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*President:* Mr. PÉREZ GUERRERO (Venezuela).

## AGENDA ITEM 3

**Economic and social consequences of disarmament  
(E/4494 and Add.1, E/4563)**

1. Mr. ÅSTRÖM (Sweden) said that disarmament measures would increase the resources available for economic development, particularly in the developing countries. The experts appointed by the Secretary-General to study the matter, from countries representing different economic and social systems and geographical areas, had agreed that even large-scale disarmament would not cause severe damage to any national economy. Since its endorsement six years previously of the conclusions contained in the study of the Consultative Group,<sup>1</sup> the Council had been receiving periodic reports on the subject compiled by the Secretary-General on the basis of material supplied by Governments. From a study of the latest report (E/4494 and Add.1) his delegation concluded that further requests for similar reports would have diminishing returns. The Council should therefore consider the best way of pursuing the work in future. The material supplied by Governments was based on a framework and a questionnaire agreed upon by the Council and ACC respectively. If it was decided to give future work a somewhat different direction, attention should be given to the framework and questionnaire, the texts of which were annexed to the Secretary-General's report (E/4494, annex I).

2. The material supplied by Governments seemed in most cases to be based on the assumption of an international decision on general and complete disarmament. Considerably more information of real interest could be obtained if future studies and reports concentrated more on partial disarmament measures. All agreed that general and complete disarmament should be the ultimate goal, but the road to achieving that goal would be a long and difficult one. Some progress had already been made by the adoption of partial disarmament measures such as the Treaty banning nuclear weapon tests in the atmosphere, in outer space and under water, the Treaty on Principles Governing the Activities of States in the Exploration and Use of Outer Space and the Treaty on the Non-Proliferation of Nuclear Weapons, and most Governments agreed that the best way to make further

progress was through such measures. Hopes were high that the Eighteen-Nation Committee on Disarmament, currently meeting in Geneva, would be able to make important strides forward on several other partial disarmament measures. Its work would be assisted by studies of the type he had suggested, undertaken both at the national and international levels.

3. The Swedish Government's reply to the questionnaire reaffirmed its view that the conversion to peaceful activities of resources at present devoted to armaments would not raise unmanageable problems even in the short run and that in the long run it would lead to enormous benefits. The reply also contained an outline of possible methods of solving such problems as would arise. The suggestion in the final paragraph of his Government's reply might be worth the Council's consideration.

4. Mr. GALLARDO MORENO (Mexico) said his delegation welcomed the steps that were being taken to put a stop to the armaments race, which could only lead to the destruction of mankind. He hoped that man's desire to live in peace would be fulfilled and that the resources released from the manufacture of arms would be used to help the developing countries.

5. As stated in its reply to the questionnaire, Mexico possessed the minimum of weapons and armed forces required to safeguard the peace and security of the country and could therefore give priority attention to the solution of problems vitally affecting its future, in particular those relating to education and agriculture. The economy of Mexico was not dependent on war industry, only 2 per cent of its annual budget being allocated to national defence. Disarmament would consequently cause no dislocation in the economy.

6. His Government reaffirmed its continuing interest in negotiations for general and complete disarmament. That had been demonstrated by the unremitting efforts it had made for over three years, in conjunction with other Latin American countries, to bring about the conclusion of the Treaty for the Prohibition of Nuclear Weapons in Latin America, which had been signed on 14 February 1967. Under its terms, the signatory States had undertaken not to manufacture, receive, store or test nuclear weapons or nuclear launching devices. Mexico had also been a member of the Eighteen-Nation Committee on Disarmament ever since it had been established.

7. Mr. ZAKHAROV (Union of Soviet Socialist Republics) said his Government's position in respect of the item had been set forth in detail in the economic programme it had submitted in 1962 and in its replies to the questionnaire.

8. The problem of disarmament would become increasingly acute and more difficult to solve as time passed. His Government did not agree with the view of Western

<sup>1</sup> *Economic and Social Consequences of Disarmament: report of the Secretary-General transmitting the study of his Consultative Group* (United Nations publication, Sales No. :62.IX.1) (E/3593/Rev.1).

Governments that the vicious circle of the arms race could not be broken. Indeed, the West would like it to be believed that the arms race was the inevitable result of human nature. Imperialism put its own interests before the aspirations of humanity. The First World War had cost as many lives as had been lost through war in Europe in the preceding thousand years, while United States firms, according to their own accounts, had made a clear \$46,000 million profit. The Second World War had cost 50 million lives, and United States firms had made a profit of some \$123,000 million. The imperialist forces were now waging an undeclared war in Viet-Nam. The aggressive imperialist policy of the United States was the main obstacle to achieving a reduction in armaments.

9. Another obstacle to disarmament was the growing militarism in the Federal Republic of Germany. The leaders of that country were pressing for a revision of the frontiers between European States to satisfy the revanchist ambitions of militaristic and neo-nazi forces. Such ambitions, which were contrary to the principles of the Charter, created tension in Europe.

10. Resolution 2092 (XX) made it clear that studies were to be prepared by States Members of the United Nations. It was surprising, therefore, to find a reply from the Federal Republic of Germany, which was not a Member of the United Nations, amongst the replies included in the Secretary-General's report. The Secretary-General should not have sent a questionnaire to the Government of that country.

11. The reply of the Government of the Federal Republic of Germany was propagandist in character and was designed to conceal revanchist, militaristic and neo-nazi policies. In it, moreover, the Government sought the right to speak as the sole representative of the German people, which did not correspond to reality since there were in fact two German States. Such claims were devoid of any foundation, either legal or political.

12. Further, some of the statements contained in the reply did not correspond to fact. For example, how could the Government of the Federal Republic of Germany claim to pursue a policy of peace and reducing causes of tension when it allowed neo-nazi forces to exist throughout its territory and demanded a realignment of its frontiers; how could it claim to want a well-balanced reduction of military forces when it refused to consider a proposal from the German Democratic Republic for effective disarmament; how could it claim that it was aiming at complete and controlled disarmament when it maintained one of the most powerful armies in Europe and increased its expenditure on arms every year?

13. As stated in the last paragraph of the USSR reply, his Government considered that the report called for under General Assembly resolution 2171 (XXI) should also contain an analysis of the factors preventing the attainment of the goals of disarmament.

14. The USSR Government, as had been repeatedly stated, was ready to implement any agreement relating to disarmament. The recently concluded Treaty on the Non-Proliferation of Nuclear Weapons provided a useful basis for future work.

15. Mr. EL-BOURI (Libya) said that general and complete disarmament had become the main objective of mankind. It was therefore appropriate that through studies and research the United Nations should help to meet the immense problems which would face the world when disarmament became a reality. The Governments of the countries particularly concerned, i.e. those with big armaments industries, had undertaken studies of their own on the economic and social consequences of disarmament. The replies of Governments to the Secretary-General's questionnaire showed that studies on the problems of redeployment of the resources released by a reduction in the size of armed forces and the reconversion of military installations had reached an advanced stage in many countries. Their efforts could serve as an example to other countries with the same problems. Nevertheless, his delegation did not consider that all the replies reflected the spirit of the resolutions adopted by the General Assembly and the Council. The majority of Member States were of the opinion that a considerable part of the vast sums now earmarked for military expenditure could be applied to meet the needs of the developing countries, but the replies of some Governments hardly mentioned that possibility, as the Secretary-General had emphasized in his note. In that connexion, he wished to draw attention to the declaration adopted in 1953 by the General Assembly in resolution 724 A (VIII), by which Member States had declared their willingness to pay into an international fund part of the savings achieved through disarmament in order to aid the under-developed countries.

16. It was obvious that disarmament would not create serious economic problems for the majority of developing countries, which had small armed forces and did not manufacture armaments. Unfortunately, a number of them were obliged by prevailing circumstances to devote to armaments a large part of the sums intended for their economic and social development. It would be impossible to speak of disarmament or peace until centres of international tension had been eliminated and the demands of the peoples still struggling for justice and dignity in Africa and Asia had been satisfied.

17. In the field of nuclear disarmament, the agreement reached on the non-proliferation of nuclear weapons marked an important step forward. The statements in the General Assembly by representatives of the great Powers gave grounds for hope that further measures would follow and release resources which could be used for peaceful purposes, in particular to assist the development programmes of the developing countries. He agreed with the representative of Sweden that measures should be studied to channel resources released by partial nuclear disarmament towards those objectives.

18. Mr. de SEYNES (Under-Secretary-General for Economic and Social Affairs), referring to the Soviet representative's remarks, said that it was not the first time that the Federal Republic of Germany had been included in the list of countries to which the Secretary-General had sent his questionnaire. Its first reply was contained

in the report issued in 1962.<sup>2</sup> In accordance with General Assembly resolution 1516 (XV), the Secretary-General had set up a group of experts. It was in consultation with that group that the questionnaire and the list of countries to which it was to be sent had been established. The intention of the Secretary-General and the advisory group in so proceeding had been to make the report as useful as possible, in accordance with the General Assembly resolution, which appeared to leave the Secretary-General a certain latitude, and the customary practice.

19. Mr. COX (Sierra Leone) said that mankind was finally coming to realize that armaments could solve none of the basic problems facing the world and that only by disarmament could it ensure its survival. In order to be fully effective, disarmament must be global. It was an inescapable fact that some States not Members of the United Nations were capable of provoking disaster, and his delegation therefore considered that they could not be excluded from the consideration of problems relating to disarmament.

20. His delegation welcomed all efforts on behalf of disarmament and had been pleased to note the attention given to the redeployment of military personnel and the plans adopted by some major Powers to use the resources saved from armaments to carry out improvements in the civilian sector. His delegation had, however, been somewhat perturbed to note that there were few references in the replies to the use of resources released by disarmament for assistance to the developing countries. The promotion of economic development by such bodies as UNDP could not be dissociated from the disarmament process, for they were the two aspects of a single effort towards the establishment of better living conditions throughout the world. It was a mistake to speak of the developed and the developing countries as if their interests were independent of one another. The truth was that they were interdependent and that the recognition of that fact was the only foundation upon which human solidarity and mutual respect could be established.

21. Mr. GOLDSCHMIDT (United States of America) said that he expected to discuss the substance of the important item before the Council when the atmosphere created by the propagandistic statement of the USSR had improved. For the moment, he was compelled to reply to the Soviet Union representative. Had it not been for the involvement of the United States in the Second World War, the Soviet Union representative might not have been present to parrot old propaganda. Moreover, the support being given by his Government to the Government of the Republic of Viet-Nam was in the same American tradition of meeting its commitments to assist the victims of aggression.

22. The attack made by the Soviet Union representative on the Federal Republic of Germany was unfair, unfounded and out of place in the Council. Such propagandist statements would not promote international

understanding. Neither would they slow down the arms race. That could only be done by the kind of constructive and careful work currently taking place in the Eighteen-Nation Committee on Disarmament.

23. Mr. BRUNI CELLI (Venezuela) said that in its reply to the Secretary-General's questionnaire his Government had pointed out that in its case it was impossible to speak of "the conversion to peaceful uses of the resources realized by disarmament" since Venezuela possessed only the essential armaments required for national defence. There was, however "a relative conversion of resources to peaceful uses" inasmuch as a proportion of the regular budget of the Ministry of Defence was allocated to public works activities, some of them extending into the international field. Moreover, Venezuela kept its defence budget virtually stable at the level necessary for meeting minimum requirements, so that the Government could increase the appropriations for education, health, public works and industrial development.

24. At the regional level, Venezuela and other Latin American States had concluded a treaty in February 1967 banning the manufacture, possession and testing of nuclear weapons by the signatories. That was an important step towards general nuclear disarmament. Venezuela had also voted for the Treaty on the Non-Proliferation of Nuclear Weapons which it considered a major advance in the same direction.

25. His delegation had been pleased to note from the report that the replies of a number of Governments indicated that they were taking measures to convert the resources released by disarmament to peaceful uses. Venezuela had constantly supported measures for the analysis of factors impeding disarmament and such conversion of resources. His delegation considered that the reports served a very useful purpose.

26. Mr. HUSAIN (India) noted that the group of expert consultants appointed by the Secretary-General in 1961 to study the economic and social consequences of disarmament had unanimously concluded that all the transitional problems connected with disarmament could be met by appropriate national and international measures and that the diversion to peaceful purposes of the resources now in military use could be accomplished to the benefit of all countries. Those conclusions had since been endorsed by several national and international studies. The United Nations had therefore adopted a more comprehensive approach to the subject, so as to bring the relationship between disarmament and economic development under continuing study, with a view to ensuring not only constant consideration of the transitional and long-term problems which might result from disarmament, but also advance planning for the conversion to peaceful purposes of the human and material resources released by disarmament. The goal of general and complete disarmament under effective international control set in General Assembly resolution 1378 (XIV) would have to be achieved gradually, through successive partial disarmament measures. In the meantime, all States, particularly those with large military establishments and

<sup>2</sup> *Economic and Social Consequences of Disarmament: replies of Governments and communications from international organizations*, (United Nations publication, Sales No.: 62.IX.2) (E/3593/Rev.1/Add.1-5).

highly developed facilities for weapons research, should pursue detailed studies so that advance plans could be prepared and the transition from an armed to a disarmed society effected with maximum speed and minimum disruption of national economies.

27. It was significant that the Secretary-General, in his prefatory note to the report, had observed that the replies submitted by Governments made "few references to the possibility of using resources released by disarmament to augment the flow of assistance to developing countries". That situation presumably resulted from the fact that the measures taken thus far by the international community consisted of non-armament in certain fields rather than disarmament. Given the present international climate, the achievement of general and complete disarmament was not within sight, but the nuclear arms race might soon be halted and followed by nuclear disarmament. His delegation was glad that the United States and the Soviet Union would soon begin bilateral discussions on the limitation and reduction of both offensive strategic nuclear weapons delivery systems and systems of defence against ballistic missiles. Progress in that field would facilitate the achievement of various related measures of nuclear arms control and disarmament. Many countries considered that simultaneous efforts should be made to halt the production of fissionable material for nuclear weapons and to conclude a comprehensive test ban treaty. In the light of those considerations, the scope of present studies should be enlarged to explore the possibility of using resources released by partial disarmament measures, particularly in the field of nuclear disarmament, to assist the developing countries.

28. Although no detailed investigation of the possible economic and social consequences of disarmament in India had yet been carried out, it was unlikely that the conversion to peaceful uses of resources released by disarmament would cause any severe dislocation of the Indian economy. India's defence industries, which were government-owned, did not produce particularly sophisticated armaments and some of their capacity was already being used to produce goods for civilian consumption. Defence forces personnel, who represented a body of skilled and highly disciplined manpower, could easily be absorbed by the national economy and would in fact be a welcome addition to the labour force. Considering India's size and the length of its frontiers, Indian defence expenditure had always been relatively low. It had been increased because of the continued threat from Pakistan and China, but even so represented only 3.2 per cent of the gross national product. In that connexion, it should be remembered that as a non-aligned country, India was solely responsible for its own defence expenditures.

29. Mr. KADLEC (Czechoslovakia) said that in view of the situation in Viet-Nam, the Middle East and other parts of the world, the Council would be taking an unrealistic attitude if it confined its discussion to the peaceful use of the resources which might eventually be released by disarmament. However, a measure of progress had certainly been achieved in the disarmament field. The Treaty on the Non-proliferation of Nuclear Weapons might have a favourable influence on the international

atmosphere and would certainly have some economic impact, as indicated in annex IV to document A/6858.<sup>3</sup> His country had been one of the first to sign the Treaty and felt that it should be acceded to by as many States as possible. A Government's attitude towards such measures reflected its attitude towards disarmament and the use of economic potential for peaceful purposes.

30. In a recent statement of policy, his Government had declared that it was guided by the principle of the indivisibility of peace and collective security. Czechoslovakia wished to promote good relations and co-operation with its neighbours and the other countries of Europe on the basis of the principles of independence and sovereignty, equality, non-interference in internal affairs and mutual advantage. The principal factor in the stabilization of European relations was the recognition by all States of the present situation in Europe. Czechoslovakia would strive to increase co-operation among all European countries in every field in order to build a basis for mutual understanding among those countries and increase their security. The time had come to take steps towards a *détente* in Europe that would permit the huge material and human resources now being used for military purposes to be gradually used to improve the material and spiritual condition of the international community. In promoting good relations and disarmament in Europe, his Government relied on the closest possible co-operation among all countries, irrespective of whether they were members of the United Nations and its specialized agencies. Its policy was thus contrary to that of the Federal Republic of Germany, as set out in its reply. The context left little doubt that in that reply the Federal Republic of Germany had been alluding to the German Democratic Republic. His Government believed that recognition of the existence of two German States would help to stabilize the situation in Europe.

31. Mr. ALLEN (United Kingdom) said that his delegation had nothing to add to his Government's reply to the Secretary-General's questionnaire.

32. His delegation shared the universal desire for progress in disarmament, but considered that the Council was not the place for a general discussion of the subject. It was a matter for the Eighteen-Nation Committee on Disarmament, which was currently meeting in Geneva. His delegation therefore regretted the introduction of extraneous political issues by the representatives of the Union of Soviet Socialist Republics and Czechoslovakia, and more particularly the attack upon the Federal Republic of Germany, which was not represented on the Council and was therefore unable to reply. His delegation would have hoped that the recent agreement between the Soviet Union and the United States on the non-proliferation of nuclear weapons, which had been acclaimed throughout the world, might have helped to establish a more harmonious tone.

<sup>3</sup> *Effects of the possible use of nuclear weapons and the security and economic implications for States of the acquisition and further development of these weapons* (United Nations publication, Sales No.: E.68.IX.1).



33. The Council had considered the item under discussion and reported on it to the General Assembly at various intervals since 1962 with results of some value. His delegation, however, was inclined to take the view that the Secretary-General might be requested henceforth to report less frequently. The Council could of course reconsider the frequency of reporting if circumstances made that desirable. He did not wish to make any formal proposal at the present stage but the United Kingdom delegation might decide to raise the matter in the General Assembly when it discussed the economic and social consequences of disarmament.

34. Mr. GUELEV (Bulgaria) said that the discussion of the economic and social consequences of disarmament was particularly significant on the threshold of the second Development Decade, for if even a small part of the enormous sums now spent for military purposes could be devoted to the solution of economic and social problems, the prospects for the Decade's success would be greatly enhanced. His country's views on the economic and social consequences of disarmament had been expressed in many United Nations bodies and in its reply to the Secretary-General's enquiry. Studies carried out by Bulgarian experts had shown that any reduction in his country's military expenditure would have desirable economic and social results. The peaceful use of the human and material resources released by disarmament would pose no serious problems for Bulgaria's planned socialist economy. In fact, the percentage of Bulgaria's national budget and income devoted to military expenditure had declined steadily since 1962. The need to maintain Bulgaria's armed forces was dictated solely by the international situation; their role was purely defensive, as was shown by the policy of peace and international co-operation consistently pursued by his Government, which had done much to improve the political climate in the Balkans.

35. The studies carried out by the United Nations and other national and international bodies had shown clearly that the peaceful use of the resources now used for military purposes would benefit all countries and improve the economic and social condition of mankind as a whole. Those studies, and the facts themselves, had demonstrated the fallaciousness of the arguments based on the allegedly constructive role played by the military industries in the economies of certain capitalist countries. Further United Nations studies on the economic and social consequences of disarmament would be pointless academic exercises unless steps were taken to create conditions favourable to disarmament. It would therefore be useful to analyse the factors which were impeding progress towards disarmament. More attention should be paid to the repercussions of aggression and military conflicts on the economic and social situation of countries and on international economic relations, particularly with regard to international trade, foreign exchange and finance. In making those suggestions, he was not introducing extraneous issues of a polemical nature. The fact that the members of the Atlantic Alliance, particularly the United States and the Federal Republic of Germany, were devoting more and more funds to the production of

increasingly destructive weapons was directly relevant to the item under discussion.

36. In that connexion, he wished to express his surprise at finding in the report a reply from the Federal Republic of Germany. That reply contained propagandistic statements which were belied by the policy pursued by leading circles in Bonn, a policy which was one of the major factors impeding *détente* and disarmament in Europe and throughout the world. The arguments put forward in that connexion by the Under-Secretary-General for Economic and Social Affairs were not convincing. On the other hand, he considered that the letter from the Permanent Representative of the Soviet Union to the United Nations (E/4563) and the interesting statement by the USSR representative deserved careful study.

37. In conformity with its policy of peaceful nation-building and co-operation with all countries, his Government welcomed any step that would diminish international tension. It was therefore glad that the Treaty on the Non-proliferation of Nuclear Weapons had been adopted by the General Assembly and signed by many countries. That Treaty opened the way towards the solution of other pressing disarmament problems. Peace-loving countries should redouble their efforts to halt the arms race, promote disarmament and conclude new international agreements in that sphere.

38. It was essential that the Eighteen-Nation Committee on Disarmament, of which Bulgaria was a member, should reach further decisions on disarmament in the near future. The Committee's work would be greatly facilitated by the Soviet proposals, which had been circulated to all countries. The need to take speedy steps to limit the arms race was dictated by current international tension and the existence of danger spots such as Viet-Nam, the Middle East—where Israel continued to occupy the territories seized by force from various Arab States—and Western Germany, where the recrudescence of neo-nazi activities was causing grave concern to the international community.

39. He had mentioned those facts because international peace and security and economic progress were two aspects of the same process. It would be illusory and dangerous to believe that under-development could be eliminated as long as international tension obliged States to use their resources for military purposes and five times as much was spent on means of destruction as on development.

40. Mr. GREGH (France) said that his delegation regretted that the representatives of Bulgaria, Czechoslovakia and the Union of Soviet Socialist Republics had introduced extraneous political questions into the consideration of the technical matters under discussion by attacking the Federal Republic of Germany in connexion with the inclusion of that country's reply to the questionnaire. The point of view of the French Government was well known and he did not wish to add anything to the statement contained in the letter from the heads of the delegations of France, the United Kingdom and the United States of America (E/L.1222).

41. Mr. ZAKHAROV (Union of Soviet Socialist Republics), referring to the statement made by the Under-Secretary-General for Economic and Social Affairs, said that both the preamble and operative paragraph 3 of General Assembly resolution 1516 (XV) referred only to States Members of the United Nations. He therefore continued to consider that, in sending the questionnaire to the Federal Republic of Germany, the Secretariat had acted in breach of the terms of reference laid down by that resolution. He had not found the explanation of the Under-Secretary-General for Economic and Social Affairs convincing.

42. Referring to the statement by the United States representative, he said that talk of propaganda was no answer to the Soviet delegation's condemnation of United States actions in Viet-Nam.

43. Mr. FORTHOMME (Belgium) said that his delegation regretted that the representatives of Bulgaria, Czechoslovakia and the Union of Soviet Socialist Republics had diverted the discussion from the subject before the Council.

The meeting rose at 12.5 p.m.