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REPRESENTATION BY POLAND

Reproduced below for the consideration of the Committee is an excerpt from the text of a communication dated 31 May 1985 from the Chargé d'affaires a.i. of the Permanent Mission of the Polish People's Republic to the United Nations addressed to the Chairman of the Committee on Contributions:

"The Government of Poland for a number of years now has questioned the method applied for the calculation of Poland's assessment, in particular, the exchange rate coefficient used to convert data of my country's national income from Polish zlotys to United States dollars for the purpose of the United Nations scale of assessments. The application of an unfavourable methodology in relation to my country's contribution has resulted in a substantial and prolonged period of Poland's over-assessment.

"In the course of the last review of the United Nations scale of assessments in 1982, the Committee on Contributions and, subsequently, the General Assembly at its thirty-seventh session to a considerable extent met Poland's legitimate claims to rectify its contribution in the United Nations scale of assessments for the years 1983-1985.

"Yet, the complicated circumstances prevailing in 1982 with regard to the establishment of the scale of assessments by the Committee on Contributions and its approval by the General Assembly have led to a situation where the decision of the Committee on Contributions pertaining to my country has failed to find its full expression in Poland's contribution, which for the years 1983-1985 still remains overassessed.

"Poland has been fully aware of the above-mentioned difficulties and of the need to arrive at a compromise decision by the General Assembly. We have agreed to the proposed scale of assessments for 1983-1985, on the condition, however, that Poland's contribution should be lowered in the course of next revision of the scale. At the 109th plenary meeting of the General Assembly, on 17 December 1982, the Representative of Poland stated the following:

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... 'We should like to make it crystal clear that my country, even despite the substantial decrease in the new scale, continues to be overassessed. The overassessment, calculated under the current imperfect methodology, amounts to more than 15 per cent.

... 'Guided by a spirit of compromise, accommodation and moderation and despite our well known financial and economic difficulties, Poland has found it possible to accept the new scale of assessments on the condition that during the next revision of the scale our contribution will be corrected downward so as to be in agreement with our real capacity to pay.

'We should also like to make it clear that in any future revisions of the scale - when applying the principle of excessive variations - the level of Poland's assessment calculated on the basis of real capacity to pay should be taken as a point of comparison and not that which was approved for the years 1983 to 1985.'

"This position of my Government has been forcefully reiterated on several occasions during the thirty-eighth and thirty-ninth sessions of the General Assembly and most recently during the resumed thirty-ninth session on 12 April 1985 (A/39/PV.107).

"Taking into consideration the foregoing facts, the Government of Poland strongly requests that in the course of the current revision of the scale of assessment, the previous decisions concerning Poland's contribution, including the ensuing downward correction of it, be fully implemented.

"In its reply to the questionnaire of the United Nations Statistical Office my country's Main Statistical Office has transmitted the requested data for the years 1970-1983 for the purpose of calculation of the scale of assessments. As regards the statistical data submitted, the Polish Government wishes to state that the negative trends limiting severely my country's capacity to pay, which have been made known to the Committee on Contributions in the letter of Poland's Permanent Representative of 17 May 1982, still persist. I wish to confirm the information concerning the fall in the national income contained in the above mentioned letter. Although the decline of national income has been checked in 1983, the indicators for a number of branches of industrial production and of the building industry are still unsatisfactory and remain below the 1979 level.

"The issue of foreign debt remains a very serious problem for Poland. Debt-servicing exceeds our current capacity to pay. Of sums due in 1984, we have paid 1.245 billion dollars in interest, leaving unpaid as much as 1.4 billion of dollars in interest. This adds up to a total of almost 2.7 billion dollars (this figure does not compromise the repayment of the principal), equalling almost 50 per cent of our export earnings. Meeting all payments due would necessarily entail further

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reduction of imports from market economy countries, which in 1984 was already reduced by half compared to 1980 level. Any further curbing of imports could bring about serious perturbations for Poland's economy. A similar situation will occur again in 1985, when almost 3 billion dollars in interest alone will become due.

"The Polish economy has also suffered serious losses because of the curtailment of credit facilities and economic restrictions.

"The far-reaching economic reforms currently under way in Poland - consisting, inter alia, of a price reform and one in the management of the national economy - have also had a temporarily negative impact on its capacity to pay.

"Moreover, Polish industry, transports and agriculture have suffered, to a considerable extent, as a result of an extremely harsh winter at the turn of 1984/1985, causing a drop in the industrial output in the first quarter of 1985 as compared to the first quarter of 1984.

"Taking into account all the relevant facts and considerations, and the heretofore position of Poland - as well as the support expressed by many delegations in the Fifth Committee of the thirty-ninth session of the General Assembly during the elaboration of a resolution on agenda item 115 "Scale of assessments" - the Polish Government expresses its profound conviction that the Committee on Contributions will consider the case of Poland as an exceptional one and will grant a special reduction of its contribution for the years 1986-1988."