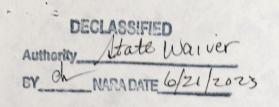
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THE PRIME MINISTER

11 March 1985

3/15/85

Vear Ron.

Thank you for your letter of 25 February about the Polish Catholic Church Agriculture Scheme. I agree with you that it is an imaginative scheme, and I have considered carefully whether we should contribute to it. Since receiving your letter I have reviewed all the arguments once again. But my conclusion remains that the proposal presents us with a number of very real problems, and I remain unconvinced that it would be right for us to become involved.

My doubts relate first as to whether the Church has, or could find, the managers to run the Scheme or whether the result would simply be that the State would become the ultimate beneficiary of the inflow of funds and equipment. I see a real risk that it will be the latter. I do not think that either of us want that.

Moreover, although the Polish Church is at present only seeking 28 million dollars for a pilot project, the main Scheme is very much more ambitious and would demand much greater inputs from the West (the figure of 1.8 billion dollars has been mentioned). I recognise that a contribution to the pilot project would entail no formal commitment to the main Scheme. But it would be of little value on its own, and would inevitably raise expectations that, if the pilot phase were successful, further finance would be available for the main Scheme. I really do not see how a commitment on the scale envisaged for that could be met. But to demonstrate

that the Scheme could work and then do nothing to implement it would surely be more damaging than doing nothing at all.

There is the further consideration for us that, although we have a very substantial aid programme (£1.174 billion in 1984/5), the funds are already committed to high priority projects; and against the background of reductions in other public expenditure we cannot find additional funds to divert to this area. For similar reasons we do not think that it would be right for the European Community to make a commitment to this scheme at a time when most people feel very strongly that all available Community aid funds should be used to relieve famine in Africa and for development projects in the Third World.

Sir Geoffrey Howe had the chance to discuss this with the Polish Primate, Cardinal Glemp, on 4 March. The Cardinal said that there were strong social reasons for starting the Scheme, but also admitted the difficulties. It was not clear whether the Polish Government would give its approval, and the Soviet Union was clearly concerned about the implications. Moreover, the Polish Church itself had certain doubts about the Scheme in its present form.

In the light of all these factors, we have decided against making any national contribution to the Scheme. We have also told our Community partners that we are opposed to a Community contribution as such, but that if they feel strongly enough about the merits of the Scheme, the right course is for them to make national contributions to it. We would of course agree to the Ten giving their political support to such individual efforts.

I am sorry to have to give you a negative reply but can assure you that I do so only after further very careful consideration in response to your request.

Cour even