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10 DOWNING STREET

THE PRIME MINISTER

2 February 1983

Dear Mr.

Thank you for your letter of 18 January about the possibility of a free parcel post service to Poland.

As you know this proposal has received considerable support and accordingly I have made enquiries into the possibilities. I understand that concessionary tariffs on postal services have not been widely granted by our partners and allies. The Swedes and West Germans introduced such a concession in December, 1981 but ended it in June, 1982. The West Germans re-introduced the concession in December 1982 but lifted it at the end of that month and as far as I am aware they have no plans to re-introduce it.

The European Community has, however, given considerable financial and other assistance to the voluntary agencies which provide humanitarian aid to Poland. Community aid programmes to Poland have so far totalled £14 million, and United Kingdom agencies have received a significant share of these funds. Nationally, the Government have given a grant of £11,500 to the Ockenden Venture to co-ordinate British relief aid programmes with the particular aim of ensuring that smaller charities can pool their resources with the major agencies to reduce the cost of transporting and distributing their donations to Poland. The Polish Authorities forbid the transportation to Poland of individually addressed parcels but the voluntary agencies have been collecting and adding individual contributions to their aid and passing these on to the Polish Church for distribution within Poland.

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It is against this background that the proposal for a free parcel post to Poland needs to be considered. To offer such a concession would undoubtedly be very expensive. The West Germans have told us that their concession cost some £500 thousand over six months and the revenue of the Post Office from parcels to Poland in 1980/81 amounted to £1½ million. As you know, it is our firm policy that the nationalised industries should wherever possible operate on a commercial basis and in these circumstances the Post Office consider that the loss of revenue which would be involved in the offer of concessionary rates could not be justified. Moreover, concessionary rates to Poland might well be cited as a precedent in other perhaps less deserving cases. A similar argument would apply against the provision of a Government subsidy to make good the loss to the Post Office which would result from the offer of concessionary rates. *And there would be a demand for free parcels to the F. Highlands and Northern Ireland.*

Like you, I am in no doubt that we should do all we can to help the Polish people; the only question is about the method. For the reasons I have explained, I believe that the best way of doing so would be to make even greater use of the channels we have already established, in co-operation with our partners and allies, for the transmission of aid to Poland.

Lawson

Rayner

The Right Honourable
Lord Home of the Hirsel,