthews
Katie Kay
David Hill
Sally Morgan
Tom Kelly
Facilities Management
Messengers
James Harrower
Simon Houghton
Jennifer Goodwin

LUNCH - 16 DECEMBER 2003 - THE TELEGRAPH

Please find attached the final guest list for the above.

1300	Guests arrive Escorted to the Terracotta Room for pre-lunch drink Through to Pillared Room for Lunch
1430	All guests depart

Sharon

SHARON JUBB

Full list of Guests to be invited for Lunch - Telegraph

Invitations Issued as at 15 December.

Host: Prime Minister.

Event Date: 16 December 2003. From 13:00 to 14:30.

Mr Neil Darbyshire

Executive Editor, Daily Telegraph

Mr Martin Newland

Editor, Daily Telegraph

Ms Sarah Sands

Deputy Editor, Daily Telegraph

Mr Neil Collins

City Editor, Daily Telegraph

Mr George Jones

Political Editor, Daily Telegraph

Award Winner

Mr Philip Johnston

Home Editor, Daily Telegraph

Mr Dean Godson

Chief Leadwriter, Daily Telegraph

Ms Alice Thomson

Columnist, Daily Telegraph

Mr George Trefgarne

Comment Editor, Daily Telegraph

Full list of Guests to be invited for Lunch - Telegraph

Invitations Issued as at 15 December.

Host: Prime Minister.

Event Date: 16 December 2003. From 13:00 to 14:30.

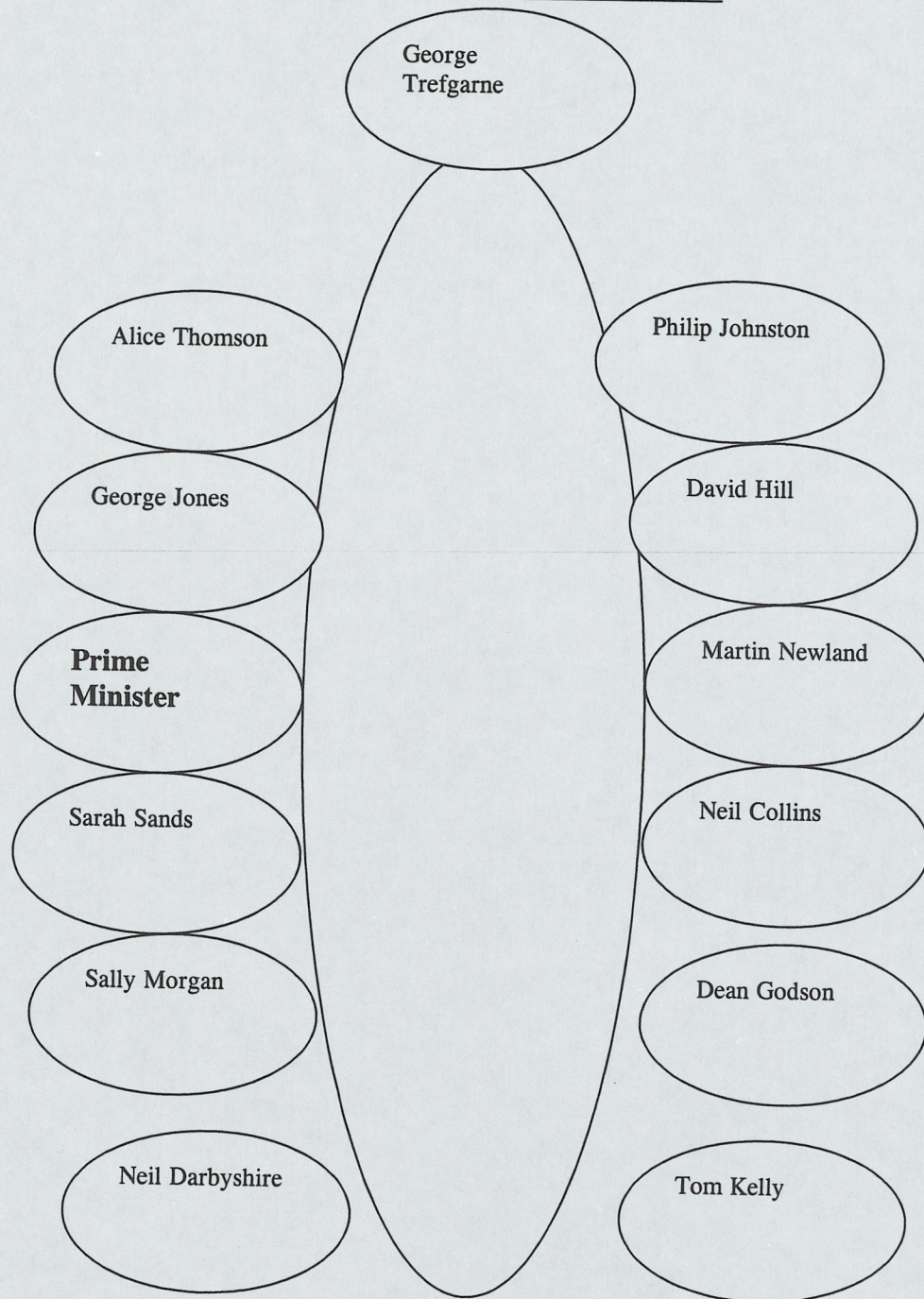
Mr Tom Kelly

10 Downing Street

Mr David Hill

The Baroness Morgan of Huyton

LUNCH - THE TELEGRAPH - TUESDAY 16 DECEMBER 2003
1300-1430 HRS - SMALL DINING ROOM



THE	
NATIONAL	
ARCHIVES	

DEPARTMENT/SERIES PIECE/ITEM (one piece/item number)	Date and sign
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From the Private Secretary

Matthew Rycroft
Private Secretary
10 Downing Street
London
SW1A 2AA

Already read by fax

DFID Department for
International
Development

1 Palace Street, London SW1E 5HE

Telephone: 020 7023 0409
E-mail: s-sabey@dfid.gov.uk

11 December 2003

Dear Matthew,

You asked for advice regarding an invitation from Robin Hood International (RHI) to the Prime Minister to be guest of honour at Cliveden House on Tuesday 23 March 2004.

We recommend that the Prime Minister decline the invitation. DFID has had no previous dealings with RHI and they are not registered as a UK organisation or charity. We have consulted colleagues in the World Health Organisation and the Global Fund about RHI, none of whom are familiar with them.

Their website (www.robinhoodinternational.com) prominently sells luxury goods such as boats, planes and luxury estates. We cannot provide any assurances about their reputation.

... A draft PS reply to RHI is attached.

I am copying this letter to Kara Owen.

Yours ever,

Steven Sabey

Steven Sabey
Private Secretary

DRAFT REPLY

10 DOWNING STREET
LONDON SW1A 2AA

From the Private Secretary

December 2003

Lunch at Cliveden House

Thank you for your invitation to the Prime Minister to be guest of honour at a lunch at Cliveden House on Tuesday 23 March 2004.

Unfortunately due to other commitments the Prime Minister will not be able to accept your kind offer.

However, he would like to wish you every success with your retreat

Matthew Rycroft

Kym Bonnefin
Executive Director
Robin Hood International

DRAFT REPLY

f
From: Jo Gibbons
Date: 28 November 2003

PRIME MINISTER

cc: Hilary Coffman
Kate Garvey
Razi Rahman
Justin Russell

CONSULTATION EVENT - LEEDS - MONDAY 1ST DECEMBER 2003

You are travelling to Leeds for a consultation roll out meeting on Anti Social Behaviour and Crime with David Blunkett on Monday morning. It is a Labour Party event, which is fully sponsored by USDAW. John Battle MP (Leeds West) and Councillor Keith Wakefield (Leader of Leeds City Council) will be in attendance at the event. When you arrive you will be met by John Battle and Bill Connor.

There will be 50 invited guests made up of Labour Party members, USDAW members and local community stakeholders with an interest in ASB including tenants as well as professionals. Attendees will be seated around tables.

Bill Connor will Chair the event and David Blunkett will do the introduction setting out the issues in the prospectus. Five people will then make contributions setting out the issues that they face and what they would like to see happen in the future, details of these people are listed below;

temporarily retained
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RETAINED UNDER SECTION 3 (4)
OF THE PUBLIC RECORDS ACT

Crem 49 / 3285

Minute dated
28.11.2003

Attendees will then work through the questions at their tables and you, David and Bill Connor will circulate around the tables. You will then provide a response to what you have heard at the tables.

Catherine will be providing a full briefing pack for the event.

Media

There will be full media access at the event.

After the event there will be time for regional media interviews - see separate note from Hilary.

JO GIBBONS

SECRET - PERSONAL

Gavin

✓
23

PRIME MINISTER

From: Gavin Mackay
Date: 28 November 2003

S 442/03

cc: Matthew Rycroft
Jonathan Powell

CHRISTMAS VISIT TO THE TROOPS

Matthew asked me to have a look at flight options to enable you to visit the troops in Basra at the end of your holiday in Sharm.

On present planning you are scheduled to fly back to London from Sharm with Cherie and the family on Saturday 3 January on a Thomas Cook Charter flight. The flight leaves Sharm at 1515 and arrives in London at 2055.

The most cost-effective and manageable way to do the visit to the troops is to use an RAF HS 125 aircraft (6-seats), with the necessary defensive aids, already operating in the region. Proposed timings for a day trip would be:

08:00	ETD Sharm	Flying Time 2 Hours 45 Minutes
11:45	ETA Basra	(Basra is 1 hour ahead of Sharm)

You could then have a 3-hour programme with the troops, meetings etc.

15:15	ETD Basra	Flying Time 2 Hours 45 Minutes
17:00	ETA Sharm	

With the flying times involved, you would only be able to do this day trip on 3 January and meet up with the family in Sharm for your afternoon return flight to London if you set off at 0600 and we cut the programme down a bit in Basra. Even then it would be tight. I therefore think that the best option would be to fly to Basra and back on Friday 2 January, the penultimate day of your holiday.

Other less attractive options would be:

- i) Fly out a RAF BAe 146 (21-seats) from the UK to pick you up in Sharm. Do the trip to Basra on Saturday 3 January, then fly back direct to the UK on the 146. You would have to set off from Sharm at 0800 (ish). If you

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Crem 49/3285

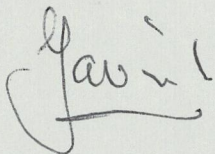
Minute dated
28.11.2003

spent 3 hours in Basra you would get back to London at 2230 (the family would get back earlier). But this would involve a 9-hour flight, plus two refuelling stops en route!

- ii) Use the RAF HS 125 already in the region. Do the trip to Basra on Saturday 3 January, leaving Sharm a little later than 0800. You could then spend 3 hours in Basra and fly on to Kuwait where you would overnight. Your flight back to London, the daily British Airways scheduled service, would leave Kuwait at 0830 on the Sunday morning, getting you back to London at 1300.

But neither option is particularly attractive.

So we recommend that you fly to Basra and back on Friday 2 January. Do you agree?



GAVIN MACKAY

From: Kate Garvey and Jo Gibbons

Date: 27 November 2003

PRIME MINISTER

cc: Jonathan Powell
Sally Morgan
David Hill
Matthew Taylor
Jo Gibbons
Hilary Coffman
Matthew Rycroft
Tom Kelly
Pat McFadden
Alasdair McGowan
Claire Harrington
Sally Hughes-Stanton
Detectives
Drivers
Katie Kay
Duty Clerk

VISIT TO WALES AND BRISTOL FOR THE WELSH GALA DINNER, THE LAUNCH OF THE NATIONAL CONSULTATION DOCUMENT AND THE NATIONAL POLICY FORUM, THURSDAY 27 AND FRIDAY 28 NOVEMBER 2003.

Overview

You are travelling to Wales this afternoon for a fun packed 24 hours... This evening you will attend the Welsh Labour Party Gala Dinner in Newport. Tomorrow you will attend the British Irish Council in Cardiff and have a meeting with Bertie Ahern. You then join two consultation events – one in Bristol, sponsored by The Guardian and one in Newport, organised by the Labour Party. Finally you launch the National Consultation Document at the National Policy Forum on Friday afternoon.

Media

You have a full media programme throughout the tour, both for nationals and regionals.

CONFIDENTIAL - VISITS

- 2 -

Patrick Wintour and Mike White will interview you on the train down to Newport, as will the South Wales Argus.

You will then meet the editors of Welsh Newspapers for a drink, with Peter Hain.

The Gala dinner will be private.

There will be pictures only of your meeting with the Taoiseach.

The Guardian will give the Bristol consultation event big coverage in their Saturday paper along with your interview, and you will also get regional coverage from this.

In Newport you will do an interview for a Ch4 programme or some more welsh media.

Full media will cover you NPF speech.

Labour Party Gala Dinner, Celtic Manor Golf Club, Newport, 1945-2115, Thursday 27 November

This follows the usual format and is being held on the grounds of the hotel you are staying at. Jess, Rhodri and Peter will greet you, take you round the end of the drinks reception and introduce you to sponsors, McNiffs and Western Power. At 8pm you will take your seat at Glenys Kinnock's table. After the starter Peter Hain will introduce Rhodri who will introduce you (**Words attached**). After your speech, you will eat your main course and then Jessica will escort you round some tables before you depart.

British Irish Council, Museum of Welsh Life, Cardiff, 0850-1100, Friday 28th November

As you are in Wales you have to pop in to this (see Alasdair's note). In the margins you will be able to see Rhodri and Peter and later meet Bertie. You will be away by 11am.

Guardian Public Services Consultation, Barton Hill Settlement, 43 Ducie Road, Bristol, 1200-1300 Friday 28 November

The Guardian are hosting a consultation event on public services which will be featured in full detail over 2 pages in Saturday's Guardian, including information for how readers can get further involved in the process. The whole event is 'on the record' but the Guardian have exclusivity.

There will be 60 invited guests made up from readers, Labour Party members and local community stakeholders. Each guest has been sent an advance note setting out the key issues facing the Government on public services and some

CONFIDENTIAL - VISITS

CONFIDENTIAL - VISITS

- 3 -

questions to consider before arriving (attached). It is in Jean Corsten's constituency and she will also be there.

Guests will assemble one hour before you arrive. Jonathan Friedland will welcome them and then a specialist facilitator – Ivan Pollard – will take them through the event. They will be divided into 5 tables of 12, of which two tables will consider education and three health. There is a Minister at each table – Melanie Johnson, Alan Johnson, Ivan Lewis, Rosie Winterton and Bev Hughes – helping to facilitate plus a Guardian journalist and Labour Party notetaker.

You will arrive one hour into their conversations and, shown around by Sheila Murphy, you will spend time at a few of the tables before joining Jonathan Friedland at the front. Broadcast and stills media will be present for the table tour although they will not have sound on although Guardian journalists will be at each table. Someone from each table will then feedback for 3 minutes on the key things they want you to hear. Once they have all spoken you will respond directly and give an overview.

The key to this event is to be in listening mode. Participants will have been briefed that it is their opportunity to have a say as part of the Big Conversation. They will have been told that all their views will be put into the process via the Labour Party notetaker and that they are involved in a dialogue with Government. Ministers on the tables will also be in listening mode and not in Q&A mode.

ASB Consultation, Ringland Labour Club, Newport, 1330-1400, Friday 28 November

This is a more informal consultation but with the same aim, to show you in listening mode. National and Welsh media will have good access.

Around 50 party members and local people (eg community support officers, victims of crime) have been invited to this event. They will be the first to see the Consultation Document, and will use the questions on ASB in the document to trigger their discussions. Matthew Taylor will facilitate these discussions, whilst David Blunkett hosts. Peter Hain will also attend, as will Alan Howarth, whose constituency it's in.

When you arrive, the consultation will be coming to an end, so Jess Morden will escort you to two of the tables to hear their conclusions. The tables will be

CONFIDENTIAL - VISITS

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- 4 -

branded with the Big Conversation logo, and there may be some mugs with it on by then.

You do not need to say any words, David will have already done that.

Afterwards you will have some time for Welsh and Ch 4 Interviews.

National Policy Forum, Celtic Manor Golf Club, 1500-1600, Friday 28 November 2003

Your speech will be to an audience of around 250 NPF members and local party activists. Ian McCartney will introduce you and you will speak for 20 minutes in front of "a future fair for all" and "Big issues need a big conversation" backdrop. **(FULL PRESS)**. You will then take questions or mingle for 20 minutes. Before you leave you need to see Brendan Barber for 5 mins on the **NUJ**.

You will get the train to Reading and should be at Chequers by 6.15.

KATE GARVEY

CONFIDENTIAL - VISITS

RESTRICTED

From: Alasdair McGowan
Date: 26 November 2003

PRIME MINISTER

Cc: Sally Morgan
Pat McFadden
David Hill
Hilary Coffman
Kate Garvey
Catherine Rimmer
Garden Rooms

VISIT TO WALES - 27/28 NOVEMBER 2003

Hilary Coffman has arranged a short interview with the South Wales Argus on the train down to Cardiff tomorrow (Thursday) and drinks with Welsh editors in the evening. Peter Hain will be travelling with you on the train and will be there in the evening to help field questions on specific Welsh matters if necessary.

Please find attached a one page achievements brief from the Wales Office plus briefing on hot issues. You should read the section on the Richards Commission carefully. You are bound to get asked about it. Peter Hain would probably prefer that you completely ruled out any change to the number of Welsh MPs. However, I think it is only wise to leave yourself wiggle room for the future in case the West Lothian Question becomes more of an issue, especially in a third term with a reduced majority. I have drafted the lines to take accordingly. I will leave it to you to judge how hard you want to be.

Separate briefing on specific questions which the South Wales Argus are likely to raise will follow.

Finally, I am assuming that you will as usual wish to speak off the cuff at the Gala Dinner but I have attached a couple of pages of bullet points which you may wish to draw upon.

ALASDAIR McGOWAN

RESTRICTED

HOT ISSUES

Richard Commission

Established by Rhodri Morgan under the terms of the Partnership Agreement between the Labour and the Liberal Democrats, the Commission, chaired by Lord Ivor Richard, is investigating the powers and electoral arrangements of the Assembly. The Commission is expected to publish its report early next year. Ivor has told Peter in confidence that the Commission would call for primary legislative powers for the Assembly, together with an increased number of AMs, and that there was also majority support within the Commission for the Assembly to be given tax-varying powers.

In a speech last week, Rhodri said that the choice the Commission would face was not just between the status quo and the Scottish model, as there were many alternative forms of devolution, including that used in Northern Ireland (even though he implied that he did not necessarily favour that model).

Crucially, he also said that he did not believe a referendum would necessarily be required unless it changed the fundamental nature of the current settlement. Rhodri's private view is that tax powers would require a second referendum but primary legislative powers on a wider set of areas might not.

The Richard Commission will present its report to the Assembly next year. It will be for the Assembly Government to decide what recommendations it wishes to be implemented. The Government will then consider any request for action from the Assembly Government. Rhodri has suggested publicly that we have a special conference next summer to decide the Welsh Labour Party's response. This would then feed into national conference next year and the Manifesto process thereafter.

Line to take:

We believe that the current system is working well but we have already given new powers to the Welsh Assembly where it makes sense – for example, in relation to higher education. Where it makes sense in other areas, we will of course consider extending powers further. The key test of any change should be whether it will deliver better public services to the people of Wales.

[If pressed – agree with Rhodri Morgan that whether you would need a referendum for further devolution depends on what is proposed and whether it fundamentally changed the current settlement. Not helpful to speculate about a range of hypothetical scenarios. As Rhodri has said, there are all sorts of options. Let's wait and see what Richards proposes and then let's have a proper debate in the Party and elsewhere.]

[If pressed – not helpful to speculate about what would represent a fundamental shift, but clearly the full Scottish model with tax powers would constitute a fundamental shift.]

[If pressed – agree with Rhodri that it is entirely wrong to assume that further devolution would inevitably require a reduction in the number of Welsh MPs. The level of representation is a separate issue. We certainly have no plans to change the number of Welsh MPs.]

Health Service in Wales

There has been concern about the performance of the NHS in Wales in recent weeks, from Labour MPs as well as Opposition members. The total number of patients waiting to be admitted to NHS hospitals in England between August 2002 and August 2003 decreased by 6.6%. Between September 2002 and September 2003, Wales Office officials calculate that hospital waiting times for inpatient and daycase treatment from all Welsh NHS Trusts rose by 8%.

The Assembly Government commissioned Derek Wanless to undertake a review of health and social care in Wales, and is acting to implement his recommendations. Jane Hutt last week announced plans to ensure that anyone waiting more than 18 months would be given an offer of alternative treatment.

Line to take:

Funding for the NHS in Wales has never been greater – an 80% increase since 1997, resulting in 30% more whole time equivalent hospital consultants, and 16% more qualified nurses. Waiting times across the UK are still too high – realise this is a particular challenge in Wales, but the Assembly has made substantial progress in eliminating long waits for targeted procedures, such as cardiac and orthopaedic surgery.

Councillors' Past Service Awards

The Assembly has given local authorities the power to establish a one-off scheme whereby councillors with over 16 years service who are retiring at next year's local elections would be entitled to a payment of £20,000.

The intention of the scheme is to recognise the service councillors have given, often to their financial disadvantage (as past council service has not been pensionable) and to encourage new people to participate in local government in Wales. It is for each council to consider whether or not the scheme, which is supported by the Welsh Local Government Association, is appropriate for them.

Only 8 of the 22 local authorities in Wales have voted to go ahead with the scheme, which has not surprisingly been the target of much public criticism.

Line to take:

This is a matter for the Welsh Assembly and it is up to the councils concerned to decide what they think is right. It would be inappropriate for me to comment further on the rights and wrongs of what is properly a devolved matter.

ASW Pension Scheme

The ASW steel company, based in Cardiff and Sheerness, went into receivership in July last year, with the loss of 650 jobs in Cardiff. It was subsequently revealed that the company's pension schemes were in deficit. The Cardiff site has been acquired by the Spanish steel company, Celsa, who have restarted production. However, former ASW workers are maintaining a high-profile campaign for the Government to compensate them for the loss of their pensions.

Line to take:

The Government appreciates that the closure of ASW sites was a devastating blow for the communities involved. The fact that Celsa has re-employed many of ASW's Cardiff workforce is excellent news, though it does not mitigate the pension problem.

The Government wants to do more to ensure that in future workers are protected from similar risks. We have therefore consulted on proposals to improve protection for scheme members.

We are concerned about members of pension schemes who will not receive the occupational pension they were expecting as their schemes are being wound up and are under-funded, and we have agreed to listen to sensible and constructive suggestions on dealing with the issue. But we do not wish to provide people with false hope that the Government will be able to step in.

All-Women Shortlists

In accordance with decisions of the NEC, the Welsh Executive have ruled that in 2 of the 3 seats where Labour MPs have indicated they will be retiring, the selection of their successor will be through women-only shortlists. These are Swansea East and Blaenau Gwent. There has been outspoken opposition to the decision in Blaenau Gwent, led by the MP Llew Smith and Assembly Member Peter Law. As the constituency officers refused to participate in the selection, it is being run by the Wales Labour Party. There were 21 expressions of interest from interested candidates, and the selection is now proceeding to a timetable, culminating in selection on December 12. A further MP, Denzil Davies (Llanelli) has subsequently indicated that he will be standing down.

Line to take:

The Party is determined to improve the representation of women in Parliament. At present, only 4 of Wales' 40 MPs are women. In constituencies where selections are conducted on the basis of all-women shortlists, it will still be the members who decide who will be their candidate.

KEY POINTS FOR GALA DINNER SPEECH

- Thanks first of all to Jess and the party staff for organising this evening's dinner. Thanks, too, to our sponsors (Western Power and McNiff).
- Would like to congratulate Rhodri and the whole of the Welsh Labour Party on an outstanding election result in Wales. It is a great tribute to your leadership, Rhodri, over the past four years.
- Thanks, too, to Peter for his enormous efforts in the campaign. He has been an outstanding Secretary of State for Wales. (As a reward, I've given him two jobs instead of one).
- Thanks to your efforts, we took back seats that we had lost to the Nationalists four years ago - like Rhondda, Llanelli and Islwyn. And now that we have an effective majority in the Welsh Assembly we can really start to make devolution work for the people of Wales.
- But what was striking was not just how well Labour did - but how poorly the Nationalists fared as well. Almost a third of their seats in the Assembly wiped out overnight. In Scotland and Wales, nationalism is in disarray.
- Unemployment in Wales is at its lowest level for nearly 30 years, with over 50,000 people taken out of welfare and into work by the New Deal.
- And now thanks to Objective One, we are creating even more jobs with almost £600 million is being invested in almost 1,000 projects in West Wales and the Valleys.
- In our public services, there are almost 1,000 extra teachers than there were four years ago, police numbers are up 10% since 1997; and we now have more doctors and more nurses treating more patients in our health service.
- So devolution has strengthened Wales and strengthened Britain too.
- Yes, it has meant differences in policy - like the new Learning Grants, the free prescriptions and the free breakfasts for all primary school children - but that is an inevitable consequence of devolution. We should celebrate diversity - not be ashamed of it.

- Clearly, as we take forward our national consultation, we need to acknowledge the differences arising from devolution in Wales and the document we are launching tomorrow does just that. But I want this to be a debate across the whole of the UK.
- After all, most of the future challenges we face are common across the UK. Like how we compete with other nations on skills; how we deal with the increased pressure that consumer demand is putting on public services; how we deal with the pressures that unhealthy lifestyle choices place on the NHS; how we help families manage the work life balance; how we help communities tackle anti-social behaviour and deal with people's disengagement from politics.
- These are big issues which we face as a country and they cannot just be a discussion behind closed doors, confined to 'political insiders' or 'political elites'.
- In the past we have been criticised for springing policy on the party and public without a proper dialogue. This time we want a full debate before unveiling new policies in the Manifesto.
- That is why for the first time government has produced a grown up and honest account of the country's strengths and weaknesses (the Strategic Audit). Followed by a series of honest questions about the future. In some cases, the questions reflect strong opinions we already hold. In other cases, we seek consensus on a new direction.

Public Service Reform

For decades, public services – the most important of which are health and education – were largely starved of investment. The effect was plain to see: half of all NHS buildings were older than the NHS itself; the poor physical condition of many schools was obvious to most parents; critical staff shortages were affecting the quality of service. Underinvestment undermined public services for years.

To remedy decades of low investment, the Labour government is making major increases in investment for both education and health. The scale and duration of this investment is unprecedented. A combination of increased public investment, with innovative use of private finance, has resulted in new schools and hospitals opening across the country and thousands more doctors, nurses and teachers joining the public services.

The future of public services though, is not solely reliant on greater investment. Patterns of public service provision have remained largely unchanged for fifty years. Although deference has declined and consumer choice has increased in just about every other walk of life, in many public services the attitude has been “take-it-or-leave-it, like-it-or-lump-it”: a single, uniform service with the users and consumers of services on the outside, unable to shape service provision or choose between service providers.

Failure to keep pace with changing attitudes and expectations amongst the population threatens to undermine the consensus for tax-funded public service provision. A wholesale flight from public service provision by those who can afford to pay privately – whether for school places or hospital procedures – in pursuit of greater consumer choice would disintegrate the sense of social solidarity on which tax-funded education and health services have relied for half a century. In these circumstances, the attractiveness of individual tax-breaks and top-up vouchers grows at the expense of collectively-funded public services.

Despite the best intentions of the founders of the post-War welfare state, uniform provision has not always reduced inequalities. In fact, health inequalities have grown since the NHS was founded. Many communities with the worst health outcomes were also the communities with the worst health services. In education, whilst the top 25% of 10 year olds head the international league in reading, the bottom 25% remain below the standard expected for their age. It is clear that uniformity of provision does not necessarily result in equality of opportunity so the government is trying to introduce new forms of public service provision – foundation hospitals, fast-track surgery centres in health and specialist schools in education.

The challenge is how best to combine universal provision with personalised services and thereby strengthen support for collectively funded public service provision. The challenge is how best to ensure schools and hospitals are free to all and personal to each, offer choices for the patient, parent and pupil between a range of providers of public services and ensure high standards of provision across the board, so that equality of opportunity can be enhanced and extended.

At the same time, there are new challenges to face: changes in technology, demography and the economy. In health, for example, some commentators predict medicine will change more over the next twenty years more than it has over the last two hundred. Greater understanding

of the human genome and wider application of the science of genetics could transform medicine from a "diagnosis and cure" service to a "predict and prevent" service. The challenge is how these new discoveries help to reduce health inequalities rather than extend them. In education, the global economy is ever more competitive with new players like China and India producing millions of graduates. Few now doubt Britain's future prosperity relies on a well-educated, highly skilled workforce. The challenge for government is how that prosperity can be shared across society by raising the educational opportunities and outcomes throughout the population.

Governments have a responsibility to face up to these challenges as they make decisions about the future direction of public service provision in our country. There are challenges for the population, too. The degree to which individuals take responsibility for their own and their family's interaction with public services is an important factor in the future of public services. The extent to which people make an effort to live healthier lives, turn up to doctor's appointments or parents' evenings, are interested and involved in the life of their children's school impacts on the effectiveness of public service provision. Taking up smoking or tolerating truancy represent additional barriers to the delivery of public services.

The future of public service provision is a complex issue for discussion. Most people will want instinctively to stick with the best aspects of how schools and hospitals are delivered – as universal public services, free at the point of use – but at the same time want to see these services change to be more responsive to the choices and preferences of the patients, parents and pupils. Most people want to minimise the tax they pay towards public service provision but at the same time will want public services to cope with changes to demography, science and technology which inevitably impact upon them. Most people want public services there for them when they need them but may be less willing to change their own behaviour to improve the effectiveness of the services on offer.

The question for all of us is how to square these circles. That is what today is all about.

Questions

- What are your own criteria, from your own experience, for judging whether the health/education system in your area is working better?
- What would persuade you - and what might persuade other people - that things are going in the right direction in health/education?

Health

- Have you ideas for improving your local health service, your GP service, your hospitals, your other health care services?
- Have you ideas for improving your own health and public health generally?

- People who can pay for their hospital treatment get a choice over where to be treated. In the NHS that's not been the case. In the future, if someone needs a hospital operation is it better for them, in discussion with their family doctor, to be able to have a choice between a number of NHS hospitals or to be automatically referred by their doctor to the nearest hospital? Is patient choice important if all NHS hospitals are up to a good standard and waiting times are shorter? Should patients only get a choice over which hospital they use if they are prepared to opt-out of the NHS?
- If NHS patients are to be given more choice over where and when they are treated in the future, what additional information will people need to be able to make those choices? How do we make sure that patient choice benefits more than just the most educated and articulate?
- To give NHS patients more choice within the NHS should we encourage different types of hospital to open up – with some just doing day surgery for routine cases or others set up by health organisations from Europe and the USA or new-style cottage hospitals run by GPs in the community doing minor surgery – all with care for free, according to need not ability to pay? How important is it to have a variety of different providers of care and treatment for NHS patients to choose between?
- If people are unwilling to choose to go to a particular NHS hospital – because it is not well run, standards are too low or its reputation is poor – what should happen to it? Are we prepared to see hospitals close because they can not attract enough patients or should they be taken over by better run NHS hospitals which patients want to go to?
- People talk a lot about centrally imposed targets. How do we get the balance right between targets set at the centre which all parts of the NHS have to meet – for example, a maximum waiting time for cancer patients or a heart operation or routine surgery – and giving hospitals the freedom to get on with the job without interference from Government? How important are national targets to ensuring we all get a decent service? Should nationally set targets matter more than locally set ones?
- Estimates suggest there are 1 million people on acute hospital waiting lists, 70% of whom will be treated within three months. There are 17 million people with chronic conditions which will need continuing NHS care rather than a one-off operation. How do we get the balance right between investment in hospitals and investment in health services in the community?
- What can be done to encourage the formation of self-help patient groups to provide help and support to people suffering from the many different forms of chronic disease?
- How do we give patients a bigger say in the NHS? The government recently passed a law so the public could elect their representatives to serve as hospital governors? Would you like to see similar arrangements put in place for primary care trusts, which are responsible for local health services?

- Extra investment in the NHS is delivering new hospitals, doctors and nurses which will improve treatment for patients. But how do we get the right balance between investment in improving treatment and investment in services to prevent people becoming ill?
- If patients fail to turn up for their appointment at hospital or with their GP should there be any sanction against them? What should those sanctions be? How do we get people to use NHS resources more responsibly?
- How much responsibility should people take for their own health? Are there things government can do to encourage people to take more exercise, join a gym or live healthier lives to ease the burden on the NHS?
- Should there be a ban on smoking in public places? How do we get the balance right between freedom for individuals and the public health? Should a ban be decided local area by local area or set nationally?
- Should advertising of unhealthy foods targeted at children be banned?
- Should the government introduce a levy on alcohol advertising with the proceeds put towards treating people for alcohol-related illnesses?

Education

- Have you ideas for improving your local schools?
- All the evidence points to the crucial importance of the early years in education. Should there be a universal under-5s service supporting parents and ensuring all children reach the age of 5 ready to learn?
- How important is being able to make choices between schools for parents and pupils? Should it be easier for new schools – primary or secondary – to be established by organisations able to provide excellent standards of education if there is sufficient parental demand?
- How much should we expect parents to take responsibility for their children's education? How do we make sure they carry out their obligations as parents of children at school – for example, by attending parents' evenings, ensuring homework is completed and not tolerating truancy? What sanctions should be in place for parents who refuse to take their responsibilities seriously?
- Should schools work more closely together to share facilities, spread best practice and raise standards? How can good schools help to turn around poorly performing ones?
- How can we encourage more young people to stay on at school after 16?

- As the number of people going to university increases, how do we ensure that those with the potential to go to university, regardless of background, are encouraged and supported to apply?
- Do you think that we have got the balance right between academic qualifications and vocational skills training? Should there be more two year higher education courses, where students pursuing vocational courses, could take further training rather than more academic graduate courses?
- Should private schools be required to share their facilities - science, arts, sports etc - with the state sector schools?

From: Catherine Rimmer
Date: 27 November 2003

PRIME MINISTER

SOUTH WALES ARGUS INTERVIEW

I attach briefing for your interview with the South Wales Argus. The issues they want to discuss are:

1. Health in Wales – long waits especially orthopaedics
2. Car crime – they have been running a campaign to make car park owners and drivers take more responsibility for car safety.
3. Post Corus regeneration – big investment in regeneration and re-training. Might ask you about steel tariffs.
4. Miners Compensation – they have been running a campaign for 5 years.
5. All women shortlists – imposed in Blaenau Gwent.
6. The Assembly – its achievements and should its powers be extended (Richard Commission)?

CATHERINE RIMMER

South Wales Argus interview:

1. Health: waiting lists and waiting times worst in the UK – particularly bad for orthopaedic patients in the Gwent area. Extra money is on the way from the National Assembly but many patients face minimum waits of three years for treatment.

- **£10 million over next 2 years to build additional orthopaedic capacity in South East Wales**
- **Record investment in health in Wales – up by 40% since 1999 (cash)**
- **8 hospitals for Wales open or underway**
- **30% more hospital consultants and 16% more nurses**
- **Nearly 200,000 more patients seen than in 1996/97**
- **Two out of three outpatients seen within six months**
- **85% of A&E patients seen by a doctor within an hour**
- **Progress on cutting waiting for targeted procedures eg cardiac**
- **Assembly has commissioned Derek Wanless to undertake a review of health and social care in Wales, and is acting to implement his recommendations. Jane Hutt last week announced plans to ensure that anyone waiting more than 18 months would be given an offer of alternative treatment.**

2. Car crime big problem in Gwent. Earlier this year Argus launched Car Safe campaign. We would be interested to hear the PM's views on how such crimes could be reduced, in relation perhaps to making car park owners more responsible for security, among other factors.

- **Operation Maple targets car crime hotspots, good results:**
- **Car crime down by 30% in Gwent**
- **263 people have been arrested**
- **Has found, most cars attacked are insecure or have property on display.**
- **Need to get message across to motorists not to leave possessions on view.**
- **Also agree car park owners could do more eg. publish car park crime figures so that motorists can make informed decisions about where to park.**
- **The police Secured Car Park scheme has been shown to work in reducing crime and fear of crime in car parks. We strongly support the scheme but are disappointed with the car park industry's response so far.**
- **If industry do not make significant improvements we will not rule out legislation.**

- Welcome the Argus newspaper's Car Safe Campaign which aims to make carpark operators more accountable for security and raise the public's awareness about car safety and to reduce car crime.

3. The regeneration of Newport and Ebbw Vale in the wake of the Corus job losses. Newport now has an urban regeneration company (Newport Unlimited) in place and there is a multi-agency approach in Ebbw Vale. We'd be grateful for the PM's views on progress.

- 3000 Corus job losses in early 2001 was a blow to Wales.
- **£76m Steel regeneration response package** from Welsh Assembly: Assembly, Development Agency, National Council, Tourist Board, Job Centre Plus and local authorities working together. Includes:
- **£4m support for Corus Employees:** 1,300 either retained by Corus or assisted into new jobs; 1400 workers undertaken training/education.
- **Newport Unlimited:** (private) urban regeneration company set up to help the communities most affected by steel redundancies. Working in partnership with the Welsh Assembly, WDA and Newport City Council. £10 million funding from the response package, £10 million from the WDA and an equivalent contribution from Newport City Council.
- **Corus site in Ebbw Vale:** WDA in negotiation with Corus to purchase the site, funded from response package. Council has plan to re develop for high quality mixed use.
- WDA already developing sites in Ebbw Vale eg. **Victoria Innovation Centre - £250,000 to provide new business space for business start-ups.**
- **Town Centre Regeneration in Ebbw Vale :** £1 million funding towards town centre regeneration in Abertillery, Ebbw Vale, Brynmawr and Tredegar and is also supported with WDA funding.

On steel tariffs:

- The WTO has ruled that the US steel measures are illegal and must be lifted.
- Very important that the US observes this ruling. Important to show that a large WTO member is still bound by its rules. Also because of the continued damage that the US measures are doing to the UK steel industry, including Wales.
- I made these points to President Bush when he was in the UK, and he assured me that he was considering the issue very carefully.
- If the US does not lift, then EU counter-measures come into force automatically on 6 December. None of us want that to happen. But the onus is on the US to stop it from happening.

- (IF required) Let's not get this out of context. The EU-US trading relationship is huge, and overwhelmingly harmonious. We have the WTO to sort out disputes, and that's what it is doing.

4. Miners compensation - they ran a very strong campaign on this. The government has now ensured that miners are compensated. You should commend them on their campaign.

- Nearly 6 years since the Court Judgements against British Coal Corporation, major developments have occurred during this time
- Nearly £2 million a day paid out
- Over £1.8 billion paid in total in the UK
- £175 million paid out in total in Wales
- Over 510,000 claims have been received and have settled approximately 180,000 of these.
- Recognise tireless work the Argus has done over the past five years both in front and behind the scenes.

5. All-women shortlists - Blaenau Gwent CLP officers are refusing to co-operate with Parliamentary selection on the basis of an all-women shortlist. Local Labour Assembly member Peter Law has threatened to stand against official Labour candidate. Wales Office is running selection. At short-listing last Friday 60 members short-listed five women (inc Maggie Jones Unison/NEC), while Peter Law and 30 supporters demonstrated outside - coverage sympathetic to them. Also all women lists in Swansea East and Llanelli - unhappy, but not major media stories.

- We are determined to improve the representation of women in Parliament.
- Only 4 of Wales' 40 MPs are women. In constituencies where selections are conducted on the basis of all-women shortlists, it will still be the members who decide who will be their candidate.
- The reason that we use all women shortlists is because we need to address the imbalance that currently exists where 52% of population are women and yet women make up only 18% of the Commons, 23% of the PLP.
- We believe that in order to properly represent the communities by which we seek to serve we must have a group of candidates who truly represent the community ie more women.

6. The Assembly. Does the PM believe it is proving successful after a somewhat difficult birth? What is his reaction to Rhodri Morgan's desire to see "clear red

water" between Cardiff Bay and Westminster? And does the PM believe there is a case for the Assembly to have greater powers, including the ability to vary taxation? The Richards Commission - looking in to giving the Assembly primary powers.

On achievements:

- **Unemployment lowest since 1975**
- 60,000 extra jobs – job creation faster rate than any other part of UK
- **Largest school building programme ever**
- **Highest primary school attainment in the UK**
- **Better GCSE results than England and Scotland - over 50% get 5 good GCSE's in Wales**

On new powers:

- We believe that the current system is working well but we have already given new powers to the Welsh Assembly where it makes sense – for example, in relation to higher education. Where it makes sense in other areas, we will of course consider extending powers further. The key test of any change should be whether it will deliver better public services to the people of Wales.
- [If pressed – agree with Rhodri Morgan that whether you would need a referendum for further devolution depends on what is proposed and whether it fundamentally changed the current settlement. Not helpful to speculate about a range of hypothetical scenarios. As Rhodri has said, there are all sorts of options. Let's wait and see what Richards proposes and then let's have a proper debate in the Party and elsewhere.]
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Richard Commission [background]

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legislative powers for the Assembly, together with an increased number of AMs, and that there was also majority support within the Commission for the Assembly to be given tax-varying powers.

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Delivery in Bristol

Unemployment down 50%

Long-term unemployment down by 80%

150 more police officers

890 more nurses

[NB teachers down since 1998 – 100 less]

Average funding per pupil has increased in real terms by £700 since 1997/8

11-year-olds achieving the required standard in English has risen from 55% to 66% and gone up from 47% to 64% in Maths

5 or more GCSEs at grades A* to C up from 29% to 31% since 1997/8

PFI project in Bristol to rebuild/refurbish four secondary schools. The project is currently in procurement and will be supported with £57.3 million PFI credits.

Excellence in Cities

Bristol's children's hospital - opened in April 2001 – is the only purpose-built specialist children's hospital in the country

A £130m major redevelopment of city centre hospitals in Bristol is being funded under PFI.

Four hospitals in the Bristol area have newly modernised A&E departments and three hospitals have rapid access chest pain clinics

In last year:

Recorded crime down 11%

Burglary down 13%

Robbery down 37%

Car crime down 18%

Street Crime Initiative: Street crime down 21%

Over £10m awarded as part of the local transport settlement 2003-4 to fund new public transport projects, city centre improvements and smaller scale schemes

Political Brief

Bristol Visit 28/11/03

Parliamentary

- Bristol West CLP: Val Davey (maj 4, 426). Iraq and Foundation Hospitals major internal issues.
- Bristol South CLP: Dawn Primarolo (maj 14, 181). No major internal issues.
- Bristol North West: Doug Naysmith (maj 10, 887). Manufacturing a possible issue.
- Bristol East: Jean Corston (maj 13, 392). Foundation Hospitals issue, but under control.
- Kingswood: Roger Berry (maj 13, 962). No major internal issues.

Bristol City Council

- Make up: 31 Lab, 27 Lib Dem, 11 Tory, 1 Ind.
- Cllr Peter Hammond (third Lab leader in two years) ceded control to coalition cabinet in May this year.
- Council now has Lib Dem leader Barbara Janke, with Hammond as deputy.
- Two Tories in cabinet.
- Unusual arrangements make governance and opposition very difficult, due to collective Corporate Responsibility.

Media issues

- Local NHS Trusts in bad state, especially North Bristol Trust. Overspend of £44 million last year, and a 'culture of fear' according to an independent report. Substantial coverage, though not overtly critical of Govt.
- Education a problem locally. Several schools under Special Measures, two more rumoured to be taken over soon. However, signs of improvement in certain areas. Current Cabinet Member with responsibility is Tory.
- Council Tax a major issue in Bristol and across South West. No official statement from Bristol Council on new settlement, but neighbouring authorities suggesting 10%+ rises. Major issue amongst voters, often on letters page.
- Substantial media coverage of former Lib Dem, now Ind, Cllr John Astley. Skipped bail to Holland on charges of vote rigging. Subsequent searches led to extradition on Child Pornography charges. Awaiting trial, still drawing allowance. Lib Dems damaged by this.

Barton Hill Settlement Brief

Bristol Visit: 28/11/03

Background

- Barton Hill Settlement is a 'multi-purpose community organisation' serving residents of East Bristol.
- The Centre has been operating in various guises since 1911.
- It has a paid staff of 120 (full-time and part-time) and a volunteer staff of 128.
- Bill Lochhead is Chair and Joanna Holmes Senior Manager.
- There is a Management Team of 17 local people.
- The facility is open seven days a week.
- A new building extension was opened this year.
- The outreach work done by the staff in the local community is viewed as being 'of equal importance' as the work done in the centre itself.
- The settlement's work is separated into the four projects listed below. There is, however, integral 'linking' of each project, with users of one aspect often moving on to another.

Family Play Centre

- Pre-school sessions for three to five year olds. Four sessions a week.
- Parents and toddlers. Three times a week.
- 2's group. Scheme for children over two, with 'learn through play' activities. Parents can leave centre.
- Crèche. Available for people using other facilities.
- Junior Youth Project. Ages 8-11, incl art, drama and computers.
- Young Mums session. For mothers aged under 25.
- Outreach Service- taking the centre's message into the home.
- Parents Groups. Informal meetings to share concerns.

Workshop

An extensive range of courses, offered at affordable prices, in the following areas:

- Social Studies
- Languages
- Education Studies
- Art and Design
- English and Maths
- Beauty and Holistic studies
- Admin / Computer studies
- Catering

Volunteering Project

- 128 volunteers working in different capacities across the area.
- Operates a 'time bank' to assist local residents and other members.
- Fostering strong sense of community and local ownership.

Neighbourhood Centre

- Offers 'multiple gateways' to local people.
- Over 50's projects. History Group, Keep Fit, Tai-Chi, lunch clubs, shopping trips, arts and crafts, bingo.
- Lunch Clubs. Over 50's on Thursday, family orientated on Sunday.
- CAAA: Community Action Against Alcohol and Drugs. Outreach work, working with victims, offering support to families, education for young people.

Funding

- The centre received major grants from the following last financial year:
- Community at Heart; Bristol City Council; Single Regeneration Budget; Learning Skills Council; Community Fund; Active Communities Unit; Drugs Action Team.

From: Laura Hester
Date: 26 November 2003

→ PRIME MINISTER

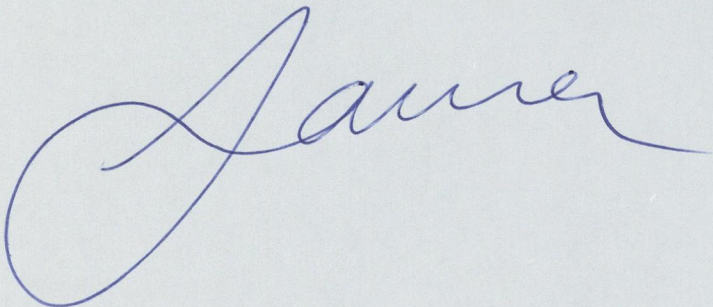
cc: Cherie Booth
Sally Morgan
Jo Gibbons
Hilary Coffman
Emily Hands
Katie Kay
Nick Matthews
Duty Clerk
Alf Smith
Sameena Rizwi
Messengers

BARNARDOS/NEWS OF THE WORLD CHILDREN'S CHAMPIONS AWARDS
THURSDAY 27 NOVEMBER
3.00 pm - 3.45 pm
Pillared Room

I am attaching the programme, guest list and brief citations for the award winners.

The guests consist of the judges: Ulrika Johnson, Sir Trevor McDonald, Sir John Stevens, Roger Singleton (Barnardos), the award winners and their families, and teams from News of The World and Barnardos.

The group will not be expecting you to attend. You will be introduced to the award winners and families, followed by a group photograph taken by the News of the World photographer.



LAURA HESTER

NEWS OF THE WORLD/BARNARDOS CHILDRENS' CHAMPIONS

AWARDS

THURSDAY 27 NOVEMBER

3.00 pm – 3.45 pm

- | | |
|---------|---|
| 2.15 pm | Photographer arrives to set up in Pillared Room |
| 2.45 pm | Group arrive – proceed to Pillared Room
for refreshments |
| 3.00 pm | PM arrives – speaks to Award winners

PM and Mrs Blair - Group photograph |
| 3.15pm | PM departs |
| 3.15 pm | Roger Singleton (Barnardos) TO SAY A FEW WORDS and
introduce Mrs Blair

MRS BLAIR TO SAY A FEW WORDS

Andy Coulson (NOW) TO SAY A FEW WORDS

Roger Singleton to call and introduce each winner
Andy Coulson to present certificates
MRS BLAIR TO PRESENT TROPHIES

<i>Individual photographs with Winners receiving awards</i>

<i>Group photographs – if not taken with PM at beginning</i> |
| 3.45 pm | Concludes – group depart |

GUEST LIST
CHILDRENS CHAMPIONS AWARD PRESENTATION
THURSDAY 27 NOVEMBER
3.00 pm

Andy Coulson	Editor	News of the World
Neil Wallis	Deputy Editor	News of the World
Ella Carr and Sarah Carr	Winner	
Shy Keenan and Lynda Wheatley	Winner	
Dr Roy Harris and Anne Harris	Winner	
Mike Godrich and Jaqueline Godrich	Winner	
Rebecca Crawford, William. .Jo and Darren	Winner	
Paul Nicholas	Senior Associate Editor	News of the World
Gary Thompson	Features Editor	News of the World
Hayley Barlow	Press and PR Manager	News of the World
Stuart Kuttner	Managing Editor	News of the World
Belinda Sharrier	PA to the Editor	News of the World
Roger Singleton CBE	Judge/Chief Exec	Barnardos
Elly Button	Media Manager	
Sarah Farley	Brown Lloyd James PR	Barnardos
Sir Nicholas Lloyd	Brown Lloyd James PR	Barnardos
Andrew Nebel	Director of Marketing	Barnardos
Diana Green	Director of Communications	Barnardos
Ulrika Jonsson	Judge	for News of the World
Sir Trevor McDonald	Judge	for News of the World
Sir John Stevens	Commissioner of Met Police / Judge	
Dick Fedorcio	Head of Press	Scotland Yard
Anna Glover	Sales Director	Marriott
Stuart Barry	Director	Marriott
Matthew Dawson	Rugby Star	
Primrose Skelton	Reporter	News of the World
Paul Ashton	Photographer	News of the World

Dr ROY HARRIS - MEDICAL CATEGORY

The first winner, in the Medical category of our Children's Champions Awards, is Dr Roy Harris.

Dr Harris was nominated by 12-year-old Rachael Hammond, who born with serious heart defects. Rachael told us that Dr Harris has raised 'thousands and thousands' for a new baby unit at Kings Mill Hospital, near Mansfield, as well as a new children's ward.

Rachael told us that: 'Once when I was really ill he even took my mum home to pack clothes because I was being transferred to a cardiac unit 50 miles away. Not many consultants would do that, would they?'

ELLA CARR - SCHOOL AWARD

Ella runs a creche for two to four-year-olds in Woolwich, and for 10 years she has dedicated her time to the children, many of whom have mental health problems, learning difficulties and problems at home. She was nominated by

Catrina Charlton, whose daughter attends the creche, because of her 'sheer dedication and love for each child'.

SERGEANT MIKE GODRICH – 999 AWARD

Sgt Godrich works in the Sketty area of Swansea and was nominated by student Bethan Evans for his dedication in helping children in deprived areas. His work includes organising discos for under 18s, setting up an anti-bullying campaign in the town and visiting schools to help youngsters learn the about the dangers of drugs.

REBECCA CRAWFORD – CHILDREN'S AWARD

Now we have the winner of our Children's Award, a very special category which recognises the work children do for other youngsters. And our winner is five-year-old Rebecca Crawford. Before we ask you to come and get your Award I would like to tell everyone a little bit about you Rebecca..

For the past three and a half years Rebecca has helped care for her younger brother William, who is also here with us today.

William has emphysema, which means that he has to have round-the-clock medication and this is where Rebecca plays a unique part in his life. Her mum and dad nominated Rebecca because of her 'sheer kindness and devotion'.

OVERALL WINNER – SHY KEENAN

Shy has campaigned tirelessly to stop a network of child abusers operating in Merseyside. She began working alongside the police by helping launch Operation Phoenix in 2000 - to catch and expose those who abuse children. Then, in 2002, she set up the Phoenix survivors group to help other victims of abuse. Shy has been nominated by her brother Derek because of what he describes as her "incredible dedication to helping others".

Shy is a wheelchair user

From: Gavin Mackay
Date: 27 November 2003

S 436 /03

MATTHEW RYCROFT

cc: Jonathan Powell
Sally Morgan
David Hill
Nigel Sheinwald
Kate Garvey
Tom Fletcher

CHRISTMAS VISIT TO THE TROOPS

In line with the Prime Minister's preference to do the visit to the troops at the end of his holiday, I have had a look at possible flight options. I have restricted this to military aircraft with the necessary defensive aids.

On current planning the Prime Minister and family are scheduled to fly back to London on 3 January 2004 aboard a Thomas Cook charter direct from Sharm El Sheikh. The flight leaves at 1515 and arrives in London at 2055. It is impossible to do a day trip to Basra that day and get back to Sharm in time to join the family for the flight home.

There are 3 options:

OPTION 1 - Preposition in Sharm an HS 125 (6-seats) or C130 (50 seats), already operating in the region, and do a day trip to Basra (on 2 January?)

Proposed timings would be:

08:00 ETD Sharm
11:45 ETA Basra

1145-1500 Programme in Basra

15:15 ETD Basra
17:00 ETA Sharm

OPTION 2: Preposition a BAe 146 aircraft (21-seats) from the UK in Sharm on 2 January. Do the trip to Basra on 3 January. The PM returns to the UK direct from Basra on the 146, leaving the family to return from Sharm on the Thomas Cook charter

Proposed timings would be:

3 January 2004

08:00 ETD Sharm

11:45 ETA Basra

1145-1500 Programme in Basra

15:15 ETD Basra

17:15 ETA Akrotiri

45 Minutes Refuel

18:00 ETD Akrotiri

20:00 ETA Bari

45 Minutes Refuel

20:45 ETD Bari

22:30 ETA RAF Northolt

(The family would get back to London at 2055)

OPTION 3: USE THE HS 125, ALREADY OPERATING IN THE REGION, DO THE VISIT SLIGHTLY LATER ON 3 JANUARY, OVERNIGHT KUWAIT AND FLY BACK TO LONDON BY SCHEDULED FLIGHT ON 4 JANUARY

Proposed timings would be:

3 January

Noon ETD Sharm

15:45 ETA Basra

1545-1900 Programme in Basra

19:00 ETD Basra
20:00 ETA Kuwait

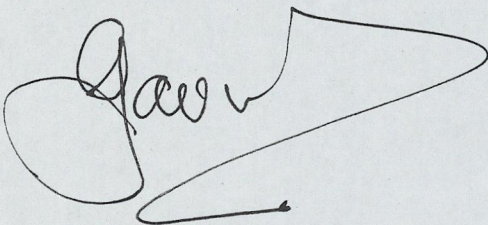
Overnight Kuwait

4 January

08:40 ETD Kuwait (BA 156)
12:50 ETA London

Using an aircraft already in the region is clearly the cheapest way to undertake this short visit. **Option 1** is the most straightforward, but it would mean taking a full day out of the PM's holiday. **Option 3** would avoid this but involves an overnight stop in Kuwait. **Option 2** is somewhere in between and would be the most costly, but, in any case, I would not recommend this bearing in mind that the PM would be on a 146 for something in the region of 12 hours (plus the 3 hours on the ground).

What do you think?

A handwritten signature in black ink, appearing to read 'Gavin', with a large, sweeping flourish extending to the right.

GAVIN MACKAY

200 Inb-54

From: Kate Garvey
Date: 16 November 2003

PRIME MINISTER

cc David Hill
Sally Morgan
Jo Gibbons
Stephen Wall
Geoffrey Norris
Ramil Burden
Catherine Rimmer
Martin Sheehan
Natalie Acton
Katie Kay
Duty Clerk
Detectives
Drivers
Liz Lambert

**VISIT TO BIRMINGHAM FOR THE NATIONAL CBI CONFERENCE AND AN
ANTI-SOCIAL BEHAVIOUR VISIT, MONDAY 17 NOVEMBER 2003**

You are giving your bi-annual address to the CBI Conference tomorrow at the ICC in Birmingham. This will be followed by a private lunch with the CBI and business leaders. Beforehand you have an opportunity to highlight the government's commitment to tackling ASB, in particular its impact on the retail industry. You and Hazel Blears will announce a £900K funding for the Action Business Crime Group during a meeting with retailers and police at the Bull Ring Shopping Centre. (See Catherine's note). Although you are not doing any regional interviews this announcement and the pictures of you at the Bull Ring will play well in the regional media.

**10.30-11.15 ASB and Retail Crime Meeting, Selfridges, the Bull Ring,
Central Birmingham**

Yes, the meeting is in Selfridges Department Store, next to the womens' shoe area (heaven). You will enter Selfridges through the futuristic entrance of the

Bull Ring – people in Birmingham are very proud of this modern, artistic appearance. **(Arrival shots).**

Sarah Halsall, Manager of Selfridges, and Hazel Blears will meet you and escort you up the escalator to the 4th floor where 20 invited guests will be gathered in the Gallery Café. (See list attached). The guests all have an interest in tackling ASB and they will highlight the damage it can do to the retail industry. However, in Birmingham, through various police and retail initiatives, ASB and crime in the City Centre is going down. We will prime various invited guests to speak, including Chief Superintendent Phil Raw, Police Commander for the City Centre, who is very keen on ASBOs who has been to No.10 to talk about his work. Chris James, Director of the Birmingham Retail Crime Operation, will also speak about the success of his 200 plus strong partnership in tackling crime in the City Centre. This group is exactly the kind of operation the £900K will be used to set up and support around the country. Bill Moyes, Director General of the British Retail Consortium, will also be in attendance to support the announcement. (The BRC is very impressed with the work that the Government is doing on ASB).

There will also be representatives of smaller retailers such as Bhopinder Singh Rahanu, Chair, Hansworth Traders Association, who runs a shop in Hansworth outside the City Centre. It would be useful to hear his experiences and also to hear about Birmingham's successful truancy scheme and its use of fixed penalty notices. **(Part of the meeting will be pulled).**

11.50-14.00 CBI Conference, ICC, Birmingham

This will follow the usual routine – you will be met by Sir John Egan and Digby Jones who will take you to a private room for some brief prep time. Sir John will then introduce you and you will speak to the 700 plus audience for about 20 minutes. Sir John will then take 3 questions from the audience which you will respond to. Afterwards you will have a 20 minute meeting with Pat Cox (see Stephen's note). Finally, you will have an hour's private lunch with the CBI and business leaders at the Hyatt Hotel. (See Ramal's note). You will then return to No.10 by train.

Signed : Kate Garvey
16/11/2003

KATE GARVEY

Proposed Invitation List

- 1) David Sharpe, Street Crime Initiative Co-ordinator, GOWM.
- 2) CSI Phil Raw, F1 (Birmingham City Centre) Police Commander, WM Police.
- 3) SI Andy Nicholson, Operations Manager, WM Police.
- 4) Chris James, Director, Retail Crime Operation.
- 5) Sarah Halsall, Manager, Selfridges.
- 6) Tim Walley, Manager, Birmingham Bull Ring
- 7) PC Malcolm Taylor, WM Police.
- 8) Lisa-Marie Smith, Police Legal Services Department
- 9) PS Farook Sheikh, WM Police.
- 10) Philip Bateman, Head of Safer Travel, Travel West Midlands
- 11) Jonathan Cheetham, General Manager, Pallasades Shopping Centre.
- 12) Chris Hobbs, Loss Prevention Manager, Gap.
- 13) Tim Fagan, General Manager, House of Fraser
- 14) Neil Boffey, Loss Prevention Manager, Debenhams.
- 15) Jenny Ingles, Director, City Centre Partnership.
- 16) James Kelly, City Centre Manager.
- 17) Christine Brolan, Pupil Watch.
- 18) Jane Olnier, West Birmingham Youth Offending Team.
- 19) Neil Grant, Manager, Birmingham Crime and Disorder Reduction Partnership.
- 20) Mandip Kaur, Customer Service Manager, Dixons XL
- 21) Sarah Calloway, Police Community Support Officer.
- 22) Bhopinder Singh Rahanu, Chair, Hansworth Traders Association.



10 DOWNING STREET
LONDON SW1A 2AA

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From the Private Secretary

13 November 2003

Dear Ambassador

Thank you for your letter of 5 November to Matthew Rycroft, enclosing one to the Prime Minister about the World Summit on the Information Society.

The Prime Minister will not be able to attend the Summit, but I can confirm that the UK will be represented at Ministerial level.

Yours faithfully,

David Hallam

David Hallam

His Excellency the Swiss Ambassador

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(Handwritten initials)

PRIME MINISTER

*Charles really
gets around
doesn't he ?!*

From: Matthew Rycroft
Date: 13 November 2003

cc: Jonathan Powell
Nigel Sheinwald
Stephen Wall
Jeremy Heywood

SATURDAY DINNER: FOREIGN GUESTS

Among your dinner guests at Chequers on Saturday are Bernard Arnault and Josef Ackermann, and their wives.

Bernard Arnault is the Chairman of Louis Vuitton Moet Hennessy, and France's richest man. I enclose a note from Charles Powell who knows him well.

His wife, Helene, is a French-Canadian concert pianist.

Josef Ackermann is Chief Executive of Deutsche Bank. The two key issues are:

- (a) The prospects for Deutsche Bank shifting its activities to London. Four out of Deutsche Bank's seven main businesses are already run out of London, with over 10,000 employees in the City. So in a sense it has already shifted to London, but it is possible that yet more of the business could be moved here.
- (b) The pending trial against Ackermann, likely to start in January. The charges are that Ackermann's approval of a 15 meuro payment to the former CEO of Mannesman amounted to a breach of trust. Ackermann told Peter Torry in Berlin that the charges underline the clash of cultures

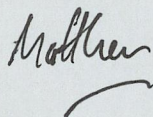
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between Anglo-Saxon and European/Rheinland capitalism. He would be perfectly happy to discuss all this with you.

Ackermann also wants to talk about reform in Germany, on which he is sceptical. Schröder seems to be doing the minimum possible. Business leaders almost all complain that the reforms do not go far enough. There is growing public and political pressure on him to keep up the momentum. The four main items of present reform are: job centres, merging unemployment benefit and social security, tax, and health. If there were to be further reform, a front-runner is more on tax, since the German tax system is the most complicated in the world. The other possibilities are: collective bargaining, but Schröder has defended this; labour market flexibility; health reform; and pensions.



MATTHEW RYCROFT

RESTRICTED



Philip Anderson

[Signature]

[Signature]

Fourth Floor
Berkeley Square House
Berkeley Square
London W1J 6BL

Tel 020 7543 1577
Fax 020 7543 1578

From: LORD POWELL of BAYSWATER KCMG

STRICTLY PERSONAL

7 November 2003

By fax

Mr Jonathan Powell
Chief of Staff
No.10 Downing Street

Dear Jonathan,

I promised to let you have some background on **Bernard and Hélène Arnault** who will be guests at the Prime Minister and Mrs Blair's dinner at Chequers on 15 November.

Business Details

Bernard Arnault is the **Chairman and principal shareholder of Louis Vuitton Moët Hennessy (LVMH)**, the world's biggest and most successful luxury goods company. The company's turn-over is around £10 billion. Its most famous brands are:

- **Louis Vuitton, Christian Dior, Givenchy, Fendi, Kenzo, Celine and Loewe** in fashion;
- **Hennessy Cognac, Krug, Dom Perignon, Veuve Clicquot, Moët et Chandon, Chateau Yquem, Chateau Cheval Blanc** in wines and spirits;
- **de Beers, Tag Heuer, Chaumet, Ebel and Zenith** in jewellery and watches;
- **Guerlain** and many other brands in cosmetics;
- some media interests including the main French business newspaper.

LVMH is significantly bigger than its nearest rivals: Richemont (which owns Cartier) and Pinault-Printemps (which owns Yves St. Laurent and Gucci). It is a global business, with its biggest markets these days in Japan, the US and the rest of Asia.

Career

Bernard Arnault is in his early fifties. He comes from a moderately wealthy family in **Lille**. He went to École Polytechnique but – unlike heads of

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many big French companies – not to ENA. He speaks good English after spending five or six years in America in the early Eighties where he built a successful real estate business. He began to build up the collection of brands which constitute LVMH after he returned to France in 1985 and is now France's richest man. He is not politically active but has an easy access to President Chirac whom he sees often. He follows European affairs quite closely as well as China and Japan. Like many French businessmen, he regretted the damage which Chirac and Villepin did to the transatlantic relationship over Iraq.

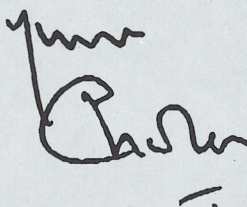
Family Background

Bernard Arnault has been married twice. He has two grown-up children from his first marriage. One of them, his daughter Delfine, has just joined the LVMH Board. His present wife H         is French-Canadian and a successful concert pianist. They have three (I think) small children. Arnault is also deeply into music and is himself a pianist of near-concert standard. He is also a tennis player.

Links to the UK

The Arnaults own a house in Hampstead where they quite often spend weekends. All the main LVMH businesses operate in Britain and the group's leading fashion designer, John Galliano who does Dior is British. Bernard Arnault came to a small dinner organised by the then French Ambassador in c.1990 to meet Margaret Thatcher (who was impressed with him).

I have been on the LVMH Board since 1994, for most of the time the only non-French director. I am also on the board of Arnault's family company and am Chairman of LVMH in the UK.



From: Martin Sheehan
Date: 5 November 2003

PRIME MINISTER

Cc Sally Morgan
David Hill
Kate Garvey
Hilary Coffman
Catherine Rimmer
Ramil Burden
Ben Wilson
Drivers/Detectives

**ASB VISIT TO BASILDON. REGENERATION AT FORD, DAGENHAM,
THURSDAY 6 NOVEMBER 2003:**

You are continuing the push on anti-social behaviour with a visit to a tough estate in Angela Smith's, Basildon constituency. A quick walk on the estate, with the new dedicated beat officer - PC Henry Garrod. Meeting with local mums to talk about challenges/problems. Local media clips at the end.

Following that, on to John Cruddas's patch in Dagenham to open Ford's new engine and training centre for the community, built in partnership with LDA. Tour of the new areas, chat with Nick Scheele followed by speech. Pool pics on the production line during the tour.

Briefing on both visits is attached; Catherine will talk you through it on the train. A speaking note is attached for the Dagenham end.

ARRIVAL - CRAYLANDS ESTATE, BASILDON 1400hrs (POOL PRESS)

A forgotten part of the new town built in the 60's, you will immediately see the need for the investment that will be coming into the estate. While the housing is not the worst, there is a general run down feeling, lack of community spirit and facilities.

It has had major problems with anti-social behaviour, culminating during this years long hot summer - criminal damage by youths, graffiti, burning cars etc. As a direct result the local police launched Operation 'Eclipse' which has meant more high visibility policing in the area. While not perfect, results are being achieved. Following the operation the police have now decided to allocate a police officer, PC Henry Garrod full time to work the estate. The estate will

also benefit from £18.5m regeneration going to it and neighbouring Fryerns through the Thames Gateway initiative.

You are met by Angela Smith MP and PC Garrod. They will show you the main area where trouble had been taking place, around the central parade of shops. [POOL PICS]

ARRIVAL - MEETING WITH RESIDENTS ON THE ESTATE, 1410hrs

You then have a cup of tea and discussion with six mums from the estate, in the local Victim support office. They will be able to tell you about the challenges they face and the concerns they have, in particular teenage tearaways and problem families. Some of the mums have had children picked on by yobs. Angela Smith will be in the meeting to assist. [PEN PORTRAITS ATTACHED].

The meeting should last 20 minutes, we will let the media in for some wallpaper footage and it may be possible to do some clips at the end. Departing Basildon at 1430hrs.

ARRIVAL - FORD DAGENHAM, 1450hrs (POOL PRESS)

On to Ford to see the changes there since car production stopped after 70 years, in 2000 (Fiestas used to be made there). [Background note on Ford is attached.]

Sir Nick Scheele and John Cruddas will meet you at the new £300m Dagenham Diesel Centre. State of the art R&D is combined with the production side here. You will be escorted round the plant by senior managers, Mike Harvey (Production) and Phil Lake (R&D).

Firstly, through the open plan engineering R&D section and onto the assembly area. Nick will take you to see the production of the new V6 "Lion" engine, which will go into Jaguar's S-Type. A small number of engineers will talk you through the process and you will have the opportunity to fit a part to the engine. [POOL PICS].

Then over to look at the finished product, the new engine in a Jaguar S Type. Nick will then invite you to unveil a plaque. [POOL PICS]

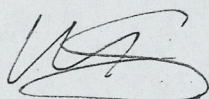
***ARRIVE -CENTRE FOR ENGINEERING AND MANUFACTURING
EXCELLENCE, 1515hrs***

You then make the short 5 minute drive with Nick to the Centre for Engineering and Manufacturing Excellence (known as 'CEME'). An impressive, modern design it will eventually teach up to 2,000 students (Ford apprentices and outside students). Funded through a not for profit partnership between Ford, the LDA and local colleges.

Mike Harvey who you will already have met escorts in his role as Chairman of CEME. Firstly, through one of the classrooms, quick chat to a couple of students. Then through the more traditional looking training workshops - where students will be working on projects and then on to look at one of the hi-tech training machines with some young apprentices [POOL PICS].

Then for the brief opening ceremony. You enter with Nick and take a seat in the front row. The Mayor will also be in the front row and will speak. Nick will introduce Ken and follow him to introduce you. You speak to an audience of around 400 staff and stakeholders [speaking note attached]. On conclusion of your speech Nick will ask you to unveil a plaque for CEME site, he will then escort you to meet some of the key players in the front row, including LDA and Thames Gateway. [POOL PICS].

DEPART 1545HRS



Martin Sheehan

From: Catherine Rimmer
Date: 5 November 2003

PRIME MINISTER

BRIEFING ON CRAYLANDS ESTATE AND POSSIBLE MEDIA INTERVIEWS

Please find attached briefing on:

1. **Craylands Estate:** profile; regeneration; tackling crime with new police officer
2. **'Yob' crime in Essex** (NB you queried where in Essex the FPN pilot was – it was across the Essex force. The impact on crime has not yet been measured but the police say they find them very useful.)
3. **Anti social behaviour:** key stats (nationwide) and new powers; new measures on fireworks
4. **Thames Gateway:** Regeneration in South Essex
5. **Media issues**
6. **Delivery:** Unemployment; health and education in Basildon and Dagenham

CATHERINE RIMMER

PM VISIT: Craylands, Basildon

Craylands Estate

- Developed as part of the New Town in the early 60's
- 800 homes – 50% Council owned
- Poorly laid out design – encourages anti-social behaviour
- Unemployment 6%
- Poor education attainment

Regeneration

- **£18.5m** successful bid from Sustainable Communities Fund for estate renewal – through **Thames Gateway**
- Development of Fryerns School site for housing and community buildings: 500 new homes – 50% affordable
- Possible Community Health facility
- Full involvement of the local community in the planning process

Tackling Crime in Craylands – visible policing

- Recent rise in anti social behavior has resulted in a dedicated police officer based on the estate - PC Henry Garrod. He is an experienced officer with over 25-years service.
- 68 Community Support Officers are starting this week in Essex – 10 of them in Basildon.
- 10 Community Wardens in Basildon - 4 of them will be available for deployment district-wide, including Craylands.
- Junior youth club operating from the community centre
- Redesigning communal areas to design out crime
- Working with agencies to restrict vehicle access onto the estate
- Anti-social behaviour team set up within the Fryerns area
- Additional policing at weekends

Background to new police officer

Since the 1980's parts of the estate have become run down. Criminal damage and graffiti have contributed towards the general decline.

Since summer 2003 there has been an increase in crime and anti social behaviour with large groups of youths congregating on the estate involved in damage and burning cars.

As a direct result of a significant rise in reported crime and the views of some of the residents, Basildon Police mounted a targeted Policing operation. Operation 'Eclipse' which involved a significant increase in high visibility foot patrol on the estate. Local youths were stopped and where appropriate searched for weapons. This part of the operation continued until October 2003. An evaluation of reported crime conducted in October indicated a reduction of crime across a range of offences, particularly damage and vehicle crime.

As a result it was decided to have a dedicated police officer based in the estate. Based in the heart of the estate near shops which had become a focal point for the local youths to congregate. The initial reaction of residents has been extremely positive. The effectiveness will be assessed in 3-months.

'Yob' crime in Essex

Funding to Eastern Region:

- £11m for CCTV (particularly successful in Southend)
- £4.5m for Communities Against Drugs
- £6m for Safer Communities Fund
- 4 neighbourhood warden and 13 street warden schemes across region

Essex:

- Recorded crime up 20%
- **Record police numbers in Essex:** up 102 since 1997
- **68 Community Support Officers** due to start this week
- **Fixed Penalty Notices** across Essex police force [I checked]
- 1,500 FPN: drunk and disorderly cautions fell by 66% and prosecutions fell by 75%. 90% Essex officers satisfied with FPN.
- [Impact on crime has not yet been assessed]
- From 2004 **Essex will be piloting FPN for 16-17 year olds**
- 3 Drug Action Teams and 3 Youth Offending Teams
- NB Essex lowest number of ASBOs in country – have found alternative methods eg. Anti social behaviour contracts working well in Essex

Basildon:

- Burglary up 49% in last year
- Vehicle crime up 15% in last year
- High level of young offenders - youth diversionary schemes.
- 7 Community Support Officers to start in Basildon in November.
- 10 Community Wardens
- Targeted policing is working eg. Operation Acrobat to crack down on anti social behaviour in Basildon Town Centre.
- Craylands, the estate you will be visiting tomorrow is getting a dedicated police officer who will be based on the estate.
- Crack Cocaine big problem - Operation Orlando – Essex Wide
- Basildon has a Community Drug and Alcohol Team - DTTO worker and links to the Arrest referral worker.

Southend:

- Crackdown on street robbery in Southend with £1m funded CCTV
- 9 extra officers assigned to schools. 1 to Thorpe Bay School this week.
- 9 ASBOs in operation
- New drug treatment centre will be opened soon in Southend.
- New LINK persistent offenders scheme is just about to be piloted in Southend and Thurrock - will eventually run across Essex Police area.

Anti-Social Behaviour – key stats (nationwide) and new measures

Statistics

1300	ASBOs
6,000	FPN
1,800	Acceptable Behaviour Contracts
3,600	Parenting Orders
15,500	Drug Treatment & Testing Orders

The anti-social behaviour white paper/ bill builds on powers. For example:

Abandoned vehicles: Powers for police to remove cars they suspect to be abandoned within 72 hours.

Powers to close crack houses: enables the police to issue a closure notice, and apply to the court within 48 hours for a closure

Fixed penalty notices for disorder: extending to 16-17 year olds, power to extend to under 16s and to make parents liable to pay

Housing: easier evictions for anti social behaviour

Parental Responsibility: power for schools and LEAs to enter into parenting contracts for truancy and exclusion from school; FPN for truancy

Dispersal of groups: police power to disperse groups and automatic local child curfew powers

Firearms: age of owning airgun up from 14 to 17 and new offence of having an airgun or replica in a public place

Environment: Power to close noisy licensed premises for Environmental Health Officers. New fixed penalty notices powers for graffiti and flyposting, and banning sales of spray paint to under 18s. **Thames**

Fireworks new measures to be in by Christmas are:

Possession of fireworks by under-18s in public places will be made illegal.
Possession of powerful and dangerous fireworks outlawed
FNP for people caught throwing fireworks in the street doubled to £80.

Gateway South Essex (Thurrock, Basildon and Southend)

- Thames Gateway: £446 million to regenerate 14 Zones which offer the greatest potential for growth, development and economic regeneration.
- 4 zones in the South Essex area (Thurrock, Basildon, Southend, Shellhaven/Canvey)
- About £120 million for South Essex Partnership. As with all Gateway projects, ODPM funding is contingent upon local partners providing a business plan for each project and a positive value for money appraisal.

Basildon

£24.5 million (in principle) for regeneration and development in the new town area of the district.

- Fryerns Development and Craylands Estate Regeneration - £18.5m (visit tomorrow)
- Basildon Town Centre Masterplanning and Town Square Development - £1m
- Gardiners Lane South - £5m

The Fryerns Development and Craylands Estate Regeneration project seeks to provide in the region of 600 new homes and 100 new jobs in the period up to 2006. The project includes the development of a former school playing field (adjacent to the Crayland Estate) and also seeks to invest in the regeneration of the Craylands community.

Southend

£28 million for regeneration and development of the town centre, the sea front area and the Shoebury new ranges, where significant housing and employment opportunities exist.

Thurrock

Has some of the most acute levels of multiple deprivation in South Essex Urban Development Corporation specific budget of about £60m up to 2006 - comprehensive approach to development and regeneration.

Other media issues

'Name and Shame' campaign. Paper complains they are prevented from naming kids who have had ASBOs issued.

The details of ASBOs made against young people in the magistrates' court can be publicised and it is an anomaly that details of an order made in the youth court cannot.

That is why we are removing automatic reporting restrictions from details of any order made on conviction in the youth court. Details of the conviction itself will stay confidential. And the court will retain the power to impose reporting restrictions where appropriate, for example in the interests of rehabilitating the child.

Publicity is central to the effectiveness of anti-social behaviour orders. It reassures the community that action is being taken to protect them and provides them with the information to report a breach of the order.

Extra runway will be at Stansted

No decisions have yet been taken on airport expansion. A White Paper setting out the Government position will be published in December. Lets wait and see what that says.

There has been a full public consultation on the options for expanded airport capacity. We need a sustainable, long-term strategy to tackle increasing demand for air travel over the next 30 years. That is what the White Paper will seek to deliver.

Asylum centre in Essex

We have been looking for an appropriate site for an Immigration Removal Centre in the Stanstead area, however no appropriate site has been found. We are therefore suspending our search in this area for the current time. We will continue to look for another site across the country.

Local MP has been informed by letter.

There are no current plans for any other type of asylum centre in Essex.

Health and Education delivery

Basildon:

Long term unemployment is down by over 80%

Funding per pupil up £670

300 more teachers

1,900 more teaching assistants

Nearly 600 more nurses in Health Authority

Waiting lists down

11 year olds: 77% required standard in English, up from 65%

73% required standard in Maths, up from 58%

GCSE: 5 good grades up from 49% to 55%

Basildon & Thurrock Hospitals NHS Trust awarded 3 stars status for 3 consecutive years and is going for Foundation Trust status.

SoS has now approved funding for Tertiary Cardiac Centre £56M

Dagenham:

Long term unemployment down by 90%

Funding per pupil up £1000

120 more teachers

200 more teaching assistants

Waiting lists down

Record police numbers in the Metropolitan Police service, 2,000 more London Borough of Barking & Dagenham - actual police strength was 386 officers on 31 August 2003, 26 more than in March 2003

11 year olds: 70% required standard in English, up from 60%

68% required standard in Maths, 54%

GCSE 5 or good grades iup from 31% to 48%

CRAYLANDS ESTATE MEETING [NB: More info coming in morning]:

- Maggie Forder: Long term resident. Two children over 20 who have been targeted by other youngsters. Worried about how effective new money coming onto the estate will be.
- Mrs Bruce: Long term resident. Children aged 18,17 and two younger ones. Concerns over new building on old school site [Catherine will have briefing on this].
- Mrs Sharp (husband Russell tenant rep may also attend). Long term residents. Concerns over whether local politicians (not Angela!) can deliver.
- Mrs S Cumbers: Long term resident with 4 children; two teenagers and two younger ones.
- Karen Grant: Long term resident with 1 teenage daughter and younger children.
- Mrs Sullivan: Long term resident with 3 children, one teenage daughter and two younger.

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From: Ramil Burden
Date: 5 November 2003

PRIME MINISTER

cc: Jeremy Heywood
Geoffrey Norris
Jonathan Powell
Victoria Bakhshi

BACKGROUND BRIEF FOR VISIT TO DAGENHAM AND SPEAKING NOTE

You are due to open Ford's new Dagenham Diesel Centre (DDC) and the Centre for Engineering and Manufacturing Excellence (CEME) tomorrow. Ford stopped car production at Dagenham three years ago (it used to produce Ford Fiestas). Since then Ford have remained committed to Dagenham and are proud of the fact that there were no compulsory redundancies and all employees involved in car production have been re-employed within the company. You will see the result of investment by both Ford and the public sector in the regeneration of the site, which should now have a bright future.

This note gives you (1) background on the two centres (2) background on Ford and (3) a draft speaking note for you and (4) the speaking notes for Nick Scheele and Ken Livingstone who both speak before you.

The Dagenham Diesel Centre (DDC)

The DDC is the first new build on Ford's Dagenham estate for 30 years. It is a state of the art facility and is designed to make Dagenham a global "centre of excellence". The engine business is a large and growing part of Ford's presence in the UK. Over 25% of Ford's engines worldwide are already sourced from here. Ford are investing over £300 million in the DDC and since they are the only car company with a substantial R&D presence in the UK they remain vital to the health of the automotive sector. As you will see the facility is not just an assembly line. The design and development engineers and the production engineers are co-located at the facility. The first engine to come out of the DDC will be the V6 "lion" which will be used in the Jaguar's X-Type Saloon. You will be asked to unveil a plaque to formally open the DDC.

Centre for Engineering and Manufacturing Excellence (CEME)

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CEME is a not for profit public-private partnership between Ford the LDA, the local colleges (Barking and Havering) and other public bodies. The first intake of students began in September this year. It will eventually have up to 2,000 students studying full and part-time courses ranging from basic skills, modern apprenticeships and degree level programmes (accredited by Loughborough University). It is an impressive building which has been designed to be as environmentally friendly as possible. For example it has the largest solar panel installation in the UK (part funded by the DTI).

CEME will also house 45 new incubator businesses at its Business Innovation Centre so that businesses will be able to benefit from the expertise and resources of CEME to turn innovative ideas into commercial reality.

Ford

Ford is the second largest automotive manufacturer in the world. It operates in 30 countries and has 350,000 employees. In the UK Ford employs 40,000 people. 2003 is its centenary year (you wrote to Bill Ford, the company's Chairman and Chief Executive congratulating Ford earlier this year).

Within the UK Ford has extensive engine production facilities at Dagenham and Bridgend and continues to manufacture Transit Vans in Southampton. It has a large technical centre in Dunton.

Importantly for the UK, Ford owns Jaguar, Land Rover and Aston Martin (which, along with Volvo, Ford badges as its "Premier Automotive Group" PAG). PAG manufactures at four sites, three in the West Midlands and one in the North West: Browns Lane in Coventry, Castle Bromwich, Halewood and Solihul. These extensive operations make Ford the UK's largest automotive manufacturer.

However, Ford's recent business difficulties are well known. The company suffered a \$5.1 billion loss in 2001 and a \$900 million loss in 2002. Although things have improved markedly this year there is still much cause for concern. For the UK the immediate problem is the future of PAG. PAG's chairman met Patricia Hewitt in April. The main problem is that PAG has too much volume. However the company has repeatedly relayed to Ministers that no decision has yet been made on which, if any, plants will close. However, speculation in the media

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has intensified recently, with the Browns Lane site repeatedly identified as the most likely plant to close.

RAMIL BURDEN

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SPEAKING NOTE FOR CEME

I am delighted to be here today particularly in this Ford's centenary year.

A proud, successful centenary in which Dagenham has played a key role.

What we are witnessing today will I hope lay the foundation for another century of success for both Ford and Dagenham.

Three years ago when Ford announced the end of car production after 70 years many feared the worse for Dagenham.

But Ford made clear from the start that they would remain committed to the regeneration of this estate.

They should be congratulated. As should the London Development Agency who have played a pivotal role in making this regeneration happen – a prime example of the benefit of having a regional development agency. Regeneration which will have a positive effect on the local community, the East London Corridor and beyond.

The manufacture of high technology, low CO2 diesel engines at Dagenham is not only the latest addition to a long and proud history of manufacturing at Dagenham but it is also - by producing the new V6 engine - helping to secure one of our most prestigious marques – Jaguar.

But as important is the investment in people, particularly young people, that this facility CEME is all about.

By investing in skills we are giving individuals the chance to increase their employability, helping them to achieve their ambitions for themselves, their families and their communities.

But what is clear is that Government cannot do this alone. We need to work with local authorities and local businesses. That is why this project is particularly exciting.

It is in many ways an example to us all - the culmination of a strategic partnership between all the key players all working together towards a common goal. It is a prime example of what can be achieved when private and public organisations are united in a common vision.

I would like to congratulate not only the LDA but in particular Barking and Havering Colleges. Their involvement in this project is vital in ensuring this facility is rooted in the local community and its future.

From basic skills to degrees the students who study here are not just passing through an educational facility. They are learning vital skills which will enrich their lives and in doing so they are helping to secure the long term future of the automotive industry in the UK.

We all know that the global market for cars is tight. Despite this the UK has over recent years hit record production levels – last year for example 1.6 million cars were produced in the UK, 1 million of them were exported. This demonstrates that the automotive industry is alive and thriving in the UK. It is a success story despite the many challenges it has faced and continues to do so.

The automotive industry has a secure and long term future – because companies like Ford along with the Government have invested in that future.

That is why I believe the industry is well placed to meet the challenges of the future – whether they are driven by globalisation, shifting consumer demand or environmental concerns.

I am certain that in this building today we are preparing the people of tomorrow who will be able to meet these challenges.

Ensuring, as I said at the start of my speech, the future of both Ford and Dagenham for the next 100 years.

Thank you.

Nick Scheele speaking note

Good afternoon. Prime Minister, Mayor Livingstone, guests and members of the media ... welcome to the Centre for Engineering and Manufacturing Excellence. We call it CEME for short.

Three years ago Ford Motor Company made a promise to regenerate the Dagenham Estate. A promise that came at a difficult time for all of us. Ford had just made the agonizing but necessary decision to end car assembly operations here after 70 years.

But even as we closed one chapter of our operations in Britain, we vowed to write a new one. And looking toward the future, we made a firm commitment to diesel engineering and manufacturing excellence here at the Dagenham Estate.

Today, we are taking yet another step connected to that promise with the dedication of not one, but two, new state-of-the-art facilities. In the first of these, the Dagenham Diesel Centre, we are investing more than £300 million directly for the engineering and manufacturing of diesel engines. We will see the first full production engine move down the assembly line in about four months. And that will be a proud day for all of us associated with the project.

Our investment in this new Dagenham Diesel Centre is an investment in the future. It is designed to be a best-in-class engineering facility for many years to come and, uniquely, it co-locates development engineers with production engineers. But it doesn't represent the full extent of our involvement in the regeneration of Dagenham.

We've also committed our investment pounds and our intellectual capital to helping establish the Centre for Engineering and Manufacturing Excellence. We have partnered with Barking College, Havering College, London Riverside Limited and the London Development Agency to create CEME. And together, through this unique private/public partnership, we have brought forth an educational facility that will be the envy of many in the technical learning arena.

CEME will support the skills base and competitiveness of the local community by providing a seamless route from basic skills to higher education and research programs. As such it also represents a major investment in the manufacturing and engineering base of the Thames Gateway region.

CEME will promote diverse and socially inclusive participation and encourage an innovative range of learning activities to build engineering, manufacturing and business capability in the Thames Gateway. CEME will stress a strong enterprise culture based on leadership and lean operational concepts, supported by creative information technology.

It is our hope that through this new center of learning Ford Motor Company and its partners can help prepare the future engineering and manufacturing leaders of not only our industry but other industries as well.

I am pleased that all of you could be here with us today as we write this new and exciting chapter in the long history of Ford Motor Company in Britain. We have been here since the earliest days of our existence – almost our entire first century – and we have had significant and positive impact.

Our plan is to be here long into the future and continue to make a positive contribution to this region, this country and to our industry.

Now ... it's my privilege to turn this over to Mayor Livingstone, who has graciously agreed to say a few words today. Mr. Mayor ...

#

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Matthew Rycroft a new
PM

Wonders if there's any possibility of
continuing this into the cabinet meeting which
is supposed to happen and
then a small will etc

Sally Morgan
Jonathan Powell

From: Roger Liddle

Date: 27th October 2003

cc Matthew Rycroft
Stephen Wall
Peter Torry (Berlin)

**TB ATTENDANCE AT BERTELSMANN FORUM IN BERLIN
9 - 10 JANUARY 2004**

Annette Heuser of the Bertelsmann Foundation came to see me today. Purpose - to make a pitch for the Prime Minister's attendance at the big Bertelsmann bash in Berlin in January.

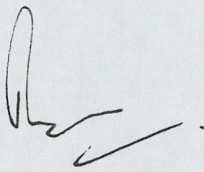
The draft Bertelsmann programme is attached. Ideally, they would like TB to address their Friday dinner, but they would of course be delighted for him to do anything.

Before we regret this invitation, we should bear the following in mind:

- this is one of the most prestigious jamborees in the European calendar. Heads of Government and Foreign Ministers do turn up in large numbers. I know, because I attended the last of these seminars as the only UK representative (and felt very self-conscious that alone of our partners Britain couldn't do better). Aznar then spoke in the slot that TB is being offered. This time, Schroeder, Kwasniewski, Ahern, Aznar, Schussel and Kuchma are all apparently signed up as well as lots of other Central Europeans;
- it could be combined with a Schroeder tête-à-tête;

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- the timing would be right for a major pro-European speech, whether or not the December Council agrees a Constitutional Treaty;
- we could make a feature of a joint Chirac-Schroeder-Blair public appearance if trilateralism is by then proven to be delivering results

A handwritten signature in black ink, appearing to be 'R. Liddle', with a stylized flourish at the end.

ROGER LIDDLE

International Bertelsmann Forum

Europe – Moving towards a new Era

Draft Program

as per: October 24, 2003

January 9-10, 2004

Weltsaal
Auswärtiges Amt
Werderscher Markt 1
10117 Berlin

Conference Languages: English, German

Friday, January 9, 2004

01:00-02:00 p.m.

Reception and Luncheon

02:00 p.m.

Europe's new Constitution

*Welcome,
Introduction and
Presentation of the
Strategy Paper*

Werner Weidenfeld

*Member of the Executive Board, Bertelsmann Foundation,
Guetersloh; Director, Center for Applied Policy Research, Ludwig-
Maximilians-University, Munich*

✓ **Gerhard Schröder**

Chancellor of the Federal Republic of Germany, Berlin

Jacques Chirac

President of the Republic of France, Paris

✓ **Bertie Ahern**

Prime Minister of Ireland (Taoiseach), Dublin

? ✓ **José María Aznar López**

Prime Minister of the Kingdom of Spain, Madrid

✓ **Aleksander Kwaśniewski**

President of the Republic of Poland, Warsaw

04:00-04:30 p.m.

Coffee Break

04:30-06:00 p.m.

The Greater Europe -
Strategies of differentiated Integration

*Chair &
Introduction*

Joschka Fischer

*Minister of Foreign Affairs and Vice-Chancellor
of the Federal Republic of Germany, Berlin*

Comments

Wolfgang Schäussel

Chancellor of the Federal Republic of Austria, Vienna

Leonid D. Kuchma

President of Ukraine, Kyiev

Recep Tayyip Erdogan

Prime Minister of the Republic of Turkey, Ankara

08:00 p.m.

Reception and Dinner

Dinner Speech

Towards a New Era of European Politics

Tony Blair

Prime Minister of the United Kingdom, London

Saturday, January 10, 2004

09:30 a.m. -
12:00 noon

*Chair &
Introduction*

Comments

The New Global Order

Javier Solana

High Representative for the Common Foreign and Security Policy of the European Union ; Secretary-General of the Western European Union (WEU), Brussels

Jack Straw

Minister of Foreign Affairs of the United Kingdom, London

Michèle Alliot-Marie

Minister of Defence of the Republic of France, Paris

Peter Struck

Minister of Defence of the Federal Republic of Germany, Berlin

7 **Condoleezza Rice**

National Security Adviser to the President of the United States of America, Security Council, Washington, D.C.

Henry Kissinger

Former Minister of Foreign Affairs of the United States of America, Washington, D.C.

12:00 noon

Informal Luncheon

02:00 p.m.

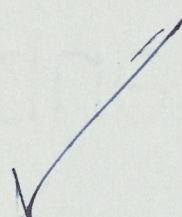
End of Conference

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From: Razi Rahman
Date: 24 October 2003

PRIME MINISTER

cc: Sally Morgan
Pat McFadden
Darren Murphy
Nita Clarke
Patrick Diamond



POLITICAL TIME

You will be attending the following political meetings/events at No10 on Monday evening:

17.30 Meeting with John Denham Group

This is a meeting about the Consultation document with a group that John Denham has convened: ex-ministers who want to be helpful and continue to work with the Government. In addition there will be a couple of backbenchers present who could not make the MPs meetings on the Consultation document last week. In addition to discussing the Consultation process, you may decide to broaden the discussion to other matters.

18.00 Meeting/Drink with NEC members

We have invited members of the NEC who were helpful at Conference (particularly on Foundation Hospitals) to come in for an informal meeting with you. It is an important opportunity for you to thank them for their support. With the Trade Unions in their current place, we will need the consistent support of these members of the NEC over the coming year.

18.30 Political Reception

The invitees to this reception are Labour Party members, some of whom were particularly helpful at Conference and all of whom undertake important work in their constituencies throughout the year. 200 members have been invited, with representation from every region. We have specifically targeted members who have not recently attended a Downing St reception - for some this will be their first visit to No10. You will find them a very supportive group of people.

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- 2 -

We intend to take you round the room, to meet some of the members. Regional staff will be on hand to make individual introductions. You will then be expected to say a few words. You should thank them for their hard work and emphasise that we could not achieve what we want to without their support. Given the audience, it may be worth setting the scene for the next couple of years - that we are in a new phase of government, a period of renewal. They will have a key role to play in the consultation process and in the run-up to the next election. This audience will want to hear a clear political message and to feel that they have a valued contribution to make.

RAZI RAHMAN

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JOHN DENHAM GROUP OF MPS

Meeting with the Prime Minister

Monday, 27th October 2003 at 5.30pm

at No.10 Downing Street

JOHN DENHAM

ANDY BURNHAM

ANNE CAMPBELL

LORNA FITSIMMONS

GEORGE HOWARTH

ALAN WHITEHEAD

Caroline Adams
Political Office



NEC MEMBERS MEETING THE PRIME MINISTER

Monday, 27th October 2003 at 6pm

No.10 Downing Street

JOHNNY REYNOLDS

SHAHID MALIK

RUTH TURNER

DIANNE HAYTER

SALLY POWELL

JEREMY BEECHAM

GARY TITLEY

Caroline Adams
Political Office

32 2 707 7236



United Kingdom
Permanent Representative
On the North Atlantic Council

20 October 2003

Matthew Rycroft
No 10 Downing Street

*Cc: Mo
SW
NS
KIC*

NATO/OTAN
Avenue de la Woluwe 110
1110 Brussels
www.nato.int/uk

Tel: 0032 2 707 7572
Fax: 0032 2 707 7236
Peter.Ricketts@fcdo.gov.uk

Dear Matthew,

PRIME MINISTER'S LUNCH FOR LORD ROBERTSON - 18 DECEMBER

You invited me to let you have a draft guest list for the Prime Minister's lunch to mark George Robertson's departure. I have discussed this with George. He would be very happy with as many as you can fit in from the attached guest list.

Yours,

Peter Ricketts
UKDel NATO

Peter.

32 2 707 7236



Suggested Guest List for Prime Minister's Lunch : 18 December

Prime Minister
Lord Robertson
Foreign Secretary
Defence Secretary
Chief of the Defence Staff
Lord Guthrie
Sir John Goulden
Sir Nigel Sheinwald
Peter Ricketts
Desmond Bowen
Jon Day
No 10 Private Secretary

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10 DOWNING STREET
LONDON SW1A 2AA

File Added to DCO in Box

cc ETV.

From the Policy Adviser

16 October 2003

Dear Eithne

No.10 Reception, 28th January 2004

As you know, we have had a date in the diary for a No.10 reception to celebrate the work of the Probation Service on 28th January 2004. Following a review of the limited number of slots available for No.10 receptions next year the events office at No10, who are in charge of this programme, have decided that each reception needs to be thematic rather than profession based so as to reach as broad a range of participants as possible. Rather than lose your event altogether we have therefore suggested that we broaden the theme of the event to become a celebration of all that has been achieved on young people and crime over the past few years. We will of course want a significant probation component to the invite list but will also need to invite frontline staff from other agencies involved in this area. I will shortly be writing to the Home Secretary's office to commission a guest list jointly from you and from the Youth Justice Board. Sorry if this is a bit of a disappointment to you but I hope that we can still use this event to celebrate all that the probation service does with this particular group of offenders.

Yours sincerely,

NATALIE ACTON

Eithne Wallis

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From: Razi Rahman
Date: 14 October 2003

PRIME MINISTER

cc: Pat McFadden
Sally Morgan

VISIT TO OLD QUEEN STREET

You will be visiting Old Queen Street tomorrow after Parliamentary Committee to meet Labour Party staff and to discuss the work they are doing. The purpose of the visit is to provide Party staff with an opportunity to meet you in an informal setting.

David Triesman will meet you and take you round the building. As you go round OQS you will be met by the Head of each section who will introduce you to the members of their team and outline the work they are currently undertaking.

Your visit will be strongly welcomed, particularly by more junior members of staff who undertake politically important work but who may get few opportunities to meet you face-to-face. The fact that you are going to OQS, and taking an interest in their work, will be welcomed by all the staff.

The entire visit should take about 45 minutes.

RAZI RAHMAN

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10 DOWNING STREET
LONDON SW1A 2AA

file
Copy in DCO inbox

From the Private Secretary

14 October 2003

Dear Kara

DIARY BIDS

You asked whether the Prime Minister would be able to do a photograph with the South African Cabinet on 23 October. I regret that this will not be possible. And with the Prime Minister unavailable it would not be appropriate to do a photo in No.10.

Jonathan wrote to Matthew on 9 October about the proposed visit by President Klaus of the Czech Republic. The Prime Minister will not be able to meet Klaus.

Yours ever,

A handwritten signature in dark ink, appearing to read 'David Hallam'.

David Hallam

Kara Owen, FCO

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10 DOWNING STREET
LONDON SW1A 2AA

From the Private Secretary

7 October 2003

Dear Kara

PRIME MINISTER'S DIARY: FOREIGN BIDS

I am afraid that the following bids are all not going to be possible for the Prime Minister to take up, because of pressures on his diary:

- Prime Minister Jamali of Pakistan on 10-16 November (Jonathan Sinclair's letter of 1 October to Nick Cannon).
- Simon Crean, leader of the Australian Labour Party. The Prime Minister might be able to see him at the dinner on 12 November, but not for a separate meeting.
- President Chissano of Mozambique on 9 December (Jonathan Sinclair's letter of 23 September to David Hallam). The Prime Minister will be able to see him at CHOGM.

We will be in touch in the normal way when we have specific slots for those whom the Prime Minister will be able to meet.

Yours

MATTHEW RYCROFT

Kara Owen
FCO

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From: Jo Gibbons
Date: 26 September 2003

PRIME MINISTER

cc: Sally Morgan

Richard Desmond invited you to play with him at Ronnie Scott's and to go to dinner in Hampstead with him and his wife.

Ronnie Scott's has been declined. Would you like to go to dinner with the Desmonds?

Signed : Jo Gibbons
26/09/2003

JO GIBBONS

Sent via Tube. An ~~Commitment~~ ^{to} be



Personal

10 DOWNING STREET

Geoffrey Adams, FCO.

We spoke. Would the
Foreign Secretary be able
to find 15 minutes to
meet Lord Caryl & Mr Schwarz?

David Hall

11/9

Personal

Sept 1st 2003

Dear Tony

I know you are horrendously busy and I hate asking this but, is there any chance that Prof. Klaus Schwab and I could see you for 20 minutes — no more — on either Sept 18th or Sept 19th?

There are two matters we would love to discuss with you:

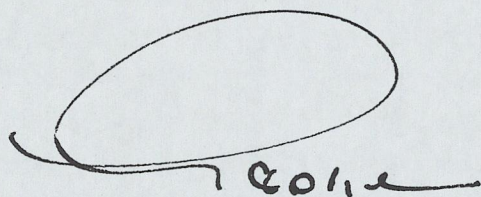
i). Council of 100. The World Economic Forum — which Klaus runs is about to launch this 'Inter-faith' initiative next Jan at the WEF Annual Mtg in Davos. I have been asked to co-chair it with Prince Turki, the Saudi Ambassador to the UK. C-100 is a coalition of business, media, academics, faith + political leaders and the aim is to find ways of overcoming the Islam/West division by practical action. Klaus would like to ask you to be one of the Patrons.

ii) Klaus and I are keen to get you

to the next Davos Mtg to give a major address. Last year we lacked a significant UK figure - indeed European influence was poor. Bill Clinton, Colin Powell, the King of Jordan and other notables were prominent....

Once again I am conscious of your extreme busyness and I do apologise for asking for 20 minutes. It would be wonderful if you could spare it.

With my personal warmest regards

A handwritten signature, likely of Tony Blair, consisting of a large, stylized 'B' followed by the name 'Blair' in a cursive script.A simple horizontal line with a small upward curve at the left end, serving as a decorative flourish or separator.

File (in inbox) Emailed to JP, KK, NS
RESTRICTED



10 DOWNING STREET
LONDON SW1A 2AA

SW, DFH, NC, DPrince, G Mackay

From the Private Secretary

5 September 2003

Dear Geoffrey,

PRIME MINISTER'S DIARY: FOREIGN BIDS

We owe you responses to several bids for foreign visitors to meet the Prime Minister over the coming months.

We have now decided that all of the following meetings will not be possible, because of the pressures on the Prime Minister's diary. In chronological order they are:

- King Abdullah of Jordan (the Prime Minister would normally see him, but his proposed visit is in the week running up to the party conference).
- President of East Timor.
- President of Yemen.
- Prime Minister of Mongolia.
- Lee Kuan Yew of Singapore.
- President Iliescu of Romania.

In addition:

- Finnish Prime Minister. There will not be time for a meeting before the 4 October launch of the IGC, so the Prime Minister will try to meet Verhanen in the margins of that.
- Dutch Prime Minister. We are continuing to look for a date to invite Balkenende to Chequers or to the Prime Minister's constituency later this year.
- Belgian Prime Minister. We have been unable to find a mutually acceptable date for the Prime Minister to visit Verhofstadt. So we shall probably have to make do with contacts in the margins of other meetings.

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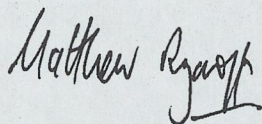
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- 2 -

We are in touch with you in the normal way over those meetings with foreign leaders that have been fixed in the Prime Minister's diary. And there remain some further bids still under consideration, on which we shall report as soon as possible.

Yours,

A handwritten signature in dark ink, appearing to read 'Matthew Rycroft', with a stylized flourish at the end.

MATTHEW RYCROFT

Geoffrey Adams
FCO

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NORTHERN IRELAND OFFICE
11 MILLBANK
LONDON
SW1P 4QE

Matthew Rycroft
PS/Prime Minister
10 Downing Street
LONDON
SW1A 2AA

4 September 2003

Dear Matthew,

Colin Parry, Chairman of the Tim Parry Johnathan Ball Trust, has written to invite the Prime Minister to open a reception he is holding in Westminster on 5 November. He has timed the reception to follow Prime Minister's Questions and asks him to commit no more than 5-10 minutes.

The Tim Parry Johnathan Ball Trust was established by Colin Parry and his wife Wendy following the death of their son in the Warrington bomb on 20 March 1993. (Jonathan Ball, aged 3, also died in the bombing.) The vision of the Trust is to 'be a leading organisation in the development of young people's peace building skills...' Colin also gave up his career in HR management to raise funds to build the Warrington Peace Centre which was opened in March 2000: his letter refers to a television interview the Prime Minister gave in support of the Trust shortly after the opening.

The Trust runs various peace building projects from the Centre and Colin's idea behind the reception is to raise awareness of the Trust's work among key opinion formers in the hope that its work might become known on an international basis. His ultimate aim is to raise substantial, long-term funding.



The Legacy Project is one of the initiatives of the Trust. This Project, which has been allocated funding of £250,000 from the NIO over 3 years, aims to identify and meet the needs of victims of the Troubles living in GB. Des Browne, former Victims' Minister visited the Centre in July 2001 to announce the funding. As part of the Project, independent consultants were commissioned to carry out a Needs Analysis. This is nearing completion and the launch of the Report of their findings will form part of the reception programme – Angela Smith, Victims' Minister, is scheduled to formally launch the report. This is the first research of its kind on GB victims and the Victims Liaison Unit in the NIO had intended to hold an event at Westminster specifically for the launch. Colin's reception has coincided with the completion of the Needs Analysis which has meant that the two events have had to be combined. This may result in mixed media messages with the focus on the Trust rather than on the Needs Analysis Report. Unless he has a particular wish to do so, our advice is that the Prime Minister should decline the offer to open the reception.

A draft reply to Colin Parry is attached.

Yours sincerely,
R Lemon

Richard Lemon

PS/Secretary of State for Northern Ireland

DRAFT REPLY FOR SIGNATURE BY PS/PRIME MINISTER

Mr Colin Parry
Chairman
The Tim Parry Johnathan Ball Trust
Peace Drive
Great Sankey
WARRINGTON
Cheshire WA5 1HQ

September 2003

The Prime Minister has asked me to thank you for your invitation to open the Reception you are holding in Westminster on 5 November.

Since the Peace Centre opened he has kept abreast of the work of the Trust and the excellent efforts you are making to develop peace building skills in young people and to highlight the needs of victims of the Troubles living in Great Britain. I know that he is looking forward to seeing the results of the Legacy Needs Analysis which is being launched by Angela Smith at the Reception.

Unfortunately he is unable to accept your kind invitation but passes on his best wishes for a successful event and for the continued success of the work of the Trust.



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MINISTRY OF DEFENCE
ROOM 205, OLD WAR OFFICE BUILDING
WHITEHALL LONDON SW1A 2EU

Telephone 020 721 82111/2/3
Fax: 020 721 87140
E-mail: defencesecretary@defence.mod.uk

SECRETARY OF STATE

MO 25/18/2K

16 October 2003

1. to Natalie Aslan

To Gillian

Kate Garvey

Henry Gifford

Dear Matthew,

*we are aiming for one military event or
a regional visit before the end of the year.*

POSSIBLE VISITS TO FORCES IN THE UK

8 or 9 look best.

You asked for proposals for possible visits by the Prime Minister to Forces in the UK over the coming months. I attach a table outlining possible visits from which you may wish to select. We would, of course, be more than willing to facilitate any number of visits from the attached list. In particular, we would hope that the Prime Minister might be able to visit Faslane to compliment his visits to Army and RAF units earlier this year, and also to Skill Force in Newcastle.

*cc: JPO
KK
NS
EVENTS
PRESS*

*What do
you think?*

*Matthew
PK*

We stand to ready to provide further information should you require it.

*Yours ever,
Peter*

PETER DAVIES
Private Secretary

Matthew Rycroft Esq
10 Downing Street

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PRIME MINISTER - POTENTIAL VISITS TO UNITS 2003

Serial	Date/Timings (flexible to fit in with PM programme)	Proposed Visit Location	Units/Organisations to be visited (including recent deployments or proposed deployments on operations)	Local MP
(a)	(b)	(c)	(d)	(e)
1	23 Oct 03 (1+ hrs) Army	East Midlands – Chilwell	Opportunity to visit the Reserves Training and Mobilization Centre during a period of surge activity for Op TELIC. Visit to Military Works Force and 73 Engineer Regt (Volunteer) allowing opportunity to meet officers and soldiers (both Regular & TA).	Nottingham South – Alan Simpson (Lab)
2	24 Oct 03 (1+ hrs) Army	East Midlands – Waterbeach	Opportunity to meet regular officers, soldiers and their families from Engineer units (HQ 12 Air Support Engineer Brigade and 39 Engineer Regiment Air Support) preparing for or recently returned from operations in both in Iraq and the Middle East theatre of operations.	Cambridgeshire South East – Jim Paice (Con)
3	23/24 Oct 03 (2+ hrs) RAF	East Midlands - RAF Waddington Lincoln	Visit to Intelligence, Surveillance, Target Acquisition and Reconnaissance (ISTAR) forces and Air Warfare Centre to RAF units. Programme could cover operations, engineering, flying and welfare. Includes visiting E-3D and Nimrod R1 aircraft and crews, meeting Service personnel and families affected by Op TELIC at the	Sleaford and North Hykeham – Douglas Hogg (Con)

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Serial	Date/Timings (flexible to fit in with PM programme)	Proposed Visit Location	Units/Organisations to be visited (including recent deployments or proposed deployments on operations)	Local MP
(a)	(b)	(c)	(d)	(e)
			Integrated Welfare Facility (one of very few in the RAF). Most personnel deployed on Op TELIC have now returned, station working up for national and NATO training exercise.	
4	23/24 Oct 03 (2+ hrs) RAF	East Midlands RAF Cottesmore Oakham, Leics	Station is involved in Joint Force Harrier, which will see RN personnel re-deploy to RAF Cottesmore giving 2 RAF and 2 RN Harrier GR7 squadrons. Programme could include visiting Harrier squadron and meeting Service personnel and their families. Personnel/units were deployed on Op TELIC and previously to Kosovo and Sierra Leone.	Rutland and Melton – Alan Duncan (Con)
5	8 Nov 03 (1+ hrs) Army	Wales – Cardiff Maindy Barracks	Meet TA soldiers recently back from OP TELIC who belong to 157 Regt RLC, Royal Regiment of Wales and Royal Monmouth Royal Engineers. Opportunity to meet TA support staff, Employer Support, Reserve Forces and Cadets Association. Potential to include cadets in visit. And/or	Cardiff Central – Jon Owen Jones (Lab)

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Serial	Date/Timings (flexible to fit in with PM programme)	Proposed Visit Location	Units/Organisations to be visited (including recent deployments or proposed deployments on operations)	Local MP
(a)	(b)	(c)	(d)	(e)
6	Army		Visit the Army Preparation Course (APC). Run jointly between the Army and a training provider. 13-week course designed to prepare individuals for entry into the Armed Forces. The Cardiff based scheme is very successful with about 150 students (16 – 18yrs olds) on the current course.	Cardiff South and Penarth – Alun Michael (Lab)
7	21 Nov 03 (1+ hrs – during school hours) Tri- service/community	Newcastle- Walebottle Community School	The most mature of all the Skill Force schemes with a school management team of enthusiastic supporters and would show the community/social inclusion activity of the MoD and ex-Service personnel. An opportunity to meet the students, teachers, parents and ex-service personnel.	Newcastle Upon Tyne North – Doug Henderson (Lab)
8	11 Dec03 (1+hrs) Royal Navy	Scotland Glasgow - Faslane	Visit to Faslane and HMS Vigilant (Vanguard class ballistic missile submarine). This would be the Prime Minister's first visit to a submarine. Visit would be good for deterrent forces. Chance to see HMS SOVEREIGN currently undergoing repair on Ship-lift. Possible visit	Dumbarton - John McFall (Lab)

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Crem 49/ 3285

Letter dated
16.10.2003

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Serial	Date/Timings (flexible to fit in with PM programme)	Proposed Visit Location	Units/Organisations to be visited (including recent deployments or proposed deployments on operations)	Local MP
(a)	(b)	(c)	(d)	(e)
			to Faslane Naval Base crèche to meet families.	
9	11 Dec 03 (1+ hrs) Army	Scotland – Glasgow	Visit to a TA Centre in Glasgow including update on the 2 Scottish Civil Contingency Reaction Forces (CCRFs). Opportunity to meet TA Soldiers and Officers from various units in the Glasgow area who have recently returned from operations.	Glasgow Maryhill – Ann McKechin (Lab)
10	11 Dec 03 (2+ hrs) RAF	Scotland RAF Lossiemouth Nr Elgin	Visit to a frontline fast-jet base, and possibly undertake formal opening of RAF Lossiemouth Child Care Facility. RAF Lossiemouth's location means it receives fewer than average high level visits. Potential to gain extensive positive media presence in northern Scotland, as regional opinion very much pro-RAF due to positive impact on economy. A chance to meet personnel from Tornado GR4 and RAF Regt squadrons involved in Iraq ops, potential for flight in new GR4 simulator or visiting Search and Rescue (SAR) squadron. Personnel have been	Moray – Angus Robertson (SNP)

He is
something
similar
active this
year in
Scotland

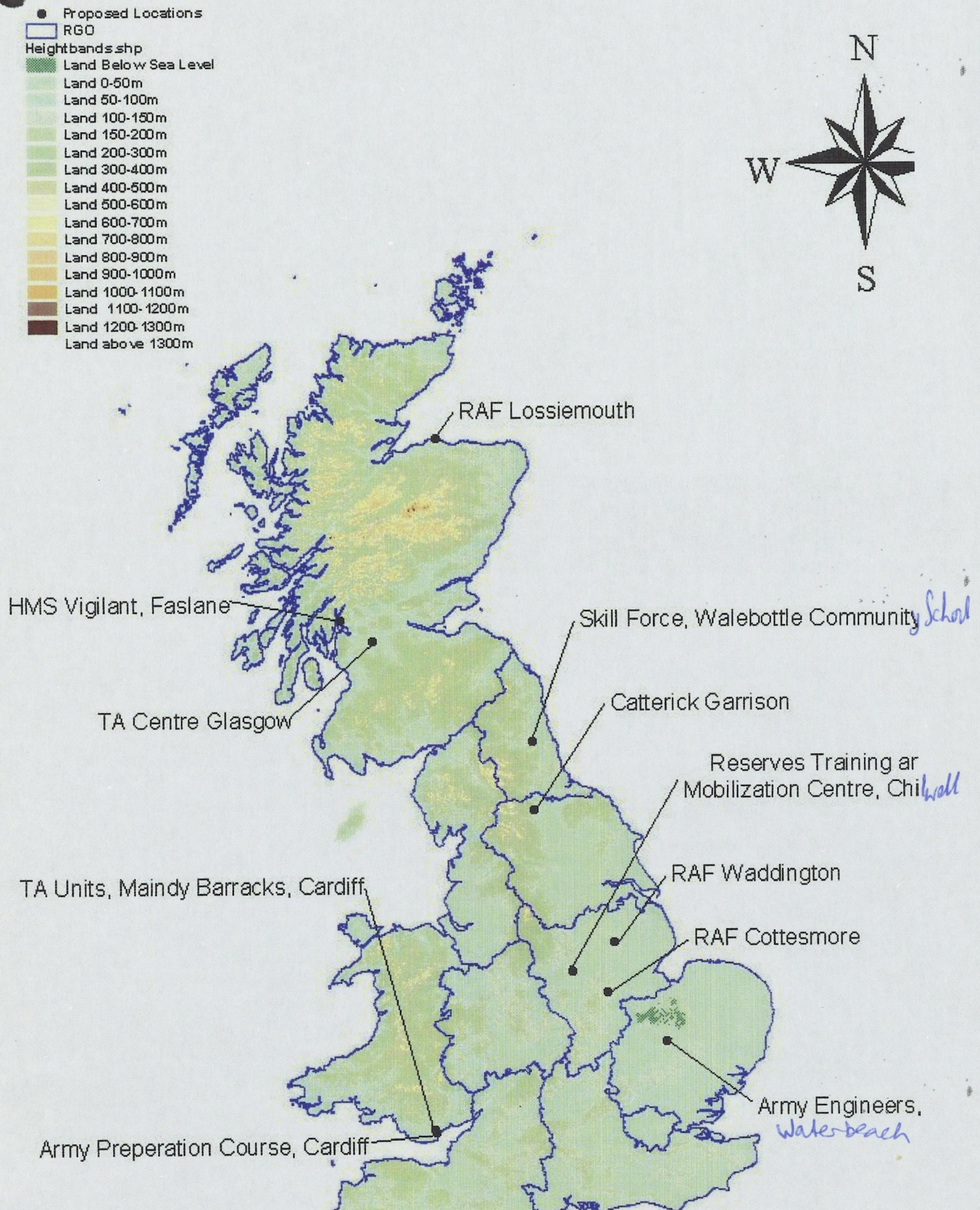
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Serial	Date/Timings (flexible to fit in with PM programme)	Proposed Visit Location	Units/Organisations to be visited (including recent deployments or proposed deployments on operations)	Local MP
(a)	(b)	(c)	(d)	(e)
			involved in Op Telic and ongoing SAR operations.	
11	18 Dec 03 (2+ hrs) Army	Catterick Garrison	Visits to a number of units that have recently returned from operations in Iraq, possibly including 1 KINGS, 3 CS Med Regt and 150 Provost Company RMP (suffered casualties in Iraq). Followed by lunch with a selection of staff from the Catterick Garrison infrastructure organizations and a number of Service Families. 18 Dec 03 preferred to avoid clash with Christmas leave.	Richmond (Yorks) – William Hague (Con)
12	18/19 Dec 03 (1+ hrs – during school hours) Tri-service/community	Newcastle-Walebottle Community School	The most mature of all the Skill Force schemes with a school management team of enthusiastic supporters and would show the community/social inclusion activity of the MoD and ex-Service personnel. An opportunity to meet the students, teachers, parents and ex-service personnel.	Newcastle Upon Tyne North – Doug Henderson (Lab)

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Prime Minister - Proposed Vis



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FILE

Electronic copy in
DCO in-box
Emailed to all recipients

From: Nicholas Cannon

Date: 29 August 2003

MATTHEW RYCROFT

cc: Jonathan Powell
Nigel Sheinwald
Stephen Wall
David Hallam
Katie Kay

PRIME MINISTER: BIDS FOR CALLS/VISITS: 29 AUGUST

The following is where I think we stand on bids for calls on or visits by the Prime Minister over the next few months, as of 29 August. I have highlighted the visits on which we need to decide.

9-10 September: invitation to meet participants in "Guardian Middle East dialogue" (Israeli and Palestinian editors): *We await FCO recommendation.*

11 September: UK/French bilateral (with Raffarin) at Chequers: *fixed.*

15 September: PM Schroder/Chirac trilateral dinner in Germany: date still not confirmed, although Germans prepared in principle to host: *Reinhardt Silberberg, Schroder's office, working on this.*

22 September: Kofi Annan has invited the Prime Minister to a meeting on HIV/AIDS in the margins of UNGA: *Prime Minister does not intend to attend UNGA.*

22 (late) or 23 September: King Abdullah of Jordan has requested a call.

23 September: Chirac has invited the Prime Minister to a NEPAD/G8 meeting in the margins of UNGA. *Prime Minister does not intend to attend UNGA.*

24 September: Dr Sein Win, "Prime Minister" of Burmese government-in-exile has requested a call on the Prime Minister. *David Hallam has replied saying FCO will see him.*

25 September: President Kibaki of Kenya has cancelled his visit. *Rescheduled for October.*

CONFIDENTIAL

vb

CONFIDENTIAL

- 2 -

9 October: Prime Minister Khalida Zia of Bangladesh has cancelled her visit to the UK in order to concentrate on domestic politics (Dhaka telno 107).

9 October: 1200 call by President Kibaki of Kenya. *Fixed.*

13 October: 1500 call by President dos Santos of Angola. *Fixed.*

13-15 October: possible call by President Xanana Gusmao of East Timor: *FCO have recommended.*

22-23 October (0r 10-11 December): possible call by President Saleh of Yemen. *FCO have recommended.*

23-24 October: possible call by Nambaryn Enkhbayar, Prime Minister of Mongolia. *FCO have recommended.*

27-28 October: possible call by Senior Minister Lee Kuan Yew of Singapore: *FCO have recommended.*

28 October or 4 November: possible call by President Ilescu of Romania: *FCO have recommended.*

9 November (Sunday): Australians are angling for a possible Howard/Prime Minister dinner at Chequers. *We need to decide.*

10-11 November: visit to UK by C H Tung, Chief Executive of Hong Kong: *FCO have strongly recommended that the Prime Minister see him.*

11 November: Remembrance Day ceremony and dinner hosted by John Howard.

19-22 November: visit by President Bush.

25 November: possible UK/French summit

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Dates not fixed

September (no date fixed): possible call by Malaysian Prime Minister Mahathir (on his way to or from UNGA, and just prior to his retirement)? *We await FCO recommendation.*

Before 4 October IGC: Finnish Prime Minister Verhanen has asked for a meeting in London.

Before end-November: FCO want to invite President Kufuor of Ghana to the UK, and say that a call on the Prime Minister is key to a successful visit. Open on timing, but before end-2003 and ideally before end-November (ie before CHOGM).

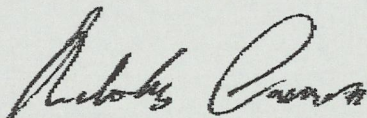
Prime Minister has agreed in principle to see Dutch Prime Minister Balkenende: no date fixed.

Prime Minister has agreed in principle to meet Belgian Prime Minister Verhofstadt: possibly 16 October.

Possible visit to Madrid (before end-2003)?

Phone call

HMA Lisbon recommends that the Prime Minister phones Durao Barroso to commiserate over the Portuguese forest fires. I have put papers to the Prime Minister, who has agreed: no time fixed.



NICHOLAS CANNON



10 DOWNING STREET
LONDON SW1A 2AA

le
bcltmtA

1 August 2003

THE PRIME MINISTER

Dear Antony,

I just wanted to write and thank you for inviting Cherie and me to the installation of Asian Field. It certainly is an amazing project and I wish it every success.

Please pass on my best wishes to the students from the China Academy of Fine Arts.

Thank you for everything
yours ever,
Tony

Mr Antony Gormley OBE

✓

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~~Exe~~

The World Bank
Washington, D.C. 20433
U.S.A.

DCO *GR - for filing*

JAMES D. WOLFENSOHN
President

July 28, 2003

KK 29/7

The Right Honorable Prime Minister Tony Blair
10 Downing Street
SW1 London
UNITED KINGDOM

via fax: [+44] 207 925 0918

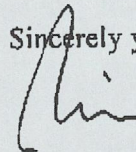
Dear Prime Minister,

Thank you very much for your invitation to participate in your meetings with President Obasanjo of Nigeria on July 29th, 2003. I am delighted to be able to accept your invitation. I look forward to fruitful and constructive discussions, especially on how the international community can best respond to improved performance by the new administration, at this important juncture in the country's development.

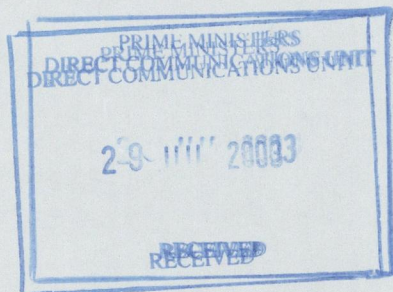
I very much look forward to seeing you and Baroness Amos again this week.

Baroness Amos,

Sincerely yours,



James D. Wolfensohn



-2-

July 28, 2003

cc: Mr. Tom Scholar, Executive Director for the United Kingdom, World Bank

RESTRICTED



Foreign &
Commonwealth
Office

London SW1A 2AH

cc JP
MR.
BUP
Pren

25 July 2003

MATRIX

Ho

(X)

Dear Daniel

Lebanon: Hariri Visit

... Rafik Hariri will call on the Prime Minister at 1230 on Tuesday, 29 July. He is coming at the Prime Minister's invitation, following the latter's conversation with President Chirac on 14 June. I enclose briefing and Beirut's scene setter telegram.

Hariri last visited, as a guest of government, on 17-18 June 2002. He met the Prime Minister, the Deputy Prime Minister, and the Economic Secretary.

Our objectives

Lebanon's freedom of manoeuvre on the peace process is constrained by the Syrian influence. Nevertheless, we should set out for Hariri what we want from Lebanon. This is also a chance to get over to a relatively sympathetic Arab leader some key messages on Iraq. And Hariri is worth listening to because he is both closely involved in regional politics and – because of his vast private wealth – a semi-detached observer of them. He is worth probing in particular about Syrian intentions and Bashar.

His objectives

Hariri's specific objectives, if he has any, are not clear. But he recognises our importance, and the Prime Minister's personal influence, in the region and would like us to take more interest in Lebanon. Hariri will be interested to hear at first hand about our plans for Iraq. He may raise Lebanese and Syrian concerns about being left out of the roadmap process, often expressed in terms of a demand for their own roadmaps.

Peace Process

Chirac recommended Hariri to the Prime Minister as an intelligent commentator on this, and in particular on Arafat's thinking. The Prime Minister might wish to focus on Lebanon's role. Whilst the blue line remains fairly quiet, continuing Hizbollah anti-aircraft fire in response to continuing illegal Israel overflights risks triggering a flare-up if, by accident, an Israeli civilian is killed. And while Hizbollah have not attacked the IDF in the Sheba'a farms area since January, we have seen no guarantees that they will remain quiet. Washington is calling for the Lebanese army to replace Hizbollah along the border. We doubt

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that the Syrians will permit this now. But we should press Hariri to work towards it. More generally, the Syrian-Lebanese attitude to the roadmap, that it's nothing to do with them and that they won't therefore support – or oppose – it, is not good enough. Standing back from it is undermining it, given the PA's acute need for Arab support.

Terrorism

We should also draw Hariri's attention to the damage which would be done to Lebanon's relations with the West should Hizbollah ESO, whose leadership is in Lebanon, attack Western targets, and urge him to use his influence to encourage Hizbollah to shut down this terrorist wing and concentrate on politics. The Lebanese also face a difficult Al Qaeda-linked threat.

Iraq

This meeting provides an opportunity to encourage Lebanon publicly to recognise the positive role of the new governing council. We would welcome a statement.

Other issues

The only bilateral issue we would like the Prime Minister to raise is concern that the Lebanese government may soon end its moratorium on the death penalty. The EU troika in Beirut recently demarched the Lebanese Justice and Foreign Ministers.

Last time he was here, Hariri was focussed on a rescue package for the Lebanese economy. With Chirac's help he put this in place in December, easing the pressure of Lebanon's debt burden in the short-term. But he continues to duck most of the tough economic decisions necessary to ensure medium to long-term sustainability.

Hariri's visit also includes dinner with the Lord Mayor, meetings with parliamentarians, financial institutions and senior editors. He will be accompanied by Jihad Mortada (Lebanese Ambassador), Fouad Siniora (Minister of Finance) and Amal Mudaliali (Special Assistant for the President of the Council of Ministers for Public Affairs).

(Kara Owen)
Private Secretary

David Hallam Esq
10 Downing Street

BRIEFING FOR THE PRIME MINISTER'S MEETING WITH THE LEBANESE PRIME MINISTER, 1230, 29 JULY

KEY MESSAGES

MEPP

- Agree that the only final settlement will be a comprehensive settlement. The roadmap lays the foundation for that and the Lebanese track is a vital part of Phase II. But the Palestinians are a priority for now and Lebanese and Syrian support for the roadmap is important to us.
- What is your take on Syria's position on the MEPP? Are they genuinely seeking to reopen negotiations with Israel, or just looking for a way to avoid US pressure over their support for Palestinian rejectionists and Hizbullah?
- Lebanese deployment down to the Blue Line is an essential element of the return of effective control of the area. What plans do you have to extend your positions south?
- Just as we want Hizbullah to stop anti-aircraft fire across the Blue Line, we regularly tell the Israelis to stop their overflights across it.
- You know that we will not give in to Israeli pressure on Arafat but maintain contacts with him where it is useful. Interested to hear your views on his potential rôle and intentions.

Iraq

- At the UNSC meeting on 22 July, members generally welcomed support for Iraq's new Governing Council (GC), and called for an Iraqi led process, leading to a representative government as soon as possible. They support an increased UN role.
- The visit to the UNSC by three GC members has produced positive reactions back in Iraq, and increased the credibility of the GC. The GC now needs to act quickly to develop its role.
- Encourage Lebanon to recognise publicly the role of the GC. Lebanon, whilst not negative, has yet to issue a statement.

Terrorism

- Grateful for effective Lebanese action to counter terrorist threat to Western targets; we are very willing to help build Lebanese CT capacity;

- We are troubled by Hizbollah. Recognise they play a part in Lebanese political life. But other parts of the organisation are engaged in terrorism. This is unacceptable and also damaging to Lebanon. Hizbollah can only achieve legitimacy through becoming a purely political organisation. Urge you to use your influence to push them in this direction;

Death Penalty

- Concerned that the Lebanese government may soon end its moratorium on the death penalty. The universal abolishment of the death penalty, or at least a moratorium on its use, is a prime human rights objective for my government. Respect of human rights and fundamental freedoms is a core component of the EU-Lebanon Association Agreement.

Lebanese Economy

- Commend the government for taking some tough decisions on the economy over the last year.
- But more progress, in particular further fiscal tightening and progress on privatisation, is essential for long-term sustainability. An IMF programme would be a useful catalyst for these reforms.

EU/Lebanon Agreement

- UK well on the way to ratifying the EU-Lebanon Agreement. Our aim is to ratify within two years of signature and we are well on course to do this.

BACKGROUND

MEPP

Lebanese attitudes to the roadmap followed those of Syria in moving from cynicism to cautious interest and now demands for a detailed roadmap of their own. They may now (unhelpfully) be moving back to the old position that all that is needed is for Israel to comply with UN resolutions. We do not believe the remaining issues between Israel and Lebanon are complicated enough to need a roadmap of their own. And the refugee issue will have to be addressed when the Palestinian track has progressed to the point of discussing refugees and the right of return.

We want the **Quartet** to engage more actively with Lebanon (and Syria), so that they feel bound in to the roadmap process. This would not need to be at Principals level, but occasional meetings with envoys backed up by contacts with the embassies. The sticking point is US concerns that this would be seen as rewarding the Syrians for the superficial closure of Palestinian rejectionist offices in Damascus and weaken the impact of their demands for further action.

President Chirac has been encouraging the Prime Minister to listen to Hariri's "insightful" views on **Arafat**. Our Embassy in Paris has undertaken to report the meeting to the French. We doubt that that Hariri has any special insight into Arafat's motives. But the Prime Minister may want to raise the question and take this opportunity to stress the importance of Arafat working with Abu Mazen and not undermining him.

Lebanon has not deployed its army to its border with Israel (the '**Blue Line**') since the Israeli withdrawal in May 2000. The Joint Security Forces (combined army and internal security forces) have taken over control of some UNIFIL positions in the south and are generally more active, intervening on their own initiative against threats to security. But the Lebanese Government maintains its position that it will not deploy along the Blue Line in the absence of a peace agreement with Israel. Hizbullah maintain a visible network of fixed and mobile positions along the border.

Low-level violations of the Blue Line by both sides continue. Hizbullah regularly fire anti-aircraft artillery in response to (though not aimed at) Israeli aircraft overflying the border. Neither side wants the situation to escalate. But there is a risk that it could do so rapidly, and the trigger would not have to be deliberate. Debris from Hizbullah AAA regularly falls on the Israeli side of the border and has caused injuries, most recently on 22 July. If there were a fatality, Israel might feel it had to respond. I attach Beirut Telno 129: Lebanon/Israel – Violations of the Blue Line.

Iraq

The launch of the 25 member Governing Council (GC) on 13 July has the full support of the UNSC. At the UN on 22 July, Kofi Annan welcomed the visiting members of the GC, and stated that the formation of the GC is an important first step towards the full restoration of Iraqi sovereignty. Vieira de Mello called for full international support, especially from Iraq's neighbours.

For the first time in Iraq's history, the GC brings together leaders from 14 political parties, and is represented by members from all the main regions - Arab, Kurdish and Turkoman. It is made up of 13 Shi'a, 11 Sunni and 1 Christian, and includes 3 women (12% of the total). 14 of the members lived in Iraq under Saddam Hussein.

The GC has real authority, which has been bolstered by the visit to the UN by three of its members. It is already exercising specific powers and representing the interests of the Iraqi people to the CPA and the international community. The GC will name (and oversee) an Interim Minister for each ministry, based on their skills and experience. It will also set the budget for 2004 with help from the Coalition, UN and IFIS.

In all its activities, the Coalition will provide support and advice to the new GC. **The CPA is required to consult the GC on all major decisions and questions of policy.**

Among the Council's early tasks are rebuilding Iraq's infrastructure; restoring security and stability; revitalising the economy and provision of essential services. As well as launching the Constitutional process - to be written by Iraqis for Iraqis. Once adopted, the new Iraqi constitution will lead the way to national elections.

Terrorism

There are ongoing operations by all elements of the Lebanese security apparatus against Islamic terrorism. The police recently arrested a 5-man cell planning to attack western targets in Lebanon. The cell members had undergone training at Ain el Hilweh Palestinian refugee camp near Sidon. There have been over 40 arrests of Islamist in recent months. But the government is not joined-up on counter terrorism. Inter-agency co-operation is rare, rivalry is rife and joint operations are unusual. We would like to help the Lebanese build a better counter-terrorism capacity.

Hizbollah have largely kept their heads down in recent months, possibly at the urging of Syria and Iran. But we believe that Hizbollah's terrorist wing, the ESO (External Security Organisation) have contingency plans to attack western interests should they themselves fall under attack, or believe they face an existential threat. We have a useful dialogue with the political wing and it is clear there is a range of opinions within Hizbollah as to where its

future lies. We believe continued dialogue can make a difference. But those within Hizbollah concerned in terrorism are a substantial influence.

Death Penalty

On 2 July, our Embassy in Beirut alerted us and EU partners to concerns they had that the Lebanese government may soon end its moratorium on the death penalty, which has been in place since 1998. The EU troika in Beirut subsequently demarched the Lebanese Foreign Minister (Jean Obeid) and Justice Minister (Bahige Tabbara) on 16 July.

Lebanese Economy

Lebanon has a fragile economy due to high levels of public debt (roughly 175% of GDP). In November 2002, to prevent an imminent economic crisis, friendly governments led by France and some Gulf states provided \$4bn in loans, and Lebanese commercial banks bought a further \$4bn of government debt on highly concessional terms. **The UK provided no bilateral assistance.**

The Lebanese government made a number of reform commitments in return for its bailout, but has failed to deliver on many of them (not helped by the power sharing arrangements that divide the government between the three main religious communities). Progress on privatisation has been particularly slow. And the re-licensing of mobile phone services, a relatively easy and lucrative process, has been delayed by over a year. Delays in these revenues are likely to lead to this year's budget missing its target, bringing into question official forecasts of declining debt levels.

To Hariri's credit, fiscal policy has been tightened, but not enough - in the absence of economic growth much faster than the current 1-2% pa, we believe **the debt position remains unsustainable**. Indeed, last year's bailout funds are already drying up and Lebanon will be dependent on the financial markets again by late autumn. Sceptics are already talking of the need for another rescue package sometime in 2004, although current market rates are low, suggesting more confidence in the market.

Lebanon's economy is relatively small, so **a collapse would have limited wider economic impacts**, but there is a small risk that it would trigger a return to internal conflict in Lebanon - a tragedy, which might also have repercussions for the MEPP.

The Lebanese, although maintaining a healthy dialogue with the IMF, but an **IMF programme is not currently on the agenda**, partly because of resistance to conditions such as floating the exchange rate. The generosity of friendly governments and of the wealthy Lebanese diaspora has enabled them to survive without IMF assistance. But an early IMF programme would provide both a useful lever for the government to push through reforms, and a boost to market confidence.

EU/Lebanon Agreement

The EU- Lebanon Agreement was signed in June 2002. We expect UK ratification to be completed in the next Parliamentary session. The Commission has requested that Member States ratify Association Agreements within 2 years of signature. The EU and Lebanon have agreed an interim agreement, which provides Lebanon with all the trading preferences of the Association Agreement in advance of ratification.

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Cabinet Office for Manning
SIC EAD/U2H
MIPT

SUBJECT: LEBANON-ISRAEL: VIOLATIONS OF THE BLUE LINE

Summary

1. UNSG's Personal Representative briefs P5 Ambassadors on the SG's Report on UNIFIL mandate renewal. Israeli violations of Lebanese airspace and Hizbullah retaliatory anti-aircraft fire into Israel represent the greatest threat to stability along the Blue Line. The situation could escalate in a way neither side would want. The P5 are urged to use the mandate renewal exercise to press both of them to stop. The Prime Minister's will have an opportunity to discuss this with his Lebanese counterpart on 29 July.

Detail

2. UNSG Personal Representative for South Lebanon, Steffan de Mistura, briefed P5 Ambassadors on 24 July on the Secretary-General's report on UNIFIL for the period from 15 January to 23 July (S/2003/728).

3. De Mistura drew attention to paragraphs 3 and 4 of the report detailing an increase both in Israeli violations of Lebanese airspace and in Hizbullah anti-aircraft fire directed into Israel. While the activity had declined somewhat since early July from the peak reached in June, it remained much more intense than it had been in January-February.

4. De Mistura said he accepted that UNIFIL did not have the complete picture; they were not in a position to observe all

Israeli incursions. But according to their data, illustrated by a line graph which De Mistura showed us, there did seem to be a clear correlation between overflights and AA fire (peaks and troughs closely following the same pattern).

5. There was no doubt about the nature of the AA fire. It stood no chance of bringing down overflying aircraft, and was not even aimed at them. It was aimed horizontally into Israel rather than vertically and was clearly a retaliatory measure intended to induce psychological trauma among the civilian population of northern Israel. The problem was that debris from shells exploding in the air could cause property damage or, as had happened on 22 July, injury to Israeli civilians.

6. The Israelis for their part had made clear their determination to continue the overflights, both publicly through the media and in a recent private conversation between Benny Ganz (OC IDF Northern Command) and the UNIFIL force commander. Their contention that the flights were required for intelligence-gathering didn't hold water. There were alternative means; and there was no possible intelligence value in causing sonic booms over Beirut and population centres in North Lebanon. When pressed, the Israelis reverted to the argument that they had only resumed overflights after Hizbullah had taken the missing Israeli soldiers hostage in October 2000.

7. The conclusion was that both sides were engaging in provocation and were using the other's actions to justify their own. This could lead to unintended escalation, for instance if civilians were killed. The Blue Line wasn't the top priority for the Security Council right now. But presentation of the Secretary-General's report and adoption of the mandate renewal resolution might offer a small window of opportunity to bring pressure to bear.

8. De Mistura invited comments. I said he'd complained in the past about both sides using the argument that two wrongs made a right. Hizbullah used Israeli overflights to justify their AA fire. The Israelis justified overflights, in part at least, on the grounds that Hizbullah were holding Israeli hostages. Hizbullah justified holding hostages on the grounds that the Israelis were themselves holding Lebanese detainees in breach of international law. And so it went on. The question was whether either side wanted to stop. Suppose the IAF were to suspend overflights, Hizbullah might look for some alternative provocation. That wasn't, though, a reason for the Security Council not to try.

9. The US Ambassador said he agreed with me. He thought the alternative provocation, if Hizbullah needed one, might be something to do with the shared water resource from the Hasbani river/Wazzani spring.

10. The French Ambassador focussed on process. A Presidential statement might be preferable to an attempt to amend the mandate renewal resolution. The Chinese and Russian Charges said they agreed with De Mistura that it was worth making an attempt at this stage.

Comment

11. De Mistura is no doubt right that this isn't the most pressing preoccupation for the Security Council right now. It's not top of the MEPP agenda either. But the risk remains that the present low-level activity across the Blue Line could escalate out of control in a way which neither side would really want or be able to control. De Mistura suggested at one stage urging the Israelis to suspend overflights for a trial period of, say, one month. That would put the onus on Hizbullah. But, as he also acknowledged, the exchange of tough statements after the three Israeli civilians were injured on 22 July indicated that neither side was in a mood to be seen backing down.

12. Like my P5 colleagues in Beirut I see no harm in trying to craft a Presidential statement or even resolution language in New York. I suspect, however, that to stand any chance of having any impact with the parties there would need to be an allusion at least to the whole laundry list of grievances, both Lebanese and Israeli (para 7 above, para 4 of MIPT and more besides). And would that be negotiable in the context of a routine UNIFIL mandate renewal?

13. The Prime Minister will have an opportunity for discussion with his Lebanese counterpart, Rafik Hariri on 29 July (see MIPT).

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Cabinet Office for Manning
SIC EAD/U2H

SUBJECT: VISIT TO THE UK OF THE LEBANESE PRIME MINISTER, 28-29
JULY: SCENESETTER

Summary

1. On the MEPP the Prime Minister may like to reassure Hariri that Lebanon (and Syria) won't be left out, while making the point that both countries will need to engage constructively. Hariri has an equivocal relationship with Syria, and the Syrians have been sending mixed signals with regard to Lebanon generally. The US in particular has been openly critical of late of the Syrian 'occupation' of Lebanon, a term which we think misleading, though we encourage evolutionary change. Economic reform is blocked because Lebanon's power-sharing system requires consensus in government, and at present it's lacking.

Detail

2. The main topic for discussion is the MEPP. President Chirac suggested a meeting with Hariri during a telephone conversation with the Prime Minister on 16 June (Cabinet Office Miscel 170). This is the first high-level UK contact with the Lebanese government since Hariri's last visit to London in June 2002.

MEPP

3. On the ground in Lebanon, the Blue Line is generally calm. But there's a worrying increase in Hizbullah anti-aircraft fire into Israel in retaliation for Israeli air force violations of Lebanese airspace, which have also increased. The UNSG's Special Representative for South Lebanon has emphasised the risk of

escalation, and suggested to P5 Ambassadors in Beirut that adoption of the next UNSCR on UNIFIL - due on 31 July - might be an occasion to urge both sides to stop (see MIFT).

4. After initially showing interest in the Roadmap, and more specifically a Roadmap of their own, the official Lebanese position has now reverted (unhelpfully), in line with Syria's, to reciting the mantra that all that's needed is for Israel to comply with UN Resolutions. Hariri's visit offers an opportunity to reassure the Lebanese that we remain conscious of the need to include them (and the Syrians) in a final settlement, but they can't expect Israel to move without being willing to move themselves - eg on deployment of the Lebanese Army in force in the South (as called for in successive UNSCRs), getting the Hizbullah militia to pull back and disarm, and accounting for the Israeli hostages which Hizbullah are holding; and to move also on shared water resources and the right of return.

5. The last point is particularly sensitive for the Lebanese where there's close to a national consensus that Palestinian refugees in the camps here can't be given permanent settlement. The Palestinians are blamed for causing the Lebanese civil war and provoking the Israeli invasions. There's also a fear that, since they're nearly all Sunnis, allowing them to settle would upset Lebanon's delicate balance between Sunni and Shi'a, and between Muslims and Christians.

Hariri's Personal Position

6. On the MEPP and generally, Hariri is the most moderate and pro-Western member of Lebanon's top leadership. He called on Chirac in Paris on 19 July. His relationship with Syria is not particularly close and recently went through a period of a month or more when Bashar was 'too busy' to see him, though the two of them did finally meet in Damascus on 21 July. Hariri has reportedly been reminded by the Syrians to confine himself to economic policy, where Lebanon has more freedom to act independently than on foreign affairs. But that's unlikely to curtail his willingness to engage in constructive discussion of regional issues with the Prime Minister, at least in private. He may be more circumspect in public.

Lebanon-Syria

7. Lebanese-Syrian relations remain a subject of intense interest and open debate within Lebanon. The Syrians continue to send mixed

signals. They are generally assumed to be behind the formation of a new Lebanese government last April (more of a reshuffle, since Hariri and two-thirds of the old cabinet remain, but more members of the new team are, in the words of a local newspaper, 'allies or serfs' of Syria than was the case before).

8. Over the last couple of weeks, however, the Syrians have withdrawn more of their troops from Lebanon - the fourth such redeployment in two years - leaving perhaps 15,000 behind. The Bush Administration are still talking of Syrian 'occupation' of Lebanon - most recently in a radio interview by Colin Powell on 20 July. The French have followed the US in reviving references to UNSCR 520 of 1982, generally understood to call for withdrawal of all foreign forces from Lebanon (though it doesn't quite, and there have been other developments since, which arguably still provide a basis for a Syrian role). The relationship is complex; Lebanon remains very different, and a much freer country than its larger neighbour. The UK position is to favour evolutionary change and the FCO has made the case for this in a paper which the Foreign Secretary has sent to Colin Powell. Subject to views from Damascus, the continuing American focus on sticks rather than carrots may have contributed to the Syrians' apparent retreat into their classic, hard-line position on the MEPP, taking the Lebanese with them.

Iraq

9. There may not be much time for other issues. On Iraq, the official Lebanese position is the same as Syria's - predictably. It has been agreed in Whitehall that we will pass to Hariri's accompanying officials a paper on Iraqi assets (some \$500 million has been frozen in Lebanese banks) and on debts due from the former Iraqi government to Lebanese firms.

Lebanon Internal/Economy

10. Hariri has signalled that he won't want to raise the economy this time - scarcely surprising since Lebanon is falling increasingly behind in measures to tackle its budget deficit and debt mountain. The cause appears as much as anything to be the personal antipathy between Hariri (who holds the top Sunni position in government) and President Lahoud (the top Christian). Under a power sharing system which requires consensus they can each obstruct the other, as can the top Shi'a Nabih Berri who has a lot more effective power than his title of Speaker might suggest.

Bad Debts to British Firms

11. It would help vis--vis British firms with various longstanding contractual claims against the Lebanese public sector if we could tell them that we had again registered our concern at some stage during the visit. It isn't a subject for the talks at Number 10, but there may be an opportunity for officials to raise delays in payment with the Lebanese delegation either at, or in the margins of, the dinner which the Lord Mayor is hosting on 28 July.

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From: Roger Liddle
Date: 21 July 2003

JONATHAN POWELL

Stephen Wall
Sally Morgan
Matthew Rycroft

POSSIBLE TB VISIT TO BARCELONA: 14 MAY 2004

Around the Progressive Governance Conference I was approached by Narcís Serra, a Spanish Socialist MP, who was Minister of Education in the Gonzalez Government and is now an eminent Barcelona academic. He runs something called the CIDOB Foundation.


From 9 May-26 September next year Barcelona, as apt of its wonderful gift for self promotion as a city, is hosting a grand cultural jamboree. As part of this CIDOB is hosting a prestigious seminar on Europe's future with the King of Spain in the chair on 14 May 2004. The idea is to bring together as participants the surviving winners of the Charlemagne prize in a structured public debate.

I doubt whether TB would want to do this but I thought I ought to put the case to you before letting down Narcis Serra. First, it could be the occasion for a big Europe speech around the time of full accession. Second, it might be possible to fit it around a UK-Spanish Summit. The date comes reasonably soon after the Spanish elections in March and therefore be an opportunity to establish a relationship with whoever is the next Spanish Prime Minister. Third, Barcelona is a nice place.... The only problem with the proposed occasion is that now Roy Jenkins is dead, Edward Heath is the only other surviving Brit who is a Charlemagne prize winner.

Signed : Roger Liddle
21/07/2003

ROGER LIDDLE

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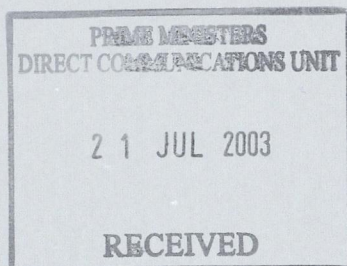
 An Sarin
Chief Executive Designate



17 July 2003

The Rt. Hon. Tony Blair MP
Prime Minister
10 Downing Street
London
SW1A 2AA

Our ref: 2515-csr
Direct fax: + 44 (0) 1635 45205



Dear Prime Minister

I very much appreciate the invitation to join you on the China leg of your forthcoming visit to Asia. I regret that I will not be able to participate in the delegation that you are leading, as I will be attending our Annual General Meeting, which will be the last before I succeed Chris Gent as CEO of Vodafone.

I hope, however, that the following brief comments regarding our experience in Japan and China may be of use to you in your meetings.

JAPAN

Vodafone is one of the largest foreign investors in Japan through our interests in J-Phone and Japan Telecom. We would remain so even if we dispose of our interest in Japan Telecom (you may have seen recent press reports which reveal our current negotiations for this purpose). Japan is strategically significant, not only because of the "technological edge" it gives Vodafone, but also because of its importance to Vodafone's global scale and overall profitability.

Our single greatest concern in Japan is the high level of intervention and protectionism and the negative effect this has on competitiveness and growth in the market. In general, the Japanese regulator is highly interventionist, and the Japanese telecommunications market as a whole is highly regulated. There is a high degree of micro-management of the market by the regulator and a general bias in favour of "managing" the development of competition so as to mitigate the impact of increasing competition on the NTT Group. Change is therefore incremental and the development of competition is slower than would otherwise be expected. This is compounded by insufficient regulation of NTT and substantial over-regulation of NTT's competitors in the general regulatory framework and the absence of a truly independent and impartial regulator.

One point that you could usefully make on your visit is the need for this situation to change, especially in the ICT sector, for Japan to realise greater levels of foreign investment and stimulate economic growth. Prime Minister Koizumi has publicly stated his aim to double foreign direct investment within 2-3 years. To achieve this objective, investors need to be confident that they can enter the Japanese market and compete to earn the returns they need to justify the investment, or investments will be diverted to other countries that do not distort the risk-reward balance.

In Vodafone's view, it is critical that the Japanese Government takes steps to wind back the level of intervention and protectionism, in order to send the signals to international markets that will encourage investment and growth. There appears, however, to be little political will to ensure this.

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The success of the UK experience in liberalisation and regulation only where essential, to which Vodafone very much owes its success, are therefore important messages for the Japanese government to hear at the highest levels.

The Ambassador, Stephen Gomersall, and his staff have been of great assistance to us in consistently advocating these messages as have the DTI throughout a series of bilateral contacts.

I am pleased to confirm that your reception in Tokyo will be attended by Dr Brian Clark, CEO of the Vodafone Asia-Pacific Region and Darryl Green, President of J-Phone.

CHINA

In relation to China, we believe that the visit will be a valuable opportunity to strengthen relationships with the new generation of senior Chinese leaders.

The primary business issue for Vodafone, which you might have the opportunity to raise, is the imperative for China to adopt a technology-neutral 3G mobile licensing process. The timing of your visit is fortunate as the Chinese Government is currently considering 3G licensing issues and is expected to finalise its decision shortly. The Chinese appear to be considering mandating that operators use only certain technologies (especially the emerging indigenous Chinese technology TD-SCDMA). A technology-neutral approach would encourage efficiency by allowing Chinese telecommunications operators to choose the technology or technologies best suited to their business.

If operators were given the choice, Vodafone believes that W-CDMA would be the core of an efficient technology solution for 3G because it is compatible with GSM, the effective world (and certainly European) 2G standard. The option for Chinese operators to choose W-CDMA technology is crucial since it would give global scale for both the European and the Chinese mobile telecommunications industries. As was experienced with GSM, global economies of scale are of critical importance in enabling products and services to be provided to consumers at lowest cost, thereby promoting widespread use and penetration. Key government and business clients demand seamless interoperable global services. Having the ability to adopt W-CDMA would also give Chinese manufacturers the opportunity to access a global market for both products and services.

Vodafone's success has been built on these global economies and meeting these global demands. Giving Chinese operators freedom to choose W-CDMA is vitally important to Vodafone because of the synergies it would provide for our investment in China Mobile, through which we are building a strategic alliance between the two biggest mobile operators in the world.

The Chinese Government has been developing a local standard, TD-SCDMA, which is not yet ready for commercial launch. Vodafone believes that there may be a future for Chinese-developed standards, such as TD-SCDMA, but we are concerned that China does not delay the launch of 3G to ensure the development of TD-SCDMA. Further delays may result in China delaying the benefits of 3G development and the opportunities that would arise for Chinese manufacturers from 3G. Technology-neutral licensing would allow China to reap the early benefits of participating in 3G through global standards, such as W-CDMA, whilst also allowing the development of local standards, such as TD-SCDMA.



A key driver of China's telecommunications policy is "universal service" (ensuring that the benefits of ICT are available throughout the country). Vodafone has secured an unprecedented opportunity to join a working group with the Chinese State Council for Informatization Office (SCIO), the Ministry of Information Industries (MII) and key Chinese academics. China's best hope of increasing telephony penetration lies in mobile technology, and ensuring the development of a vibrant market that allows competition to develop rather than seeking to force outcomes by restricting operators' discretion.

Please let me know if you would like more information about any of the above issues, which I would be most pleased to provide.

Finally, I know we have been scheduled to meet earlier in the year and I fully understand why that has not proved possible. I know that Chris has separately written to you regarding other issues. If your schedule allowed, I would be delighted to meet with you after your return to build on the relationship that you and Chris have created between your Government and Vodafone.

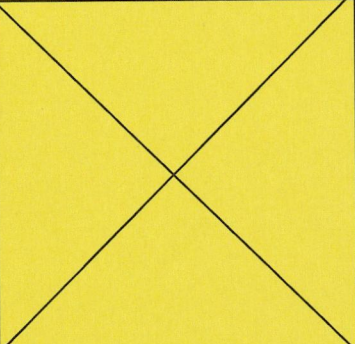
I wish you well on your trip and remain


Yours sincerely

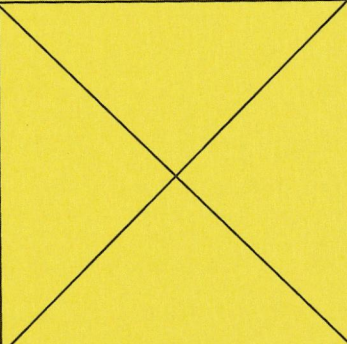
A handwritten signature in dark ink, appearing to read "Arun Sarin".

Arun Sarin
Chief Executive Designate

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Prime Minister - Commitment

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MATRIX - PR

From: David Hallam
Date: 16 July 2003

PRIME MINISTER

cc: Jonathan Powell
David Manning
Stephen Wall
Oliver Jones
William Perrin
Joanna Key
Danny Pruce

YOUR VISIT TO JAPAN: 18-20 JULY

You are visiting Japan from 18-20 July. You arrive late on the night of Friday 18 July and spend all of Saturday 19th and part of Sunday 20th in Japan. Your programme consists of:

- A business event (at your hotel) where you will deliver a major speech on the Euro and investment, meet the presidents of Toyota, Nissan and Honda, and join a reception of Japanese inward investors.
- A photo op at Pizza Express.
- Talks and dinner with Koizumi in Hakone at the foot of Mount Fuji.

You last visited Japan for the G8 summit in July 2000; your last proper bilateral visit was in January 1998. You last saw Koizumi in Evian, and before that when he visited for dinner and you both went to the Cabinet War Rooms in late April.

The objectives of the visit are to:

- encourage continued inward investment and reassure the Japanese on the Euro;
- encourage economic reform in Japan;
- engage Koizumi on key international issues;

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- conclude agreements with Koizumi on the environment, science and technology and ICT.

Koizumi became Prime Minister in April 2001. He faces a leadership election in September, but has no serious challenger and his approval ratings are solid in the 40-50% range. He looks likely to call a general election this October (and he must call one before June next year).

Economic/bilateral

Koizumi will want to hear from you about Britain and the **Euro**. The Japanese media focused on the decision rather than the action plan. So you should explain the Government's commitment to the Euro and the active steps the UK is taking to achieve early entry. This is a peg to highlight how much you value Japanese **inward investment**, and recognise that, above all, economic stability is their – and your – priority. Koizumi might ask you to brief him on the **EU constitution**.

You should ask Koizumi about progress with his **economic reforms**. Key issues are the financial sector and corporate restructuring. You should also make clear the importance you attach to a **successful WTO Ministerial at Cancun**, expressing understanding for Japan's difficulties in agricultural reform, but stressing that the last thing the global economy needs is a negative message from Cancun and a failed Round.

You might mention our wish to strengthen the **bilateral defence relationship** with more joint training and exercises, and suggest that Geoff Hoon and his Japanese counterpart take this forward. This would be a way in to talk about **commercial contracts**. Japan's agreement to purchase the EH101 helicopter (after you raised this with Koizumi) was excellent news. You might welcome co-operation on the

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Sakhalin 2 gas pipeline and briefly mention the environmentally friendly **Airbus A380 with Rolls-Royce Trent 900 engines** and the **RR Trent 500** for Japan's military air transport.

Three agreements are being negotiated with the Japanese for you to conclude with Koizumi: **Environment, Science and Technology, and ICT**. Each includes joint follow-up work. The one yet to be finalised is Environment, where the Japanese are insisting on reference to **Expo 2005** in Aichi. Koizumi is bound to bring this up. He will also be briefed to ask (again) that UK and Japanese officials do some joint work on **tourism**. You can readily agree to this and say that contacts are already beginning – we are helping out with the first “Visit Japan” campaign (Koizumi's initiative).

International

It might be worth asking Koizumi to brief you on **South Korea and China**, and where they are coming from on the major issues, especially DPRK. What does he think about President Roh and China's new leadership? Where will China be over the next ten years? For his part, Koizumi will be interested in a readout from **your visit to Washington**. The Japanese Ambassador tells me that he might want to explore the future of EU/US relations and multilateralism. He is also likely to raise **Security Council reform**, a permanent seat for Japan and deleting the ‘enemy states’ clauses from the UN Charter. We support on all these. Japan seems enthusiastic about the **US Proliferation Security Initiative**.

DPRK is Koizumi's main international pre-occupation – WMD and, domestically a huge issue, the abductees. Koizumi's resolve seems to have stiffened since a visit to Crawford in May, and the Japanese have finally taken action on illicit transfers with DPRK. They want multilateral talks and to be included in them.

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This is a good chance to explain that we need to increase the pressure on the DPRK (e.g. through a Security Council Presidency Statement) while also pursuing the talks. You might also explore what he thinks about regime collapse. Would this be worse than a DPRK committed to keeping its nuclear weapons?

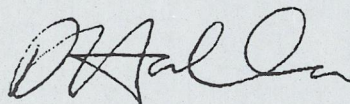
On **Iraq** you should publicly and privately appreciate Japan's efforts, including legislation now going through the Diet to enable the Self Defence Forces to go to Iraq. Koizumi will probably ask you about the **MEPP**. Like us the Japanese have a dialogue with **Iran** and have recently delivered strong messages about WMD and support for terror. They want to sign a big oil deal with Tehran, but are concerned about 1) US pressure not to sign; and 2) the contract being snapped up by a European company if they don't sign.

A few more issues that might come up:

Burma – Japan is at last delivering some tough messages to the regime and has stopped new development aid. You should say that you hope that Burmese membership of ASEM is out of the question.

Sri Lanka – you might welcome the recent donors' conference in Tokyo and ask Koizumi about prospects for ending the impasse.

India-Pakistan – we all need to press Pakistan to curb infiltration and terrorism and India to be constructive.



DAVID HALLAM

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1. PA
2. GE

From: Matthew Rycroft

Date: 16 July 2003

S 314 /03

PRIME MINISTER

cc: Jonathan Powell
Alastair Campbell
Sally Morgan
David Manning
Danny Puce
David Hallam
Nick Cannon

WASHINGTON

Your programme in Washington comprises:

1430 Meetings with Congressional leaders including brief press event.

1600 Speech to Congress.

1715 Meeting with Bush.

1800 Press conference preparation with Bush.

1815 Joint press conference with Bush.

1835 Social dinner - including Cherie and Laura.

1930 Depart.

With Congressional leaders, your main purpose is schmoozing. The speech is *their* event, and it will be important to give them the attention they think they deserve. The main issues to raise in the meeting are Iraq, MEPP and trade. You may face difficult questioning from Republicans on Israel - some of whom like Tom DeLay do not favour the two state solution - and from Democrats on Iraq - on which liberals like Nancy Pelosi might be critical about intelligence etc.

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What you might aim to get out of the meeting with Bush:

1. Iraq. Agreement on a joint line on yellowcake etc; public focus on the Governing Council; commitment to provide whatever resources are needed (a) to find the WMD, (b) to put Iraq on a stable footing, and (c) to resolve the communications problems dogging the CPA.
2. Guantanamo Bay. Agreement to a way ahead not just for Begg/Abbasi but also for the other seven Brits: US announcement that they are not going ahead with proceedings against Begg/Abbasi for now, bilateral discussions with us, plus assurances on our concerns over Military Commissions.
3. MEPP. Continued engagement by Bush and the US team, plus US pressure on Israel over settlements and prisoner releases.
4. Iran. US acceptance that if Iran signs the Additional Protocol, dismantles its fuel cycle and cooperates fully with inspections then it will have a guaranteed fuel supply.
5. National disclosure policy. An exchange of letters leading to a new policy based on the presumption of release of US information to Brits, plus further reforms of the defence industry.
6. Proliferation: Libya and Pakistan - separate brief.

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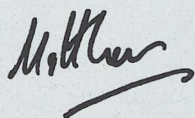
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Other topics if time allows:

7. Looking ahead to your visit to Asia, the key issue is North Korea, on which we support the Bush/Koizumi policy of "dialogue and pressure", and we want the Chinese to remain active.
8. It is important to keep the US eye on Afghanistan.
9. You could ask about Bush's Africa trip, and – unless he decides earlier on Thursday – press for US troops to go to Liberia.
10. On the economic side, the priority is to press for movement on TRIPS to avoid the Doha Development Agenda stalling, now that the EU has moved on CAP.

FCO, MOD, DTI and Embassy briefing is attached.



MATTHEW RYCROFT

SECRET

CONFIDENTIAL



Foreign &
Commonwealth
Office

14 July 2003

London SW1A 2AH

MR
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DFH
AC
Press
BUP

Dear Matthew,

Prime Minister's Visit to Washington, 17 July

... I enclose briefing for the Prime Minister's visit to Washington on 17 July.

The key points are:

- **Guantanamo Bay** - the Prime Minister might emphasise the level of concern in the UK about the two UK detainees in Guantanamo, our hope that they can be returned and – but only if the President declines to return them – the positive impact of a public US statement that they will not seek the death penalty for Begg and Abbasi (we already have this privately), and the importance to us of an independent appeals process;
- **Iraq** - the Prime Minister should emphasise that the Governing Council is good news but momentum needs to be maintained to establish a Preparatory Constitutional Commission. The Arab media should also be more involved, so they can report our progress. Finding WMD also remains a top priority;
- **MEPP** – the Prime Minister might emphasise UK support for US efforts. The situation is better now than it has been for months. Abu Mazen should be given more support on Palestinian Security. He needs signs that the international community is prepared to press Israel on its settlements obligations;
- **Iran** – Iran nuclear is the immediate concern. We hope the Prime Minister can push a package of Iran signing an Additional Protocol and dismantling its fuel cycle, in return for guaranteed fuel supply (probably from Russia);

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- **North Korea** - the Prime Minister should address the issue of how to maintain Chinese activism. He should confirm to the Americans that the UK supports the 'dialogue and pressure' formula agreed between Bush and Koizumi;
- **India/Pakistan** - the Prime Minister should stress that the threat of a major terrorist attack will always remain, without Pakistani efforts to curb cross-border infiltration;
- **Afghanistan** - the Prime Minister should encourage the US to task coalition forces to take action against drugs. Drugs threaten the stability of Afghanistan, with drug money funding terrorism.

If time allows, the Prime Minister could ask President Bush about his first impressions of the administration of **Nigeria**. He could also seek to exchange views on **Zimbabwe** following the President's meeting with Mbeki and others. The Prime Minister could also address the issue of **Karadzic and Mladic**, who are both still at large and need to be caught this year. He might raise the fact that any force that goes into **Monrovia** should have the maximum credibility and chance of success.

Yours ever,

Jonathan

(Jonathan Sinclair)
Private Secretary

Matthew Rycroft Esq
10 Downing Street

PRIME MINISTER'S VISIT TO WASHINGTON, 17 JULY.

1. On **Guantanamo Bay**, you will want to describe the domestic political pressures for the UK detainees to be returned to the UK and, if that proves impossible to focus on the death penalty and the Military Commissions' appeals process. On the former, a public iteration of the Administration's private opinion that it will not seek the death penalty for Begg and Abbasi would take a lot of the sting out of the debate. On appeals, you might want to stress the importance to us of a judicial system independent of the executive and which accords to international law – even when trying terrorist suspects. You can also tell the President that the Attorney General will be in Washington next week to pursue these issues in more detail. (**Annex A**)

2. The creation of the **Iraqi Governing Council** is good news. We want to ensure that this momentum is kept up, and that the Council now makes quick progress in setting up a Preparatory Constitutional Commission. This should enable us to develop and announce a timetable for the transfer of political power and holding of elections. We should also continue our efforts to develop local democracy and administrative responsibility, including extending CPA support to the 18 Governates of Iraq. De Mello's support for the Council as the interim administration envisaged in UNSCR 1483 is another positive point. An endorsement by Kofi Annan on 22 July should encourage Arab and other countries to view the process in a more positive light.

Presentation remains key. Getting the Arab media to report this progress in a balanced way is an important part of the process. We have been speaking to Arab governments to persuade them to do this. The initial reaction from a number of countries has been cautious: they will probably wait to see how the Council performs. But we should continue to press them to take an open-minded approach and encourage the US to do likewise. Fair access for the members of the Council to Arabic media would help. So would a credible US Director of Communications in the CPA.

The **security situation** continues to be a major source of concern. The problems are most acute in the US area of occupation, especially Baghdad and the area to the north

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of the city. The Prime Minister might ask for the latest US assessment and the measures they are taking to counter the problem, and offer UK military advice if the UK should ask for this. Finding WMD also, of course remains a top priority.

3. On MEPP, you will want to say that the President's engagement has brought dramatic changes for the better and that you support it 100%. Israel is safer than for months. But the ceasefire is fragile, which means the Israeli withdrawal is too. We need to keep up the pressure on prisoner releases, the fence, settlements and on Palestinian security, so Palestinians too begin to benefit. We want to give Abu Mazen more support as the Palestinians address security. The President's waiver on direct aid to the Palestinian Authority was an important step. Abu Mazen also needs sustained moves by Israel to improve quality of life in the Occupied Territories and signs that the international community is ready to press Israel on its settlements obligations.

On security itself, we are willing to help rebuild and reform the Palestinian security sector. We have the experience and the relationships to help, particularly on civil police and getting Dahlan's office to operate efficiently. But we are getting mixed messages and need clarity. Sharon also needs support and encouragement so he can press forward despite opposition in his coalition. You will want to say that you did your best on 14 July. The best way to make Syria (and Lebanon) act more constructively is through binding them in to the roadmap process. Understand the President's concerns but believe Bashar will take our demands to act on rejectionists more seriously if the Quartet, including his people, put them to him together, in the context of Bashar's concerns, especially the Golan. This isn't about going soft – it's persuading them we are all serious. (Annex B)

4. **Iran** is at a crossroads; we should push the Iranians to choose the right path and address our concerns, if they are serious about closer engagement with the international community.

Iran's **nuclear program** is currently the key concern. The IAEA is working hard, and international pressure is building up on Iran. Iran is suggesting it may be prepared to shift. But, in engaging Iran, we must avoid making concessions that would enable Iran

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to continue to pursue a covert weapons program. We would welcome President Bush's support for a strategy we are working up with the US and French officials whereby Iran agrees to sign and implement an additional protocol to their Safeguards Agreement with the IAEA, and dismantle their fuel cycle, in return for which we would accept Iran's right to a civil nuclear program and guarantee their fuel supply (probably from Russia, commercial interest tying them into our plan).

On **Iran/Iraq**, we are concerned at Iranian contingency planning and potential anti-Coalition activity. We are pressing hard to prevent this, while recognising Iran's legitimate interests as a neighbour, and looking for a safe role for them in reconstruction. Iran must do more to cooperate on counter-terrorism. We are pressing hard over AQ. But Iranian attitudes should improve as it becomes clear to them that the Iranian terrorist group the Mojahedin-e Khalq (MeK) is being systematically dismantled, and its leaders dealt with as terrorists. This should be a Coalition priority.

On the southern **Iran/Iraq border**, we have asked the Iranians to withdraw a number of border posts just inside Iraqi territory, which appear to have been recently constructed. There has been US military pressure to take a robust approach. We are trying if at all possible to resolve the issue on diplomatic channels, and by mil/mil coordination on the ground.

5. Our views on the **North Korea nuclear** issue are close. The one point, on which a short discussion would be useful, in advance of your visit to Beijing, is the Chinese role. The Chinese worry that the US are putting more steam into arguing for a firm UNSC statement than into re-engaging in the multilateral talks process convened by China in Beijing in April. This makes it all the more important they get clear encouragement for continuing their helpful role in bearing down on N Korea, and bringing them to the table. You might confirm our own support for the formula of "dialogue **and** pressure" agreed between Bush and Koizumi at Crawford in May. But he might observe how – in order not to lose helpful Chinese activism - we shall need to work painstakingly to persuade them of the logic of increasing pressure on N Korea. We would need to move with particular care into any discussion with the Chinese on action, which might hasten regime collapse in N Korea. That discussion

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needs to take place if and when the talks process fails. It might be an issue on which the US and UK could usefully compare notes as a first step. (Annex C)

6. On **India/Pakistan** we should stress the need to stay engaged to keep the peace process moving. Without sincere Pakistani efforts to curb cross-border infiltration and dismantle the camps, India will not open talks on Kashmir, and the situation will remain vulnerable to a major terrorist attack.

7. In **Afghanistan**, drugs money continues to fund terrorism and threaten stability. We want US to task coalition forces to act against drugs. You spoke to President Bush on 6 June and General Franks on 30 June and both agreed that coalition forces should do more, but OEF forces need specific tasking. It was clear from Jack Straw's recent visit that military commanders do not have instructions that allow them to take on drug traffickers. Countering narcotics needs to be part of their tasking.

7. Time permitting, you should ask about the President's impressions of **Nigeria's** new administration from his 12 July visit. Stress that it is important that new administration is aware of international expectations for new term. Our approach is partnership, matching progress with support. UK is hosting an Economic Summit on 29 July with the new Nigerian economic team/IMF/WB; we shall keep the US informed. (Annex D)

9. We would welcome a read-out from President Bush following his discussions with President Mbeki (and also Presidents Wade and Mogae) on **Zimbabwe**. You met President Mbeki on 14 July. This meeting provides an opportunity to compare notes on Mbeki's thinking and UK/US next steps. It would be useful to gauge President Bush's intention. Will he follow up with Mbeki in a month or so, to enquire on progress? Important US/UK stay close on this issue, and encourage Mbeki to deliver. (Annex E)

10. If time allows you might raise a **Yugoslavian** point. Karadzic and Mladic still remain at large. We need to get them this year. Maximum effort is required. We are glad that the UK and US have formed a group to take this forward. (Annex F)

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11. The challenges for ECOWAS will be considerable. We would like any force that goes into **Monrovia** to have the maximum credibility and chance of success. The quicker you are involved, politically and militarily, the more likely the force will be successful. (**Annex G**)

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ANNEX A



Foreign &
Commonwealth
Office

London SW1A 2AH

from The Foreign Secretary

10 July 2003

Dear Colin,

Thank you for accepting the formal representations which I had to make on behalf of Her Majesty's Government about the UK citizens in Guantanamo Bay who have been designated as eligible for trial before a US Military Commission. You asked me for a note of our key issues. Here it is.

Our central point is this. We fought side-by-side with you in Afghanistan, as we have in Iraq. Our soldiers died in the same way as yours. Our citizens suspected to be part of the enemy should therefore be treated in the same way as the US has treated its citizens in the identical position. The US citizen originally arrested with other detainees was tried in a US court by normal procedure.

Representatives of the two citizens concerned have therefore pressed for the two to be returned to the UK. The case they make for this is a strong one.

Our Courts do have extra-territorial jurisdiction in respect of some of the offences which may have been committed in connection with September 11 and the activities of the Al Qaida terrorist movement. If the suspects were returned we could guarantee that the police and prosecuting authorities would examine the evidence with great care and would of course take proceedings if the admissible evidence supported this.

The Hon General Colin L Powell KCB

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However, and as we have made clear in the past, we could offer no guarantee in advance that there would be sufficient evidence to mount a trial, still less that they would be convicted.

In any event, it is the position of HMG that those other UK citizens against whom no proceedings are to be brought in the Tribunal should now be returned to the UK.

I make a wider point here. The detention of UK citizens in Guantanamo Bay and their conditions there has led to considerable criticism, both of the UK government and the United States and not just from the expected quarters. I have already been the subject of court proceedings by relatives of Abbasi for my alleged failure properly to represent their interests and speak out against the US Government. The court found in my favour but the court criticised the US for placing the detainees "in a legal black hole". The Prime Minister and I have been willing to take this criticism because we have recognised the enormity of what happened on September 11 and the fact that such an appalling atrocity was bound to require unusual measures to counter it. So too, I believe, did the British public. But the utility of holding these people for intelligence gathering must now have passed and a clear failure by the US to follow same basic justice procedures used for its own citizens opens up a new front of opposition to the government when it is already under attack over Iraq.

If the detainees are tried by the Military Commission then we would like the conditions listed below to be met. We start from the premise that any trials must at least comply with generally recognised principles of regular judicial procedure as well as the minimum guarantees required for trials to be considered fair under international law.



Through exchanges between our two governments over the last few months we have agreed already that:

- (i) UK detainees should be seen by British officials for welfare purposes after designation and before charging, after charging and before trial, during and after trial;
- (ii) UK detainees should have access to a lawyer after designation and before charging;
- (iii) UK detainees should have their trials observed by British officials;
- (iv) UK detainees should be released after serving their sentence;
- (v) the US would consider halting the prosecution of a UK detainee if the British Government requested.

The USG is also considering seriously our requests:

- (vi) not to seek or apply the death penalty. We are opposed to the death penalty in all circumstances and would not hesitate to criticise the USG if the sentence became a real possibility. Whilst we welcome the private DoD statement that "we do not believe that we shall seek the death penalty if any of these cases goes to trial", it is essential that an undertaking to this effect is public;
- (vii) not to use UK intelligence and police material in the Commissions;
- (viii) to allow convicted UK detainees to serve their sentence on the US mainland and have the right to seek access to US civil jurisdiction;



- (ix) for an assessment to be made of Feroz Abbasi's mental health and for the Commission's procedure to provide for the defendant's fitness to stand trial to be assessed.

The exchanges, including with the UK's Attorney General, have also covered most of the following issues:

- (x) regular access to the detainee for his family after designation;
- (xi) the right for the detainee to be represented by a lawyer of his own choosing and not one from a DoD pool;
- (xii) a trial open to the family and media, wherever it might be held (obviously subject to the usual arrangements to hold part of the proceedings in camera where necessary);
- (xiii) the right for the defence to obtain the attendance and examination of witnesses on his behalf at trial;
- (xiv) an appeals process which involves a judicial body independent of the executive;
- (xv) the release of the detainee if found not guilty;
- (xvi) for unfettered communication between detainees and their lawyers.

If you felt it to be helpful I could arrange to send a team of lawyers and other officials to Washington next week for talks.

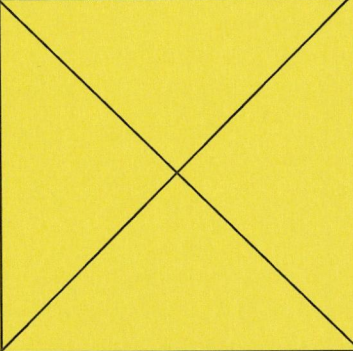
Yours ever,
Jack.

JACK STRAW

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BACKGROUND - NIGERIA

President Bush visited Nigeria on 12 July on his first visit to Africa. The US (with other partners) recognises the importance (regionally and internationally) of a reformed and effective Nigeria. But we have some concerns that US preoccupation with secure oil supplies (Nigeria is the US's fifth largest crude oil supplier) may overshadow the need to push the reform agenda. We are not proposing to invite partners to the Economic Summit on 29 July, but are considering briefing close partners (US, France) before and after to ensure a co-ordinated approach.

The Prime Minister's meeting with President Bush

Zimbabwe

Background

At the joint press conference between Presidents Bush and Mbeki on 9 July, President Mbeki said that he and President Bush were "absolutely of one mind about the urgent need to address the political and economic challenges of Zimbabwe. It's necessary to resolve this matter as quickly as is possible."

President Bush said he had no intention of "second-guessing" President Mbeki's tactics. He also said it was "important for the United States, whether it be me or my Secretary of State, to speak out when we see a situation where somebody's freedoms have been taken away from them and they're suffering. And that's what we're going to continue to do."

He did, in fact, continue to speak on Zimbabwe during the rest of the visit. In Botswana, he said that Zimbabwe was "a shame for southern Africa, and that the weakness in the economy is directly attributable to bad governance. And therefore we will continue to speak out for democracy in Zimbabwe."

The same day, Secretary of State Colin Powell said that "Our position is consistent. We believe that something has to change in Zimbabwe, that under President Mugabe's leadership the economy has been driven into the ground, the political system is being devastated, [the] financial system is collapsing."

President Mbeki told President Bush in terms that inter-party dialogue was taking place in Zimbabwe. Since then, senior members of both the MDC and ZANU(PF) have denied this. It is clear that some low-key "talks about talks" are taking place, but nothing that can be described as a dialogue "process".

President Bush described President Mbeki as an "honest broker"; it is important that this yields results, which lead to Mugabe's retirement and a process leading to internationally-accepted free and fair elections.

Yugoslavia**Background**

1. While recent progress has been made on the arrest and transfer of Balkans war criminals this year - 12 to date, Radovan Karadzic and Ratko Mladic remain at large. Their presence in the region hampers our efforts to improve the Balkans.
2. We want to see Mladic and Karadzic in The Hague by end 2003. UK and US officials met in Washington on 10 July to discuss how this could be achieved. We agreed to form a "taskforce" to co-ordinate and maximise efforts. If there is time, the Prime Minister could mention this to the President and emphasise the need for maximum effort.

Liberia PM Brief 14 July**Background**

1. What we want in Liberia is a credible external force entering a Taylor-free country, followed by a transitional government leading to democratic elections and lasting peace. President Bush's agreement to politically engage in Liberia is already paying dividends. But a more definitive commitment to US troop deployment would up the odds of success considerably. Conversely, the longer the US delays or the lighter their commitment, the more likely the ECOWAS force will run into trouble.

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SECRETARY OF STATE

MO 6/20/5C

MINISTRY OF DEFENCE
ROOM 205, OLD WAR OFFICE BUILDING
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16 July 2003

Dear Matthew

PRIME MINISTER'S VISIT TO THE US: NDP

MR ~~DM~~
JLB
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fms

As promised, I now attach:

- Briefing for the Prime Minister's meeting with President Bush.
- A passage on National Disclosure Policy (NDP) and related issues for the Prime Minister's address to Congress.
- Briefing and Question & Answer material for use with the media.

You asked for a media handling plan. We have discussed this with the No 10 press office. We understand that the Prime Minister will be accompanied on the visit by some 35 media. During the flight to Washington, the No 10 press office will brief the media on the content of the speech, flagging up the NDP passage as a significant announcement and concrete evidence that the special relationship is alive and well. The Prime Minister's flight is due to arrive in Washington at about 1830 BST, from which time the travelling journalists will begin filing their stories back to London. We expect this to result in defence correspondents here approaching the MOD for further information on NDP: our press office will then brief them in more detail on what the changes amount to.

As requested, our press office will pass some "soundbites" to your press office direct.

I am copying this letter to Geoffrey Adams (FCO), Erica Zimmer (DTI), Desmond Bowen (Cabinet Office), and to Peter Gooderham (Washington).

Yours
Peter

P D WATKINS
Private Secretary

Matthew Rycroft Esq
10 Downing Street

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ANNEX A TO
MO 6/20/5C
DATED 16 JULY 2003

PRIME MINISTER'S MEETING WITH PRESIDENT BUSH**NDP/ITAR/Defence Authorization Bill****Key Points**

- Delighted to have made so much progress so quickly on ways to improve the flow of classified information between our two countries. The DoD directive on National Disclosure Policy will be a major step forward in enabling our Armed Forces to co-operate even more closely. Appreciate the work of all those who have made it happen.
- Welcome the idea of a Bilateral Defence Acquisition Committee which can address acquisition and industry issues in this field. Vital that this tackles the question of release of classified material to and between industry vigorously, and in the same spirit as has been agreed for Government-to-Government exchanges. Without this, equipment collaboration will still face blockages. Need to make early progress.
- Grateful for the Administration's support on the unclassified ITAR Waiver with Congress, and in particular recent interventions by Donald Rumsfeld with Representative Hyde. Is there anything more than we can collectively do on this important issue to guarantee its passage?
- Serious concerns about the Defence Industrial Base provisions of the House Defence Authorization Bill (HR 1588). They run directly counter to what we are trying to achieve. They would have a damaging effect on the national security interests of the UK, and on major joint programmes such as the Joint Strike Fighter. Very much hope that you will take all necessary steps to ensure that none of these provisions become law.

Supplementary Points

- Enabling classified information to flow more freely to and between US and UK companies with the necessary security controls will benefit both countries, and enable us both to gain more from our defence investment.
- Welcome the recent signing of the MOU between the UK MOD and the DoD on Ballistic Missile Defence Co-operation.

RESTRICTED**Background**

1. The Prime Minister's letter of 13 May proposed that there should be a change to US National Disclosure Policy (NDP) to institute 'presumption of release' of classified information between the US and the UK. A substantive Presidential reply has been finalised. This, together with a brief letter in response from the Prime Minister, will constitute a top level agreement on improved information exchange. The President's letter essentially agrees to what we wanted on Government-to-Government exchanges, but sees acquisition and industry-to-industry aspects – which are very important – being addressed in a high-level Bilateral Defence Acquisition Committee.
2. We welcome what has been achieved to date. But we also need to focus on what further work needs to be done, especially in relation to co-operation at a technical and industry-to-industry level. We must seek to achieve a further Waiver from the International Traffic in Arms Regulations (ITAR) which applies to classified information (the ITAR Waiver currently before Congress applies only to unclassified information). This is because while the NDP governs what can be released, the export control regulations determine the time and method of release. It is essential that this is addressed vigorously under the aegis of the new Committee, and that it is seen within the Administration to have the President's backing. The issue has still to be handled with some care as Congress has yet to agree the unclassified ITAR waiver, but we are looking for agreement from the Administration that it has to be tackled.
3. The expected letter from the President confirms his support for securing Congressional agreement to the unclassified ITAR waiver, which of course we welcome.
4. It will be important to emphasise to the President our serious concerns about protectionist language included in the current House Defence Authorization Bill at the instigation of the Chairman of the House Armed Services Committee, Duncan Hunter. The Defence Secretary has written to Rumsfeld, and NSC and State Department are engaged. All share our concerns.

ANNEX B TO
MO 6/20/5C
DATED 16 JULY 2003

PASSAGE FOR THE PRIME MINISTER'S ADDRESS TO CONGRESS

The ability of our Armed Forces to work and fight together is critically dependent on the fullest possible exchange of information between us. I am therefore very pleased that President Bush and I have been able to agree new arrangements for the exchange of classified information and data. This is an important step forward.

When we first met at Camp David more than two years ago, the President and I also reaffirmed our commitment to increased co-operation in our defence trade and the removal of unnecessary governmental barriers to such trade. As a result our Governments have recently negotiated a bilateral agreement to extend a licensing exemption to the UK for US military exports governed by US ITAR regulations. I very much hope this will have the full support of Congress. And I very much hope Congress will do all it can with the Administration in other ways to encourage co-operation between US and UK defence industries, which is now even more important for our common security.

ANNEX C TO
MO 6/20/5C
DATED 16 JULY 2003

DRAFT PRESS BRIEFING MATERIAL

Key points

- We and the US apply stringent controls to classified information, for good reason.
- But there are times when these controls can get in the way of our Armed Forces working together effectively and mean that we get less value than we should from our defence investment.
- We have been trying to fix these problems one at a time as they occur, but that can be very time-consuming. We need to do better and get to the root of the problem.
- We have now agreed with the US that there will be a presumption in favour of exchanging information between the US and the UK. In particular this means changes to the US National Disclosure Policy that will speed up transfers.
- A Bilateral Committee will ensure that the spirit of this is carried through into acquisition and industrial relationships.

Practically, this means that, for example

- Planning and training for operations with the US will be more effective. Existing rules mean that UK does not readily have access to US information except under the imperatives of military operations.
- We will be able to exploit network-centric and network-enabled capabilities to greater effect, ensuring integration when it is necessary. Iraq has shown how important that is.
- We have the prospect of much quicker information flows in collaborative projects like the Joint Strike Fighter.

Examples of the sort of difficulties that have existed in the past are

- An RAF exchange pilot in the US who could not participate in key US training exercises. This is one of many such examples.
- Lengthy and complex US visits control process can prevent representatives from UK companies attending programme briefings at short notice.

Q&A

Does this mean there was a problem in Iraq/Afghanistan etc?

No. Action was taken to ensure that necessary information was shared.

Is this a decisive shift away from European Allies/the EU?

We are committed to working closely with all our partners and Allies. This initiative with the US is just one of many initiatives to improve co-operation and enhance capability. (A current European example is work to establish a new European Defence Capabilities Agency.)

Is this just clearing the ground for a BAES merger with a US prime?

No. This is about improving US/UK co-operation across the board.

How does this square with US protectionism – e.g. the current House Defence Authorization Bill?

Both we and the Administration have made clear that protectionism is not the answer.

Does this affect exchanges in the intelligence field: does it mean something was not working?

We have a very strong relationship with the US on intelligence matters.

Background

US National Disclosure Policy and International Traffic in Arms regulations are very restrictive and are applied very bureaucratically. The closest of allies are treated just like anyone else. This limits our ability to plan and prepare for operations together. It also harms collaborative projects.

We have already proved we can do better than this in the nuclear and intelligence areas, where there are long-standing arrangements for sharing very sensitive information. The intention is to extend this to other areas. That means:

- changing US NDP so that the system is inherently disposed to release, not deny, information to the UK (subject to normal security restrictions);
- following the same spirit in arrangements for acquisition projects.

US have agreed to the first point and to set up a joint group to address the second aspect. This is a very big step forward.

Ensuring reciprocity on the part of the UK will not involve any substantial change to current UK arrangements.



10 DOWNING STREET
LONDON SW1A 2AA

THE PRIME MINISTER

17 July 2003

Thank you for your letter of 17 July setting out proposals for facilitating and improving the exchange of information between the United States and the United Kingdom.

I entirely agree with what you propose, and I confirm that the United Kingdom will make arrangements to the same effect. These arrangements will include the Ministry of Defence issuing instructions equivalent to the DoD's directive.

I am convinced that these actions will prove to be greatly to our nations' mutual benefit, and I am grateful for all the work that has been done since I wrote to you in May to achieve this. The new arrangements will provide new impetus for the steps needed to ensure consistent and reciprocal treatment in the sharing of military and defence industrial information, building on the commitments that we made at Camp David shortly after your inauguration.

The President of the United States of America

RESTRICTED UK EYES ONLY



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SECRETARY OF STATE

cc: JPO
DM

MO 6/20/5H

14 July 2003

Dear Matthew

THE BIG IDEA

The Administration has produced the text of a substantive reply to the Prime Minister, providing much (not all) of what we wanted. We should accept what is offered and build on it to secure the remaining issues. An exchange of letters during the Prime Minister's visit should be the vehicle for cementing and publicising the agreement.

My letter of 7 July set out the progress made in securing improved access to US information in the military/industrial field. I indicated that the US inter-agency process seemed to be going well enough for the Prime Minister to lock in progress during his visit on the 17 July and provide impetus for further improvements. This remains the case.

We have now seen the text – currently with Condi Rice – of a substantive Presidential reply to the Prime Minister's letter of 22 May. The joint plan (on which Sir Kevin Tebbit has been working with the Embassy and the NSC) is that this letter, on which we had been consulted by NSC, together with a reply from the Prime Minister should constitute the top-level agreement on the issues we have raised. The text of the draft Presidential letter is at Annex A; the draft reply from the Prime Minister at Annex B.

As forecast, the key proposals in the Presidential letter are:

- a DoD directive on release of information to the UK, incorporating the key 'presumption of release' based on the criteria set out in the Prime Minister's original letter, and easing the present No Foreign Nationals ('NOFORN') restrictions in favour of the UK;

Matthew Rycroft Esq
10 Downing Street

RESTRICTED UK EYES ONLY

RESTRICTED UK EYES ONLY

- creation of a Bilateral Defence Acquisition Committee to address acquisition issues and to 'clarify' industrial information sharing and release arrangements.

In broad terms, this gives us what we wanted on Government-to-Government exchanges. It is much less definite on the release of information to industry – leaving this to be dealt with by the new bilateral Committee. We have pushed for more, but have met firm traditionalist resistance from within the DoD and have been advised by the NSC and Embassy that we have reached the limits of what the market will bear at this point. We judge that it is well worth pocketing what is on offer. the presumption in favour of disclosure is a major step forward and the new Acquisition Committee's remit to 'ensure consistent and reciprocal treatment' provides us with leverage for the future. But it will be important to register very clearly with the President and the Administration the need to address the industry issue vigorously and in the right spirit. A reference to the point is included in the draft reply for the Prime Minister.

On the mechanics, we had originally aimed for an Executive Agreement encapsulating the new arrangements, on the basis that this would have more wide-ranging effect than a predominantly DoD directive – particularly with Congress. On this score, the advice from NSC has continued to be that such an Agreement, with its quasi-legal effect, would take much longer to negotiate and would be vulnerable to the lawyers. We believe that the proposed exchange of letters provides an acceptable substitute; and offers a means of cementing the agreement quickly. Our recommendation, therefore, is that we should proceed with an exchange of letters in the terms of the drafts at Annexes A and B, but should continue to press hard with the Administration on the release of information to industry from the first meeting of the Acquisition Committee onwards, with Sir Kevin Tebbit chairing for our side.

As we discussed this morning, we are working on a public handling plan. Advice on this and briefing material for the Prime Minister will follow separately. While high profile treatment runs the risk of criticism from less favoured partners, we would recommend that some publicity be given to this development – as a demonstration during the Prime Minister's visit that the transatlantic defence relationship delivers benefits for Britain and to show the Administration that we are serious in prosecuting our interests. We are addressing the issue of presentation to other countries with the FCO.

I am copying this to Simon McDonald (FCO), Erica Zimmer (DTI), Desmond Bowen (Cabinet Office) and Peter Gooderham (Washington).

[Handwritten signature]
[Handwritten signature: Peter]

P D WATKINS
Private Secretary

RESTRICTED UK EYES ONLY

The Right Honorable Tony Blair, M.P.
Prime Minister
London

Dear Tony:

I wrote you on May 22 of this year promising that Condi Rice would work with Colin Powell and Don Rumsfeld to improve information exchange between our nations. Our team has developed an approach which has been shared with your people. In short, we propose:

- to have the Department of Defense issue a directive on the release of classified and sensitive military information to the U.K. which incorporates "presumption of release" based upon the four criteria set forth in your letter of May 13, 2003.
- to create a Bilateral Defense Acquisition Committee, which initially would meet at least quarterly and which would include representatives from our defense and foreign policy establishments. Among other things, the BDAC would:
 - o address cooperative life cycle acquisition activities from research and development and test and evaluation, to cooperation in procurement and in logistics support; and
 - o as an early order of business, clarify existing arrangements for U.S. and U.K. defense industrial information sharing and release to ensure consistent and reciprocal treatment.

As you may be aware, our governments have recently negotiated a bilateral agreement to extend a licensing exemption to the U.K. for certain U.S. munitions exports. I am working with the Congress to obtain passage of the necessary legislation to allow this agreement to fully come into force as soon as possible. Additionally, Don Rumsfeld and Geoff Hoon signed in early June a Memorandum of Understanding on Ballistic Missile Defense cooperation which breaks new ground in our close and valued defense relationship.

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NSC DEFENSE

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Finally, we are in the process of reviewing our policies on defense trade. I am confident additional reforms will emerge from this effort which will be of mutual benefit.

Taken together I believe these steps address the problem you brought to my attention on May 13. We should jointly monitor their implementation by our governments and review them when we next meet.

Sincerely,

RESTRICTED UK EYES ONLY

Annex BDRAFT REPLY FROM PRIME MINISTER TO PRESIDENT BUSH

17
Thank you for your letter of 17 July setting out proposals for facilitating and improving the exchange of information between the United States and the United Kingdom.

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GR

Loyal pl.

dated 17/7.

Back to me by close

today pl.

MR 16/7

RESTRICTED UK EYES ONLY

PM BRIEFING: TRIPS AND PUBLIC HEALTH

OBJECTIVE

To impress on the US the need to move on TRIPS. Otherwise the Doha Development Agenda may stall.

LINE TO TAKE

IMPORTANCE OF SOLVING THIS ISSUE.

- The Doha Trade Round is crucial to spreading prosperity across the developing world – important for increased security.
- But TRIPS and Agriculture potential stumbling block at Cancun.
- The EU has moved on agriculture. **Now the US must move on TRIPS.** There's a deal on the table (the "16 December text"). Already missed original deadline (of December 2002). DCs are very bitter about this – solving this is vital to them. Leaving a decision until Cancun raises the prospect of Cancun unraveling.
- The developed world uses the threat of compulsory licenses to bring down drug prices. US, rightly, did this to get cheaper anti-anthrax drugs after September 11. **Only right that other countries without manufacturing capabilities - generally speaking the poorest in the world - should also be able to do this when faced with crises.**

DAMAGE TO IPR SYSTEM MORE WIDELY

- Understand that US are concerned that TRIPS could be abused. But safeguards exist and the overall environment is one of tighter IPRs.
- **The longer this drags on the more damaging it is to the wider IPR framework.** That is why our industry wants to settle. But we need to give industry assurance that this is not a huge hole in IP.

A WAY OUT

- **Realistically very unlikely we will get textual changes to the 16 December text.** But we've been working on some ideas with the industry on a national statements wrapped up into a chairman's statement. For example we could get developing countries to state that the system would only be used to address real public health problems; developed countries would make clear that if the system is abused they will the WTO's dispute settlement and so on.
- These are just rough ideas at the moment – but if the US was keen to work with us on them we could get a result at Cancun.

BACKGROUND

What are the sticking points for the US?

- The US fear that the 16 December text will allow India and Brazil, among others, to continue to copy and export medicines after 2005, and in doing so, deny US companies of markets. The US also have concerns that medicines produced under this system will be diverted from the intended recipients into rich markets making huge profits for middle men ("diversion").
- To minimise this risk the US would like to have additional restrictions. The latest position is that the US would like to restrict this to a specific list of diseases (of which HIV/AIDS, TB and Malaria are included). Another idea the US has run with in the past is to restrict the country of import to LDCs only. Neither of these restrictions have gained any currency with the developing countries.
- To deflect criticism the US has put in place a moratorium on dispute settlement for countries in Sub-Saharan Africa trying to tackle HIV/AIDS, TB and Malaria. The EU has a more generous moratorium based on the 16 December text. But neither of these moratoria are long term multilateral solutions to the problem. And as such they have not taken the heat out of the debate.

How real are the concerns of the US?

- Our view is that it is unlikely that the sort of wide scale use the US fear will occur. We have to bear in mind that:
 - Compulsory licenses are rarely used. Their real power is as a negotiating tool to encourage the patent holder to come to a reasonable deal. Actual use of the powers would be a last resort.
 - The rest of the TRIPS agreement on compulsory licenses remains in place – this includes, crucially, that compensation has to be paid to the patent holder if a compulsory license is used.
 - The overall environment is one of tightening IPR rules due to the expiry of transition periods in the TRIPS agreement. The 16 December text is simply a flexibility in those tightened rules.

What will be the effect on the ground?

- This will have no effect on treating public health problems in countries like India and Brazil - TRIPS already allows them to use compulsory licenses. Compulsory license are useful as a negotiating lever. If the patent holder knows you can make the medicines yourself the patent holder is likely to be more flexible on price – prices should fall. **This is what happened when the US threatened to use a compulsory license for an anti-anthrax drug.** So,

for countries without manufacturing capacity, the mechanism outlined in the 16 December text, should help to bring down the price of medicines which come onto the market from 2005 onwards.

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Crem 49
3285

Letter dated 15th of
July 2003

AG
03/07/2023

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