ACCESSION OF POLAND

The following draft of an agreement between Poland and contracting parties (to which reference is made in document C/M/39) was drawn up by the secretariat at the request of certain delegations participating in the informal discussions on Poland's participation in the trade negotiations.

PARTICIPATION OF POLAND IN THE TRADE NEGOTIATIONS

1. Subject to the provisions of 2 to 5 below, the participating governments shall, with respect to customs duties and charges of any kind imposed on or in connexion with importation or exportation, to valuation for customs purposes, to any fees and formalities connected with importation and exportation, to regulations relating to marks of origin, and to quantitative restrictions on imports, accord to imports from the territory of Poland treatment no less favourable than that accorded to imports from any other country.

2. Participating governments which on the date of this agreement maintain quantitative restrictions which discriminate against imports from Poland may retain these restrictions for a period not exceeding four years from the date of this agreement, provided that the discriminatory element in the restrictions is progressively relaxed during this period and finally eliminated by the end of it.

1It would be necessary to qualify this by a provision relating to preferential treatment authorized by the GATT or by the CONTRACTING PARTIES.

2It is assumed that the date of the agreement will be the same as the date of the Protocol embodying the results of the Kennedy Round. The period provided for in this draft will, therefore, coincide with the period allowed for the staging of the tariff reductions negotiated in the Kennedy Round. (For the same reason, it might be considered whether the period provided for in paragraph 7 of the draft should not also be four years instead of the five years suggested in the draft as it stands.)
3. (a) If any product is being imported into the territory of a participating government from the territory of Poland in such increased quantities or under such conditions as to cause or threaten serious injury to domestic producers in that territory of like or directly competitive products, the provisions of (b) to (e) of this paragraph shall apply.

(b) The participating government concerned may request the Government of Poland to enter into consultation with it. If, as a result of this consultation, the Government of Poland agrees that the situation referred to in (a) above exists, it shall limit exports or take such other action, which may include action with respect to the price at which the exports are sold, as will prevent or remedy the injury.

(c) Should it not be possible to reach agreement between the Government of Poland and the participating government concerned as a result of consultation under (b), the matter may be referred to the CONTRACTING PARTIES/who shall promptly investigate the matter and who may make recommendations to the Government of Poland or to the participating government which initially raised the matter.

(d) If, following action under (b) and (c) above, agreement is still not reached between the Government of Poland and the participating government concerned, the latter government shall be free to restrict imports from the territory of Poland of the product concerned to the extent and for such time as is necessary to prevent or remedy the injury. The Government of Poland shall then be free to deviate from its obligations to the participating government concerned in respect of substantially equivalent trade.

(e) In critical circumstances, where delay would cause damage difficult to repair, the participating government which raises a matter under (b) shall be free, before the conclusion of action under (b) or (c), to take provisional action to remedy or prevent the injury.

4. (a) The Government of Poland will endeavour to ensure that Polish exports to the territories of participating governments shall be offered at prices and on conditions in line with those prevailing in the markets concerned.

(b) A participating government shall be free to levy additional duties on products imported from the territory of Poland, if such products are being introduced into its markets at prices which are substantially below those which prevail generally in those markets for the same or like products, and if material injury is thereby caused or threatened to an established domestic industry or if the establishment of such a domestic industry is thereby retarded.
(c) If the Government of Poland considers that a participating govern-
ment has taken action in pursuance of (b) in circumstances which do
not justify such action, it may, after consultation with the
participating government, refer the matter to the CONTRACTING
PARTIES. If the CONTRACTING PARTIES find that the conditions
described in (b) do not exist, they shall recommend to the
participating government concerned that it discontinue the action
in question. If the government concerned fails to comply with this
recommendation within thirty days of the date on which the recommen-
dation is made, the Government of Poland shall be free to withdraw
benefits accorded to the trade of that participating government.

5. A provision may be needed on the question of the rights of Poland
under Article XXVIII.1/

6. The Government of Poland shall accord to participating governments
treatment, in respect of imports into Poland and purchases by Polish agencies,
no less favourable than that accorded to any other country.

7. Subject to 8 below, the Polish Government shall, over a period of five years
commencing at the date of this agreement, make provision in its plans
for an increase of not less than \( \frac{1}{x} \) per cent per annum in the total value
of the imports from contracting parties. \[1\]

8. Three months before the end of the first year of the period specified
in 7, and annually thereafter until the end of the period, the Polish
Government shall consult with the participating governments with a view to
reaching agreement on any modification in the provision in the Polish plan
for imports from them in the following year, and on the division of total
Polish imports between different categories of products. In such consul-
tation, regard shall be paid inter alia to the trend of Polish exports to
participating governments, to the need to avoid large fluctuations in
Polish imports from participating governments, to the development of Poland's

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\[1\] In the negotiation of the percentage increase to be specified in this
paragraph, account shall be taken inter alia of the increase in Polish
exports to participating governments likely to result from the application
by participating governments to the Government of Poland of the provisions
of paragraph 1 above and from the tariff reductions and other concessions
agreed to by participating governments in the present trade negotiations.
earnings of foreign exchange and her balance of payments, regard being had in this last connexion to any imbalance in Poland's invisible trade or capital transactions.

9. During the course of each consultation provided for in 8, there shall be a review of trade in the preceding twelve-month period between participating governments and Poland. If it is established in such a review that actual Polish imports from participating governments in this period have, for reasons other than an unexpected decline in Polish exports to participating governments, fallen short of the quantities or values provided for, in the case of the year commencing in this agreement and, in the case of subsequent years, in the preceding annual consultation, the CONTRACTING PARTIES shall consider the situation, and make such recommendations to the Government of Poland as they consider appropriate.

10. Not later than six months before the end of the five-year period referred to in 9 above, the CONTRACTING PARTIES shall consult together on arrangements for the following period.

11. If any participating government considers that an unjustifiable disequilibrium is developing in the trade between it and the Government of Poland, it may request the Government of Poland to enter into consultation with it. Should such consultation not lead to a result satisfactory to the participating government, it may take such action as it considers necessary to re-establish this equilibrium. It shall immediately inform the CONTRACTING PARTIES of any such action. At the request of the participating government or the Government of Poland, the CONTRACTING PARTIES shall consult with that participating government and the Government of Poland. Should such consultation not lead to agreement between the participating government and the Government of Poland, and should the participating government continue to take action under this sub-paragraph, the Government of Poland shall be free to withdraw benefits accorded to the trade of that participating government.
The review referred to in paragraph 8 of the agreement shall cover the following points among others.

(i) Polish exports to participating countries.

(a) The general trend and geographical distribution of Polish exports to participating countries. Has there been an unexpected decline or increase in Polish exports?

(b) Development of Polish exports of different categories of goods, e.g. agricultural goods, raw materials, semi-manufactured goods, machinery and consumer goods.

(c) Action taken by participating countries under paragraph 2 of the agreement to remove remaining quantitative restrictions on imports from Poland.

(d) Other questions relating to the exports of Poland to the participating countries in the period under review, including any problems arising of the sort provided for by, or any action taken under, paragraphs 2 and 3 of the agreement.

(ii) Polish imports from participating countries.

(a) Did actual Polish imports from participating countries reach the quantities or values provided for for the period under review? If not, what was the reason for the shortfall in Polish imports?

(b) Development of Polish imports from participating countries in relation to development of Polish imports from other countries.

(c) Development of Polish imports from participating countries in relation to development of the Polish market.
(d) Other questions relating to imports of Poland from participating countries including:

action taken or arrangements made by Poland for making public its laws, regulations, judicial decisions, administrative rulings and agreements, as well as statistics pertaining to trade;

information on the prices at which imported goods are offered for sale in the Polish market, the markups applied to these goods and the conditions of sale;

arrangements made for commercial representation of exporters of participating countries and advertising of imported products;

any questions arising from any conditions attached by Polish importers to purchases from exporters in participating countries.

(iii) Polish balance of payments.

Balance-of-payments situation including situation of Poland's trade and capital transactions.