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ECONOMIC AND SOCIAL CONSEQUENCES OF THE ARMAMENTS
 RACE AND ITS EXTREMELY HARMFUL EFFECTS ON WORLD
 PEACE AND SECURITY

Report of the Secretary-General

Addendum

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I. INTRODUCTION

1. The report of the Secretary-General on the economic and social consequences of the arms race and military expenditures, called for by the General Assembly in resolution 2667 (XXV), is contained in document A/8469. On 1 March 1971, the Secretary-General addressed a note verbale to Member States, in pursuance of paragraph 4 of the resolution, requesting them to supply information that would assist the Group of Consultant Experts on the Economic and Social Consequences of the Arms Race and Military Expenditures in its study. The text of the note verbale read as follows:

"The Secretary-General of the United Nations presents his compliments to ... and has the honour to refer to General Assembly resolution 2667 (XXV) of 7 December 1970 requesting the Secretary-General to prepare, with the assistance of qualified consultant experts appointed by him, a report on the economic and social consequences of the arms race and of military expenditures, to be transmitted to the General Assembly in time to permit its consideration at the twenty-sixth session.

"In accordance with the terms of this resolution, the Secretary-General appointed a group of 14 consultant experts to assist him in the preparation of the report.

/For the list of experts, see A/8469, p. 8.7

"The Group of Consultant Experts, which held its first session at United Nations Headquarters from 16 to 19 February 1971, to organize its work, considered that it would be greatly assisted in its task if Governments could supply information, both quantitative and qualitative, on the matters listed below:

1. The level and trend of military expenditure over the past decade, and the near-term and long-term prospects for such expenditure. Data on expenditure should be broken down, if possible, in terms of procurement (commodities), personnel, research and development, capital investment.

2. The effect, if any, of military expenditure on the rate of growth of the economy.

3. The effect of military expenditure on the use of resources.

(a) The level and trend of employment of manpower in (i) the armed forces; (ii) defence-related activities

(b) The level and trend of manpower and financial resources devoted to all research and development activities, and the proportion of these totals allocated to (i) military purposes; and (ii) defence-related industry

(c) The level and trend of public and private social expenditure (education, health, cultural activities, social security, housing, etc.)

4. The effects, if any, on the volume and structure of imports and exports resulting from (a) domestic and (b) foreign military expenditure. The proportion of imports and exports that is defence-related.

5. The effects, if any, on the balance of payments resulting from (a) domestic and (b) foreign military expenditure.

6. The level and trend of economic aid, provided or received, and the relationship, if any, of defence considerations.

7. The influence of military expenditure on the level of economic activity and on foreign trade.

8. Possibilities of environmental damage. Tendencies towards the premature exhaustion of raw material resources or the over-exploitation of such resources.

9. Effects on social stability and on social attitudes, tensions, frictions.

10. The effects, if any, of defence considerations on over-all production and foreign trade policies.

11. The effects, if any, of defence considerations at home or abroad on the transfer of technology (a) internally (b) to foreign countries.

12. Other information or observations which may be relevant to the work of the expert group, particularly in connexion with paragraph 1 of General Assembly resolution 2667 (XXV) which calls upon all States to take effective steps for the cessation and reversal of the arms race and for the achievement of steady progress in the field of disarmament.

"Having regard to paragraph 4 of resolution 2667 (XXV) which 'calls upon all Governments to extend their full co-operation to the Secretary-General to ensure that the study is carried out in the most effective way'. Governments are invited to supply any data, information or studies that would throw light on the items listed.

"It should be emphasized that all data supplied by Governments to the United Nations or specialized agencies under existing standard reporting procedures will be made available by the Statistical Office of the United Nations to the Group, and there is, therefore, no need for Governments to furnish such data in connexion with the present request, except in so far as it may be possible to bring previously supplied information up to date or to provide additional detail. Since the Group wishes to examine trends over the past decade, as well as the current situation and outlook, it is requested that, wherever possible, data should be supplied for the years 1961 to 1970. Value data should be reported in national currencies in current prices, and wherever possible, in constant prices. If estimates are also available in terms of current and constant dollars, these too should be reported.

"Since the report called for by resolution 2667 (XXV) is required to be transmitted to the General Assembly in time for consideration at the next session, it is requested that Governments forward their replies to the Secretary-General not later than 1 May 1971."

2. The replies of Governments to the note verbale of the Secretary-General appear in section II of the present addendum.

3. Section III contains communications received from specialized agencies of the United Nations and from other international organizations in response to an invitation addressed to them by the Secretary-General, pursuant to paragraph 5 of General Assembly resolution 2667 (XXV), to co-operate in the preparation of the report.

II. REPLIES RECEIVED FROM GOVERNMENTS

AUSTRIA

[Original: English]
16 July 1971

Austria, being a neutral country, regards it as its duty to take action against any violation of its territorial integrity with all the means at its disposal. To meet this obligation, the existence of national armed forces is indispensable. The Austrian Government is of the opinion that the measures taken to this effect serve the protection of Austria's neutrality and can therefore not be interpreted as a participation in the arms race.

The following figures show the impact of Austria's military expenditures on the over-all budget:

During the last decade, military expenditures amounted to slightly over 4 per cent of the total annual budget. The appropriations for national defence thus lie somewhat over 1 per cent of the gross national product.

In the course of the last decade, military personnel was increased; the cadre personnel was brought up from 18,172 to 20,628 men between 1 January 1961 and 1 January 1971, and the effective strength was increased from 36,401 to 43,743 during the same time. The increase in expenditure for personnel has resulted in a reduction of funds for procurement as well as for research and development.

Bearing in mind the above-mentioned purpose of Austria's defence-related activities and the scope of military expenditures, the Austrian authorities deem it sufficient to limit their comments on the questionnaire to the foregoing observations. Data on military expenditures in the past decade, broken down in terms of personnel, procurement as well as research and development, are enclosed for information.