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The Rt Hon William Whitelaw CH MC MP
 Secretary of State for the Home Department
 Home Office
 50 Queen Anne's Gate
 LONDON SW1H 9AT

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24/7
 22 July 1982

Dear Willie,

RAYNER SCRUTINY OF THE WORK PERMIT SYSTEM

At the meeting of H Committee on 14 June I was invited to consult with various colleagues particularly concerned on three recommendations in my paper on the Rayner Scrutiny of the Work Permit System and to report further to the Committee in due course.

In the light of discussions my officials have had with officials of the other Departments most concerned, I have looked again at these issues and am writing to you, and other colleagues concerned, in the hope we can resolve these matters by correspondence before the recess, as I am anxious not to hold up the final stages of this scrutiny any longer than we can help.

On working holidaymakers and the wives of students and work permit holders I am now prepared, in the light of all the arguments put to me, to accept that the recommendations in the scrutiny report should not be accepted.

On charging I was asked to look in particular at possible exemptions and their effects. I attach a note produced by my officials following their inter-departmental discussions. In my view it demonstrates pretty conclusively that if we are to have charging then we cannot contemplate going down the exemption road (other than for nationals from countries where we are constrained by our obligations under the European Social Charter and/or EC transitional arrangements, where we really have no option but to exempt). However, given that there is no prospect of finding time in the lifetime of this Parliament for the necessary legislation, it is hardly necessary for us to agree finally on any specific scheme at this stage. What I would very much like to be able to do is to say, in my response to the report's recommendations, that the Government accept the principle of charging and that it will come forward with detailed proposals in due course when there is a suitable legislative opportunity but that, in view of other priorities, this is not likely to be within the remaining life of the present Parliament. When the opportunity of an appropriate legislative vehicle is found then



Ministers concerned, if they so wish, can of course always return to this question of exemptions. We will also have by then the advantage of knowledge of any public reactions to our broadly stated intentions.

May I take it that, in the absence of any dissent by 30 July that you and colleagues are content that I now proceed with the completion of the action document on this scrutiny on the above basis? So far as publication of the report is concerned I propose, unless any colleagues have any reasons for suggesting otherwise, to follow the normal practice and publish the report in full (including, of course, our decisions on the recommendations and, where appropriate, our reasons for taking the line we do). Your officials have suggested that you might prefer this report not to be published until the publication of the proposals on the revisions of the Immigration Rules, which I understand is likely to be sometime in October. I do not know whether you will still feel the necessity of this given that it now looks as if none of our responses to this scrutiny require any amendments to the Immigration Rules but perhaps you would let me know what you now feel on this. Naturally I would want to meet your wishes on this if you felt that there were important considerations here but I would not wish to delay publication of this report needlessly.

I am copying this letter to all members of H Committee and to Francis Pym, Patrick Jenkin, Arthur Cockfield, Paul Channon and Robert Armstrong.

*Your ever
Norman*

POSSIBLE EXEMPTIONS FROM WORK PERMIT CHARGES

- 1 The current total costs which stand to be passed on in any charging arrangements are of the order of £1.2m pa.

- 2 The cost for issuing work permits for nationals of European countries in regard to whom we would be constrained by our international obligations from charging (because of our commitments under the European Social Charter and/or EC transitional arrangements) is a little under £100,000. In addition we have bilateral Cultural Agreements with about 50 or 60 countries under which we undertake to facilitate or encourage cultural and educational etc exchanges; although only in the case of East Europe are there any formal and specific exchange programmes. There is no legal bar to charging in relation to movements under these arrangements but our partners in the Agreements might well argue that charging goes against the spirit of the Agreement by having the effect of discouraging exchanges. It is not clear how many movements in total, for which we issue work permits, might be held to come under all these agreements and therefore a total cost figure cannot easily be put on this broad category.

- 3 The public sector accounts for about £150,000, of which about half is accounted for by the NHS and the bulk of the remainder by the education sector.

- 4 The entertainments sector accounts for about £200,000 of which roughly £80,000 is accounted for by what might be categorised as the 'fine arts' and £120,000 by the 'commercial' sector.

- 5 Apart from the question of sums of money involved, there are some policy issues raised by exemptions. For the European countries covered by the European Social Charter and/or EC transitional arrangements we have little

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practical option but to exempt (though if that was the full extent of the exemptions we could consider spreading the cost over those permits for which we do charge); what we do in respect of countries covered by Cultural Agreements is more debatable but exemptions for these cases do not seem compelling nor easy to distinguish from other cases in practice. For the public sector, although we would to some extent be involved in transfer payments only, if we are to have a system of charging then there seems no good reason to depart from the general principle of these applying in the public sector as well as the private and thus letting the costs fall where the demand for the service arises - which could be a useful discipline insofar as it causes those requesting work permits to think harder about whether they really need them. On the entertainments side there would be difficulties in drawing - and holding - the line between artistic and commercial (if that were the distinction for exemption and charging) and more generally exemptions there would open up the way for continual arguments about exemptions elsewhere (other non-commercial activities; small firms etc). There would also be problems in justifying charges to the industrial and commercial sector if exemptions to the fine arts included some profit-making organisations (eg theatres). We could certainly not contemplate making the cost of extensive exemptions fall on industrial and commercial applications.

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Department of Education and Science

Office of Arts and Libraries
From the Minister for the Arts

Elizabeth House York Road
London SE1 7PH

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Tel: 01-928 9222

28 July 1982

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Barnaby Shaw Esq
Private Secretary to
The Secretary of State for Employment
Caxton Hosue
Tothill Street
LONDON SW1J 9NF

Dear Barnaby

RAYNER PROPOSALS TO INTRODUCE WORK PERMITS

Mr Channon, who is at present attending a conference abroad, has seen your Secretary of State's letter of 22nd July. His particular interest, you will recall, is in the proposal to introduce charges for work permits without providing for any exemption in the case of artists visiting this country.

Mr Channon has some doubts as to the wisdom of this course. He thinks it may provoke a strong adverse reaction. But, since the Government will not be able to legislate to introduce the proposed changes during the life of this Parliament, there will be plenty of time for the matter to be looked at again if necessary.

I am copying this letter to the Private Secretaries to all members of H Committee, to the Secretaries of State for Foreign and Commonwealth Affairs, Industry, Trade and to Sir Robert Armstrong.

yours sincerely

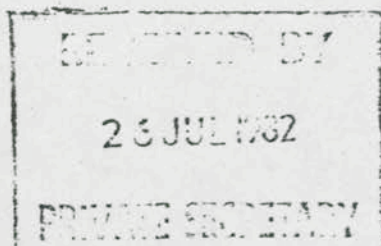
Ros Turp

Mrs R Turp
Assistant Private Secretary

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SECRETARY OF STATE FOR EMPLOYMENT

Rayner Scrutiny of the Work Permit System

1. Thank you for copying to me your letter of 22 July to Willie Whitelaw.
2. I welcome your decision on working holiday-makers and the wives of students and work permit holders. I see no objection to the way you suggest the question of charging should be handled. This last should keep us within our international obligations.
3. I can, therefore, confirm that I am content for you to go ahead with the action document on the basis outlined in your letter. On the question of publication, I understand that Willie Whitelaw still inclines to the view that it would be preferable for this to coincide with publication of his White Paper on the revision of the Immigration Rules so that public debate on these related issues should come at the same time. I see merit in this argument, too, from the point of view of reaction overseas.
4. I am copying this letter to the recipients of yours.

(FRANCIS PYM)

Foreign and Commonwealth Office

28 July, 1982

PRIME MINISTER : 2

Handwritten signature: Rankin mt

I attach minutes of H Committee covering the following:

1. Changes in the Immigration Rules.

As you know, under the 1980 Immigration Rules, women who are not citizens or whose citizenship has been acquired through nationalisation or registration, could not bring their husbands here. This rule is now under challenge before the ECHR and the Commission of the European Communities and it is likely we will be found in breach of both. The Rules require amendment in any event, following the Nationality Act, which creates a single British citizenship. The Home Secretary proposed therefore to alter the Rules to allow British citizens (however their citizenship was acquired) to bring in husbands and fiancés. H Committee recognised the sensitivity of such a change and asked the Home Secretary and Lord Privy Seal to give particular consideration to the timing of any such announcement.

2. Rayner's Scrutiny of the Work Permit System.

H Committee discussed at some length the effects of the implementation of the Rayner proposals on work permits, most of which have already been accepted by the Department of Employment. The major proposals under discussion were:

a) the abolition of the so-called "working holiday-maker scheme", which enables mostly Australians, New Zealanders and Canadians to take extended working holidays in the UK;

b) requiring the wives of student and work permit holders to obtain work permits in their own rights, should they wish to work; and

c) the introduction of charges for work permits.

The net effect of the discussion was to invite Mr. Tebbit to return to the Committee with more detailed proposals

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on these points.

3. European Parliament: Uniform Electoral Procedure

You have already seen the paper. The Committee, agreed with you that we should reject any proposals for a uniform electoral procedure for the European Parliament based on proportional representation. The Home Secretary will be minuting you with the results of the discussion.

Other conclusions are set out on Page 11 of the minutes.

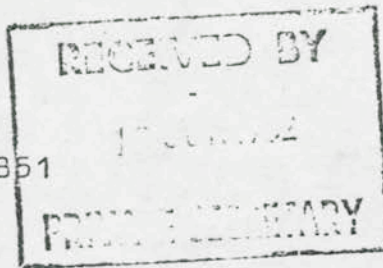
Tf.

TIM FLESHER
16 June, 1982

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Secretary of State for Industry

9 June 1982

The Rt Hon Norman Tebbit MP
Secretary of State for Employment
Department of Employment
Caxton House
Tothill Street
LONDON
SW1

Dear Norman,

RAYNER SCRUTINY OF THE WORK PERMIT SYSTEM

I have seen a copy of your paper for H Committee.

2 As there is no question of our accepting the more radical of the recommendations in the report for the tightening up of the system for industrial and commercial vacancies there is no need for me to attend the Committee's discussion of your paper. It is of course fallacious to assume that we can reserve jobs in this way for UK nationals (or more accurately for nationals in the European Community) regardless of the effect on economic performance; placing undue hindrances on the ability of management to recruit people from abroad would risk causing a net reduction in employment especially if by doing so we scare away inward investment.

3 I see that you propose that wives of permit holders should be required to obtain a permit in their own right to work here. I am content to leave this to your judgement but it may be worthwhile, before we finally commit ourselves, for your Department to take some informal soundings of the CBI and selected multinationals to check that it would not make it more difficult for them to attract key skilled people from abroad in view of the increasing tendency for both marriage partners to pursue a career.

4 I have no objections to charging fees for work permits as long as the details, when we come to consider them, are accepted as equitable by industry.



5 I am sending copies of this letter to the other members
of H Committee.

You are

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