

CONFIDENTIAL

# 10 DOWNING STREET

THIS FILE MUST NOT GO OUTSIDE 10 DOWNING ST

E  
1872

FILE TITLE:

ENLARGEMENT

SERIES

EUROPEAN POLICY

PART

5

PART BEGINS

26 FEBRUARY 04

PART ENDS

5 MAY 2005

CAB ONE

Labour Administration

PREM 49 / 4048

CONFIDENTIAL

T.S.O. Order No. N0064510 3/98 C5 59064



# PART

# CLOSED

DATE CLOSED	5 MAY 2005
-------------	------------



Series : EUROPEAN POLICY

File Title : ENLARGEMENT

Part : 5

Date	From	To	Subject	Class	Secret
				C	
23/02/2004	PPS		Eu Enlargement of workers and access to benefits	U	
23/03/2004	SCU		1st May: Accession Media Strategy	R	
26/03/2004	HO	PM	EU enlargement : free movement of workers	U	
01/04/2004	PD(KEG)	FCO	IPPR Seminar on EU Enlargement/FMOW	U	
06/04/2004	DelivDir	PM	EU Free Movement of Workers: Monitoring	C	
15/04/2004	FCO	FCO	City of London Event to Mark Assession - Round Tables	U	
27/04/2004	SCU	PM	To PM & Mrs Blair: EU Enlargement Event - Weds 28th 1800 - 1900	R	
27/04/2004	FCO	FA/APS	EU Enlargement Celebrations in Dublin	R	
30/04/2004	FA/APS	PM	Dublin	R	
30/04/2004	PD(KEG)	PM	EU Enlargement: Free movement update	U	
07/05/2004	PD(KEG)	PM	EU FMOW Monitoring	C	
07/05/2004	HO	PD(KEG)	EU Free Movement of Workers: Monitoring	U	
10/06/2004	Croatia/PM	PM	(H) European Constitution	U	
15/06/2004	FA/APS	FCO	(T) Commission President: Conversation with Portugese Prime Minis	C	
16/06/2004	EU/PS	PM	Constitutional Treaty: Your Conversation with Bertie Ahern	R	
16/06/2004	EU/PS	PM	Verhofstadt	U	
16/06/2004	FA/APS	FCO	(T) Constitutional Treaty: PM's Conversation with Ahern, 16 June	C	
17/06/2004	HS	PM	Publication of Data to Monitor the Effects of EU Enlargement	C	
25/06/2004	PD(KEG)	PM	Eu FMOW : weekly report	C	
25/06/2004	HO	PD(KEG)	EU free movement of workers : monitoring	U	
02/07/2004	PD(KEG)	PM	EU Flow : Monitoring and Publication of May/June Stats	C	
07/07/2004	FCO	FA/APS	ASEM Enlargement	R	
09/07/2004	PD(KEG)	PM	EU FMOW Week 10	R	
01/10/2004	EU/PS	PM	EU/Turkey and the French	C	
11/10/2004	HO	PD(EM)	EU free movement of workers: monitoring	C	
12/10/2004	MS/FCO	FCS	free movement of workers - Bulgaria and Romania	C	
18/10/2004	SS/DWP	FCS	Free Movement of Workers: Next Round of Accession (Bulgaria & R	C	
22/11/2004	FCO	CWO	Parliamentary Debate on the Commission Communication on Turkey	U	
22/11/2004	Turkey/PM	PM	(H) Turkey's bid to join the EU	U	
11/12/2004	FA/APS	fco	(T) Enlargement - Turkey and Croatia: Prime Minister's discussion wi	C	
15/12/2004	EU/PS	PM	Phonecall to Erdogan	U	
15/12/2004	FA/APS	FCO	EU/Turkey : PM's discussion with Erdogan	C	
20/12/2004	FA/APS	FCO	EU/Turkey PM's discussion with Erdogan	C	
22/12/2004	FCO	FA/APS	Draft letters of congratulations to Bulgaria and Romania	U	
22/12/2004	FCO	FA/APS	Drat Letters of Congratulation to Bulgaria and Romania	U	
29/12/2004	PM	Romania/PM	(H) Congratulations - Closing of Romania's EU Accession Negotiatio	U	
29/12/2004	PM	Bulgaria/PM	(H) Congratulations - Closing of Bulgaria's EU Accession Negotiation	U	
21/01/2005	EU/PS	PM	EU/Turkey	C	
09/02/2005	fco	EU/PS	France referendum - questions, date and graph showing latest polls	U	





✓ Pat  
JR

## 10 DOWNING STREET

~~Jonathan~~

✓ If you haven't shown  
it to him already, worth  
adding to the PM's  
weekend papers. Two  
points in particular:

a) The test of the  
French Referendum question  
- v similar to ours; and

b) Note the steady  
decline in the 'V' 12  
vote and, hence,  
presumably, Chirac's wish  
to go to the polls  
as soon as possible  
✓ / Kim



**Debbie Chilcott**

---

**From:** cathy.ward@fco.x.gsi.gov.uk  
**Sent:** 09 February 2005 16:54  
**To:** Antony Phillipson; Catherine.Carr@fco.gov.uk; Damian.Nussbaum@fco.gov.uk; David.Frost@fco.gov.uk; Dominick.Chilcott@fco.gov.uk; Giles.Paxman@fco.gov.uk; James.Bryce@fco.gov.uk; sirjohn.holmes@fco.gov.uk; Katy.Reid@fco.gov.uk; Kim Darroch; Nick.Hopton@fco.gov.uk; Thompson Nick - European Secretariat -; Nicola.Brewer@fco.gov.uk; ParisChanFloatCONF@fco.gov.uk; Peter.Roberts@fco.gov.uk; Hall Philip - European Secretariat -; Priya.Guha@fco.gov.uk; Stephen.Cave@fco.gov.uk; May Susanna - European Secretariat -  
**Cc:** Sophie.Honey@fco.gov.uk; Kate.Dancy@fco.gov.uk  
**Subject:** RE: France: Referendum: Question, Date and Graph showing latest polls

-----Original Message-----

**From:** Cathy Ward Paris -Conf  
**Sent:** 09 February 2005 17:52  
**To:** Paris CGs (Conf); Antony Phillipson (E-mail); Catherine Carr; Damian Nussbaum; David Frost; Dominick Chilcott; Giles Paxman; James Bryce; John Holmes; Katy Reid; Kim Darroch; Nick Hopton; Nick Thompson; Nicola Brewer; Paris ChanFloat (CONF); Peter Roberts; Philip Hall; Priya Guha; Stephen Cave; Susanna May  
**Cc:** Sophie Honey; Kate Dancy - Paris Conf  
**Subject:** France: Referendum: Question, Date and Graph showing latest polls

## SUMMARY

1. Election question set. Date to be set at the end of the month. Will be between 22 May and 12 June. Graph comparing latest polls.

## DETAIL

2. Le Figaro published the referendum question today, stating that this was it, "unless there were any last minute changes". I have just spoken to Yannick Blanc, Head of Department, Ministry of the Interior Elections Bureau, which leads on election organisation in France, to confirm that the information is accurate. He did. The question is:

"Do you approve the bill authorising ratification of the treaty establishing a Constitution for Europe"

2. On the date for the referendum, Blanc said that a decision would be taken at the end of the month once the Ministry of the Interior had received the tenders for the printing of all the election material (there is a second, separate, tendering process for distribution of the material). The earliest possible date was 22 May and latest 12 June. I asked whether 22 May was a real option. Blanc said it was: Chirac was pushing for the earliest date possible.

3. The graph below, kindly put together by Kate Dancy, compares the polls we have monitored to date. As we have already reported, there is a slow decline in the "yes" vote. Pollsters still caution at this stage about reading too much into the statistics, saying that they reflect general sentiment about Europe and the impact current affairs are having on this (Turkey, sovereignty, liberal Europe, protest against the



Government on social issues), rather than firm voting intentions.

<< File: Polls 9 Feb chart.xls >>

Cathy Ward

First Secretary (Political)

British Embassy Paris

Tel: + 33 1 44 51 32 11

e-mail: [Cathy.Ward@fco.gov.uk](mailto:Cathy.Ward@fco.gov.uk)



# Opinion Polls on the Referendum

Sofres/Ipsos/BVA: If the referendum was next Sunday, how would you vote?

CSA: If the referendum was tomorrow, how would you vote?

Louis-Harris: How will you vote in the referendum in the autumn?

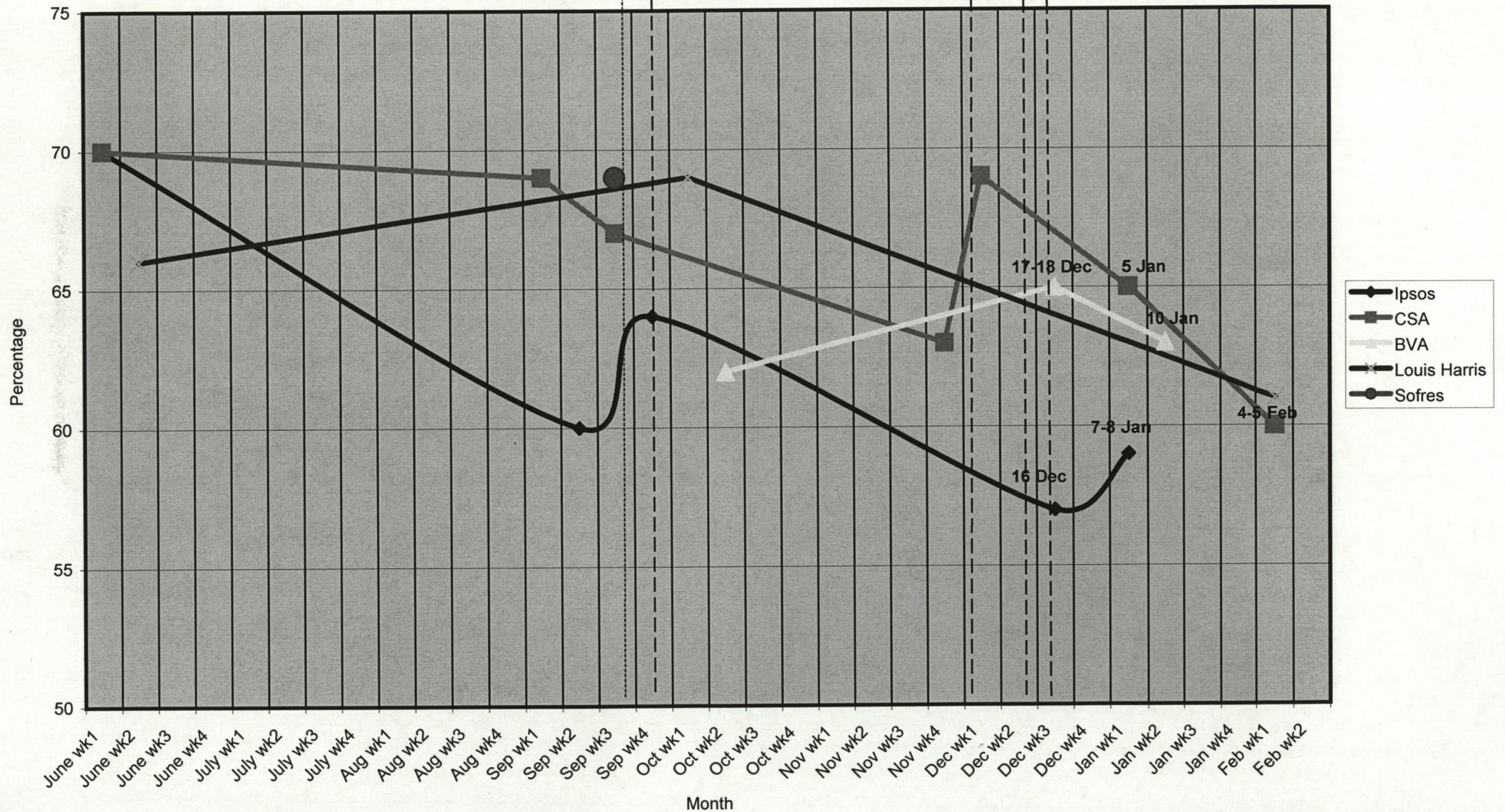
Chirac's TV appearance (15 Dec)

Decision at EU Council (13 Dec)

Fabius says NO

Jospin says 'YES'

PS VOTE (1 Dec)





THE	
NATIONAL	
ARCHIVES	

DEPARTMENT/SERIES PREM49 PIECE/ITEM ..... 40 48/1 ..... (one piece/item number)	Date and sign
Extract details: Letter dated 27 January 2005	
CLOSED UNDER FOI EXEMPTION ..... 27(1), 40(2) .....	8 30/9/24
RETAINED UNDER SECTION 3(4) OF THE PUBLIC RECORDS ACT 1958	
TEMPORARILY RETAINED	
MISSING AT TRANSFER	
NUMBER NOT USED	
MISSING (TNA USE ONLY)	
DOCUMENT PUT IN PLACE (TNA USE ONLY)	



### **Instructions for completion of Dummy Card**

Use black or blue pen to complete form.

Use the card for one piece or for each extract removed from a different place within a piece.

Enter the department and series,  
eg. HO 405, J 82.

Enter the piece and item references, .  
eg. 28, 1079, 84/1, 107/3

Enter extract details if it is an extract rather than a whole piece.  
This should be an indication of what the extract is,  
eg. Folio 28, Indictment 840079, E107, Letter dated 22/11/1995.  
Do not enter details of why the extract is sensitive.

If closed under the FOI Act, enter the FOI exemption numbers applying to the closure, eg. 27(1), 40(2).

Sign and date next to the reason why the record is not available to the public ie. Closed under FOI exemption; Retained under section 3(4) of the Public Records Act 1958; Temporarily retained; Missing at transfer  
or Number not used.





10 DOWNING STREET  
LONDON SW1A 2AA

Re  
bc fco  
hme

29 December 2004

THE PRIME MINISTER

SUBJECT  
MASTER  
Filed

Dear Georgi,

I would like to congratulate you on officially closing Bulgaria's EU accession negotiations at the European Council on 17 December. This is a major achievement. I have always been a strong supporter of Bulgaria's accession to the EU. In the run-up to membership, my Government will continue to support you, including through practical help in implementing the EU acquis. There is still much to be done before accession. In particular, it is essential to intensify work on implementation and fulfil the commitments made during the negotiations in advance of the Commission's first Comprehensive Monitoring Report, due in autumn 2005.

The United Kingdom's relationship with Bulgaria has never been stronger. I look forward to welcoming Bulgaria into the EU in January 2007.

Yours truly,  
Tony

His Excellency Mr Georgi Parvanov

ed





10 DOWNING STREET  
LONDON SW1A 2AA

He  
bc fco.  
hma.

29 December 2004

THE PRIME MINISTER

SUBJECT  
MASTER  
Filed:

Dear Mr. Basescu,

I am writing to congratulate you on officially closing Romania's EU accession negotiations at the European Council on 17 December. This is a major achievement. I have always been a strong supporter of Romania's accession to the EU. In the run-up to membership, my Government will continue to support you, including through practical help in tackling corruption and implementation of the EU acquis. There is still much to be done before accession. In particular, it is essential to intensify work on implementation and fulfil the commitments made during the negotiations in advance of the Commission's first Comprehensive Monitoring Report, due in autumn 2005.

The United Kingdom's relationship with Romania has never been stronger. I look forward to welcoming Romania into the EU in January 2007.

Yours sincerely,  
Tony Blair

Mr Traian Basescu

Ch



22 December 2004

AP  
CCNS

**Draft Letters of Congratulations to Bulgaria and Romania**

... I enclose two draft letters from the Prime Minister congratulating Bulgaria and Romania on closing their accession negotiations at the European Council on 17 December. Sending these letters would confirm the UK's support for both countries and encourage them to step-up their reform programmes.

Writing to President Parvanov also provides an opportunity to reply to his message (dated 29 October, received 8 December) congratulating the Prime Minister on signing the Draft Constitution.

Antony Phillipson Esq  
10 Downing Street

(Caroline Wilson)  
Private Secretary



## **DRAFT PM LETTER TO TRAIAN BASESCU**

I am writing to congratulate you on officially closing Romania's EU accession negotiations at the European Council on 17 December. This is a major achievement. I have always been a strong supporter of Romania's accession to the EU. In the run-up to membership, my Government will continue to support you, including through practical help in tackling corruption and implementation of the EU acquis. There is still much to be done before accession. In particular, it is essential to intensify work on implementation and fulfil the commitments made during the negotiations in advance of the Commission's first Comprehensive Monitoring Report, due in autumn 2005.

The United Kingdom's relationship with Romania has never been stronger. I look forward to welcoming Romania into the EU in January 2007.

*[Charles King, EU-X, 7008 1874]*



## **DRAFT PM LETTER TO GEORGI PARVANOV**

Thank you for your letter of 29 October 2004. I share your view that the Draft Constitution of Europe is a symbol of the outstanding progress the EU has made since its inception. I also believe it will further increase co-operation within the Union and aid its overall effectiveness.

I would like to congratulate you on officially closing Bulgaria's EU accession negotiations at the European Council on 17 December. This is a major achievement. I have always been a strong supporter of Bulgaria's accession to the EU. In the run-up to membership, my Government will continue to support you, including through practical help in implementing the EU acquis. There is still much to be done before accession. In particular, it is essential to intensify work on implementation and fulfil the commitments made during the negotiations in advance of the Commission's first Comprehensive Monitoring Report, due in autumn 2005.

The United Kingdom's relationship with Bulgaria has never been stronger. I look forward to welcoming Bulgaria into the EU in January 2007.



22 December 2004

File.  
emailed already  
22/12



Foreign &  
Commonwealth  
Office

London SW1A 2AH

Dear Antony,

**Draft Letters of Congratulations to Bulgaria and Romania**

...

I enclose two draft letters from the Prime Minister congratulating Bulgaria and Romania on closing their accession negotiations at the European Council on 17 December. Sending these letters would confirm the UK's support for both countries and encourage them to step-up their reform programmes.

Writing to President Parvanov also provides an opportunity to reply to his message (dated 29 October, received 8 December) congratulating the Prime Minister on signing the Draft Constitution.

Carover

Karol

PP

(Caroline Wilson)  
Private Secretary

Antony Phillipson Esq  
10 Downing Street



## **DRAFT PM LETTER TO GEORGI PARVANOV**

Thank you for your letter of 29 October 2004. I share your view that the Draft Constitution of Europe is a symbol of the outstanding progress the EU has made since its inception. I also believe it will further increase co-operation within the Union and aid its overall effectiveness.

I would like to congratulate you on officially closing Bulgaria's EU accession negotiations at the European Council on 17 December. This is a major achievement. I have always been a strong supporter of Bulgaria's accession to the EU. In the run-up to membership, my Government will continue to support you, including through practical help in implementing the EU acquis. There is still much to be done before accession. In particular, it is essential to intensify work on implementation and fulfil the commitments made during the negotiations in advance of the Commission's first Comprehensive Monitoring Report, due in autumn 2005.

The United Kingdom's relationship with Bulgaria has never been stronger. I look forward to welcoming Bulgaria into the EU in January 2007.



## **DRAFT PM LETTER TO TRAIAN BASESCU**

I am writing to congratulate you on officially closing Romania's EU accession negotiations at the European Council on 17 December. This is a major achievement. I have always been a strong supporter of Romania's accession to the EU. In the run-up to membership, my Government will continue to support you, including through practical help in tackling corruption and implementation of the EU acquis. There is still much to be done before accession. In particular, it is essential to intensify work on implementation and fulfil the commitments made during the negotiations in advance of the Commission's first Comprehensive Monitoring Report, due in autumn 2005.

The United Kingdom's relationship with Romania has never been stronger. I look forward to welcoming Romania into the EU in January 2007.

*[Charles King, EU-X, 7008 1874]*



CONFIDENTIAL

file



10 DOWNING STREET  
LONDON SW1A 2AA

SUBJECT  
MASTER  
Filed:

From the Private Secretary

20 December 2004

*Dear Caroline,*

**EU/TURKEY: PRIME MINISTER'S DISCUSSION WITH ERDOGAN, 20  
DECEMBER**

The Prime Minister spoke to Turkish Prime Minister Recep Tayyip Erdogan this afternoon.

Erdogan said he was calling to express his thanks for the Prime Minister's efforts in Brussels last week. The Prime Minister said it had been a pleasure to be able to help get the right result. He commended Erdogan's leadership. He had played his hand skilfully.

Erdogan said he would welcome the chance to meet after Christmas. The Prime Minister said he would see what could be arranged. (Comment: we will look at options.)

I am copying this letter to Katrina Williams (Cabinet Office), Sir Colin Budd (The Hague), Sir Peter Westmacott (Ankara), and John Grant (UKRep).

Yours,

**ANTONY PHILLIPSON**

Caroline Wilson  
Private Secretary  
FCO

CONFIDENTIAL

CM



CONFIDENTIAL



FAXED *to du. file*

10 DOWNING STREET  
LONDON SW1A 2AA

From the Private Secretary

SUBJECT 15 December 2004  
MASTER  
Filed:

*Dear Caroline,*

**EU/TURKEY: PRIME MINISTER'S DISCUSSION WITH ERDOGAN,  
15 DECEMBER**

The Prime Minister spoke to Turkish Prime Minister Recep Tayyip Erdogan at 1245 today.

The Prime Minister said we had been looking carefully at the proposed Council conclusions on Turkey. In his view it was essential for Turkey to get a clear date for opening negotiations; to be seen as a candidate country on the same basis as all others; and for there to be no obstacles put in their way, eg recognition of Cyprus. The Prime Minister said that he believed the Presidency's language offered Turkey all of these. The headline was that Turkey would get a starting date in 2005 for accession negotiations. The Prime Minister's honest assessment – and he spoke as someone firmly in Turkey's corner – was that if we pushed too hard for more France and some others would not be able to accept it. The key was to insist that Turkey was treated in the same way as others.

The Prime Minister said he knew Turkey had a particular problem with the wording "If, despite the best efforts of all parties, the candidate state is not in a position to assume in full all the obligations of membership, it must be ensured that the candidate state is fully anchored in European structures through the strongest possible bond". The way through this might be to reflect paragraph 8 of the last Commission assessment of Turkey ("regardless of the outcome of negotiations or the subsequent ratification process, the relations between the EU and Turkey must ensure that Turkey remains fully anchored in European structures.").

The Prime Minister made clear that he would continue to fight hard for Turkey, but we should make sure that we did not make the mistake of winning but not realising it.

Erdogan, addressing the Prime Minister as "my dear friend", said that he greatly appreciated all our efforts. He noted that he had addressed EU Heads of Mission, including Sir Peter Westmacott, over lunch yesterday. He had made clear that he was very concerned at the suggestion of permanent derogations. This would make accession worthless. Transitional derogations (with an end date agreed during accession negotiations) or permanent safeguards were one thing but permanent derogations went

CONFIDENTIAL



CONFIDENTIAL

- 2 -

against the principle of EU membership. They had commissioned legal analysis that also concluded they were contrary to the *acquis*.

Erdogan also expressed concern about the emphasis on negotiations being open-ended. This was not an accepted criteria. He knew that full membership was not an automatic result of negotiations. The EU could freeze talks if necessary; so could Turkey. But there should be no doubt that Turkey wanted to make a full contribution to the EU.

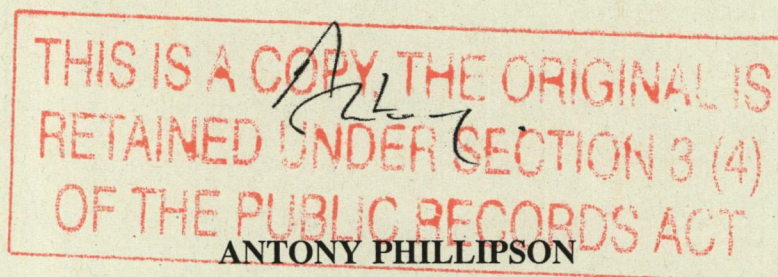
Erdogan noted that he wanted to offer some flexibility on Cyprus. He recalled his discussion on this with the Prime Minister two years ago. Erdogan said he had delivered on the promises he had made then. He was now prepared to restart negotiations within the UN framework after accession negotiations start. This was not an idea he had shared with others yet. He said he might even go to Northern Cyprus and offer a meeting with Papadopoulos.

The Prime Minister said he would look at the question of permanent derogations. He said the key at the Council would be to avoid one or two Member States pushing for language offering a special relationship. We needed to offer them a scrap without yielding the principle.

Erdogan welcomed this. He asked if he could meet the Prime Minister tomorrow before the European Council. The Prime Minister said he would see if we could make this work. (Comment: we are looking at this now.)

I am copying this letter to Katrina Williams, William Ehrman and Margaret Aldred (Cabinet Office), [redacted], Sir Colin Budd (The Hague), Sir Peter Westmacott (Ankara), Sir John Holmes (Paris), Sir Peter Torry (Berlin), John Macgregor (Vienna), Sir John Ramsden (Zagreb) and John Grant (UKRep).

Yours,



Caroline Wilson  
FCO

CONFIDENTIAL



PREM 69/4048/1 letter dated 15/12/01



. Signed - finish

Scor de udr -

Nr dublu

. see him

3 2

From: Kim Darroch

Date: 15 December 2004

PRIME MINISTER

PHONECALL TO ERDOGAN

I have just done a videoconference with John Grant in Brussels and Peter Westmacott in Ankara. There are two points of which you should be aware before you speak to Erdogan.

First, Peter Westmacott says that a large part of the Turkish angst over this text is the belief that several member states don't want them in - ever - and that various traps are being laid in the text to allow this to happen. The point to get across to Erdogan is that, while we understand this lack of confidence, the fact is that, with or without this text, the accession negotiating process requires unanimity at various points. So it really doesn't matter about the fine detail of the text - it doesn't change the negotiating risks and realities. And the fact is that, if the Turks do all that is required of them and meet all the criteria for membership, they will get in. All this apparently offensive stuff about what happens in the event of failure becomes completely irrelevant. So the big picture is - you get your date, you start negotiations, it's clearly about accession - if you then do the business, and meet the criteria, you will be in: end of story.

Second, there are reports that some Turkish officials are saying that while the Presidency text - in particular the sentence:

"If, despite the best efforts of all parties, the candidate state is not in a position to assume in full all the obligations of membership, it must be ensured that the



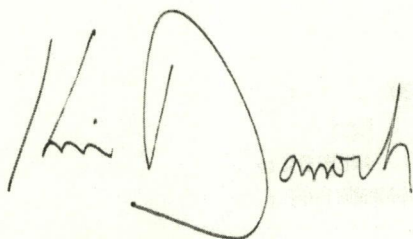
candidate state is fully anchored in European structures through the strongest possible bond”

is unacceptable, they might be able to accept a sentence lifted from paragraph 8 of the last Commission Recommendation on Turkey, which says:

“Regardless of the outcome of negotiations or the subsequent ratification process, the relations between the EU and Turkey must ensure that Turkey remains fully anchored in European structures.”

We are checking rapidly in Ankara on whether this would provide a way through. On the face of it, Turkey accepting one and not the other is objectively bonkers, since they are in substance virtually identical. But it depends if the Turks are just after getting a change – any change. In any case, I don’t suggest you raise this with Erdogan until we are clearer about whether it really helps them – but it’s just conceivable he may raise it with you.

Third point: just announced that the EP has adopted a resolution supporting Turkey starting accession negotiations.

A handwritten signature in black ink, appearing to read 'Kim Darroch'. The signature is stylized, with a large 'D' and a long horizontal stroke at the end.

**KIM DARROCH**



CONFIDENTIAL



10 DOWNING STREET  
LONDON SW1A 2AA

**SUBJECT**  
**MASTER**

**Filed:** EUROPEAN POLICY  
Enlargement Part 5

From the Private Secretary

11 December 2004

*Dear Caroline*

**ENLARGEMENT - TURKEY AND CROATIA: PRIME MINISTER'S  
DISCUSSION WITH BALKENENDE, 10 DECEMBER**

The Prime Minister spoke to Dutch Prime Minister Jan Peter Balkenende yesterday about Turkey. They also discussed the EU/China Arms Embargo (recorded separately).

Balkenende said he knew there had been a lot of discussion between UK and Dutch officials. He was especially complementary about the texts that we had offered. We were clearly on the same lines. The Presidency would outline at the GAERC how they proposed to deal with the key issues of the date for starting negotiations, Cyprus and the open-endedness of the process. They would also make clear that should accession not prove possible the EU would strive for the strongest relationship possible with Turkey. Balkenende added that he had had extensive discussions with Chirac, Schroeder and Schussel about this last aspect. He had also discussed it with Erdogan who had made clear that he could not accept anything short of full accession. But Balkenende believed an understanding could be found - based on the UK proposals. He hoped we would be able to reach agreement between the UK, France and Germany before the Council. He would be in Berlin on Monday, then to Paris and then on to Vienna on Tuesday.

The Prime Minister noted that he had seen Schussel on 9 December. His position had been clear - he favoured a special partnership and wanted that option included. The Prime Minister said the key was to stress that there was no automaticity. He had told Schussel that there were some things we could not agree to, ie not allowing Turkey to join if they met every criteria that we had set out. We could not offer them second class status in this way. Balkenende agreed. We needed to be consistent. We should let them in if they met the criteria and should not speculate about other outcomes. There were still a number of areas where Turkey had to take tough action (torture, human rights)

CONFIDENTIAL



CONFIDENTIAL

- 2 -

and the promise of accession would be an essential piece of leverage for the Government.

CLOSED UNDER THE  
FREEDOM OF  
INFORMATION ACT 2000

On the date for starting negotiations Balkenende said that September or October were looking most likely. There were a number of things still to be done and we had to be conscious of the French referendum on the Constitutional Treaty. The Prime Minister agreed. As long as it was in 2005 that was fine.

Finally, Balkenende noted that the Council would also need to take a decision on Croatia. He hoped the UK would stick to its line on agreeing a date conditional on further and better cooperation with ICTY. The Prime Minister said we would. Our assessment was that they could do what was necessary. The pressure to date had pushed them so far, but we needed to keep it up.

I am copying this letter to Katrina Williams, William Ehrman and Margaret Aldred (Cabinet Office), [redacted], Sir Colin Budd (The Hague), Sir Peter Westmacott (Ankara), Sir John Holmes (Paris), Sir Peter Torry (Berlin), John Macgregor (Vienna), Sir John Ramsden (Zagreb) and John Grant (UKRep).

Yours

*ALP*

THIS IS A COPY. THE ORIGINAL IS  
RETAINED UNDER SECTION 3 (4)  
OF THE PUBLIC RECORDS ACT.

ANTONY PHILLIPSON

Caroline Wilson  
FCO

CONFIDENTIAL



OFFICE OF THE  
DIRECTOR OF  
INVESTIGATION

THIS IS A COPY THE ORIGINAL IS  
RETAINED UNDER SECTION 3 (A)  
OF THE PUBLIC RECORDS ACT

PRE 1141/40481 letter dated 11/12/04





THE PRIME MINISTER

SUBJECT  
MASTER  
Filed:

*File*

Athens, November 22<sup>nd</sup>, 2004

*Dear Tony.*

Following your letter dated November 10, 2004, I would like to thank you for sharing with me some of your thoughts about the forthcoming European Council and the very important issue of Turkey's bid to join the EU.

Since I assumed my duties as Prime Minister of Greece, I have, as you well know, consistently reaffirmed my country's strategic commitment to support Turkey's European orientation, a commitment which is also shared, in principle, by the great majority of political parties in Greece. I have to let you know, however, that recent increased Turkish airforce activities over the Aegean, is creating a negative feeling in the Greek public opinion and this issue has become a serious political problem.

During my recent visit to Cyprus I had, as always, very cordial, substantial and sincere talks with the President of the Republic and the entire Greek Cypriot political leadership. I had the opportunity to discuss thoroughly Turkey's bid to join the EU. My understanding is that they support in principle Turkey's European course and will address the issue at the European Council in a constructive, positive and open minded attitude. Of course, the Republic of Cyprus will take its own independent decision as a sovereign state with its own legitimate interests.

Obviously, Turkey's EU accession prospects, ultimately depend on Turkey itself, its domestic reforms and its foreign policy, particularly towards its neighbours, including Cyprus.

In this spirit, I believe it is in our common interest that in the period leading to December 17, all our EU partners should actively encourage Turkey to seriously consider the necessity of fulfilling its obligations towards the EU and of fully conforming to International Law, so as to facilitate its EU accession negotiating process.

*Best personal regards*

Kostas Karamanlis

*The Rt. Hon. Tony Blair, MP  
Prime Minister of the United Kingdom  
of Great Britain and of Northern Ireland*



22 November 2004

Roy Stone Esq  
PS/Government Chief Whip  
9 Downing Street  
LONDON  
SW1A 2AA



Foreign &  
Commonwealth  
Office

London SW1A 2AH

KD  
CCAP  
NS.  
DQ.

*Den Ray*

**PARLIAMENTARY DEBATE ON THE COMMISSION COMMUNICATION  
ON TURKEY'S PROGRESS TOWARDS ACCESSION - TUESDAY 7  
DECEMBER 2004**

In its 34<sup>th</sup> Report (2003-2004), the House of Commons European Scrutiny Committee recommended Commission Documents 13244/04 (COM(04) 656), 13244/04 ADD 1 (SEC(04) 1201) and 13244/04 ADD 2 (SEC(04) 1202), on Turkey's progress towards accession, for debate in European Standing Committee B.

Dr Denis MacShane, Minister for Europe, will lead the debate for the Government. He has proposed the following motion for debate on Tuesday 7 December 2004. The wording of which has been approved by the Second Clerk of the European Scrutiny Committee:

"The Committee takes note of European Union document 13244/04 and ADDs 1 and 2 on Turkey's progress towards accession to the European Union; and endorses the Commission's recommendation that Turkey has sufficiently fulfilled the Copenhagen political criteria and that accession negotiations should be opened."

At the present time, the Commission Communication is under scrutiny in both Houses. The European Scrutiny Committee's report issued on 27 October 2004. The Committee did not highlight any particular concerns with the Commission Communication or with the Government's policy. But it recommended the issue for debate in view of widespread political and public interest in this matter.

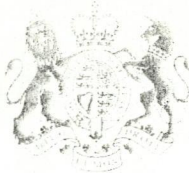
The Commission Documents were published on 6 October and presented to the GAERC on 11 October and the European Council on 4-5 November. There was no substantive discussion at these Councils. The European Council on 17 December will decide whether to open accession negotiations with Turkey on the basis of the report and recommendation from the Commission.

I am copying this letter to the Private Secretaries to the Chairmen and members of the EP Committee.

*Yes even*  
*Peter Boxer*

Peter Boxer  
Private Secretary to Denis MacShane





From the Secretary of State  
for Work and Pensions

COMMITTEE MEMBERS ONLY

DWP

Department for  
Work and Pensions

Richmond House  
79 Whitehall  
London  
SW1A 2NS

Telephone  
020 7238 0800

Email  
ministers@dwp.gsi.gov.uk  
www.dwp.gov.uk

1. PR  
2. FILE  
NS  
cc  
KD  
AP  
(24)

The Rt Hon Jack Straw MP  
Foreign Secretary  
Foreign and Commonwealth Office  
King Charles Street  
London  
SW1A 2AH

18<sup>th</sup> October 2004

Dear Jack

**FREE MOVEMENT OF WORKERS: NEXT ROUND OF ACCESSION  
(BULGARIA AND ROMANIA)**

David Blunkett's letter of 1 October sought agreement to accepting in the accession treaty for Bulgaria and Romania the same derogation on free movement rights for workers as used in the accession treaty for the A8 states.

In the light of UKRep's advice, I share David's view that we have little or no chance of success if we re-open the debate on free movement. Rather we risk casting doubt on our existing measures to control access to income-related benefits by other EEA nationals in general and A8 nationals in particular. I agree that we should therefore concentrate our efforts on persuading the Commission to accept these measures.

We shall, however, need to consider carefully in due course whether or not to grant the same free movement rights to workers from Bulgaria and Romania as we have given to those from the A8 states. It will also be important to ensure that we seek, from the outset of negotiations with any other new members, derogations that would expressly allow us to regulate access to benefits as well as to our labour market.

I am copying this letter to the Prime Minister, members of EP, Sir Andrew Turnbull and Sir Nigel Sheinwald.

Yours  
Alan  
ALAN JOHNSON



12-October 2004

LD  
CCP



1/2  
2. file

Foreign &  
Commonwealth  
Office

London SW1A 2AH

*Minister for Europe*

Rt Hon Jack Straw MP  
Foreign Secretary  
Foreign and Commonwealth Office  
King Charles Street  
LONDON  
SW1A 2AH

Dear

*Jack,*

I have now seen the Home Secretary's letter of 1 October on the derogation on free movement rights for workers by nationals of Bulgaria and Romania. I strongly agree with his recommendation.

We have now heard that the Free Movement of Persons chapter will be discussed in working group in Brussels on 20 October and we will need to have formal agreement to the recommended approach before then. I am therefore writing to request that the deadline for comment be moved forward to 15 October from 22 October.

I am copying this to the Prime Minister, Members of the EP Committee, Sir Andrew Turnbull, Kim Darroch and John Grant (UKRep).

Yours sincerely

*Denis*

Denis MacShane  
Minister for Europe





The Private Secretary to the Home Secretary

MATRIX

EM  
CCJR

F  
GPR  
2/10

Emily Miles, No 10

11  
8 October 2004

Dear Emily

**EU Free Movement of Workers: Monitoring**

Please find enclosed the latest monthly A8 monitoring report, covering the period from 1 to 30 September 2004, and a summary of the same report providing headline figures and trends. I am also enclosing the INDIS reports for this period. Unfortunately, Department of Health officials have been unable to obtain August data from the 12 NHS Trusts participating in their monitoring study in time for this month's report, but we will let you have this information as soon as it becomes available.

I am copying this to the Foreign Secretary's office, to the office of the Secretary of State for Work and Pensions, and to Jane Kennedy's office.

Yours,  


NICOLA THOMAS





## Home Office

Immigration and Nationality Directorate

### A8 Monitoring Report – SUMMARY – SEPTEMBER 2004

#### WORKER REGISTRATION SCHEME

##### **Intake**

In September, a total of **16,483** applications were received at the payment processing centre. There were an estimated total of **77,883** applications to the scheme between 1 May and 30 September.

In September, **20,906** applications were passed on to caseworkers. Caseworkers processed **25,727** applications.

At close on 30 September 2004 there were **6588** outstanding applications (work in progress).

**21,374** people were registered to work in September. In May, **5,267** registered, in June **13,548**, in July **12,762** and in August **17,858** - adding up to a total of **70,809**.

The data on numbers registering is not a measurement of net migration (inflows minus outflows): rather, it gives a gross figure for the number of workers registered. It is too early to say at this stage how many of those coming will stay in the longer term – but we suspect many will stay only temporarily. To date, **5%** of all applicants have withdrawn their application – some of those because they intend to return to their country of origin.

##### **Date of arrival in UK**

As expected, the proportion of applicants who were in the UK before 1 May has continued to decline. For the third month running the majority of applicants to the Worker Registration Scheme arrived in the UK on or after 1<sup>st</sup> of May 2004 (**67%**). **17%** (**3,943**) indicated that they last entered the UK before 1 May 2004 and **16%** did not state the date of their arrival. In total, since 1 May at least **34%** (**26,209** out of **76,524** applicants) indicated that they were in the UK before 1 May.



A proportion of those here before 1 May will have been here legally, as visitors, working legally on one of the various migration schemes, or self-employed. It is reasonable to assume that *some* of those here before 1 May will have been working illegally.

### **Renewal and multiple applications**

7% of applications processed were from workers who had already registered, but changed employment (compared to 4% in August).

3% of applications processed were multiple applications (compared to 3.5% in August) – i.e. applications to register for a second or third job, in addition to the applicant's primary job.

### **Service Standard**

0% of applications were processed within 24 hours.

5.5% were processed within 5 working days.

WPUK are putting in place additional resource to clear the backlog of outstanding applications, which is affecting the service standard.

### **Applicant Profile:**

#### **Nationality**

In September, the top three nationalities remained the same – 53% of applicants were Polish, 16% were Lithuanian and 11% were Slovakian.

#### **Age and dependants**

In September, the majority of applicants were young & single: 84% of applicants were aged 18-34, and only 4% of applicants had dependants living with them in the UK. For those who had dependants, there was a ratio of 1.3 dependants to each applicant (similar to previous months). Some of those dependants will be spouses, partners or older children and are likely to be working in their own right.

#### **Gender and students**

As in previous months, there was an even gender split: 54% of workers registered in September were male and 46% were female. 2% of applicants indicated that they are studying in the UK.

### **Labour Market Participation:**

As expected, many applicants are filling low- to medium-skilled jobs where there are labour shortages and or recruitment difficulties. Most are working in London, Anglia, Central England, and the South East in hospitality and catering, administration, business and management and agriculture. The fact that most are working in low- to medium-skilled jobs is reflected in their job titles and wage levels (80% of workers report being paid between £4.50 and £5.99 per hour).



### **Sector and occupation**

In September, the vast majority of applicants were working in Hospitality & Catering (27%), Administration, Business & Management (23%) and Agriculture (14%). Manufacturing (7%), Food/Fish/Meat processing (6%) and Construction & Land Services (5%) are also popular sectors.

The top 20 occupations were primarily relatively low-skilled. The top 5 in September were: Process operative (other factory worker) (3,854); Kitchen and catering assistant (1,682); Waiter/Waitress (1,454); Packer (1,391) and Farm worker/Farm hand (1,294).

### **Hours worked (where stated)**

In September, 96% of registered workers were working full time (16 hours or more).

### **Temporary vs. Permanent employment**

In September, at least 10,975 applicants (47%) applied to register for temporary jobs. A proportion of these people may well leave the UK after a few weeks' or months' work'.



## **BENEFITS, NINOs, Tax Credits and NHS treatment**

### **Applications for tax-funded income related benefits**

In September, **92** A8 nationals applied for income-related benefits (compared to **80** in August, **67** in July, **136** in June and **104** in May). Of these, only **4** (4%) passed the right to reside and habitual residence tests and may therefore be eligible for benefits. The relevant benefits are Income Support, income-based Jobseeker's Allowance (JSA) and State Pension Credit: all the applications so far have been for working-age benefits, rather than State Pension Credit

The majority of applications this month have come from nationals of the Czech Republic (**32%**) and Poland (**33%**). Following a similar pattern to previous months, most of the applications for benefits have been made in London (**37%**) followed by the North West (**16%**).

### **Applications for National Insurance Numbers (NINOs)**

The total number of NINo applications has decreased this month after increasing previous months. There were **2,490** applications in May, **4,740** in June, **6,279** in July, **8,857** in August and **7,539** this month.

**7,539** A8 nationals applied for National Insurance Numbers (NINOs) between 2 and 29 September and **98%** of applicants were allocated, the majority (**99%**) for employment purposes. Only 65 (less than 1%) were allocated for benefit purposes, and over half of these were for tax credits. Most of the applicants were from Poland (**60%**) or Lithuania (**15%**).

The majority of applications were made in London (**35%**), the South East and the East of England (both around **12%**).

### **Applications for Child Benefit**

There were **604** applications for child benefit in September, with **416** decisions made. Of those claims decided this month, **70%** were approved and **30%** rejected.

### **Tax Credits**

There were **92** applications for tax credits in September, (compared to **83** in August and **67** in July). **63** applications were decided in September (compared to **41** in August), with **36** approved and **27** rejected.

### **Applications for Residence Permits, Residence Documents and Settlement**

In September, **346** people applied for Residence Permits, **58** applied for Residence Documents, and **124** applied for Settlement – a total of **528** applications (lower than August's total of 777 and July's total of 984). **417** Residence Permits were issued this month as well as **2** Residence Documents.



## **UPDATE FROM POSTS ABROAD**

**Lithuania:** Media coverage: A report that there is demand for highly qualified specialists abroad, but many Lithuanians were opting to stay put or did not pass the necessary English language qualifications. According to some Lithuanian employment agencies the number of people seeking UK abroad (mostly in the UK) has slowed down. Additionally, there was coverage of the difficulties experienced by over 100 Lithuanian students who had been working in the UK in the summer in returning to Lithuania for the beginning of the new university year, because of delays in returning their passports from the Worker Registration Scheme.

Scale of movement: Lithuanian Airlines reported carrying 37.3% more passengers in May – July 2004 than in the same period last year. Plans by Lithuanian Airlines to increase flights to the UK over the winter period.

**Latvia:** Media coverage: series of weekly pieces on Latvians who have moved to Ireland published in main Latvian Language paper.

Scale of movement: Latvian Airline, BalticAir and British Airways plan to introduce flights between Vilnius and Gatwick from 31 October 2004 and April 2005 respectively.

**Hungary:** Media speculation about when Germany might open its labour markets, prompted by Chancellor Schroeder's comments on a recent visit to Budapest that the unemployment rate in Germany was above 9%, while the Hungarian economy needed the Hungarian labour force; Hungarians should not have to go to Germany to find work.

### **International Organisation for Migration – Regional Information Campaign**

Evaluation of the campaign to 'clarifying the myths and realities of immigrating to the United Kingdom' in Hungary, Poland, Czech Republic and Slovak Republic between 1 May and 31 August 2004 observed that:

- Interest in migrating to the UK was highest in Poland; lower levels of interest were recorded in the other countries;
- The typical potential migrant is male, aged between 18 and 35, with a secondary school education, is more likely to be unemployed (58% of callers the IOM hotline), and has some knowledge (either basic or intermediate) of the English language.
- The UK is one of the most attractive destination countries for Czech, Polish and Slovak migrants (Germany and Austria are also close favourites).
- Participants in the IOM's evaluation focus groups demonstrated a lower interest in migrating since the before the campaign was launched in April 2004.





Immigration and Nationality Directorate

**A8 Monitoring Report – SEPTEMBER 2004**

<b>Contents</b>	<b>Page</b>
<b>Introduction</b>	<b>2</b>
<b>Worker Registration Scheme</b>	
• Overview	2
• Applicant Profile	4
• Labour market participation	7
• Geographical Distribution	13
<b>Benefits</b>	
• Applications for tax-funded income-related benefits & National Insurance Numbers	14
• Applications for child benefit and tax credits	19
<b>Applications for Residence permits and documents</b>	<b>22</b>



## **Introduction**

This report provides information about nationals of the Accession 8 (A8) countries, derived from: management information from the Home Office Worker Registration Scheme; returns from JobCentrePlus offices (on applications for National Insurance Numbers, claims for Job Seekers' Allowance, Income Support and State Pension Credit); returns from housing benefit offices; as well as management information on child benefit, tax credits, and housing and homelessness assistance.

## **Worker Registration Scheme**

Data collated on A8 nationals applying to the Worker Registration Scheme.

**It is important to note that, with the exception of figures for applications received, all data on WRS reflects only applications *processed in September*. The data is limited by fact that the rate of processing is slower than the rate of receipt of applications. It is not possible to collate data according to the date on which an applicant applied to the scheme within the timeframe available for the production of monthly reports.**

## **Overview**

### **Intake**

Total number of applications received by ATOS = **16,483** (15,126 in August)

Total number of applications received by the casework team = **20,906** (22,041 in August)

Total number of applications processed = **25,727** (20,058 in August)

The total number of applicants issued with a decision = **23,512** (19,022 in August, **76,524** to date)

(of which **21,374** were approved and issued with registration documents)

### **Service Standard**

0% of complete applications were processed within 24 hours.

5.5% were processed within 5 working days.

WPUK are putting in place additional resource to clear the backlog of outstanding applications which is affecting the service standard.

### **Renewal and multiple applications**

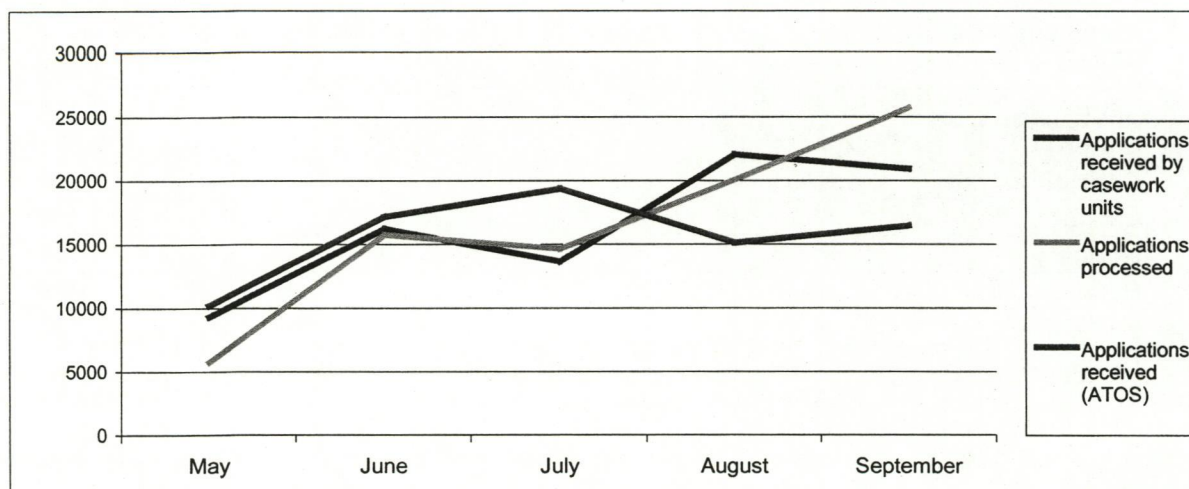
7% of applications processed were from workers who had already registered, but changed employment (compared to 4% in August). This is the highest to date.

3% of applications processed were multiple applications – i.e. applications to register for a second or third job, in addition to the applicant's primary job (compared to 3.5% in August).



Note

The total number of applications (**25,727**) processed by the Worker Registration Scheme includes multiple *applications* where a worker has more than one job. The rest of the report reflects the total number of *applicants* to the Scheme who have been issued with a decision (**23,512**), rather than the number of jobs for which a person was applying to register.

**Date applications were received and processed: monthly trend**

N.B.

Figures for Applications received by ATOS, up to 22 July, are estimates of the number of applications received, which give a lower total than the reality. Since 22 July ATOS have been counting individual applications.

**Reasons for refusal by non-student/student (including multiple and renewal applications)**

Refusal	Non-Student	Student	Total
No job	65	2	67
No payment	123	3	126
Not A8 national	31	2	33
Not classified as worker	16	2	18
Total	235	9	244



## Applicant Profile

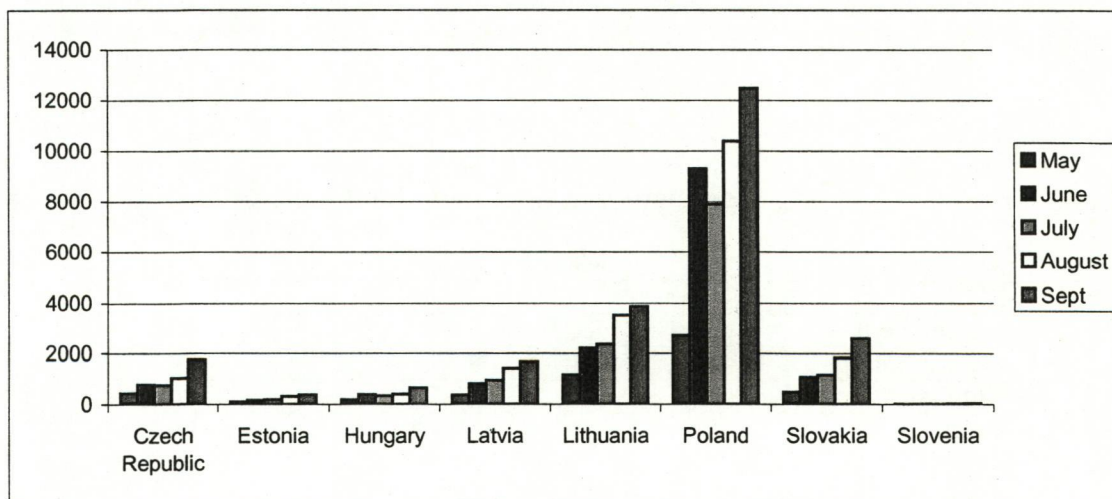
### All applicants: nationality

The top three nationalities remained roughly the same in September, with a slightly smaller proportion of Poles (down from **55%** to **53%**), a slightly smaller proportion of Lithuanians (down from **18%** to **16%**) and a slightly higher proportion of Slovaks (up from **10%** to **11%**). The Czech Republic has remained in fourth place this month ahead of Latvia.

Nationality	Approved	Exempt <sup>1</sup>	Refused	Withdrawn	Total
Poland	11,306	39	54	1,082	12,481
Lithuania	3,555	38	60	223	3,876
Slovakia	2,402	16	21	136	2,575
Czech Republic	1,571	9	27	171	1,778
Latvia	1,563	18	30	89	1,700
Hungary	609	7	10	35	661
Estonia	334	2	7	36	379
Slovenia	34	0	1	2	37
Other	0	3	17	5	25
<b>Total</b>	<b>21,374</b>	<b>132</b>	<b>227</b>	<b>1,779</b>	<b>23,512</b>

<sup>1</sup> Under the Accession Regulations, certain categories of A8 national are exempt from the requirement to register.

### All applicants by nationality: May – September



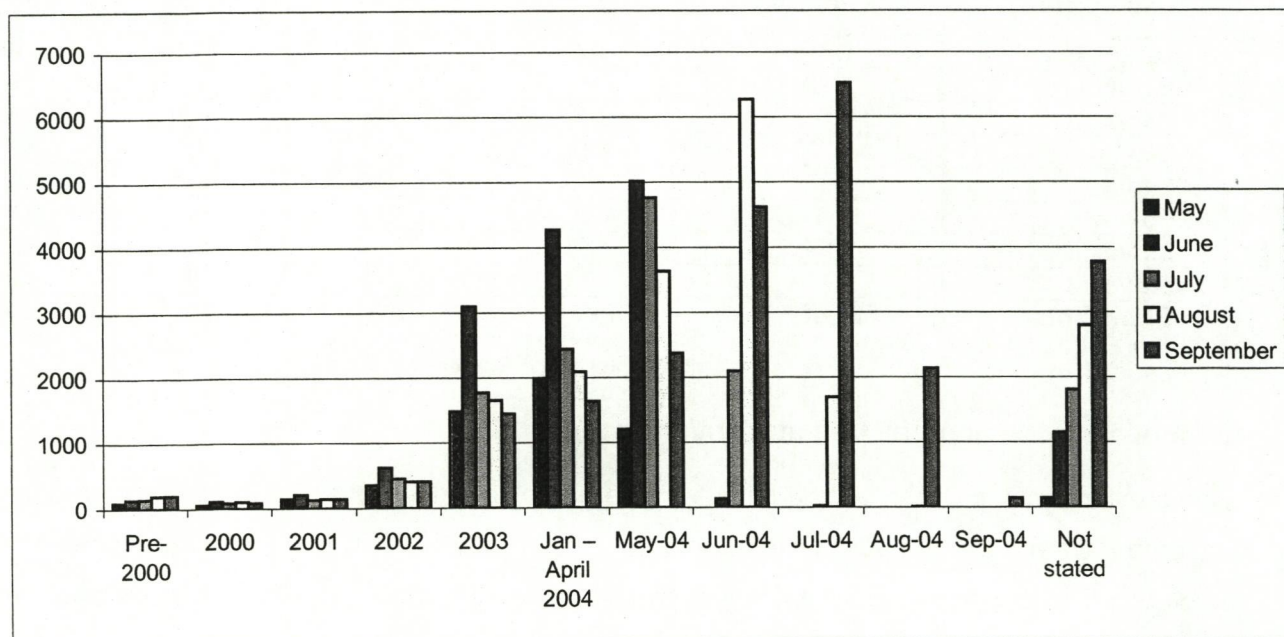


### All applicants: date last entered UK

As expected, the proportion of applicants who were in the UK before 1 May has continued to decline. For the third month running a minority of applicants to the worker registration scheme were already in the UK before the 1<sup>st</sup> of May 2004 – **17% (3,943)**. **67%** arrived on or after 1 May. (The proportion not of applicants not supplying a date of entry has been rising each month: **16%** did not state the date of their arrival this month.) Of all applicants to date, at least **34%** (26,209 of 76,524 applicants) were in the UK before 1 May, with **13%** not stating their arrival date (a total of 9668 applicants to date).

Date	Approved	Exempt	Refused	Withdrawn	Total
Pre-2000	170	7	5	22	204
2000	82	2	2	5	91
2001	124	9	4	15	152
2002	355	10	7	40	412
2003	1,252	17	25	153	1,447
Jan – April 2004	1,468	30	18	121	1,637
May 2004	2,097	10	23	244	2,374
June 2004	4,181	13	45	383	4,622
July 2004	6,193	22	37	269	6,521
August 2004	2,055	6	9	62	2,132
September 2004	135	1	2	11	149
Not stated	3,262	5	50	454	3,771
Grand Total	21374	132	227	1779	23,512

### Date last entered the UK: May - September



### Outstanding applications with the Home Office

In September a total of **98** applicants indicated that they had outstanding asylum or immigration applications with the Home Office (compared with **150** in August).



**All applicants: Age**

The data to date on age and dependants (below) continues to confirm the expectation that the majority of migrants from the Accession states were likely to be young and single. In September, **50%** of applicants were aged 18-24 (compared to **51%** in August), and **35%** were aged 25-34 (**34%** in August).

Age range	Approved	Exempt	Refused	Withdrawn	Total
Under 18	68	1	0	37	106
18-24	10,509	35	110	987	11,641
25-34	7,529	73	71	506	8,179
35-44	2,011	15	25	150	2,201
45-54	1,093	8	17	81	1,199
55-64	143	0	2	10	155
65 +	1	0	1	5	7
Not stated	20	0	1	3	24
Grand Total	21,374	132	227	1,779	23,512

**Dependants by nationality of applicant**

In September, only **4%** of applicants had dependants living with them in the UK (the same as in July and August). The **1,024** applicants who had dependants living with them had a total of **1,373** dependants between them – a ratio of **1** applicant to **1.3** dependants (the same as in July and August). Some of those dependants will be spouses, partners or older children and are likely to be working (and registering) in their own right.

Nationality	Total applicants	Applicants with dependants	Number of dependants		
			Under 17	17 and over	Total
Czech Republic	1,778	146	112	118	230
Estonia	379	15	10	8	18
Hungary	661	28	11	19	30
Latvia	1,700	50	27	35	62
Lithuania	3,876	230	117	158	275
Poland	12,481	420	246	285	531
Slovakia	2,575	128	134	83	217
Slovenia	37	7	4	6	10
Grand Total	23,487	1,024	661	712	1,373

<sup>1</sup>17 applicants who were not A-8 nationals excluded

**All Applicants: Gender (by non-student/student)**

As in previous months, there was a fairly even spread by gender: **54%** of workers registered in September were male and **46%** were female. Also as in previous months, the number of students registering was low (**2%** of applicants), with more female applicants studying than male applicants.

Gender	Male	Female	Unknown	Total
Non Student	12,571	10,375	7	22,953
Student	224	335	0	559
Total	12,795	10,710	7	23,512



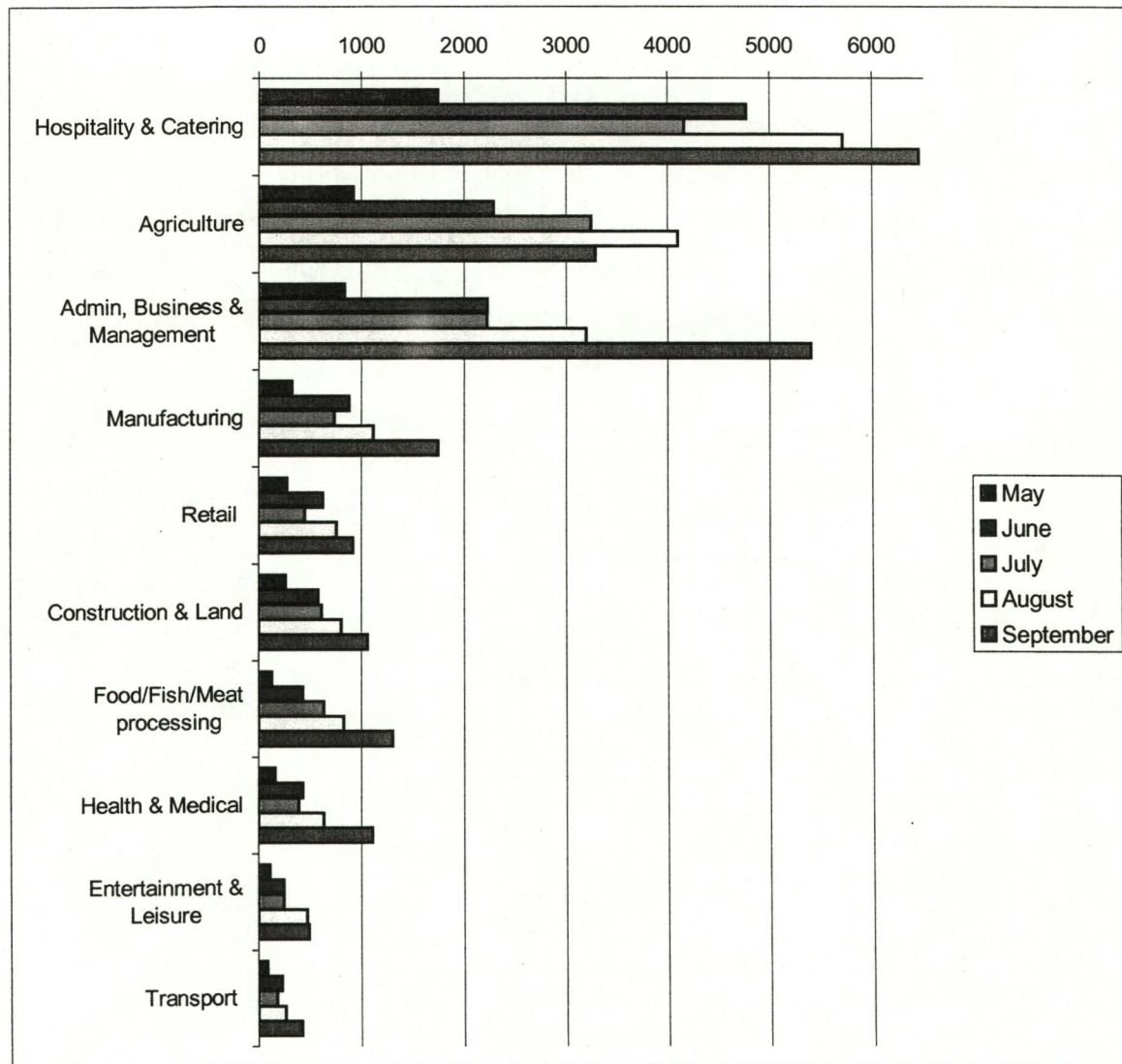
Labour Market Participation**All applicants: sector in which employed**

Data for sectors only reflects primary occupations and not multiple jobs. In September, the vast majority of applicants were working in Hospitality & Catering (**27%** - down from 30% in July & August), Administration, Business & Management (**23%** - up from 17% in August), and Agriculture (**14%** - down from 22% in August). Manufacturing (7% - up from 6% in August), Food/Fish/Meat processing (6% - up from 4% in August) and Construction & Land Services (5% - up from 4% in August) are also popular sectors – and the Health and Medical sector has moved up from 3% in August to 5% this month.

Sector	Approved	Exempt	Refused	Withdrawn	Total
Hospitality & Catering	5,946	46	54	409	6,455
Admin, Business & Management	5,099	17	40	248	5,404
Agriculture	2,737	13	41	496	3,287
Manufacturing	1,637	6	10	99	1,752
Food/Fish/Meat processing	1,226	4	12	67	1,309
Health & Medical	1,037	7	8	60	1,112
Construction & Land	956	10	12	84	1,062
Retail	859	6	7	48	920
Entertainment & Leisure	454	5	1	31	491
Transport	390	2	4	32	428
Education & Cultural	199	4	4	9	216
Real Estate & Property	101	0	4	4	109
Extraction	67	0	0	7	74
Financial Services	67	0	0	0	67
Security and Protection	54	1	1	1	57
Computer Services	53	2	0	7	62
Utilities (Gas, Elec, Water)	27	0	0	2	29
Telecommunications	26	1	0	0	27
Sporting activities	17	0	2	2	21
Government	18	0	0	2	20
Law-related Services	14	1	0	1	16
<b>Total</b>	<b>20,984</b>	<b>125</b>	<b>200</b>	<b>1,609</b>	<b>22,918</b>
Not stated	390	7	27	170	594
<b>Grand Total (All)</b>	<b>21,374</b>	<b>132</b>	<b>227</b>	<b>1,779</b>	<b>23,512</b>



**All applicants: sector in which employed (May - September)**  
**(Top 10)**



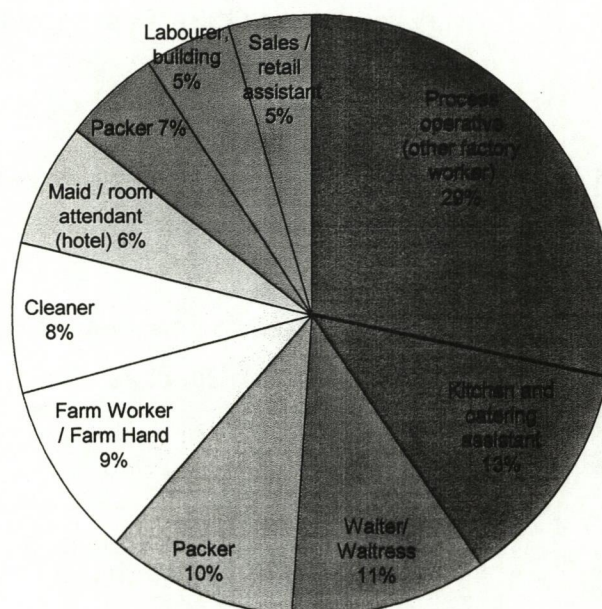


**All applicants: occupation (top 20)**

Data for occupations only reflects primary occupations and not multiple jobs. The top 20 occupations are primarily relatively low-skilled. This month, agricultural occupations have noticeably dropped down the list – with Farm worker/hand moving from 2<sup>nd</sup> to 5<sup>th</sup> place, Crop harvester plummeting from 5<sup>th</sup> to 13<sup>th</sup>, Fruit picker dropping from 9<sup>th</sup> to 14<sup>th</sup>, and Agricultural machinery operator no longer in the top 20. HGV drivers are the only new entry in the top 20. Care assistant/Home carer, Labourer, Packer, and Warehouse operative have all moved up a few places.

Occupation	Approved	Exempt	Refused	Withdrawn	Total
Process operative (other factory worker)	3,699	5	17	133	<b>3,854</b>
Kitchen and catering assistant	1,567	6	15	94	<b>1,682</b>
Waiter/Waitress	1,346	15	11	82	<b>1,454</b>
Packer	1,317	2	4	68	<b>1,391</b>
Farm Worker / Farm Hand	1,171	2	18	103	<b>1,294</b>
Cleaner	1,009	12	15	73	<b>1,109</b>
Maid / room attendant (hotel)	825	3	7	46	<b>881</b>
Warehouse operative	688	5	4	21	<b>718</b>
Labourer, building	611	3	4	33	<b>651</b>
Sales / retail assistant	574	1	10	27	<b>612</b>
Care assistant / Home Carer	563	5	3	25	<b>596</b>
Bar staff	513	7	8	33	<b>561</b>
Crop Harvester	388	3	9	78	<b>478</b>
Fruit Picker	233	3	2	192	<b>430</b>
Food processing operative (meat)	336	0	7	28	<b>371</b>
Chef (other)*	347	3	1	18	<b>369</b>
Food processing operative (fruit/veg)	322	0	3	21	<b>346</b>
Administrator, general	229	2	4	9	<b>244</b>
Hotel porter	166	1	1	8	<b>176</b>
Driver (Heavy Goods Vehicle)	133	1	1	7	<b>142</b>
<b>Total (20)</b>	<b>16,037</b>	<b>79</b>	<b>144</b>	<b>1,099</b>	<b>17,359</b>
<b>Total (other)</b>	<b>5,337</b>	<b>53</b>	<b>83</b>	<b>680</b>	<b>6,153</b>
<b>Grand Total (All)</b>	<b>21,374</b>	<b>132</b>	<b>227</b>	<b>1,779</b>	<b>23,512</b>

\* i.e. not Head Chef or Second Chef (of which 18 and 25, respectively, applied in September).

**Top 10 Occupations (September)**



Other occupations for which people applied to register in September include:

**Health-related:** Anaesthetists (5); a GP; Surgeons (2); Hospital Consultants (4); a Dental Practitioner; Dental nurses (20); Dental hygienists (3); Hospital doctors (8); Nurses (6); Nursing auxiliaries and assistants (46); Pharmacists (5); a Physiotherapist; Psychologists (3); Social workers (11); Medical researchers (5); Medical technicians (5); Residential Wardens and Houseparents (5); Hospital and Medical Administrators/Receptionists (23); alternative/complementary medicine specialists (2).

**Education- and childcare-related:** Teachers in higher (15), primary and nursery (4); secondary (7) and special needs (1) education; Teachers' assistants (16); private tutors (3); Child minders (70); nursery nurses (30); playgroup leaders/assistants (11); Researchers (higher education) (14).

**Engineering:** Mechanical engineers (29); Chemical engineers (2); an Oil/Natural Gas engineer; Electrical engineers (7); Railway engineers (2); other transport related engineers (14); Civil engineers (11); a Water engineer.

**Tradespeople:** Plumbers (7); Electricians (16); Carpenters/Joiners (117); Bricklayers and Masons (70); Skilled machine operators (construction) (35); Welders (64); Mechanics (57)

**Hospitality:** Hotel managers (7); Catering managers (27); Bar managers (12); Restaurant managers (21); Safety & hygiene managers (4)

**Legal- and finance-related:** Lawyers (2); Legal clerks (3); a certified accountant; financial accountants (11); Trainee accountants (6); Management accountants (2); Financial consultants (7); Financial advisers (3); International/Business bankers (7); Investment bankers (2);

**Transport:** Fork lift drivers (20); Delivery van drivers (132); Passenger Carrying Vehicle (PCV), Bus, Coach and Taxi drivers (60).

**IT:** Computer programmers (14); Software analysts (10); Software engineers (20); Systems analysts (5); Computer hardware engineers (10);

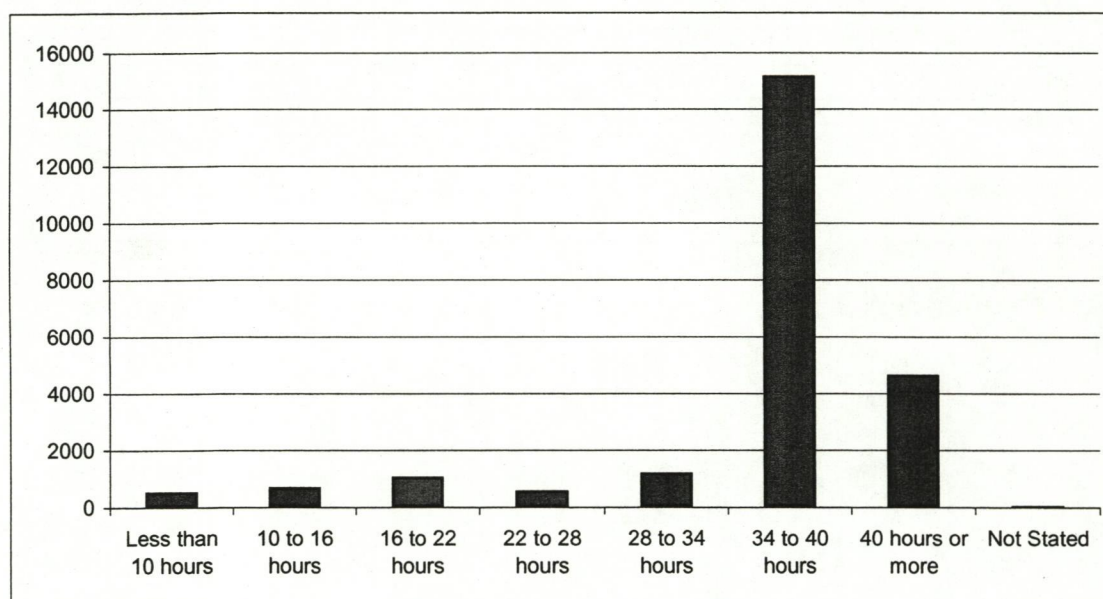
**Miscellaneous:** Translators (5); Architects (8); professional sportspeople (4); a Musician; Actors (2); Office managers (47); Training and HR managers (18); Directors/ Senior executives (10); Senior managers (6).



**All applicants: hours worked (where stated)**

In September, **96%** of registered workers were working full time (16 hours or more). Note that some of those listed here as working part time are doing more than one part time job, simultaneously – so the total hours they are working will in some cases be more than 16.

	Approved	Exempt	Refused	Withdrawn	Total
Less than 10 hours	155	6	57	292	510
10 to 16 hours	617	11	6	40	674
16 to 22 hours	955	17	11	64	1,047
22 to 28 hours	495	11	5	38	549
28 to 34 hours	1,084	11	9	74	1,178
34 to 40 hours	13,979	54	110	992	15,135
40 hours or more	4,315	21	28	268	4,632
Not Stated	14	1	1	11	27
<b>Total</b>	<b>21,374</b>	<b>132</b>	<b>227</b>	<b>1,779</b>	<b>23,512</b>

**Proportion of applicants in Temporary and Permanent employment**

In September, at least **10,975** applicants (**47%**) applied to register for temporary jobs, and applications for temporary work also formed **46%** of approvals (registered workers). A proportion of these people may well leave the UK after a few weeks' or months' work'. In August **50%** of registered workers were doing temporary work, in July **46%**, in June, **38%** and in May **31%**.

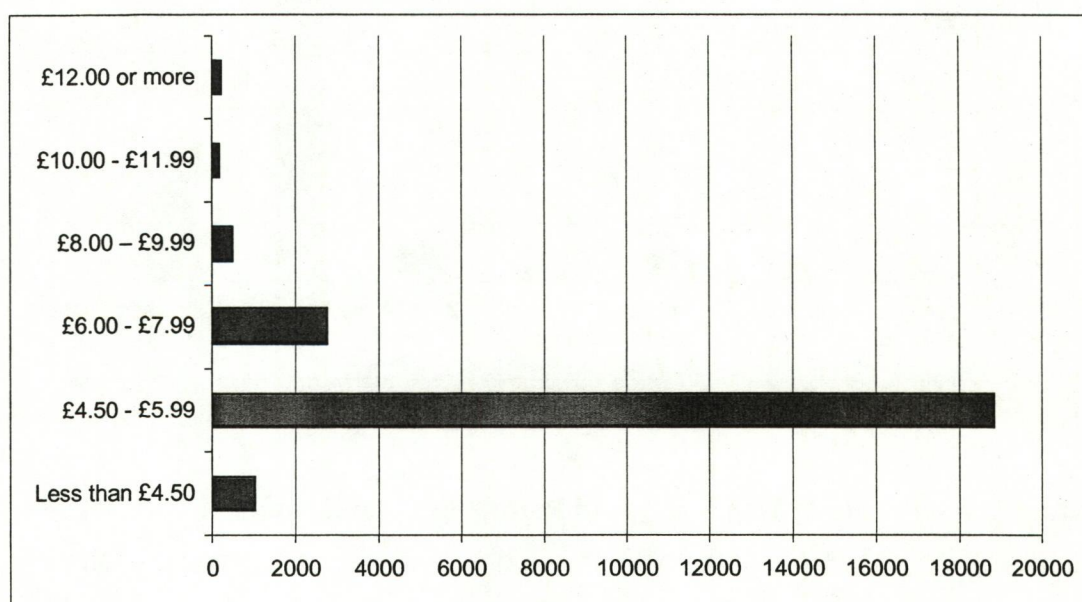
	Approved	Exempt	Refused	Withdrawn	Total
Permanent	10,805	92	87	630	11,614
Temporary/Agency	9,910	34	104	927	10,975
Not stated	659	6	36	222	923
<b>Total</b>	<b>21,374</b>	<b>132</b>	<b>227</b>	<b>1,779</b>	<b>23,512</b>



**All applicants: hourly wage**

Most of those registering in September – **80%** – were earning between £4.50 and £5.99 per hour. This reflects the fact that many are working in relatively low-skilled occupations. It should be noted that **20%** of registered workers (**4,771** in total) were aged 18 to 21. Those aged 18-21 (inclusive) are entitled to a minimum wage of £3.80 per hour. Those aged 22 or over are entitled to a minimum wage of £4.50 per hour. **0.3%** of registered workers (**68** in total) were aged under 18. Those under the age of 18 did not qualify for the National Minimum Wage until 1 October 2004 (from that date they are entitled £3.00 per hour or more). The Agricultural National Minimum Wage will apply to some registered workers. In some cases, allocations and deductions will also apply – e.g. employers may provide and/or deduct money from wages for accommodation, food, transport, etc.

Wage	Approved	Exempt	Refused	Withdrawn	Total
<b>£4.49 or less</b>	657	15	48	304	<b>1024</b>
<b>£4.50 - £5.99</b>	17,381	65	140	1,250	<b>18,836</b>
<b>£6.00 - £7.99</b>	2,521	34	27	171	<b>2,753</b>
<b>£8.00 - £9.99</b>	448	9	7	28	<b>492</b>
<b>£10.00 - £11.99</b>	160	2	2	10	<b>174</b>
<b>£12 or more</b>	198	5	2	13	<b>218</b>
<b>Not stated</b>	9	2	1	3	<b>15</b>
<b>Total</b>	<b>21,374</b>	<b>132</b>	<b>227</b>	<b>1,779</b>	<b>23,512</b>





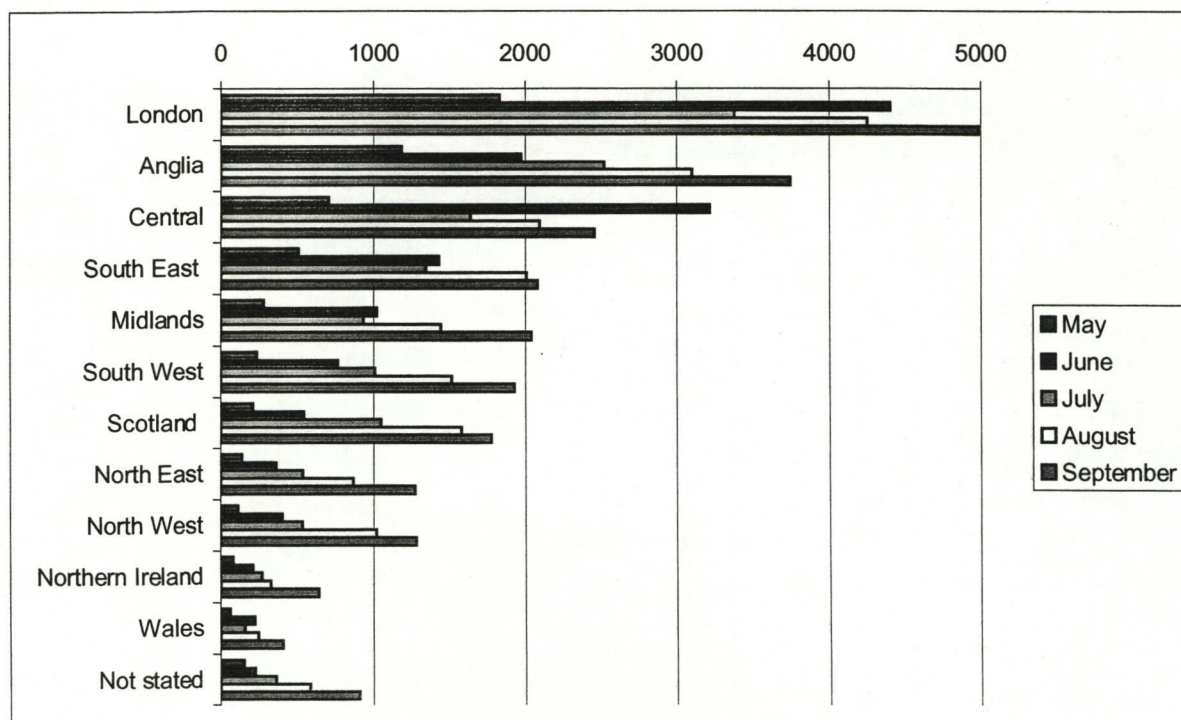
## Geographical Distribution

### **All applicants: region where working**

Most applicants are based in London, Anglia and Central England, but there are people registering to work in all regions of the UK. Of all applicants in September: **21%** were working in London (down from 22% in August); **16%** in Anglia (the same as last month); **10%** in Central England (down from 11%). **9%** of applicants were in the South East (down from 11% in August); **9%** in the Midlands (up from 8%); **8%** in the South West (no change from August); **8%** in Scotland (no change); **5%** in the North West (no change); **5%** in the North East (no change); **3%** in Northern Ireland (up from 2%); and **2%** in Wales (up from 1%). **4%** of applicants did not provide a full postcode for their employer's address and the region in which they are working is therefore not identified.

	Approved	Exempt	Refused	Withdrawn	Total
London	4,574	60	51	299	4,984
Anglia	3,463	16	39	228	3,746
Central	2,197	13	22	223	2,455
South East	1,901	20	21	138	2,080
Midlands	1,893	5	20	120	2,038
South West	1,719	4	14	190	1,927
Scotland	1,472	3	16	283	1,774
North West	1,193	4	10	74	1,281
North East	1,181	1	12	79	1,273
Northern Ireland	588	3	7	42	640
Wales	375	1	5	25	406
Not Stated	818	2	10	78	908
<b>Total</b>	<b>21,374</b>	<b>132</b>	<b>227</b>	<b>1,779</b>	<b>23,512</b>

### **All applicants: region where working (May - September)**





## **Benefits and Tax Credits**

The evidence so far suggests that the Government's information campaigns, aimed at educating A8 nationals about their eligibility for benefits, have been highly successful: we have seen very low levels of applications. Very few of those who have applied were eligible to claim benefits, so there has been a high refusal rate.

### **Applications for tax-funded income-related benefits & National Insurance Numbers**

This data is from applications for tax-funded income-related benefits and National Insurance Numbers by A8 nationals. The figures are collated from a clerical return.

#### **Applications for tax-funded income related benefits**

Total number of claims made = 92    Total number of decisions made = 92

In September, 92 A8 nationals applied for income-related benefits (compared to 80 in August, 67 in July, 136 in June and 104 in May). Of these, 4 (4%) passed the right to reside and habitual residence tests and may therefore be eligible for benefits (compared to 3 in August, 3 in July, 4 in June and 2 in May). The relevant benefits are Income Support, income-based Jobseeker's Allowance (JSA) and State Pension Credit: all the applications so far have been for working-age benefits, rather than State Pension Credit.

#### **Applications for tax-funded income related benefits: by Nationality**

The majority of applications continue to come from nationals of the Czech Republic (32%) and Poland (33%). The proportion of applications from Polish nationals has risen from 29% in August and 12% in July.

	Czech R	Estonia	Hungary	Latvia	Lithuania	Poland	Slovakia	Slovenia	Total
Decisions made on claims to Income Support	3	0	1	0	5	8	1	1	19
Decisions made on claims to income-based Jobseeker's Allowance	26	2	0	4	8	22	10	0	72
Decisions made on claims to State Pension Credit	0	0	0	1	0	0	0	0	1
As a sub-set the numbers making a claim for benefits working part time i.e. less than 16 hours	1	0	0	0	0	0	0	0	1
Total claims allowed to proceed for further processing	2	0	0	0	0	2	0	0	4
Total Claims disallowed on the right to reside and the habitual resident test	27	2	1	5	13	28	11	1	88



**Applications for tax-funded income related benefits: by Region**

Following a similar pattern to previous months, most of the applications for benefits have been made in London (37%) followed by the North West (16%). This month Yorkshire and Humber was the next highest region, with 10% of all applications made.

A8 benefit applications by region	Eligible following decisions made on the RTR and HRT	Not eligible following decisions made on the RTR and HRT
London	2	32
South East	0	8
South West	0	3
East Midlands	0	5
West Midlands	0	2
East of England	0	2
North East	0	8
North West	2	13
Yorkshire and Humber	0	9
Wales	0	2
Scotland	0	4
<b>Total</b>	<b>4</b>	<b>88</b>

RTR = right to reside

HRT = habitual residence test

Note

This data shows how many A8 nationals claiming benefits are deemed to have the right to reside and are habitually resident and would be therefore eligible to receive income-related tax benefits.

These figures do not include A8 nationals who have been granted Indefinite Leave to Remain by the Home Office and therefore could be entitled to receive benefits.

Caveats

Most claims from A-8 nationals are likely to fail the right to reside and the habitual residence test; those that do not fail are likely to be part-time workers.

Any claim allowed by the Jobcentre Plus Centralised Decision Makers still requires further processing to ensure that the claimant meets the other conditions of entitlement e.g. the amount of savings the claimant has and the claimant's availability for work etc need to be checked.

To track a very small number of claims from A-8 nationals on an individual basis manually, for an indeterminate amount of time, would be costly and inefficient as a tracking system would need to be in place at every single local office (up to 1,000 offices). It will therefore not be possible to tell exactly how many claims to tax-funded income-related benefits are actually resulting in payment.



Part-time workers

A8 nationals in part-time work (less than 16 hours per week) are able to register with the Home Office Worker Registration Scheme as long as the work is genuine and effective. These part-time workers are working legally in the UK and have the same rights and access to benefits as other EEA workers whilst they remain in employment. The test of genuine and effective employment is made by the Home Office. If they issue a Worker's Registration Certificate to a part-time worker then that worker will pass the right to reside and habitual residence tests. This does not however mean that these workers will automatically receive any benefits as their part-time earnings and other factors may exclude them. If their employment ceases, they will lose their right to reside and therefore access to benefits. In order to stay in the UK they would have to be self-sufficient.

Applications for National Insurance Numbers (NINOs): 2 - 29 September inclusive

Due to the pattern of reporting weeks, NINO data covers the time period of 2 to 29 September.

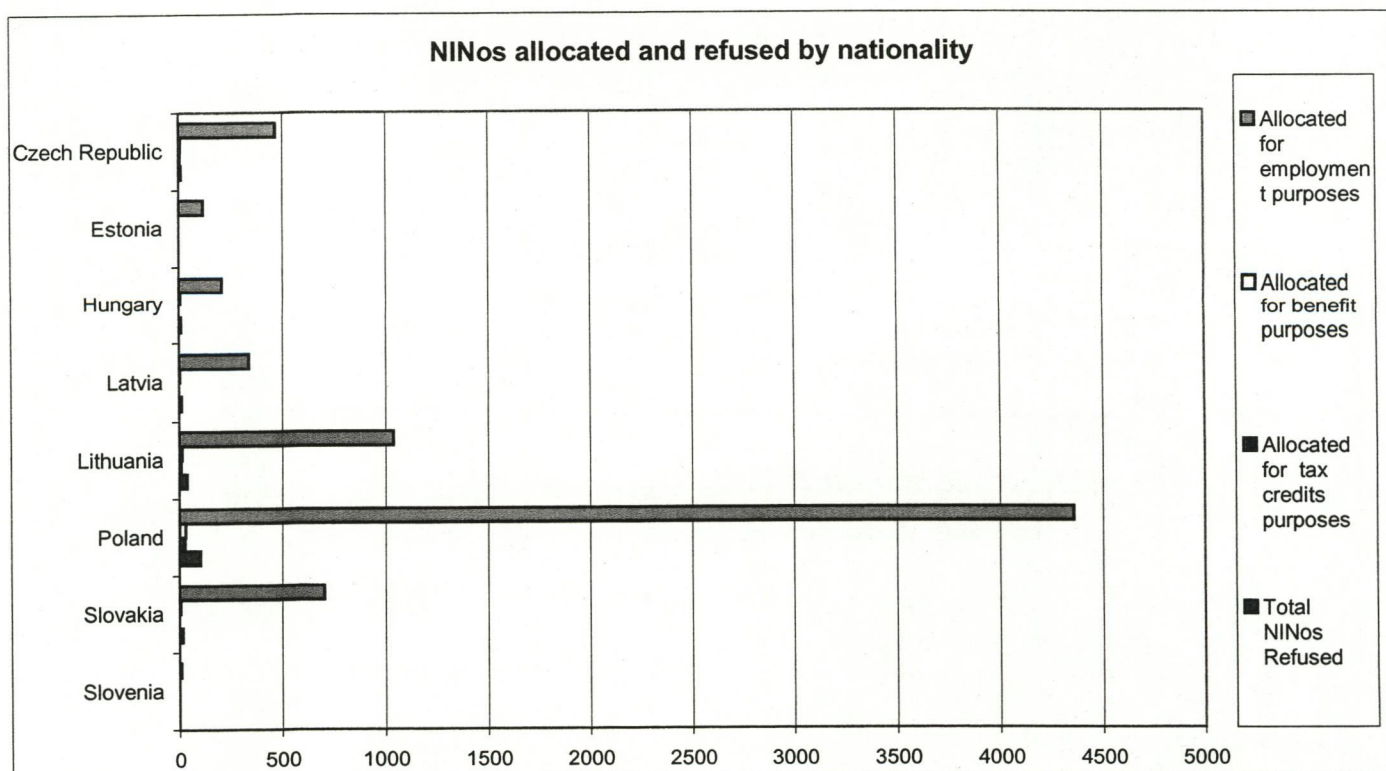
**7,539** A8 nationals applied for National Insurance Numbers (NINOs) in this time period. NI numbers were allocated to **7,351** applicants (**98%** of the total). The vast majority of NI numbers allocated (**99%**) were for employment purposes. Only **65** NINOs were allocated for benefit purposes (less than 1%), and 43 for tax credit purposes. Most of the applicants were from Poland (**60%**) or Lithuania (**15%**). Most of those refused NI numbers came from these two countries too (in similar proportions).

The total number of NINO applications had been increasing month on month – there were **2,490** applications in May, **4,740** in June, **6,279** in July, **8,857** in August - but fewer (**7,539**) this month.

Applications for NINOs by Nationality

A8 applicants by country	Allocated for employment purposes	Allocated for benefit purposes	Allocated for tax credit purposes	Total NINOs allocated	Total NINOs refused
Czech Republic	468	8	6	482	11
Estonia	118	2	0	120	1
Hungary	208	6	0	214	9
Latvia	340	3	2	345	11
Lithuania	1038	12	7	1057	37
Poland	4358	29	26	4413	103
Slovakia	705	5	2	712	16
Slovenia	8	0	0	8	0
<b>Total</b>	<b>7243</b>	<b>65</b>	<b>43</b>	<b>7351</b>	<b>188</b>





#### Note

The Social Security Regulations 2001 state that a customer must register for a NINo (if one has not already been issued) in order to claim benefit (such as income based Jobseeker's Allowance or Income Support) or to claim Tax Credits. The application for a NINo is usually made at the same time as the claim for benefit.

Allocation of NINOs for benefit purposes does not mean that these claims for benefit will be allowed. Furthermore, A8 nationals who have originally claimed an NINo for benefit purposes may of course now be in legal employment and thus only be entitled to in-work benefits. It is likely that the majority of applications for NI numbers for benefits purposes have been made by A8 nationals who previously received support from the Home Office's National Asylum Support Service (NASS).

NINo refusals are because the applicants did not provide enough evidence to prove their identity or the evidence they did provide could not be corroborated.

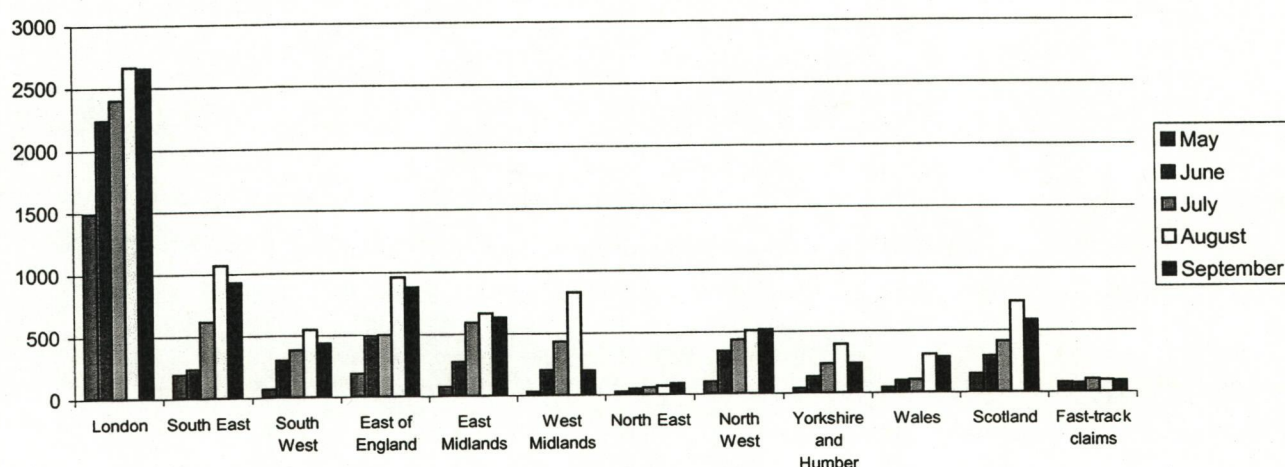
#### NINo applications by Region

The majority of applications for NI numbers continue to be made in London: 35% in the period 2 to 29 September, compared to 47% in June, 38% in July and 30% in August. The next highest proportion of applications was from the South East and the East of England (both around 12%).



A8 applicants by region	Allocated	Refused	Total
London	2518	137	2655
South East	932	0	932
South West	427	6	433
East of England	869	10	879
East Midlands	623	10	633
West Midlands	199	0	199
North East	89	0	89
North West	516	0	516
Yorkshire and Humber	239	1	240
Wales	286	0	286
Scotland	568	16	584
Fast-track claims (region unknown)	85	8	93
<b>TOTAL</b>	<b>7351</b>	<b>188</b>	<b>7539</b>

NINo applications by region, May to September



### NINo applications: Age and Gender

As in previous months, in the period 2 to 29 September most applicants (**84%**) were aged under 35 (**86%** in August). Also as in previous months, there was an even gender split for this period, with a 54% male applicants and 46% female.

Age	Male	Female	Total
under 18	0	0	0
18-24	1526	1683	3209
25-34	1810	1315	3125
35-44	489	259	748
45-54	246	164	410
55-64	29	26	55
65+	2	3	5
<b>TOTAL</b>	<b>4102</b>	<b>3450</b>	<b>7552*</b>

\*This figure includes 13 claims (5 male / 8 female) where an existing NINo was traced.



Applications for Child Benefit and Tax Credits**Child Benefit**

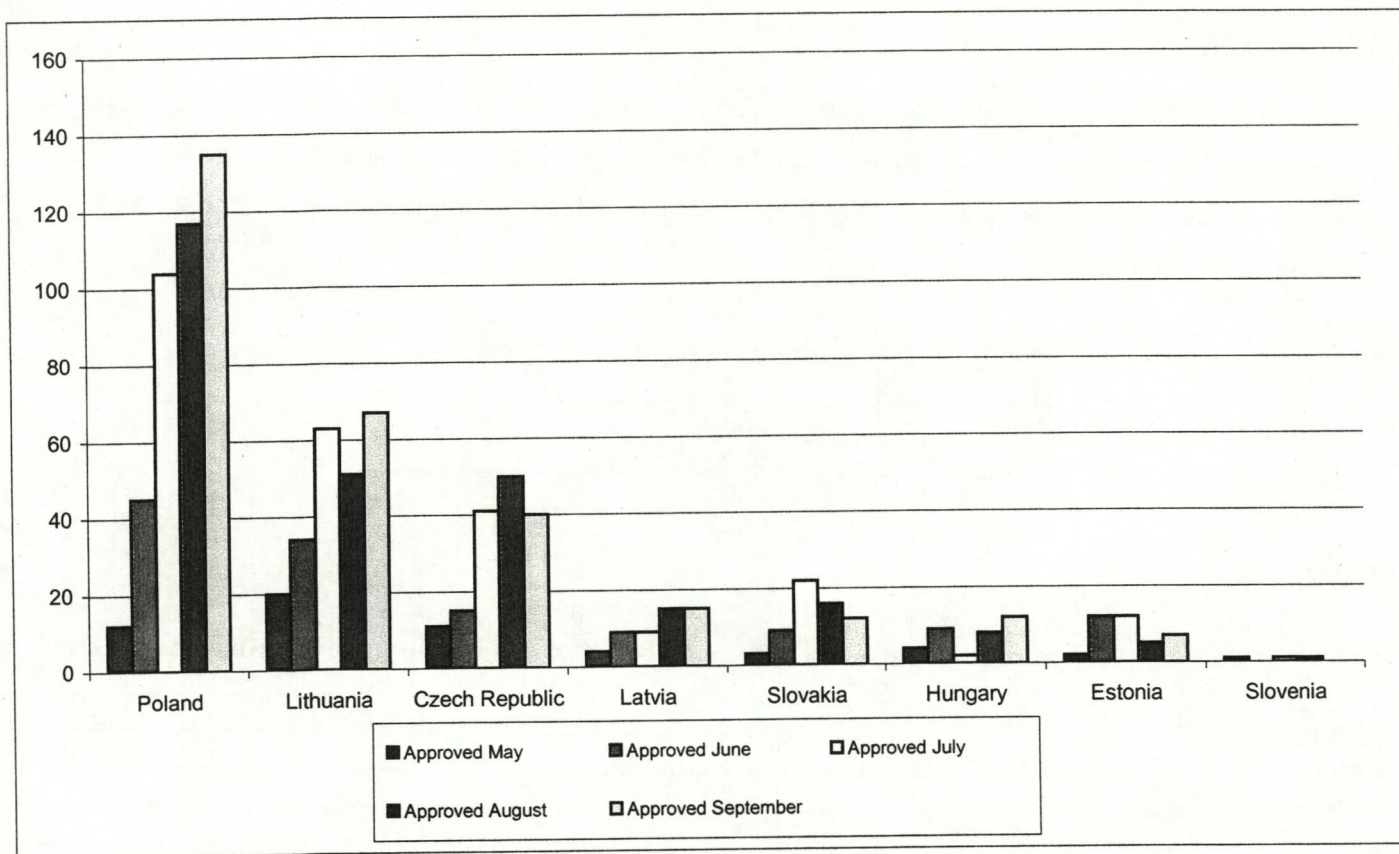
There were **604** applications for child benefit in September, with **416** decisions made. Of those claims decided this month, **70%** were approved and **30%** rejected (compared to **68%** approved in August, **59%** approved in July, **90%** in June and **79%** in May). The overall figures month by month compare as follows:

Month	Applications	Decisions
May	595	72
June	556	148
July	565	467
August	459	387
September	604	416

	Received G.B.	Approved G.B.	Rejected G.B.	Terminated G.B.	Received N.I.	Approved N.I.	Rejected N.I.	Terminated N.I.
Czech R	85	40	37	-	-	1	-	-
Estonia	7	7	2	-	-	-	-	-
Hungary	19	12	1	-	1	-	-	-
Latvia	25	15	6	-	-	1	-	-
Lithuania	124	67	21	-	8	-	1	-
Poland	267	135	45	-	1	-	-	-
Slovakia	66	12	13	-	-	-	-	-
Slovenia	1	Nil	Nil	-	-	-	-	-
Total	594	288	125	Nil	10	2	1	Nil



Child Benefit applications approved, GB (May - September)



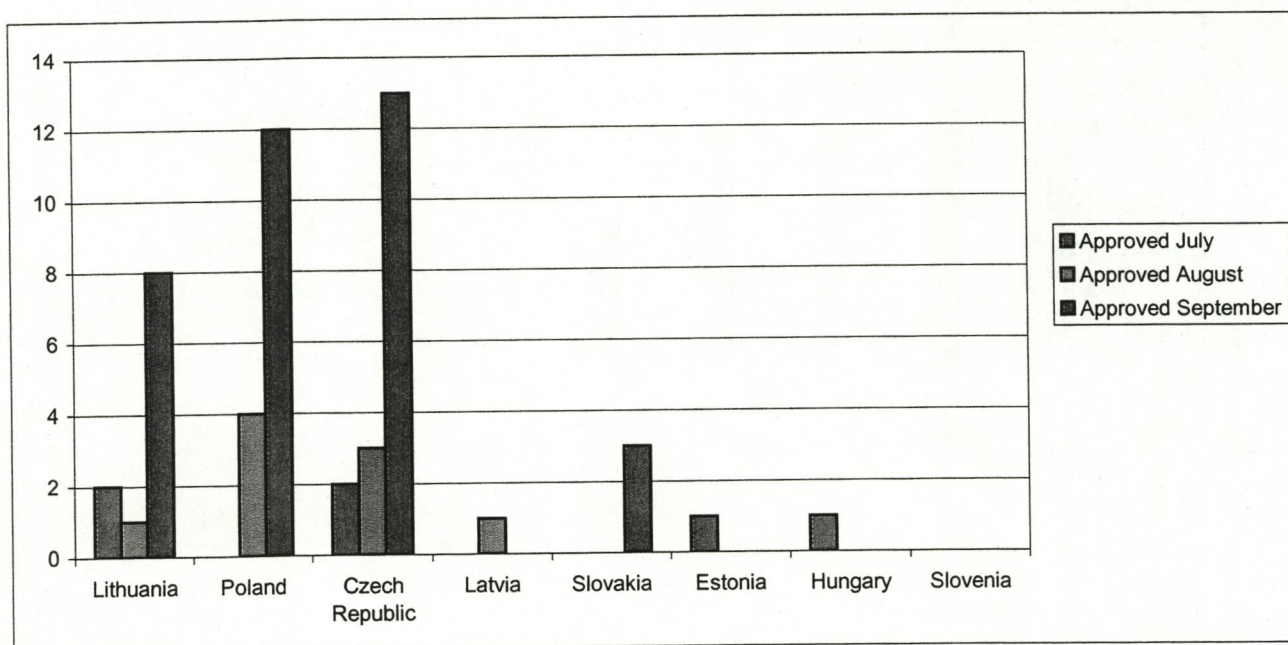


### Tax Credits

There were **92** applications for tax credits in September, (compared to **83** in August, **67** in July, **80** in June and **0** in May). **63** applications were decided in September (compared to **41** in August), with **57%** approved and **43%** rejected.

A8 applicants by country	Received	Approved	Rejected	Terminated
<b>Czech Republic</b>	21	13	8	-
<b>Estonia</b>	2			-
<b>Hungary</b>	3			-
<b>Latvia</b>	7			-
<b>Lithuania</b>	13	8	3	-
<b>Poland</b>	39	12	15	-
<b>Slovakia</b>	7	3	1	-
<b>Slovenia</b>				-
<b>Total</b>	<b>92</b>	<b>36</b>	<b>27</b>	<b>-</b>

**Tax Credit applications approved (July - September)**





### Applications for Residence permits and documents

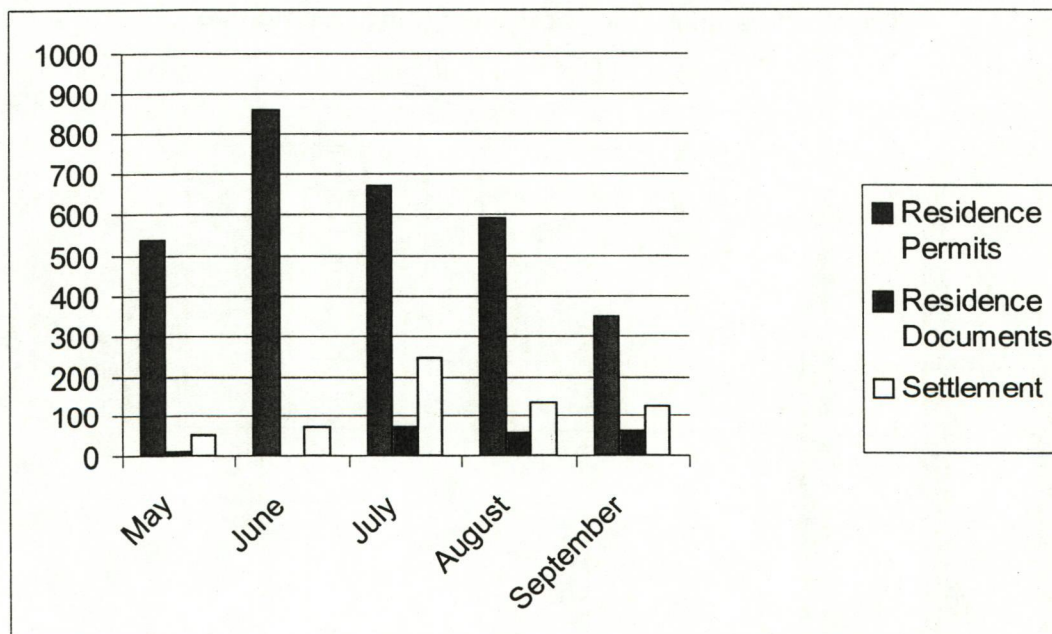
The data is from applications by A8 nationals for residence permits and documents, as well as settlement.

#### Applications for residence permits and documents - September

A8 applicants by country	Residence permits applied	Residence permits issued	Residence documents applied	Residence documents issued	Settlement* applied	Settlement* approved
Czech Republic	28	21	4	0	7	0
Estonia	12	7	1	0	7	0
Hungary	6	13	0	0	21	0
Latvia	22	25	1	0	1	0
Lithuania	59	95	22	1	24	0
Poland	200	238	29	1	58	0
Slovakia	18	17	1	0	6	0
Slovenia	1	1	0	0	0	0
<b>Total</b>	<b>346</b>	<b>417</b>	<b>58</b>	<b>2</b>	<b>124</b>	<b>0</b>

\*Includes EEA case ILR, No Time Limit and EEA Long Residency (14 years) cases, as well as non-EEA cases (such as ECAA, spouses and work permits)

#### Applications for Residence Permits, Residence Documents and Settlement (May - September)



#### Note

- EEA nationals who are exercising Treaty rights in the UK may apply for a **residence permit**, as confirmation of their right of residence in the UK under EC law. Their EEA family members may also be issued with residence permits.
- Non-EEA family members of an EEA national who is exercising Treaty rights in the UK may apply for a **residence document** as confirmation of their right to reside in the UK (derived from their EEA family member).
- **Settlement** is not provided for under EC law. An EEA national and their non-EEA national family members may apply for ILR under the Immigration Rules. To qualify the EEA national must have been exercising Treaty rights in the UK for 4 years.



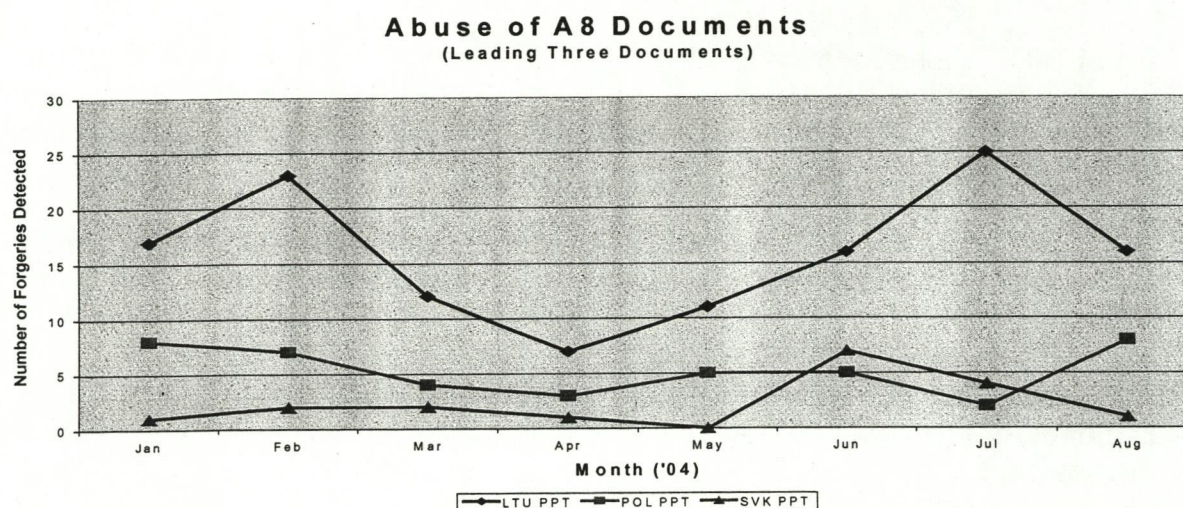
## INDIS A8 REPORT for AUGUST 2004

Reports received between 9th September and 7<sup>th</sup> October 2004 relating to August 2004

### Key Facts

- Lithuanian documents remain the most frequently abused
- Russians are the foremost nationality for A8 document abuse

### Document abuse



- Statistics produced by the INDIS Risk Assessment Unit show that there were 30 cases of abuse of A8 documents during August. This is a significant drop from the 46 recorded cases in July. **Lithuanian** passports were the most frequently abused documents with 16 cases. There were 8 cases of abuse of **Polish** documents, 2 of **Czech** documents, 2 of **Latvian** documents, and one each of **Slovakian** and **Slovenian** documents. **Russians** were the foremost nationality for document abuse with 10 cases, followed by **Ukrainians** with 7 cases. There were also cases of document abuse involving nationals of **Bulgaria, Moldova, Romania, Uzbekistan and the Former Republic of Yugoslavia**.
- **IS SERINT** report that there were only 20 detections of A8 document abuse in August, a reduction of over 50% compared to July and June (42 and 41 respectively). All of these detections were at **Calais**. Documents from five Accession States were abused, these being **Lithuanian, Polish, Czech, Slovakian and Hungarian**. Of these, 70% were **Lithuanian and Polish** documents. Only eight **Lithuanian** passports were abused compared to 33 in July. However, six **Polish** passports were seen in August compared to none in July. Nationalities using these



documents were predominantly **Ukrainian and Russian** (75% of total) but 10% were **Former Republic of Yugoslavia** nationals. There were no **Bulgarians or Albanians** detected on A8 documents in August.

- Despite the reported decline in the abuse of A8 documents during August, local intelligence for September indicates that South East District has encountered a significant increase in A8 document abuse. This will be quantified in next month's report. **Russians and Ukrainians** continue to be the foremost nationalities involved in the abuse of A8 documents. Intelligence suggests that a significant percentage of irregular migrants presenting forged **Lithuanian** documents have travelled from/via **Ukraine**, using their own or 'borrowed' **Ukrainian** passports with valid **Polish** visas. They are then being supplied with **Lithuanian** passports and drivers whilst in **Warsaw**.
- **IS SERINT** report one case of an HGV passenger with an altered **Lithuanian** passport in August compared to three in July. Other A8 document cases arrived at IS controls by foot, car and coach, with Eurolines being the favoured coach company.
- **Managed Migration in Sheffield** report that an increasing number of **Lithuanian** passports have been found to have been declared invalid by the Lithuanian authorities.
- **IS Teeside** refused entry to a **Romanian** national in possession of a forged **Lithuanian** passport. He admitted to attempting to enter UK to obtain illegal employment.
- **IS Portsmouth** seized a number of forged **Lithuanian** passports that were in the hands of **Ukrainian** illegal workers.
- **Gatwick** report that they were presented with two forged **Lithuanian** passports by **Uzbekistan** nationals.
- **Scandinavian Seaways** denied boarding to a passenger holding a photo substituted **Estonian** passport. The passenger was seeking to travel from **Göteborg** to **Newcastle**.
- **IS Waterloo** reports the following incidences of A8 document abuse during August:
  - **Paris** encountered several instances of photo substituted A8 documents. These included five **Lithuanian** passports held by three **Russians** and two **Ukrainians**, one **Latvian** passport held by a **Bulgarian** national, one **Polish** passport held by an **Azerbaijani** national and one **Slovakian** passport held by a **Moldovan** national.
  - **Paris** also encountered 2 **Moldovans** in possession of counterfeit **Lithuanian** passports.



- Easyjet denied boarding to an **Albanian** national holding a forged **Lithuanian** passport at Malaga.

#### **Evidence of the scale of movement of A8 nationals**

The IOM EU Accession information campaign in Hungary received 452 relevant calls between 31<sup>st</sup> August and the middle of September, this is fewer in number than the Polish hotline was receiving per day during its peak. Demand for the Hungarian hotline has therefore been relatively low. The British Embassy in Budapest also note that figures for A8 benefit claimants in the UK have been statistically insignificant to date.

#### **Other**

- Registrars at **Kings Lynn and Great Yarmouth** report a rising number of incidences of suspect marriages. Some of the marriages involve **Iraqi** nationals marrying **Latvians**.
- A **Lithuanian** national was involved in a suspicious marriage notified to **Leeds/Bradford Enforcement**.

**INDIS**

**7<sup>th</sup> October 2004**



TOE	
NATIONAL	
ARCHIVES	

DEPARTMENT/SERIES .....PREM69..... PIECE/ITEM .....4048/1..... (one piece/item number)	Date and sign
Extract details: letter dated 1 October 2004	
CLOSED UNDER FOI EXEMPTION .....27(1), 40(2).....	8 30/9/24
RETAINED UNDER SECTION 3(4) OF THE PUBLIC RECORDS ACT 1958	
TEMPORARILY RETAINED	
MISSING AT TRANSFER	
NUMBER NOT USED	
MISSING (TNA USE ONLY)	
DOCUMENT PUT IN PLACE (TNA USE ONLY)	



### *Instructions for completion of Dummy Card*

Use black or blue pen to complete form.

Use the card for one piece or for each extract removed from a different place within a piece.

Enter the department and series,  
eg. HO 405, J 82.

Enter the piece and item references, .  
eg. 28, 1079, 84/1, 107/3

Enter extract details if it is an extract rather than a whole piece.  
This should be an indication of what the extract is,  
eg. Folio 28, Indictment 840079, E107, Letter dated 22/11/1995.  
Do not enter details of why the extract is sensitive.

If closed under the FOI Act, enter the FOI exemption numbers applying to the closure, eg. 27(1), 40(2).

Sign and date next to the reason why the record is not available to the public ie. Closed under FOI exemption; Retained under section 3(4) of the Public Records Act 1958; Temporarily retained; Missing at transfer  
or Number not used.



RESTRICTED

PRIME MINISTER

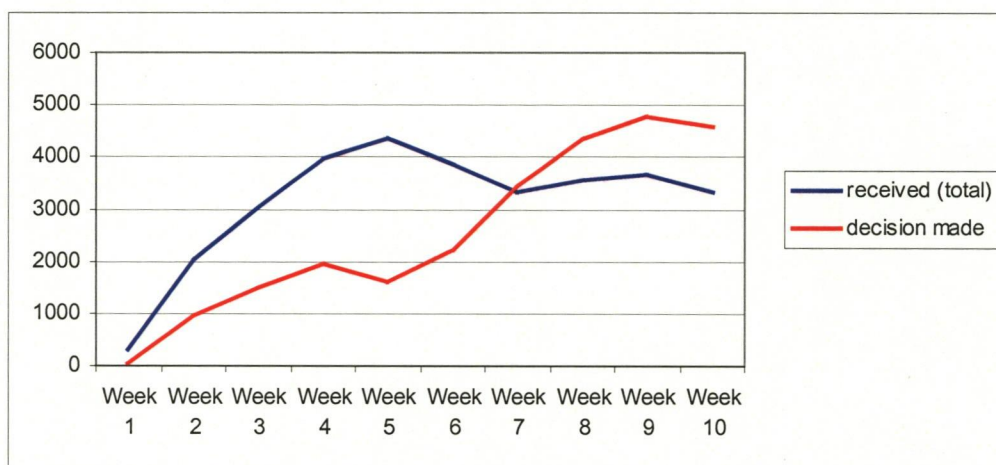
From: Kate Gross

Date: 9 July 2004

cc: Ivan Rogers, Jonathan  
Powell, Sally Morgan,  
David Hill, Kim Darroch  
Justin Russell

EU FMOW: WEEK 10

- 3,323 applications to the worker's registration scheme in the first week of July, compared to 3,675 the previous week.



- 42% of this week's registrations were in the UK before 1 May. The proportion of applicants arriving in the UK before 1 May 2004 is getting lower each week. This is to be expected – those already in the UK made up the bulk of initial registrations as they regularised their status. As these numbers dwindle, registrations will increasingly be from new arrivals only.
- Publication of the first two months data on EU FMOW was a low-key success, combined with good coverage of an International Development Select Committee report which dismissed the “myth” that the UK was being overwhelmed by a “tidal wave” of migrants as a media fabrication.

Signed: K Gross 9/7

KATE GROSS

RESTRICTED



RESTRICTED



Foreign &  
Commonwealth  
Office

7 July 2004

London SW1A 2AH

*Dear Cwae,*

ASEM enlargement

*NS  
JP*

Summary

Burma/ASEM enlargement will be on the 12 July GAERC agenda. Most EU partners are looking for a compromise. Asians propose Burma's accession but with attendance at Foreign Minister level and privately offer to put pressure on for Aung San Su Kyi's release. The Foreign Secretary recommends that it is not the time to accept the proposal. Instead, we should look to maintain pressure on the Asians and hence, on Burma, but be open to formal Burmese accession provided the regime does not attend the Summit, thereby highlighting their isolation.

Detail

The Foreign Secretary has been considering next steps on Burma/ASEM enlargement ahead of discussion at the 12 July GAERC. There has been no progress towards democratisation in Burma. Discussion at the Ministerial GAERC lunch on 14 June upheld the EU's firm line on ASEM enlargement, which we had advocated. But it was clear that the majority of partners were looking for a compromise that would allow the Summit to go ahead. The Asians have now formally proposed to Commissioner Patten, High Representative Solana and the Dutch Presidency that the Burmese be allowed to join ASEM at Hanoi but that the Asians would seek to ensure that they attended the Summit at Foreign Minister, rather than Head of State or Government, level. This deal would not meet the EU's Tullamore conditions (the release of ASSK; a fully functioning and inclusive National Convention; full participation of the NLD and other parties in the National Convention).

The Foreign Secretary judges that EU partners will not stick by the position agreed by Foreign Ministers at Tullamore: a number look ready to agree to the Asians' compromise in order to save the Summit. There is no appetite within the rest of the EU for cancelling the Summit and we could not block unilaterally. But he believes that we have some room for manoeuvre on both

RESTRICTED



RESTRICTED



timing and the sort of agreement that we should be seeking. He has therefore decided that we should maintain our firm line, but be open to allowing Burmese membership of ASEM in principle, but not their participation in the Summit. This enforced and very visible absence will highlight the regime's isolation and pariah status.

It is, however, far from certain we can achieve this because it is a matter of principle for the Asians that the three ASEAN countries who are not yet members of ASEM should be allowed to join ASEM at the same time as the ten new EU member states. They would be prepared to delay enlargement until 2006 rather than allow the EU ten to join without the ASEAN three becoming members. But delaying membership of the ten until 2006 is not an option for us.

It will also be difficult to get support for our approach from EU partners, apart from the Danes. Some EU partners (mostly Austria, Italy and Germany) will argue strongly for EU acceptance of the Asian proposal. They have already been undercutting the EU's public position in their contacts with the Asians. Some of the new Member States, in particular the Czech Republic, Poland and Hungary, are sympathetic to our line but are most motivated by a desire that whatever solution is found is on the basis of equality between the ten new Member States and the EU 15. France, despite taking a tough line on some occasions, will not want to put the Summit in jeopardy – Chirac has publicly committed to attending. Solana and Patten have also taken a firm line but may be attracted to agreeing to the Asian compromise proposal.

Razali, the UNSG's Special Representative, has told us that the Vietnamese are planning to send an envoy to Rangoon to propose that in return for ASEAN backing membership of ASEM, the Burmese would announce publicly that they would only send their Foreign Minister to Hanoi and that they would release ASSK. The release of ASSK would be a positive development - and a tangible result of EU pressure - but it would still fall short of what the EU had agreed at Tullamore.

There is no guarantee that the Asian side will come up with a more acceptable way forward. We know that while the Vietnamese are quite prepared to consider a number of compromises, the Singaporeans have worked hard to assure an Asian hard line. They will be unlikely to want to offer any further compromise. We will not want, therefore, to publicly commit ourselves to any particular position.

The Presidency are not looking for decisions at next Monday's GAERC. Although the Asians are looking to have an agreement by the end of July, the Dutch Presidency intend that the EU reaches an informal decision at the 3-4 September Gymnich before formalising it at the 13 September GAERC. This

RESTRICTED



RESTRICTED



delay is helpful for keeping the pressure on the Asians to offer more and to pressurise Rangoon further. In the meantime, the Presidency has appointed an envoy to travel to Asian capitals to test the waters further. The Presidency will, however, no doubt want to get back to the Asians with at least an indication of EU thinking after next week's GAERC. We will update you following the discussion.

*Carver*

*Kara Owen*

(Kara Owen)  
Private Secretary

Grace Cassy  
10 Downing Street

RESTRICTED



From: Kate Gross

Date: 2 July 2004

PRIME MINISTER

cc: Ivan Rogers  
Jonathan Powell  
Justin Russell  
Kim Darroch  
David Hill  
Godric Smith

**EU FMOW: MONITORING AND PUBLICATION OF MAY/JUNE STATS**

Headlines from week 9 and a draft written statement and press notice announcing stats from May/June, which DB plans to publish next Wednesday.

**Week 9**

- 3,675 applications to the worker's registration scheme in the last week of June, compared to 3,549 the previous week. 50% were in the UK before 1 May.

**Publication**

I attach a draft written ministerial statement and press notice which David, Godric, Justin and I have worked on with the Home Office. DB plans to lay the statement before the House next Wednesday. The data it contains needs to be cleansed over the weekend and there are still some blanks to fill in. Our approach has been to err on the side of publishing less rather than more, and to tell a clear and simple story:

- The influx of new arrivals predicted by the media simply hasn't arrived, either here or elsewhere in the EU.
- Of the 24,000 people registering with the scheme, over 60% were in the UK before 1 May: the scheme has given those already in the UK, some of whom may have been working illegally, the chance to regularise their status, and allows us to carefully monitor the levels of new arrivals.
- Registered workers are contributing £xm a week to the UK economy and paying £ym in tax. Early indications show that there has been no



## CONFIDENTIAL

- 2 -

detrimental impact on the UK labour market, with employment up and unemployment down.

- Nearly all of those registering are young (83% between 18-34) and single (94% have no dependents). Most are working in sectors where there are recruitment difficulties, for example in hospitality and catering and agriculture (where the ONS recently identified 187,000 vacancies). And we have cut quotas for other managed migration schemes in these areas, as demand has been met by accession country workers.
- No evidence that this is permanent migration. Experience of previous Enlargements suggests that most people will work here for short periods only. Anecdotal evidence suggests that many are already returning home.
- There is no evidence that accession country workers are exploiting the benefits system. Of the 200 applications for out of work benefits, 97.5% were refused outright and only 5 are still under consideration. The same is true for homelessness assistance (68 applications, 79% refused, all of the 14 found eligible were in the UK before 1 May), and local authority housing (only 2 houses have been let to accession country nationals since 1 May, both households were in the UK before 1 May).

### Handling

DB will lay his written statement before the House on Wednesday morning, to coincide with his IPPR speech (on Race, but he'll also refer to these figures). He'll do the lunchtime media. We'll make sure you have up to the minute briefing for PMQs.

The key elephant trap is how these figures relate to previous HO projections of the impact of EU FMOW. Independent research the Home Office commissioned from UCL in 2002 estimated that the net impact of FMOW would be an additional 13,000 workers a year. This has been given widespread publicity.

The media may well use our data to say that we have already exceeded the 13,000 prediction after just 2 months. In practise, the actual number of new arrivals since 1 May is only 9,000 (the rest were already here). But at current rates of increase this number will exceed the 13,000 prediction by the end of August, and if applications continue at the current rate, would hit 50-60,000 new arrivals by May 2005. Though by way of comparison, nearly 90,000 nationals

CONFIDENTIAL



CONFIDENTIAL

- 3 -

of the accession countries worked or studied in the UK in 2003 (58,000 workers, 31,000 students).

We may also be challenged on the scale of migration into the UK compared to other EU MS, given that we are the first to publish data. Evidence of what is happening in other Member States is flimsy and not definitive enough to be used publicly. But no other Member State has reported an 'influx' of new arrivals, whether they opened their labour market or not. The French and Germans aren't counting. The Italians reported 58,000 A-8 nationals working legally in Italy in 2003, and expect similar numbers this year.

Of the countries who opened their labour markets to workers of the new Member States, the Dutch issued 3,700 work permits to accession country workers in May - slightly up on last year and only slightly lower than the numbers of new arrivals we registered in the UK; the Irish have reported no discernable impact (but didn't set up any means of recording new arrivals and are only counting would-be benefit claimants); and the Swedes have reported a fall in the number of work permits granted to accession country nationals compared to last year. So we can say that whilst it is too early to tell for sure, movements into the UK seem to be on a par with other Member States.

Are you content with the press notice and written statement?

Kate Gross

KATE GROSS

CONFIDENTIAL



DRAFT

### Draft Written Ministerial Statement

This statement sets out early information on the UK's transitional arrangements for workers from the new European Member States in the first two months after accession on 1 May.

Management information from the Worker Registration Scheme shows that the majority of those registering were in the country before EU enlargement on 1 May, and that the predicted dramatic increase of new arrivals has not materialised. This is consistent with the experiences of our European neighbours. For example Ireland and Sweden - who have both opened their labour markets to Accession State workers - report no discernible influx in arrivals from the new Member States. Experience of previous EU enlargements suggests that many of those registering to work will be here for short periods only, before returning home. There is also no evidence that accession workers are exploiting the benefits system.

There were [24371] applications to the Worker Registration Scheme during May and June. Of these, [15110] were already in the UK before 1 May, and [9260] were new arrivals. The Worker Registration Scheme has given those nationals of the Accession States who were in the country before 1 May - including those who may have been working illegally - the chance to regularise their status and to contribute formally to the UK's economy, as well as allowing us to monitor the participation of workers from Accession States in the UK labour market following EU-Enlargement.

It is important to note that these figures do not indicate levels of permanent migration from the new member states to the UK. It is too early to say at this stage how many of those coming will stay in the longer term. Since May 1 there has been a good deal of anecdotal evidence, reported more widely abroad than in the UK, of job-seekers from the accession states returning home after brief periods of work or unsuccessful attempts to find work.



Information from the Worker Registration Scheme should be seen in the context of data from the International Passenger Survey, also published today, which shows that citizens of the new EU are enjoying their new rights to free movement. These new citizens have the right to travel freely across borders throughout the EU, regardless of any restrictions which some member states have placed on their right to work once they get there. Accordingly, an increase on last year's UK entry figures is to be expected and welcomed. The IPS data shows that many are coming here for short periods of time as visitors on business or on holiday – boosting our tourism industry and local economies [getting figures].

Our monitoring arrangements also show that negligible numbers of accession nationals have tried to claim state support since 1 May. Around 250 claims have been made for income support and job seeker's allowance, of which all but 5 have been refused immediately: the remainder are still under consideration. Our evidence suggests that the vast majority of those applying for state support were here before 1 May.

[19947] applications to the Worker Registration Scheme have been approved (92%), 6% were withdrawn and 2% were rejected. A total of [9582] applications were received in May, and [14789] in June, with the numbers registering peaking at the end of May, and stabilising throughout June.

Our data shows that 61% of those who registered with the Worker Registration Scheme are from Poland, 16% are Lithuanian and 7% Slovakian. The overwhelming majority are young (83% are aged between 18 and 34), and single (94% have no dependants). The gender split is even (52% males to 48% females), and relatively few registered workers are students (10%).

There is already early evidence that Accession State nationals are playing an important part in the UK labour market. Since 1 May, registered workers are contributing [£X m] a week to the UK economy and paying [£ Y m] a week in tax. The



majority are filling low to medium skilled jobs in London, Anglia, Central England and the South East. Almost all registered workers (96%) are working full time and some of those working part time have more than one job.

As expected, many applicants are employed predominantly in sectors where there are recruitment difficulties. Data from the ONS for February to April 2004 showed that employers reported [187,000] vacancies in the distribution, hotels and restaurant sectors (well over a quarter of all vacancies recorded by the ONS survey). Data from the Worker Registration Scheme shows that the majority of registered workers are employed in hospitality and catering (5354 workers, i.e. 35%), administration, business and management (2576 workers, 17%), and agriculture (2443 workers, 16%). We have reduced the quotas for the Seasonal Agricultural Workers Scheme and the Sectors Based Scheme to take account of the impact of EU enlargement.

The latest figures for the quarter immediately prior to EU enlargement show the UK labour market performing strongly. The economy is thriving (unemployment is down and employment is up) and employers and our public services are benefiting from a larger and more flexible labour pool, including skilled workers. Our data shows that highly skilled workers are amongst those registering, for example there were 52 accountants, 46 nurses, 23 teachers and 4 lawyers authorised to work in the UK in May and June.

[98%] of the National Insurance Numbers allocated to nationals of the Accession States were for employment purposes, and under [2%] for benefit purposes.

Accession country nationals who are in employment are eligible for tax credit and child benefit in the same way that any other EU nationals are, though very few have chosen to apply. Since 1 May, only 166 claims by Accession State nationals for child benefit were approved. This compares with a total child benefit recipient population of approximately 7 million. 61% of applicants have provided information about their arrival date in the UK – of those 99% were in the UK before 1 May.



The number of accession country nationals applying for homelessness assistance was also very low [68], and the majority of these [79%] were refused. All 14 of those found eligible were in the UK before the 1 May. Two Local Authority houses have been let to accession nationals since 1 May, representing less than 1% of the total average monthly lettings. Again, both households concerned were in the UK before 1 May.

Quarterly data for the period July – September 2004 will be released later in the year.



DRAFT

## NEW EU CITIZENS WORKING AND CONTRIBUTING TO THE UK ECONOMY

Arrangements put in place by the Government to monitor the impact of EU enlargement on the UK after 1 May are working well, the Home Secretary David Blunkett said today, as the first figures of accession workers registering with the Home Office were published.

Early data showing the numbers of accession country nationals registering to work in the UK shows that the majority were in the country before EU enlargement on 1 May, and that the predicted dramatic increase of new arrivals has not materialised. Reports from embassies in the UK and abroad show job-seekers from the accession states returning home after brief periods of work or unsuccessful attempts to find work. Experience of previous EU enlargements suggests that many of those registering to work will be here for short periods only. There is also no evidence that accession workers are exploiting the benefits system.

The Worker Registration Scheme figures show that:

- [24371] applied to register, choosing to work legally in the UK and contribute to the economy and not exploiting the benefits system.
- Of these, [15110 – 62 per cent] were in the country before 1 May and [9260 – 38 per cent] were new arrivals.
- registered workers are contributing [£X m] a week to the UK economy and paying [£ Y m] a week in tax.

The UK's experience is comparable with what is known about general movements around the EU following enlargement, for example Ireland and Sweden who have both opened their labour markets report no discernible influx in arrivals from the accession states .

There is no evidence that accession workers are exploiting the benefits system or are a drain on social housing. Nearly all (94 per cent) of those who have registered so far have no dependents. Negligible numbers [250] have attempted to claim out of work benefits, and [97.5 per cent] of these have been refused immediately. [Sixty eight] applications for homelessness assistance have been made – of which only 14 were successful - and all of the recipients were in the UK before 1 May. One hundred and sixty six claims by accession state nationals for child benefit have been approved since 1 May – out of a total of seven million people receiving child benefit nationwide.

ONS data also published today shows that although there was a slight increase in the number of people arriving from the accession states, most of these were here for only a short time visiting friends, family and taking holidays before



returning home again. *(Need figures + stats on tourism benefit to the economy)*

Mr Blunkett said:

"Today's statistics show that most media predictions were wrong, and we have not seen a dramatic increase in the numbers of people arriving in the UK from the accession countries. And it is likely that many of those who are registering to work here will be doing so for short periods only.

"Our transitional arrangements have made it possible for workers from the new EU countries to work here legally and pay taxes. These new EU citizens have been able to travel freely across all EU countries since 1 May. If we had refused to let them work as other countries have done, we would simply have fuelled the problem of non-tax paying clandestine workers.

"Those who are working here are based throughout the UK not just in London and the South East but also in the Midlands, East Anglia and the South West. Nearly all applicants to the Worker Registration Scheme are in full time employment and are meeting recruitment difficulties in agriculture, hospitality and catering as well as providing a range of much needed skills. Those registered with us so far are a diverse group and include accountants, nurses and teachers as well as waiters, agricultural workers and hotel porters.

"By contributing to our economy and paying into the system these accession state workers are supporting our public services, not being a drain upon them.

"It is likely that those working here will do so for short periods of time before returning home taking with them the new skills they have acquired and generating economic growth and new opportunities in their own countries. In the same way the enlarged EU has opened up opportunities for trade and travel to British citizens which were not available before."

Andrew Smith, Secretary of State at the Department for Work and Pensions, said:

"These figures confirm what we always said - that people from the new European countries would come here to work, but not to claim benefits."

**Notes to Editors**



CONFIDENTIAL

*Handed to DCO 22/6/04*

**From:** Kate Gross  
**Date:** 25 June 2004

**PRIME MINISTER**

**cc:** Ivan Rogers, Jonathan Powell, Kim Darroch, Justin Russell, David Hill, Sally Morgan, Godric Smith

**EU FMOW: WEEKLY REPORT**

Headlines from week 8:

- 3,549 applications to the worker's registration scheme, marginally up from 3,317 last week. As before, most people applying this week were in the country before 1 May (61% - the same proportion as last week). A total of 24,156 applications have been received so far.
- The top sectors remain hospitality/catering, business/management and agriculture. The majority of applicants remain between 18-34, and Poles are still the biggest nationality.
- For the second week running, IND processed more applications than it received, suggesting that they are getting on top of the (small) backlog of applications.
- Publication of May and June data is now set for the 7 July: this will include numbers claiming benefits (still very low, with only 2 allowed) and will be set against the 25-35% reduction in quotas for the low-skilled agricultural and sector-based schemes we announced last month (HO are considering abolishing these low-skilled schemes all together if we can demonstrate that demand is met from EU FMOW - if so we could announce this with the publication of the next quarter's data in November). Des Browne trailed the fact that the expected 'flood' of migrants had simply not materialised at an IPPR conference last week. This was picked up in the media here and in the new Member States.
- The Home Office sponsored an IOM information campaign in Slovakia and the Czech Republic, which has reported that in general most people were well informed of UK policy towards EU FMOW (must speak

CONFIDENTIAL



CONFIDENTIAL

- 2 -

English, must work, cannot claim benefits). On this basis, few were actually prepared to leave their home country to seek work in the UK, compounded by more media reports across the new Member States of people returning home, unable to find a job or cope with the UK's high cost of living. Students coming for summer work expected to return home and resume their studies in the Autumn.

Kate Gross

KATE GROSS

CONFIDENTIAL





**Home Office**

The Private Secretary to the Home Secretary

MATRIX please

KEG  
CTR  
HP

file

Kate Gross, No 10

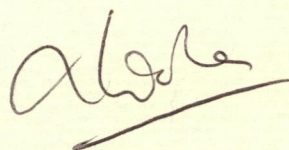
25 June 2004

Dear Kate,

**EU Free Movement of Workers: Monitoring**

Please find enclosed the eighth monitoring report showing the activity of Accession state nationals for the week from 17<sup>th</sup> to 23<sup>rd</sup> June.

I am copying this to the Private Secretaries of the Deputy Prime Minister, the Foreign Secretary and the Secretary of State for Work and Pensions.

Yours ever  


**NICOLA THOMAS**





Immigration and Nationality Directorate

## **A8 Monitoring Report - Week 8 (17<sup>th</sup> JUNE to 23<sup>rd</sup> JUNE 2004)**

### **Key Data**

- 3549 applications were received in week 8, with 4372 applications processed by the casework team. 0.6% of these were decided within 24 hours. 4% were from workers who had already registered but had changed jobs.
- As with previous weeks, the majority of applicants arrived in the UK before 1 May 2004 (61%), although each week shows an increase in the numbers arriving since 1 May 2004 (39% of applicants, compared to 29% in week 7 and in week 6).
- There was a percentage decrease in the number of Polish applicants this week, (66% of all applicants compared to 83% last week. Last week's surge was due to a casework team processing only Polish applications). 83% of all applicants were aged between 18 and 34 years old and 55% of applicants were male.
- The top three sectors were Hospitality & Catering, Administration, Business & Management, and Agriculture. 95% of applications to the Worker Registration Scheme were from people working in full time employment (a general trend for the last six weeks).
- Of the 1214 applications for National Insurance Numbers 1182 were allocated, of which 1166 were for employment purposes. Polish nationals made up 58% of NINO applicants and 44% of all applications were made in London. Of the 30 applications for income-related benefits, 29 were refused.
- There were 157 applications for child benefits this week and 2 applications for tax credit.

### **Key Intelligence**

- There were eight reports of passport abuse, with Lithuanian, Polish and Slovakian passports presented by a Moldovan, a Russian, two Ukrainians and four people of unknown nationality. All were refused entry to the UK.
- In Slovakia, the IOM observes that Roma are better informed than most social groups about going to the UK, and are well informed about benefit entitlements and the need to speak some English if they want to get a job. The IOM found that in general few people are actually prepared to go to the UK in search of work, citing lack of finances and language skills as the major deterrents. The majority of students encountered are interested in finding summer jobs but intend to return in the autumn to continue their studies.
- Following similar reports in the Czech and Polish press in previous weeks, there was the first report in the Slovakian press of Slovak nationals asking their Embassy in London for assistance to return home.



**RESTRICTED: COMMITTEE MEMBER ONLY**

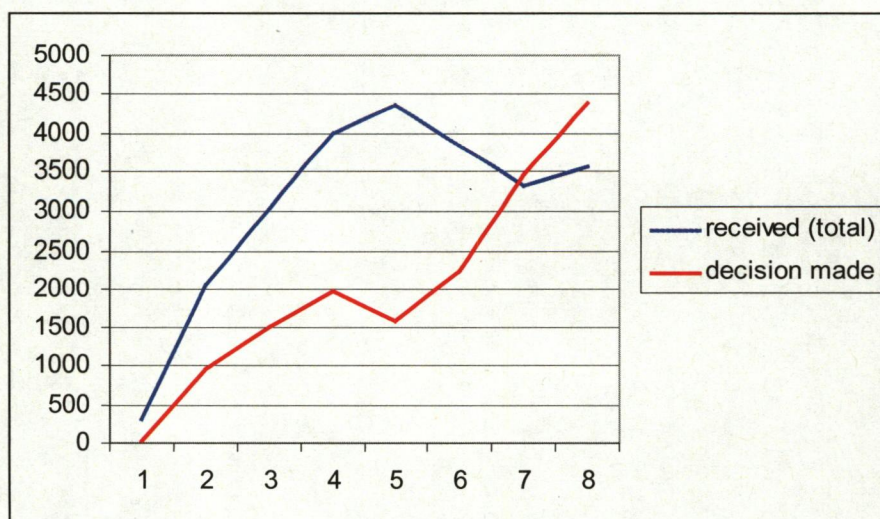
- The Polish and Latvian press have quoted Immigration Minister Des Browne as saying that the predicted wave of immigration from new European states to the UK has not materialised.



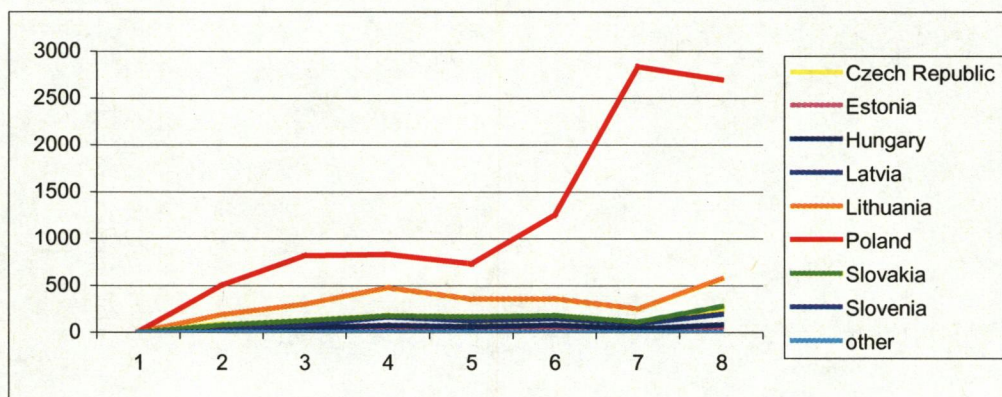
# WEEK 8: 17<sup>th</sup> JUNE to 23<sup>rd</sup> JUNE 2004

## Worker Registration Scheme

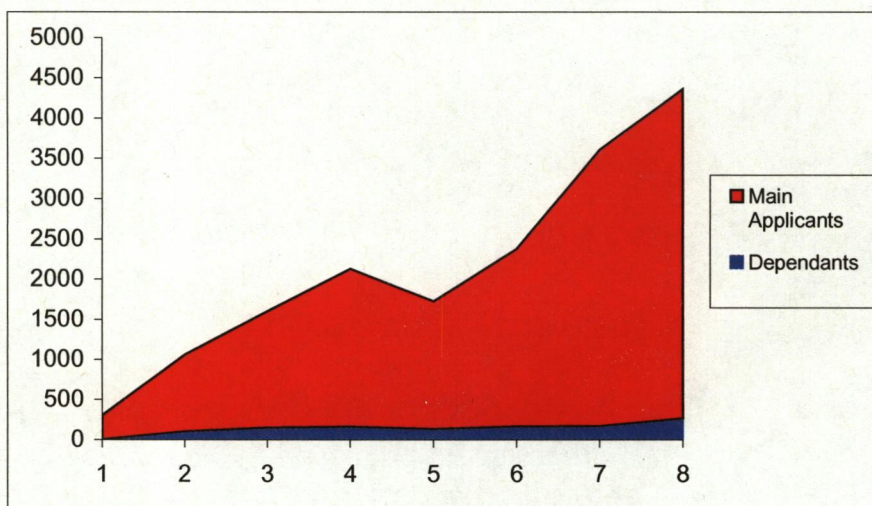
### Applications (all)



### Nationality (by decision made)



### Number of Dependants vs. Number of Main Applicants





CONFIDENTIAL



Home Office

Home Secretary

50 Queen Anne's Gate, London SW1H 9AT

KEG  
✓ CSSW  
JR  
JPo  
LR

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

17 JUN 2004

Dear Tony,

#### **PUBLICATION OF DATA TO MONITOR THE EFFECTS OF EU ENLARGEMENT**

As you know, we are continuing to monitor the effects of EU enlargement on the UK labour market and our social security system. We have made a number of commitments to make this information publicly available. I am now writing to seek your agreement to publish the first set of data as a joined-up package, on 7 July, to coincide with the publication of data from the International Passenger Survey (IPS) on the number of Accession State nationals arriving in the UK in May.

The ONS have already decided to publish monthly passenger arrival information, and the data for May will be published on 7th July. They have already announced this intention without consulting the Home Office. Since we have a good story to tell on the Workers Registration Scheme, I feel strongly that we should publish the data we have to coincide with the ONS publication thereby enabling us to provide a context to the IPS data and to promote the success of the transitional arrangements so far.

In the medium term, I suggest we make the data available on a quarterly basis, in tandem with quarterly IPS data which, unlike the monthly data, provides a breakdown of Accession State arrivals by nationality. The accession data for the period July – September 2004, would then be published in early November. I think we should continue this arrangement for as long as there appears to be public interest, but keep it under close review to avoid sustaining the story unnecessarily.

I envisage that the first publication will contain May and June data, drawn from the Worker Registration Scheme, the number of benefits claimants (for Job

CONFIDENTIAL

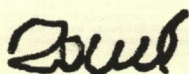


CONFIDENTIAL

Seekers' Allowance, Income Support, State Pension Credit, tax credit, child benefit, housing benefit) and applications for National Insurance numbers. We will also be able to publish May data on the number of applicants for social housing and homelessness assistance from the eight Accession States. Subsequent publications should also contain additional sampling data from NHS Trusts and Local Education Authorities, which is taking longer to come on stream.

If you agree, we will announce the publication in the normal way, with a written ministerial statement and a co-ordinated press notice.

Best wishes,

A handwritten signature in black ink, appearing to read 'David Blunkett', written in a cursive style.

DAVID BLUNKETT

CONFIDENTIAL



**SUBJECT  
MASTER  
Filed:**

**CONFIDENTIAL**



**10 DOWNING STREET  
LONDON SW1A 2AA**

file  
bc ML  
SW  
JP  
IR

From the Assistant Private Secretary

16 June 2004

Dear Geoffrey,

**CONSTITUTIONAL TREATY: PM'S CONVERSATION WITH AHERN,  
16 JUNE**

The Prime Minister spoke to Bertie Ahern on 16 June. Their discussion of the Commission President is recorded separately.

On tax, the Prime Minister mentioned the five areas of potential concern (Common Commercial Policy, Energy, Justice and Home Affairs, Public Health and Research and Development). He had to be clear that there could be no direct or indirect tax impact in these areas. The easiest way to address this was a general tax carve out. If this was not possible, we would need amendments to the individual articles. Ahern thought the carve out would be difficult, but he would look at the specific articles.

Ahern said that a compromise proposal on the Charter would issue later on 16 June. It would include reference to the explanations within the Treaty text. The Prime Minister said we would need absolute clarity on the status of the explanations.

Ahern said a further compromise proposal was issue on Economic Co-ordination which would make clear that Member States would co-ordinate their policies, and that the Union's role was to provide a framework. The Prime Minister said we would look at the proposal.

Ahern said he had tried everything to get a reference to Christianity but the French were adamantly opposed.

On Criminal Procedural Law, the Prime Minister said we needed a small change in the language setting out when a Member State can pull the Emergency

**CONFIDENTIAL**

Sm



CONFIDENTIAL

- 2 -

Brake in Article III-171. Ahern said he had received a drafting suggestion and would look at it.

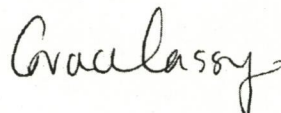
The Prime Minister sought drafting changes on Eurogroup powers: at the moment, the draft of Article III-88 would allow the Eurozone to change the debt and deficit criteria for Eurozone membership. This was unacceptable. Ahern undertook to look at our proposed changes.

On Eurojust, the Prime Minister said that our system, like the Irish, did not allow for the police to be given directions in how or whether they carry out investigations. And we did not want Eurojust's coordinating role to include pushing or dropping prosecutions in individual Member States.

On Data Protection, the Prime Minister said we needed a small change to the proposed declaration on data protection, to cross refer to existing secondary legislation.

I am copying this letter to Private Secretaries to members of the EP, Sir Andrew Turnbull and John Grant (UKREP Brussels).

Yours,



GRACE CASSY

Geoffrey Adams, FCO

CONFIDENTIAL



THE	
NATIONAL	
ARCHIVES	

DEPARTMENT/SERIES .....PREM69..... PIECE/ITEM .....4048/1..... (one piece/item number)	Date and sign
Extract details: letter dated 16 June 2004	
CLOSED UNDER FOI EXEMPTION .....27(1), 40(2).....	8 30/9/24
RETAINED UNDER SECTION 3(4) OF THE PUBLIC RECORDS ACT 1958	
TEMPORARILY RETAINED	
MISSING AT TRANSFER	
NUMBER NOT USED	
MISSING (TNA USE ONLY)	
DOCUMENT PUT IN PLACE (TNA USE ONLY)	



### **Instructions for completion of Dummy Card**

Use black or blue pen to complete form.

Use the card for one piece or for each extract removed from a different place within a piece.

Enter the department and series,  
eg. HO 405, J 82.

Enter the piece and item references, .  
eg. 28, 1079, 84/1, 107/3

Enter extract details if it is an extract rather than a whole piece.  
This should be an indication of what the extract is,  
eg. Folio 28, Indictment 840079, E107, Letter dated 22/11/1995.  
Do not enter details of why the extract is sensitive.

If closed under the FOI Act, enter the FOI exemption numbers applying to the closure, eg. 27(1), 40(2).

Sign and date next to the reason why the record is not available to the public ie. Closed under FOI exemption; Retained under section 3(4) of the Public Records Act 1958; Temporarily retained; Missing at transfer  
or Number not used.



RESTRICTED

**From: Stephen Wall**

**Date: 16 June 2004**

**PRIME MINISTER**

**cc: Jonathan Powell  
Sally Morgan  
Ivan Rogers  
David Hill  
Roger Liddle  
Matthew Rycroft  
John Grant  
Katrina Williams**

**CONSTITUTIONAL TREATY:  
YOUR CONVERSATION WITH BERTIE AHERN**

When you speak to Bertie Ahern we need the following to be able to do a deal on the Constitution:

Tax: Grateful for the (expected) deletion of Article III-62(2) as well as 63. But we also need it made explicit that tax measures in the following five areas can only be introduced by unanimous agreement of Member States

- Common Commercial Policy (Article III-217(4))
- Energy (Article III-157(2))
- Justice and Home Affairs (Addition to Article III-158, but relating to whole chapter)
- Public Health (Article III-179)
- Research and Development (Article III-149(4)).

This is best done by a general tax carve out. If not, amendments on the individual articles. We have given Irish officials drafting fixes.

RESTRICTED



Charter: We need absolute clarity on the status of the Explanations. Of the Presidency options, only Option 3 will work for us. Even a revised version of Option 2 would not be acceptable.

Economic Governance: We have looked for ways to compromise on this. Our preferred fix is now a change to Article I-11, to read:

*"The Member States shall co-ordinate their economic and employment policies within a framework for which the Union shall have competence to the extent laid down in Part III."*

Eurogroup powers: At the moment, the draft of Article III-88 would allow the Eurozone to change the debt and deficit criteria for Eurozone membership. Unacceptable for us, but resolved with a small drafting fix which excludes the paragraph in Article 76 which allows this:

*"1. In order to ensure the proper functioning of economic and monetary union, and in accordance with the relevant provisions of the Constitution, the Council shall, in accordance with the relevant procedure ~~from among those referred to envisaged in Articles III.71 and III.76~~ with the exception of III.76 (13), adopt measures specific to those Member States whose currency is the euro...."*

Criminal Procedural Law: We need a small change in the language setting out when a Member State can pull the Emergency Brake in Article III-171. Member State must be able to do this when "important aspects" of its legal system, rather than "fundamental principles" are at stake. Drafting:



*"Where a member of the Council considers that a draft European framework law as referred to in paragraph 2 would infringe important aspects of its legal system, it may request that the draft framework law be referred to the European Council."*

Eurojust: Our system, like the Irish, does not allow for the police to be given directions in how or whether they carry out investigations. And we do not like the implication that Eurojust's coordinating role could include pushing or dropping prosecutions in individual Member States. So we need two things:

- A declaration reading: *"The Conference considers that the European Laws referred to in Article 174(2) must be in conformity with the existing specific national rules and practices relating to the initiation of investigations."*
- An amendment to Article III-174(2)(b), to make it clear that Eurojust's tasks relate to *"the facilitation of the coordination of investigations and prosecutions"*

Data Protection: We need a small change to the proposed declaration on data protection, to cross refer to existing secondary legislation. This is important as the current legislation provides for necessary exemptions to data protection for national security, law and order and so on. The Declaration would therefore read:

*"The Conference stresses the importance of maintaining, in legislation adopted under Article I-50, the limitation on the scope of the legislation contained in*



RESTRICTED

- 4 -

*Directive 95/46/EC on the protection of individuals with regard to the processing personal data and on the free movement on such data."*

A handwritten signature in black ink, appearing to read 'S. Wall'.

**STEPHEN WALL**

RESTRICTED





DEPARTMENT/SERIES PREMAG ..... PIECE/ITEM ..... (one piece/item number) 4048/1	Date and sign
Extract details: Letter dated 15 June 2004	
CLOSED UNDER FOI EXEMPTION 27(1), 40(2)	830/9/24
RETAINED UNDER SECTION 3(4) OF THE PUBLIC RECORDS ACT 1958	
TEMPORARILY RETAINED	
MISSING AT TRANSFER	
NUMBER NOT USED	
MISSING (TNA USE ONLY)	
DOCUMENT PUT IN PLACE (TNA USE ONLY)	



### **Instructions for completion of Dummy Card**

Use black or blue pen to complete form.

Use the card for one piece or for each extract removed from a different place within a piece.

Enter the department and series,  
eg. HO 405, J 82.

Enter the piece and item references, .  
eg. 28, 1079, 84/1, 107/3

Enter extract details if it is an extract rather than a whole piece.  
This should be an indication of what the extract is,  
eg. Folio 28, Indictment 840079, E107, Letter dated 22/11/1995.  
Do not enter details of why the extract is sensitive.

If closed under the FOI Act, enter the FOI exemption numbers applying to the closure, eg. 27(1), 40(2).

Sign and date next to the reason why the record is not available to the public ie. Closed under FOI exemption; Retained under section 3(4) of the Public Records Act 1958; Temporarily retained; Missing at transfer  
or Number not used.







Please find enclosed a letter from the Croatian  
Embassy, which received a faxed version from  
the Prime Minister of Croatia. Sent to us for handling.



Foreign &  
Commonwealth  
Office

London SW1A 2AL

Telephone: 071-270

0207 008 1840

Thank you.

Kind regards.

Pippa Steele  
EAD.

Pippa Steele  
Eastern Adriatic Unit  
With Compliments



GOVERNMENT OF THE REPUBLIC OF CROATIA  
PRIME MINISTER

Zagreb, June 10, 2004

Dear Colleague,

Dear Tony!

At its meeting on 17/18 June 2004, the European Council will address the most important issue of the future European Constitution. We sincerely hope that the member States will adopt the compromise proposal, thus strengthening the effectiveness and the functioning of the enlarged European Union.

In this context, the forthcoming launching of the EU accession process for the Republic of Croatia is of paramount importance, as it signals the continuation of the enlargement process – a major project which generations have dreamed of and worked for. Indeed, the Croatian Government and I personally have confidence that the European Council will take decisions on granting Croatia the candidate status and on setting the date to begin the accession negotiations in early 2005. This long-awaited step has historic implications for my country, the Croatian people and all the citizens of Croatia.


While I wish to thank you most sincerely for the support of the United Kingdom of Great Britain and Northern Ireland and you personally have given to our application thus far, I am convinced that you will equally advocate a positive decision when you and your colleagues meet for the first time around the enlarged table of the European Council next week in Brussels. On our part, I wish to re-assure you that Croatia shall act as a genuine partner of the European Union, and that it will seriously prepare itself for the forthcoming negotiations.

It is my strong belief that such course of action would reinforce the remarkable reform dynamics achieved in Croatia. Also, this decision will send a clear signal of encouragement to the countries of South East Europe to pursue their own EU integration efforts, which undoubtedly will have a stabilizing effect. In this context, Croatia will remain committed to strengthen regional cooperation.

Thanking you once again for your generous support, I wish to extend my most friendly greetings,

Yours sincerely,

Prime Minister of the Republic of Croatia



Dr. Ivo Sanader

H. E. Tony Blair  
Prime Minister of the  
United Kingdom of Great Britain  
and Northern Ireland





(F) Keg  
CC JR

for  
MATRIX  
pls

## Home Office

The Private Secretary to the Home Secretary

7 May 2004

Dear Kate

### EU Free Movement of Workers: Monitoring

Thank you for your letter of 13 April, setting out your requirements for weekly monitoring of Accession state nationals' activity from 1 May. I enclose the first of such reports, and suggest that we review this arrangement at the end of May.

You asked whether the Home Office Research Development & Statistics Department could lead on an internal study, to assess the impact of the free movement of workers concession on the UK labour market. Home Office officials are currently working with DWP and other Government Departments to establish the best way to carry this out, and a proposal will be with Ministers shortly.

I am copying this letter to the Private Secretaries of the Deputy Prime Minister, the Lord Chancellor, the Chief Secretary, the Secretary of State for Work and Pensions, the Secretary of State for Education and the Secretary of State for Health.

Yours  
Alida

NICOLA THOMAS





# Home Office

## Immigration and Nationality Directorate

### A8 Monitoring Report - Week 1 (1 to 5 MAY 2004)

#### Key Data

- By the end of Wednesday 5 May, 300 applications to the Worker Registration Scheme had been received by the payment processing centre, of which 91 had been forwarded to by the Worker Registration casework team.
- No claims were received for tax-funded income related benefits or National Insurance Number allocations.
- There were 88 applications for Child Benefit, mainly from Poland (31.8%), Lithuania (27.3%) and the Czech Republic (27.3%).

#### Key Intelligence - Bank holiday weekend

- Impressions from ports over the weekend did not indicate any significant increase in the numbers arriving over the Bank Holiday weekend, although there was evidence of some increase in the volume of coach traffic arriving at sea ports. A number of new services have been introduced by 'No Frills Carriers' from Accession 8 countries to the UK over the past 8 – 12 months.
- The majority of those arriving appear to be Polish, male and single. There were no reports of queues or any major incidents.

#### International Passenger Survey Data

- On Friday 7 May the ONS is publishing International Passenger Survey for EU 25 nationals during the first quarter of 2004. It shows that the number of visits by A8 nationals in the first quarter of 2004 increased by 45%, from 132,000 in 2003 to 192,000 in 2004. The most notable increase was for Hungary: 40,000 arrivals compared with 17,000 the year earlier.
- NB: The data refers to visits for all purposes, including holidays, visits to friends and relatives, business, study and migration. In 2003 86% of nationals from the accession countries who were leaving the UK had stayed less than 28 days.



## WEEK 1: 1<sup>st</sup> to 5<sup>th</sup> MAY 2004

Please note: weekly reports will show figures running from Thursday to Wednesday (inclusive). Information for the first week only reflects the first 2 working days since Accession. This report will ordinarily include data on the number of tax credit claimants; the ratio of male to female applicants to the Worker Registration Scheme; the region where applicants are working; and number of applicants re-registering for new employment.

### Worker Registration Scheme

Data collated on A8 nationals applying to the Worker Registration Scheme:

Total applications received by the payments team = **300**

Total applications received by the caseworking team = **91**

Total applications received by the caseworking team and decided = **20**

Total number of dependants = **3** (1 aged 17 or over, 2 aged 16 or under)

### Note

The number of processed applications is much lower than the number of applications received by the casework team because:

- No applications were received by the casework team from the payment processing centre until Wednesday morning. The tables only give data for cases processed by the end of Wednesday 05 May;
- Some of the applications received by the casework team had yet to be decided due to (e.g.) incomplete forms, wrong information or non-payment. Additionally, we would expect the processing to be a little slow on the first working day.

### Processed Applications

#### All applicants – Nationality

Nationality	Approved	Exempt <sup>1</sup>	Total
Czech Republic	5	0	5
Estonia	0	0	0
Hungary	0	0	0
Latvia	0	0	0
Lithuania	3	0	3
Poland	7	2	9
Slovakia	3	0	3
Slovenia	0	0	0
<b>Grand Total</b>	<b>18</b>	<b>2</b>	<b>20</b>

<sup>1</sup> Under the Accession Regulations, certain categories of A8 national are exempt from the requirement to register, e.g. dual nationals.



All applicants – Sector (Top 5)

Industry	Approved	Exempt	Total
Admin, Bus & Man	4	0	4
Agriculture	4	0	4
Hospitality & Catering	3	0	3
Manufacturing	3	0	3
Retail & Related	1	2	3
<b>Total (5)</b>	<b>15</b>	<b>2</b>	<b>17</b>
<b>Total (other)</b>	<b>3</b>	<b>0</b>	<b>3</b>
<b>Grand Total (All)</b>	<b>18</b>	<b>2</b>	<b>20</b>

All applicants – Occupation

Occupation	Approved	Exempt	Total
Accountant	1	0	1
Chef (NVQ2 & below)	1	0	1
Civil/Structural Engineer	1	0	1
Cleaner of premises	1	0	1
Electrical	1	0	1
Farm worker	1	0	1
Fashion (retail)	0	1	1
Manager	0	1	1
Legal (other)	1	0	1
Agricultural (other)	3	0	3
Financial (other)	1	0	1
Process Operatives (manufacturing)	1	0	1
Production (manufacturing)	1	0	1
Receptionist	3	0	3
Waiter/Waitress	1	0	1
Not supplied	1	0	1
<b>Grand Total (All)</b>	<b>18</b>	<b>2</b>	<b>20</b>

All applicants – Hours worked

Date	Approved	Exempt	Total
Less than 16 hours	2	0	2
16 hours or more	16	2	18
<b>Grand Total</b>	<b>18</b>	<b>2</b>	<b>20</b>

All applicants – Date last entered UK

Date	Approved	Exempt	Total
2003	3	1	4
Jan – April 2004	12	1	13
May 2004	0	0	0
No date given	3	0	3
<b>Grand Total</b>	<b>18</b>	<b>2</b>	<b>20</b>



All applicants – Age

Age range	Approved	Exempt	Total
Under 18	0	0	0
18-24	4	1	5
25-34	10	1	11
35-44	3	0	3
45-54	1	0	1
55-64	0	0	0
65 +	0	0	0
<b>Grand Total</b>	<b>18</b>	<b>2</b>	<b>20</b>

Enquiries to the Immigration and Nationality Enquiry Bureau (INEB)

Telephone enquiries for WRS application forms

	Number of requests for WRS forms	Percentage of total requests for IND forms
<b>27 April</b>	129	14%
<b>28 April</b>	35	5%
<b>29 April</b>	28	4%
<b>30 April</b>	122	22%
<b>1 May</b>	Weekend	Weekend
<b>2 May</b>	Weekend	Weekend
<b>3 May</b>	Bank Holiday	Bank Holiday
<b>4 May</b>	0	0%
<b>5 May</b>	72	7%
<b>TOTAL</b>	<b>386</b>	<b>8.7% (Ave)</b>

Note: data taken from 27<sup>th</sup> April onwards, as this reflects the date that WRS form was made available to the public.

Applications for tax-funded income related benefits & National Insurance No.s

Tax-funded income-related benefits are: Income Support, income-based Jobseeker's Allowance and state Pension Credit.

These figures are collated from a clerical return.

Total number of claims made = 0

Total number of decisions made = 0



Applications for tax-funded income related benefits - Nationality

	Poland	Czech R	Estonia	Hungary	Latvia	Lithuania	Slovakia	Slovenia
Decisions made on claims to <b>Income Support</b>	0	0	0	0	0	0	0	0
Decisions made on claims to income- based <b>Jobseeker's Allowance</b>	0	0	0	0	0	0	0	0
Decisions made on claims to <b>State Pension Credit</b>	0	0	0	0	0	0	0	0
As a sub-set the numbers making a claim for benefits <b>working part time</b> i.e. less than 16 hours	0	0	0	0	0	0	0	0
<b>Total claims disallowed</b> on the right to reside and the habitual resident test	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Total claims allowed</b> to proceed for further processing	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Applications for tax-funded income related benefits – Region

<b>A8 benefit applications by region</b>	<b>Eligible Following Decisions Made on the RTR and HRT</b>	<b>Not eligible Following Decisions Made on the RTR and HRT</b>
London	0	0
South East	0	0
South	0	0
South West	0	0
Midlands	0	0
North East	0	0
North West	0	0
Wales	0	0
Scotland	0	0
Northern Ireland	0	0
<b>Total</b>	<b>Nil</b>	<b>Nil</b>

RTR = right to reside

HRT = habitual residence test

Note

This data shows how many A8 nationals claiming benefits are deemed to have the right to reside and are habitually resident and would be therefore eligible to receive income-related tax benefits.



### Applications for National Insurance Numbers (NINOs)

Male/Female ratio: n/a

<b>A8 applicants by country</b>	<b>Request for NINo for employment purposes</b>	<b>Request for NINo for benefit purposes</b>	<b>Allocated</b>	<b>Refused</b>
Czech Republic	0	0	0	0
Estonia	0	0	0	0
Hungary	0	0	0	0
Latvia	0	0	0	0
Lithuania	0	0	0	0
Poland	0	0	0	0
Slovakia	0	0	0	0
Slovenia	0	0	0	0
<b>Total</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>

### NINo applications - Region

<b>A8 applicants by region</b>	<b>Allocated</b>	<b>Refused</b>	<b>Total</b>
London	0	0	0
South East	0	0	0
South	0	0	0
South West	0	0	0
Midlands	0	0	0
North East	0	0	0
North West	0	0	0
Wales	0	0	0
Scotland	0	0	0
Northern Ireland	0	0	0
<b>Total</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>

### NINo applications - Age

<b>A8 applicants by age</b>	<b>Eligible</b>	<b>Not eligible</b>	<b>Total</b>
under 18	0	0	0
18-24	0	0	0
25-34	0	0	0
35-44	0	0	0
45-54	0	0	0
55-64	0	0	0
65+	0	0	0
<b>TOTAL</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>



### Applications for Child Benefit and Tax Credits

#### Applications for Child Benefit for week 1 May to 5 May 2004

<b>A8 applicants by country</b>	<b>Received</b>	<b>Approved</b>	<b>Rejected</b>	<b>Terminated</b>
Czech Republic	24	1	-	-
Estonia	1	-	-	-
Hungary	3	-	-	-
Latvia	5	-	-	-
Lithuania	24	-	-	-
Poland	28	-	-	-
Slovakia	3	-	-	-
Slovenia	-	-	-	-
<b>Total</b>	<b>88</b>	<b>1</b>	<b>Nil</b>	<b>Nil</b>

#### Applications for Child Benefit for week 26 April to 30 April 2004

<b>A8 applicants by country</b>	<b>Received</b>	<b>Approved</b>	<b>Rejected</b>	<b>Terminated</b>
Czech Republic	5	1	-	-
Estonia	1	-	-	-
Hungary	1	-	-	-
Latvia	-	-	-	-
Lithuania	9	-	-	-
Poland	16	1	-	-
Slovakia	1	-	-	-
Slovenia	-	-	-	-
<b>Total</b>	<b>33</b>	<b>2</b>	<b>Nil</b>	<b>Nil</b>

### Tax Credits

Data for applications for tax credit is not yet available but will be included in future weekly reports.

### Please note

Data on social housing, International Passenger Survey and a full breakdown of data from the Worker Registration Scheme will be available on a monthly basis.



*file*  
*EU: Enlargement*

**From: Kate Gross**

**Date: 7 May 2004**

**PRIME MINISTER**

**IR, JPo, JSW, DH, GS,  
BW, SM, CS, JR, Michael  
Barber**

## **EU FMOW: MONITORING**

I attach the first weekly report monitoring the impact of EU Free Movement of Workers. Thus far, no evidence of a major influx from the A-8 countries.

Headlines:

- The **workers registration scheme** had received 500 applications by close of play yesterday. We don't have enough data to make robust judgements yet, but of the 20 applications so far processed, most were Slovakian, Polish or Czech, aged between 25-34, and were seeking work as administrators, or in the agricultural, manufacturing, or hospitality industries. 3 dependents were reported (of which 2 under 16). All the applications processed were from people already in the country before 1 May. This tallies with our expectation that the registration scheme would encourage regularisation of those already here.
- There have been **no attempted applications for out-of-work benefits (JSA, income support etc) from A-8 nationals** so far.
- **88 A-8 nationals have applied for Child Benefit.** These people are all in work, and Inland Revenue think a high proportion of them were already here, working, and claiming child benefit before 1 May, but only show up now that we are doing nationality-based monitoring of benefits claims.
- Intelligence suggests that there hasn't been an increase in A-8 traffic entering the UK via our **airports** (though the number of no frills flights to and from the A-8 has increased), but that there has been an increase in coach traffic arriving through our **sea-ports**.
- Most arrivals are **young single males, and Poles are the biggest category**, but there have also been some family groups arriving, of whom some may be Roma.



- ONS have just published Q1 figures for the International Passenger Survey, showing a **45% increase in arrivals from A-8 nationals pre- 1 May**. However, the majority of these people are likely to be short-term visitors - last year 83% of A-8 nationals questioned left the country after 28 days.

Kate Gross

**KATE GROSS**





## Home Office

The Private Secretary to the Home Secretary

7 May 2004

Dear Kate

### **EU Free Movement of Workers: Monitoring**

Thank you for your letter of 13 April, setting out your requirements for weekly monitoring of Accession state nationals' activity from 1 May. I enclose the first of such reports, and suggest that we review this arrangement at the end of May.

You asked whether the Home Office Research Development & Statistics Department could lead on an internal study, to assess the impact of the free movement of workers concession on the UK labour market. Home Office officials are currently working with DWP and other Government Departments to establish the best way to carry this out, and a proposal will be with Ministers shortly.

I am copying this letter to the Private Secretaries of the Deputy Prime Minister, the Lord Chancellor, the Chief Secretary, the Secretary of State for Work and Pensions, the Secretary of State for Education and the Secretary of State for Health.

Yours  
Alida

**NICOLA THOMAS**





## Home Office

### Immigration and Nationality Directorate

#### A8 Monitoring Report - Week 1 (1 to 5 MAY 2004)

##### Key Data

- By the end of Wednesday 5 May, 300 applications to the Worker Registration Scheme had been received by the payment processing centre, of which 91 had been forwarded to by the Worker Registration casework team.
- No claims were received for tax-funded income related benefits or National Insurance Number allocations.
- There were 88 applications for Child Benefit, mainly from Poland (31.8%), Lithuania (27.3%) and the Czech Republic (27.3%).

##### Key Intelligence - Bank holiday weekend

- Impressions from ports over the weekend did not indicate any significant increase in the numbers arriving over the Bank Holiday weekend, although there was evidence of some increase in the volume of coach traffic arriving at sea ports. A number of new services have been introduced by 'No Frills Carriers' from Accession 8 countries to the UK over the past 8 - 12 months.
- The majority of those arriving appear to be Polish, male and single. There were no reports of queues or any major incidents.

##### International Passenger Survey Data

- On Friday 7 May the ONS is publishing International Passenger Survey for EU 25 nationals during the first quarter of 2004. It shows that the number of visits by A8 nationals in the first quarter of 2004 increased by 45%, from 132,000 in 2003 to 192,000 in 2004. The most notable increase was for Hungary: 40,000 arrivals compared with 17,000 the year earlier.
- NB: The data refers to visits for all purposes, including holidays, visits to friends and relatives, business, study and migration. In 2003 86% of nationals from the accession countries who were leaving the UK had stayed less than 28 days.



## RESTRICTED

### WEEK 1: 1<sup>st</sup> to 5<sup>th</sup> MAY 2004

Please note: weekly reports will show figures running from Thursday to Wednesday (inclusive). Information for the first week only reflects the first 2 working days since Accession. This report will ordinarily include data on the number of tax credit claimants; the ratio of male to female applicants to the Worker Registration Scheme; the region where applicants are working; and number of applicants re-registering for new employment.

#### Worker Registration Scheme

Data collated on A8 nationals applying to the Worker Registration Scheme:

Total applications received by the payments team = 300

Total applications received by the caseworking team = 91

Total applications received by the caseworking team and decided = 20

Total number of dependants = 3 (1 aged 17 or over, 2 aged 16 or under)

#### Note

The number of processed applications is much lower than the number of applications received by the casework team because:

- No applications were received by the casework team from the payment processing centre until Wednesday morning. The tables only give data for cases processed by the end of Wednesday 05 May;
- Some of the applications received by the casework team had yet to be decided due to (e.g.) incomplete forms, wrong information or non-payment. Additionally, we would expect the processing to be a little slow on the first working day.

#### Processed Applications

##### All applicants – Nationality

Nationality	Approved	Exempt <sup>1</sup>	Total
Czech Republic	5	0	5
Estonia	0	0	0
Hungary	0	0	0
Latvia	0	0	0
Lithuania	3	0	3
Poland	7	2	9
Slovakia	3	0	3
Slovenia	0	0	0
<b>Grand Total</b>	<b>18</b>	<b>2</b>	<b>20</b>

<sup>1</sup> Under the Accession Regulations, certain categories of A8 national are exempt from the requirement to register, e.g. dual nationals.



# RESTRICTED

## All applicants – Sector (Top 5)

Industry	Approved	Exempt	Total
Admin, Bus & Man	4	0	4
Agriculture	4	0	4
Hospitality & Catering	3	0	3
Manufacturing	3	0	3
Retail & Related	1	2	3
<b>Total (5)</b>	<b>15</b>	<b>2</b>	<b>17</b>
<b>Total (other)</b>	<b>3</b>	<b>0</b>	<b>3</b>
<b>Grand Total (All)</b>	<b>18</b>	<b>2</b>	<b>20</b>

## All applicants – Occupation

Occupation	Approved	Exempt	Total
Accountant	1	0	1
Chef (NVQ2 & below)	1	0	1
Civil/Structural Engineer	1	0	1
Cleaner of premises	1	0	1
Electrical	1	0	1
Farm worker	1	0	1
Fashion (retail)	0	1	1
Manager	0	1	1
Legal (other)	1	0	1
Agricultural (other)	3	0	3
Financial (other)	1	0	1
Process Operatives (manufacturing)	1	0	1
Production (manufacturing)	1	0	1
Receptionist	3	0	3
Waiter/Waitress	1	0	1
Not supplied	1	0	1
<b>Grand Total (All)</b>	<b>18</b>	<b>2</b>	<b>20</b>

## All applicants – Hours worked

Date	Approved	Exempt	Total
Less than 16 hours	2	0	2
16 hours or more	16	2	18
<b>Grand Total</b>	<b>18</b>	<b>2</b>	<b>20</b>

## All applicants – Date last entered UK

Date	Approved	Exempt	Total
2003	3	1	4
Jan – April 2004	12	1	13
May 2004	0	0	0
No date given	3	0	3
<b>Grand Total</b>	<b>18</b>	<b>2</b>	<b>20</b>



## RESTRICTED

### All applicants – Age

Age range	Approved	Exempt	Total
Under 18	0	0	0
18-24	4	1	5
25-34	10	1	11
35-44	3	0	3
45-54	1	0	1
55-64	0	0	0
65 +	0	0	0
<b>Grand Total</b>	<b>18</b>	<b>2</b>	<b>20</b>

### Enquiries to the Immigration and Nationality Enquiry Bureau (INEB)

#### Telephone enquiries for WRS application forms

	Number of requests for WRS forms	Percentage of total requests for IND forms
<b>27 April</b>	129	14%
<b>28 April</b>	35	5%
<b>29 April</b>	28	4%
<b>30 April</b>	122	22%
<b>1 May</b>	Weekend	Weekend
<b>2 May</b>	Weekend	Weekend
<b>3 May</b>	Bank Holiday	Bank Holiday
<b>4 May</b>	0	0%
<b>5 May</b>	72	7%
<b>TOTAL</b>	<b>386</b>	<b>8.7% (Ave)</b>

Note: data taken from 27<sup>th</sup> April onwards, as this reflects the date that WRS form was made available to the public.

### Applications for tax-funded income related benefits & National Insurance No.s

Tax-funded income-related benefits are: Income Support, income-based Jobseeker's Allowance and state Pension Credit.

These figures are collated from a clerical return.

Total number of claims made = 0

Total number of decisions made = 0



# RESTRICTED

## Applications for tax-funded income related benefits - Nationality

	Poland	Czech R	Estonia	Hungary	Latvia	Lithuania	Slovakia	Slovenia
Decisions made on claims to <b>Income Support</b>	0	0	0	0	0	0	0	0
Decisions made on claims to income- based <b>Jobseeker's Allowance</b>	0	0	0	0	0	0	0	0
Decisions made on claims to <b>State Pension Credit</b>	0	0	0	0	0	0	0	0
As a sub-set the numbers making a claim for benefits <b>working part time</b> i.e. less than 16 hours	0	0	0	0	0	0	0	0
<b>Total claims disallowed</b> on the right to reside and the habitual resident test	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Total claims allowed</b> to procede for further processing	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

## Applications for tax-funded income related benefits – Region

<b>A8 benefit applications by region</b>	<b>Eligible Following Decisions Made on the RTR and HRT</b>	<b>Not eligible Following Decisions Made on the RTR and HRT</b>
London	0	0
South East	0	0
South	0	0
South West	0	0
Midlands	0	0
North East	0	0
North West	0	0
Wales	0	0
Scotland	0	0
Northern Ireland	0	0
<b>Total</b>	<b>Nil</b>	<b>Nil</b>

RTR = right to reside

HRT = habitual residence test

### Note

This data shows how many A8 nationals claiming benefits are deemed to have the right to reside and are habitually resident and would be therefore eligible to receive income-related tax benefits.



# RESTRICTED

## Applications for National Insurance Numbers (NINOs)

Male/Female ratio: n/a

A8 applicants by country	Request for NINo for employment purposes	Request for NINo for benefit purposes	Allocated	Refused
Czech Republic	0	0	0	0
Estonia	0	0	0	0
Hungary	0	0	0	0
Latvia	0	0	0	0
Lithuania	0	0	0	0
Poland	0	0	0	0
Slovakia	0	0	0	0
Slovenia	0	0	0	0
<b>Total</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>

## NINo applications - Region

A8 applicants by region	Allocated	Refused	Total
London	0	0	0
South East	0	0	0
South	0	0	0
South West	0	0	0
Midlands	0	0	0
North East	0	0	0
North West	0	0	0
Wales	0	0	0
Scotland	0	0	0
Northern Ireland	0	0	0
<b>Total</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>

## NINo applications - Age

A8 applicants by age	Eligible	Not eligible	Total
under 18	0	0	0
18-24	0	0	0
25-34	0	0	0
35-44	0	0	0
45-54	0	0	0
55-64	0	0	0
65+	0	0	0
<b>TOTAL</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>



RESTRICTED

**Applications for Child Benefit and Tax Credits**

Applications for Child Benefit for week 1 May to 5 May 2004

<b>A8 applicants by country</b>	<b>Received</b>	<b>Approved</b>	<b>Rejected</b>	<b>Terminated</b>
Czech Republic	24	1	-	-
Estonia	1	-	-	-
Hungary	3	-	-	-
Latvia	5	-	-	-
Lithuania	24	-	-	-
Poland	28	-	-	-
Slovakia	3	-	-	-
Slovenia	-	-	-	-
<b>Total</b>	<b>88</b>	<b>1</b>	<b>Nil</b>	<b>Nil</b>

Applications for Child Benefit for week 26 April to 30 April 2004

<b>A8 applicants by country</b>	<b>Received</b>	<b>Approved</b>	<b>Rejected</b>	<b>Terminated</b>
Czech Republic	5	1	-	-
Estonia	1	-	-	-
Hungary	1	-	-	-
Latvia	-	-	-	-
Lithuania	9	-	-	-
Poland	16	1	-	-
Slovakia	1	-	-	-
Slovenia	-	-	-	-
<b>Total</b>	<b>33</b>	<b>2</b>	<b>Nil</b>	<b>Nil</b>

**Tax Credits**

Data for applications for tax credit is not yet available but will be included in future weekly reports.

**Please note**

Data on social housing, International Passenger Survey and a full breakdown of data from the Worker Registration Scheme will be available on a monthly basis.



file

**From:** Kate Gross  
**Date:** 30 April 2004

**PRIME MINISTER**

**cc:** Ivan Rogers  
Jonathan Powell  
Justin Russell  
Stephen Wall  
Matthew Rycroft  
Sally Morgan  
David Hill  
Steve Morris  
Ben Wilson

#### **EU ENLARGEMENT: FREE MOVEMENT UPDATE**

An update from the Immigration Service and from FCO posts in the A-8 countries on likely movements post 1 May, and our arrangements for monitoring movements over the bank holiday weekend. **No intelligence to suggest major movements e.g. of Roma, but increased availability of cheap travel and lots of interest in coming to work in the UK suggests that significant numbers may be on their way from this weekend.**

##### **Intelligence from ports**

IS did a sampling exercise at Dover between 18/04/04 and 24/04/04 to get a baseline figure of A-8 nationals arriving in the UK pre-enlargement. They recorded 3181 arrivals, 65% of whom were Poles, 19% from Slovakia, Slovenia or the Czech Republic, and 7% from the Baltic states. This is broadly the same as the figures arriving this time last year. So the trend is steady, though IND intelligence reported an increase in Poles saying they wanted to come and work in the UK about a month ago, because they thought there would be more job opportunities before May 1. These people were refused entry and arrival numbers have been normal since then.

##### **Intelligence from posts**

BE Tallinn, BE Riga, BE Warsaw and BE Budapest all report an increase in the number of enquiries received over work opportunities in the UK. For example, BE Budapest has received around 250 calls a week from people enquiring about work in the UK: steady over the last 2 months but an increase since we announced we were opening our labour market. Of 250 calls this month, 6 related to accessing benefits and 6 were from Roma. A survey in the Czech



Republic showed that the UK was the 3<sup>rd</sup> choice destination in the EU with 8% wanting to come and visit/work here, compared to 16% to Germany, 11% to Austria and 7% to France.

All posts have reported that A-8 airlines and coach services have increased the number of services they are offering to the UK and other EU countries. For example, one Polish coach company has increased its service to the UK from 8 to 30 coaches a week from 1 May. And the Polish budget airline Sky Europe will operate a new daily flight to Stanstead for just £14. But it's worth noting that routes are being opened up and expanded not just to the UK but to all other European capitals, and within the A-8 countries themselves. Our airlines are also offering increased services to the A-8 at knock-down prices so the traffic is far from one-way. More frequent services and lower costs of air travel are an effect of de-regulation of the airline industry as the EU acquis comes into force in the new MS, and don't necessarily represent increased demand to travel to the UK or elsewhere. Indeed, our posts are reporting that tickets remain available on many routes, contrary to the reports in this week's press.

None of our posts have any evidence that Roma communities are likely to move to the UK. Last week the Czech DPM gave a seminar for Roma leaders, at which our Ambassador explained our new rules on benefits and housing. The IOM poster campaign (attached) has been running in the Czech Republic and Slovakia since 23 April. Media reporting in the A-8 countries seems to have been pretty factual – the workers registration scheme and our new rules on benefits and services have got good press.

#### **Bank holiday monitoring**

You will get daily reports over the bank holiday weekend amalgamating intelligence/sit reps from air and sea ports, and intelligence from posts. These will be sent to No 10 at 10am on Sunday, Monday and Tuesday, reporting activity from the previous day. They will report suspicious activity, major arrivals, and give sample numbers of A-8 arrivals compared to a baseline last year. IND will have staff on duty all weekend.

#### **IS handling of A-8 arrivals**

You wanted to explore whether IS staff could question A-8 arrivals on the basis of their intentions in the UK. I have discussed this with Bill Jeffery and HO/Cabinet Office lawyers (I attach the legal advice they have given). There is very limited scope for either questioning A-8 arrivals about their intentions or refusing them leave to enter for a number of reasons:



- (i) A-8 nationals will pass through the EU channel along with our own nationals and those of the existing EU15. Singling A-8 nationals out for questioning on the basis of their appearance would fall foul of race relations legislation.
- (ii) We have only very limited grounds for refusing EU nationals leave to enter (threat to public order, previous abuse of Treaty rights etc), because they have a general right to free movement under the EU Treaty. It is true that they have to be self-sufficient (and intend to work, in the UK's case) in order to exercise these rights, but the threshold for proving this is very low (i.e. if they have bought an air ticket this is probably enough to demonstrate self-sufficiency). In essence, the self-sufficiency test is decided in-country rather than at port, with people falling foul of it if they try to claim benefits or housing.
- (iii) If we did try and refuse someone it would be open to them to turn around 5 minutes later, say they intended to exercise their Treaty rights as a worker or visitor, and we would have no grounds for refusing them a second time.

We are, however, entitled to check documents for all EU-nationals. This used to be a 'schengen wave' of the passport as someone passed through immigration control. But IND have recently stepped up checks on all incoming traffic, and are manually handling nearly all EU passports, and scanning some against the IS warnings index. IND propose to stop all coaches coming through our juxtaposed controls in Northern France/Belgium and manually check all passengers' documents for forgeries etc, and refuse entry to anyone on documents they consider to be suspect.

### **Regulations**

The full package providing for free movement of workers and tightening up our benefits and housing rules came into force at 2:30 this afternoon.

Kate Gross



**KATE GROSS**



Helena Hopkins

---

From: Kate Gross  
Sent: 30 April 2004 17:14  
To: Duty Clerks  
Subject: FW: Action at Ports

Importance: High

attachment to my note for PM on EU Enlargement, please

Kate

-----Original Message-----

From: Jeffrey Bill [mailto:Bill.Jeffrey@homeoffice.gsi.gov.uk]  
Sent: 30 April 2004 17:19  
To: 'kgross@no10.x.gsi.gov.uk'  
Subject: FW: Action at Ports  
Importance: High

> -----Original Message-----

> From: Noble David (LAB)  
> Sent: 30 April 2004 12:14  
> To: Jeffrey Bill  
> Subject: Action at Ports  
> Importance: High

> We spoke:

> A8 and A10 nationals will have Treaty rights too enter to visit "I'd like  
> to see Big Ben, visit my friends/relatives etc." and we have no powers  
> under the Treaty to prevent that unless there is evidence of previous  
> abuse of such rights or previous immigration and criminal history would  
> justify removal on public policy grounds.

> Under the Regulations we have put in place recently they have a right to  
> come to exercise their other limited Treaty rights to work (in accordance  
> with the worker registration scheme). Again an interference with those  
> rights will be unlawful unless there is substantial and clear evidence  
> that they have no intention nor capacity so to qualify.

> If we target people on the basis of their ethnicity (i.e. looking for  
> dark-skinned people passing through the channels with EU passports issued  
> by the A8 countries) for discriminatory treatment in terms of questioning  
> and delay of their right to enter without any separate and objective  
> evidential grounds for suspecting them of not being who their passport  
> says they are for example, that will be unlawful discrimination under the  
> terms of the Race Relations Act 1976 (as amended to give effect to the  
> Race Directive). Discrimination of that kind cannot be made lawful by  
> virtue of an authorisation under the Act.

> Insofar as I am aware of the German position - they have exercised their  
> derogation under the Accession Treaty differently from us and fully by  
> setting up a work permit scheme which prevents A8/10 nationals entering  
> Germany without a prior work permit so of course they will be able to stop  
> and ask these people as they cross the border "Are you intending to work?"  
> if they say "Yes" and have no work permit they can be sent back. This is  
> not the scheme we have introduced.

> I hope this helps.

> David

> Home number this weekend



> 0208 674 1476.  
>  
> David Noble  
> Deputy Legal Adviser  
> Home Office  
> 020 7273 2527  
>

\*\*\*\*\*  
This email and any files transmitted with it are private and intended  
solely for the use of the individual or entity to whom they are addressed.  
If you have received this email in error please return it to the address  
it came from telling them it is not for you and then delete it from your system.

This email message has been swept for computer viruses.

\*\*\*\*\*



**RESTRICTED**

**From: Matthew Rycroft**  
**Date: 30 April 2004**

**PRIME MINISTER**

**cc: Jonathan Powell**  
**Stephen Wall**  
**Nigel Sheinwald**  
**Ian Gleeson**

**DUBLIN**

The programme is:

1600 Saturday. Media interviews  
1630 Bilateral with Schröder  
1730 Ceremony  
1800 Reception  
1900 Dinner  
2030 Overnight at Clarence Hotel  
0845 Sunday. Bilateral with Ahern  
1000 Depart.

Schröder. The main purpose is to continue the conversation you started on the phone about the next Commission President. Note from Stephen attached. If possible, it would be good also to discuss:

- the IGC particularly JHA;
- Afghanistan to lobby Germany to do more on top of their PRT.
- Iraq to say we'll discuss the UNSCR with them shortly.
- Schroeder may ask you to attend a Renewables Conference he is hosting in Bonn on 3 June. A valuable initiative but diary pressures will prevent you attending.

**RESTRICTED**



RESTRICTED

- 2 -

No other bilaterals on Saturday, but the people to look out for include:

- (a) Zapatero. We are trying to nail down his visit to the UK. After his visits to Paris and Berlin, there is talk from the French of a new France/Germany/Spain trilateral axis.
- (b) Chirac. He told you on the phone that he wants to discuss IGC/JHA trilaterally. Also worth encouraging them to do more in Afghanistan.
- (c) Prime Minister Simeon Saxe Coburg of Bulgaria. He wants to meet you. He is worried that Bulgaria's progress towards the EU may be delayed by Romania. You can reassure him of our support. If he raises the Bulgarian medics detained in Libya, you can say we continue to press for their release.
- (d) Prime Minister Adrian Nastase of Romania. Now on the Security Council so important for the Iraq SCR.
- (e) President Alexander Kwasniewski of Poland. Look forward to next week's State Visit.
- (f) Prime Minister Leszek Miller of Poland. To say goodbye as he is standing down on Sunday. Marek Belka will succeed him.
- (g) Prime Minister Recep Tayip Erdogan of Turkey. Thank him for his constructive role on Cyprus.

RESTRICTED



RESTRICTED

- 3 -

With Bertie, it is mainly NI. But also worth talking through the IGC endgame and Commission President with him. Separate note from Stephen.

I am attaching a selection of Embassy reporting.

A handwritten signature in dark ink, appearing to read 'Matthew', with a short horizontal line underneath.

MATTHEW RYCROFT

RESTRICTED



RESTRICTED

JK



Foreign &  
Commonwealth  
Office

NS  
SW  
RL  
JP  
BUP  
Press (IC)

29 April 2004

London SW1A 2AH

Dear Matthew,

### EU Enlargement Celebrations in Dublin

The Prime Minister is attending the EU enlargement celebrations in Dublin on 1 May. There are no plans for a series of bilaterals, although the Prime Minister has agreed to meet Schroeder (possibly with Chirac also) and to have a brush-past with the Bulgarian Prime Minister Simeon. It would be good if he had time to speak briefly to Romanian Prime Minister Nastase and the Polish President and Prime Minister too.

There will be opportunities for the Prime Minister to get points across to his other EU and candidate country counterparts. Here, I would highlight messages on Cyprus, Iraq and Afghanistan, which could be used generally with his colleagues. I am writing separately with briefing for the Prime Minister's meeting with Bertie Ahern on 2 May.

#### Chancellor Schroeder

The main focus of the meeting with Schroeder will be the **IGC** and the **next Commission President**. The Prime Minister is familiar with both issues. On the IGC, Schroeder may want to hear in particular what progress we are making on putting together compromise proposals on JHA.

Following the last European Council, Schroeder announced in the press that the **next trilateral summit** would take place in September on JHA issues. We have taken the line that we have always said there would be further summits, but that a date and theme have not been set.

The Prime Minister should encourage Schroeder to commit additional resources to ISAF's expansion in **Afghanistan**. The Germans are supporting this through their existing PRT in Kunduz and through the deployment of Eurocorps. But they could be doing more (see below for further detail on Afghanistan).

In recent media reporting, Schroeder and his team have made a link between **tax dumping** by new member states and EC budget negotiations. Possible German ideas include minimum EU corporate and income tax rates. We do not accept the link and accession celebrations would seem an

RESTRICTED

1

SKP 29/4/04





inappropriate time to raise this. But if it does come up, the Prime Minister should aim to avoid any substantive discussion. We agree that the EC Budget needs to be targeted on EU priorities but favour fair tax competition and national decision-making on tax.

#### Prime Minister Simeon (and Prime Minister Nastase)

Completing **accession negotiations** this year is Bulgaria's prime objective. They are worried their prospects will be knocked off course by a combination of enlargement fatigue and concerns about Romania's readiness for membership (since their applications have been treated together). The Prime Minister will wish to reassure Simeon of our continuing support for Bulgarian membership. He will also wish to thank him for his sensitive handling of the recent **visa suspension** and express the hope that a full service can be restored shortly.

It is likely Simeon will raise the issue of **Bulgarian medics** detained in Libya. The Prime Minister can reassure him we continue to press for their release. Simeon may also touch on **Iraq**, where another Bulgarian soldier was killed on 23 April. The Prime Minister will wish to thank him for their continuing support. I enclose additional background on Bulgaria.

As well as speaking to Simeon, it would be good if the Prime Minister could thank **Romanian Prime Minister Nastase** for Romania's response on the visa issue. He can deliver broadly similar messages on Iraq, where the Romanians reaffirmed their determination to retain a significant presence to Geoff Hoon this week, and EU enlargement.

#### Polish Prime Minister and President

Kwasniewski will lead the Polish delegation. The Prime Minister will wish to say how much he is looking forward to his State Visit to London, which starts on Wednesday. But the Prime Minister may also wish to find a moment to speak to Miller, who steps down as Polish Prime Minister on Sunday.

#### Cyprus

Following the Greek Cypriot vote against a Cyprus settlement, the Prime Minister may wish to stress that the EU must now find practical ways to show its concern for the well-being of the Turkish Cypriots, anchoring them in Europe and squeezing out the advocates of recognition and permanent partition. Work on this has already started, but we need to sustain the momentum.





When speaking to **Erdogan**, the Prime Minister should recognise that his Cyprus policy has been a diplomatic triumph for Turkey, but stress the importance of retaining the moral high ground and not pushing the issue of full recognition of the north.

#### Iraq

The Prime Minister may wish to take the opportunity to convey key messages on the security situation in Iraq, stressing that the Coalition wish to prevent extremists and militants hindering progress towards democracy. We want to resolve the problems in Najaf peacefully and in Fallujah with a proportionate use of force. He may also wish to underline UK support for Brahimi's proposals for an Interim Government and encourage EU partners to rally round the UN's re-engagement. We want to engage early with France and Germany on the text for a new UNSCR on Iraq.

#### Afghanistan

We are facing continuing difficulties in obtaining resources for ISAF's expansion. Without these, ISAF will be unable to expand beyond Kabul and Kunduz and find it difficult to support the elections in September. We need to step up the pressure on NATO allies to contribute more.

In particular, the Prime Minister may wish to encourage **Chirac** and **Zapatero** to do more than just contribute to the planned deployment of the Eurocorps HQ; and **Erdogan** to deploy a PRT, which Turkey is considering, ideally in the West and to contribute eg helicopters and infantry. He may also congratulate **Berlusconi** on agreeing to deploy a PRT to Herat.

*Yours ever,  
Jonathan*

(Jonathan Sinclair)  
Private Secretary

Matthew Rycroft  
10 Downing Street



## BULGARIAN PM SIMEON: POSSIBLE BRUSH-PAST

### Key messages

- Thank Simeon for his restraint during the recent visa suspension.
- Re-iterate UK support for Bulgaria concluding negotiations this year and acceding in 2007.
- (If raised) Reassure Simeon the UK will continue to press for the release of the Bulgarian medics detained in Libya.

### Background

1. **Visa services** in Romania and Bulgaria were suspended on 30 March and a partial service was resumed on 13 April. The suspension of visas for managed migration schemes remain, pending the outcome of the inquiry being undertaken by Ken Sutton (4 May is pencilled in for publication). We continue to come under pressure for a full resumption of service in both Bulgaria and Romania.
2. The Bulgarians are keen to conclude their **EU accession negotiations** as soon as possible, preferably under the Irish Presidency. Current opinion is that they are unlikely to manage this but closure this year is achievable. The Bulgarians see closure of the Competition chapter as key. DG Competition is not convinced there is a strong case for closure before the summer. There are still many unresolved issues – particularly on steel restructuring. This is primarily a matter for the Commission.
3. The Bulgarians are also concerned they will be held back by Romania's lack of progress and want to be reassured that negotiations will proceed on the basis of 'own merits'. Romania does have a great deal of work to do, but we continue to believe that, with strong efforts all round, both countries can complete in 2004 and accede in 2007. To suggest otherwise at this stage, or to imply the de-coupling of Bulgaria from Romania, would be counter-productive and could prove self-fulfilling.
4. Six **Bulgarian medical staff** have been detained in Libya since February 1999, accused of infecting 393 children with HIV whilst working in a Libyan hospital. Independent medical evidence provided by French and Italian experts exonerates them, but the prosecution has exploited every device to prolong the legal process. A final verdict is scheduled for 5 May, but from past experience it is likely it will be deferred yet again.



THE	
NATIONAL	
ARCHIVES	

DEPARTMENT/SERIES PREM49 ..... PIECE/ITEM ..... (0048/1) (one piece/item number)	Date and sign
Extract details: Letter dated 20 April 2004	
CLOSED UNDER FOI EXEMPTION ..... 27(1), 40(2)	8/30/9/24
RETAINED UNDER SECTION 3(4) OF THE PUBLIC RECORDS ACT 1958	
TEMPORARILY RETAINED	
MISSING AT TRANSFER	
NUMBER NOT USED	
MISSING (TNA USE ONLY)	
DOCUMENT PUT IN PLACE (TNA USE ONLY)	



### **Instructions for completion of Dummy Card**

Use black or blue pen to complete form.

Use the card for one piece or for each extract removed from a different place within a piece.

Enter the department and series,  
eg. HO 405, J 82.

Enter the piece and item references, .  
eg. 28, 1079, 84/1, 107/3

Enter extract details if it is an extract rather than a whole piece.  
This should be an indication of what the extract is,  
eg. Folio 28, Indictment 840079, E107, Letter dated 22/11/1995.  
Do not enter details of why the extract is sensitive.

If closed under the FOI Act, enter the FOI exemption numbers applying to the closure, eg. 27(1), 40(2).

Sign and date next to the reason why the record is not available to the public ie. Closed under FOI exemption; Retained under section 3(4) of the Public Records Act 1958; Temporarily retained; Missing at transfer  
or Number not used.



CONFIDENTIAL

From the Ambassador  
Stewart Eldon CMG OBE



British Embassy  
Dublin

Jonathan Powell  
No. 10

29 Merrion Road  
Dublin 4

Telephone: 205-3711  
Facsimile: 205-3719

*Dear Jonathan*

**PRIME MINISTER'S VISIT TO DUBLIN: 1 – 2 MAY**

1. In preparation for the Prime Minister's visit to Dublin this weekend, I thought it might be worth updating the general background on the Irish scene in my letter of 9 March.

**Domestic Politics**

2. Despite an awkward session in front of the Mahon tribunal over his meetings with a property developer during the Haughey era, **things have gone well for the Taoiseach since the Prime Minister last met him in March.** The Irish Presidency is running smoothly and has gained him some useful political kudos. The economic news remains good. And, despite moves by Fine Gael, Labour and the Greens to work more closely together in the context of the next General Election (due by 2007), none of the opposition parties have really managed to enthrall the electorate. Last weekend's Fine Gael Ard Fheis was full of enthusiasm (and a marching band), but after the Leader's speech, I was still left wondering what the party really stood for. Nevertheless, **the June European and Local Elections seem certain to result in significant Fianna Fail losses – and Sinn Fein gains.** Fianna Fail regard this as inevitable and are simply looking to minimise the hit.

3. **The Cabinet reshuffle originally trailed for late June/early July seems to be receding towards the Autumn,** ostensibly on the grounds that the Dail has to be in session when new Cabinet Ministers are appointed. Latest indications are that the Tanaiste, who wants a move from Enterprise Trade and Employment, does not have her sights set on Foreign Affairs and will opt instead for another economic portfolio. This may mean that the present Northern Ireland Ministerial team remains in place. But Foreign Minister Cowen (whose status as heir apparent has been slightly eroded by Health Minister Martin's successful introduction of the Irish smoking ban) arguably needs a move to a finance/economic Department in terms of grooming for the eventual leadership of Fianna Fail.

4. The Government has had to put up with a good deal of opposition noise over the Constitutional Referendum on Citizenship, which will be held in parallel with the Local

CONFIDENTIAL



CONFIDENTIAL



and European Elections. The aim is to close a loophole created as an unintended result of the Belfast Agreement which currently gives a Constitutional right to non-nationals to claim Irish Citizenship for their children if the babies are born in Northern Ireland or the Republic. But, with the exception of the Greens – and Sinn Fein – the objections have centred on process rather than substance, and the Referendum should pass handsomely. The Irish have been genuinely grateful for the speed with which we processed – and agreed to – their request for an interpretative joint declaration on the Agreement, which has taken much of the sting out of the political debate.

### Europe

5. The Irish have made it clear that the 'Day of Welcomes' celebrations on 1 May will not be the occasion for doing any systematic business on, e.g. the Constitutional Treaty, though some limited bilateral encounters may be possible. Heads will be helicoptered into and out of Phoenix Park, which will be sealed off from the rest of Dublin for the day. Although a major concert has been cancelled for security reasons (on which see below), a major programme of street parties and other celebrations will be organised in the City, and throughout Ireland, during the day. Various protest marches are planned: these could involve up to 200 UK anarchists and other troublemakers, and could conceivably turn nasty. The Irish will be mounting probably the largest security operation in the history of the State in an effort to contain all this. We have contingency plans in place to deal with any Consular emergency during the weekend.

6. Now that the Irish have obtained a commitment from EU partners to aim to agree the Constitutional Treaty by the June Council, this has inevitably become the yardstick against which their Presidency will be judged. The Irish game plan is becoming clearer, and Cowen's presentation to this week's GAERC set out the timetable. The Taoiseach will want to get as many second order issues as possible out of the way before the June European Council. The consistent message we have been getting from the Irish is that everyone is going to have to compromise somewhere; in that sense, our clear and repeated statements of our red lines are not going to help them. So far, Irish Ministers have been restrained in public comment on our decision to hold a Referendum on the new Treaty. But the implications have not been lost on any of them – either in terms of making a June deal more difficult or of nudging other Governments into a Referendum. We observed Cowen chewing over all this fat with a group of journalist friends during an extended drinking session last weekend. Stephen Wall and Kim Darroch will have an opportunity to hear Irish views first hand during their visit on 29 April.

### Northern Ireland

7. The Irish were pleased – and more than a little relieved – that you were able to reach agreement on a game plan at the 21 April meeting of officials at No. 10. Cowen was, by his standards, restrained and helpful at the BIIGC which followed it. Currently the main Irish preoccupation – at least as seen from here – remains how to engage and keep Sinn Fein on board while feeling out the DUP (with whom they are keen to establish a channel). They are prepared to give this process as long as it takes, particularly if it can

CONFIDENTIAL



CONFIDENTIAL



be used to help ensure a quiet Summer. The Taoiseach's meeting with Adams on 26 April was widely reported as a 'kiss and make up' session. The Taoiseach's Department have told us that, once the air had been cleared, Sinn Fein seemed up for a deal and recognised the need to push on quickly. But their first step would be to finish off what was agreed last October (comment: the Castlereagh 5?). However, in talking to the Press afterwards Ahern was careful to play down the likelihood of an early agreement.

8. Another recurring theme from our Irish contacts is concern about the IMC, including the potential for its next report to torpedo an emerging Sinn Fein – DUP deal in the autumn. Of the other political parties, no one here is currently talking much about the UUP; Trimble is widely regarded as having had his chance and shot his bolt. The SDLP (whom the Taoiseach will be seeing on 30 April) are in bad odour too. Justice Minister McDowell told me last week that Durkan's intemperate reaction to the Citizenship Referendum had caused serious offence at the highest levels. The Irish realise the SDLP's importance to the process but I think that, for a little while at least, they may find it quite difficult to cosy up to them.

9. Finally, Martin McAleese (the President's husband) may try to nobble the Prime Minister in the margins of the 1 May celebrations, about the importance of giving more comfort to the Loyalists. Martin has, as you know, been working with the UPRG and other Loyalist groups for some time in an effort to bring them more into the mainstream.

10. Copies of this letter go to Matthew Rycroft and Stephen Wall, Kim Darroch (FCO), and David Brooker, Sir Joe Pilling and Jonathan Phillips (NIO).

Yours ever,

*[Signed]*

Stewart Eldon

CONFIDENTIAL



RESTRICTED

FRANCE: CHIRAC ON THE EVE OF ENLARGEMENT

From: PARIS

TO ROUTINE FCO

TELNO 194

OF 301537Z APRIL 04

INFO IMMEDIATE ACTOR, MOSCOW, OTTAWA, SNUFFBOX, TOKYO

INFO IMMEDIATE UKMIS NEW YORK, WASHINGTON, WHIRL, CABINET OFFICE

INFO IMMEDIATE EU ENLARGEMENT POSTS, EU POSTS, HM TREASURY

INFO IMMEDIATE HOME OFFICE

INFO ROUTINE DEPT OF HEALTH, DTI, DWP

Cabinet Office for Williams, Hall

Please pass to No 10 for Wall, Rycroft, Liddle

HMT for Lloyd

DTI for Durning

DoH for Boyd

Home Office for Baird

DWP for Tucker

## SUMMARY

1. Two days before enlargement - and with an eye on the EP elections - Chirac presents his vision of Europe to the French people. No big new ideas, and short of inspiration. Prevaricates on whether to hold a French referendum on the Constitutional Treaty (to the Opposition's irritation), while sending a message to the UK not to expect further French concessions during the IGC endgame or help if our own referendum goes wrong. A clear pitch for more QMV. Sticking to his position on Turkish accession (in contrast to the UMP's opposition).

## DETAIL

2. The French are not particularly enthusiastic about enlargement, many considering it the end of the true (French) European dream launched by the founding fathers and certainly a blow to French influence. But polls now show rising public support (62%) and the government and media have played the game with a series of high profile events, special supplements etc. to celebrate the new accessions. Against this background - and probably hoping to refocus the EP election campaign on international rather than domestic issues after the regional elections rout - Chirac the statesman clearly felt obliged to mark the occasion. He therefore gave a very rare press conference: a long introductory statement followed by 90 minutes of Q and A (the last such event was in 1998).

3. On the substance, the Elysee had warned us not to expect anything radical - they were right. On enlargement Chirac inevitably played up the positive. Europe was not a substitute for nation states, or symbolic of the abandonment of our separate identities, but "our common inheritance and heritage, still more than ever an opportunity for us and our future". He sought to counter fears about negative impact on the job market and social protection system (53% think the EU has been bad for employment) - enlargement was an opportunity for the French, a win/win situation for all. The euro was a great success. The EU was a strong bulwark in a globalising world. We had to be more competitive, by investing massively in research and innovation, but also defend our social model and public services.

## IGC/Referendum

4. Chirac repeated his desire for an agreement at the June European Council, and put in a plea for as much QMV as possible, while also plugging social Europe at every possible moment. He



refused to be pinned down on a French referendum - it was too early to decide before there was a final text. This was how previous governments had decided on previous treaties. On the UK's decision to hold a referendum, Chirac said he did not believe the British would ever vote to leave the EU; in any case the UK and French situations were very different. Pressed on what would happen if one or more countries did not ratify the Treaty, Chirac said that theoretically, the position would revert to Nice. But he hoped there would be a way of bringing to bear "friendly pressure" on any member state not ratifying. He recalled comments by Schroeder that the Constitution might come into effect even if not all countries had ratified, and referred approvingly to a "German idea" that countries which had not ratified at the end of a certain time, e.g. 2 years, should either ratify or leave the EU. (Comment: The German Embassy are irritated by Chirac attributing this idea to Schroeder, which they believe unfounded.)

#### EP Elections

5. Chirac called on all concerned to vote, and criticised the lack of influence of French MEPs in the EP. This was no longer acceptable when it had so much influence and MEPs had now to be full time.

#### Turkey

6. Chirac said it would be desirable in the long term for Turkey to join Europe but conditions were not right at this time. Turkey had always been "associated with European civilisation" but EU entry would be a long process ie 10-15 years.

#### Opposition reactions

7. Predictably negative. Fabius lamented that Chirac's Presidency was proving a missed opportunity ("du temps perdu"), even on EU questions. All the other parties criticised Chirac for having ducked the referendum issue, and repeated their support for one.

#### Media reactions

8. The French press view was that, although Chirac spoke for some considerable time, nothing new was said. Liberation (Left wing daily) said that on the substance, Chirac - never a proponent of Europe - deployed tired and consensual rhetoric, dodging all the difficult issues. Le Figaro (right-wing daily) praised the performance, if not the content, as 'pure Chirac'; he walked a fine line between pro-Europeans and nationalists, neo-liberals and social democrats. That said, Le Figaro's editorial lamented Chirac's failure to seize the moment and start a new debate for the new future.

#### COMMENT

9. Chirac's comments on what would happen if one or more countries failed to ratify the IGC have not been picked up much in the French press but have obviously stirred interest in the British media. I see them as a deliberate message that France will not be intimidated by the British referendum. Chirac must know the difficulty of any agreement on going ahead with the Constitution in the absence of consensus, but is signalling that he is unwilling to make new concessions to us, e.g. over QMV, in the IGC endgame, and will also not want to see the Constitution simply fall away just because we say no.

Contacts: Frances.Hooper@fco.gov.uk



**RESTRICTED**  
**FRANCE: RAFFARIN PLOUGHS ON**  
**From: PARIS**

TO PRIORITY FCO  
 TELNO 192  
 OF 301027Z APRIL 04  
 INFO PRIORITY BORDEAUX, CABINET OFFICE, DEPT OF HEALTH  
 INFO PRIORITY DFEE, DTI, DWP, EU ENLARGEMENT POSTS, EU POSTS  
 INFO PRIORITY G8 POSTS, HM TREASURY, LILLE, LYONS, MARSEILLES,

MY TELNOS 179 AND 188

**SUMMARY**

1. Raffarin struggles to keep the government and the UMP motivated and united through their post-electoral blues. He will soldier on as long as Chirac needs him. With a heavy and contentious Parliamentary agenda, and more elections round the corner, this will be for a while yet. Meanwhile, divisions within the party are also growing as big hitters jostle for position. Only Sarkozy still has a real spring in his step.

**DETAIL**

2. Parliament reopened its doors on 27 April after the Easter break to a rather despondent-looking UMP majority. In a bid to inject some vigour after the recent electoral set-back and against a background of still falling personal poll ratings (now in the low 30s), Prime Minister Raffarin wrote to all UMP MPs on 26 April (and to UDF centrist colleagues in a spirit of "partnership"), setting out the priorities for the parliamentary session. In it he called for a long term vision for France, which needed to modernise and break out of current introspection and stagnation. Raffarin will no doubt be repeating this message during a television appearance on 6 May. He has his work cut out. Early polls show that the European elections will follow the same trend as the Regionals, with the Left romping home.

3. MPs face a busy Parliamentary calendar. On the immediate horizon are:

- health insurance reform (see first TUR): the government's biggest priority before the Summer, requiring an overhaul of a heavily indebted system, which is heading for a 14 beuro deficit this year alone - a Herculean task;
- an employment bill (also first TUR): a top priority since last autumn, the likely content has yet to be settled but a proposal to reduce a form of corporate tax has met with strong opposition from the local authority beneficiaries.
- changing the status of EDF/GDF (second TUR) to enable partial privatisation;
- a "dependency plan" providing extra funds for social solidarity with old people following last year's heatwave, which would be financed by cutting a Bank Holiday (possibly Pentecost). This proposal, Raffarin's personal brainchild, is strongly resisted by the leisure industry and creating serious rifts within the UMP;
- decentralisation: once Raffarin's star project, this scraped through its first reading in the National Assembly on 14 April with 22 UMP MPs abstaining and 21 not bothering to turn up. Left wing Regional Presidents are ganging up to press for larger



financial transfers to go with the new responsibilities and resist the transfer of 95,000 auxiliary teaching staff to their local budgets. Raffarin has promised amendments at second reading, which could be delayed until the autumn.

4. Other government priorities include the budget deficit (my telno 188). Finance Minister Sarkozy has announced that with a projected public deficit of 3.6% in 2004, many Ministries will have to accept budgetary freezes. Meanwhile Education Minister Francois Fillon is struggling with the wording of a circular to be sent out to schools, interpreting the wording of the new law on secularism and the wearing of headscarves and other religious symbols.

5. Despite Raffarin's best efforts, the government and the UMP family appear to be pulling in several directions at once, not sure whether to tackle far-reaching reforms or to stick with a more cuddly "social cohesion" agenda spearheaded by Minister Borloo, and repeatedly promoted by Chirac. As we said at the time of the reshuffle last month, these tensions are built in to the new government team. This is becoming increasingly obvious. Meanwhile elections for the President of the UMP Parliamentary party, following Barrot's nomination as EU Commissioner, are causing friction between Sarkozy's supporters and the Chiracian party hierarchy. This is just a rehearsal for the elections to replace Juppe as President of the UMP as a whole in November, with Sarkozy continuing to send out signals that he plans to run.

7. Sarkozy is in fact the only government figure to have kept a spring in his step following his high profile US visit and his successful mediation in the pharmaceutical industry battle between Sanofi and Aventis. This is despite his Herculean task of bringing the budget deficit back in line with stability pact norms. He plans to follow up his recent meeting with the Chancellor in Washington with a visit to the UK in the next few weeks.

Contact: Michhle Clarke-Jervoise on FTN 8330 3392 or firecrest e-mail.

HOLMES

**Sent by PARIS on 30-04-2004 10:27**

**Received by No10 on 30-04-2004 12:29**



## RESTRICTED

## IRAQ: SIR JEREMY GREENSTOCK'S VISIT TO PARIS

From: PARIS

TO IMMEDIATE FCO

TELNO 195

OF 301539Z APRIL 04

INFO IMMEDIATE ACTOR, BAGHDAD, CABINET OFFICE, CANBERRA, DFID  
 INFO IMMEDIATE EU POSTS, IRAQ REPRESENTATIVE, MIDDLE EAST POSTS  
 INFO IMMEDIATE MODUK, PJHQUK, SECURITY COUNCIL POSTS, SNUFFBOX  
 INFO IMMEDIATE SOSFA, WELLINGTON, WHIRL

MY TELNO 183 TO FCO

PART 1 OF 2

## SUMMARY

1. Greenstock spells out to French officials, commentators and media the reasoning behind the political process and the realities of the security situation. Both Quai and Elysee appreciate the effort and the clarity, at a time when they are still formulating their policy towards an SCR. Their preliminary thinking about the SCR's content appears close to ours, but they have a lot of questions. Greenstock tackles doubts about how much power will be transferred on 30 June, but warns them not to set the bar too high for the Interim Government. Useful discussion on the mandate for the MNF, and protection for the UN. French won't do more on reconstruction until the UN are back in Iraq, and will wait until January 2005 elections before training police. Despite Greenstock's efforts, they remain full of doubts about the coming months. Next steps Sawers/Laboulaye, and then PM/Chirac in Paris on 9 May.

## DETAIL

2. Sir Jeremy Greenstock covered a lot of ground in a packed day and a half in Paris on 28-30 April. He had meetings with Colin de Verdiere (Quai PUS), Parant (Chirac's Middle East adviser), the Quai's UN and Middle East Directors, Ripert and Emie, and FMOD Policy Director, de Brichambaut. He also gave a powerful speech to a packed house at IFRI, made a similar pitch to some heavyweight editorialists and commentators over dinner at the Residence, and gave a series of interviews.

3. With all his interlocutors, Greenstock focussed on the political process and the security picture. On the former, he explained in detail why it worked like it did, not least Sistani's role. On the latter, his main message was that the Coalition would remain determined to contain the Saddam loyalists and the terrorists, but the main criterion for success would be maintaining the support of a third category, the "floaters" of potentially discontented Iraqis. Their numbers expanded or contracted according to their emotional response to events on the ground. We could not afford for them to achieve a critical mass, especially among the Shia, e.g. as a result of mistaken Coalition tactics in Najaf or Karbala.

## Chirac's views

4. Asked where Chirac's thinking really lay, Parant's answer followed Chirac's public statements almost verbatim. (In his press conference on 29 April, Chirac stressed that Europe would follow Brahimi's recommendations, but he was less certain that these could form the basis for a new Security Council Resolution. He wanted Europe to speak with one voice on this issue, but this would not be easy.) (i) Chirac believed that there had to be a



political solution for the security situation to improve. Restoration of sovereignty and transfer of full executive powers were central. Chirac realised that this could not happen all at once, that the crucial date now was January 2005, and that 30 June was just a staging post. But 30 June had to mark a real change in the eyes of the Iraqis. (ii) We should not ask the UN to endorse a process they thought could lead to failure. The UN's role in the political process had to be acceptable to Iraqis. Its mandate should be precise and not too broad. (iii) We should concentrate on the organisation of elections and of an international conference, in support of Brahimi. Greenstock said that Chirac might need to shade this at the edges. For instance, Brahimi would find that candidates for political leadership outside the IGC were not numerous.

Colin de Verdiere

5. Colin de Verdiere was full of doubts. He said that France did not want to present us with a list of difficulties, then proceeded to do precisely that. He quizzed Greenstock on law and order in Iraq, the likely impact of the 30 June hand-over, the limited powers and lack of legitimacy of the Iraqi Interim Government (IIG), the future of the IGC, the UN's likely mandate, the need for the IIG to confirm security arrangements enshrined in an SCR, and problems related to the TAL Annex. Greenstock answered in detail, stressing in particular that the calendar the Coalition was working to had been brought upon us largely by Sistani.

Political Process

6. Other members of the French team, while committed to backing Brahimi, were unsure what would emerge from the process he envisaged. Parant queried the sequence of appointing the IIG before the holding of the National Conference: it would make more sense for the IIG to emerge from the consultative process. Greenstock said that we had to let Brahimi make the judgements. Ripert asked whether it made sense for the IIG to be appointed before 30 June. They could be blamed for things that went wrong during June. Greenstock said that the CPA, as the legal authority in Iraq, had to make the appointment. The only alternative was for the Security Council to do so. Ripert acknowledged this would be undesirable.

7. The main French concern was how far Iraqi sovereignty would be a reality after 30 June. In their view, the IIG would be limited in its powers and lack legitimacy, with much of the real control remaining in the hands of the CPA, even after its dissolution. Recent US statements had confirmed this. Greenstock said that Bremer and Rice had now made clear that earlier references to "limited sovereignty" were mistaken. The CPA would end on 30 June and cede all administrative powers to the Iraqis. It was right that the IIG should not be able to change fundamental elements of Iraq's constitution or destiny. But they would have all the power they needed to administer the country effectively. The French side appeared to accept the reasoning but kept returning to the question of a clean break. Greenstock and I encouraged them not to set the bar too high in making their judgement.

SEE MIFT

Contact: Andrew Page, FTN 8330 3330 or Firecrest e-mail

HOLMES



**RESTRICTED**  
**IRAQ: SIR JEREMY GREENSTOCK'S VISIT TO PARIS**  
**From: PARIS**

TO IMMEDIATE FCO  
TELNO 195  
OF 301541Z APRIL 04  
INFO IMMEDIATE ACTOR, BAGHDAD, CABINET OFFICE, CANBERRA, DFID  
INFO IMMEDIATE EU POSTS, IRAQ REPRESENTATIVE, MIDDLE EAST POSTS  
INFO IMMEDIATE MODUK, PJHQUK, SECURITY COUNCIL POSTS, SNUFFBOX  
INFO IMMEDIATE SOSFA, WELLINGTON, WHIRL

MY TELNO 183 TO FCO

PART 2 OF 2

SEE MIPT

International conference

8. Greenstock said that the UK was in favour of an international conference at an appropriate time to give support to the political process. Parant said that its role should be to provide a forum for regional and wider assistance. Like Greenstock, he rejected the Russian idea that the international conference should give the political process legitimacy. This was for the Security Council to do.

Regional neighbours

9. Both Quai and Elysee asked Greenstock's views on the neighbours, particularly Iran. Parant said that on balance France thought Iran was playing a positive role. Yes, said Greenstock, compared to what they could do if they wanted to be mischievous. The Iranians had a tendency to upset things in Iraq if they were going too well and help if they were going too badly. This would be a pivotal relationship for regional stability. He urged the French to keep us abreast of their contacts with and thinking on Iran. On Syria, Parant was interested in any evidence of Syrian complicity in infiltration over the border.

**New SCR**

10. The French side set out three elements that they were looking for:

- marking clearly the end of the occupation, and transition to Iraqi rule, on 30 June;
- giving a clear mandate for the future UN role;
- addressing security, through the mandate of the Multinational Force (MNF).

11. Ripert said that they did not want the SCR to go into too much detail. But they wanted a mandate for the UN that was clearly defined, realistic, and focussed on facilitating the political process and elections. The French, who have been coming under pressure from the US to contribute, probed Greenstock on our thinking on a separate protection force for the UN (three rings of security), operating under the MNF umbrella. They doubted that any contributor country would be willing to take on responsibility for perimeter security for the UN.

Multinational Force (MNF)

12. On the broader MNF mandate, the French wanted to ensure that there was a clear understanding of the relative responsibilities of the MNF, the Iraqi security forces and the IIG. They assumed



that the US would want to maintain full control. Greenstock outlined our ideas for partnership. Parant asked when the MNF mandate would expire. The French view was that it should not continue after the election of a representative government without that government giving its consent. Greenstock said that he personally thought the mandate should continue, but with a review built in to allow a sovereign Iraqi government to request that the MNF's mandate should end. It was clearly understood in London and Washington that the continued presence of the MNF depended on Iraqi consent.

#### French contribution

13. Greenstock asked whether France would be more willing to give practical assistance to the Iraqis after 30 June. Ripert said this would depend on how far things had really changed. In principle France would be ready to help with police training and capacity building in governance and the rule of law. But this would have to take place after the UN had gone back in ("if they stay in Amman, we stay in Amman") and be at the request of a "credible" Iraqi government. He made clear his doubts that the IIG would fit the bill. Emie was more explicit, saying that decisions on policing assistance would have to await elections in January 2005.

14. De Brichambaut was largely in "receive" mode. He had just returned from a trip to the Gulf and recognised that France was coming under pressure from forces within and outside Iraq to settle the differences with the US and play a more active role. How the interim government worked, the degree of real autonomy it exercised and the relations with the US would be key factors in any decision on French re-engagement. He thought US forces should keep as low a profile as possible after 30 June.

#### Next steps

15. The Quai and Elysee did not want any surprises on the SCR. Were the US about to present them with a worked-up draft on a take-it-or-leave-it basis? Lacroix said he saw no reason to rush, as Brahimi still had some consulting in Iraq to do before appointing the IIG: might it not be better to have the resolution closer to the hand-over date of 30 June? Greenstock repeated our readiness to consult, and looked forward to early Sawers/Laboulaye contact. The Prime Minister and Chirac would also have an opportunity to discuss in Paris on 9 May.

#### Comment

16. One visit alone cannot change minds here: the French remain convinced that Iraq is slipping into chaos and very reluctant to get involved. But his authoritative explanation of the situation on the ground and analysis of the difficult choices to be made will have given them considerable pause for thought and prepared the ground for a better informed discussion on the next UNSCR. I am grateful to him for taking the time to do this.

Contact: Andrew Page, FTN 8330 3330 or Firecrest e-mail

HOLMES



RESTRICTED

FRANCE: SPANISH PRIME MINISTER'S FIRST VISIT TO PARIS, 29  
From: PARIS

TO IMMEDIATE FCO  
TELNO 196  
OF 301621Z APRIL 04  
INFO IMMEDIATE ACTOR, EU ENLARGEMENT POSTS, EU POSTS, MOSCOW  
INFO IMMEDIATE SNUFFBOX, UKMIS NEW YORK, WASHINGTON, WHIRL

Cabinet Office for Williams, Griffin  
Plse pass to No 10 for Wall, Sheinwald, Rycroft, Liddle  
FCO for Darroch, Frost, Drew

APRIL

#### SUMMARY

1. Zapatero reportedly delighted by his first (ever) encounter with Chirac. During wide-ranging talks, he clarified the new Spanish IGC position (yes to DM, but thresholds must be at least 50/66). Closer Franco/German/Spanish cooperation (eg a "trilateral summit"?) and constant dialogue (eg on future financing) seem on the cards. Chirac and Zapatero in step on the fight against terrorism and Iraq.

#### DETAIL

2. Zapatero met Chirac for the first time over dinner at the Elysee. We got a quick readout from the Spanish Embassy (and will report further as necessary next week). The atmospherics were good and Zapatero was apparently very happy with his reception. Moratinos and the Spanish Ambassador accompanied.

3. The discussion was wide ranging and focussed particularly on:

- the IGC: Zapatero delivered the same message as in Berlin on Spain's change of position. He was now ready to accept the principle of Double Majority Voting and would not insist on Nice. But the Convention figures of 50/60 were unacceptable and would need renegotiating. Spain would accept "a two thirds population threshold" ie 50/66. 66% was a minimum;

- a trilateral summit between France, Germany and Spain: this had been Schroeder's idea and Chirac had endorsed the idea of "associating Spain with the Franco-German motor as was happening with the UK". But it was only an idea at this stage and at this stage there was neither a date nor agenda for any summit;

- bilateral CT cooperation, especially joint work on ETA; and

- cross-Pyrenees transport links. An old chestnut. The Embassy happily admitted that this consisted mainly of Zapatero pressing Chirac for greater French engagement in constructing rail and other infrastructure.

4. The media has highlighted Chirac's doorstep comments after dinner as signalling a new chapter in Spain's relations with France and Germany. There would now be constant dialogue on areas of tension eg the future EU budget (Chirac reiterated France's support for 1% of GNI). Zapatero underlined Spain's willingness to do a deal on the IGC in June. On Iraq, Zapatero said that a complete transfer of power would take time. Chirac said the transfer should be "a clear break" with the present situation.



**RESTRICTED**  
**SPAIN: ZAPATERO'S FIRST TWO WEEKS**  
**From: MADRID**

TO IMMEDIATE FCO  
TELNO 118  
OF 301616Z APRIL 04  
INFO IMMEDIATE DUBLIN  
INFO PRIORITY EU POSTS, GIBRALTAR, NATO POSTS, RABAT

**SUMMARY**

1. Zapatero has made a fast start with initiatives to differentiate himself from Aznar, especially in foreign policy (Iraq, Morocco, France/Germany). These are well received at home even if the difficulties further down the road are clear. Meanwhile, the machinery of government is not yet functioning. We have plenty of work in hand, notably a promised Zapatero visit to London, to build new areas of collaboration. But we shall have to be patient: business is unlikely to find its rhythm until after the EP elections and the European Council in June.

**DETAIL**

2. In advance of tomorrow's gathering of EU heads of government in Dublin, you and No 10 may welcome a snapshot of Zapatero's first two weeks in office.

3. Zapatero has got off to a fast start in marking out major changes from Aznar's policies. He has:

- started the withdrawal of Spanish troops from Iraq and set a deadline of 27 May for its completion;

- made a new start with Morocco in his first foreign trip last weekend, and agreed with Chirac in Paris to settle the long-running Western Sahara dispute within six months (the MFA insist that, despite appearances, there is no shift in position away from the Polisario or the Baker Plan);

- visited Berlin and Paris this week with a promise of agreement on the EU Constitution and coordination over the new UNSCR on Iraq, and received an invitation to 'join the Franco-German axis' (as the press here put it).

- reopened dialogue with Spain's Autonomous Communities, invited the Basque leader Ibarretxe to the Moncloa for the first time in over three years, and symbolically launched a bid in the IGC for improved EU status for Spain's regional languages (Catalan, Basque and Galician).

4. These initiatives are going down well in public. Criticisms from Partido Popular spokesmen (including Aznar on Iraq) have looked out of tune and irrelevant. Thoughtful commentators point out that all these initiatives face difficult obstacles further down the road. The June European Council will be a major challenge. But for the moment Zapatero's fine words are enough to give the sense of change that the majority voted for on 14 March.

5. The new team repeatedly assure us that they want to work with the UK too: on terrorism, on the reconstruction of Iraq, on Afghanistan, in the EU. But we have yet to see the colour of their money. The promised visits of Zapatero and Moratinos to London have yet to be confirmed. For the moment, the impression given is that we are slipping to the second league of Spain's EU partners along with Italy and Poland.



6. We have the tools in hand to remedy this:

- Moratinos and, subject to diaries, Zapatero will visit London during May;
- Denis MacShane will meet Alberto Navarro, the new Europe Minister, on 25 May;
- Sir David Omand will lead a heavyweight Whitehall team here on 12 May in response to the Interior and Justice Ministers' requests to the Home Secretary for our experiences in coordinating the law enforcement and intelligence effort against terrorism.
- Sir Nigel Sheinwald intends to come to talk foreign policy with the Moncloa team, if possible before the Zapatero visit; and John Sawers is aiming to do the same with the MFA;
- Mrs Beckett intends to visit in early June to push the new Environment Minister forward on climate change;
- Roger Liddle will see PSOE key players 25-26 May;
- we hope for visits too from the FCO on immigration, DFID on Africa/Aid, and HMT on productivity, competition and the housing market.

7. But we shall have to be patient. The transition in the machinery of Spanish government is taking a long time. Although Ministers are in place, their key advisers are still learning their way around (Moratinos's Cabinet Director told us today that he has spent no more than three hours in his office in the MFA since his arrival). The top level of officials is being re-shuffled in every Ministry. Some of those who have been appointed have no relevant experience (eg the new head of the external intelligence agency, a confidant of the Defence Minister, came from the environment department of his regional administration). Responsibilities are being fought over and reallocated.

8. The EP elections on 13 June will be a further distraction from government, as the PSOE give priority to showing that the general election result in March was not a fluke.

9. But from June business should start to settle into a rhythm, and we should be able to get down to business again on a broad front.

WRIGHT

**Sent by MADRID on 30-04-2004 16:16**  
**Received by No10 on 30-04-2004 17:45**



UNCLASSIFIED

# GERMAN VOTERS - WHAT TURNS THEM ON?

From: BERLIN

TO PRIORITY FCO

TELNO 185

OF 301405Z APRIL 04

INFO PRIORITY ACTOR, CABINET OFFICE, DEFRA, DTI LONDON, DUSSELDORF

INFO PRIORITY DWP, EU ENLARGEMENT POSTS, EU POSTS, FRANKFURT

INFO PRIORITY HAMBURG, HM TREASURY, MODUK, SNUFFBOX, STUTTGART

INFO PRIORITY WASHINGTON, WHIRL

DEFRA FOR LEBRECHT

HM TREASURY FOR CONNOLLY, BRYANT

DTI FOR FARREL, WHEWELL

NO 10 FOR SHEINWALD, RYCROFT, POWELL, LIDDLE

CABINET OFFICE FOR WILLIAMS

## SUMMARY

1. German voters remain preoccupied with jobs and the welfare state. Bad news for Schroeder's SPD, struggling to mobilise core votes. But the opposition CDU/CSU's popularity owes more to the Government's domestic woes than to the offer of a convincing alternative. And they look vulnerable on Iraq. But Merkel remains confident that she will be Chancellor in 2006.

## DETAIL

2. Germans go to the polls a further 13 times this year. When asked to name the most important issues of the day, they mention unemployment (71%), the economic situation (19%), health (14%) and pensions (13%). Just 4% mention education and consumer prices. Crime, immigration/asylum and the EU don't even register.

3. But recent electoral history shows that the economy (and health) isn't everything. When there's little to choose between the main parties on jobs, the economy and the welfare state, secondary issues can be decisive. (Iraq and the floods showed this in the general election in September 2002.)

4. Only 7% of Germans list terrorism as a major issue but over 40% believe a terrorist attack in Germany will occur in the foreseeable future. The Deputy Chairman of the CDU told me yesterday that a terrorist attack during the World Cup in 2006 was just the sort of 'secondary issue' which could still swing the 2006 Federal election Schroeder's way.

5. The EP election will amount to a referendum on the Red/Green coalition's record; an opportunity to punish Schroeder without forcing a change of government. The EU constitution barely registers as an issue. National politics will also play their part in this year's regional elections, particularly in the larger Laender. For Schroeder, this has translated into SPD voters staying at home. But in smaller Laender, such as Hamburg, local themes and personalities can assume greater importance.

6. Who has the upper hand? The underlying mood amongst German voters is one of frustration and disillusionment with politics. 68% of Germans distrust the political parties; 49% the parliament. On all the main issues, polls show that 70-90% of voters are dissatisfied with the government's performance. Only on the secondary issues of crime and the environment are more voters satisfied than dissatisfied. Overall, just 17% of voters are 'satisfied' with Red/Green; 81% dissatisfied.

7. And yet just 27% of voters believe that the main opposition CDU/CSU would do a better job. As to the CDU/CSU's most likely



coalition partner, the liberal FDP is struggling to raise its profile. It looks like a party in decline, unable to keep its head above the 5% hurdle in Land elections (although it may re-enter the European Parliament this year), and dogged by headlines about party financial scandals.

8. The SPD's immediate challenge is to mobilise its core supporters. If it can make an improved showing in this year's European and domestic elections, the party might regain enough momentum to de-rail the CDU bandwagon ahead of the crucial Land election in North Rhine Westphalia (NRW) in May 2005. If the SPD can hold on to NRW, the CDU's presumed march to victory in the 2006 general election might just begin to look stoppable after all. No surprise then that the SPD is beginning to campaign on the themes calculated to mobilise their core vote: highlighting the CDU's unpopular, pro-US stance on Iraq (Berlin telno 178).

9. For their part the main opposition CDU/CSU remain cautious. They are defending absolute majorities this year in three Laender where voter satisfaction is relatively low. They will be pushed to improve on sweeping local election victories in 1999. They will campaign hard against Red/Green's economic record, and unpopular pensions and health reforms. But their stance on Iraq has left them vulnerable to SPD counter-attacks, and the unresolved leadership issue (Merkel v Stoiber) shows them disunited. They cannot be confident that their current 20 point opinion poll lead will withstand repeated tests at the ballot box.

10. That said, when I talked to her last night Opposition leader, Merkel, was confident that (i) she would be the CDU/CSU Chancellor candidate in 2006 (ii) that she would win and (iii) if she did so, she would introduce a wide ranging package of economic reforms which are needed and which the present government has so far ducked. She was clear that any package needs to be comprehensive and should be introduced as early in her term as possible.

TORRY

**Sent by BERLIN on 30-04-2004 14:05**  
**Received by No10 on 30-04-2004 15:29**



RESTRICTED

NOSEC: GERMANY/ENLARGEMENT: NOT EVERYONE'S IN PARTY MOOD  
From: BERLIN

TO PRIORITY FCO

TELNO 183

OF 301208Z APRIL 04

INFO ROUTINE ACTOR, CABINET OFFICE, DEFRA, DEPT FOR TRANSPORT, DTI

INFO ROUTINE DWP, EU ENLARGEMENT POSTS, EU POSTS, HM TREASURY

INFO ROUTINE HOME OFFICE, UKREP BRUSSELS, WHIRL

CABINET OFFICE PLS PASS TO NO 10 FOR WALL, SHEINWALD, LIDDLE,

RYCROFT

CABINET OFFICE FOR WILLIAMS, HALL, LYONS, CAVE

HMT FOR OWEN

HOME OFFICE FOR BAIRD, STORR

DTI FOR DURNING

DEFRA FOR LOWSON

DWP FOR TUCKER

DFT FOR STEVENS

#### SUMMARY

1. Germany will benefit more than most from enlargement. But the public mood is anxious. Many fear increase in illegal immigration, organised crime and jobs losses. The facts don't bear this out. The government has been trumpeting the advantages. But ahead of the EP elections, Schroeder has also played a populist card over "tax dumping" from the new Member States. Enlargement angst has much to do with wider fears over Germany's declining economic standing.

#### DETAIL

##### Economic benefits

2. Germany has much reason to look forward to this weekend's accession. Not surprisingly, as Germany stands to reap the economic benefits. Schroeder said this week "Germany remains the biggest winner from EU enlargement". Since the early 1990s, German trade with the new Member States has tripled: German exports there now match those to the US. A further increase post-enlargement is likely via eg harmonisation of standards and increased purchasing power in the new Member States.

3. Eastern Germany in particular could receive a much needed boost from the dynamic new export markets on its doorstep (in some border regions, unemployment is lower in Poland than Germany). East German firms will need to focus more on innovative, high value-added products. But all the regional Prime Ministers I have spoken to see enlargement more as an opportunity than a threat.

##### Public unease

4. But the mood is not universally celebratory. There is significant public unease. According to recent polls, 40-50% of Germans think Germany will suffer as a result of enlargement. This may be coloured by their first-hand experience of reunification. Many are worried it will bring increase organised crime, illegal immigration and job displacement. One poll suggested 85% believe it will damage German industry. Some 60% believe accession comes too early.

5. These popular fears have been replayed - and reinforced - by extensive media coverage of enlargement issues. In part this has been factual and positive. But there has been much discussion of the potential downsides. The populist Bild Zeitung ran a "your top 12 enlargement questions" article this week which painted a



decidedly gloomy picture.

6. More important is the perception that Germany stands to lose thousands of jobs to lower-cost new Member States. Both the CDU's and CSU's economic spokesmen told me separately that Germany had lost some 450,000 jobs since 2000 to the accession states. They claim this trend will continue.

#### The facts

7. Overall, there is little evidence to support these popular fears. Jobs are certainly going. But outsourcing helps German firms maintain their competitive position and protects the jobs that remain. And Germany, with its close economic links and geographical proximity to the new Member States, is uniquely well-placed to benefit from the positive overall impact of enlargement on growth and employment in the EU15. Experts also agree enlargement will have little short-term effect on pay levels in Germany.

8. On immigration, the government calculates that even if it were not invoking the transition period on free movement of workers, it would only receive about 225,000 additional workers from the new Member States. The Berlin Police Chief told me this week he did expect some increase in organised crime. But most of these gangs were already long-established in Germany.

9. To counter popular misconceptions on enlargement, the government has launched a 2.7 million euro information campaign under the slogan "Europe - a good choice". This includes newspaper and billboard adverts, with the government setting out its "top 10 reasons for enlargement". There is also a short film running in cinemas starring German celebrities speaking up for enlargement. Schroeder has given a round of media interviews this week and delivered a headline speech to the Bundestag this morning, playing up the benefits and stressing that competition from eastern Europe is no cause for concern.

#### The politics

10. Public concerns will need careful handling during the EP election campaign. Schroeder recently slapped down the President of the German Chambers of Commerce as "unpatriotic" for suggesting that, rather than waiting for economic reform in Germany, German firms should seize the opportunity of enlargement to transfer jobs to eastwards.

11. Another issue which is resonating loudly is "tax dumping". In a rare moment of agreement, both Schroeder and Stoiber (CSU leader) have attacked new Member States that set low tax rates and then expect the EU to fund infrastructure projects which they cannot themselves afford. Finance Minister Eichel has called for an "urgent discussion" on this. Economics Minister Clement has today added his voice.

12. The issue has lent new impetus to German ideas on minimum EU tax rates or establishing a minimum level for the total tax take as a proportion of GDP. The Germans know there is no chance of agreement to this. But playing this card underlines Germany's unwillingness, and inability, to be the cash cow for "new Europe".

#### Future enlargement

13. And what of future enlargement? The Germans are increasingly certain that Rumania will miss this year's target, but might be



ready by 2007. As long-standing supporters of Croatian accession, they have welcomed the Commission's recent avis and expect Croatia's candidate status to be confirmed at the June European Council.

14. Turkish membership remains politically explosive. The SPD/Green government continues to support accession. Schroeder has nailed his colours to the mast, telling Erdogan on 27 April that he would lobby other Member States to open negotiations with Turkey: "you can depend on Germany to keep its word". The opposition CDU, in line with the French right, still favours a "privileged partnership" for Turkey, which falls well short of full membership. Schroeder is unlikely to row back. But the public view here is that Turkey is simply not part of Europe.

#### Conclusion

15. Many of the negative reactions to enlargement reflect a wider gloom among Germans about the country's current poor economic performance, the threat of globalisation and the future of reform here. The picture might have been very different had the accession date coincided with an economic upswing.

16. Contact: paul.heardman@fco.gov.uk

TORRY

**Sent by BERLIN on 30-04-2004 12:08**  
**Received by No10 on 30-04-2004 13:29**



RESTRICTED

NOSEC: EUROPEAN CONSTITUTION: GERMANY: MORE REACTIONS  
From: BERLIN

TO PRIORITY FCO

TELNO 172

OF 261631Z APRIL 04

INFO PRIORITY ACTOR, CABINET OFFICE, DTI, EU POSTS, HM TREASURY

INFO PRIORITY HOME OFFICE, UKREP BRUSSELS, WHIRL

CABINET OFFICE PLS PASS TO NO 10 FOR WALL, SHEINWALD, RYCROFT,

LIDDLE

CABINET OFFICE FOR HALL, GRIFFIN, WATT

FCO FOR DARROCH, FROST, DREW, CAVE

HMT FOR GUTHRIE

DTI FOR DURNING

HOME OFFICE FOR PRINCE

## SUMMARY

1. Schroeder remains solidly opposed to German referendum. But raises prospect of EU withdrawal for those who hold up ratification. Fischer suggests openness to referendum if on clear choice between backing treaty or withdrawal. But in reality he also remains opposed. Growing interest in idea of joint Franco/German ratification. No suggestion UK has made June deal less likely.

## DETAIL

2. Schroeder continues to slap down any notion of a referendum on the European Constitution in Germany. He made this clear both to the German cabinet last week and in weekend press comments. He told Focus magazine, "I am against an EU referendum in Germany because the (German) constitution applies". His argument remains there is no majority in the German parliament for the requisite change to the German constitution. Schroeder's press spokesman quickly rubbished off-message remarks by Finance Minister Eichel that there might be a case for an EU-wide poll.

3. However Schroeder has been careful to keep the door open on the future wider use of referendums in Germany. In line with SPD party policy, he has said, "I can fully imagine a change in the relationship between parliament and popular votes. But this is not achievable on the EU Constitution." He has denied he is afraid the EU constitution would be rejected in Germany (even though opinion polls suggest more than two-thirds of German voters want a referendum).

4. Schroeder has refused to be drawn on the consequences of a no vote in the UK: "I don't even want to think about that". But significantly he has said that the EU needs to find ways for the Constitution to come into effect before the ratification process has been completed in every last Member State. The Kanzleramt told us this was a coded reference to the draft treaty provisions on withdrawal from the EU. Whilst at pains to stress this threat was not aimed at the UK, the Germans are returning to their well-worn argument that the pace of integration should not be held up by the slowest Member State.

5. Fischer has also picked up this theme. Monday's Financial Times Deutschland reports his comments that if any Member State votes no in a referendum this should not be allowed to block the constitution. He also suggested there should be "consequences" for that Member State. He argued that citizens should be given the clear option of their country accepting the constitution or leaving the EU. Under such a scenario, Fischer is quoted as



saying "I would be in favour of a referendum immediately". However Fischer's officials have played this down, underlining there is no change in Fischer's opposition to a German referendum.

6. So what is Fischer playing at? Doubtless as a committed integrationist, he wants to dispel the notion that Member States can vote down the treaty with impunity. Also he has to tread a difficult line as Green party leader: his party formally backs a referendum, but has been overruled by Fischer. Finally such comments ensure Fischer maintains his public profile on EU issues, which of late Schroeder has largely dominated.

7. Both the Auswaertiges Amt and Kanzleramt say they are open in principle to the idea of joint Franco/German ratification as a way of getting Chirac off the hook. The Auswaertiges Amt is moving from initial scepticism about its workability to seeing it as potentially useful symbolic tool. The Kanzleramt say the French have not yet raised the idea formally. Schroeder would not be averse if Chirac wanted it, but this is not something the Germans will pursue actively.

8. Overall, German media interest in the UK's announcement is already waning. So far, there is little sign of growing expectation that the UK's announcement will lead to us digging in harder on our red lines or that it will make overall agreement more difficult. The Kanzleramt has not raised the prospect with us at all so far. However the Irish embassy here has told us pointedly it thought chances of an overall deal were good, "as long as people don't now start putting new issues on the table."

9. Contact: paul.heardman@fco.gov.uk

CRESSWELL

**Sent by BERLIN on 26-04-2004 16:31**  
**Received by No10 on 26-04-2004 18:06**



RESTRICTED

NOSEC: GERMANY/IGC: SCHROEDER'S MEETING WITH ZAPATERO  
From: BERLIN

TO PRIORITY FCO  
TELNO 180  
OF 291556Z APRIL 04  
INFO PRIORITY ACTOR, CABINET OFFICE, DTI, EU ENLARGEMENT POSTS  
INFO PRIORITY EU POSTS, HM TREASURY, HOME OFFICE, UKREP BRUSSELS  
INFO PRIORITY WHIRL

CABINET OFFICE PLS PASS TO NO 10 FOR WALL, SHEINWALD, RYCROFT,  
LIDDLE  
CABINET OFFICE FOR HALL, GRIFFIN, WATT  
FCO FOR DARROCH, FROST, DREW, CAVE  
HMT FOR GUTHRIE  
DTI FOR DURNING  
HOME OFFICE FOR PRINCE  
HOME OFFICE PLEASE PASS TO DCA FOR DE PULFORD, ADAMS

## SUMMARY

1. Schroeder and Zapatero have "excellent" discussions on IGC. Agree deal must involve some increase in 50/60 threshold. Both reject Giscard's ideas on vote weighting. But Kanzleramt still sceptical about Council Secretariat's model. Schroeder says trilateral German-French-Spanish summit is a possibility.

## DETAIL

2. Schroeder met Zapatero in Berlin on Wednesday evening. The Kanzleramt told us discussions on the Constitution were "excellent and harmonious". Zapatero confirmed Spain's support for the Double Majority (DM) principle. He told Schroeder the population threshold should be raised to two-thirds, but hinted this was not a Spanish bottom-line. Spain was not bothered about raising the Member State threshold.

3. Both Schroeder and Zapatero agreed Giscard's latest proposal on vote weighting was a "non-starter". Privately the Kanzleramt describe Giscard's "parallel negotiations" as very unhelpful. They argue this would amount to a continuation of Nice by the back-door as it would be invoked routinely by Member States. It would undermine the Kanzleramt priority's that DM voting should not slip much beyond 2009, if at all. The Auswaertiges Amt is more open to Giscard's idea, principally as it would secure the 50/60 threshold and offer a potentially face-saving solution for the Poles. But Schroeder's opposition is definitive.

4. Zapatero also won Schroeder's support for his idea that Member States should be able to decide nationally whether EU texts of "fundamental importance" should be translated into additional languages. Such translations would not have the legal standing of documents translated into the EU's official working languages. But securing this Catalonian fig-leaf was important for Zapatero. The Kanzleramt told us they thought this, in addition to securing Solana's reappointment as High Representative, would provide Zapatero with enough national cover for flexibility on vote weighting at the June European Council.

5. Germany and Spain also agreed that it was currently impossible to read Polish thinking. There were numerous conflicting messages from Warsaw. Although Schroeder will travel with Miller to Dublin on 1 May, the Kanzleramt sees little point in engaging with the Poles until the new government is in place.

6. In their press conference, Schroeder and Zapatero underlined their faith in Irish Presidency handling. Zapatero said a deal



was significantly closer than two months ago and that this would be on the basis of the Presidency's proposals. Privately the Kanzleramt still profess scepticism about the 55/65 model, and in particular the additional criteria on defining a blocking minority. But they accept nonetheless that thresholds will have to be raised from 50/60.

7. The two Heads were also asked at the press conference whether - in light of improved German-Spanish relations - there were any plans for a German-French-Spanish trilateral summit. Schroeder said there was no reason to exclude this. The Kanzleramt told us subsequently there had been no discussion of this and there were no plans were being developed. But I suspect now this hare has been set running, we may hear more on the idea.

8. More broadly, German thinking on other European Constitution issues remains unchanged. On the UK's red lines, the message remains that the price of German support on tax, social security, own resources and CFSP is greater UK flexibility on JHA. The Germans also remain inflexible over our concerns on the Charter of Rights. Officials here continue to argue that the references we need to the supporting Explanations are not acceptable. The Attorney General's planned visit in May will be a useful way of underlining our concerns to the Germans.

9. Following our referendum announcement, the few voices here that advocate a German referendum are coalescing around the idea of an EU-wide poll. Stoiber (CSU leader) and Daniel Cohn-Bendit (Greens' headline candidate in the EP elections) have both expressed interest in the idea, albeit for quite different reasons. In private, the Auswaertiges Amt remains more concerned about our decision than the Kanzleramt, describing it as "high-risk".

10. Contact: paul.heardman@fco.gov.uk

TORRY

**Sent by BERLIN on 29-04-2004 15:56**  
**Received by No10 on 29-04-2004 17:27**



**RESTRICTED**

**POLAND IN THE EU- WHAT CAN WE EXPECT?**

**From: WARSAW**

TO FCOLN

TELNO 114

OF 281402Z APRIL 04

INFO ROUTINE ACTOR, BANK OF ENGLAND, CABINET OFFICE, DEFRA

INFO ROUTINE DEPT FOR EDUCATION AND SKILLS, DEPT OF HEALTH

INFO ROUTINE DEPT OF TRANSPORT, DFID, DTI, DWP

INFO ROUTINE EU ENLARGEMENT POSTS, EU POSTS

INFO ROUTINE HM CUSTOMS AND EXCISE, HMT, HOME OFFICE

INFO ROUTINE OFFICE OF DEPUTY PRIME MINISTER, WHIRL

CABINET OFFICE FOR WALL AND WILLIAMS

**SUMMARY**

1. What sort of EU Member State will Poland be? Intelligent, disorganised, pedantic and (for now) improvisational. Good basic partnership technique goes a long way here.

**DETAIL**

**Public Opinion**

2. Polish attitudes here towards the EU are hardening after last June's referendum. As some prices rise, particularly on sensitive goods such as tobacco and bananas (scarce during Communism), post-Accession EU-bashing will be popular for a time. The Populist demagogue Lepper is calling for wholesale renegotiation of Poland's terms of entry. However, the younger vote has no choice but to remain firmly "pro-Europe", and the rural conservative vote will start to see the first EU farm support payments next year.

**What sort of EU Member?**

3. Poland is a tough, noisy negotiator. When national interests are at stake, the Poles are unlikely to blink first. But they blink eventually. Their Objectives are simple: to get as much money (and status) as possible for Poland, especially from CAP and Structural Funds. There are few wider policy ambitions apart from a determination to help drive EU policy towards Eastern neighbours (firm on Russia, soft on Ukraine/Belarus), and to keep US/EU relations in good shape. Both fine by us - if managed intelligently.

4. Poland will not be a 'good' EU member on implementing the Acquis. The Poles expect infractions cases and may even ignore EU legislation they dislike. Poland at the top of the infractions league table in due course?

**Federalist or Intergovernmental?**

5. Poles do not want to replace rule from Moscow with rule from Brussels. Instinctively the Poles are cautious on "sharing sovereignty", as the IGC voting weights issue exemplifies. On "background" issues like social policy, environment and fish Poland tends to see the Commission as a satisfactory defender of their interests. As Poland gets into its EU stride - and if it feels that its weight is being felt - it may be more relaxed on issues with a sovereignty angle. But not yet.

**Joined up or all over the place?**

6. Serious communication problems both in and between Polish Ministries will persist for the foreseeable future. Ministries



here are groaning under EU paperwork. The lack of skilled officials means the Poles prioritise in a haphazard fashion. The Polish Representation to the EU is not yet working well with Ministries in Warsaw, who are reluctant to delegate to their EU mission. A new central government body will take over overall EU policy from 1 May, aiming to co-ordinate at Deputy Minister level. It is unclear what resources and clout this body will have, especially given the wider political disarray. This could take a couple of years to sort out.

#### Last Minute-ism

7. Poles regard themselves as 'masters of the sprint'; delivering the goods when needed. This leads to rushed and/or shoddy work (eg numerous Acquis laws being bundled through the Sejm). Expect more of the same on issues which catch their attention, viz a disconcerting mixture of intelligence, energy, pedantry, improvisation and above all high drama.

#### Conclusion

8. How to handle a new Member State like this? We can have disproportionate influence here if we point out major problems for Poland with EU proposals (especially unexpected cross-sectoral linkages) and provide basic background information/analysis. This is an easy win for the UK; other Member States (happily for us) do next to nothing.

9. We can not nag the Poles into giving us their support. They are steeped in communist negotiating techniques: "never move unless you get something for it." Our recent lobbying for support on the Investment Services Directive produced a subtle request for a quid pro quo on European statistics. The Poles will learn the EU game quickly.

10. Contact: Graham Horry (Firecrest)

CRAWFORD

**Sent by WARSAW on 28-04-2004 14:02**

**Received by No10 on 28-04-2004 18:23**



**RESTRICTED**  
**WHO ARE POLAND'S BEST FRIENDS IN THE EU?**  
**From: WARSAW**

TO ROUTINE FCO  
 TELNO 115  
 OF 281441Z APRIL 04  
 INFO ROUTINE ACTOR, BANK OF ENGLAND, CABINET OFFICE  
 INFO ROUTINE CUSTOMS AND EXCISE, DEFRA  
 INFO ROUTINE DEPT FOR EDUCATION AND SKILLS  
 INFO ROUTINE DEPT FOR WORK AND PENSIONS, DEPT OF TRANSPORT, DFID  
 INFO ROUTINE DTI, EU ENLARGEMENT POSTS, EU POSTS, HM TREASURY  
 INFO ROUTINE HOME OFFICE, OFFICE OF DEPUTY PRIME MINISTER, WHIRL

**CABINET OFFICE FOR WALL AND WILLIAMS**  
**SUMMARY**

1. Poland has Votes: what sort of EU alliances will Poland seek?  
 Operational conclusions.

**DETAIL**

2. Poland's likely partners.

3. Germany as Poland's biggest EU neighbour, main trading partner and advocate of Polish EU entry should be Poland's closest ally. However, while the Poles want to know what the German position is going to be, they are not afraid to disagree with it; the Poles have an existential requirement to be seen to be standing firm against both Germany and Russia. Historical issues (especially eg property claims arising from post-WW2 redrawing of the map) arouse acute sensitivity here. there are few signs that either side wants more systematic policy alignment: the "Weimar Triangle" (Poland/France/Germany) and bilateral fora are inactive.

4. Poland's historic relations with France are good (Napolean gets a name check in the Polish national anthem). But recently things could hardly have gone worse. Chirac's infamous remarks on Accession countries "missing the opportunity to keep quiet" went down badly in Poland and will be long remembered, just as Poland's decision to buy F16s and not Mirages went down badly in France. French-style anti-Americanism is very unpopular. In short, the Poles are wary of the French but know they have to cooperate in the EU; for the time being bilateral relations are set to remain prickly.

5. Spain and Poland's ad hoc alliance last year on voting helped develop a quite close relationship. But the departure of Aznar (and Spain's abrupt decision on Iraq troops) makes cooperation less easy. Spanish insistence on retaining Structural Funds and the Poles' increasing expertise in obtaining them may cause friction.

6. The Poles admit that other members of the Visegrad Group are suspicious of Poland as a regional Big Brother. But maybe they will welcome Poland giving a strong lead for more active/positive EU engagement with Belarus/Ukraine?

7. Surprisingly little on the Poland/Italy front, apart from equally volatile domestic politics?

8. Finally, UK-Polish relations are excellent and busy. The Poles are close to UK thinking on Lisbon Agenda and could even end up with us on CAP (and Future Financing?) as long as Poland is persuaded it is being dealt with "properly" (ie full consultation) and is getting as good a deal as can be expected. Poland



generally wants an "EU of nation states" - it could be even firmer on this point under a Centre-Right government.

#### Conclusion

9. The Poles know the Franco-German partnership is hard to beat. They do not mind Trilateralism, since they like to see the UK reining in the French/Germans. But their idea is a Sextet.

10. All in all, the Polish instinct to consult with UK is less than it might be, but UK expertise and friendly, straightforward style are much respected in Poland. We can intervene effectively here where it really matters. And for quite a few years to come we need to: under Nice Poland has Votes.

11. Contact: Graham Horry (Firecrest)

CRAWFORD

**Sent by WARSAW on 28-04-2004 14:41**  
**Received by No10 on 28-04-2004 18:38**



**RESTRICTED**

**From: Steven Morris**

**Date: 27 April 2004**

**PRIME MINISTER  
MRS BLAIR**

**cc: Jonathan Powell  
Ivan Rogers  
David Hill  
Sally Morgan  
Stephen Wall  
Tom Kelly  
Darren Murphy  
Kate Garvey  
Sue Geddes  
Martin Sheehan  
Ian Gleeson  
Detectives**

**EU ENLARGEMENT EVENT - WEDS 28TH 18.00-19.00**

You are hosting a reception in the FCO to mark EU enlargement on Wednesday evening. This event has been designed to highlight positive aspects of enlargement, to underline the cross-party support in Britain, and to spotlight positive case studies of people from Accession countries, in the face of media attempts to paint EU enlargement as a negative (ie. mainly about immigration).

It is a reception in the FCO Durbar Court for 400 guests linked to the accession countries or the enlargement process. You will meet groups of guests and make a short speech (in which you will also launch the FCO/British Council 'Crossroads for Ideas' initiative for building links with Central Europe ).

The reception is from 6-8pm. You and Mrs Blair will attend from 6-7pm.

**Format**

Informal reception for 350-400 standing guests associated with / from the accession countries. Main groups are:

- Celebrities. From or with family roots in accession countries. You and Mrs Blair will meet groups (list below).

**RESTRICTED**



## RESTRICTED

- 2 -

- Young professionals ('rising stars') – from the 8 Central European countries, who are attending as part of the FCO 'crossroads for ideas' initiative, developing partnerships between Britain and these countries.
- Politicians – cross party, former Europe and Foreign Ministers, former Commissioners. RSVPs include Douglas Hurd, David Davis, Neil Kinnock, Pat Cox. Several other Cabinet Ministers are attending. John Major has sent a message of support.
- “Local heroes” – from UK accession country communities, including war veterans, business people, sports people and artists.
- Media. There is FULL MEDIA at the event, including photographers for magazines and celebrity press. Local and national newspaper editors are attending as guests.

### SCHEDULE

- 18.00 Depart No10 on foot, to the FCO Ambassadors' Entrance.
- 18.05 set photo on the Grand Staircase with 68 'rising stars'. You shake hands with the front row before joining in the front middle of photo.
- 18.10 To the Durbar Court where the Foreign Secretary welcomes you.
- 18.10-18.30 MEETING GROUPS OF GUESTS (pre-arranged)

Kate and I will guide you to groups. Sue Geddes will accompany Mrs Blair.

### GUEST GROUPS – PRIME MINISTER

#### **PM GROUP A - Celebrities: 6 people**

***Minister introducing this group: Denis MacShane***

- Rachel Weisz (Father Hungarian, Actress - About a Boy and The Mummy)
- Stelios Hadjiioannou (Cyprus - Easyjet)
- Karman Cass (Estonia - supermodel)
- Kasia (Poland, Model)

RESTRICTED



**RESTRICTED**

- 3 -

- Dan Topolski (Polish, writer/rower)
- Peter Andre (Cypriot, musician)

**PM GROUP B – War Veterans: 6 people**

***Minister introducing this group: Geoff Hoon***

- Bob Adams
- Arthur North
- Edward Dunhill
- Gen K A Pospichal
- Gnmjr. Miloslav Kaspar
- Mr Tadeusz Ruman (speaking)

**PM GROUP C - Local Heroes: 10 people. Photo with each**

***Minister introducing this group: John Reid***

Wladyslaw Wygnanski (Poland, Entrepreneur)

Anthony Duarte and wife (Czech Republic, restaurateur)

Dr Sylva Petrova BA MA Phd (Czech Republic, Professor in Glass)

Lady Milena Grenfell-Baines (Czech Republic, philanthropist - Winton child)

Isabella Brodzinska (Poland, Polish Cultural association)

Olga Kevelos (+ 1, Czech Republic, rode motor cross in the 1950's for the Czech National team)

Steve Trebacyzk (Poland, Chemistry teacher and sec of Bristol NUT)

Mr Martin Gajos (Poland, runs exchanges between British and Polish nurses)

Mr Jaroslav Mykisa (Czech Republic, Artist)

Isabella Moore (Poland, businesswomen - first female BCC President)

**GUEST GROUPS – MRS BLAIR**

**CB GROUP A - Celebrities: 6 people**

***Minister introducing this group: Estelle Morris***

- Egon Ronay (Hungary - food critic + 1)
- James Fox (UK Eurovision entry)
- Eva Jiricna (Czech architect)
- Daria Klimentova (Czech ballerina)

**RESTRICTED**



## RESTRICTED

- 4 -

- Lara Bohinc (Slovenia - British young designer of the year +1)
- Ingeborga Dapkunaite (Lithuania, Actress)

### **CB GROUP B Rising Stars: 8 people (1 from each country)**

***Minister introducing this group: Patricia Hewitt***

- Lauri Peil (Estonia, Scientist)
- Vladimir Loginov (Latvia, Finance)
- Tomas Grunskis (Lithuania, Architect)
- Barbora Skorpilova (Czech Republic, Architect)
- Natalia Jaroszevska (Poland, Fashion)
- Kriszta Remete (Hungary, Fashion)
- Robert Kliendienst (Slovenia, Finance)
- Richard Rozbora (Slovakia, Fashion)

### OTHER SPEAKERS

#### Tadeusz ('Tad') Ruman

78 year-old war veteran. He came to Britain to fly with the Polish Air Force during WW2. He undertook 3 tours of operation, and stayed in Britain, where he has worked ever since. He was decorated with the Distinguished Flying Medal on 27 April 1945 for his service in Italy (air dropping supplies to partisans).

He married a British woman (now deceased) - they were married for 47 years. He has 2 sons and 6 grandchildren. Lives in Blackpool. Excellent English.

#### Stelios Haji-Ioannou

Easyjet founder. From Cyprus. Expanding into new E European routes thanks to EU open skies rules. Pro-European.

18.30 PM, Foreign Secretary and Cherie Blair to stage. Jack Straw welcomes guests, introduces first speaker: war veteran Tad Ruman.

18.31-33 War veteran speaks

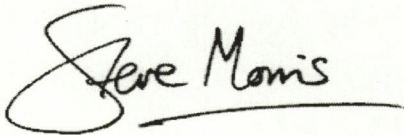
RESTRICTED



RESTRICTED

- 5 -

- 18.33-35 Foreign Secretary introduces Stelios Hadjiioannou.  
18.35-37 Stelios speaks and then introduces Prime Minister.  
18.40 PM speaks (draft words attached).  
18.50 Return to No.10 on foot

A handwritten signature in black ink that reads "Steve Morris". The signature is written in a cursive style with a large, looping initial "S" and a horizontal line underneath the name.

STEVEN MORRIS

RESTRICTED



## ANNEX "*CROSSROADS FOR IDEAS*" - PROJECT SUMMARY

*Crossroads for Ideas* is a major FCO Public Diplomacy project which the PM will officially launch at his enlargement reception on 28<sup>th</sup> April.

It aims to foster closer links between the UK and the eight countries of Central Europe. This is a joint FCO / British Council campaign. The total budget is £1.5m.

The initiative aims to bring together talented young people from Britain and the countries of Central Europe, to exchange ideas, experiences and skills, and to build new networks and partnerships. The specific aim of the campaign is:

It aims to reach Central Europe's rising stars, in order to:

- demonstrate that the UK is a gateway for creativity and ideas;
- maximise opportunities for partnerships in the arts, sciences, business, tourism and education.
- generate media coverage in the target countries.

And to convey that:

- the UK is a global cross-roads, a market for exchanging skills & expertise
- the UK is culturally diverse, meritocratic and outward looking
- English is the 'lingua franca' of business
- The UK excels at the creative and leisure industries and the arts
- The UK is business-friendly and is Europe's No 1 financial centre
- The UK has strong skills in emerging technologies and research;
- Britain excels in environmental technologies.

It involves a variety of events and activities taking place in the UK and the A10. In the UK, 69 of the most talented young professionals from Central Europe will join networking events in centres of excellence across Britain, each focused on a key theme presenting new opportunities for real partnership: Environmental Technology, Business & Finance, Bio-science, Product Design and Branding Architecture, TV and Fashion.



## **PM WORDS FOR EU ENLARGEMENT EVENT**

**WEDNESDAY 28<sup>th</sup> APRIL**

### **Introduction**

Thanks Jack, and thank you to Tadeusz and Stelios for sharing with us what it means to you to see the countries you come from join the European Union.

You could hardly have given us a better illustration of why the enlargement of the EU is a cause for celebration – here in Britain, in the 10 accession countries and right across Europe.

Hearing your stories really brings home the significance of this event – and the deep connections that already exist between our countries.

And of course there are thousands more stories like yours. We are celebrating something which we have been working towards ever since the collapse of the Berlin Wall. This enlargement is the definitive ending of those divisions. It changes the map of Europe and its future. It helps guarantee democracy and freedom on countries which just a few years ago had none. It truly deserves that overused adjective 'historic'.

This historic event is being celebrated all over Europe. It is right that we in Britain should have our own celebration: – to celebrate the talent and richness of the new member countries; to celebrate Britain's close ties with them; and to celebrate the people who symbolise our bonds of friendship.

That's why it is a huge pleasure for me to welcome you all here tonight.

### **Benefits of enlargement**

We often talk about this enlargement of the EU righting historic wrongs, healing the divisions of the Cold War. So it does – and not before time. But it also brings tangible benefits to us all. It creates a vast free trade market of 450 million consumers - an enormous achievement, with immense potential for the future. Increased trade, investment, and competition will benefit us all – in the new EU countries and the existing members alike. In Britain, the Treasury estimates that 100,000 British jobs are already linked to the export of goods and services to the new member states. Our trade with the eight largest accession countries has grown by almost 200% in the last decade, and is predicted to keep growing.

It is also said that this enlargement has come later than some had hoped. We Brits have a certain empathy for that position – after all, our own application to join the EEC was turned down twice. But while the road to membership has involved enormous efforts and some sacrifices for all the countries concerned, the reform journey was necessary, and the prize of EU membership shows it was worthwhile.



### **British links with Accession countries**

Britain enjoys very close relationships with all of the new member countries – old friendships rekindled in recent years, new links being made all the time. The people here tonight are evidence of that.

Of course we have historic ties – like those with Commonwealth Malta and Cyprus.

Likewise, we will never forget the bonds forged in the dark days of the Second World War. The courage of the men and women who escaped from Hitler and to continue fighting the cause of freedom from this island is legendary. Around one in eight of the airmen who fought the Battle of Britain were Polish. Polish mathematicians played a vital part in cracking the Enigma code. Thousands more Poles, Czechs, Slovaks, Maltese and others served with the RAF and the other services.

Many of the people concerned remained in Britain after the war. At the church I attend here in London, there is a mass regularly still said in Polish. They and their families have made a huge contribution to our country as, I said in a speech yesterday, have people from all over the world who have worked and settled here over generations. Our country is richer in every way because of you.

It also helps explain why across our country there are already communities with direct and family links to our new EU partners. The Cypriot community in London numbers some 200,000 people – the same population as Nicosia. There are large Polish communities across Britain with over 3,000 people in Birmingham alone with direct Polish descent. Cardiff has both a Polish and Czech community. There is an Estonian community in Leicester, Bradford as well as London.

Across every field, people with a background from the accession countries have made a contribution to our country – in every field. And it is fitting on this occasion that they include our Minister for Europe, Denis MacShane.

It has been a privilege to meet members of these communities tonight – to hear your extraordinary stories and to see what remarkable men and women you are.

### **British support for enlargement**

From the start, there has been no greater supporter of EU enlargement than Britain. Of course, the achievement belongs to the new members themselves. But we are proud of the part we played – both up front and behind the scenes – to help them along path to membership.

Many people here tonight played a personal part in that process – as ministers of this or the previous government, in Parliament or as experts helping with the remarkable reforms and transition which the new members have achieved.



As well as the EU's pre-accession programmes, Britain has provided additional support. The British "Know-How Fund" was established in Poland in 1989, and by last year we had spent over £300 million on Know-How Fund projects in the 10 Accession Countries. In addition, a range of twinning programmes, scholarships and other programmes have all played a part.

This support continues. There are over 50 UK British experts working as advisers on a wide range of issues from banking, business, in the accession countries today. And we will continue to support the transition process in the next wave of EU candidates.

### **Crossroads for ideas**

Britain's partnerships with the Accession countries will be even more important in future, as partners together in the EU. We share, for instance, many of the same views about the future direction of Europe.

That's why I am delighted tonight to launch the ***Crossroads for ideas*** initiative – a joint project between the Foreign and Commonwealth Office and the British Council.

***Crossroads for ideas*** will bring some of the most talented young professionals from Central Europe - working in television, fashion, design, architecture, science, the environment and finance - to meet their British counterparts all around Britain to exchange ideas, experiences and skills. The project builds on the existing strong relationships between the UK and the countries of Central Europe, and it will forge new and deeper partnerships for the future. And these 69 young professionals are all here tonight to help us celebrate.

### **Conclusion**

Perhaps most of all, what this event symbolises for us is our shared hope for the future. Convinced enlargement will benefit not just the new countries but Europe. New members bring with them new ideas, a readiness to face reform, proven determination in facing tough choices.

This is a welcome and historic weekend for these ten countries and all of Europe. But I profoundly believe it marks the beginning of a new era for a new Europe.

Enjoy the rest of the evening.



## **PM WORDS FOR EU ENLARGEMENT EVENT**

**WEDNESDAY 28<sup>th</sup> APRIL**

### **Introduction**

Thanks Jack, and thank you to Tadeusz and Stelios for sharing with us what it means to you to see the countries you come from join the European Union.

You could hardly have given us a better illustration of why the enlargement of the EU is a cause for celebration – here in Britain, in the 10 accession countries and right across Europe.

Hearing your stories really brings home the significance of this event – and the deep connections that already exist between our countries.

And of course there are thousands more stories like yours. We are celebrating something which we have been working towards ever since the collapse of the Berlin Wall. This enlargement is the definitive ending of those divisions. It changes the map of Europe and its future. It helps guarantee democracy and freedom in countries which just a few years ago had neither. It truly deserves that overused adjective 'historic'.

This event is being celebrated all over Europe. It is right that we in Britain should have our own celebration: – to celebrate the talent and richness of the new member countries; to celebrate Britain's close ties with them; and to celebrate the people who symbolise our bonds of friendship.

That's why it is a huge pleasure for me to welcome you all here tonight.

### **Benefits of enlargement**

We often talk about this enlargement of the EU righting historic wrongs, healing the divisions of the Cold War. So it does – and not before time. But it also brings tangible benefits to us all. It creates a vast free trade market of 450 million consumers - an enormous achievement, with immense potential for the future. Increased trade, investment, and competition will benefit us all – in the new EU countries and the existing members alike. In Britain, the Treasury estimates that 100,000 British jobs are already linked to the export of goods and services to the new member states. Our trade with the eight largest accession countries has grown by almost 200% in the last decade, and is predicted to keep growing.

It is also said that this enlargement has come later than some had hoped. We Brits have a certain empathy for that position – after all, our own application to join the EEC was turned down twice... But while the road to membership has involved enormous efforts and some sacrifices for all the countries concerned, the reform journey was necessary, and the prize of EU membership shows it was worthwhile.



### **British links with Accession countries**

Britain enjoys very close relationships with all of the new member countries – old friendships rekindled in recent years, new links being made all the time. The people here tonight are evidence of that.

Of course we have historic ties – like those with Commonwealth Malta and Cyprus.

Likewise, we will never forget the bonds forged in the dark days of the Second World War. The courage of the men and women who escaped from Hitler and to continue fighting the cause of freedom from this island is legendary. Around one in eight of the airmen who fought the Battle of Britain were Polish. Polish mathematicians played a vital part in cracking the Enigma code. Thousands more Poles, Czechs, Slovaks, Maltese and others served with the RAF and the other services.

Many of the people concerned remained in Britain after the war. At the church I attend here in London, there is a mass regularly still said in Polish. They and their families have made a huge contribution to our country as, I said in a speech yesterday, have people from all over the world who have worked and settled here over generations. Our country is richer in every way because of you.

It also helps explain why across our country there are already communities with direct and family links to our new EU partners. The Cypriot community in London numbers some 200,000 people – the same population as Nicosia. There are large Polish communities across Britain with over 3,000 people in Birmingham alone with direct Polish descent. Cardiff has both a Polish and Czech community. There is an Estonian community in Leicester, Bradford as well as London.

Across every field, people with roots in the accession countries have made a contribution to our country – in business, in our schools, hospitals and universities, in the arts and entertainment, and in public life. Some of them are here tonight. And it is fitting on this occasion that they include our Minister for Europe, Denis MacShane.

It has been a privilege meet you, to hear some of your extraordinary stories and to see what remarkable men and women you are.

### **British support for enlargement**

From the start, there has been no greater supporter of EU enlargement than Britain. Of course, the achievement belongs to the new members themselves. But we are proud of the part Britain played – both up front and behind the scenes – to help them along path to membership.

Many people here tonight played a personal part in that process – as ministers of this or the previous government, in Parliament or as experts helping with the remarkable reforms and transition which the new members have achieved.



As well as the EU's pre-accession programmes, Britain has provided additional support. The British "Know-How Fund" was established in Poland in 1989, and by last year we had spent over £300 million on Know-How Fund projects in the 10 Accession Countries. In addition, a range of twinning programmes, scholarships and other programmes have all played a part.

This support continues. There are over 50 UK British experts working as advisers on a wide range of issues from banking, business, in the accession countries today. And we will continue to support the transition process in the next wave of EU candidates.

### **Crossroads for ideas**

Britain's partnerships with the Accession countries will be even more important in future, as partners together in the EU. We share, for instance, many of the same views about the future direction of Europe.

That's why I am delighted tonight to launch the ***Crossroads for ideas*** initiative – a joint project between the Foreign and Commonwealth Office and the British Council.

***Crossroads for ideas*** will bring some of the most talented young professionals from Central Europe - working in television, fashion, design, architecture, science, the environment and finance - to meet their British counterparts all around Britain to exchange ideas, experiences and skills. The project builds on the existing strong relationships between the UK and the countries of Central Europe, and it will forge new and deeper partnerships for the future. And these 69 young professionals are all here tonight to help us celebrate.

### **Conclusion**

Perhaps most of all, what this event symbolises for us is our shared hope for the future. I am convinced that enlargement will benefit not just the new countries but all of Europe. New members bring with them new ideas, a readiness to face reform, proven determination in facing tough choices.

This is a welcome and historic weekend for these ten countries and all of Europe. And I profoundly believe it marks the beginning of a new era for a new Europe.

Enjoy the rest of the evening.



From: Rashmi Choudhury, EU-I

Date: 15 April 2004

cc: See Below

Reference: //2004

To: Simon Manley  
PS

*Handwritten notes:*  
→ Ivan Rogers  
cc. SW  
MR  
[Signature]

*Handwritten note:*  
Pretty desperate if a dozen EU finance ministers come to London and the Chx

SUBJECT: CITY OF LONDON EVENT TO MARK ACCESSION - ROUND TABLES

*Handwritten note:*  
Can't be

1. The Foreign Secretary has agreed to attend the Guildhall dinner, hosted by the Lord Mayor of London, to mark EU accession on 12 May. Along with this dinner, we are working with the Corporation of London and the CBI to organise a series of business events on the same day (I attach my recent situation report to the PUS at A).
2. Given that a number of Foreign and Finance Ministers are attending the dinner from the 10 accession countries and the 3 candidate countries, the Foreign Secretary has agreed to host a round table from 1415-1545. This has been extended to 90 minutes from a previously allocated 45 minutes, to allow sufficient time for it to be worthwhile. We have been looking at appropriate subject matter for the discussion. **I recommend that the theme of the round table be 'Priorities for the next Commission'. Does the Foreign Secretary agree?**
3. Currently, Chief Secretary to the Treasury, Paul Boateng has agreed to host a 30 minutes round table with his counterparts. This is not long enough and we have been pursuing HMT to extend this. In addition, the Chancellor has not agreed to any sort of involvement in the round table (or any of the other events taking place). In my situation report to the PUS, I recommended that he raise this with Gus O'Donnell at the Permanent Secretaries' meeting, as it would not be a good sign if the Chancellor did not meet his counterparts at all. It would also be a missed opportunity to lobby on a number of EU economic issues. Unfortunately, Gus O'Donnell and the PUS will not be at such meeting together until 28 April, which does not allow enough time to inform EU accession finance ministers. Therefore, **would the Foreign Secretary be willing to raise this directly with the Chancellor?**
4. Finally, we have had indications that certain Accession State Foreign Ministers will only attend the Guildhall dinner and related events on the condition that they have a bilateral

*Handwritten note:*  
battered to see them!

*Handwritten note:*  
Steve Morris  
16/4

*Handwritten note:*  
[Signature]



meeting with the Foreign Secretary. We anticipate this being limited to a few such conditional requests (Hungary appears to be the first). Though the Foreign Secretary is hosting a round table, in order to ensure better ministerial participation, I recommend that 15-20 minutes be made available on 12 or 13 May for bilateral meetings as necessary.

**Does the Foreign Secretary agree?**

5. I enclose at B the latest list of replies from foreign delegations. I will submit a full briefing for all activities closer to the event.

Rashmi Choudhury  
Head of EU Communications Team

NO. OF ATTACHMENTS: 2

CC: PS/PUS  
PS/MacShane  
Kim Darroch  
Dominic Chilcott  
Heads: Press Office, EU-E, EU-M, PDPD  
Charles Garrett  
Peter Hass  
Charles de Chassiron  
Nic Hailey  
Ed Owen  
Jonathan Allen, UKRep  
Philip Hall, CO





L.

## 10 DOWNING STREET

PM.

Does this give you  
enough of a weekly  
boost from the 11?

I am separately pressing  
Gen. Gort at ONI to  
see whether we can  
get better earlier data  
on who is moving to  
the country. He has  
promised to look at  
this personally, but will  
be fiercely defensive  
of his independence

But what  
happens if we do  
start to let an  
And what of people,  
nor workers?



**CONFIDENTIAL**

**From: Michael Barber  
Kate Gross**

**Date: 6 April 2004**

**PRIME MINISTER**

**cc: IR, JoP, JSW, JR, DH,  
BW, CM, GD**

**EU FREE MOVEMENT OF WORKERS: MONITORING**

**From 1 May, you and other Ministers will receive weekly reports assessing the impact of EU Free Movement of Workers.** PMDU have been working with IND and Departments to ensure that robust processes for collecting this management information are in place from 1 May: but this work has established that there are gaps in the available data along with some inevitable time lags in bringing information not previously collected on-stream. Monitoring EU FMOW is a complex exercise which will rely on intelligence and qualitative information as much as statistics.

**From 1 May, monitoring will be reported against the broad categories set out below** (attached is a note outlining baselines of A-8 nationals already in the UK, for different purposes, and full details of the monitoring which will be undertaken across public services).

- **Beyond the border:** weekly trend analysis from FCO posts within the A8 countries offering assessments of any significant movement of groups (including Roma) or behavioural changes. This will be supported by additional information from the network of Immigration Liaison Officers covering those countries.
- **At the border:** the immigration service will monitor A-8 arrivals at major air and sea ports. Ports are being selected to provide the most meaningful basis for extrapolating a national picture. This work will also pick up new flight and coach services from Accession States. The aim is to provide an early indication of any larger numbers of travellers to the UK.

This intelligence gathering has started in order to provide a baseline comparison. The intelligence from these sources will assist in establishing a profile, and any changes post 1 May can be identified and reported on a weekly basis.

**CONFIDENTIAL**



In addition the International Passenger Survey (run by ONS) will collate statistics relating to the numbers and nationality of passenger arrivals in the UK. At the moment ONS are saying that this will only be available monthly from July: we are pressing them to give data much more quickly than this.

➤ **In country:**

**Workers Registration Scheme**

A-8 nationals coming to work in the UK will be required to register under the Home Office's new registration scheme in order to access the labour market (i.e. if they aren't working, or are working illegally, this scheme will not count them). This will give us weekly data on the numbers of accession country nationals working in the UK. However, self-employed people will not be required to register (as the scheme cannot impose more restrictive requirements than those in place pre-1 May – and the ECAA scheme meant that A-8 nationals could already come and set themselves up in self-employment). We will need to be upfront about what the scheme does and does not record in order to avoid allegations of miscounting.

**Accessing the labour market**

The Labour Force Survey will provide details of nationals already resident in the United Kingdom. The Labour Force Survey (LFS) allows us to estimate the number of accession country migrants resident in the UK, which region they live in, and whether they are in work.

**Accessing the benefits system**

Post May 1st, Jobcentre Plus is proposing to manually collate statistics via a weekly clerical return the number of claims to IS and JSA(IB) by A-8 nationals. Jobcentre Plus will also be implementing a manual count of A-8 migrants who register for a National Insurance Numbers (NINOs). This will provide a weekly breakdown by each A-8 country of the total number of applications for National Insurance numbers, the age band of applicants, and whether the application was to take up benefit or employment.

**Accessing public services**

DH and ODPM will collect data on access to the NHS and housing on a monthly basis. Much of this will come from sampling rather than actual numbers because of NHS management information systems. DfES will



**CONFIDENTIAL**

- 3 -

also use sampling methods to collect data on access to education, probably quarterly.

In summary:

<b>Headline FMOW monitoring information from May 1<sup>st</sup></b>		
<b>Weekly</b>	<b>Monthly</b>	<b>Quarterly</b>
FCO post assessment of behaviour and movements from A-8 countries	International passenger Survey data for all A-8 nationals	International passenger Survey broken down by A-8 nationality
UKIS trend analysis of A-8 arrivals at ports	A-8 nationals accessing social housing (from June)	Labour Force Survey (3 month time lag)
Number of A-8 nationals claiming benefits	NHS in and out patient costs Sample monitoring of A-8 using NHS	Sample monitoring of A-8 nationals in education

**Content with this package?**

**Impact on UK labour market**

Following accession, DWP propose to monitor a range of key labour market indicators through the monthly statistics published by the Office of National Statistics:

- employment levels
- unemployment levels
- JSA claims
- vacancies

The first data relating to the post-accession period will be available in mid June. This monitoring should enable rebuttal of any claims that inflows of A8 nationals are causing significant negative labour market effects at a national or regional level. It should also help to move the argument away from crude numbers coming in, which is where some will inevitably want to push it. Some of the labour market data – particularly JSA claims – can also be broken down to a more local level. This data can be supplied on an ad hoc basis if, for example,

**CONFIDENTIAL**



CONFIDENTIAL

- 4 -

the HO registration scheme or anecdotal evidence (such as from the media) suggests an influx of migrants to a particular area.

In addition to this, we should consider commissioning a study looking at the impact of EU FMOW on the labour market. In order to be meaningful we would have to wait for analysis of at least two quarters of labour market data to be analysed - probably early 2005. Do you want to do this?

yes

**Media**

David Hill has convened an interdepartmental team to co-ordinate EU enlargement. I attach an outline news grid on EU enlargement. You've also said you'll make a speech before May 1.

Kate Gross

Michael

KATE GROSS

MICHAEL BARBER

CONFIDENTIAL



## EU ACCESSION / FREE MOVEMENT MAIN EVENTS APRIL – JUNE 2004

### APRIL

- Weds 7<sup>th</sup> Home Office: Laying of SI to exclude A10 nationals from work permit charges from 1 May.
- Thurs 8<sup>th</sup> (?) Lords Cttee report incl. practicalities of Workers Registration Scheme
- Thurs 15<sup>th</sup> (?) IOM campaign launch: posters, phone lines in accession countries  
Announcement of agreement with Belgium on UK border controls
- Mon 19<sup>th</sup> PM opens EBRD conference  
(Tbc) Asylum Bill amendments
- Mon 19<sup>th</sup> Polish jobs fair (DWP)  
- Tues 20<sup>th</sup>
- Thurs 22<sup>nd</sup> Straw: EU White Paper
- Fri 23<sup>rd</sup> Lord debate on EU regulations
- Sat 24<sup>th</sup> FCO Open Day – meet the neighbours
- Sun 25<sup>th</sup> **Accession Week** *Possible activity:*
  - Home Secretary article in the Sunday paper
  - Third party endorsements: eg. CBI and TUC for suitable spokespeople;
  - CRE article: welcome A10 nationals to support community cohesion.
- Mon 26<sup>th</sup> Commons Debate on HO regulations  
Possible publication of draft ID cards Bill
- Weds 28<sup>th</sup> PM hosts reception to 'celebrate new Europe', FCO
- Thurs 29<sup>th</sup> ONS migration figures
- Fri 30<sup>th</sup> NAO report on visa regime  
DWP Statistics on National Insurance Numbers given to migrants  
DWP: Regulations laid restricting access to means tested benefits

### MAY

- Sat 1<sup>st</sup> **Accession Day**  
PM in Dublin for official event
- Tues 4<sup>th</sup> Blunkett Home Affairs select ctte



Weds 5<sup>th</sup> Polish State visit  
Thurs 6<sup>th</sup> PM –Krasniewski press conference  
Sun 9<sup>th</sup> Europe Day – PM in Paris  
25<sup>th</sup> Asylum stats for 1<sup>st</sup> Quarter 2004

**JUNE**

**Thurs 10<sup>th</sup> European Elections**



## Appendix 1

### Free Movement of Workers

#### Baseline Summary

##### A-8 resident in the UK

An estimated 101,000 nationals of the A8 countries were resident in the United Kingdom in autumn 2003. Of these, 44,000 were in employment. The source of these statistics (The Labour Force Survey) is a survey of employment in the UK. It is therefore likely to cover some proportion of illegal workers, as well as legal workers.

By way of comparison, for nationals of the current EU countries, other than the UK, 931,000 were resident in the United Kingdom. Of these 483,000 were in employment.

##### A-8 migrating to the UK

For the last three years, 2000-2002, combined, ONS estimate that 30,200 citizens from the A8 countries migrated to the UK, i.e. probably about 10,000 per year. However, these figures should be treated with caution because the low sample sizes in the International Passenger Survey. This means estimates are subject to a high degree of error.

The Home Office's emerging research findings suggest that there is very little interest amongst A8 nationals for permanent migration - most migration will be short term. They are likely to be relatively young, well educated, and already speak at least one foreign language.

Most detailed research suggests that there are unlikely to be very large numbers of migrants post-accession, although any such estimates have to **be treated with some caution.**



## **A-8 travelling to the UK**

There were 722,500 admissions of nationals of A8 countries in 2002, compared with around 570,000 to 620,000 in each of the previous four years. Of these roughly 7% had temporary rights to stay in the UK through managed migration routes.

- 33,200 (5 per cent) were students,
- 5,255 (1 per cent) were work permit holders or their dependents and
- 9,300 (1 per cent) were seasonal agricultural workers.

Of the remainder travelling to the UK

- 488,000 (68 per cent) were visitors (44 per cent ordinary visitors, 23 per cent business visitors).
- 120,330 (17 per cent) were passengers returning after a temporary absence abroad.

The main nationalities were:

- Polish – 298,000 (41 per cent)
- Czech – 147,000 (20 per cent)
- Hungarian – 111,000 (15 per cent)

According to the IPS, the number of visits in 2003 rose by over a fifth to 728,000. The IPS suggests that the main annual peak in the number of visitors occurs in the summer months – July to September. Nearly all visitors from A8 countries stay for short periods. Of those interviewed on departure in 2003, 86 per cent had stayed less than 28 days.

The number of nationals interviewed through the IPS from each country is fairly small and therefore to give monthly figures for each country would be unreliable. In addition the sample is drawn to be representative on a quarterly basis but not a



monthly one, which means that the inclusion or exclusion of a particular route in any one month could substantially influence the numbers shown if they were shown monthly.

### **A-8 in the UK unlawfully**

There will be several thousand A-8 nationals here unlawfully, who have not come to notice. Work on assessing the baseline position is underway in IND and results will be available by early summer. However, Home Office stress that data will only be indicative of the scale of illegal immigration and illegal working rather than accurate measures.

A-8 nationals who have attempted to enter the UK unlawfully or have been identified after entering the UK unlawfully, have been removed as a result of enforcement action. This demonstrates that IND has taken action against A-8 nationals entering the UK unlawfully prior to accession. However, it tells us nothing about the nature and extent of unlawful entry.

In conclusion, baseline data about the numbers of nationals from A-8 countries entering and working in the UK is patchy. There are some significant areas where the data must be treated with caution due to small sample sizes. There are other areas where new information not previously collected will take some time to come on stream. In short we will not be able to rely on a purely quantitative monitoring of numbers arriving in the UK. This needs to be fleshed out by intelligence qualitative assessments from across departments.

### **Building on the baseline assessment post May 1<sup>st</sup> 2004**

#### **Data on A8 Nationals Arriving in the UK**

#### **The International Passenger Survey (IPS)**



The Office of National statistics will be able to supply the Home Office with monthly figures from the International Passenger Survey on the number of arrivals from the A-8 Countries. Comparable pre-accession data will also be available. The total number from all countries is provided on a monthly basis and from each of the individual countries on a quarterly basis. It should be noted that the number of nationals interviewed from each of the countries is fairly small and therefore to give monthly figures for each country would be unreliable.

The first post-accession IPS data will be that for May 2004. This data would normally be available on the 8<sup>th</sup> or 9<sup>th</sup> of July, but we are pushing ONS to bring this forward.

### **Intelligence led approaches**

In order to build on the baseline assessment, and fill the gaps, we cannot rely on raw data alone. There is a need to assess numbers and types of accession state nationals travelling to the UK after 1 May in a more qualitative fashion to allow judgements to be made about the proportion likely to enter the labour market and/or claim benefits.

This means using intelligence led approach to identify significant migratory movements from Accession State countries and of any indications of behavioural changes in groups likely to travel to the UK to claim benefits.

**Beyond the border:** the FCO is arranging for posts within the A8 countries to provide weekly trend analysis of any significant movement of groups (including Roma) or behavioural changes. This will be supported by additional information from the network of Immigration Liaison Officers covering those countries.

**At the border:** At major sea and air ports arrivals (selected to provide the most meaningful basis for extrapolating a national picture) from the A8 accession countries will be closely observed by UKIS to identify the composition of the flight load. This will include new flight and coach services from accession states with the aim of providing an early indication of larger numbers of A-8 nationals travelling to the UK.



Intelligence gathering will commence from early April to provide a baseline comparison. The intelligence from these sources will assist in establishing a profile, any changes to which post 1 May would then be identified and reported on a weekly basis.

**In country:**

The Labour Force Survey (LFS) allows us to estimate the number of accession country migrants resident in the UK, which region they live in, and whether they are in work.

**Workers Registration Scheme**

Information collected through the WRS scheme will *only* inform us on those who register for the scheme – the self-employed, posted service providers, and those with extant leave and permission to work will not be covered. Nor will the data reflect the number actually working at any one time, since we will not know if somebody has left their job, unless and until they apply to renew their registration.

**Workers Registration Scheme Headline Information available weekly from 1**

**May:**

- Numbers of new applications (successful and unsuccessful)
- Numbers of renewal applications (successful and unsuccessful)
- Where provided, date applicant last entered the UK
- Nationality of applicants
- Occupation of applicant and industry/sector in which they are working

**Information available from 1 June at earliest:**

The systems will not be in place to produce reports until at least 1 June.

- Region where applicant working at time of application/renewal, where postcode provided.
- Number of applicants' dependants (spouse/co-habiting partner and/or children) living with applicant in the UK
- Hourly wage.



- Hours applicant works per week
- Average number of renewals per applicant (if possible we will collate this information by sector).
- Where applicants are renewing registration, date they left previous employment for which they had registered (where supplied).
- Details of applicants who state they have an outstanding application and/or appeal with the Home Office.
- Age of applicants.
- Gender of applicants.

### **Accessing benefits**

It has never been a requirement (to date) for applicants to state their nationality when claiming the tax-funded income-related benefits of: Income Support (IS); income-based Jobseeker's Allowance (JSA(IB)); and State Pension Credit (PC). For this reason we are unable to ascertain if there are any A-8 nationals currently claiming. It has similarly never been a requirement (to date) for applicants to state their nationality when applying for a NINo. Consequently we have no baseline data on the current numbers of applicants for NINos from A-8 nationals.

Post May 1<sup>st</sup>, Jobcentre Plus is proposing to manually collate statistics via a weekly clerical return the number of claims to IS and JSA(IB) by A-8 nationals. Jobcentre Plus will also be implementing a manual count of A-8 migrants who register for a National Insurance Numbers (NINos). This will provide us, on a weekly basis, for each A-8 country, the total number of applications for National Insurance numbers, the age band of applicants, and whether the application was to take up benefit or employment. This is helpful information but needs to be viewed and interpreted against information and intelligence being collected across the system to be meaningful.

### **A-8 nationals claiming social housing**



We are similarly unable to get a baseline of the number of A-8s in social housing. They have no baseline information because social landlords do not currently collect this information and no information is available pre 1 May.

However ODPM will be collecting this information through local authorities and RSLs. As a minimum this should include -

- numbers of A8 nationals in social housing

From 1 May ODPM will collect information from LAs/RSLs on a monthly basis with the intention of getting this information to you by end of following month (May's data available end of June). Again, the delay in getting this information means that we will have far from complete data picture.

#### **A-8 nationals in Higher Education**

The DfES does not collect information on a pupil's nationality only their ethnicity (which is not the same), via the Pupil Level Annual School Census (PLASC).

PLASC identifies 17 ethnic categories, including White and any other White background. LEAs can collect data on more detailed or extended groups of ethnic background categories and the nearest category used by 31 Local Education Authorities (LEAs) is "White Eastern European". These LEAs report about 5,500 pupils – an average of 0.6 per cent per LEA – who give this as their ethnic origin.

To gather information from schools Ministers are considering a sampling approach, and contacting those LEAs who are most likely to be affected and work with them to develop a suitable monitoring system.

#### **A-8 using NHS**

The Department of Health does not as a rule collect information relating to the nationality of patients. A key exception is inpatient and outpatient costs for reciprocal agreements, including the European Economic Area (EEA) reciprocal arrangements



where the Department recoups the costs of treating EEA nationals from their countries, hence the need for accurate cost data.

The UK has bilateral agreement with five of the A8 countries (all bar the Baltic States). In 2002-3 there were approximately 500 claims for treatment under these agreements, at a total cost of around £477k (see attached table)

Individual hospital trusts are responsible for identifying and charging overseas visitors. The Department has never collected data centrally on the numbers of overseas visitors, the income recovered from them or the level of bad debt

Data will be available for spend relating to the bilateral agreements for 2003-4. However, as forms are sometimes returned late this is unlikely to be complete data, so again the picture will incomplete and/or delayed.

### **Monitoring for post May 1<sup>s</sup>**

The Department of Health will:

- provide monthly data on the in-patient and outpatient costs of treatment for A8 nationals under the EEA reciprocal healthcare arrangements from 1 May.
- conduct a study into the impact of overseas visitors at 12 acute trusts. This study will cover overseas visitors in general, although a particular focus will be the Accession countries.
- conduct a study of the use of primary care by overseas visitors, as part of the forthcoming consultation on proposals to introduce charging arrangements into primary care with a particular focus on A8 nationals. This study is due to begin in April and is expected to finish in July with results by the beginning of September

### **In conclusion**

There are significant issues with both the baseline assessment and proposals to build on it post May. The baseline assessment itself is far from complete. There are gaps and some of the figures, extrapolated from sampling, should be treated with caution.



Accordingly, we cannot rely solely on quantitative data to allow us to monitor the A-8 accession.

What data there is comes from a variety of sources where methodologies, sampling and time periods are not always comparable. Where new data is coming on line, there will be inevitable time lags in providing information.

Unlike asylum where figures and source are consistent, we are using a mixture of measures, generated by a variety of sources, a situation that also applies to the baseline assessments for other departments.

PMDU are therefore recommending that monitoring FMOWs requires, particularly until new data comes on line, a combination of intelligence led qualitative reporting that supports and explains the emerging quantitative data. This will ensure we pick up early evidence of greater numbers and any subsequent impact on the labour force and/or available public services.

It is suggested that, once the format of monitoring is agreed, the role of compiling and co-ordinating FMOW monitoring sits best with IND as part of their TCG structure.



**Rosalind Redfern**

**From:** Kate Gross  
**Sent:** 01 April 2004 20:41  
**To:** Duty Clerks  
**Subject:** FW: IPPR Seminar on EU Enlargement/FMOW

for matrix pls - no need to copy further, just for records

-----Original Message-----

**From:** Kate Gross  
**Sent:** 01 April 2004 20:41  
**To:** 'simon.manley@fco.x.gsi.gov.uk'  
**Cc:** Justin Russell; Ivan Rogers; 'nick.baird@homeoffice.gsi.gov.uk'; 'matt.cavanagh@homeoffice.gsi.gov.uk'; 'alison.kerr@fco.x.gsi.gov.uk'; Robson Helen - European Secretariat -; 'tony.foot@hm-treasury.gsi.gov.uk'; Smith Nicola - Economic & Domestic Secretariat -; 'andrew.templeman@cabinet-office.x.gsi.gov.uk'; 'chris.norton@dwp.gsi.gov.uk'  
**Subject:** IPPR Seminar on EU Enlargement/FMOW

Simon,

I attended the IPPR/CER seminar on EU Enlargement and free movement of workers on Monday. Discussion focused on likely numbers coming in under the concession. The two main speakers were the authors of the key studies predicting inflows (2002 Cion study + our UCL research). They have reviewed their figures and are still all agreed that the UK should expect net inflows of around 15,000 people p/a from the A-8 post 1 May. The (big) flaw in their methodology remains that they haven't taken into account the different restrictions all MS will place on FMOW - the variable geometry will clearly have an impact on the numbers seeking to come to the UK.

Within the overall predictions on flows, academics also concurred about the sort of migrant whom they expected to come to the UK under the FMOW concession. On the basis of sampling, it looked likely that we would have a high proportion of well educated, single, female migrants from 'relatively' deprived middle class back-grounds, and that their migration would, on the whole, be temporary rather than permanent (mirroring the experience of the Iberian enlargement). The view was that the very poorest (which will include some Roma) were unlikely to seek to re-locate to the UK en masse. However, there was an important exception to this. Slovak academics and some other practitioners at the seminar thought that facilitators might seek to 'bulk -buy' tickets for some Roma groups to the UK, or other Member States. They cited the experience of the Czech Roma seeking asylum in 2002, and the 1000-odd Slovak Roma who had been facilitated into Finland by a single tour operator, with instructions to send the benefits they managed to claim back to the tour operator as repayment for facilitating entry to Finland.

Clearly posts (and ILOs/IS) will have the best sense of what is going on on the ground in the A-8, and whether this kind of organised facilitation is happening. I would be very grateful if FCO posts could work with HO so that we can identify this kind of problem and nip it in the bud if it does occur.

Kate

Kate Gross  
7 968 3291





# Home Office

Home Secretary

50 Queen Anne's Gate, London SW1H 9AT

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

*File*  
*Answer*  
*Stw*  
*MR*  
*JR*  
*KEG*  
*fla 29/3*

Dear Tony,

26 MAR 2004

## EU ENLARGEMENT: FREE MOVEMENT OF WORKERS

This letter provides an update on progress towards implementation of the package of measures I announced to Parliament on 23 February. Since then, officials across Whitehall have been working hard to put arrangements in place and I am confident that we are on track for implementation from 1 May. You will wish to be aware of the following:

- the timetable for laying regulations to come into effect on 1 May. The first regulations (to open the labour market and make provision for a workers registration scheme) have been laid in draft today. The JCSI will consider them next week and we hope that the Lords' debate will take place before Recess and the Commons' as soon as possible thereafter. Further regulations will be laid by DWP, ODPM and the Inland Revenue to restrict access to benefits, tax credits and housing assistance. These are subject to the negative resolution procedure, so timing is less tight, although still critical to delivery of the overall package;
- there a potential loophole in relation to part time workers, which we will need to watch carefully ;
- monitoring – officials are developing a monitoring scheme with a view to providing baseline information and seeking our agreement to the detailed monitoring arrangements over the Easter break;
- stakeholder and media handling – work is in hand across Whitehall to ensure co-ordinated and consistent messages, both domestically and to our European partners.



You, I and other colleagues are due to meet for our regular asylum stocktake on 30 March, when you may wish to touch on progress on this issue, particularly in light of the planned discussion about our asylum and migration communications strategy. In advance of that, and mindful that colleagues with a substantial interest in this policy, including Andrew, John and Patricia will not be present at the stocktake, I thought it might be helpful to provide you with a written update. I had hoped I would be able to discuss progress on this policy with colleagues at a meeting of MISC 20, the Ministerial Committee on the social and economic aspects of migration, which I chair. Unfortunately, diary commitments made it impossible. However, I propose that when MISC 20 does meet after the Recess we should take stock of progress in the run up to enlargement and should continue to monitor the impact of this policy by including it as a regular agenda item for all MISC 20 meetings.

### **Policy and Regulations**

Since 23 February, we have been working to confirm the detail of the policy package. Further information is at Annex A. As you know the package comprises:

- a workers registration scheme to enable the Government to monitor the number of A-8 nationals entering the UK labour market; and
- amended rules on access to a range of social security benefits, tax credits, housing and homelessness assistance to restrict access by A-8 nationals.

We are not proposing to change rules relating to access to social services, the National Health Service and education, where the existing rules are already pretty tightly drawn. (For example: the Nationality, Immigration and Asylum Act 2002 prohibits local authorities from providing a range of key adult social services, including residential accommodation, to EEA nationals unless they have an EC law or an ECHR right to those services; and Department of Health is amending the regulations on hospital charging as part of wider work on health tourism.) However, Departments are reminding those responsible for operating the rules of their obligations and issuing guidance where necessary.

You will want to be aware that there is a potential loophole relating to **part time workers** working less than 16 hours per week. Under the social security arrangements, someone who is unemployed, sick, disabled or a lone parent may do small amounts of work while receiving Jobseekers' Allowance (JSA) or Income Support (IS), on condition that they continue to look for full time work and take it if they find it. JS and IS are withdrawn if someone works 16 hours a week or more. There is a risk that some A-8 nationals might fall into these categories, working token hours (e.g. one evening a week in a bar) and thus becoming eligible for certain benefits. These part time workers could also claim Child Tax Credit and Child Benefit and would be eligible for social housing and homelessness assistance if registered by the Home Office. However, the total UK JSA/IS claimants amount only to 25-30,000 people, so numbers from the A-8 are likely to be low.



Andrew and I have considered how we might resolve this. I am not in favour of making it illegal for A-8 nationals to work for fewer than 16 hours, which would be a breach of our statement of policy on free movement of workers. Patricia has also said she would have serious concerns about excluding such part time workers and making it harder to employ A8 workers, particularly in the absence of evidence of abuse of the benefits system. While the scope for part time workers to access support for children and out of work benefits is undesirable, the reality is that drafting a provision to exclude them from the labour market would be complex; would delay laying the regulations and severely jeopardise our ability to have the necessary regulations in place by 1 May. Moreover, a workers registration scheme that excludes part time workers would be more complex, increasing the operational risks.

My judgement, with Andrew and Jack's agreement, was that it would be better to go ahead with regulations that admit part time A-8 workers to the UK labour market than to risk the whole package. To address the concern about part time workers, the Home Office and DWP will ensure that there is robust guidance to frontline staff to the effect that the EC definition of worker could preclude from the registration scheme and from associated benefits anyone who is not "pursuing an activity as an employed person that is effective and genuine," and that a combination of few hours and low remuneration would need to be assessed very carefully. As a result of the Home Office safeguards, access to Child Tax Credit and Child Benefit will also be controlled. We will monitor the situation carefully for any sign of abuse. And in the meantime, we will develop and draft a reserve provision which we can bring forward should the need arise.

Regulations are being laid as follows to come into effect on 1 May:

Home Office – by noon 25 March: regulations (draft affirmative resolution procedure) under the European Communities Act 1972 and the EU (Accession) Act 2003 to open the labour market for A-8 nationals, make provision for the workers registration scheme (including a registration fee), and provide that only A-8 workers have a right to reside in the UK.



DWP – in late April: regulations (negative resolution procedure) under The Social Security Contributions and Benefits Act 1992, The Jobseekers Act 1995 and the State Pension Credit Act 2002 to amend the habitual residence test (which governs access to income-related benefits) to exclude those without a right to reside in the UK.

Laying these regulations in late April allows time for a formal referral – in accordance with statute - to the Social Security Advisory Committee (SSAC), which has said that it will undertake public consultation and report before the end of April.

Contingency arrangements are in place in case SSAC cannot deliver its statutory report in time for the regulations to come into force on 1 May. This would involve making temporary regulations with a sunset clause (without completing the statutory reference to SSAC), followed by permanent regulations to be made once the normal statutory procedures had been completed in full.

ODPM – in April: regulations (negative resolution procedure) under the Housing Act 1996 to amend the rules on access to social housing and homelessness assistance, so as to exclude EEA nationals without a right to reside in the Common Travel Area. (The regulations may also exclude all EEA nationals who are relying on a right to reside as a work-seeker; this will depend on legal advice once the judgment of the ECJ has been handed down in the current case of *Collins*.) Draft regulations will be made available to Parliament (but not formally laid) at the same time as Home office lay their draft regulations.

Inland Revenue – in April: regulations (negative resolution procedure) under the Tax Credits Act 2002, the Social Security Contributions and Benefits Act 1992 and the Social Security Contributions and Benefits (Northern Ireland) Act 1992 to amend the presence and ordinary residence requirements for tax credits and Child Benefit to exclude those without a right to reside in the UK.

### **Monitoring**

Good management information will be key: to monitor the impact of the Free Movement of Workers concession and to use publicly to counter criticisms of the policy. The TUC and the CBI have already indicated their determination to scrutinise this aspect and have asked to be consulted on our monitoring plans.

Together with the Delivery Unit, departmental officials are developing arrangements for a monitoring scheme to allow us to assess:



- the numbers of A8 nationals registering for work;
- the numbers claiming/receiving benefits;
- the burden A-8 nationals are placing on public services; and
- the impact of these workers on the labour market.

Because A-8 nationals will be able to travel freely in the EU after 1 May and will not be subject to immigration controls, we (in common with other Member States) will have no management information on how many A-8 nationals are in the country. However, we are looking at what information we can draw from a range of existing sources (e.g. the International Passenger Survey and the Labour Force Survey) and considering whether we can distinguish between registrations from A-8 nationals already in the UK and "new" arrivals to help counter claims about floods of new migrants.

Officials intend to let us have proposals for a detailed, cross-departmental monitoring package for the Easter break. This will include available baseline data and will set out the type and frequency of information Ministers can expect to receive before and after 1 May. I also propose that MISC 20 should take regular reports on the impact of the policy measures at its meetings after 1 May.

### **Stakeholder and Media Handling**

Criticism to date has focused on the timing of the decision and concerns from employers and trade unions about bureaucracy, costs and the scope for abuse of A-8 workers. Sustained effort will be necessary to ensure core messages are communicated and criticism effectively rebutted, particularly in the period immediately after 1 May when media attention will be at its height and systems will still be bedding down.

Work is in hand across Whitehall to ensure a co-ordinated and consistent series of messages. David Hill's cross-departmental group is looking at press handling in the critical period from now until after Easter. The Home Office is co-ordinating targeted press releases, briefings and a publicity leaflet, as well as ensuring departments' websites are aligned.

The TUC, CBI and other key employer organisations have raised a number of concerns, primarily linked to the complexity of the registration scheme and the risk it will discourage employers from employing A-8 nationals. My officials are working with Patricia's and directly with stakeholders to ensure that employer and union concerns are addressed. The trade unions in particular are concerned that some of the details of the scheme could allow unscrupulous employers to exploit A-8 workers. We are vulnerable to accusations that the arrangements to prevent abuse are insignificant. My officials are working with Patricia's to minimise this and I have met the CBI and the TUC this week.

The FCO is working with us on a European handling strategy covering the relevant eight Accession countries and the existing Member States. We are



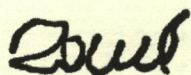
seeking urgent clarification of the Irish proposals as clearly it is highly desirable that their legal interpretation of the Accession Treaty derogations is not incompatible with our own. UKREP is in touch with the European Commission and is advising us on handling strategies.

### Devolved administrations

While immigration and benefits are of course reserved matters, housing is devolved. Given the UK nature of the main policy package, it would be helpful if the Devolved Administrations felt able to adopt the same approach as us in respect of housing. I have written to the Devolved Administrations inviting them to consider this.

I am copying this letter to members of MISC 20, Gordon Brown, Paul Murphy, Peter Goldsmith and to Sir Andrew Turnbull.

Best wishes,

A handwritten signature in black ink, appearing to read 'David', written in a cursive style.

DAVID BLUNKETT



## POLICY MEASURES

This annex provides information on the detailed policy underlying the package of measures announced on 23 February. The package comprises:

- a workers registration scheme to enable the Government to monitor the number of A-8<sup>1</sup> nationals entering the UK labour market; and
- amended rules on access to a range of social security benefits, tax credits and public services to restrict access by A-8 nationals.

## WORKERS REGISTRATION SCHEME

2. The purpose of the workers registration scheme is to: allow A-8 nationals access to the labour market without restriction, but in a monitored way; support the wider policy objectives of regulating access to benefits (and prevent benefit tourism); encourage those A-8 nationals working here illegally to regularise their status and (if not already doing so) to begin contributing to the formal economy; and provide a source of management information to inform the Government's wider managed migration strategy. A-8 workers will still be liable for tax and National Insurance contributions for any period of employment or self-employment, in the normal way.

3. The scheme is intended to be a 'light touch' system of registration, which does not impose unnecessary burdens on employers and is consistent with our obligations under the Accession Treaty. It will apply to A-8 nationals and will come into force on 1 May 2004.

4. The following categories of people will be **required to register**:

- all A-8 nationals who find work on or after 1 May 2004, including students who wish to work. This could also apply to A-8 nationals who have been working illegally and want now to regularise their position; and
- all A-8 nationals who have been working in the UK legally in their current jobs for under 12 months by 1 May 2004 *and who change jobs* before they complete 12 months (and do not fall into the exempt categories).
- A-8 dependants of A-8 workers who arrive after 1 May should register as workers if they wish to work. This is to ensure that A-8 dependants who work are formally admitted to the labour market in their own right. There may be a perceived anomaly in that third country dependants of A-8 workers will be able to work without restriction, but in so doing they will not accrue any treaty rights for themselves as the A-8 workers will.

---

<sup>1</sup> The A-8 countries are the Czech Republic, Estonia, Latvia, Lithuania, Hungary, Poland, Slovenia and Slovakia. (All Member States excluded Cyprus and Malta from the restrictions on the free movement of workers on the grounds of their size.)



- Temporary/short-term workers. We are proposing to require workers who are employed through a labour provider (e.g. an employment agency) on a temporary basis to register. For the purposes of registration, the labour provider will be the employer.

5. To be authorised to work, an A8 national must apply to register as soon as s/he starts work. If a person does not apply to register when working, s/he will lose his or her right of access to the labour market.

***Temporary or short term workers***

6. Temporary or short-term workers (those who may take up employment for periods shorter than 12 months) who are given work by labour providers such as gangmasters, agencies or other labour providers will be required to register. In these cases, the exact identity of the 'employer' who is to be bound by these regulations may not always be clear. To deal with this, the Home Office regulations make clear that, for the purpose of this scheme, the 'employer' is the person who directly pays the worker.

7. The benefit of this approach is that it makes it clear to all parties, including the worker, who is the employer for the purposes of these regulations and who will commit an offence if they give long-term work to an unregistered worker. However, there are risks. In particular it is impractical to make more than one person responsible for ensuring a worker is registered – it would lead to significant complexity and confusion. Thus there may be cases where the person who pays a worker is not the same person as the person who is in fact the employer and the burden of responsibility would fall on the payer and not on the technical employer. However, we believe the disadvantages are outweighed by the advantages in terms of greater clarity as to the identity of the 'employer' and the deterrent this will pose to those who wish to evade these controls.

8. Registration will be valid for the period in which the person is working in a particular job (e.g. for a particular farmer or in a particular restaurant). If the worker changes jobs, s/he will need to renew the registration. This will be a simple transaction, and we are looking at being able to provide this facility on line. A person will be able to accrue time towards the 12 month period, providing that time out of work does not exceed 30 days in a 12 month period.

***Part time workers***

9. Part-time workers will be required to register, regardless of the number of hours they work. The way the scheme is devised, applying the registration requirement to those working 16 hours or more per week would effectively allow part-time workers unrestricted access to the labour market and to benefits. The only way to prevent part-time workers from having access to in-work support would be to prevent anyone from the A-8 who is working less than 16 hours a week from being admitted to the labour market. This would have to be backed up by making it an offence for employers to employ an A-8



## RESTRICTED – POLICY

national for less than 16 hours a week.

10. This would be a significant further restriction to free movement of workers, contrary to the light touch scheme, which was intended and announced. This would lose much of the labour market flexibility we are seeking, and would prevent highly skilled financiers, bankers and consultants – whom we want to attract – from working part-time. It would also introduce a further level of complexity and an added burden on employers and would open up a new possible area of illegal working.

11. However, DWP, Inland Revenue and ODPM have particular concerns about the possibility that a person could work for two hours in a bar one night a week and be eligible for Job-Seekers' Allowance and Income Support, social housing and homelessness benefits. Whilst Working Tax Credit will not be available to anyone working less than 16 hours, without a minimum hours or similar restriction on the right to reside, a 'worker' with children could claim Child Tax Credit and Child Benefit even if they did not claim Income Support. If they did claim Income Support or Job Seekers Allowance successfully they would be passported to full Child Tax Credit for their children.

12. The Home Office has explored this issue with DWP. The only way to avoid an A-8 part-time worker from assuming the rights of other EEA workers would be to make it illegal for them to work part-time as above. But it should be possible to avoid the worst of potential abuses. A worker as defined by EC law must pursue an activity as an employed person that is effective and genuine. This would allow us to refuse to treat some A8 nationals as workers where their economic activity was marginal. We could cover this point in guidance, saying that any one working less than 10 hours and for little economic remuneration should be looked at carefully, and possibly refused registration.

13. Furthermore, if any A-8 national does claim JSA or IS, DWP can rigorously enforce the condition that the claimant must be looking for full-time work and must take it if they find it, to reduce as far as possible the scope for abuse.

14. In the meantime, the Home Office will develop and draft a provision which would prohibit access to the labour market by A-8 nationals working less than 16 hours a week and make it an offence to employ them, and keep it in reserve; monitor the situation after 1 May; and if there is evidence of abuse, bring forward the amendment by regulation as soon as possible. This could be done provided whatever was then put in place was not more restrictive than the current restrictions on A-8 nationals.

### ***Exemptions***

15. The following categories of person will be exempt from the workers registration scheme:



## RESTRICTED – POLICY

- The self-employed. Under the Accession Treaty no member state can restrict the free movement of self-employed persons.
- A-8 nationals who are working in the UK legally on 1 May 2004. This will include those who have been working here legally for 12 months uninterrupted and so assume full Treaty rights; those who are here on work permits or other schemes, and those who are here already with no restrictions on working (i.e. on Code 1 conditions, see below).
- A-8 nationals joining the SAWS scheme before 1 May 2004 (the SAWS card will be valid as a registration certificate until the A-8 national leaves the scheme or until 31 December, whichever is first). This will mean that farmers or labour providers who are recruiting to harvest the soft fruit crop in May will not have to get to grips with the new scheme at this short notice.
- Those here on Code 1 conditions (i.e. no restrictions on working in the UK), including:
  - Those on the Highly Skilled Migrant Programme;
  - Unmarried A-8 partners/spouses of UK citizens on their probationary period;
  - A-8 nationals' dependants<sup>2</sup> who are currently subject to Code 1 conditions.
  - Postgraduate doctors and dentists in UK for training

Dependants of students. The EU Council Directive on students defines students as those enrolled at a recognised educational establishment and engaged in vocational training. It also provides that the spouse and dependent children of a student have a right to take up employment.;

16. As part of the planned monitoring and media handling, we will need to consider how to ensure transparency about these exemptions and the numbers of A-8 nationals (e.g. existing work permit holders and students) already in the country to avoid suggestions that we are hiding the true picture. The detailed advice officials are preparing on monitoring (for Easter) will look at this.

### ***Tax and National Insurance Contributions***

17. A-8 workers – whether employed or self-employed – will be required to comply with the conditions for payment of tax and National Insurance Contributions. Employers will need to make the appropriate arrangements to

---

<sup>2</sup> Dependants include spouses, cohabiting partners for two years or longer, and children under the age of 18 at the time of the main applicant's first application, who are unmarried and not leading an independent life.



bring new workers within PAYE.

18. There are certain circumstances in which the status of workers from A-8 countries in respect of National Insurance Contributions will change as a result of accession. The Inland Revenue is drawing these to employers' attention and information will be made available on departmental websites. There will be no "amnesty" for people who have previously failed to pay the appropriate level of tax and National Insurance Contributions.

#### ***Cost recovery***

19. Under Section 2 (2) of the European Communities Act 1972 we have the power to recover the administrative costs of running the scheme. The Home Office regulations will provide for a registration fee. The fee will be £50 to register and renewals of registration will be free. IND is aiming for a service standard of at least 80% of registration certificates issued within 24 hours of receipt.

#### ***Employer Obligations***

20. Under the existing illegal working legislation (Asylum and Immigration Act 1996, section 8), employers employing non EEA nationals illegally are subject to a criminal sanction. The Home Office regulations will set out a similar offence in relation to employing A-8 nationals without complying with the registration scheme with a maximum Level 5 fine (£5,000). The regulations will provide employers with a statutory defence.

21. The onus will be on the employer to check that the A-8 national is registered within one month of employment commencing. The Home Office will send a copy of the registration certificate to the employer as confirmation of the worker's legal status. Guidance for employers is being prepared.

#### ***Compliance with National Minimum Wage***

22. IND will share data gathered on wages paid by employers of registered A-8 nationals with DTI who have responsibility, through the Inland Revenue for ensuring employers comply with National Minimum Wage (NMW) legislation and DEFRA who have responsibility for enforcing the Agricultural Minimum Wage.

23. DTI is exploring with the Home Office whether an information-sharing gateway is necessary to enable the Home Office to respond to cases where the DTI have evidence of illegal working encountered during the course of NMW enquiries. Current advice is it is not.



## ACCESS TO BENEFITS AND SERVICES

**New Measures to Restrict Access to Social Security Benefits, Tax Credits, Social Housing and Homelessness Assistance**

24. Regulations will be laid by DWP, the Inland Revenue and ODPM to restrict A-8 nationals' (except workers) access to social security benefits, tax credits and housing and homelessness assistance. Once the regulations come into force from 1 May, A-8 nationals access to benefits and support will be as set out in the tables below. This is subject to DWP being able to justify the policy in the event of a challenge by an A-8 national with rights under article 3 of Regulation (EEC) 1408/71.

<b><i>Benefits (including in-work support)</i></b>
<p><b>Workers:</b> A8 nationals who are registered with the Home Office, or otherwise legally working, will be entitled to benefits such as Child Benefit and in-work support such as tax credits. Housing Benefit and Council Tax Benefit may also be available to workers on low incomes.</p> <p>If they lose their job, A-8 workers will be entitled to income-related benefits such as income-related Jobseekers' Allowance or Income Support if they have worked in the UK for at least an uninterrupted period of 12 months. They would continue to get Child Benefit and child tax credit if they qualified.</p>
<p><b>Part-time workers:</b> A8 nationals who are legally working for less than 16 hours per week who are on a low income will be able to claim Jobseekers' Allowance if they are looking and available for full time work, or Income Support if they are unable to work full-time due to sickness or disability. Housing Benefits and Council Tax benefits will also be available.</p>
<p><b>Work-seekers:</b> For the period of the derogation, A8 nationals who come to the UK to look for work will not have access to Child Benefit or income-related support immediately and will need to be self-sufficient. If they support themselves during their job-search and then find a job, they will be entitled to the same benefits as workers, provided they register with the Home Office.</p>
<p><b>Self-employed:</b> A8 nationals who enter self-employment in the UK will be entitled to the same in-work benefits as workers, but will not have to register with the Home Office. If they are unable to support themselves through self-employed earnings and the in-work support available to them (such as Working Tax Credit), they will be treated as work-seekers and not entitled to claim benefits.</p>
<p><b>The economically inactive (including lone parents, the retired and students):</b> Like other EEA nationals after 1 May, A8 nationals who cannot or</p>



do not intend to work will have no access to income-related benefits, nor to Child Benefit and Child Tax Credit. If they apply for benefits after being in the UK for some time, the fact that they are inactive should generally mean that they are likely to be an unreasonable burden on the state and so will not have a right to reside. They will generally therefore have no access to benefits.

### ***Social Housing and Homelessness Assistance***

**Workers:** A8 nationals who are registered with the Home Office and are actually employed will be eligible to apply for an allocation of housing (through the council waiting list) or for homelessness assistance. If a person ceased to be employed (and was not self sufficient), the local authority could (under existing powers) bring a homelessness duty to an end. However, where a secure tenancy had been allocated (e.g through the waiting list) the former worker would retain their tenant's rights.

**Part-time workers:** If part time workers from A-8 countries are accepted by Home Office for registration and accrue the rights of an EU "worker", they will be eligible to apply for an allocation of housing and for homelessness assistance.

**Work-seekers:** A8 nationals will not have a right to reside here that derives from their being a work-seeker, so will be treated as economically inactive (see below). ODPM are also considering making provision so that all EEA nationals who are relying solely on a right to reside here as a work-seeker would be ineligible for an allocation of housing or for homelessness assistance. ODPM are considering the ECJ judgment in the case of *Collins* (handed down on 23 March) before deciding whether to proceed. Work-seekers would also have rights to reside as an economically inactive person, but those rights would be conditional on them being self sufficient (see below).

**Self-employed:** A8 nationals who are genuinely self-employed in the UK will be eligible to apply for an allocation of housing or for homelessness assistance. (They will not be required to register with the Home Office.)

**The economically inactive (including lone parents, the retired and students):** From 1 May, all EEA nationals without a right to reside will not be eligible for an allocation of housing or for homelessness assistance. The right to reside of those who are not economically active (including those who are unable, or who do not intend, to work) will be conditional on them on them being self sufficient and not placing an unreasonable burden on the public finances of the host state.

### ***Devolved administrations***



25. Whilst benefits and tax credits are reserved matters, access to social housing and homelessness assistance is devolved. ODPM and the Home Office have consulted the devolved administrations at official level. It is not clear that the Scots have the vires to make equivalent changes. Initial indications are that Welsh Assembly is unlikely to come in line with the ODPM policy on access to social housing because it would run counter to the Assembly's agenda on social inclusion. We understand that subject to Northern Ireland Office Ministers' view, Northern Ireland aim to follow the ODPM policy; officials are in touch on the details. Home Office Ministers are writing formally to the Devolved Administrations to explain the UK policy and invite the Devolved Administrations to consider adopting the same approach.

***Frontline procedures***

26. By 1 May 2004, DWP will:

- put in place a process that enables frontline staff to identify people from A-8 countries and deal with them correctly under the new rules that will apply to them;
- provide tailored awareness material to help all frontline staff to understand the new processes and benefit rules for people from A-8 countries;
- use a range of internal communication methods, such as the departmental intranet, to get key messages across to staff, and set up a staff help-line; and
- centralise decision-making on claims from A-8 nationals to ensure consistency of decisions.

27. The Inland Revenue is developing procedures to intercept claims for tax credits and Child Benefit by A-8 nationals at the point of claim and is exploring with DWP and the Home Office how families who cease to be entitled can be identified. Guidance will be provided for Inland Revenue helpline staff and in Enquiry Centres. There will also be guidance for potential claimants through the Inland Revenue website.

28. ODPM is developing guidance for housing authorities that will enable housing officers to apply the changes to the rules on access to social housing and homelessness assistance.

**Effective Operation of Existing Rules on Access to Social Services, NHS care and Education**

29. Rules on access to social services support, NHS care and education remain unchanged. However, where necessary, steps are in hand to ensure existing arrangements are effectively implemented.



### ***Adult Social Services***

30. Under Section 54 of and Schedule 3 to the Nationality, Immigration and Asylum Act 2002, local authorities (including in Scotland Wales and Northern Ireland) are prohibited from providing a range of key adult social services, including residential accommodation, to EEA nationals (i.e. including A-8 nationals) unless they have an EC law or ECHR right to those services. So, if a destitute A-8 national presents himself to a local authority, he may only receive support and assistance (including accommodation under Section 21 of the National Assistance Act 1948) if failure to provide it would constitute a breach of his rights under the European Convention on Human Rights (ECHR) or if he has an EC law right to those services.

31. **To minimise the risk of an ECHR breach:** local authorities have the power to issue travel warrants so a person may return to their EEA country of origin to access services in that state. Any further support is provided on a restrictive basis only. For example, if a person is unfit to travel but remaining in the UK without local authority support would breach their ECHR rights. In these circumstances, support ceases once the individual is sufficiently recovered to make use of a travel warrant issued by the local authority.

32. **EC law right to services:** so far this has meant that an EEA adult national who works in the UK or used to work in the UK and has a right to reside in the UK has been able to access community care and other social services on the same basis as UK nationals. This right extends to dependants of the worker or ex-worker. Self-employed, former self-employed workers and students from the EEA, with the right to reside in the UK, have also been able to access community care and other social services on the same basis as UK nationals.

33. The Department of Health and Home Office have previously agreed a Note of Clarification for local authorities on the working of the Nationality, Immigration and Asylum Act 2002, which covers the provision of community care and other social services for adults from EEA countries. The Department of Health will remind councils of the existence of this Note and stress that A-8 nationals will be EEA nationals as from 1 May 2004.

### ***Children's social services***

34. Access to children's social services is governed by the Children Act 1989 and is not qualified by the nationality or immigration status of the child. Under current arrangements, A-8 nationals will have only limited access to children's social services. When local authorities are approached about EU nationals with children in need, their general approach is to offer to pay for travel back to the country of origin or to look after the children of the families, using their powers under Section 20 of the Children Act 1989, on a voluntary basis.

35. The local authority is required to base any offer of services on an



## RESTRICTED – POLICY

assessment of how best the needs of the child can be promoted and safeguarded. For EU nationals, they have tended to take the view that a return to the country of origin will enable the child and his/her family to access benefits, services, education and housing, to meet language and cultural needs and to re-establish links with friends and wider family. An offer of Section 20 accommodation is generally intended as a short-term measure to ensure that the child does not become destitute.

36. While local authorities have the power to charge for children's social services, it is very rare that they do so. This recognises the costs of administration, the small amounts of income that would be generated and the deterrent effect that it would create, which would mean that children in need would not then take up the services that they needed in order to avoid the impairment of their health and development.

### ***National Health Service***

37. NHS services are available to people in England in Wales. While there is no nationality or residency requirement, Section 121 of the NHS Act 1977 gives powers to charge for NHS services those who are not "ordinarily resident".

38. Treatment in Accident and Emergency departments is always free (but not treatment received thereafter as an in-patient or by referral to an out-patient clinic). Free treatment is also available for a variety of diseases which are public health hazards (e.g. TB, cholera, smallpox, malaria, rabies etc), compulsory psychiatric treatment and treatment in clinics for sexually transmitted diseases (although in the case of HIV services only the initial testing and associated counselling is free).

39. The term "ordinarily resident" is not defined, but case law suggests that it is someone who is "living lawfully in the United Kingdom voluntarily and for settled purposes as part of the regular order of their life for the time being, with an identifiable purpose for their residence here which purpose has a sufficient degree of continuity to be properly described as settled".

40. Individual hospital trusts are responsible for determining whether an individual qualifies for free treatment by virtue of being "ordinary resident" or is exempt from charges under one of the criteria set out in the charging regulations. Anyone who does not fall into one of these two categories should be charged for any hospital treatment provided.

41. In assessing whether an individual is liable to pay for hospital treatment hospital trusts are required to consider each case on its merits. However, the following rules of thumb apply:

- visitors from A8 countries or elsewhere in the EEA – access to treatment under 1408/71 arrangements (E111 for treatment the need for which arises on the visit; E112 for pre-authorised treatment for pre-existing conditions);

RESTRICTED – POLICY



## RESTRICTED – POLICY

- workers (including self-employed) – people who can prove they are working legally in the UK are entitled to free NHS treatment (a minority will remain insured in their home state, e.g. posted workers with E128 or E106 form);
- students – some will have access to treatment under 1408/71 arrangements (E128) or, from 1 April, students here for bona fide courses of at least 6 months or of any duration if substantially funded by HMG will be exempt from charges;
- retired people – will have access to treatment at the home country's expense under the E121 scheme if they have a retirement pension from that country only or at UK expense if they also have a UK retirement pension;
- lone parents – will not be eligible for free treatment simply by virtue of being lone parents, but may be entitled if their circumstances allow them to be deemed ordinarily resident, or if they meet one of the exemption criteria in the charging regulations.

42. As part of wider work to tackle health tourism, the Department of Health is amending regulations on hospital charging to tighten up current arrangements. New, more stringent regulations will come into force on 1 April 2004. (The Department also plans to consult shortly on introducing similar charging arrangements for GP services.) Guidance accompanying the hospital charging regulations will not only cover hospital charging but also 1408/71 arrangements (E111s, E112s and associated schemes). It will remind hospitals of their obligation to account for inpatient and outpatient treatment provided to EEA nationals to ensure that the UK can recover the costs of treatment. The Department will also receive more regular reports on the level and cost of this activity.

43. The existing charging regulations apply to England and Wales only. Scotland has separate regulations. Northern Ireland does not charge overseas visitors. According to initial enquiries at official level neither the Scottish Executive nor the National Assembly for Wales see health tourism from Accession nationals as a potential problem.

### Education


44. Students from the new accession countries will be able to receive education in the same way as current EU students. They will be entitled to receive both further and higher education at the home student rate. For those in higher education, this will include support in paying their tuition fees in the form of a loan from 2006. They will not be eligible for student support for maintenance purposes. Those in further education will be entitled to learner support if they are between the ages of 16 and 19.

45. Accession country nationals' children aged 5-16 years will be able to

RESTRICTED – POLICY



RESTRICTED – POLICY



attend school.

**Cabinet Office**  
**March 2004**

RESTRICTED – POLICY

25.3.04



RESTRICTED



10 DOWNING STREET  
LONDON SW1A 2AA

① ~~MA~~  
② *P. de* EU enlargement

From the Strategic Communications Unit

23 March 2004

### 1st May - Accession Media Strategy

David Hill's meeting of 23<sup>rd</sup> March discussed media handling of EU enlargement / free movement of workers in the period up to and around 1<sup>st</sup> May. The following points were agreed:

- There are two main tasks at this point: 1) to put in place a system to deal with hostile media coverage over this period; 2) to prepare facts, figures and case studies demonstrating that on balance enlargement and FMOW benefits Britain.
- Departments will nominate a contact in each press office to lead on migration/EU enlargement stories. These will make up a 'virtual press desk' over this period.
- Departments will pull together scripts on EU enlargement/free movement of workers and send these to No 10 (Steve Morris) by COP Weds 31 March. No 10 will coordinate this exercise and ensure that all Depts were working from a common script, including a one-page document of key messages.
- No 10/HO will coordinate a EU enlargement/immigration grid mapping out key events from now until post-1 May. Depts should send in contributions, again by 31 March.
- DWP will consider further whether to target specific skills gaps, seeking to attract A-10 nationals in a high profile way to fill them.
- All Depts need to work up case studies, positive third party endorsements and success stories about FMOW. We need to put human faces on the positive aspects of FMOW – eg. NHS workers from the A-10, successful business people.
- Depts should take every opportunity to push the 'rights and responsibilities' agenda surrounding EU FMOW over the coming months. We should try and present a

RESTRICTED



## RESTRICTED

- 2 -

coordinated, cross-government approach making clear that we have closed off avenues of potential abuse, and that the decision to allow FMOW makes both economic and practical sense.

- We must not lose sight of the broader benefits of enlargement – a key British objective in Europe for many years, which has always enjoyed cross party support. FCO will provide a general script on the benefits of enlargement.
- This includes stressing that free movement goes both ways – it is one of the great benefits of the EU. Thousands of Britons will take advantage of new opportunities.
- The laying of various regulations and subsequent Parliamentary debates will provide pegs for our message. These need to be on the grid.
- As far as possible, Depts will establish baselines for A-10 nationals currently accessing benefits, social housing, healthcare, education (Schools and Universities). HO to establish no's of A-10 nationals currently in the UK (e.g. under work permit/self-employed schemes) and to explore whether the WRS could include a mechanism to sample how many A-10 nationals were regularising their status in the UK. These figures should be collated into a single script for circulation around the 'virtual press desk' before Easter. This should be coordinated with PMDU's EU FMOW monitoring regime.

No 10 will convene a further meeting on media handling before the Easter break.

**STEVEN MORRIS**

smorris@no10.x.gsi.gov.uk

RESTRICTED



**Copies:**

David Hill, No.10  
Godric Smith, No.10  
Ben Wilson, No.10  
Justin Russell, No.10  
Kate Gross, No.10  
John Williams, FCO  
Rashmi Choudhury, FCO  
Nick Court, DFT  
Sheree Dodd, DTI  
Julia Simpson, HO  
John Toker, HO  
Gemma Smith, HO  
Huw Evans, HO  
Sian Jarvis, DoH  
Derek Plews, ODPM  
Jane Groom, ODPM  
DJ Collins, DFES  
Simon MacDowall, DWP