



Foreign and Commonwealth Office

London SW1A 2AH

13 March 1981

Dear Michael,

Voucher Quota for United Kingdom Passport Holders in India

The Foreign and Commonwealth Secretary has seen the Home Secretary's minute of 12 March to the Prime Minister. Lord Carrington agrees that we must decide how to respond to Indian concern about the rate of admission to the United Kingdom of United Kingdom passport holders in India, bearing in mind particularly the visit by the Prime Minister to India next month.

The increasing waiting-time facing applicants for vouchers in India and the fact, which can be deduced, that the number of vouchers being issued elsewhere has substantially fallen, have led to a mounting campaign in India for an increased allocation. We know that Mrs Gandhi is personally concerned about this. The High Commissioner in New Delhi was recently summoned to the Ministry of Foreign Affairs on this subject - the first time he has been sent for on an immigration issue. Mrs Gandhi mentioned her worries to Mr Ramphal during his recent visit to New Delhi. Indian sources have expressed their concern that the atmosphere for the Prime Minister's visit to India may be spoilt.

Immigration and nationality issues are always sensitive in the context of Indo/British relations. They are particularly sensitive at the moment, not just because of the UKPH issue but also because of Indian worries about the Nationality Bill. Some of this sensitivity surfaced during the Prince of Wales's visit to India last November when there were one or two demonstrations about immigration matters. We naturally want to avoid a repetition during the Prime Minister's visit.

We are particularly concerned that controversy over these matters may adversely affect our efforts to negotiate in time for the Prime Minister's visit a major package of commercial agreements with the Indians. Our judgment is that Mrs Gandhi's decisions on major contracts are affected by her perception of relations with the potential beneficiary countries. Moreover, it is more difficult for her to be seen to be developing closer relations with the United Kingdom if some

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aspect of our policy is under fire in the Indian Parliament and press, which is the case at present with immigration and nationality issues.

We have no doubt that we must resist - and firmly - Indian representations on the Nationality Bill. The issues that arise are largely matters of domestic concern over which no foreign country can claim a droit de regard. The UKPH issue, involving as it does Citizens of the UK, is different. There people were taken into India as a temporary measure to ease our problems of resettlement when they left East Africa, the majority having been expelled by Amin from Uganda. At that time, HMG gave assurances that they would in due course be admitted to the United Kingdom. Mrs Gandhi will remember that as Prime Minister of India she was given this assurance personally.

If we could make a concession over UKPH it would strengthen our hand in the tough line we must take on the Nationality Bill and would also have a good chance of defusing official Indian concern about this whole area of policy. But to achieve that the concession must be significant and sufficient to make an early impact on the length of waiting time for UKPH applicants (now 5½ years). Lord Carrington considers that an increase only of from 600 to 800 vouchers a year would be inadequate for that purpose. The exact figure would not of course be revealed to the Indians, but as the Home Secretary states, an increase of 200 would have no immediate impact on waiting times which would continue to rise and would reach 7½ years, so that the inadequacy of the adjustment would soon become clear. The alternative to which the Home Secretary refers, a doubling of the quota from 600 to 1200, is in Lord Carrington's view the minimum concession which would be of value. Even then the waiting time would rise to 6 years and not begin to decline until 1984.

As to the timing of a concession, it is our view that something needs to be said to the Indians very soon, with the dual objective of defusing the issue before the Prime Minister arrives in India (it is not really a matter on which we think the two Prime Ministers should spend time) and creating the best possible atmosphere for the negotiations which are now under way with the Indians in respect of the commercial package.

Lord Carrington therefore suggests that we should instruct our High Commissioner in the near future to say, perhaps to Mrs Gandhi personally, that you have looked into the matter and have decided that the rate of admission of UKPH from India should be increased. He agrees with the Home

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Secretary that the Indian Government should not be told the size of the increase nor of the present quota but believes we should enable them to say, eg in the Indian Parliament, that they understand HMG have decided upon an increase in the quota. The Indians should be told, as the Home Secretary suggests, that we would expect them to continue to cooperate with us in the operation of the scheme. If Mrs Gandhi then raises the matter with the Prime Minister, Mrs Thatcher could explain our decision in a little more detail, though again without going into figures. But we would hope that the need for this further discussion could be avoided.

The Home Secretary's minute refers to the risk of a reaction in the East African states. We are inclined to doubt whether there will be a reaction. The number of vouchers available in East Africa has proved to be more than enough to meet the requirement (of an allocation of 2000 vouchers to Kenya in 1980, only 356 were issued).

I am sending copies of this letter to Mr Halliday (Home Office) and Barry Hilton (Cabinet Office).

yours ever
R M J Lyne

(R M J Lyne)
Private Secretary

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