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Assessment of Poland

The following communication has been addressed to the Chairman of the Committee on Contributions by the Permanent Representative of Poland to the United Nations:

10 May 1961

"Upon the instruction received from my Government I have the honour to ask you to submit to the Committee on Contributions the request to reduce the percentage assessment of Poland applied to the regular budget of the United Nations.

Simultaneously I take the liberty of submitting certain supplementary data illustrating the actual financial situation of Poland. I hope that these data will be taken into consideration by the Committee on Contributions during the discussion on the establishment of the scale of contributions for the years 1962-64.

Although damages and losses resulted by World War II might hardly appear after sixteen years as a just basis for claiming reduction of the scale of assessment in the United Nations budget, nevertheless Poland finds itself in an exceptional position in this respect. The enormous war destructions caused and are causing still, that most of the Polish national income is spent directly or indirectly for reconstruction purposes, instead contributing to the raise of standard of living of the population and to the economic development.

Parallel to the undeniable stabilization which the country's economy has been undergoing in recent years Poland has had to overcome since 1958, a series of difficulties, which have already been described in the Polish Memorandum submitted to the Chairman of the Committee on Contributions on August 4, 1958. At this point, I wish to stress only that many of the reasons then presented in support of Poland's request that the amount of her contribution be reduced, are still valid today. This concerns, in particular,

the fact that prevailing conditions described above compel my country to undertake considerable investments during the period of 1960-1965 and, consequently, to mobilize all, even the smallest material and currency resources and reserves. This new investment effort is imperative in view of the fact that, from 1960 on, the national economy will have to absorb the suddenly highly increasing labour power of the new postwar generation of workers. This must also be considered as an exceptional burden for the national economy resulted directly by war, taking into account that the great irregularities in Poland's demographic structure have been caused by enormous war losses in life, which amount to 6 million of people. These high losses have been followed immediately after the war by a sudden population explosion raising Poland's rate of population growth to one of the highest in the world and distorting even more the already irregular demographic age structure of the country.

Increased investments and the Government's efforts directed towards increasing the standard of living have a heavy bearing on Poland's balance of payments in 1962-64. The objective necessity of Poland securing credits abroad in excess of 420 million dollars during 1956-58 was thoroughly explained in the above-mentioned memorandum of August 4, 1958. At present, after a few years of progressive economic stabilization inside the country, the reimbursement of these credits and the normalization of the trade balance become a question of prime importance among Poland's economic difficulties. These difficulties although temporary will grow particularly acute during the period of 1962-64 and are due to the fact, that during that period repayments due on various accounts as well as reimbursement of former short and longterm foreign credits will be far more important than heretofore. Payments on these accounts in Poland's relations with countries with convertible currency will increase, as compared to the current year by 13 per cent in 1962, by 40 per cent in 1963, and by 70 per cent in 1964.

The above payments will coincide with a relatively big strain in Poland's trade balance. Until now, Polish foreign trade was developing too slowly in relation to the development of the national economy as a whole. More particularly, the growing import needs resulting from the industrialization of the country did not tally with exports, which caused an unfavourable trade balance. In view of the fact that trade balance has a decisive influence on the balance of payments under Poland's economic conditions, the country cannot afford to continue to import more than it exports for any length of time. Considerable efforts are being made therefore to increase exports and thus remedy the situation. However, the intended increase in exports cannot, in the course of the present five-year plan improve Poland's balance of payments, when the above mentioned reimbursements of credits are taken into account.

Under these circumstances, my country has to restrict foreign exchange payments most rigorously. Inter alia, this also applies to Poland's obligations arising out of her membership in international organizations.

In presenting our request to reduce the amount of Poland's contribution, I wish to call attention to the foreign exchange situation in 1962-64

described above, and to point to the decisions taken by the General Assembly which recommended on a number of occasions that the capacity of payment and the facility of obtaining foreign currency be taken into consideration when establishing the scale of contributions of the countries members of the United Nations Organization.

It should be noted that according to the existing scale of assessment Poland finds herself on the twelfth place among the ninety nine member States of the United Nations. This absolutely does not reflect Poland's payment capability in the present world economic situation. It should be noted that the data upon which the existing scale of Poland's assessment has been determined did not wholly reflect the complexity of Poland's economic situation at that time. That created disproportion between Poland's financial capabilities and her scale of assessment to the United Nations budget. The decision to increase Poland's contributions rested then on erroneous assumption that the rapid although not fully uniform economic reconstruction, which indeed, took place in Poland after the war, constituted in itself a justification for new burdens put upon our foreign expenditures. That approach led to a situation in which countries possessing considerably higher financial capabilities than those of Poland were given lower scale of assessments than that of my country.

It is for the above mentioned reasons, that the Government of the Polish People's Republic considers, that a substantial decrease in the quota to be assigned to our country in the scale be recommended to the General Assembly of the United Nations at its sixteenth session is fully justified.

(Signed) Bohdan LEWANDOWSKI
Ambassador
