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APRIL 1982

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8.12.82							

The Prime Minister has asked me to thank you for your letter of 2 December about Customs facilities at Wick Airport.

W. F. S. RICKETT

The Rt Hon Donald Stewart, MP.,

From: The Rt. Hon. Donald Stewart, M.P. 2 December 1982 HOUSE OF COMMONS LONDON SWIA OAA The Rt. Hon. Margaret Thatcher, M.P., Tym yree, I with sningthy

Thank my stemant for his letter

There, Prime Minister. 10 Downing Street, LONDON. S.W.1 Thank you for your further letter dated 11 November on the subject of Customs facilities at Wick airport. I note the pressure on the Customs to provide facilities at various points and that these have had to be turned down. However, I am pleased to hear that a system is in operation in which officers can be seconded for duty at Wick when the situation arises and that this demand will continue to be met where practicable. I am grateful for your investigation of this problem. Donald Stewart

Sov Hach Aps 82 Wich Anger!



Copied to: I gos (10/11).

10 DOWNING STREET

THE PRIME MINISTER

11 November, 1982

Than The Stewart-

I am sorry I have not replied sooner to your further letter of 5 October about the provision of Customs facilities at Wick airport. Since, as I think you know, I attach great importance to the removal of unnecessary barriers to enterprise, I wished to go over the ground once more to see whether it might not be possible to find a way of meeting the needs of Air Ecosse. I am sorry to say that there is not.

As you acknowledged in your latest letter, we would have insurmountable problems in providing Customs facilities wherever they are demanded. And the demand for new provision is considerable; in recent months Customs have had to refuse applications from Dundee, Belfast Harbour, Carlisle, Sunderland, Swansea, Newquay and Elstree.

You suggested that a Customs officer might be seconded from duties nearby on the days when scheduled services were operating. As you know, this is indeed what happens at present at Wick, where Customs do provide facilities for handling oil-related and occasional business traffic on an ad hoc basis. And they will continue to meet whatever demand arises for this limited traffic; they are ready to attend flights on a selective basis where there is no question of their having to apply immigration controls.

But this is the nub of the matter; immigration controls cannot be applied on a selective basis without setting at risk

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the security of our policing of immigration, human and animal disease and drugs. As you rightly say, that is a risk we would not be justified in running. So while Customs could no doubt make arrangements to deal with solely Customs matters arising from scheduled flights, no acceptable alternative arrangements could be made to deal with the security problems.

I do understand your concern and am only sorry to be unable to find an acceptable way of meeting it.

> Your sweets Nageurs Lauten

Treasury Chambers, Parliament Street, SWIP 3AG W Rickett Esq Private Secretary to the Prime Minister 10 Downing Street London SW1A 2AL 10 November 1982 WICK AIRPORT As requested in your letter to me of 8 November, I attach a further draft reply for the Prime Minister to Donald Stewart's letter of October 5th about the provision of Customs facilities at Wick airport. your sincerely, C D HARRISON Private Secretary

Draft letter from: Prime Minister to: Donald Stewart Esq MP I am sorry I have not replied sooner to your further letter of October 5th about the provision of Customs facilities at Wick airport. Since, as I think you know, I attach great importance to the removal of unnecessary barriers to enterprise, I wished to go over the ground once more to see whether it might not be possible to find a way of meeting the needs of Air Ecosse. I have very regretfully to tell you that I have been obliged to conclude that there is not. As you acknowledged in your latest letter, we would have insurmountable problems in providing Customs facilities wherever they are demanded. And the demand for new provision is considerable; in recent months Customs have had to refuse applications from Dundee, Belfast Harbour, Carlisle, Sunderland, Swansea, Newquay and Elstree. You suggested that a Customs officer might be seconded from duties nearby on the days when scheduled services were operating. As you know, this is indeed what happens at present at Wick, where Customs do provide facilities for handling oil-related and occasional business traffic on an ad hoc basis. And they will continue to meet whatever demand arises for this limited traffic; they are ready to attend flights on a selective basis where there is no question of their having to apply immigration controls. 1.

But this is the nub of the matter; immigration controls cannot be applied on a selective basis without setting at risk the security of our policing of immigration, human and animal disease and drugs. And as you rightly say, that is a risk we would not be justified in running. So while Customs could no doubt make arrangements to deal with solely Customs matters arising from scheduled flights, no acceptable alternative arrangements could be made to deal with the security problems.

I do understand your concern and am only sorry to be unable to find an acceptable way of meeting it.

10 DOWNING STREET 8 November 1982 From the Private Secretary WICK AIRPORT The Prime Minister had a meeting at 1000 this morning with the Economic Secretary to discuss his minute to her of 28 October.

The Prime Minister said she was not willing to write to Mr. Donald Stewart, MP on the lines suggested by the Economic Secretary. Wick was in an area of high unemployment, and she did not feel she could argue that customs facilities should not be provided there on the grounds that this would run counter to the Government's policy of reducing the size of the public service. After a short discussion, she agreed to write to Mr. Stewart explaining that the Customs and Excise already provided certain services at Wick, such as the handling of oil-related and "businessuser" traffic. To extend the services at Wick to full customs clearance would encourage calls for similar services at at least half a dozen other airports: Dundee, Belfast Harbour, Carlisle, Elstree, Sunderland, Swansea and Newquay. The letter should explain that an extension of services to all these airports could not possibly be justified, and would also create additional security problems for the Home Office and for the police, as well as the type of problem described in her letter to Mr. Stewart of 9 September.

I should be grateful if you could provide a revised draft on these lines by Monday 15 November if at all possible. It would be helpful if you could also return our file of papers with your draft.

W. F. S. RICKETT

C.D. Harrison, Esq., H.M. Treasury.

Porturers Och / M Moner

WICK AIRPORT

Josh Bonne - Gardyne continues to protest. He describes his greatest norm overleap. Are you il withing to sign the letter at A? A would you like to discuss this with the Economic Secretary

Your Private Secretary's note of 25 October to my Private Secretary reported your view that since the service needed by Air Ecosse could be provided by the existing staff of Customs and Excise from Wick, it ought to be so provided.

I have looked at this again with care: but I do not honestly see how we could hope to keep Wick on its own. Although it is true that no similar claim for the provision of Customs clearance on the grounds of local availability of staff could be made in the case of Shobdon, there are several other small airports currently the subject of strong lobbying where a very similar justification could indeed be advanced: Dundee, for example, or Belfast Harbour, Carlisle, Elstree, Sunderland, Swansea (where, as you know, Nick Edwardes has made a strong plea for reconsideration), and Newquay (where a number of our South-West backbenchers are leading the hunt). In each of these cases Customs staff are available in the close vicinity and at several of them, as at Wick, already have to make frequent attendances to handle oil-related and other special traffic. I have no doubt at all that we should have a row on our hands if we conceded Wick and then continued to resist the others (and indeed if any of the others were then referred to the Ombudsman we could be pretty confident he would find against us).

Of course we could concede them all. Obviously, as I have mentioned before, we could not then proceed with the recommendations of the Rayner scrutiny on Customs attendance. And having done so, I would be worried that since in a number of instances the services for which clearance is demanded are of pretty doubtful viability we could find ourselves with Customs status established and provided, and nobody to use it.

But I think my greatest worry is this. We are, as you probably know, facing enormous difficulties in bringing Customs and Excise manpower remotely within hailing distance of the target originally set for it at 1 April 1984: much greater difficulties, I think it is fair to say, than with any of the rest of Geoffrey's departments. If we were now to require Customs and Excise to commit even a handful of their staff to what they certainly regard as a wildly uneconomic and wasteful purpose, then I have no doubt that our ability to close the gap at least in part would be greatly diminished.

Needless to say, I am at your disposal to discuss all this at any time.

JOCK BRUCE-GARDYNE

Gout mach, Apr 82, wick Arpent



Thank you for your further letter of 5 October about the provision of Customs facilities at Wick Airport. I was glad to see that you acknowledge the problems which we would have in providing Customs facilities on demand. But sadly I am afraid your suggestion that we should second a Customs Officer from an office close at hand does not really offer a solution.

One of the underlying aims of our policy of reducing the size of the public service is our wish to see that the remaining staff works with maximum efficiency. Customs Officers employed in other offices will be fully occupied with their jobs, and will be unable to take on other duties.

I do understand your concern and am only sorry to be unable to find an acceptable way of meeting it.

The Rt. Hon. D. J. Stewart, M.P.

THE PRIME MINISTER

Gork Mach 19 DOWRING STREET 25 October 1982 From the Private Stonetary Thank you for your letter of 22 October about Customs facilities at Wick Airport and the Prime Minister's correspondence with Mr. Donald Stewart. As I told you this morning, the Prime Minister feels that, if there is indeed a Customs and Excise office in Wick itself, then it is not unreasonable of Mr. Stewart to ask for Customs facilities to be provided at Wick Airport. She notes that such services would only take up at most two days of one officer's time, and this could hardly be said to undermine the Government's campaign to reduce Civil Service numbers. She is aware of the pressure to provide similar facilities at other airports, such as Shobdon. But it is not clear whether there are already Customs and Excise offices near these airports as there are at Wick. If there are no such offices, then extending Customs facilities to Wick Airport could not be said to set a precedent. The Prime Minister feels strongly that we should do whatever is possible to meet Mr. Stewart's request. She is concerned about the industrial and economic situation in Scotland, and has commented that the Government should do what it can to help. I should be grateful if you could consider the Prime Minister's comments, and let me have a revised draft reply to Mr. Donald Stewart as soon as possible. I am sure that the Prime Minister would be willing to speak to the Economic Secretary about this case if he so wishes. W. F. S. RICKETT C.D. Harrison, Esq. HM Treasury.

Prime Minister In the higher of this advice are you willing to sign The attacked letter to Sould Stewart? Treasury Chambers, Parliament Street, SWIP 3AG,

It Esq.
Ing Street

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WIA 2AL

Treasury Chambers, Parliament Street, SWIP 3AG,

When the same and the sam W Rickett Esq r recording the Bar. 10 Downing Street London SW1A 2AL Dear Willie, You wrote to me on 20 October recording the Prime Minister's comments on the Economic Secretary's draft reply to Mr Donald Stewart's letter of 5 October about Customs facilities at Wick Airport. There is indeed an adjacent Customs & Excise office at Wick itself, albeit a small one. This is responsible for the collection and control of VAT and Customs & Excise duties throughout the counties of Caithness and Sutherland, an area roughly equivalent in size to the counties of Essex and Hertfordshire (but with of course much less developed communications). As we understand it, the service which Air Ecosse wish to operate would touch down twice a week at Wick airfield at noon on the outward flight and at 3.00 pm. on the return flight. Given the notorious unpredictability of weather at Wick and the Faeroes, an Officer providing Customs cover would have to ensure that his work schedule left him clear for most of the middle and latter part of the day on the two days in question. In effect the Officer would be regularly pinned down in the Wick area and would be unavailable to undertake any duties which might require him to move any distance away, eg to visit distilleries and VAT traders. It would therefore be impossible for local management to plan the deployment of the Officer's time in any orderly fashion or with any certainty that he could adhere to any schedule of visits or other duties. It is also important to bear in mind that the level of passenger utilisation of such a service would be very uncertain. On many occasions there might well be no more than two or three passengers at most, and indeed on some occasions there might be no passengers

at all. With a scheduled service it is always open for passengers to join an aircraft up to a few minutes before departure and there could be no adequate advance notice on whether or not passengers

However, as the Economic Secretary has made clear in earlier

were to be carried.

correspondence, none of these is the crucial consideration. The crucial consideration is the knock-on effect of a concession at Wick on other claimant airports which have a far better case than Wick. For these reasons, the Economic Secretary recommends that the Prime Minister should write to Mr Stewart along the lines of the draft originally submitted. yours sincerely, C D HARRISON Private Secretary

Thank you for your letter of 19 October, with which you enclosed a draft reply for the Prime Minister to send to Mr. Donald Stewart's letter of 5 October about Customs facilities at Wick Airport.

The gist of the second paragraph of this draft was that Customs officers from nearby airfields could not provide an ad hoc service at Wick because they should be fully occupied with their own tasks. The Prime Minister

The gist of the second paragraph of this draft was that Customs officers from nearby airfields could not provide an ad hoc service at Wick because they should be fully occupied with their own tasks. The Prime Minister is not convinced by this argument. She has asked whether there is indeed another Customs office close to Wick Airport, and I think it would also be useful if you could let us have more details about the demands it would make on a Customs officer's time to provide an ad hoc service at Wick.

*

I should be grateful if you could let me have advice on this point, and if necessary a revised draft reply, by Friday, 22 October, if at all possible.

.W. F. S. RICKETT

C. D. Harrison, Esq.,

H. M. Treasury

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10 DOWNING STREET

THE PRIME MINISTER

Thank you for your further letter of 5 October about the provision of Customs facilities at Wick airport. I was glad to see that you acknowledge the problems which we would have in providing Customs facilities on demand. But sadly I am afraid your suggestion that a Customs officer from an office close at hand might be seconded to deal with infrequent scheduled services does not really offer a solution to the problem.

One of the underlying aims of our policy of reducing the size of the public service is our wish to see that the remaining staff works with maximum efficiency. Customs officers employed in other offices should therefore be fully occupied with the tasks appropriate to those offices. If they had to absent themselves from their normal duties on a regular basis, those duties would be bound to suffer.

Moreover air services involving small aircraft and small airports such as Wick are frequently affected by bad weather.

Delays in departure and arrival typically associated with such traffic would inevitably create uncertainty as to the length and timing of commitment on the part of the Customs officer.

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Treasury Chambers, Parliament Street, SW1P 3AG

W Rickett Esq 10 Downing Street LONDON SW1

Deur Willie, 19/10 14 October 1982

WICK AIRFIELD

As requested in your letter to me of 8 Detober, I attach a draft reply to the letter of 5 October from Mr Donald Stewart MP about the provision of Customs facilities at Wick airfield.

your sincerely,

C D HARRISON Private Secretary DRAFT REPLY FROM PRIME MINISTE TO RT HON DONALD STEWART MP Thank you for your further /letter of 5 October about the provision of Customs facilities at Wick airport. I was glad to see that you acknowledge the problems which we would have in providing Customs facilities on demand. But sadly I am afraid your suggestion that a Customs officer from an office close at hand might be seconded to deal with infrequent scheduled services does not really offer a solution to the problem. One of the underlying aims of our policy of reducing the size of the public service is our wish to see that the remaining staff works with maximum efficiency. Customs officers employed in other offices should therefore be fully occupied with the tasks appropriate to those offices. If they had to absent themselves from their normal duties on a regular basis, those duties would be bound to suffer. Moreover air services involving small aircraft and small airports such as Wick are frequently affected by adverse weather conditions. Delays in departure and arrival typically associated with such traffic would inevitably create uncertainty as to the length and timing of commitment on the part of the Customs officer. I do understand your concern and am only sorry to be unable to find an acceptable way of reaching it.

Gert Much . Apri 82 , with Drofield .

Gort Much 8 October 1982 I enclose a copy of a further letter from Mr. Donald Stewart, M.P. about the provision of customs facilities at Wick airfield. I should be grateful if you could let me have a draft reply for the Prime Mintster's signature by Wednesday 20 October. WILLIAM RICKETT C.D. Harrison, Esq., H.M. Treasury.

8 October 1982

I am writing on behalf of the Prime Minister to acknowledge your letter of 5 October about the provision of customs facilities at Wick airfield.

I will place your letter before the Prime Minister and a reply will be sent to you as soon as possible.

WILLIAM RICKETT

The Rt. Hon. Donald Stewart, M.P.

cels cffs? From: The Rt. Hon. Donald Stewart, M.P. 5 October 1982 HOUSE OF COMMONS LONDON SWIA OAA The Rt. Hon. Margaret Thatcher, M.P., Prime Minister, 10 Downing Street, LONDON. S.W.1 Thank you for your letter of 9 September about the provision of customs facilities at Wick airfield. I accept that there are substantial reasons why an open-door policy is not feasible for all airfields and I take your point regarding supervision of immigration, control of human and animal diseases and drugs. I note that this system is widely followed elsewhere. Perhaps the solution would be that on the days of flying a regular service, a Customs officer could be seconded from another office close at hand. (But I do not wish to prolong the correspondence which you have been kind enough to enter in on this question!) Donald Stewart

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10 DOWNING STREET

9 September, 1982

THE PRIME MINISTER

Than The Stewall:

Thank you for your further letter of 24 August about the provision of customs facilities at Wick airfield.

I am afraid that it is simply not practicable for Customs to provide these services at the level of demand which you suggest. A very high proportion of the many hundreds of airfields in the United Kingdom could demonstrate a potential for two or three foreign flights a week on the basis of locality services. The resulting diffusion of customs resources would be wasteful and quite at odds with the Government policy of reducing the size of the Civil Service.

It is, furthermore, not merely a question of customs controls. At small ports and airports customs staff also carry out vital immigration duties. On the customs side, quite apart from the certainty of increased revenue evasion, essential social controls such as those imposed for animal and plant health reasons and, most important of all at the present time, to prevent the illegal importation of drugs, would be jeopardised by the open-door approach which you advocate.



MPA 11151

Board Room H M Customs and Excise King's Beam House Mark Lane London EC3R 7HE

cc PS/CHANCELLOR OF THE EXCHEQUER

1. PRIVATE SECRETARY TO THE ECONOMIC SECRETARY

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2. PRIVATE SECRETARY TO THE PRIME MINISTER

THE RT HON DONALD STEWART MP: CUSTOMS FACILITIES AT WICK AIRFIELD

- 1. The Prime Minister will recall from previous briefing in connection with Wick that both immigration and customs controls are exercised by customs staff at small ports and airports. Relaxations would therefore have to be agreed by both Customs and the Home Office before any form of selective attendance could be introduced.
- 2. This matter is currently under discussion between the Departments but it is already clear that by virtue of immigration constraints alone the scope for selective controls is limited to a few categories of outward flights. The Customs' viewpoint is that as their preventive effort is already spread very thinly they would be reluctant to adopt selective attendance as the general basis of control, particularly in view of the increasing social dangers arising from drugs smuggling.
- ... 3. The attached reply is suggested.

Mrs J JAMES

Parliamentary Unit

Plype for PM Mus 7/9

Thank you for your further letter of 24 August about the provision of customs facilities at Wick airfield.

It is simply not practicable for Customs to provide these services at the level of demand which you suggest. A very high proportion of the many hundreds of airfields in the United Kingdom could demonstrate a potential for two or three foreign flights a week on the basis of locality services. The resulting diffusion of customs resources would be wasteful and quite at odds with the Government policy of reducing the size of the Civil Service.

It is not merely a question of customs controls, of course. At small ports and airports customs staff also carry out immigration duties and we cannot allow uncontrolled entry into the country. On the customs side, quite apart from the certainty of increased revenue evasion, essential social controls such as those imposed for animal and plant health reasons and, most important of all at the present time, to prevent the illegal importation of drugs, would be jeopardised by the open-door approach which you advocate.

Finally, I should perhaps mention that the policy of limiting the number of places approved for customs and immigration purposes is not unique to the United Kingdom and is indeed widely followed throughout the world.





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10 DOWNING STREET

From the Private Secretary

26 August 1982

BF 7-9-82

I enclose a further letter dated 24 August which the Prime Minister has received from The Rt. Hon. Donald Stewart, M.P., about Customs facilities at Wick Airport.

I should be grateful if you could let me have a draft reply for the Prime Minister to send to Mr. Stewart by 7 September.

Chris Harrison, Esq., H.M. Treasury.



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10 DOWNING STREET

From the Private Secretary

26 August 1982

I am writing on behalf of the Prime Minister to thank you for your letter of 24 August.

I shall place this before her at once and a reply will be sent to you as soon as possible.

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The Rt. Hon. Donald Stewart, Esq., M.P.



10 DOWNING STREET

From the Private Secretary

26 August 1982

27 AUG 1982

Dear Chris

I enclose a further letter dated 24 August which the Prime Minister has received from The Rt. Hon. Donald Stewart, M.P., about Customs facilities at Wick Airport.

I should be grateful if you could let me have a draft reply for the Prime Minister to send to Mr. Stewart by 7 September.

Your ever

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Chris Harrison, Esq., H.M. Treasury.

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MR D L MORE MR FREJUH

1 Received in Customs: 2.7.AUG.1982 Antion: MR Collings ...

Reply by 3/9/82

24 August 1982 HOLSE WE WANT LONDON SWIN OAA The Rt. Hon. Mrs. Margaret Thatcher, M.P., Prime Minister. 10 Downing Street, LONDON. Man Din Miristry Thank you for your letter of 11 August about the outcome of Jock Bruce-Gardyne's meeting with the Highland Regional Council concerning Customs facilities at Wick Airport. I am greatly disappointed to hear of his conclusion and your support of it that facilities for the proposed service from Wick to the Faeroes would not be justified. You say it would not be possible to provide facilities at Wick while continuing to refuse them elsewhere. To this I cannonly say that if other ports can make an equally good case they should have the same facilities. It is a ridiculous situation that flights from the UK are to be restricted to airports where the Customs and Excise are prepared to provide facilities. The answer to that would be to allow traffic without Customs examination. Your sines of Donald Stewart

From: The Rt. Hon. Donald Stewart, M.P. 24 August 1982 HOUSE OF COMMONS LONDON SWIA OAA The Rt. Hon. Mrs. Margaret Thatcher, M.P., Prime Minister. 10 Downing Street, LONDON. Thank you for your letter of 11 August about the outcome of Jock Bruce-Gardyne's meeting with the Highland Regional Council concerning Customs facilities at Wick Airport. I am greatly disappointed to hear of his conclusion and your support of it that facilities for the proposed service from Wick to the Faeroes would not be justified. You say it would not be possible to provide facilities at Wick while continuing to refuse them elsewhere. To this I cannonly say that if other ports can make an equally good case they should have the same facilities. It is a ridiculous situation that flights from the UK are to be restricted to airports where the Customs and Excise are prepared to provide facilities. The answer to that would be to allow traffic without Customs examination. James sinerely, Donald Stewart

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10 DOWNING STREET

From the Private Secretary

11 August, 1982

The Prime Minister has now seen the Economic Secretary's minute of 6 August about the provision of customs facilities at Wick Airport and has agreed that for the present such facilities should not be provided. She has accordingly signed the draft letter to Donald Stewart, M.P., a copy of which is attached.

As we agreed, I have adapted the letter to Donald Stewart for replies to a number of others who had written to the Prime Minister on this issue and I attach copies of the correspondence.*

* Mr. A. Beattie CAITHNESS Dobnit Comil

I am sending a copy of this to Muir Russell (Scottish Office) and Adam Peat (Welsh Office).

Mr. J.P. F. Nichols Chairman of the Highland Branch CBI

C. D. Harrison, Esq., H.M. Treasury TIMOTHY FLESHER

Frederick Fermot. CAITHNESS & Sutherland Building Employers Assocn.

Mr. Bill Mowat (letter to B. Ingham) Highland Regional Council Se

FILE SW. 10 DOWNING STREET 11 August, 1982 From the Private Secretary The Prime Minister has asked me to thank you for your telexes of 25 June, 1 July and 27 July about the customs service at Wick Airport. Following the meeting between the Highland Regional Council and Mr. Jock Bruce-Gardyne, the Prime Minister has reviewed the position. Mrs. Thatcher has, however, decided to endorse Mr. Bruce-Gardyne's conclusion that to provide customs facilities for the proposed scheduled service between Wick and the Faroes would not be justified. I know this will be a disappointment to you, but I am afraid that the Prime Minister considers that the Government cannot take a step which in its judgment would lead inexorably to the inefficient and uneconomic use of customs and excise resources. TIMOTHY FLESHER Councillor J. M. Young

10 DOWNING STREET

ce HMT Sir Derek soffice

THE PRIME MINISTER

11 August 1982

The Stewar.

In my letter of 28 June, I said that I would like to know the outcome of Jock Bruce-Gardyne's meeting with the Highland Regional Council concerning customs facilities at Wick Airport before I replied to your letter of 9 June.

He has now seen them and has reported to me after considering their representations. After carefully reviewing the facts, I endorse his conclusion that to provide customs facilities for the proposed scheduled service between Wick and the Faroes would not be justified. It is true that at present the existing Customs staff at Wick are able to cope with ad hoc concessionary flights, mostly by helicopters connected with the oil industry. But this is not the same as providing permanent facilities for a scheduled air service. The proposed Wick/Faroes service would at least treble the number of flights to be attended by Customs staff, who also have to carry out immigration services.

Further, it would not be possible to provide facilities at Wick while continuing to refuse them elsewhere. Indeed we are at this moment facing a similar application for customs facilities at a small regional airport which we feel we must also resist. I know this decision will come as a disappointment, but we have to take account of the overall deployment of customs and excise resources.

The Rt. Hon. Donald J. Stewart, M.P. Layart

gref Pl amen letter wh w/x PRIME MINISTER Jock Bruce-Gardyne's note at Flag A argues that we should stand by the decision not to provide customs facilities at Wick Airport. I am not sure from your comments whether you accept the Economic Secretary's arguments. Would you be willing to write as below to Donald Stewart who appealed against your letter of 4 June (Flag B) in which you told him that customs facilities would not be provided? I should mention that the Rayner Unit are awaiting a decision from you on this, since they feel that this is a test case for their scrutiny of customs facilities. They have told me that if you decide to provide facilities at Wick, it will "drive a coach and horses" through their scrutiny recommendation that much stricter control should be applied to the granting of facilities in future. Auguren Jo ute home brig. 9 August 1982

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FROM: ECONOMIC SECRETARY 6 August 1982

Prime minister

PRIME MINISTER

In he light of these arguments, agree that we should not go back on the decision not to provide another's familities at wick?

- 1. When we spoke the other evening about Wick Airport, prior to the meeting of the 1922 Committee, I promised to let you have a note about the background to our decision (which you conveyed in your letter of June 4th to Donald Stewart) not to provide Customs facilities there.
- 2. The key consideration in our minds was Sir Derek Rayner's Scrutiny into Customs facilities at ports and airports, in which you expressed a special interest. This Scrutiny drew attention to the wastefulness of providing facilities at small ports and airports, and recommended not just that much stricter criteria should be applied to the granting of facilities in future, but also that existing facilities should be withdrawn where resources are not being economically employed at present.
- 3. Sir Derek concluded that "the presumption should be that the principles underlying efficiency in the provision of services should apply in the judgment about where, when and on what basis to provide Customs facilities unless there is convincing hard evidence of likely damage to the interests of the general nation".
- 4. Obviously it cannot seriously be argued that the refusal of Customs facilities at Wick for a handful of potential passengers would result in damage to the national interest. Provision of such facilities, on the other hand, certainly would strike a blow at our efforts to promote efficiency in the public sector and to reduce manpower.
- 5. While there is no disputing that Customs <u>could</u> provide cover for the twice-weekly service between Faroes, Wick and Aberdeen which Air Ecosse want to run, the officer allocated to such

duties could not be adequately and fully employed on such work, since the timings of the flights would tie him down to the airport and prevent him from doing a proper day's work. In addition, Customs' plans to save one post at Wick would have to be abandoned.

- 6. But the conflict with Rayner goes wider than Wick itself. The basic difficulty, as you explained in your letter to Donald Stewart, is that if we agreed to provide Customs facilities at Wick we could then not possibly resist parallel demands for similar facilities at a number of other airports where the prospective traffic is substantially greater than that which Air Ecosse hopes to attract at Wick.
- 7. Over the past year, Customs have refused to provide full facilities at Belfast, Newquay, Carlisle, Cranfield, Dundee, Elstree and Sunderland. Most recently Customs have declined to provide facilities at Swansea to enable Jersey European Airways to run a scheduled service between Jersey, Swansea, and the Irish Republic; and Nicholas Edwards has just written to Geoffrey urging strongly for this decision to be reversed.
- 8. There are also a number of cases where Customs have declined to provide facilities for ad hoc flights by business users: Fairoaks, Wellesbourne, Mountford, Llandwrog and Shobdon (and you may recall that you wrote to Barry Jones MP endorsing the rejection of the request for such facilities at Shobdon). It is true that these are not altogether on all fours with Wick. Nevertheless, it seems to me highly likely that if we were to go back on our decision in the case of Wick, many of these refusals would be thrown smartly back in our faces and Customs would have no option but to provide facilities at several more airports.

- 9. In the face of such developments, which would fly directly in the face of the far reaching recommendations of the Rayner Scrutiny on Customs attendance now being considered by Ministers, it is difficult to see how that Scrutiny could retain any measure of credibility.
- 10. I might say in conclusion that Geoffrey and I have discussed the issues at stake at some length; if you are still unhappy about our conclusions, I know that he would want to have a word with you about it himself.
- 11. I am copying this to George Younger and Nicholas Edwards.

JOCK BRUCE-GARDYNE

10 DOWNING STREET 28 July 1982 From the Private Secretary I told your office recently that the Prime Minister was not happy with the draft replies provided for her to send to Mr. Donald Stewart, MP, and Councillor Young about custom facilities at Wick Airport. I explained that the Prime Minister had raised her concerns directly with the Economic Secretary, and you agreed to consider these and provide revised drafts, if appropriate. I now enclose a further telex which the Prime Minister has received from Councillor Young. You will wish to take it into account in revising your draft reply to his earlier telex. It would be helpful if you could let me have your revised draft replies before the end of this week. .W. F. S. RICKETT C.D. Harrison, Esq., HM Treasury

TX NO 312/82

1420HRS

27.7.82

THE RT. HON. MARGARET THATCHER, M.P., PRIME MINISTER, 10 DOWNING STREET, LONDON. SWIA OAA.

DEAR PRIME MINISTER,

WICK AIRPORT - CUSTOMS SERVICE

I REFER TO MY TELEXES OF 25TH JUNE AND 1ST JULY REGARDING THE ABOVE. YOU WILL RECALL THAT I SOUGHT YOUR INTERVENTION TO ENSURE THAT CUSTOMS FACILITIES WERE NOT DENIED TO AIR ECOSSE AT WICK AIRPORT IN CONNECTION WITH THEIR ABERDEEN-WICK-FARDES SERVICE.

I WAS MOST DISAPDINTED TO RECEIVE A LETTER OF 14TH JULY FROM MR.
BRUCE GARDYNE IN WHICH HE CONTINUES TO REFUSE THE PROVISION OF THIS
SERVICE AT WICK AIRPORT. IT HAS AGAIN BEEN MADE ABUNDANTLY CLEAR
THAT IT IS NOT THE MERITS OF OUR CASE WHICH HAVE FAILED TO IMPRESS
MR. BRUCE-GARDYNE, BUT THAT OUR EFFORTS HAVE FOUNDERED ON THE
QUESTION OF PRECEDENT. MAY I AGAIN BRIEFLY UNDERLINE THE SALIENT
POINTS IN OUR CASE: -

- 1. THE SERVICE BETWEEN ABERDEEN AND THE FARDES NEEDS THE WICK LINE TO MAKE IT VIABLE.
- 2. THE SERVICE HAS BEEN WHOLE-HEARTEDLY WELCOMED BY THE PRIME MINISTER OF THE FARDES AND BY THE BUSINESS COMMUNITY IN THE FARDES WHO WILL REGARD IT AS A BREACH OF FAITH IF THE SERVICE IS WITHDRAWN.
- 3. THE CONTACTS FOSTERED BY THE SERVICE WOULD BE OF MATERIAL HELP IN REDRESSING THE ADVERSE TRADE BALENCE BETWEEN THE U.K. AND THE FARDES AS DETAILED IN MY TELEX OF 1ST JULY.
- 4. THERE ARE CUSTOMS STAFF ALREADY LOCATED IN WICK, WITHIN A FEW MINUTES OF THE AIRPORT. THERE IS NO DOUBT THAT THESE STAFF COULD COPE WITH THE VERY MODEST REQUIREMENTS OF THE AIR ECOSSE SERVICE WITHOUT ADDITIONAL MANPOWER OR COST IMPLICATIONS.

 WE IN THE HIGHLAND REGIONAL COUNCIL, TOGETHER WITH AIR ECOSSE, ARE QUITE CERTAIN THAT THIS SERVICE COULD BE PROVIDED WITHOUT THE DIRE IMPLICATIONS WHICH MR. BRUCE-GARDYNE MENTIONS IN HIS LETTER. AGAIN I URGE YOU TO INTERVENE PERSONALLY IN THIS MATTER AND REVERSE A DECISION WHICH IS GROSSLY UNFAIR TO THE BUSINESS COMMUNITY IN THE NORTH OF SCOTLAND. WE FIND IT INCREDIBLE THAT A CONSERVATIVE GOVERNMENT IS BEING SEEN TO REBUFF, PURELY ON BUREAUCRATIC GROUNDS OF PRECEDENT, A PROPOSAL WHICH REPRESENTS A FIRST CLASS PIECE OF ENTERPRISE BY THE PRIVATE SECTOR AND WHICH IS STRONGLY SUPPORTED BY THE BUSINESS COMMUNITIES IN BOTH THE NORTH OF SCOTLAND AND THE PARCES.

YOURS SINCERELY,

JOHN M. YOUNG, CHAIRMAN, ROADS AND TRANSPORT COMMITTEE, HIGHLAND REGIONAL COUNCIL, INVERNESS.



Treasury Chambers, Parliament Street, SWIP 3AG

W Rickett Esq 10 Downing Street LONDON SW1

Dear row Right 12 July 1982

I enclose draft modified to the second seco

I enclose draft replies for the Prime Minister to send to Mr Donald Stewart MP and Councillor Young about Customs facilities at Wick Airport. I also enclose a copy of the Economic Secretary's proposed reply to Councillor Young.

> MISS T A M POLLOCK Asst Private Secretary



Treasury Chambers, Parliament Street, SWIP 3AG

Councillor J M Young Highland Regional Council Regional Buildings Glenurquhart Road Inverness IV3 5NX

Dear Comino Tong,

Following our meeting on 24 June about the provision of customs facilities at Wick Airport I have very carefully considered all the points which you and your colleagues raised. As I said at the time, you put forward a formidable presentation of your case to which I was and am basically sympathetic.

I am therefore sorry to say that I have concluded that to provide customs facilities for the proposed scheduled service between Wick and the Faroes would not be justified. It is true that at present the existing Customs staff at Wick are able to cope with ad hoc concessionary flights, mostly of helicopters connected with the oil industry. But this is not analogous with the provision of permanent facilities for a scheduledair service. The proposed Wick/Faroes service would at least treble the number of flights to be attended by Customs staff who also have to carry out immigration services.

However my main concern is that it would not be possible to provide facilities at Wick while continuing to refuse them elsewhere. Indeed we are at this moment facing an analogous application for customs facilities at a small regional airport which we feel we must also resist. I have to take account of the overall deployment of customs and excise resources. The Department is reducing its manpower in line with the Government's policy of reducing the size of the Civil Service. It cannot at the same time provide additional facilities on a nation-wide basis.

At our meeting you drew my attention to the new ferry service between Torquay and the Channel Islands. The situations at Wick

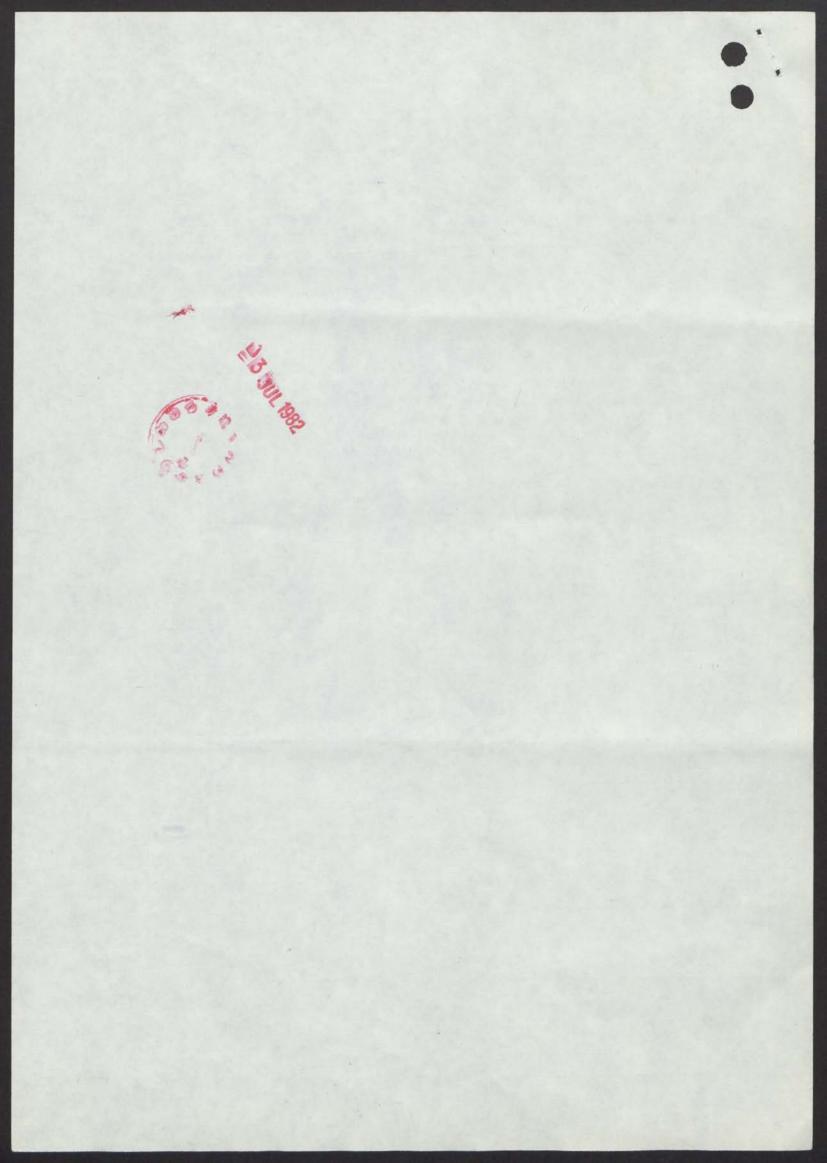
and Torquay are completely different. Unlike Wick, the port of Torquay has been approved for customs purposes for many years. No new facility has been approved. Customs staff have to be regularly available to attend at the port specifically to deal with vessels as they arrive to clear both freight and passengers. The new ferry service merely absorbs part of their normal working commitment.

I recognise that my decision will come as a great disappointment

I recognise that my decision will come as a great disappointment to you. I have carefully considered whether I could find some way to help you but I am forced to conclude that there is no way round the major stumbling block, that the provision of facilities at Wick would run counter to the Government's determination to ensure that public sector resources, particularly manpower, are deployed in the most efficient and economic way.

Your hind

JOCK BRUCE-GARDYNE



or chase manday Awaiting doubt for PM for Treening 75313 HRCINS G TX NO X 241/82 1/7/82 1603HRS Synthe to curtains. The Juyes are with three gardyne! RT. HON. MARGARET THATCHER, M.P. PRIME MINISTER, 10 DOWNING STREET, Treasury have been in bouch with LONDON. Customs sho say that this is going to take some time to DEAR PRIME MINISTER, invadel + perhaps you ought to opk to Custome in view of this WICK AIRPORT 2nd Telex which has not yet been ack I REFER TO MY TELEX OF 25TH JUNE REGARDING THE MATTER OF CUSTOMS FACILITIES AT WICK AIRPORT TO SERVICE A NEW AIR LINK BETWEEN WICK AND THE FARDES, I WOULD LIKETO ADD TO MY PREVIOUS TELEX SOME IMPORTANT INFORMATION REGARDING TRADE FIGURES WHICH UNDERLINE THE DESIRABILITY OF INCREASING OUR LINKS WITH THE FARDES AND IN THE MANNER PROPOSED BY AIR ECOSSE. THE FAROES EXPORT TO THE U.K. BROADLY SPEAKING AS MUCH AS THEY DO TO DENMARK. IN 1981 THE VALUE OF EXPORTS TO THE U.K. WAS 197.5M. DANISH KRONE AS AGAINST 204.5M. TO DENMARK. THE HIGH LEVEL OF EXPORTS TO U.K. IS STRIKING WHEN ONE CONSIDERS THAT DENMARK IS THE COUNTRY WITH WHICH THE FARDES HAS HISTORIC AND CONSTITUTIONAL RELATIONSHIPS. THE CONVERSE IS HOWEVER, THAT DENMARK EXPORTS 950.7M. VALUE DANISH KRONE OF GOODS TO THE FARDES WHILE BRITAIN SENDS ONLY 31.5M. THIS MUST CLEARLY REFLECT THE FACT THAT THEIR IS A DIRECT AIR SERVICE BETWEEN THE FAROES AND COPENHAGEN. THESE FIGURES, I AM SURE, UNDERLINE THE POINT ALREADY MADE NAMELY THAT AIR ECOSSE ARE MAKING A MODEST BUT IMPORTANT EFFORT TO IMPROVE THE VERY ADVERSE TRADE BALENCE, CLEARLY THEY AND THE REGIONAL COUNCIL REQUIRE AND DESERVE YOUR SUPPORT. YOURS SINCERELY, JOHN M. YOUNG, CHAIRMAN, ROADS AND TRANSPORT COMMITTEE, HIGHLAND REGIONAL COUNCIL, +++ 75313 HRCINS G 8 1456 300NRAR

FILE SW Donald STEWART John Young Wiele Airpat 10 DOWNING STREET From the Private Secretary 28 June, 1982 On 9 June, Mr. Donald Stewart, M.P. wrote to the Prime Minister about the issue of customs facilities at Wick Airport. Your Parliamentary Unit provided a holding reply, which the Prime Minister sent to Mr. Stewart on 28 June. This said that your Minister would be seeing the Highland Regional Council, and that the Prime Minister would be better able to reply to Mr. Stewart after that meeting. I now enclose a telex that the Prime Minister has received from Mr. John Young, Chairman of the Roads and Transport Committee of the Highland Regional Council. He reports on the meeting between your Minister and the Council on 24 June. He appeals for the Prime Minister's support. I imagine you will be shortly sending us a full draft reply for the Prime Minister to send to Mr. Donald Stewart, and I should be grateful if you could also provide a reply for her to send to Mr. Young. The letter to Mr. Young could, with advantage, refer to her reply to Mr. Stewart.

W. F. S. RICKETT

C. D. Harrison, Esq., H.M. Treasury

ALE SW



10 DOWNING STREET

From the Private Secretary

28 June, 1982

The Prime Minister has asked me to thank you for your telex of 25 June.

This is receiving attention, and a reply will be sent to you as soon as possible.

.W. F. S. RICKETT

John Young, Esq.

Fle BK

10 DOWNING STREET

THE PRIME MINISTER

28 June 1982

Than In. Stewart:

Thank you for your letter dated 9 June about customs clearance facilities at Wick aerodrome. As you probably know by now, Jock Bruce-Gardyne has agreed to see the Highland Regional Council in order to hear their point of view and I will be better able to reply to you following their meeting.

Com rively

The Rt. Hon. Donald J. Stewart, P.C., M.P.

289

75313 HRC INS G LOLOLO THIS HIGHLAND REGIONAL COUNCIL INVERNESS I HAVE TELEX FOR P.M. CAN YOU HANDLE OR SUPPLY TX NO FOR 10 DOWNING ST PSE WAIT ONE SENDING NOW 1225HRS TX NO 232/82 25/6/82 RT. HON. MARGARET THATCHER, M.P. PRIME MINISTER, 10 DOWNING STREET, LONDON. DEAR PRIME MINISTER, WICK AIRPORT I AM SENDING YOU THIS TELEX TO DRAW YOUR ATTENTION TO THE PROBLEM CONFRONTING US ABOUT THE PROVISION OF CUSTOMS FACILITIES AT WICK AIRPORT. THE PROBLEM, AS YOU WELL KNOW, IS BASICALLY THAT AIR ECOSSE HAVE, WITH STRONG SUPPORT FROM THE FAROES GOVERNMENT AND THIS COUNCIL, SET UP A SCHEDULED SERVICE BETWEEN WICKAND THE FAROES, BUT THE CUSTOMS HAVE REFUSED TO PROVIDE A SERVICE FOR THIS MOST MODEST PROPOSAL ALBEIT THAT THE CUSTOMS STEFF ARE ALREADY IN WICK. THE RT. HON. GEORGE YOUNGER, SECRETARY OF STATE FOR SCOTLAND, SUPPORTS OUR CASE AND NO DOUBT WILL SUPPLY YOU WITH DETAILS, BUT THE FINAL DECISION RESTS WITH THE TRESUARY. YESTERDAY WE MET MR. JOCK BRUCE-GARDYNE, FINANCIAL SECRETARY TO THE TRESUARY. HE GAVE US AN EXCELLENT HEARING STATING THAT WE HAD PRESENTED A VERYSTRONG CASE BUT WE WERE TOLD 'THE PROBLEM IS NOT MONE OR STAFF, BUT THAT TO PROVIDE CUSTOMS AT WICK AIRPORT WOULD CREATE A PRECEDENT WHICH OTHER AIRPORTS WOULD DEMAND'. IT DOES NOT MATTER HOW GOOD OUR CASE IS OR HOW ESSENTIAL THE FACILITY IS, THE ONLY PINT WHICH MATTERS IS THAT OF PREX THE CUSTOMS FACILITY IS REQUIRED TO DEVELOP SCOTTISH - FAROESE TRADE PROMOTED BY SMALL FIRMS WHICH YOUR GOVERNMENT IS PLEDGED TO HELP. DUR SMALL FIRMS DO NOT WANT HANDOUTS, THEY WANT YOUR INTERVENTION TO PREVENT PRIVATE ENTERPRISE BEING STIFLED. THE CASE SHOULD BE JUDGED ON MERIT AND NEED, NOT ON PRECEDENT. MR. BRUCE-GARDYNE IS TO EXAMINE OUR CASE FURTHER BEFORE A FINAL DECISION AND WE APPEAL TO YOU TO CUT THROUGH THE RED TAPE WITH THE GUTS YOU HAVE DISPLAYED ONLY RECENTLY. LIKE YOURSELF, WE WONT TAKE NO FOR AN ANSWER AND APPEAL FOR YOUR SUPPORT. YOURS SINCERELY, JOHN YOUNG, CHAIRMAN, ROADS AND TRANSPORT COMMITTEE, HIGHLAND REGIONAL COUNCIL INVERNESS. LV3 5NX

Board Room H M Customs and Excise King's Beam House Mark Lane London EC3R 7HE PS/EST MPA 11151 CC ECONOMIC SECRETARY PRIVATE SECRETARY TO THE CHANGELLOR OF THE EXCHEQUER 1. MC/A (DID 22/6 2. PRIVATE SECRETARY TO THE PRIME MINISTER 3. THE RT HON DONALD STEWART MP: CUSTOMS FACILITIES AT WICK AERODROME The Secretary of State for Scotland has written to Mr Jock Bruce-Gardyne, accepting, albeit reluctantly, the decision not to provide regular customs facilities at Wick aerodrome. For presentational reasons he has asked the Economic Secretary to agree to see the Highland Regional Council so that they can put their point of view and a meeting is to be arranged. Although there is little likelihood that the original decision will be affected it would seem appropriate to send an interim reply to Mr Stewart. The attached reply is suggested. J JAMES Parliamentary Unit

"Thank you for your letter dated 9 June about customs clearance facilities at Wick aerodrome. As you probably now know, Jock Bruce-Gardyne has agreed to see the Highland Regional Council in order to hear their point of view and I will be better able to reply to you following their meeting."

"Thank you for your letter dated 9 June about customs clearance facilities at Wick aerodrome. As you probably now know, Jock Bruce-Gardyne has agreed to see the Highland Regional Council in order to hear their point of view and I will be better able to reply to you following their meeting."

mold STEWART TIP 10 DOWNING STREET From the Private Secretary 11 June 1982 I enclose a further letter from Mr. Donald Stewart M.P. about Wick Airport, following his earlier exchange with the Prime Minister. I should be grateful for a further brief draft reply for the Prime Minister to send, agreed with the Scottish Office. I am sending a copy of this letter and enclosure, together with the earlier exchange, to Muir Russell (Scottish Office). M. A. PATTISON C.D. Harrison, Esq., Economic Secretary's Office, HM Treasury.

10 DOWNING STREET 11 June 1982 From the Private Secretary I am writing on behalf of the Prime Minister to thank you for your letter of 9 June. I will place this before the Prime Minister and you will be sent a reply as soon as possible. M. A. PATTISON The Rt. Hon. Donald Stewart, M.P.

cell Rt. Hon. Donald J. Stewart PC MP. HOUSE OF COMMONS LONDON SWIA OAA 9th June 1982. The Rt. Hon. Margaret Thatcher M.P., The Prime Minister, 10, Downing St., Whitehall London SW1 Dear Sime Kinister Thank you for your letter of June 4th regarding the issue of Customs facilities at Wick Airport. I understand that customs facilities at "small aerodromes" are being restricted but, in my view, the industrial development needs in this case could well amount to being more than just "local" as you seem to think. To have these facilities at Wick could be an important step forward for the whole North Highlands and, with the increased interest in oil developments in the seas off this area, could be nothing short of a necessity in the near future. As I understand, it would not be necessary to employ extra staff for the purpose of providing the facility. What is happening at present is that the Customs and Excise are talking about cutting the number of staff employed in the area. Aberdeen and Inverness may well have clearance facilities, as you say, but they are a long way from Wick. Inverness is some one hundred miles away by road and Aberdeen about twice that much. A policy of restriction of customs facilities in England, which may not be too damaging as the country is more populous and has more airports, close together, may seem to make sense to you but the same policy is disastrous for the Highlands of Scotland. Yours sincerely, Rt. Hon. Donald J Stewart M.P., P.C.





10 DOWNING STREET

THE PRIME MINISTER

4 June, 1982.

Ran In Stewart.

Thank you for your letter dated 14 May about the refusal of Customs to provide facilities at Wick aerodrome for the proposed air service between there and the Faroe Islands.

I know that there has been a good deal of interest in this case, which was considered very carefully by both the Chancellor and the Economic Secretary before a decision was reached. In the end they concluded that Customs should not be asked to make Wick an exception to their normal policy. I expect that you have seen the reply given on 6 May to a Question on this matter tabled by Robert Maclennan, the constituency Member. He has, I understand, also received a letter from Jock Bruce-Gardyne explaining the background more fully.

The problem is that Customs simply cannot provide services at all the small aerodromes throughout the United Kingdom where local development and industrial needs might be claimed. For this reason regular customs and immigration facilities are restricted to thirty eight airports where the level of foreign traffic allows the movement of passengers and goods to be dealt

with in a way that is compatible with to official manpower. This means that flightfields and countries abroad have to be a

with in a way that is compatible with the economic use of official manpower. This means that flights between local airfields and countries abroad have to be cleared en route at one of the approved airports, but the necessity for this is widely recognised and accepted. Clearance facilities are already available at Aberdeen, Inverness, Kirkwall and Sumburgh, and in round terms I think it fair to say that the north of Scotland and the Northern Isles are at least as well served as any other of the more remote regions of the country.

I understand that the service in question was scheduled to fly between Aberdeen and the Faroes, carrying no more than a dozen passengers, and calling at Wick twice per week in each direction. Passengers wishing to clear at Wick itself would I imagine be very few indeed. To provide staff for such a purpose would in itself be uneconomic, but on a wider front to make Wick an exception from the general rules would inevitably lead to irresistible demands from a number of other airfields throughout the country, some with a considerably higher traffic potential than Wick, which have been pressing recently for similar facilities. To concede such demands would be totally inconsistent with the Government policy of reducing the size and cost of the Civil Service and of seeking greater efficiency in public administration. For these reasons I am afraid that this is not a case in which I would wish to intervene.

M.P. Mary wishelite

The Rt. Hon. Donald Stewart, M.P.

Type for PMpl

Submit is this note

His dispitch, it copy to

Mark Lane London EC3R 7HE

See below

PS/EST

From: J A BERESFORD 28 May 1982

1. PRIVATE SECRETARY TO THE CHANCELLOR OF THE EXCHEQUER SECRETARY.

2. MCD 846 346 Cleaved with C+E.

2. PRIVATE SECRETARY TO THE PRIME MINISTER

MPA 11151

THE RT HON DONALD STEWART MP: CUSTOMS FACILITIES AT WICK AIRFIELD

- 1. Although it was expected that the refusal to provide custom facilities at Wick would provoke a good deal of political interest, in fact other representations have been made only by the Secretary of State for Scotland, who has written twice to the Economic Secretary, and by Mr Robert Maclennan MP, who raised the matter in the House (OR Vol 23, Col 123) and also wrote to the Economic Secretary.
- 2. The Chancellor's Private Secretary wrote to the Prime Minister's office on 7 May setting out the background to the Wick decision and the reasons why it should be upheld. We would draw your attention particularly to the fifth paragraph of that letter (copy attached) concerning the Rayner scrutiny on customs attendance. Although the results of that study are still the subject of Ministerial consultations and therefore should not be divulged in this correspondence, the Prime Minister may like to be aware of Sir Derek's conclusion that

"I am sure that the presumption should be that the principles underlying efficiency in the provision of services should apply in the judgment about where, when and on what basis to provide Customs facilities unless there is convincing hard evidence of likely damage to the interests of the general nation."

We find it hard to see that it could be convincingly argued that the "interests of the general nation" are at stake in this case.

However two points were mentioned in the letter which perhaps warrant comment. The first of these concerned the relationship between the Civil Aviation Authority and Customs when licensing applications are being considered. Improved consultative arrangements have now been introduced. The second point was about the immigration responsibilities of customs officers at small ports and airports about which the Chancellor proposed to write to the Home Secretary. This matter is still being considered. 4. The attached reply is suggested. Parliamentary Unit 28 May 1982

PLEASE NOTE

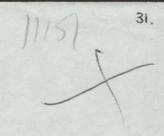
Porald StewART MP By 7/62716 2/6 Mike Pattison had a telephone call from Mr. Robert Maclennan, M.P., about this matter, to point out that as he is the constituency MP, he has already been in touch with Mr. Bruce Gardyne. We would, therefore, like the reply to Mr. Donald Stewart to include a reference to this fact (i.e. of the constituency MP's correspondence with the Government on this matter) and that a copy of the

reply should be sent to Mr. Maclennan.

I have passed this on to the Treasury.

Lillian 20 May 1982





Treasury Chambers, Parliament Street, SWIP 3AG 01-233 3000

> Ministerial Correspondence Unit Room 74C/2 H.M. Treasury Coped to be Senter

18.5.82

PS CHÉ

NO.10 CASE

I attach a letter the Prime Minister's Office have received from the Rr Hon Donald Stewart MP

I should be grateful if you could arrange for:

- a. A draft reply for the Prime Minister's signature to be sent to the Ministerial Correspondence Unit by 1.6.82
- b. A suitable reply to be sent on the Prime Mihister's behalf, with a copy to the Ministerial Correspondence Unit, by

If you are not responsible for this matter, please inform the Ministerial Correspondence Unit as soon as possible. 7. Received My Oslungs
2. Action: 145/82 anexed)
2. Action: 145/82 pln's rependence of the plant please of



Dun Peter

64417

You warned us that there would be some controversy about HM Customs' decision not to provide customs facilities at Wick Airport. I now enclose a copy of a letter to the Prime Minister from Mr. Donald Stewart, M.P., on the point.

I should be grateful if you could let us have a draft reply for the Prime Minister to send to Mr Stewart by Wednesday 2 June.

Your ever Mike Pattern

Peter Jenkins Esq HM Treasury

17 May 1982

I am writing on behalf of the Prime Minister to thank you for your letter of 14 May.

I will place your letter before the Prime Minister and a reply will be sent to you as soon as possible.

MAP

The Right Honourable Donald Stewart, M.P.

B

Rt. Hon. Donald Stewart P.C., M.P. MIFU HOUSE OF COMMONS LONDON SWIA OAA 14th May 1982. The Rt. Hon. Margaret Thatcher M.P., The Prime Minister, 10, Downing Street, Whitehall SW1. Dear Mrs. Thatcher, I would like to ask if you will intervene in a matter of great importance to the future development of the Highlands. As you will see from the enclosed letters, Air Ecosse were recently granted permission to start a service between Wick and the Faeroes. What is now preventing this is the absence of Customs facilities at Wick airport and the refusal of H.M. Customs and Excise to provide such facilities in line with their national policy of restricting the number of airports with international facilities and their desire to cut spending. Not only are Air Ecosse dismayed by this decision but Councillors in the area and local businessmen are severely disappointed. All have been very keen to develop further the links which exist between the North of Scotland and the Faeroes. There is a growing tourist and visitor traffic in the summer months which is expected to increase further and , perhaps more importantly for the development of the region and employment provision, there is a likelihood of oil developments in the basin to the west of the Shetlands. At present, Customs facilities are provided at Scrabster Harbour in Caithness but even there cutbacks have meant the loss of one Customs official. Recent decisions by H.M. Customs have seen a cutback in staff in various places and Caithness has not escaped this. The consequences now facing the area as a result of C and E decisions are a) a possible withdrawal of the twice weekly air service to the Faeroes and b) the loss of the chance to benefit from oil related development in the near future. The loss of the former will mean a decline in the steady extension of business contracts between Caithness and the Faeroes and the incidence of the latter would obviously be of great disappointment to the whole of the North Highlands. Your 1979 Conservative Manifesto for Scotland mentioned the "special problems and claims of the Highlands and Islands". Here we have a case in point and I ask that you take some action to ensure that Highland interests are furthered. I look forward to your reply, Yours sincerely, The Rt. Hon. Donald Stewart P.C., M.P.



Board Room
H M Customs and Excise
King's Beam House
Mark Lane London EC3R 7HE

Rt Hon Donald Stewart MP PC House of Commons London SW1A OAA

12 May 1982

Dear He Stewart.

You wrote to Mr Pitt, Director, Outfield on 28 April about Customs and Excise staffing in Caithness and the provision of customs facilities at Wick Airport. I am replying because he is out of London at present.

As you will know Customs and Excise are not free from the general pressures on official manpower and costs, nor are we likely to be in the foreseeable future, and certain cutbacks have had to be made. However, whilst there has been an overall reduction in the numbers of officers employed in Caithness, which include those on VAT and other cuties, this has not affected to any great extent the traditional customs and excise work areas eg at ports. It is, of course, officers working in these areas who are engaged on duties related to the needs of the trade.

So far as the provision of Customs facilities at Wick Airport is concerned, you will no doubt have seen the Economic Secretary's reply to a Question by Mr MacLennan (OR 6 May COL 123) in which he confirmed that we were not able to provide Customs facilities at Wick Airport.

The position is that we cannot afford to provide the facilities at all airports but have to confine attendance to those at which the traffic is sufficient to provide economic employment for our officers. The proposed service between Aberdeen and the Faroes with an intermediate stop at Wick would not have generated enough work to justify Customs attendance.

Yours sincerely

H J GALLAGHER
Deputy Director Outfield

MST ...
Sir D Wass
Sir K Couzens
Mr Ry e
Sir A Rawlinson
Mr Moore
Mr.Griffiths Treasu
Sir D Lovelock (C&E)

Michael So
10 Downing
LONDON
SW1



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Treasury Chambers, Parliament Street, SWIP 3AG
(C&E) 01-233 3000

7 May 1982

Michael Scholar Esq. 10 Downing Street LONDON

Dear Michael

REFUSAL OF CUSTOMS FACILITIES AT WICK AIRPORT

Because of the possibility of political repercussions, the Prime Minister may like to be aware of the Chancellor's decision to support the Customs in their refusal to provide facilities at Wick Airport for an air service to the Faroe, Islands, and the reasons for it.

The Civil Aviation Authority have licensed Air Ecosse to run a service from Aberdeen to the Forces calling in at Wick twice a week on both the inward and outward flights. The CAA act independently and does not have regard in its decisions to the ability of HM Customs to provide facilities at non-Customs airports. We feel this is an unsatisfactory state of affairs and the Economic Secretary is now writing to the authority with a view to improving its awareness of the implications of its licensing procedures for Customs.

The aircraft to be used on the proposed service would have a maximum capacity of 12 passengers and those boarding or leaving the aircraft at Wick might well be no more than two . or three. Indeed on some flights there could be no passengers at all.

The Customs have to cover for the Home Office (Immigration) at small ports and airports and it is a Home Office requirement that they should attend all flights to control the movement of non-UK residents. The Chancellor will be taking this up with the Home Secretary. The aircraft will also carry freight, thus involving Customs attendance to certify export or to provide clearance for imported freight.

A recent .zyner study on Customs attendance at ports and airports in which the Prime Minister has expressed a particular interest) is still the subject of Ministerial consultations. That study identified as an important potential source of economy in Customs operations the potential source of customs attendance at ports and airports where



Customs officers cannot be fully employed because of the inadequate volume of traffic. Sir Derek Rayner himself strongly supports this objective. To concede the claim for Customs clearance at Wick would be directly contrary to the conclusions of this study. The amount of time taken up in providing Customs facilities would be out of all proportion to the amount of work actually involved by the flights, and there would inevitably be a limit to the officer's ability to fit in other work.

The provision of Customs staff in such circumstances is not compatible with the Government requirement for efficient working methods in the public service. HM Customs and Excise are in no way exempted fro the campaign to reduce Civil Service manpower. They have already lost well over 2,000 staff and they are expected to make further reductions in pursuance of the April 1984 target.

Had Customs not refused to provide facilities at Wick, there would have been repercussions elsewhere. It would have been extremely difficult for them to refuse concessions at a number of other airports demanding similar services some of them with the prospect of handling much more traffic than Wick. Furthermore it would have been made even more difficult for the withdrawal of uneconomic facilities at ports and airports whom already have them.

A number of representations have been received from local interests. The Secretary of State for Scotland and the local MP, Robert MacLennan, have also approached the Chancellor. Given local sensitivities in the Highlands and Islands, some political repercussions are inevitable. But the Chancellor felt it right to stand firm on the commitment to promote efficiency and economy in the public service.

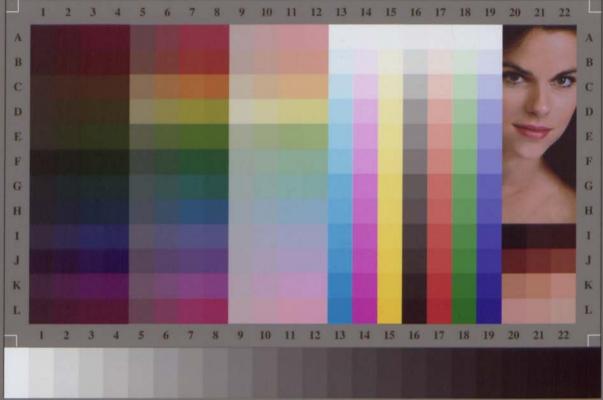
I am copying this letter to Clive Priestley.

Yours con

P S JENKINS Private Secretary

Rt. Hon. Donald Stewart M.P., P.C. HOUSE OF COMMONS LONDON SWIA OAA 28th April 1982 Mr. D.G. Pitt Commissioner and Director of Staffing (Outfield), H.M. Customs and Excise, King's Beam House, Mark Lane. London. EC3R Dear Mr. Pitt CUSTOMS AND EXCISE POSTS IN CAITHNESS It has come to my attention that H.M. Customs and Excise are in the process of making certain decisions which will have an important effect on the economy and employment of the Caithness area. Firstly, it appears that Air Ecosse have applied for a franchise to operate a service from Wick to the Faeroes. The Danish Government have given their approval, as have the Civil Aviation Authority in this country. I understand however that H.M. Customs and Excise will not provide Customs facilities at the Wick airport which obviously scuppers the intentions of Air Ecosse. I would like to point out that a decision like this will have serious repercussions on the development of the area, especially as there is a likelihood of oilfield development to the west of the Shetlands in future. I would like to ask you if it is also the intention of H.M. Customs to actually cut back on staffing in the Caithness area. If this is the case I would certainly regard it as a retrograde step for the future prosperity and development of the area and I believe that it would also affect existing employment. I hope that you will give consideration to both these matters and clarify the position for me. I look forward to your early reply, Yours sincerely. RT. HON. DONALD STEWART M.P., P.C.

C M N



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