In the name of the Polish Government I would like first of all to thank the CONTRACTING PARTIES and the secretariat for all efforts and works done to enable the studies which we are going to begin just now.

Personally for me it is a great honour to represent my country at the first review of the implementation of the Declaration on relations with Poland. I believe that results of the Working Party will be fully fruitful since our debates are being conducted under your chairmanship and guidance, Mr. Chairman.

Poland joins the Working Party with readiness to develop her relationship with GATT. We do appreciate very much the review just started. I hope it should help all parties interested to reach satisfactory results. We are ready, of course, to consult on any problem which might be raised by members of the Working Party under the terms of reference adopted by the CONTRACTING PARTIES.

It is impossible to present in this introductory statement all problems in detail. Many of them were mentioned in a set of GATT documents L/1753. Therefore I try only to concentrate on some aspects of relations between contracting parties and Poland.

In this respect my remarks will begin with brief comments on the development of the economy and foreign trade of Poland. As mentioned in the memorandum supplied by the Polish Government (L/1753/Add.1), in 1961 Poland made further progress in its economic development which, according to provisional statistical data, was characterized by a 10.5 per cent increase in industrial production and slightly more than 10 per cent increase in agricultural production. In the same period the investments in the national economy - strictly speaking in the socialist sector - rose by more than 8 per cent. Investments in productive capacity alone increased by 10.8 per cent. On 31 December 1961 Poland's population stood at 30 million. The number of people employed in the socialized economy was 7.3 million which is about 300,000 more than in 1960. In this period there was no unemployment in Poland. Net salaries rose by 4.5 per cent. Parallelly there was a significant improvement in housing conditions, medical care and other services.

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1To be annexed to the report of the Working Party.
With regard to Polish foreign trade, in 1961 Poland's exports amounted to a total of more than US$1.5 billion and were 13.5 per cent higher than in 1960. Imports were higher than exports amounting to US$1.7 billion and representing an increase of 13 per cent over 1960. It should be added, however, that balance-of-payments difficulties and lack of an adequate foreign exchange reserve adversely affected the general situation in Polish foreign trade in the period concerned.

Generally, foreign trade continues to be a bottle-neck in Poland's economic growth. It is evident that if trade were developing more satisfactorily it would undoubtedly give an additional stimulus to an acceleration of economic growth. In this connexion it is a very urgent task for Poland to remedy its balance of payments and to increase her earnings from exports.

In such a situation one might suggest the reduction of imports as a means of avoiding payments difficulties. In our opinion such a course is not desirable. On the contrary it is felt that imports must continue to rise although at a slower rate than exports if Poland's foreign trade is to be expanded on a sound long-run basis.

One aspect more should be noted regarding the situation in Polish foreign trade. I have in mind the fact that Poland's foreign trade is now rising at a faster rate than its industrial production. It seems to us that this factor is one of the most important elements to form a solid basis for mutual relationship between contracting parties to the General Agreement and Poland.

Almost 50 per cent of Polish foreign trade is carried out with the contracting parties to GATT. Last year the share of GATT countries in Poland's total imports was more than 49 per cent and in exports more than 46 per cent. Among the ten leading trade partners of Poland, seven are Members of the GATT.

It should be added that during the last six years (1955-1961) the value of Poland's trade with contracting parties was almost doubled while Poland's total trade rose only by 72 per cent in the same period.

My country, up to now, has participated in the work of GATT to the fullest extent possible under the present associated membership arrangement. The Polish Government sends delegates to the plenary sessions, the Council meetings, Committees and Working Parties. Poland is ready also to co-operate in commodity groups, such as those on cereals, meat and others.

Referring to the documents submitted to the Working Group by fifteen contracting parties and by Poland, one may have the impression that no serious problems have arisen requiring solution on a multilateral basis. But it seems to me that this is not so. I would like to mention only one item, which relates to an important part of Polish foreign trade. I have in mind,
Mr. Chairman, some protectionist aspects of common market policy. If structure of our exports to the Six were taken into account our deep concern would be fully understood. More than 90 per cent of Polish exports consists of agricultural products, fuels and raw materials.

Poland, due to its natural resources, economic potentialities and geographical situation, is, in many products, a traditional supplier to this part of Europe. But, if the realization of common policy of the European Economic Community is finally put into effect in its present shape, the prospects for our exports will look gloomy indeed. It would be a great harm to our mutual trade if these natural and traditional outlets for our agricultural products, which despite many difficulties still find in six countries a ready and ever-expanding market, had been affected by the restrictive trade policy of our partners.

We believe however that GATT is the most proper forum to discuss and elaborate ways and means to protect the international trade against any disruptive factors.

In conclusion, I should like to repeat that it is a great pleasure for me to reassure you and the distinguished members of the Working Party about the intention of the Polish Government, expressed already on various occasions that Poland recognizes its participation in the work of GATT as one of the best forms to establish a solid basis for mutual understanding and trade co-operation between countries, regardless of any differences in their economic and political systems.

Although the mutual co-operation is limited by our present status of associated Member, we fully believe that our deliberations will bring us a step further in strengthening our participation in the work of the CONTRACTING PARTIES to the General Agreement.