RELATIONS WITH POLAND

Final Draft of Questionnaire

1. Could the Polish Government furnish an English or French text of the more important basic laws, regulations and orders concerning the control of imports and exports (including the Law for the establishment of foreign trade Organizations, and any regulations or decrees relating to the structure and functions of the Organizations)?

2. Could the Polish Government furnish a description of the methods used in drawing up the import and export programmes, the content of the programmes (classified by, for instance, areas, countries, commodities, settlement currencies, etc.)? Has Poland a foreign exchange budget system for imports? What discretion may be exercised by the foreign trade Organizations under the programmes and what are their obligations?

3. What statistics of foreign trade can be made available to the contracting parties and how are the trade values contained therein computed?

4. In which cases - with respect to countries and commodities - do formal obstacles to Polish export exist of such a kind that adherence to the GATT could lead to their elimination? To what extent are Polish exports considered to be suffering from such obstacles?

International Trading Arrangements

5. What long-term commitments (including preferential arrangements, clearing arrangements, etc.) have the Polish Government or the import monopolies undertaken, which might affect Poland's obligations towards contracting parties under the GATT? What would the Polish Government propose to do about such commitments?

6. Would the Polish Government be prepared to supply detailed information about its obligations within the framework of the Council for Mutual Economic Aid and the possible effect of such obligations on her obligations towards contracting parties under the GATT?

7. What is the method of settling accounts and extending credit among the countries members of the Council for Mutual Economic Aid? (Is there a system of multilateral settlement?)

Methods of Payment for Trade with Western Countries

8. If a standard method of settlement by currencies is applied, what are the characteristics of that method?

9. What is the method of settling accounts with Western countries? Is a clearing system applied, and if so what is the basic form of that system?

Spec/216/58
English only
10. With which countries has Poland already established multilateral payments arrangements?

The Principle of Non-Discrimination and the Provisions of Article XVII

11. In what respect and by what means can the Polish Government give the contracting parties a general assurance that Poland would accord their imports treatment no less favourable than that accorded to imports from other countries?

12. (a) Under Article XVII the parties to the GATT undertake that State enterprises shall act in a manner consistent with the general principles of non-discrimination. What measures would the Polish Government be prepared to take to ensure to the satisfaction of contracting parties that the operations of the State import monopolies (or agencies) would not in effect discriminate in favour of suppliers in the territories of some contracting parties at the expense of suppliers in the territories of other contracting parties or in favour of countries outside the GATT at the expense of the GATT countries?

(b) Under Article XVII the parties to the GATT undertake that State enterprises shall make their purchases solely in accordance with commercial considerations and shall afford the enterprises of other contracting parties opportunity to compete for participation in such purchases. What measures would the Polish Government be prepared to take to ensure to the satisfaction of the contracting parties that their enterprises will enjoy this opportunity?

(c) What measures would the Polish Government be prepared to take to ensure that commitments entered into under bilateral agreements would not prevent the State import monopolies (or agencies) from complying with the undertakings set forth in (a) and (b) above?

(d) What measures would the Polish Government be prepared to take to ensure that there would be no discrimination, except on the basis of commercial considerations, between domestic products and like products imported from contracting parties?

(e) What kinds of information would the Polish Government be able to furnish to enable contracting parties to test whether the obligations under Article XVII are being observed?

The Proposed Global Import Quotas

13. The Polish Government has indicated that, pending the introduction of a tariff, "global import quotas" might be granted in respect of traditional imports of particular interest to other contracting parties. The CONTRACTING PARTIES would wish to be assured that such global quotas would represent genuine opportunities for selling. Would the establishment of a global quota represent:

(a) an undertaking to buy from contracting parties goods up to the amount of the quota, or
(b) merely permission to import up to the amount of the quota if sales can be negotiated?

If neither (a) nor (b), what would the quota represent?

14. According to what principles would the total value of the global quotas and the amounts of the quotas for individual products be determined?

15. Can the Polish Government give some examples of the products which might be covered by the global quotas and of the level of trade contemplated? Would the Polish Government be prepared to establish quotas for agricultural as well as for non-agricultural products?

16. Does the Polish Government wish to limit global quotas to "traditional" imports? If so, why?

17. Does the reference to "traditional" imports mean that the range of products for which global quotas might be opened would not be such as to allow scope for the development of imports of products which Poland has not hitherto imported from contracting parties? If not, in what other products might trade be expanded?

18. Is it proposed that quotas should be opened for a volume of trade roughly equal to the Polish export trade which might be affected by the tariff concessions (including bindings of existing tariffs) which Poland would be entitled to enjoy on accession to the GATT?

19. Would the value of Poland's imports from individual countries be tied to the value of her exports to the same countries?

20. Would a global quota be a quota for the whole world or a quota for only the contracting parties?

21. Tariff concessions, although negotiated by reference to a specific volume of trade, become more valuable to exporting countries as imports of the items concerned increase. How would the Polish Government propose to ensure that contracting parties would be able to share in any increase in domestic consumption of the items covered by global quotas?

22. In the administration of the quotas, how would the Polish Government ensure non-discrimination as between contracting parties? What relationship would there be between global quotas and quotas granted to individual contracting parties under bilateral agreements? Would payments arrangements be such that all contracting parties could take advantage of the global quotas on a non-discriminatory basis? Would quotas be allocated among suppliers and, if so, on what basis?

23. Could a system of tenders be used in order to ensure equitable purchases under global quotas? Would adequate opportunity be given to distant countries to compete? Would details of successful tenders be made promptly available?
24. If global quotas represented an undertaking to buy from contracting parties up to the amount of the quota (see 13 (a) above), how would the Polish Government propose to ensure that there would be no discrimination in favour of countries outside the GATT at the expense of contracting parties? If, on the other hand, global quotas represented merely permission to import up to the amount of the quota, if sales could be negotiated (see 13 (b) above), how, in deciding the size of the quotas, would it be possible to ensure non-discrimination between contracting parties and other exporting countries?

25. Would the Polish Government be prepared to import goods not covered by global quotas from all contracting parties on a non-discriminatory basis?

Balance-of-Payments Import Restrictions

26. Can the Polish Government indicate what, in its view, would constitute an adverse balance-of-payments situation, in the sense of Article XII, for a country whose external trade is carried on entirely by State-trading? In this connexion, can the Polish Government indicate what Poland’s balance-of-payments position is at the present time? Would the prevailing balance-of-payments situation in Poland influence the determination of the range and volume of the global quotas that might be granted to contracting parties?

27. If the Polish Government considered that an adverse balance-of-payments situation existed in Poland:

(a) Would it contemplate that the amounts of the global quotas would be subject to reduction for balance-of-payments reasons under Article XII? If so, would the reductions be on a discriminatory basis, as between currency areas, as envisaged in Article XIV?

(b) How would contracting parties be able to test whether the volume and range of imports effectively permitted by the Polish Government (both in goods covered by global quotas and in other goods) were as great as its balance-of-payments position justified, i.e., whether the limitation on the level of imports was in excess of that justified under Article XII for balance-of-payments reasons? Would the Polish Government be prepared to consult annually with the CONTRACTING PARTIES about the limitations on the level of imports in common with other contracting parties operating under Article XII, and what types of statistical and other information would it be prepared to supply to enable them in those consultations to make the test referred to? Would the Polish Government be prepared to accept recommendations, in the course of consultations, for the modification of particular quota arrangements?

28. A contracting party which applies quantitative import restrictions pursuant to Article XII is required to relax the restrictions and ultimately to remove the controls altogether as its balance-of-payments situation permits. In the light of the answer to Question 13, would the Government of Poland contemplate increasing the range and volume of its global import quotas as its balance-of-payments situation improved?
29. Does Poland contemplate seeking membership of the International Monetary Fund? If she did not become a member, would she be prepared to enter into a special exchange agreement with the CONTRACTING PARTIES providing that the objectives of the GATT shall not be frustrated as a result of action in exchange matters by the Polish Government, as is required of any contracting party which is not also a member of the International Monetary Fund.

The proposed Customs Tariff

30. In view of the fact that imports are now reserved to State monopolies (or agencies), what rôle would a customs tariff play in the Polish economy? Does the Government of Poland propose to introduce a customs tariff at the time of, or prior to, accession? Would the duties in the tariff be specific or ad valorem? Would the tariff be applied to imports from non-GATT countries as well as to imports from contracting parties?

31. The Polish authorities have expressed the opinion (see Spec/139/58) "that Poland with the concurrence of the countries concerned, should be able to substitute ordinary tariff concessions for certain agreed quantitative commitments as soon as the customs tariff has entered into force". If, after the establishment of a customs tariff, State import monopolies (or agencies) would still intervene between the foreign exporter and the consumer, what advantage would there be for the exporter in the substitution of tariff concessions for the global import quotas, and would the Polish Government be prepared to consider entering into negotiations on the duties on items for which quotas had been established?

32. In the event that contracting parties should find the advantages of a substitution of tariff concessions for quotas acceptable, would the Polish Government be prepared to submit its tariff to the GATT negotiation procedures? If so, would this be done when the tariff is still in draft form or only after it had been brought into force in accordance with constitutional procedures?

33. In the event that the customs tariff should include ad valorem duties, how would the Government of Poland propose to apply these in accordance with the principles of valuation set forth in Article VII of the GATT? What rate of exchange would be used for the conversion of foreign prices into Polish currency?

Sale of Imported Goods

34. In their dealings with each other contracting parties with private enterprise economies are able to test whether quantitative restrictions leave genuine opportunities for selling and whether these are limited only by questions of competitiveness, because the only interference between traders in different countries is by government regulations which must be
published if they affect international dealings between traders. In Poland what are the principles underlying the pricing of imported goods? Would the Polish Government be willing to give undertakings about the maximum mark-ups or the maximum re-sale prices to be applied to imports (see Article II (Schedules of Concessions), paragraph 4 and interpretative notes)? For example, would the Polish Government be prepared to adopt the method followed by France in the 1947 tariff negotiations, in respect of imports of cigarettes by the French State Monopoly, and undertake to maintain a specific ratio between the prices of imported goods and like domestic products, or a maximum percentage mark-up on imported goods? If not, what other form of undertaking can the Polish Government suggest which would guarantee exporters in other countries that goods they sought to sell within a global quota would not be subjected to price discrimination on entry into Poland?

35. The Vice-Minister for Foreign Trade stated that, in attempting to compare prices of imported and domestic goods in Poland, it was inadvisable to take the import price expressed in foreign currency and to convert this by reference to the official exchange rate, because of the special considerations involved in fixing domestic prices in Poland. What specific guarantees could the Polish Government offer to contracting parties to enable them to convince their exporters that if they were more efficient than (1) Polish producers or (2) producers in non-GATT countries, their goods would be correspondingly cheaper on the Polish market? What suggestions have the Polish Government to make about the appropriate conversion rate to be applied to import prices to enable exporters in other countries to compare effectively their own prices with those of like Polish products?

36. What measures would the Polish Government be prepared to take to ensure that the consumer in Poland would have freedom of choice between domestic and like foreign products? Would exporters in other contracting parties be free to advertise their products and make known their goods (e.g., by means of samples) to the Polish public? What steps would the Polish Government be prepared to take to see that these were not, as a result of the special price mechanism, sold at prices on the domestic market which would discourage demand?

37. Where a commodity is imported from several countries, would it be sold in Poland at a single price or at prices reflecting the differences in landed cost?

38. The Vice-Minister of Foreign Trade stated that certain reforms of the Polish economy are to be introduced and that these would eventually cover the system of internal prices. What are the reforms contemplated with respect to internal pricing?
Export Prices

39. Can the Polish Government provide a description of the pricing system as applied to goods for export? What is the relationship between export price and cost of production?

40. Contracting parties are entitled under Article VI to impose special duties on goods which are being dumped or whose export is being subsidized by another country. The test of dumping is normally that the goods concerned are being sold in the importing country at a price which is less than the comparable domestic price or, failing a comparable domestic price, lower than the highest comparable export price to a third country or the cost of production in the country of origin plus a reasonable mark-up to cover shipping and other costs. Where contracting parties received allegations from their own traders of dumping or subsidization of Polish exports they would wish to investigate such allegations as thoroughly as they would in the case of similar allegations affecting exports from a country with a private enterprise economy. The Polish Vice-Minister for Foreign Trade sees difficulties in the application of the official exchange rate to determine relative home and export prices. How far does the Polish Government see these or other difficulties as making it impracticable for contracting parties to exercise their rights under Article VI in relation to Polish exports? What suggestions have they to offer for meeting any difficulties they may see?

41. Would the Polish Government agree to have dutiable values of Polish products determined by reference to (a) the prices of like or directly competitive products being imported from other countries, or (b) the prices of like or directly competitive products in the importing country? Would it agree that dumping or subsidization could be presumed when the price of the Polish product proved to be considerably lower than the prices under (a) or (b)?

42. Would the Polish Government be prepared to enter into negotiations concerning export prices, and to give undertakings regarding the level of export prices in order to avoid situations in which dumping might be shown to exist?

43. Would the Polish Government be prepared, upon request, to enter into bilateral negotiations with contracting parties for the establishment of minimum prices applicable to Polish goods on their importation into the territory of the contracting party concerned?

Subsidies

44. How could determinations be made, for the purposes of Article XVI, of the extent and nature of subsidization on products produced by, or traded in, by State enterprises in Poland? If the extent and nature of subsidization measures which operate either directly or indirectly to increase exports or reduce imports can be determined would such information be annually notified to GATT, together with the estimated effect of the subsidization, in accordance with Article XVI and the Decision of 2 March 1950?
45. Where subsidization measures caused or threatened serious prejudice to the interests of a contracting party would Poland be prepared to discuss with the contracting party concerned the possibility of limiting the subsidization as provided for in paragraph 1 of Article XVI?

46. Are any other export incentive measures in force such as special credit terms for exportation?

47. Is the difference between the cost of imported goods and the receipts from their sales in Poland used to subsidize production or export in order that products may be exported at prices lower than their domestic prices?

General Questions

48. Would the Polish Government be prepared to conform with the provisions of Article XI which prohibits the establishment of export quotas?

49. Could the Polish Government provide an outline of the expected revision of the Customs Laws?

50. To what extent is it possible for Polish enterprises or individuals to import directly without going through the intermediary of a foreign trade monopoly? Is any change in the present regime contemplated?

51. Would the Polish Government be prepared to accept that the provisions and procedures of Articles XXII and XXIII would be applicable to any disputes which might result from action by State enterprises in external trade?

52. In private enterprise economies publication of customs tariff rates, combined with readily accessible information about exchange rates, production costs, etc., enables an exporter seeking markets in those countries to judge what his price must be in order to meet local competition. Those responsible for Polish exports would have the advantage of such information in planning their trade with contracting parties. Would the Polish Government be prepared to undertake corresponding obligations under Article X in respect of the publication of all regulations affecting exports and imports? Would the Polish Government be prepared to undertake the normal obligations under Article XVII in respect of notification to the GATT of products whose import or export is handled by State-trading organizations and of the supply of information about their operations necessary to the carrying out of the Agreement? What statistics (including figures relating to internal production, production costs, retail prices, etc.) are at present published by the Polish Government? What supplementary statistical and other information on these matters would it be prepared to supply?

53. Article III of the GATT provides for national treatment with respect to internal taxation and regulations. Would the Polish Government make available to the contracting parties copies of its "laws, regulations and requirements
affecting the internal sale, offering for sale, purchase transportation, distribution or use of products and internal quantitative regulations requiring the mixture, processing or use of products in specified amounts or proportions and information concerning the application of these laws, regulations and requirements?

54. Could the Polish Government furnish an English or French text of the Customs Law and the regulations relating thereto (including those relating to the handling of passengers' personal effects, household effects incidental to removal of residence, and mails, as well as the duty-exemption treatment for diplomatic officials), an explanation of the customs-clearing formalities (declaration, inspection, assessment, etc.) and a text of the laws, regulations and orders concerning the organization, authority and functions of the Central Customs Office and other customs agencies,