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REPRESENTATION BY SPAIN

The following communication, of 9 April 1970, addressed by the Permanent Mission of Spain to the United Nations to the Secretary-General of the United Nations, is submitted to the Committee on Contributions for consideration:

"The Permanent Mission of Spain to the United Nations presents its compliments to the Secretary-General of the United Nations and, with reference to his note of 5 February (Ref.FI 313/1 (1)) concerning the next session of the Committee on Contributions, has the honour to transmit the following information for consideration by the Committee in its review of the scale of assessments for the years 1971, 1972 and 1973.

"1. Spain's net national product at market prices, for the three-year period 1966-1968, which is to serve as the base period for the calculation by the Committee on Contributions of the assessments for 1971, 1972 and 1973, was as follows:

1966 - 1,383,576.0
1967 - 1,524,118.5
1968 - 1,641,792.9 (estimated)

"These figures were compiled by the Contabilidad Nacional de España (Spanish National Accounting Service) and published by the Instituto Nacional de Estadística (National Statistical Institute) in 1969.

"These quantum figures are expressed in market prices and therefore reflect the marked upward trend in prices which has characterized the Spanish economy in recent years.

"Nevertheless, by comparison with the figures for the previous three-year period, they show a marked decrease in the absolute increment from one year to the next.

"The figures for the three-year period 1963-1965 in millions of pesetas, were as follows:

1963 - 905,225.8
1964 - 1,020,305.3
1965 - 1,207,628.3

"2. The Spanish Government devalued the peseta by a Decree of 19 November 1967.

"The new parity of the peseta was set at 0.0126953 grammes of fine gold per peseta or seventy pesetas per United States dollar which, by comparison with the previous parity of 0.0148112 grammes of fine gold per peseta, represented a devaluation of 14.3 per cent. This devaluation, which produced a fundamental change in Spain's capacity to pay, was carried out during the period 1966-1968 and the Committee on Contributions should take the figures for that period into account in calculating the scale of assessments for 1971-1973. In my letter No. 96, of 7 May 1968, addressed to the Chairman of the Committee on Contributions, I had occasion to draw the Committee's attention to the devaluation of the peseta and its consequences. The Committee noted these circumstances in paragraph 20 (d) of its report to the General Assembly at its twenty-third session (document A/7210) and, more specifically, in paragraph 45, which states that the Committee considered the question of the devaluation of a number of currencies that had taken place after its report had been submitted and the reference made to a devaluation in November 1967 in one of the representations submitted for consideration at that session and adds that, for its next review of the scale - which is to be undertaken now - the Committee will use net national products for the years 1966, 1967 and 1968 and that the effect of the devaluations in 1967 and any others that might occur during the three-year period would be reflected in the next three-year scale to be established in 1970.

"I am bringing these facts to your attention so that the Committee may make a realistic appraisal of the effects of this devaluation, which not only entailed a decrease in the dollar value of Spain's net national product and, consequently, in per capita income, but also increased the cost in pesetas of Spain's assessment.

"3. Lastly, I would point out that, as the rising trends in the national economy have exceeded the limits laid down in the development plan, the Spanish Government has been obliged to take steps to restrict budgetary expenditure, reducing the initial allocations for 1970 by 10 per cent.

"I should be grateful if you would indicate whether you require any additional information for consideration by the Committee on Contributions so that I may transmit it to you in due time.

"Accept, Sir, etc."
