



**ECONOMIC AND SOCIAL COUNCIL**

Twenty-ninth Session  
OFFICIAL RECORDS

Thursday, 21 April 1960,  
at 10.50 a.m.

**NEW YORK**

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President: Mr. C. W. A. SCHURMANN  
(Netherlands).

*Present:*

Representatives of the following States: Afghanistan, Brazil, Bulgaria, Chile, China, Costa Rica, Denmark, France, Japan, Netherlands, New Zealand, Poland, Spain, Sudan, Union of Soviet Socialist Republics, United Kingdom of Great Britain and Northern Ireland, United States of America, Venezuela.

Observers for the following Member States: Argentina, Austria, Canada, Czechoslovakia, El Salvador, Greece, Haiti, India, Indonesia, Ireland, Israel, Pakistan, Peru, Philippines, Romania, Yugoslavia.

The observer for the following non-member State: Federal Republic of Germany.

Representatives of the following specialized agencies: International Labour Organisation; Food and Agriculture Organization of the United Nations; United Nations Educational, Scientific and Cultural Organization; World Health Organization.

The representative of the International Atomic Energy Agency.

AGENDA ITEMS 16 AND 20

*Organization and operation of the Council (continued)*

*Consideration of the provisional agenda for the thirtieth session and establishment of dates for opening debate on items (continued)*

(E/3331, E/3355, E/L.853, E/L.861, E/L.868)

**PROPOSAL FOR THE INCLUSION IN THE PROVISIONAL AGENDA FOR THE THIRTIETH SESSION OF THE QUESTION OF A STUDY OF THE ECONOMIC AND SOCIAL ASPECTS OF GENERAL AND COMPLETE DISARMAMENT (E/L.861, E/L.868) (continued)**

1. The PRESIDENT invited the observer for Yugoslavia to address the Council.

2. Mr. VIDIC (Yugoslavia) observed that the formulation and study of world economic problems in the broadest sense of the term was unquestionably one of the fields in which the United Nations had obtained the most satisfactory results. In attaching great importance to questions affecting the under-developed countries the Council had taken into account the fact that economic stability considered as a global problem was one of the fundamental conditions for peace and co-operation among nations. As a complement thereto, the question of the economic and social aspects of disarmament was closely connected with the Council's work.

3. It was not his intention to go into the substance of the disarmament problem as a separate question; that would be out of place in the Council. He would confine himself to pointing out that at the present time disarmament was generally regarded not only as indispensable but also as a practical possibility. Statesmen could and had to find ways of putting an end to the cold war which constituted so serious a threat to the world. Any other policy might well have disastrous results.

4. If it was admitted—as it had to be—that disarmament was no longer a utopian dream, then there was nothing unrealistic in undertaking forthwith a study of the opportunities which disarmament offered, in the economic and social fields, for international progress. As a result of the cold war the question of such a study had not received all the attention it deserved, even though there was agreement on its importance in a world in which countries with different social structures had to live together. It was also feared in certain political and economic circles that disarmament would give rise to economic and social problems which would be difficult to solve. Yugoslavia could not subscribe to the argument that economic activity and employment could not be maintained at an adequate level, throughout the world or even only in the developed countries, unless a large part of that activity was connected with the production of armaments. If partial or complete disarmament caused some dislocation, that dislocation would promote a healthy development of the world economy and there was no doubt whatever that a way would be found to cope with it.

5. In its resolution 724 (VIII), the General Assembly had recognized that disarmament would make it possible to devote vast additional resources to raising the standard of living of all peoples and to the development of the less developed countries. The time had come to give a positive interpretation to that resolution and to carry out the measures which it called for. His delegation thought that it should already prove possible to work sincerely for an agreement which would divert to the development of the under-developed countries a part of the funds now allocated to military budgets. As progress was made with disarmament, the portion of the resources allocated to the development of the under-developed countries could be increased, and the fund whose establishment was foreshadowed

in General Assembly resolution 724 (VIII) could be used to finance a number of projects of international interest in the broad meaning of the term.

6. The debates on industrialization had brought out not only the importance of industrialization for economic progress and for the establishment of peaceful relations among nations but also the inadequacy of the resources available for that purpose. While not wishing to underestimate the contribution made to the economic development of under-developed countries out of existing sources of finance, he felt it was obvious that additional funds had to be mobilized with the utmost speed if the gap between the under-developed and the industrialized countries was to be bridged. Recalling the statement made by the Yugoslav Minister for Foreign Affairs at the fourteenth session of the General Assembly (805th plenary meeting), he pointed out that the negotiations on disarmament were creating conditions which were particularly auspicious for a more positive study of the opportunities which disarmament afforded for the financing of economic development. An agreement on that point at the forthcoming summit conference would be bound to encourage the study of the problem as a whole both at the international and at the national levels.

7. The study in question was very important from a great many points of view and the USSR draft resolution (E/L.861) therefore deserved to receive all possible attention.

8. Mr. TCHOBANOV (Bulgaria) gave his unqualified support to the USSR draft resolution. The proposal was in no sense premature; it merely provided for studies and research which would naturally be lengthy and arduous and should be initiated at once. Further, it was difficult to see how it could endanger the assistance given to the under-developed countries. There could be no doubt that if an end were put to the armaments race, vast resources would be set free which would make it possible to increase the means available for financing the economic development of the less developed countries.

9. Mr. ORTIZ MARTIN (Costa Rica) pointed out that in their draft resolution (E/L.868), Chile, Costa Rica and Venezuela had wished to express the hope that peace and justice would one day reign over the world and to draw the attention of those on whom the fate of humanity depended to the proper course for them to adopt once and for all. The real purpose of the draft resolution was to enunciate the principle that the vast resources devoted to armaments ought to be used to assist the under-developed countries in their fight against poverty. In other words his delegation subscribed to the principle which had prompted the USSR draft resolution and supported the preambular provisions of that draft. In contrast, it felt that there were serious objections to the operative part of the USSR draft resolution.

10. To deal with ways of settling the colossal problems facing the under-developed countries in a resolution providing for the study of the economic and social aspects of disarmament, at a time when there were no grounds for anticipating a solution of the disarmament problem in the near future, was an untimely move and would certainly not be welcomed by the Costa Rican people. Moreover, it would be naive to think that Governments would advise the Secretary-General—as the USSR proposal implied—of the amount

of additional funds which they would have available as a result of disarmament, since they would think first and foremost of taking advantage of the changed circumstances to reduce the burden on their taxpayers. The ideal and reality were two very different things.

11. The under-developed countries naturally hoped that the world would find fresh ways of assisting them to solve their problems and that men would eventually exchange the sword for the plough but his delegation believed that it would be tantamount to counting one's chickens before they were hatched to adopt such a proposal as that submitted by the USSR. He would accordingly vote against it.

12. Mr. SHANAHAN (New Zealand) said that the question before the Council was essentially one of procedure and there was no disagreement on the goal of disarmament. His Government had never wavered in its belief in the objective of comprehensive disarmament under effective controls and had strongly supported all initiatives which offered hope of real progress towards that objective. It looked forward to the continuation of the work of the Ten-Nation Disarmament Committee after the summit conference and shared the hope that it would be fruitful. However, the negotiations had a long way to go before disarmament was realized, and it would be premature for the Council to initiate a study such as that envisaged in the USSR draft resolution until progress on disarmament provided something tangible to investigate.

13. Reference had been made to a number of problems which were bound to arise as progress was made in the field of disarmament. Those problems were not altogether new—similar ones had arisen after the Second World War as a result of disarmament by the Western powers. Moreover, there was now established machinery to deal with them. The Commission on International Commodity Trade, for example, would certainly be conscious of any developments affecting the demand for commodities and would consider ways of mitigating any difficulties that might arise.

14. Studies of the domestic economic consequences of disarmament had already been undertaken in a number of countries, and that indicated a refreshing degree of hope in the efforts that were being made to achieve it. A time might come when it would be appropriate for the United Nations to undertake some special consideration of the question, but it would be premature for it to do so at the present stage when substantial progress in disarmament had not been secured.

15. At the same time it should be remembered that one of the objectives recorded in many General Assembly resolutions on disarmament was that greater resources should be made available to assist the under-developed countries. Their need for assistance was urgent, and many countries, including New Zealand, had not allowed the absence of any agreement on disarmament to prevent them from giving it. Many of those contributions had increased considerably in recent years, but still many urgent needs remained to be met. If the first steps towards general disarmament could be taken resources which now had to be diverted to armament would be released for other purposes. The decision on how those resources should be used was essentially one for individual Governments to take, but it was reasonable to expect that they would take full account of the unsatisfied requirements of

the less developed countries, and it was to be hoped that they would be willing to make additional resources available to improve living conditions throughout the world.

16. The PRESIDENT invited the observer for Indonesia to address the Council.

17. Mr. LAPIAN (Indonesia) said that the USSR proposal was of vital interest to all the under-developed countries, including Indonesia. The disparity between the amounts spent on armaments and those devoted to assistance for the less developed countries had repeatedly been pointed out, and the Indonesian delegation had frequently indicated that it would welcome any relaxation of international tensions which would release funds for the promotion of the health and well-being of all peoples of the world.

18. A reduction of expenditure on armaments and strategic materials might lead to a recession, and it was recognized that that might have harmful effects on the economy of the less developed countries. It was therefore essential to provide for a substantial part of the funds saved to be devoted to assisting the under-developed countries, and to consider carefully the uses to which those sums could be put and the bodies through which they would be made available to the receiving countries. But it was most important that the funds should be channelled through the United Nations and thus be divested of any political overtones. At the fourteenth session of the General Assembly, Indonesia had urged the adoption of a comprehensive long-term plan to ensure a balanced expansion of the world economy. Moreover, it had consistently advocated the establishment of funds to compensate for unfavourable fluctuations in commodity markets. It had also urged the constitution of a United Nations capital development fund. The Indonesian delegation felt that the implementation of appropriate measures should not await changes in the political climate or substantial progress in the field of disarmament. If the more privileged nations made the necessary effort, sufficient funds could be made available for the economic development of the less developed countries.

19. The Indonesian delegation accordingly recommended the adoption by the Council of the USSR draft resolution.

20. Mr. SOBOLEV (Union of Soviet Socialist Republics) remarked that the lively discussion arising out of his proposal was a proof of its importance, and he thanked the delegations which supported it without reservations. Among the members who had opposed it, the United States representative, Mr. Phillips, had not been sparing in his criticism and had termed it "impracticable", "misguided" and "premature". But it was hard to see how the Soviet Union's proposal, which was purely procedural and followed quite naturally on a resolution submitted by the entire membership of the United Nations—General Assembly resolution 1378 (XIV)—could be unrealistic or constitute a backward step. The question which the USSR delegation proposed for study was, in fact, being publicly discussed in the United States itself, where a committee of seven scientists and economists had been asked to study the possible conversion of a defence economy into a peace economy and where the matter was also being considered by a special committee of the Democratic Party, by the National Planning Association and by the Committee for Economic Development, which could hardly be described as propaganda bodies.

21. It was surprising that the preambular paragraph in which the Council would recognize that the release of substantial funds resulting from disarmament would enable States to allot part of them for the purpose of increasing assistance to the under-developed countries had encountered so much opposition from certain delegations. It was not suggested that that assistance should be limited to the funds saved through disarmament, but that it should be increased with the help of those resources. Mr. Phillips had said that any action by the Council linking the question of assistance with that of disarmament might serve as a pretext for those who did not wish to supply further assistance to the countries which were in need of it. Yet the sponsors of the three-Power draft resolution (E/L.868) had not hesitated to associate the two questions, which the General Assembly also had linked together in its resolutions 1148 (XII) and 1252 (XIII). He did not think anything had changed since the end of 1959. President Eisenhower himself had said, as reported in The New York Times of 14 October 1959, that he would like to see the countries of East and West find a means of reducing arms expenditure in order to devote part of the savings to a general and effective effort towards improving living conditions throughout the world. The Soviet Union delegation shared that view. Mr. Phillips appeared to be the one who, by dissenting from it, was taking a step backward.

22. In reviewing the history of the disarmament question, the United States representative had distorted the facts. It was not true that the Soviet Union had in 1946 been opposed to the prohibition of atomic weapons and to the reduction of armaments. It had supported General Assembly resolution 41 (I) on the subject, which had been adopted on 14 December 1946. It had rejected the Baruch Plan because, under the pretence of submitting atomic weapons to international control, it had sought to place them under United States control. In fact, whenever a Western proposal on disarmament had been accepted by the USSR, the proposal's sponsors had lost interest in it. Despite the unanimous decision taken by the Assembly at its fourteenth session, intensive propaganda was being made in the United States in favour of the arms race. It was to be hoped that that would not prevent substantial results from being achieved in disarmament, for the good of all nations.

23. Mr. Phillips had implied that the USSR was being reticent about the assistance agreements which it concluded with the under-developed countries. While it was true that the Soviet Union authorities did not furnish detailed information on the subject for the benefit of the public at large, everyone knew that those agreements had been published and contained many technical data. The memorandum transmitted by the USSR (A/4220/Add.5) in response to General Assembly resolution 1316 (XIII) likewise gave considerable information about the economic assistance supplied by the USSR to the under-developed countries; other sources could also be consulted, such as The New York Times which had recently published a comparison between American and Soviet aid to the non-industrialized countries.

24. The United States representative had criticized the USSR for not participating in the activities of IMF and IBRD. The ideas of the Soviet Union on that question differed from those of the West. IBRD charged interest at the rate of 6 per cent. When the USSR made

a loan to an under-developed country, the interest was only 2.5 per cent. The Soviet Union Government would participate in IBRD when the latter had revised its methods so as to make them more acceptable to the under-developed countries. It was known that IBRD had refused to assist in the construction of the Aswan Dam, which was now being financed by the Soviet Union.

25. He felt it to be very regrettable that the delegations of the United States, the United Kingdom and France objected to the Council's considering a question which was being studied in their own countries and was one that the Council should normally consider in virtue of the United Nations Charter. The USSR proposal provided for a study of all the economic and social questions posed by disarmament, such as the development of trade in raw materials, commodity price stability, the conversion of economies, the lowering of taxes, reduction of the national debt, and similar questions; but the United States wished to give the impression that it dealt with only one aspect of the problem, namely, assistance to the under-developed countries.

26. With regard to the three-Power draft resolution, it was somewhat surprising that, though the preamble drew attention to the usefulness and importance of studying the economic and social aspects of disarmament, by some strange process of reasoning the conclusion was reached that such a study should not be undertaken. Mr. Phillips, moreover, had stated that it never would be. Needless to say, the USSR delegation could not support that draft resolution.

27. Mr. FINGER (United States of America) regretted that Mr. Phillips was not there at the moment; he would no doubt have been flattered to hear the representative of the Soviet Union devote so much time and effort to refuting his brief statement of the previous day, especially since so many other representatives had championed the same view, often with better arguments.

28. Unfortunately, Mr. Sobolev had not in all instances quoted the United States representative accurately. For example, the latter had never said that the question of the economic and social effects of disarmament would never be studied; he had merely stated that such a study by the Council would be premature at the present time. That opinion was clearly shared by all the members of the Council, with the exception of the Soviet Union, Poland, Bulgaria and Afghanistan.

29. It was possible for certain groups in the United States which had access to facts available in a free society to attempt some reasonably broad generalizations. That, however, would not be practicable in an international body at the present time. Experience in regional economic commissions, particularly in the Economic Commission for Europe, had indicated that certain Eastern European Governments did not furnish in sufficient detail the information required for the effective consideration of various problems.

30. The United States representative had not accused the Soviet Union of secretiveness regarding its aid agreements with under-developed countries; he had merely noted that the Soviet Union had not supplied the United Nations with official figures on the amount of aid it was providing bilaterally. If the position of the Soviet Union had changed, that was all to the good.

31. Mr. Sobolev had claimed to have detected a discrepancy between the statements of the President of the United States and those of the United States representatives in the Council. That was patently false. The United States delegation had frequently stated that it would welcome disarmament for all sorts of reasons, including those referred to by the representative of the Soviet Union—increased assistance to the under-developed countries, tax reductions, etc. There could be no doubt that everyone wanted disarmament. The core of the Baruch Plan, of course, was to establish an international control system. It was hardly surprising that following the upheavals brought about by the last two world wars, countries were not satisfied with mere promises. That was the consideration around which the current talks on disarmament revolved.

32. The United States representative had not meant that the USSR would not increase its contribution to United Nations programmes of assistance; indeed, an increased contribution from the Soviet Union would be a more effective token of its good will than lofty phrases. Similarly, with regard to IBRD, his intention had not been to invite the Soviet Union to become a member or to imply that IBRD might alter its terms in order to meet the wishes of the Soviet Union. The United States felt that it had very valid reasons for being a member of IBRD and, apart from the numerous grants it made outright, it also made long-term loans to under-developed countries, in particular under the Development Loan Fund, which were reimbursable in national currency and carried an interest rate as low as 3.25 per cent. In any case, it was a rather startling suggestion that IBRD should alter its terms in order to make them more acceptable to the under-developed countries, for surely the fact that all those countries were members of IBRD proved that they found its assistance most desirable. It should not be forgotten that in recent years three-quarters of its loans had gone to countries of Asia, Africa and Latin America; loans to those areas in the preceding year were over \$500 million.

33. It was clear that no one in the Council, least of all the United States, had said that the problem of disarmament, or its economic and social aspects, was not important. However, it was clearly the considered view, not only of the United States but of most other delegations in the Council, that it would be premature and unproductive to discuss the question before disarmament was under effective international control.

34. Generally speaking, the United States delegation unreservedly supported the three-Power draft resolution because it regarded as premature a study of the economic and social aspects of disarmament so long as disarmament under effective international control had not made substantial progress. By pressing for remote goals, there was a danger of diverting attention from steps which could be taken immediately.

35. Mr. PAZHAWAK (Afghanistan) said that though his delegation fully supported the preamble and operative paragraphs 1 and 2 of the USSR draft resolution, it had reservations concerning operative paragraph 3 because in its view the only matter at present before the Council was the question of the inclusion of an item in the agenda of the thirtieth session. The summer session was the time for the Council to decide

on the steps to be taken and more particularly on the necessity for a study.

36. With regard to the three-Power draft resolution, he wished to make a few comments which he hoped the sponsors would not take amiss. Like the Latin American countries, Afghanistan attached great importance to the problem of disarmament; there was some question, however, whether there was any need for a separate resolution on the subject to be submitted to the Council. The three-Power text added nothing new to the USSR draft. Operative paragraph 1 was tantamount to a rejection of the USSR proposal. Operative paragraph 2 was a restatement of a position already adopted long ago: it might perhaps be regarded as a new point if the Council had dealt with the substance of the question, but it had not. Though certain delegations had done so for reasons which were readily understandable, the fact remained that that was not the purpose of the Council's debate. The Council had only to decide for or against the inclusion of the question in the agenda.

37. In case the three-Power draft resolution should come to a vote, he wished to point out that some of its provisions were hardly satisfactory. It would be regrettable, for example, for the under-developed countries to place all their hope for progress towards disarmament solely in the Ten-Nation Disarmament Committee; the Afghan delegation had stressed that point on many occasions in the General Assembly. Moreover, it would be placing undue limitations on the scope of the United Nations—and making dangerous assertions—to say that a study of the economic and social aspects of disarmament would "divert" the efforts and resources of the Organization. Furthermore, the word "impossible" used in the fifth preambular paragraph was too strong, particularly in juxtaposition to the word "approximately"; it would be more realistic either to replace the words "at least approximately" by "exactly", or to replace the last phrase, from the words "which is impossible", by: "which will be easier when sufficient progress has been made in the solution of the disarmament problem". Finally, as at present worded, the fourth preambular paragraph appeared to express a different idea from that expressed in operative paragraph 2.

38. He said that he had made those suggestions in an effort to reconcile the views of the sponsors of the draft resolutions, and he wished his clarification of the attitude of Afghanistan to the USSR draft resolution to go on the record, since the representatives of the USSR and the United States had made reference to his delegation's position.

39. Mr. SOSA RODRIGUEZ (Venezuela) expressed surprise at the suggestion that the draft resolution of which his delegation was a sponsor did not recognize the close relationship between disarmament and its economic and social effects. It was precisely because the sponsors were aware of that relationship that they regarded it as premature to study the effects of disarmament—the importance of which they recognized—so long as disarmament was still hypothetical. It was true that some countries had already embarked on research into the subject at the national level, but that did not necessarily mean that a study of international scope should be undertaken at the present time. In the absence of a realistic and practical basis for such a study, it could not amount to anything more than pure speculation.

40. He would not object to replacing the last phrase of the fifth preambular paragraph, from the words "which is impossible", by the phrase suggested by the representative of Afghanistan, but generally speaking he saw no contradiction between past decisions of the General Assembly and the decision the Council would be taking if it postponed the suggested study to a later stage. The General Assembly's statement in resolution 1252 (XIII), that out of the funds made available as a result of disarmament additional resources might be devoted to the improvement of living conditions throughout the world, was based on the assumption that progress would first be made towards disarmament. That same idea was expressed in the three-Power draft resolution.

41. He suggested that the sponsors and supporters of the two draft resolutions should consult together in order to reach agreement.

The meeting rose at 12.50 p.m.