There are various efforts of approaching and solving the problem before us. The results of these efforts are still not encouraging enough. This is because of the complexity of it.

The initiative of the GATT to try to solve this problem is of great importance indeed. We do support fully the GATT's activity in this field.

Poland would even be ready to co-operate with Committee II more closely. By saying this I have in mind our membership in this committee.

Our interest stems out of our role in agricultural trade. Although Poland has passed through a period of structural changes in its economy - the importance of agricultural exports has still remained for us as an important issue.

It is true that the exports of foodstuffs from Poland constitute now only one fifth of our total exports, whereas in 1938 the respective share was two-fifths.

The volume of these exports, however, has remained almost unchanged.

All this occurred despite a rapid growth of the home consumption per capita, which, for instance, in the case of meat was more than doubled and in the case of sugar more than trebled, compared with pre-war data. This trend continues further.

On the other hand, Poland has now become a net importer of foodstuffs, whereas in the pre-war period it was a strong net exporter of them.

There is good reason to believe that this phenomenon bears all features of being a lasting one.

As I already mentioned above, the relative importance of our agricultural exports in total exports has been reduced remarkably. It does not mean, however, that these exports have lost their importance at all, the reasons for this are numerous.

Despite the very strong increase of Poland's urban population in the post-war period - it is still more than one third of the total population whose source of maintenance is the agricultural sector.
It is clear then that the agricultural sector creates for us quite a big social problem. I think that this question is more difficult in our case than in some other industrial countries.

It implies, further, that our agricultural policy must take into account the possibility of developing the labour-intensive branches of our agriculture.

There is, however, a close interdependence between the situation just described and the external market conditions. These conditions may bring the tendency just observed in Poland either to a halt or a reverse. Namely, the tendency of expanding both our agricultural exports and imports which we are now witnessing in Poland.

We have the natural possibilities of expanding our agricultural exports. The same we could say about the respective imports. If, however, our agricultural exports face the difficulties to increase, it is very possible then, that in our overall payments situation this may adversely hit our imports and *inter alia* agricultural imports as well. Then we would have, for example, to expand the home production of grain. At present our home demand for cereals is far exceeding our home availabilities. Last year, for instance, we imported 2 million tons of grain against 200 thousand in 1949 respectively. Also the imports of oleaginous seeds and other fats have been more than doubled in the period in question. This is one side of the picture.

The other side of it is the traditional ties which have been established long ago. Agricultural exporters have the longest tradition in Poland's exports. The reason for it results both from natural and geographical conditions. Fortunately, or unfortunately, the commodity pattern of our exports to Western Europe and the United States is almost half composed of foodstuffs.

Albeit Poland has diversified its total exports to a very significant extent - our deliveries to the region in question have been running almost in their traditional pattern. It is only proof that the once established pattern of an international division of labour is very resistant to changes.

May I give an example: the leading item in our total exports is now capital goods. They constitute almost 30 per cent of them. In our total exports to the socialist countries and the developing countries capital goods share in both cases roughly 40 per cent. This could not be said about Western Europe and the United States, where despite a certain progress the respective share is still very modest.

Without tackling this problem in detail I should like to say that probably a lot of time will elapse before this situation is changed.
The problem for today is the following:

- Poland would be unable to expand its trade with the area in question, if its traditional exports to it are to be affected.

Certainly, our traditional agricultural exports are not the only factor gearing our trade with Western Europe and the United States. We should have in mind, however, that another traditional item in our exports to Western Europe, i.e. coal, has for some years suffered very much from the general market conditions known as a coal crisis.

May I add that the appearance in Western Europe of new preferential areas creates an additional issue for our exports of industrial goods.

Thus the general situation vis-à-vis the area in question seems to be not very promising if a remedy is not found.

I am afraid that it may even aggravate if the common agricultural policy of the European Economic Community is finally put into effect in its present shape - the prospects for our agricultural exports look very gloomy indeed. These prospects sharply contrast with our agricultural deliveries to Western Europe, where despite many difficulties they find there an ever-expanding market. It would be a great harm to our mutual trade relations if these natural and traditional outlets for our agricultural products were affected by the restrictive trade policy of our partners.

It must be borne in mind that there exists in some cases a close inter-relationship between our agricultural exports and the accession to our ever-growing market.

Our problems, which I have been trying to present here, are only one example of the complexity of the issue before us.

Therefore, I think that the Executive Secretary was perfectly right, when he suggested last September at the Council session, that we should examine this question squarely. Today is still not too late, but I could not say this tomorrow.

We have been given a chance to look for solutions on an almost world-wide scale.

Poland, as I already said, is ready to co-operate closely in this field with all those who have a strong desire to improve the existing situation in agricultural trade.
As it is known, Poland's status in GATT is of that kind, that we cannot rather refer to specific proposals or solutions.

It seems to me, however, that our Declaration on Relations with GATT is based on a principle of the mutual trade expansion between parties concerned. Furthermore, it provides that both sides will give sympathetic consideration to any representation of any side.

In conclusion, I should like to say that Poland fully shares the view of some countries aiming at the removal of all obstacles lying in the way of agricultural trade expansion, which cannot be isolated from trade expansion as a whole.