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Poland Rejoins the IBRD, Bringing It to 150 Member Countries

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Poland Rejoins the IBRD, Bringing It to 150 Member Countries

When delegates from Poland signed the Articles of Agreement on June 27th, 1986, Poland officially became the 150th member country of the International Bank for Reconstruction and Development. A milestone for both the Bank and Poland, this act opened new lines of communication and aid between the two parties. Yet the act had a ring of familiarity to it. Over 50 years before, on January 10th, 1946, Poland became the 31st member country of the World Bank. Poland participated in the Bretton Woods conference that created the World Bank in 1944 and two years later they would sign the Articles of Agreement. Poland applied for a $600 million loan to develop their economy in October 1946, and a smaller loan in spring of 1947 for the coal mining industry. As a result, the first mission the Bank ever sent abroad was to Poland in June 1947. At the time, it was known that the mission was only a fact-finding mission, and not a precursor to any loan approvals.

The two loans which Poland applied for were not realized; the Polish government and the Bank were unable to agree upon terms and the negotiations were abandoned in early 1948. Furthermore, Poland was concerned with a section in the Bank's Second Annual Report which discussed revitalizing German industry and the work of a technical team, which was sent to analyze Germany's Ruhr coal fields. The Polish delegation argued that Germany was not a member of the Bank, and put forth a resolution asking for strict interpretation of the Bank's Articles of Agreement, which promise aid exclusively for the benefit of members and the enterprises within their territories. The resolution was not adopted by the Board, and Germany continued to be considered a special case.

On March 14th, 1950 Poland became the first country to withdraw its membership. The Ambassador to Poland, the Honorable J. Winiewicz, wrote that the Bank had violated its statutory requirements in that it had not contributed to the reconstruction of nations ravaged by war, but had instead "adapted its policy entirely to the needs and directions of the United States Government to the
detriment of the other countries.” The letter stated that Poland had been denied a loan solely because the country would not accede to the so-called Marshall Plan, which “had as its aim the subordination of Europe to the United States and the rebuilding of the war potential of Germany. Today there can be no possible doubt as to the injurious political and economic results of this Plan.” President Eugene Black responded: “The statements in your letter in explanation of the action of the Polish Government cannot be accepted. The Bank’s Annual Reports and other statements to its members and the public demonstrate that the Bank’s operations have been conducted in accordance with the provisions of the Articles of Agreement.”

Thirty-one years later, on November 10th 1981, a Polish delegation met with President Clausen to present a letter of application for entry into the Bank. According to the memo titled “POLAND - Meeting of the Polish Delegation with Mr. Clausen” (Archives folder 1160486, see below), “[Zbigniew Karcz] recalled that Poland had been trying to re-enter the Bank since 1956” though all of their efforts to that point were not successful. Unfortunately, this application would similarly fail, since in December of that year the Polish military declared martial law. This “military junta” lasted more than 18 months, during which the World Bank had little choice but to reject the application.

Poland’s final application for membership was submitted in February of 1985. As the application moved forward, Mr. Karcz informed the Bank that Poland’s primary concerns were the industry, agriculture and energy sectors. In anticipation of Polish re-entry, the Bank began to analyze the requirements for the revitalization of these sectors. With the application for membership and recovery plans in motion, the rest of the process went smoothly and Poland became a member of the Bank once more.
December 1981

Dear Sir,

Acting on behalf of the Polish Government in Exile I have the honour to submit to you the Appeal in connection with the present situation in Poland.

The present crisis in our Country is of unprecedented proportions. The issue transcends mere humanitarian concern.

The future of international relations will be greatly affected by the resolution of the present crisis. You have the power to intervene effectively without recourse to arms. We implore you to take notice of our Appeal.

Please, accept, Excellency, the assurance of my highest consideration.

Yours sincerely,

Kazimierz Sabbat
Prime Minister
Polish Government in Exile

Mr. A.W. Clausen
President of the World Bank
1818 H. Street NW
Washington DC 20433
USA
Appeal to the Free World

Issued in London on 18th December 1981

The military terror in Poland has already taken a heavy toll. Unarmed workers have been killed, tens of thousands of patriots have been thrown into prison. Passive resistance by a people determined not to be slaves is bringing factories and mines to a standstill. Not even with Soviet support will this regime of renegades crush the spirit of the Polish people.

There should however be no illusions, unless there is determined action by the friends of Poland all over the free world the cost will mount; there will be more killings, more prisoners, more misery.

On behalf of the Polish nation unable to speak for itself, we request that an immediate meeting of the United Nations General Assembly is called to condemn the criminal action of the Polish military junta.

We urge the United Nations Security Council to take steps to condemn this latest threat to peace and to request the end of martial law, the release of all political prisoners and the resumption of the dialogue with Solidarity and the Church.

We call on all signatories of the Helsinki agreement to condemn the military junta for breaking our country's solemn undertaking to observe basic civic and human rights.

We call on Western governments to examine the possibility of the International Red Cross to be asked to investigate without delay the appalling conditions in which political prisoners are now being held, and remembering the fate of an earlier generation, call for some accounting of the whereabouts of those already held.

We call on all governments in the free world to instruct their diplomatic representatives in Warsaw to warn General Jaruzelski of the grave political, economic and other consequences which must inevitably follow if he does not bring an end to repression.

We call on the special agencies of the United Nations to prepare a joint plan of economic and technical assistance to Poland, to be implemented as soon as civil and political rights are restored to the Polish nation.

We express our gratitude to the many charitable bodies who have been channelling basic food and medical supplies to the sick, the elderly and children through Solidarity and the Church. We urge governments of the free world to do their best to see that this humanitarian aid continues to flow.

We call on Trade Unions in the free world to do all in their power to prevent the destruction of the brave Solidarity Trade Union in Poland. We appeal to church leaders all over the world to give their moral support in Poland's hour of trial, and their prayers that God will deliver Poland from this renewed oppression.

K. Sabbat
Prime Minister
Polish Government in Exile

E Raczynski
President
of the Republic of Poland
OFFICE MEMORANDUM

TO: Memorandum for the Record

FROM: Attila Karaosmanoglu, Director, EMI

DATE: November 13, 1981

SUBJECT: POLAND - Meeting of the Polish Delegation with Mr. Clausen

1. A Polish Delegation visited Mr. Clausen on November 10, 1981 to present a letter of application for re-entry to the Bank. The Delegation consisted of:

   Ambassador Romuald Spasowski
   Polish Ambassador to the U.S.

   Mr. Zbiniew Karcz
   Director of External Affairs, Ministry of Finance

   Professor Raczkowski
   Economic Adviser to Ministry of Finance

   Mr. Zawadzki
   Economic Counselor.

   Messrs. Chaufournier and Karaosmanoglu were also present in the meeting.

2. Mr. Karcz, leader of the Delegation, expressed his apologies for the inconvenience created by their unannounced move to apply for re-entry to the Bank. He recalled that Poland had been trying to re-enter the Bank since 1956 and especially regretted the fact that they could not have entered two years ago. In view of the previous frustration of their efforts due to a premature news leak, they now had chosen to submit their application in Washington without advance announcement and the necessary preparatory work to avoid the risk of further postponement. They hoped that the fact that Poland is a member in good standing in all United Nations organizations with the exception of the IMF and the IBRD would reflect favorably on the Bank’s review of their application. Poland’s desire to return to the Bank was linked to recognition of the increased interdependence of the economies of the world and the common opinion of the Polish people that the aims of the IMF and the Bank are similar to those of Poland. Mr. Karcz also added that in connection with their negotiations with 16 governments and 460 banks, Poland had agreed to supply necessary information on external debt, balance of payments and other aspects of the economy. He therefore did not expect that any difficulties would arise regarding statistical follow-up or willingness to release data for their membership in the Fund and the Bank. He noted that there may be some technical difficulties in the comparability of data.

3. Mr. Clausen expressed satisfaction over the fact that Poland understood the information requirements that would result from membership to the Bank. Mr. Karcz repeated his confidence in this regard since the Government had thoroughly discussed this issue and had recently begun to publish detailed balance of payments, reserve and short-term debt statistics.