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AGENDA ITEMS 12, 29 AND 74

Report of the Economic and Social Council (chapters II (sections I, II and III A, except paragraphs 189-198), III, IV and VII (section I and paragraph 645)) (A/4415) (continued)

Economic development of under-developed countries (continued):

- (a) **International flow of private capital: report of the Secretary-General and recommendations thereon by the Economic and Social Council (A/4487, E/3325 and Corr.1-3);**
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- (d) **Promotion of wider trade co-operation among States: report of the Secretary-General (A/4490, E/3389)**

Land reform (A/4439) (continued)

CONSIDERATION OF DRAFT RESOLUTIONS (A/C.2/L.469) (continued)

1. Mr. ALI (Pakistan), introducing his delegation's draft resolution on the economic and social consequences of disarmament (A/C.2/L.469), said that the proposal reflected his delegation's confidence that the disarmament problem would be solved in the foreseeable future. That confidence was based on the fact that the great Powers were determined to reach an agreement and on his delegation's belief that the wishes of the peoples of the world constituted a powerful force in that respect.

2. Although considerable attention had been paid to the political and military aspects of disarmament, insufficient thought had been given to its economic and social consequences. It was clear that a reduction of military expenditures would entail major adjustments in the national economies of the various countries and in international economic relations. It was therefore necessary to consider such problems as the maintenance of effective demand and the utilization by public and private enterprise of the resources released by disarmament. The under-developed countries would probably be faced with a decline in demand for raw materials as a consequence of disarmament. In that event it would become increasingly necessary to strengthen the economies of individual countries and the world economy by compensatory measures such as tax relief and by promoting world economic development. It would also be necessary to deal with the problem of absorbing the human and material resources released from military uses.

3. Operative paragraph 1 of the draft resolution dealt with three main aspects of the economic and social consequences of disarmament. First, the effects of disarmament on the economies of the different countries and their administration; second, its impact on international trade; and third, the problems of helping the various countries to preserve or reinforce the stability of their economic and social structure. It would seem essential to study all those aspects with a view to determining the problems that would have to be solved.

4. The proposed study could not be expected to provide solutions; before solutions could be put forward it would be necessary to have far more precise data concerning the nature and the different stages of disarmament, and such data would probably not be available in the immediate future. Nor could the study be expected to result in detailed surveys of the production of armaments or related fields. His delegation envisaged the study as being based on comprehensive economic data concerning production, employment, the demand for raw materials and the scale of expenditures, divided into broad categories.

If the study were to be fruitful, it would be necessary to avoid controversial issues and to concentrate on analysing the problems with the help of the data which it was hoped Member States would furnish in a spirit of co-operation. It would also be necessary to draw upon the experience of demobilization problems gained by various countries after the last war.

5. The committee for which provision was made in paragraph 1 would be required to undertake an objective study; its members would be recognized experts in economic analysis, familiar with the problems confronting countries with different economic systems and at different stages of economic and social development. His delegation had made no proposal in the draft concerning the composition of the committee and it would gladly accept the views of the majority of members on that point. However, whatever the composition of the new body, it would be unable to achieve its purpose without the help of the Secretary-General and his staff, whose assistance was specifically requested in paragraph 3.

6. No date was set in the draft for the submission of the proposed study. It would be unwise to attempt to proceed too fast and the experts would have to be allowed time to analyse the data covering all aspects of the problem. On that point too his delegation would accept the majority view.

7. His delegation was anxious that attention would be concentrated on the purely economic and social aspects of the study and that political considerations would be excluded. It was confident that the proposed study would be carried out for the good of all countries, in particular of the less developed countries, which lacked the resources to undertake such studies themselves.

8. In conclusion he referred to the statement that Mr. Luns, the Minister of Foreign Affairs of the Netherlands, had made on 22 July 1960 at Geneva, when addressing the fourteenth annual summer school of the World Federation of United Nations Associations. Mr. Luns had said in substance that there were many unforeseeable factors in the problem of discovering what would be the economic and social effects of a reduction in armaments and that the results would depend on the wisdom shown by Governments and peoples in making use of the possibilities afforded by it. His delegation considered that its draft resolution would be a first step in the right direction.

9. Mr. NATORF (Poland) noted that the Pakistan draft resolution was the second specific proposal on the economic consequences of disarmament to be submitted to the United Nations. The first initiative had been taken at the twenty-ninth session of the Economic and Social Council, when the USSR delegation had submitted a draft resolution on that subject (E/L.861). The Pakistan delegation was to be congratulated on the text it had put forward.

10. The Pakistan representative had said that the proposed studies would deal essentially with the economic and social aspects of disarmament. The discussion in the Second Committee should therefore be confined to those questions and should be based on what were acknowledged facts.

11. The disarmament problem was highly complex, but the United Nations had already made efforts to

find a solution. The problem was economic as well as political, and it was proper that the Economic and Social Council and the Second Committee should consider the economic aspects.

12. With regard to the substance of the Pakistan draft resolution, he pointed out that the resources released by disarmament would be sufficient to ensure a better life for all mankind, but that attempts by isolated groups to consider the problem from the economic standpoint were bound to fail; the disarmament problem was an international one and would have to be solved internationally. The Pakistan representative rightly proposed the establishment of an international committee of experts whose work would in large part be based on data to be obtained by the Secretariat. The method suggested was the soundest possible, as it would enable the Committee to obtain the views of all Members on disarmament, and to form the widest possible picture of the effects of disarmament on the under-developed countries. The only scientific approach to the question was to undertake a multilateral and general study, the objectives of which were defined in sub-paragraphs (a), (b) and (c) of paragraph 1 of the draft resolution.

13. Various ways of helping the under-developed countries were under consideration. Some were domestic (expansion of exports and promotion of national savings) while others involved further assistance from the highly industrialized countries, particularly in the form of long-term, low-interest loans. The amount of assistance given would certainly have to be greatly increased and the resources necessary for that purpose could not be provided by the present budgets of the industrial countries. It would be necessary to bring about a radical change in their budgetary position and in particular to transfer the resources at present used for military purposes. The total amount of those resources was not known but the problem of how they could most effectively be utilized should be considered at the present stage. It was to be hoped that an answer would soon be found to those problems; in that connexion he drew the attention of the members of the Committee to the fact that a Polish economist, Professor Oskar Lange, had submitted that year to the World Federation of United Nations Associations a document entitled "Relationship of Disarmament to International Economic Development", which had been distributed to the delegations.

14. It was essential that the proposed committee of experts should be able to count on the co-operation of Governments and he would therefore propose the inclusion of a new paragraph (A/C.2/L.510) after operative paragraph 1 of the draft resolution, reading: "2. Appeals to the Governments of States Members of the United Nations to extend to the Committee of Experts all the assistance necessary for the performance of the tasks entrusted to it". He hoped that the sponsor would agree to incorporate the new paragraph in the text.

15. Mr. HASSAN (Sudan) said that the smaller countries were unanimously in favour of disarmament, which could bring nothing but gain to the whole world. No study had ever been made of the economic aspects of the question, which was, in a sense a new field of economic research. The need for such a study was evident, and it was particularly important to consider the problems related to arms production. A study

by the United Nations was fully justified and would throw light on the problems involved. As the Pakistan representative had rightly observed, the many and far-reaching political implications of disarmament should be excluded from the proposed studies.

16. There was no doubt that the proposed studies would contribute to the reduction of world tension; but a number of practical problems had to be considered, in particular the question of the procedure the proposed committee was to follow. The Polish representative had underlined the importance of co-operation by Governments and had rightly proposed an amendment on the subject. The Secretariat had a library and a great deal of documentation which it could place at the expert committee's disposal. In that connexion, he wished to ask two preliminary questions. First, could the representative of the Secretary-General specify what documents the Secretariat had available and whether that documentation was sufficient; and secondly, could the Governments concerned give an assurance that they were prepared to supply any necessary information to the new committee? The latter question was particularly important. The United Nations had found that Governments were not always prepared to give information on much less delicate questions, such as, for example, Non-Self-Governing Territories. If it was impossible to obtain assurances to that effect, he would ask the Polish representative to reconsider his amendment. The proposed studies must be based, not on approximations or half-truths, but on concrete facts. If that was not possible, his delegation would not be prepared to vote in support of a venture which would be a waste of time and money.

17. Mr. MAHDAVI (Iran) said that in submitting its draft resolution, the Pakistan delegation was looking to the future with admirable foresight. The proposal called for the establishment of a committee to study the economic and social consequences of disarmament and the committee's terms of reference were clearly defined in paragraph 1. The Second Committee should concentrate its attention on the technical problems raised by the draft resolution and should not consider the substantive question of the economic and social advantages which would accrue from disarmament. The essential thing was to decide how a complete study of the probable economic and social consequences of disarmament could be obtained. His delegation whole-heartedly supported the Pakistan proposal.

18. In reply to a question by Mr. ABDEL-GHANI (United Arab Republic), the CHAIRMAN stated that the Iranian representative had proposed that the Committee should not discuss whether or not disarmament was possible; in other words, it should agree not to go into the substance of the problem and limit itself to considering the establishment of a committee to undertake the study proposed in the draft resolution.

19. Mr. WODAJO (Ethiopia) contested that interpretation. The problems raised by the Pakistan draft resolution were not purely technical. The economic and social aspects of the disarmament problem were inseparable from the political aspects, and if the Committee limited itself to considering the technical problems raised by the draft resolution no serious or thorough study would be possible.

20. Mr. CHERNYSHEV (Union of Soviet Socialist Republics) thought that the study of the economic and social consequences of disarmament was the principal problem facing the United Nations, the General Assembly and its subsidiary organs. That problem must be given all the attention that it deserved, for it concerned the entire world, the under-developed countries and the industrialized countries alike. To believe that the problem was purely technical would be a serious error, and the Committee had a duty to examine all the economic aspects of ultimate world disarmament without any restriction.

21. Mr. ABDEL-GHANI (United Arab Republic) stressed that, in his opinion, the draft resolution was one of the most important ever placed before the Second Committee. Consideration must be given to all the aspects of the question, whether of a political, economic or other character. That was indeed clear from the preamble of the Pakistan draft. If the Committee accepted the Iranian representative's proposal, it would confine itself to considering paragraph 1, and indeed only the first two lines of that paragraph, without giving the rest of the draft any thought whatever. Having regard to the importance of the question, he would propose, in view of the late hour, that discussion be deferred until the next meeting.

22. Mr. SULE (Nigeria) supported the United Arab Republic representative's proposal. Since the question was of such importance both to the great Powers and to the small countries and especially so, in fact, to the under-developed countries, the draft resolution should be considered with the greatest care.

23. The CHAIRMAN pointed out that, having regard to the many draft resolutions before it, the time at its disposal was extremely limited. If the United Arab Republic representative's proposal to adjourn was adopted, he would propose that the Committee should undertake to conclude its discussion on the draft resolution on the following day and, if that proved impossible, to agree that it be deferred until the end of the session after all the other draft resolutions had been examined.

24. Mr. DEWULF (Belgium) stressed that the political aspects of the disarmament problem were already the subject of serious discussion, both in the United Nations and at every level of world diplomacy. The draft resolution before the Committee dealt solely with the economic and social consequences of an eventual agreement on disarmament. Those consequences would inevitably be far-reaching and the Pakistan delegation had accordingly proposed that immediate consideration be given to the nature of those repercussions, in order to assist Member States in making the necessary social and economic adjustments. It was therefore reasonable to hold that the question was almost exclusively technical, in the sense that the Committee was required to decide on the manner in which the study should be undertaken. In the first place, that study would necessarily have to be of a general character; subsequently, as States came closer to a political solution, the consequences could be studied in greater detail and with fewer imponderables. The first thing the Committee should do was to define the proper field and methods of the study.

25. Mr. CHERNYSHEV (Union of Soviet Socialist Republics) proposed that the meeting should be ad-

journed and the continuation of the debate deferred to the following meeting.

26. The CHAIRMAN stressed the difficulties facing the officers of the Committee. He would urge representatives to submit any draft amendments which they might wish to propose immediately after the end of the current meeting, so that the texts might be translated and circulated in time. He proposed that, in the future, whenever delegations might wish to give more consideration to a draft resolution already under discussion, the Committee, instead of adjourning, might immediately proceed to examine one of the many other drafts before it and return to the first proposal when ready. That procedure would save valuable time.

27. Mr. HUSSAN (Sudan) endorsed the Chairman's proposal.

28. Mr. CHAMMAS (Lebanon) said that it was not clear to him whether the Committee was in actual fact dealing with the economic and social consequences of disarmament or with disarmament itself, which was already the subject of detailed discussion in other United Nations organs. In his opinion, the very wording of the draft resolution showed that it

was a question of drawing up immediate plans, as a means of preparing the solution of problems which would arise in the future.

29. Mr. DOE (Liberia) shared the Sudanese representative's opinion: it was not a question of deciding whether the ideas expressed in the draft resolution were good, but rather one of ascertaining whether it would be possible to obtain the necessary information to undertake the envisaged study. Many Governments already seemed disinclined to furnish information relating to problems much less complex than disarmament, and it was therefore only reasonable to wonder whether they would agree to furnish the indispensable statistical data to the proposed expert committee. Before taking a decision, the Committee should obtain an assurance from all the countries concerned that they would co-operate without reservation in the study of the economic and social consequences of disarmament.

30. Mr. GREEN (New Zealand) moved the immediate adjournment of the meeting under rule 119 of the rules of procedure.

The meeting rose at 10.25 p.m.