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We shall be in health here if we materially increase the quota. 2 1/2 million - were legal in not to have to increase immigration and, unlike W. Germany - France is coming - France is away when jobs get difficult - not.

PRIME MINISTER

YOUR VISIT TO INDIA
VOUCHER QUOTA FOR UNITED KINGDOM PASSPORT
HOLDERS IN INDIA

There are an estimated 39,000 of our passport holders and dependants in India whose entry to the United Kingdom is regulated by a special voucher scheme. These are some of the so-called "UKPH". They were made subject to immigration control by the Commonwealth Immigrants Act 1968, but the special position of UKPH in East Africa was recognised and the voucher scheme was set up so as to allow them to come and settle in the United Kingdom at a controlled rate. The global quota is 5,000 heads of household a year. Most of it is allocated to Kenya, Tanzania and Malawi; 600 are allocated to India.

In recent years the global quota has not been fully taken up because fewer people have applied in East Africa. In India, however, where many UKPH went from East Africa, the demand for vouchers has until recently exceeded the allocation of 600 a year. Those now receiving vouchers have waited over five years, and it is estimated that waiting times could rise to 9 1/2 years if the allocation to India is not increased, although the actual number of people in the queue is now decreasing.

The Indian High Commission have expressed concern about the delays and there has been criticism in the Indian press. The Indian Government have so far taken a moderate position, but it is said that Mrs. Gandhi has come under pressure from Indian M.Ps from Gujerat and Madras, where most of our passport holders are. She may, therefore, ask you to increase the quota. Apart from the pressure from the Indians, it would be embarrassing for us if the waiting time increased greatly above five years.

The price of increasing the Indian quota is an increase in the settlement figures. The total settlement figures for 1980 (69,900) were only just above those for 1979 (69,700) despite the admission of the Vietnamese refugees. The number coming from the New Commonwealth and Pakistan continued to fall (33,700 in 1980; 37,000 in 1979). If entry clearance officers were diverted from entry clearance work to issue the extra vouchers there might be some off-setting reduction in numbers, but we believe there would still be a net increase in the settlement figures of between two and three times the number of extra vouchers. This would come at a time when we would otherwise hope to be able to point to a drop in the total, as the effects of last year's changes in the Immigration Rules began to work through. Moreover, any increase in the number of voucher holders would be identifiable as a separate category.

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If we increase the Indian quota there is some risk of a reaction in the East African States. There are at present some signs of stirring against our passport holders in Kenya.

Although the global quota of 5,000 vouchers has been published, successive Administrations have refused to disclose the allocations to individual countries, in order to provide maximum flexibility and reduce the risk of unsettling the States concerned. If the Indian quota were increased the Indians could not be told the size of the increase (nor, of course, the size of the present quota).

If the quota were doubled from 600 to 1,200 we estimate that this would increase the settlement figures by between 1,200 and 1,800 a year. The waiting period would rise to a maximum of about six years and begin to decline in 1984. A more modest increase of 200 a year might increase the settlement figures by between 400 and 600 a year. There would be no immediate impact on waiting times, which would continue to rise, but we estimate the maximum time would be about 7½ years instead of 9½ years.

You may wish to consider before your departure whether any increase should be made in the Indian quota. I recommend that we should not offer any increase in advance of your visit. However if the matter is raised with you by Mrs. Gandhi you may judge it desirable to concede a modest increase of, say, 200 (the precise figure not being disclosed) notwithstanding the effect on the settlement figures. Any concession on this point might be linked with an undertaking by the Indians to show goodwill in the operation of the scheme. ?

I am sending a copy of this minute to the Foreign and Commonwealth Secretary and to Sir Robert Armstrong.

hslw

11. March 1981

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