

JUN 5 1979



UN/SA COLLECTION

UNITED NATIONS
GENERAL
ASSEMBLY



Distr.
RESTRICTED

A/CN.2/R.417/Add.1
22 May 1979

ORIGINAL: ENGLISH

COMMITTEE ON CONTRIBUTIONS

Thirty-ninth session

REPRESENTATION BY THE POLISH PEOPLE'S REPUBLIC

1. Reproduced below for the consideration of the Committee is a communication dated 18 May 1979 from the Permanent Mission of the Polish People's Republic to the United Nations addressed to the Chairman of the Committee on Contributions:

"In connexion with the forthcoming session of the Committee on Contributions which will determine the scale of assessments of Member States for the period 1980-1982, I am taking this opportunity of once again drawing the Committee's attention to the facts which are of essential importance for the calculation of Poland's contribution to the budget of the Organization.

"The matter of Poland's scale of assessment has been repeatedly raised before the Committee on Contributions, in particular in the letter of the Acting Permanent Representative, dated 28 May 1976 and in my letters to Your Excellency of 7 April 1977 and 6 March 1978 respectively. There is hardly any need, therefore, to recapitulate in detail the argumentation contained in our previous letters. I only wish to reassert the full validity of that argumentation, today. We maintain our view - as has been explicitly stated from the rostrum of the General Assembly - that the scale of Poland's current contribution has been unjustifiably assessed. Its assessment was based on arbitrarily selected and economically and financially unfounded criteria. There is all reason to demand that the contribution in question be assessed with a view to lowering it accordingly. The Committee's forthcoming session provides an opportune occasion for that purpose.

"In my letter of 6 March 1978 I drew the attention of the Committee on Contributions to the new elements supporting our position of principle that for the purpose of the scale of assessments, in quoting the national income of Poland in US dollars, the coefficient of exchange should be that of 33.20 zlotys to one US dollar.

"As we have repeatedly stated, that latter, economically justified coefficient had been used in Poland's financial operations with other

countries since January 1972 and should also be used in assessing Poland's contribution to the regular budget of the Organization.

"I wish to recall the fact that the very rate of 33.20 zlotys to one dollar was, until September 1976, quoted as the effective rate of exchange by the Monthly Bulletin of Statistics of the United Nations.

"It is our hope that in the light of the reasons contained in our representations to the Committee on Contributions and in the statements by the Polish representatives in the United Nations General Assembly in respect of Poland's assessment, the Committee will also follow relevant provisions of General Assembly resolution 31/95 of 14 December 1976. It has called on the Committee on Contributions inter alia to consider urgently and in depth ways and means for increasing the fairness and equity of the scale of assessments, in the light of views by the Member States.

"Our conviction is also enhanced by the text of para. 57 of your Committee's report (A/33/11), pertaining to Poland's assessment as well as by the assurances expressed by Your Excellency in your capacity as Chairman of the Committee on Contributions.

"The matter of the unfounded and unjust approach to the assessment of Poland's contribution was discussed at length in the Fifth Committee of the thirty-third session of the General Assembly. The relevant paragraph of the Fifth Committee's report (A/33/351), para. 15, Nov. 3/470, reads as follows: 'A number of delegations voiced their support for the arguments advanced by Poland and hoped that they would be fully taken into consideration by the Committee on Contributions'.

"We are confident that Poland's representations will be duly considered at the forthcoming session of your Committee and that appropriate corrections be made with regard to my country's assessment."

2. The texts of previous communications, dated 28 May 1976, 7 April 1977 and 6 March 1978, referred to in the present communication from the Polish People's Republic, were submitted to the Committee for its consideration at the previous sessions as contained in documents A/CN.2/R.400 of 5 April 1978 and A/CN.2/R.389 of 7 April 1977. These are attached to the present document as annexes I and II.

ANNEX I

REPRESENTATION BY THE POLISH PEOPLE'S REPUBLIC

The following communication dated 6 March 1978 from the Permanent Representative of the Polish People's Republic to the United Nations to the Chairman of the Committee on Contributions is submitted to the Committee for its consideration.

"I wish to refer to my letter to Your Excellency of 7 April 1977 and that of Poland's Acting Permanent Representative to the United Nations of 28 May 1976 concerning my country's scale of assessment of its contribution to the United Nations regular budget.

"As it follows from these letters and has been stressed by the delegation of Poland in the Fifth Committee of the thirty-first and thirty-second sessions of the General Assembly, the main point of objection to the steep increase of Poland's contribution is the exchange rate applied by the Committee on Contributions for the transfer to dollars of the Polish national income. We have proposed in particular that in order to arrive at a fair calculation, a co-efficient of 1 US dollar to 33.20 zloties should have been applied by the Committee.

"An exchange rate based on the above co-efficient has been in use by Poland for the last several years in relation to a considerable number of financial operations with foreign countries. In fact, the rate 33.20 zloties to 1 US dollar was listed as the official rate of exchange in the Monthly Bulletin of Statistics of the United Nations, until late 1976. From its very inception, the rate represented an attempt on the part of the Polish authorities to introduce a uniform exchange rate for the entire sphere of financial operations with foreign countries. This is why the Polish authorities still believe that the said co-efficient should have been used for the calculation of Poland's contributions to the United Nations budget for the years 1977 and 1978-79.

"To substantiate our contention and in order to avoid the Committee's unjustified decisions concerning assessment of Poland's contribution in future, I am now in a position to inform you formally that as of 1 February 1978, Poland has introduced a uniform exchange rate, 33.20 zloties to 1 US dollar, as an official rate, applying to foreign currency operations, both within and outside Poland.

"I trust, Excellency, the Committee on Contributions will now be able to amend accordingly the method of assessing the scale of Poland's contribution to the budget of the Organization."

ANNEX II

REPRESENTATION BY POLAND

The following communication dated 7 April 1977 from the Permanent Representative of Poland to the United Nations addressed to the Chairman of the Committee on Contributions is submitted to the Committee for its consideration.

As the Committee on Contributions is now in session to avail itself of its mandate under resolution 31/95 of the thirty-first session of the General Assembly, inter alia, requesting the Committee 'to study urgently and in depth ways and means of increasing the fairness and equity of the scale of assessments in the light of views expressed by Member States at the thirty-first session of the General Assembly'. I wish to refer to the assessment of Poland's contribution which between two successive scales was given a very steep increase by having been raised from the level of 1.26 per cent to 1.40 per cent.

"Consequently, at the thirty-first session of the General Assembly Poland was unable to accept the proposed scale of assessments. Our substantiated reasons thereto, also in the light of the letter of the Acting Permanent Representative of the Polish People's Republic of 28 May 1976 to Your Excellency, were presented in the debate on the question in the Fifth Committee of the thirty-first session.

"Given the terms of reference of the Committee on Contributions at this year's session, under resolution 31/95, the Government of Poland hopes for appropriate corrections to be introduced, mitigating the contested figure of 1.40 per cent.

"In soliciting for the understanding on the part of the Committee on Contributions of the important considerations in favour of reverting to a fair and equitable assessment of my country's contribution, I wish to extend to you and to the membership of the Committee the full co-operation of the Government of Poland and its appreciation of your efforts to amend the scale accordingly.

"I shall be most grateful to Your Excellency for bringing the urgent question of Poland's contribution to the attention of the distinguished Members of the Committee for their careful consideration and fair recommendation to the General Assembly."

The text of the communication dated 28 May 1976 from the Acting Permanent Representative of Poland to the United Nations addressed to the Chairman of the Committee on Contributions, together with an annex thereto, was submitted to the Committee for its consideration at its thirty-sixth session in 1976 (A/CN.2/R.365 and Add.1). For the convenience of the Committee, that communication is reproduced as an annex to the present document.

Annex

Communication dated 28 May 1976

"On the instructions of my Government and in connexion with this year's work of the Committee on Contributions on the new scale of assessments of Member States' contributions to the United Nations regular budget for the forthcoming years, I have the honour to hereby inform you that in the relevant calculations of the transfer to dollars of the Polish national income, a co-efficient of 1 US dollar to 33.20 zlotys should be applied.

"In substantiating the above, I wish to recall that so far, there has been no uniform exchange rate in Poland in relation to Western currencies. In fact, there exist several different rates, dependent as they are on the kind of transactions or currency transfers. None of these rates can be applicable as a synthetic co-efficient to define the national income in dollars.

"In view of the foregoing, any fair calculation of the per capita national income for the purposes of assessing the scale of Poland's contribution to the budget of the Organization, requires application of an economically equitable co-efficient. Although between 1971 and 1974, due to Western currencies' fluctuations, there have been changes in some exchange rates in Poland vis-à-vis the US dollar, yet they have not led to working out of a standard, economically equitable rate of exchange.

"For the reasons above, I shall be very grateful to Your Excellency for bringing the question to the attention of the distinguished Members of the Committee on Contributions in the process of the latter's deliberations on the rate of assessment of Poland's contribution. May I add, in conclusion that the co-efficient in question /1 US dollar to 33.20 zlotys/ is at present broadly applied in various currency operations. I, therefore, rest assured that the Committee on Contributions will deem it proper to accept the co-efficient for the purpose of calculating Poland's contribution.

(Annex)

"The co-efficient of 33.20 zlotys to 1 US dollar has been in use since January 1972 inter alia in the following international financial operations:

- tourist exchange purposes,
- transfer of pensions to individuals in Poland,
- social security payments to individuals in Poland,
- indemnities due to Polish citizens,
- financial transfer of amounts arising from inheritance settlements due to Polish citizens in Poland,
- most transactions of the PeKaO Bank Trading Corporation, Warsaw, Poland /branches all over the world/.

"It should be noted that in the above operations, during the period under consideration /1972-1974/ there were examples of an even higher co-efficient in use than 33.20 zlotys which ranged up to the sum of 66.00 zlotys to 1 US dollar."