GENERAL AGREEMENT ON TARIFFS AND TRADE

Meeting of Ministers

STATEMENT MADE BY MR. F.R. MODRZEWSKI,
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ON 20 MAY 1963

Item II:  Arrangements for the Reduction or Elimination of Tariffs and Other Barriers to Trade, and Related Matters

Item III: Measures for Access to Markets for Agricultural and Other Primary Products

Following the accepted rules of procedure allowing for a single statement covering all items on our Agenda I have refrained myself so far from taking the floor. And in doing so I had also in mind your remark made in the opening speech that the ultimate results of this conference will largely depend upon the possibility of agreement reached between two or three major partners.

Otherwise it is quite natural that Poland both for her geographical position and historical developments has been and is vitally interested in the questions of international trade.
Within the last ten years the turnover of the Polish foreign trade rose from 1,605 million dollars in 1953 to 3,532 million dollars in 1962, that is by 120 per cent during the last ten years.

Poland is a country importing substantial quantities of all kinds of goods. In 1962 Polish imports had reached the level of 1,885 million dollars and were by 144 per cent higher than that of 1953.

Poland is a member of the Council for Mutual Economic Assistance. The share of this group of countries in Poland's foreign trade is approximately 60 per cent and the share of other countries amounts roughly to 40 per cent. These geographical proportions in Poland's foreign trade have been rather stable in recent years.

In 1962 Poland's foreign trade with the contracting parties has reached the level of 1,637 million dollars of which the imports into Poland amounted to 870 million dollars.

This shows that Poland has a negative trade balance with the contracting parties and any further increase of our imports depends wholly upon the expansion of our exports to the markets of the contracting parties.

Poland would like to achieve, in the next few years, a higher growth of her foreign trade in proportion to the increase of national income and industrial production than it has been the case up to now.

From these outward looking economic and commercial policies stem our views on the particular problems which are on the Agenda of our conference.

We have listened with great attention to the discussion on the measures for the expansion of trade of the developing countries. I am authorized to give the assurance that Poland follows closely and with full sympathy, all the measures undertaken by the developing countries designed to improve the conditions of access to international markets for their products.

For this reason we fully support the seven-point Programme of Action, as defined in the first item of our Agenda. We also consider that the combined treatment of the problems of development with those of trade, as proposed in point 8 of the Action Programme, is justified in view of the tremendous economic and social problems awaiting solution.

Poland will continue her efforts to increase her trade with the developing countries, which is already rising faster than that with any other group of countries.
We recognize the need to increase the consumption of goods imported from the developing countries and in this direction we formulate our plans for future years.

Poland, being an important exporter of both industrial and agricultural goods to the markets of the contracting parties, is also vitally interested in the problems presented in the second and the third items of our Agenda. As far as international trade in agricultural products is concerned, it would be very encouraging - in our view - if the participants of our conference could confirm the necessity of working towards the maintenance of the traditional pattern of trade in agricultural products. We should work for such a solution to agricultural problems which would secure the conditions of stability for agricultural exports as well as the interests of traditional agricultural exporters.

In our view, the creation of artificial stimulants to agricultural production in some industrial countries, through a special price structure and various forms of import barriers, can only lead to serious disturbances in the existing conditions of trade in agricultural products and bring about hardships to the traditional agricultural exporters.

For this reason we support the proposals to set up special working groups which would work out concrete solutions to the trade in agricultural products. We, in our position as one of the leading importers of grains and at the same time a great exporter of meat and dairy products, would be very much interested to participate in the work of such groups. As far as the proposed machinery for the forthcoming trade negotiations is concerned, Poland would be vitally interested to participate in the Trade Negotiations Committee. We understand, as the very name of the Committee implies, that it will deal, not only with the tariff problems but with the whole range of questions relating to international trade. We hope that the conference will accept the view that in the work of this Committee should actively participate also, those countries which at least in the near future will not be in a position to make contribution by way of tariff reductions.

Bearing in mind the great importance and broad scope of the work to be done by this Committee, it seems to us that the conference should also decide on the number and on the character of the work of the sub-committees. We are in favour of the proposal to set up four sub-committees, one of which should also deal with the countries having "special problems".

This proposal should be regarded in connexion with the fact that the present wording of Article XVII of the General Agreement, relating to State trading, does not fit any more to the existing conditions in world trade as
to the situation within GATT. It does not seem to us, however, that it would be appropriate already now to propose amendments to this Article, as it might be more suitable to gather before that a sufficient amount of data through the accumulation of experience we all possess in this respect.

However, it would be useful to bear in mind this aspect of the question in future discussions within the Trade Negotiations Committee on the problems of the relevant member countries or those - like Poland - which have a State-trading system and treat their problems on the basis of individual approach to each particular case.

The Polish Government is very much interested in establishing closer ties with GATT and hopes to be in a position to undertake initiative in this direction in the relatively near future.

However, it is connected to a considerable extent with the problems of those countries which I have just defined as special problems. One can expect that the way in which those problems will be handled may give some guidance as to the most appropriate method of accommodating the relations between Poland and the contracting parties.

It seems to us that the problem of whether a country is actively participating in the programme for the expansion of trade should be determined not so much on the basis of regulations it applies but rather on the basis of its real practice in foreign trade.

In this spirit I should like to stress, on behalf of my Government, that Poland will further pursue its active policy in foreign trade designed to increase her imports from the contracting parties.

Poland would see the following as her contribution to the trade negotiations, envisaged within the framework of the Trade Negotiations Committee:

1. Such a formulation of her future development plans that would provide for the contracting parties a reasonable share in the growth of the Polish market.

2. The assurance that her increased export earnings obtained as a result of tariff cuts or elimination of other barriers to Polish exports to the markets of the contracting parties will be used for an increase of her imports from the contracting parties in proportions and on the conditions to be agreed upon in the course of the forthcoming negotiations.

3. In the course of those negotiations Poland would be prepared to negotiate with the interested contracting parties the inclusion of some categories of goods to her import plans and securing for those items a higher percentage increase as compared with the average increase of Polish imports.

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4. Poland would be further prepared to hold consultations within GATT with the contracting parties on the practices of her foreign trade, what would in reality mean a discussion on the whole of her policies connected with the expansion of the mutual exchange of goods and services.

Finally, I should like to stress that while fully appreciating all the benefits that might result from the proposed trade negotiations within the framework of GATT, I can hardly refrain myself from expressing the anxiety as to some tendencies observed in the limitation or differential application of the most-favoured-nation clause.

It would be a serious blow to international trade if the most-favoured-nation clause happened to be one of the casualties of the new tendencies in arranging the pattern of international trade.