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President : Mr. A. MATSUI (Japan)*Present* :

Representatives of the following States, members of the Council: Algeria, Argentina, Austria, Canada, Chile, Czechoslovakia, Ecuador, France, Gabon, Iraq, Japan, Luxembourg, Pakistan, Peru, Romania, Union of Soviet Socialist Republics, United Kingdom of Great Britain and Northern Ireland, United States of America.

Representatives of the following States, additional members of the sessional committees: Denmark, Ghana, India, Iran, Mexico, United Arab Republic, United Republic of Tanzania.

Observers for the following Member States: Australia, Bulgaria, China, Israel, Italy, Sweden, Yugoslavia.

Observers for the following non-member States: Holy See, Switzerland.

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

The representative of the International Atomic Energy Agency.

AGENDA ITEM 6

**Economic and social consequences of disarmament
(E/4029, E/4042) (*continued*)**

1. Mr. HAJEK (Czechoslovakia) said that a review of the activities so far carried out in connexion with the economic and social consequences of disarmament showed that, even at the existing preliminary stage, those activities were useful and important. For the first time, a collective and comprehensive economic study had been undertaken of where the production of arms was leading and of what measures might be taken to achieve disarmament. The result had been to dispel some fixed ideas regarding the inevitability of war, to prove that dis-

armament was not only desirable but feasible and to weaken the resistance of certain real or purported economic interests.

2. It would, however, only be when the process of disarmament had started and become irreversible that such studies would cease to be theoretical and could have practical effects. The Secretary-General seemed to have formed the same opinion, since he had suggested in his report (E/4042) switching from reporting about studies to reporting about facts. It would be a matter for great satisfaction if the facts reported by governments justified his optimism. Unfortunately, instead of being faced with a situation in which the first steps in disarmament could be taken and the economic and social consequences of disarmament be analyzed, the world was faced with increasing tension which was casting a shadow over disarmament negotiations. The United States of America, by its aggressive acts against the people of South Viet-Nam and the Democratic Republic of Viet-Nam and by its armed intervention in the Dominican Republic, was responsible for that situation. It was violating not only the Geneva Agreements, but also the Charter of the Organization of American States and the Charter of the United Nations, in particular Article 2, paragraph 4, of the latter, by using its military machine and its tools of massive destruction to deny the ordinary people of Asia and the Caribbean their fundamental rights. The extension of those activities not only threatened the complete destruction of the peoples concerned, but risked involving the world in a global war. Those activities were leading to economic and social consequences very different from those foreseen in the proposed questionnaire; for example, the bombing of Viet-Nameese territory was destroying not only military, industrial and transport installations, but also schools, hospitals, homes and even vast stretches of virgin forest. Those developments were most discouraging in view of the common desire to contribute to the process of disarmament. The only obstacle to the transition from a theoretical study to a study of positive facts was United States aggression. There was, however, one encouraging factor, namely, that the studies carried out had proved useful, especially from the moral point of view.

3. The Czechoslovak Government was continuing its efforts to promote general and complete disarmament and to support any measure which might reduce tension and uphold the principle of peaceful co-existence of nations with different economic and social systems. It was for that reason that it had always shown an interest in activities connected with the economic and social aspects of disarmament. Moreover, since foreign trade played an important part in his country's economy and since the development of trade was vital to the developing countries,

his Government laid the greatest stress on studying the influence of armaments production on international economic relations; such production distorted international trade and impeded its regular growth. It had also studied the consequences of a possible agreement on general and complete disarmament on international trade with particular reference to the stabilization of markets and prices. Those studies had shown that Czechoslovakia could convert its defence production to peaceful production without an economic upheaval. Such a conversion would help the Czechoslovak economy and enable the Government to establish long-term economic relations with other countries, particularly the developing countries. The information he had just given would, in a much fuller form, be included in an addendum to the Secretary-General's report.

4. Despite the deplorable deterioration in international relations caused by United States aggression, the Czechoslovak Government intended to continue studying the economic and social consequences of disarmament. It would support any effort to maintain peace and to persuade the United States to adopt a policy of reason, to accept facts and to observe the principles of the Charter. It had supported the proposal for a world disarmament conference, made at the Conference of Heads of State or Government of Non-Aligned Countries in Cairo in October 1964. Such a conference would provide a way out of the existing impasse in disarmament negotiations. It would certainly also open up new prospects for studying the economic and social aspects of disarmament. Even in the preparatory stage, such work might provide the answer to the question of what could be achieved in that field at the international level, raised by the Secretary-General in the conclusions to his report. The Inter-Agency Committee on the Conversion to Peaceful Needs of the Resources Released by Disarmament would do well to bear that in mind.

5. Mr. PACHACHI (Iraq) said that his country, which was small and unaligned, had always been in favour of measures to bring about disarmament. As a developing country, it was vitally interested in the social and economic consequences of disarmament, which, as the Secretary-General had indicated, might hold out vast possibilities for the developing countries.

6. Progress in negotiations on disarmament, which was unavoidably slow, had caused disappointment in many countries. Although that lack of progress obviously affected United Nations work with regard to the consequences of disarmament, the Organization could not afford to be pessimistic. It should proceed on the assumption that sooner or later there would be a breakthrough and that funds would be released to further economic progress in the developing countries.

7. Since the unaligned countries had made their proposal in October 1964 for the convening of a world disarmament conference to which all countries would be invited, the Disarmament Commission had adopted a draft resolution submitted by Iraq and other unaligned countries, recommending the convening of such a conference. The General Assembly would consider that resolution at its forthcoming session.

8. Turning to the report of the Secretary-General, he said that his delegation fully agreed that the time had come to adopt a different approach to the question of obtaining information from governments and welcomed the approach suggested in the report. He hoped that the proposed questionnaire would provide the Council and the General Assembly with a means of evaluating the programmes and activities of the major Powers, in particular in so far as they might lead to the eventual release of funds for economic development.

9. Mr. KAKITSUBO (Japan) said that his delegation was gratified by the steady progress made by governments and international organizations in their study of the social and economic consequences of disarmament since the adoption of the Council's resolution 1026 (XXXVII). It particularly welcomed the fact that the Inter-Agency Committee mentioned in that resolution had held two meetings and had made arrangements for close co-operation among the agencies concerned. That was undoubtedly an important step towards improved co-ordination of international efforts to deal with the difficult and complex effects of disarmament.

10. There was no need to reiterate the Japanese Government's earnest desire to see some sort of agreement on disarmament between the major military Powers of the world as early as possible. His Government had also expressed its view on many occasions that, in order to be meaningful, studies on the possible economic and social consequences of disarmament and on methods of avoiding harmful therefrom effects must be based not on hypotheses but facts.

11. Unfortunately, despite all the painstaking efforts made by the countries engaged in disarmament negotiations and despite all the good wishes of those not directly so engaged, no agreement had yet been reached, even on collateral measures. Some progress had been made, but the measures that had so far proved generally acceptable did not warrant a study of their social and economic consequences. In the existing circumstances, the action that could be taken was necessarily somewhat limited. Preparations could be made for the possible conclusion of a disarmament agreement by setting up an efficient system for co-operation among the various national and international institutions and by compiling basic information. In that connexion, his delegation fully approved the realistic approach adopted in the report of the Secretary-General and in the report of the ACC (E/4029). It also supported the Secretary-General's suggestion that the particular attention of governments should be drawn to the proposed questionnaire and to the need for an adequate response to it.

12. The main objective was an agreement on disarmament between the major military Powers which would make the economic and social consequences of disarmament meaningful. The Eighteen-Nation Committee on Disarmament, which was expected to work out such an agreement, had been unable to hold even a single meeting in 1965. Though well aware of the difficulties which had prevented the Committee from meeting, his Government and people hoped that the Committee would resume its work as soon as possible, even if only for a short period,

and that it would arrive at agreement on some of the important collateral measures.

13. His delegation shared the view that it would suffice for the Council at the current session simply to take note of the report submitted by the Secretary-General in document E/4042.

14. Mr. ECOBFESCU (Romania) said that the value of the studies of the economic and social consequences of disarmament that had been initiated five years before was universally recognized. By emphasizing the positive consequences of disarmament and demonstrating its benefits for economic and social development and for mankind as a whole, they were helping to foster the belief that disarmament was feasible and to remove the basis of arguments sometimes levelled against the whole idea of disarmament. In that connexion, the theory that disarmament would disorganize the economies of the West was no longer supported anywhere. On the contrary, it was generally recognized that disarmament would have a beneficial effect on economic growth and on standards of living.

15. The relative brevity of the report under consideration perhaps reflected the disappointment felt at the lack of progress made in disarmament. Despite all its inherent dangers, the armaments race was continuing, and the situation was particularly disquietening in view of the recurrence of the use of force and of arbitrary conduct in international relations. His delegation deplored the acts of aggression that had been committed in Viet-Nam and the Dominican Republic. Such actions created tension, worsened the international situation and endangered world peace.

16. In the studies so far carried out on the economic and social consequences of disarmament, the accent had been placed on the funds that would be released by disarmament and on their utilization for peaceful purposes. On various occasions, the Romanian delegation had stressed the urgent need to release for economic and social development the immense resources being swallowed up by arms manufacture. The release of those resources was essential if economic and social progress was to be rapid and real. However, one aspect of disarmament had not so far been sufficiently reflected in reports, namely, the release for peaceful purposes of the intellectual resources at present employed in the armaments industry. At the previous meeting, the representatives of UNESCO and of Ghana had indeed referred to the cultural aspects of disarmament, but no proper multilateral study had as yet been made of those aspects, which were of major importance. Economic and social development was now inconceivable without the large-scale application of technical and scientific discoveries. It was impossible to disregard the fact that, in a large number of countries, many of the most outstanding scientists, engineers and technicians, specializing in the most varied subjects, were employed in institutes of military research. As a result, research for peaceful purposes was being seriously handicapped; some fields were being almost ignored and certain projects of vital importance to economic development were not being carried out at all or were being delayed. If the urgent needs of economic growth were to be met, research for peaceful purposes could not live off

the crumbs which fell from the armaments table. It should be backed by large funds and should be provided with an adequate scientific and technical staff. That was what disarmament could offer. The Romanian delegation was convinced that the question of the intellectual consequences of disarmament should be given increasing attention in connexion with the general study of the economic and social consequences of disarmament.

17. Mr. WILLIAMS (United States of America) said that the economic and social consequences of disarmament were of deep and continuing concern to his Government, as they must be to all governments, since effective agreements on arms control and disarmament would inevitably bring greater security and well-being to peoples everywhere. The blessings of disarmament, however, would not be automatic; disarmament agreements could not be achieved simply by waving a magic wand. Nor would many economic and social benefits flow from such agreements without the most thorough advance study and preparation.

18. The most eagerly anticipated consequence of disarmament was the diversion of resources from potentially destructive military use to constructive peaceful uses. The world's need for resources to speed development was obvious and was daily becoming more pressing. However much disarmament might ultimately contribute to meeting it, that need was so urgent that there could be no question of waiting for disarmament to provide necessary resources. The danger of delay had been emphasized by Pope John XXIII in his historic encyclical *Pacem in Terris*. In recognition of that fact, the United States Government was maintaining the largest bilateral programme of aid for foreign economic development in the history of mankind and its support of multilateral aid programmes was second to that of no other country. It was also ready to increase its contribution to international economic assistance, provided other nations would do likewise.

19. One consequence of disarmament which required study and preparation was the need to adjust the use of resources and manpower. Information had to be accumulated and plans and policies made to ensure a smooth adjustment with maximum benefit to all as agreements were implemented. Studies should not be limited to the impact of general and complete disarmament, but should also cover problems resulting from shifts or reductions in defence spending associated with measures of partial arms control and disarmament which might be agreed upon and executed. The United States Government had proposed several such measures which it believed were capable of immediate implementation. For example, in 1964, President Johnson had proposed freezing the number and characteristics of strategic nuclear delivery vehicles and discontinuing the production of fissionable materials for weapons purposes, with such materials being transferred to peaceful uses. Such measures would be an encouraging start and would do much to bring the arms race under control. His delegation shared the concern, so well expressed at the previous meeting by the representative of India, that the proliferation of nuclear weapons should be brought to an end.

20. In the United States, considerable energy and research was already being devoted to the economic and social problems posed by shifts in defence spending. It was hoped that, through those activities, methods would be discovered of speeding up the process of economic and social development in the event of progress being achieved in disarmament. Several studies, details of which were contained in the Secretary-General's report, concerned problems of industrial conversion.

21. Even though progress towards arms control and disarmament had been painfully slow thus far, the United States was already faced with conversion problems. Shifts in defence spending had been made for reasons of economy and efficiency, whilst defence expenditure as a whole had declined in proportion to gross national product. Although small in magnitude compared with the consequences of future arms control and disarmament measures, those shifts could adversely affect certain regions, industries or occupational groups unless proper plans and programmes were devised to cushion the shock of adjustment. In recent years nearly 600 United States military bases and installations had been closed, or their activities greatly reduced, with a consequent annual saving of millions of dollars. As a result, however, many thousands of workers had been obliged to seek new employment and surplus plants had had to be converted for constructive community use. Those challenges had been successfully met by planning and by the joint efforts of the Government and the community.

22. He had cited his Government's efforts simply to emphasize the importance it placed on adequate preparation to meet the necessary economic re-adjustments and to exploit the economic gains it confidently expected from arms control and disarmament agreements. The results of its study and experience would naturally continue to be available to United Nations agencies.

23. The attention given to the matter by ACC and its establishment of a special Inter-Agency Committee to co-operate with the Secretary-General was most commendable. The purpose of the Secretary-General's report was to develop a fund of the specific basic data needed for effective planning for the economic and social consequences of disarmament.

24. The United Nations could take great pride in its record of concern with the economic and social consequences of disarmament. The machinery for continuing international consideration of the matter was well established, a spirit of co-operation existed and the necessary arrangements for co-ordination had been made. It remained for States Members of the United Nations to provide the basic data necessary for further study and planning, and he pledged his country's continuing co-operation to that end.

25. Two keys were, however, needed to open the door to a peaceful and prosperous world. One was the study of and preparation for the economic and social consequences of disarmament, which was the responsibility of the Council. The other was the negotiation and execution of effective disarmament agreements. The door would not open without both keys, nor could the first serve as a substitute for the second. The world could not enjoy the

blessings of disarmament without disarmament itself. Consequently priority had to be given to the search for agreements on arms control and disarmament. The best forum for disarmament negotiations was the Conference of the Eighteen-Nation Committee on Disarmament which he hoped would resume its work at Geneva in the immediate future. Every nation could facilitate the work of that Conference by studying and preparing intelligently for the consequences of disarmament.

26. His country was convinced that, through continued negotiations, the arms race could be halted and its direction reversed. It was equally convinced that resources so conserved could be successfully redirected to peaceful uses. His Government was ready to act in the spirit of those convictions and to join with those who shared its beliefs in building a prosperous, secure and peaceful world.

27. In the course of that meeting and the preceding meeting, the Government and people of his country had once again been subjected to repetitive and distasteful invective, based on an upside-down logic that labelled assistance as aggression and communist subversion as liberation. Such interventions did the Council a disservice. Its responsibility was to discuss the intolerable economic and social problems that plagued the world and it was not the place to discuss the unhappy situation of the peoples of South-East Asia. If, however, any member of the Council had any doubts as to who was the aggressor in Viet-Nam, he would gladly provide him with the documented record of North Viet-Nam's campaign to conquer South Viet-Nam.

28. Despite Viet Cong terrorism, the industrialization of South Viet-Nam, with United States economic aid, continued to progress and in the past five years more than 700 industrial plants had been built or enlarged. Investment by Viet-Nameese businessmen in industrialization had increased, an important indication of their confidence in the country. Viet-Nameese workers were learning the skills required for the rapid advance in mechanization that was taking place. Considerable progress had also been made in public health and education during the past five years.

29. Those efforts had not of course been uniformly successful. While the United States had been helping South Viet-Nam to build and repair railways and roads, the Viet Cong had been destroying them and, as a result, the country's exports of rice and rubber had been severely reduced. Yet, despite the vastly larger industrial plants inherited by North Viet-Nam after the partition in 1954, the *per capita* income in South Viet-Nam had increased in 1960 to \$110, compared with \$70 in North Viet-Nam. It had been in 1960 that the rulers of North Viet-Nam had officially stated that it was their task to "liberate" South Viet-Nam. At least 39,000 militarily trained personnel had been infiltrated into South Viet-Nam and vast quantities of arms and ammunition sent into the country to destroy what the people of the Republic had been building with United States assistance.

30. The United States had not started the war in Viet-Nam. Its forces were there only to honour its pledge to help South Viet-Nam to defend its independence. Nearly

forty other countries were helping the Republic of Viet-Nam. When the independence of that country was assured, United States forces would be withdrawn.

31. President Johnson had offered United States resources for a "greatly expanded co-operative effort for development" that would better the lives of more than one hundred million people in South-East Asia, including the people of North Viet-Nam. Those who had diverted the attention of the Council from economic and social affairs would do themselves and the world a service by joining in such a co-operative effort to ensure that the crushing burdens of hunger, disease and illiteracy in South-East Asia would quickly be relieved.

32. Mr. ARKADYEV (Union of Soviet Socialist Republics) said that the Council had just heard an attempt to convince it that black was white, and that the aggressors were not those who dropped bombs on innocent people but the people who were being bombed. The fact was that bombs were being dropped on the peaceful cities and villages of a country which was not at war at all, an act which in the past would have been called piracy. Now an attempt was being made to portray it as charity. The United States representative had omitted to mention that in South Viet-Nam the United States was continuing the activities begun by its agents in pursuit of its own purposes. The statement, however, would convince no one; the United States representative had forgotten the dictum: "You cannot fool all the people all the time". It was impossible to ignore world public opinion and to present aggression in some other guise. Even United States public opinion was coming to realize the true situation and a Washington correspondent at the recent United Nations meeting in San Francisco had noted the cold and sarcastic reception given there to the United States view of the problem.

33. The PRESIDENT urged members of the Council to confine their remarks to the agenda item under discussion.

34. Mr. HASAN (Pakistan) said that the very fact that the Council was giving serious consideration to the economic and social consequences of disarmament indicated a general belief that in the foreseeable future the great Powers would be able to agree to a substantial reduction in their defence expenditure. The absence of general disarmament was in itself a potent factor making for international tension, and it was impossible to envisage a substantial reduction in defence expenditure unless the basic causes of international tension were removed.

35. His country was painfully and constantly reminded of the existence of such tension. He refused, however, to be discouraged and hoped that the Declaration on the conversion to peaceful needs of the resources released by disarmament, adopted by the General Assembly in resolution 1837 (XVII), would be put into practice.

36. Although the enormous expenditure on armaments was apparently accepted, it was necessary to remember its magnitude so that its significance would not be lost. It had been estimated that the world spent on armaments a sum equivalent to two-thirds of the annual national

income of the under-developed countries. The USSR estimated world military expenditure at \$120,000 million a year; a diversion of even part of that sum to development would create new hope for the teeming millions in the under-developed areas.

37. The replies from Member States incorporated in the Secretary-General's report gave the impression that expenditure on armaments in the developing countries was negligible and that the consequences of releasing their resources for peaceful uses would be small. That was not quite true. There were countries which squandered a substantial part of their small resources on building up armaments that were of little relevance to their defence requirements. If the situation were not so tragic, it would be ludicrous: nations with huge populations, sick, illiterate and ill-clad and living on the verge of starvation, were building up large stocks of armaments, atomic bombs and other military paraphernalia for reasons of national prestige and for the domination of others. It was understandable that the under-developed countries should clamour for the resources released by disarmament to be made available in part for their own development; but such countries should first put their own house in order. The United Nations, the Council and the great Powers should take cognizance of the transfer of large resources from development to armaments and decide whether there was any justification for economic assistance where such a transfer was taking place.

38. In the circumstances in which Pakistan was placed, it was not possible for the military budget to be reduced in the foreseeable future, and it would therefore be futile for it to undertake a study of the effects of disarmament on its resources. Pakistan was, however, committed to a policy of limiting its defence budget to the minimum and it was using part of its capacity for the production of armaments to meet the demands of industry and agriculture. Nuclear energy was being harnessed for peaceful purposes such as power generation and the production of radio-isotopes.

39. He had been impressed by the replies from the United States and the Soviet Union. Both countries were engaged in a detailed study of the question, and their activities were particularly noteworthy. In the United States, apart from activities by the Government, extensive studies were being undertaken by private institutions with a view to finding solutions for the economic and social problems that would be created by disarmament. Significant progress was being made in the Soviet Union in connexion with the use of resources released by the armed forces, and he noted with interest that Soviet scientists had worked out proposals for the economic development of the countries of Asia, Africa and Latin America, using the resources released by disarmament.

40. The Council should proceed with deliberation and try to achieve a consensus. At the current session it would be impossible to produce spectacular proposals, in view of the absence of a political agreement on disarmament and of the incomplete knowledge of the consequences of disarmament. The Council should therefore confine itself to laying down a course of action to promote internal and international studies on the

economic and social consequences of disarmament, and his delegation proposed to submit a draft resolution on the subject ¹.

41. Sir Keith UNWIN (United Kingdom) said that the Secretary-General's report implied that the volume and progress of studies undertaken on the economic and social consequences of disarmament by international organizations in the United Nations family were not as impressive as they might be, and very properly stated that serious international studies were possible only if governments were prepared to give international organizations the means of carrying out those studies in the form of information — of hard facts as distinct from hypotheses.

42. To that end, the Secretary-General had made the interesting proposal that not only should individual United Nations organizations ask the Governments of Member States to supply the data required but that, in addition, ACC should circulate the questionnaire attached to document E/4042 to those Governments in order to provide for the creation of a general pool of basic information. That proposal arose directly from Council resolution 1026 (XXXVII) and the Council was now being told that the international studies it had requested in that resolution could not be continued, let alone accelerated, without some facts on which to work. His delegation accepted the Secretary-General's suggestion and agreed that it should be given a fair trial.

43. His delegation had supported resolution 1026 (XXXVII) upon two assumptions. The first was that other members of the Council shared the United Kingdom's conviction regarding the importance of reaching agreement on general and complete disarmament under effective international control. The second was that, while an attempt should be made to see what could be done to prepare for the economic and social consequences of disarmament and the conversion to peaceful uses of the resources that would be released by disarmament, the number of studies on the subject that could usefully be undertaken on the international plane was limited, at least until there was a firm basis of fact on which to start. That was partly because the problems that would arise from disarmament would differ more in size than in kind from those faced in the ordinary course of planning; partly because economic and social conditions varied so greatly that it was unlikely that the same problems would arise with the same urgency in different countries; and partly because full data were difficult and sometimes impossible to obtain for a variety of reasons, one of the most important being the manpower required to extract the information even when it was available. Despite all those limitations, however, it was still a logical consequence of resolution 1026 (XXXVII) that if the subjects to be studied internationally could be identified, governments should contribute to those studies by supplying the information required. If, however, the full data could not be supplied, then the Council should not hesitate to inform the Secretary-General or the directors-general of the agencies concerned that it did not think that particular

studies could, for practical reasons, usefully be pursued. That would relieve the agencies of the necessity for keeping staff allocated to inquiries that were unlikely to be completed.

44. His country had seen no reason to change the attitude which it had adopted earlier. In response to the Secretary-General's initial enquiry in 1961, the United Kingdom had submitted a detailed reply in which its defence expenditure had been analysed and an attempt had been made to assess the impact of disarmament on various industrial sectors. His Government had also taken part in some international studies and would be prepared to co-operate in any future studies likely to make a positive contribution. Other studies, both public and private, had been conducted at the national level. The result of the public studies had been reported to the Secretary-General. He wished to direct attention now to a study that had been made of the redeployment of manpower in a particular case, as a result of the decision to abandon a particular defence project ².

45. In consequence of the studies it had made, his Government had concluded that the problems of absorbing the resources and manpower released by disarmament could and should be dealt with through the national planning mechanism. The problems of the United Kingdom were likely to be smaller than those of other countries in which demand and resources were in better equilibrium. Nevertheless, were it possible to reach agreement on general and complete disarmament, the economy of the United Kingdom might be expected to benefit greatly.

46. It had to be borne in mind, however, that in addition to the cost of assimilating the released labour and re-converting plant and resources, general and complete disarmament would bring other direct expenses arising from whatever international control machinery and police forces might eventually be set up. That expenditure would inevitably be an early charge upon the net resources released by disarmament. Consequently, although a general economic improvement could be expected to follow disarmament, there was as yet no evidence that it would mean national affluence.

47. In the light of the probability of that additional expenditure and of the commitments and pressures which periodically threatened to overload the United Kingdom economy, his Government had been unable to accept the thesis that there was a specific relation between a change in the volume of available resources and the volume of aid which a developed country could be expected to make available to others. It did, however, recognize that an improvement in the United Kingdom's financial position resulting from complete disarmament would improve its ability to provide aid where needed.

48. In its reply to the Secretary-General's *note verbale*, the USSR Government had made that point in different words in stating, for example, that "In addition to promoting the general expansion of the national economy of the USSR . . . the further reduction in military expendi-

¹ Subsequently issued as document E/L.1078.

² Dorothy Wedderburn, *White-Collar Redundancy: A Case Study* (Cambridge University Press, 1964).

ture will also facilitate the implementation of wide-ranging programmes of assistance to the developing countries . . . ”; again, later, it was stated that a certain small part of the saving would, apparently, go to the less developed countries needing aid (E/4042).

49. But a decision to give aid and a decision regarding the volume of that aid were essentially political and humanitarian rather than economic. The level of aid given by the United Kingdom was higher than it might be if the subject was considered within the narrow context of the balance of payments. The fact that United Kingdom aid was increasing contributed to strengthening its determination to achieve disarmament. And if general and complete disarmament was believed to be possible, then progress would be welcomed in any field that would contribute to it, including whatever studies concerning the economic and social consequences of disarmament that could usefully be made internationally. It followed that when the Governments of Member States approved the undertaking of such studies by organizations of the United Nations family, they should take the studies seriously and make a real effort to give the Secretary-General and the specialized agencies the information they required.

50. The report showed that the whole area of activity had been examined in a more business-like way than hitherto in ACC and the Inter-Agency Committee. The Council could now be sure that proposals for new studies, as well as the studies already in preparation, would be scrutinized by the Inter-Agency Committee, which already appeared to have done much to ensure the rationalization and co-ordination of studies undertaken throughout the United Nations family. His delegation hoped that rationalization would include concentration on the most fruitful lines of international enquiry and lead to a reduction in the frequency of separate requests to Governments for detailed information.

51. In his delegation's view, the Council should commend the Secretary-General and the ACC on what they had done and should give the proposals a fair trial. Rather than adopt yet another resolution, it should thank the Secretary-General and ACC, take note of the report and wish the Secretary-General, ACC, and the Inter-Agency Committee success in their new endeavour.

52. Mr. BOUATTURA (Algeria) said that, like other representatives, he wished to express his appreciation of the Secretary-General's report. The problem was one that concerned all countries and especially the developing countries. There was a need not only for world peace but for the diversion of vast material, human and technical resources for the improvement of social and economic standards, especially in the most backward countries.

53. The very existence of so wide a gulf between the developed and the under-developed countries tended to create conditions leading to conflict. In order to bring about lasting peace, it was necessary to eliminate economic antagonisms and that could be achieved only by the mobilization of material, intellectual and technical resources and by a reduction in expenditure on armaments by the developed countries. As it was, the developing

countries had no direct means of persuading the Powers concerned to bring about general and complete disarmament.

54. The discussion had shown that there was a trend towards the resumption of the armaments race, as a result of which not only disarmament itself but the elimination of economic antagonisms would be delayed. It therefore seemed that, in the absence of prospects of achieving agreement, continued discussion of disarmament would merely add to the obstacles to the attainment of international economic justice. It was perhaps premature to consider the possibility of reversing priorities and of linking disarmament to economic development rather than economic development to disarmament. It was undeniable that priority had to be given to disarmament; the release of resources was largely dependent on an agreement on general and complete disarmament. That implied the convening of a world conference which should be attended, in particular, by those countries which had recently joined the ranks of the nuclear Powers, such as the People's Republic of China and France. Admittedly, the Moscow Treaty banning nuclear weapons tests in the atmosphere, in outer space and under water had constituted a useful starting point, and the hope which it had engendered had been reflected in the preamble to General Assembly resolution 1931 (XVIII) and in the text of General Principle Twelve of the United Nations Conference on Trade and Development.

55. He welcomed the fact that some great Powers had begun to take measures to limit armaments expenditure. Important studies had been made by the United Nations and the specialized agencies in connexion with the use of the resources to be released by disarmament and the suggestions made that a proportion of the resources so released should be placed at the disposal of the developing countries were encouraging; indeed, an actual percentage had been proposed.

56. So far as the demand for commodities was concerned, he thought that the major importers should provide information on how the trade would be affected during and after the transition period.

57. The Council would shortly be discussing the United Nations Development Decade and would no doubt be expressing its regret at the delay which had occurred. The developing countries would make the necessary efforts to remedy that state of affairs but he wondered whether it would not be possible for the leading nuclear Powers to divert part of their expenditure on armaments to assist in achieving the aims of the Decade.

58. Mr. ARKADYEV (Union of Soviet Socialist Republics) said he had understood the United Kingdom representative to say that the decision to help other countries was not necessarily dependent on national resources but was a political decision. Political decisions had, however, to be backed by material resources before they could be carried into effect. It seemed to him that there could be no doubt that, in the event of a unilateral reduction of military expenditure, more funds would become available to a country for assistance to other countries.

59. The United Kingdom representative had, however, touched on another aspect of the problem. If a disarmament agreement were ultimately reached, a proportion of savings from military appropriations could be released for assistance to developing countries on the more stable and wider basis of collective and negotiated action. No country could continue to disarm on a unilateral basis while others were building up their arsenals, but in the event of a world-wide disarmament agreement, all threats would disappear and a stable and abundant source of funds would become available.

60. Mr. AKWEI (Ghana) said he had also been struck by the United Kingdom representative's reference to the political nature of decisions to grant aid, but had interpreted it in a slightly different way from the USSR representative. The United Kingdom representative's point seemed to be that the granting of aid was not determined by the actual amount of resources released by disarmament, but that the proportion that would be used for that purpose might depend on political or humanitarian decisions. In his opinion, the implication that the funds thus released would not necessarily be devoted to the needs of developing countries ran counter to the spirit of the age and to the desires of most of the peoples of the world.

61. He had also been somewhat disturbed by the United Kingdom representative's inference that the funds initially released by disarmament would be devoted to the policing or supervision of the dismantling of stockpiled armaments. It might well be that some international control or distribution machinery should be established, but the funds required for that purpose should be relatively insignificant and should not limit the capacity of the developed countries to assist the developing countries.

62. Mr. WHYTE (United Kingdom) said he thought that the USSR representative might have misunderstood the purport of his delegation's statement concerning the manner in which decisions to undertake assistance programmes were made. In actual fact, economic, social, humanitarian and political factors all had a bearing on such decisions, with the result, in his own country's case, that assistance programmes were being operated at a higher level than would be warranted solely by reference to balance of payments considerations. The point his delegation wished to make was that the release of funds through disarmament did not automatically mean the immediate diversion of those funds for the use of the developing countries. A certain proportion might be required for such purposes as new international machinery following disarmament. It was nevertheless true that, where the distribution of funds was concerned, the four factors to which he had referred all played an important part, and the United Kingdom looked forward to the increased flexibility for decision-making that could result from the release of resources from disarmament and the possibility of increasing its aid to the developing countries as a result.

63. The PRESIDENT suggested that the general debate on item 6 should be closed and that draft resolutions on the subject should be considered at a later date.

It was so decided.

AGENDA ITEM 37

Financial Implications of Actions of the Council (E/4068, E/4082)

64. The PRESIDENT invited the Council to consider item 37 of the agenda on a preliminary basis.

65. Mr. de SEYNES (Under-Secretary for Economic and Social Affairs) said that the decision to deal with item 37 early in the session formed part of the Council's attempt to review its procedures so as to be in a better position to appreciate the financial implications of its decisions and recommendations. At the thirty-seventh session, members had stressed the need to examine the Council's programme in the context of a budget, while those finally responsible for the United Nations budget were increasingly of the opinion that the budget for economic and social activities should be examined against the background of a coherent programme. Unfortunately, the essential document — the one in which an attempt was made to relate the programme to the budget — was still before the Advisory Committee on Administrative and Budgetary Questions, but that body's conclusions and recommendations should be available shortly, and the Council could examine the financial implications of its actions more specifically in the light of that document. The sections of the 1966 budget estimates which concerned the Council were also under consideration by the Advisory Committee, which had not yet made known its views on the Secretary-General's proposals.

66. Those proposals were based on the fact that the last three financial years had been a period of austerity, during which the resources available had not been commensurate with the scale of the work programmes required by the decisions of various United Nations organs. The proposals had been made in the light of a management survey carried out in the Department of Economic and Social Affairs during the past two years by a specialized service of the United Nations Secretariat. The main conclusion of that survey was that there was no under-employment in the Department but that on the contrary its absorptive capacity had been taxed to the extreme limit, so that general measures of reinforcement were required. A modest expansion had been recommended for most units, with the exception of the industrial development section, where large-scale expansion was needed as the result of decisions taken by various organs and by the United Nations Conference on Trade and Development.

67. It should be borne in mind that the Secretary-General's proposals had been drawn up before the sessions of certain subsidiary bodies of the Council which had taken decisions with financial implications. The Council would undoubtedly wish to examine those implications, perhaps comparing them with expenditure in previous years.

68. To sum up, the Secretary-General's proposals for the 1966 budget estimates were designed to enable the Department of Economic and Social Affairs to make up for the years of austerity and to enable it to offer United Nations organs services of a standard closer to that expected of it. The Council would also have to consider

the new proposals in the light of the structure and resources of the budget.

69. Mr. KOTSCHNIG (United States of America) observed that it was obviously very important for the Council to be acquainted with the Secretary-General's budget estimates at the beginning of its session. As it considered the programme proposals of its subsidiary bodies, and formulated proposals of its own requiring additional funds, the Council needed to have the basic budget estimates of the Secretary-General in order to act with a sense of financial responsibility. In asking for their submission prior to the summer session, it had sought to avoid acting blindly and thus obliging delegations to reserve their positions on various programmes at the session end. Unfortunately, for reasons beyond the Council's control, the basic documents, and particularly annex III to document E/4070 which would give the financial implications of the Council's work programme in the economic, social and human rights fields, were not yet available. Moreover, although the Secretary-General's statement on the financial implications of actions of the Council (E/4082) contained summaries of action by the Council's subsidiary bodies, those summaries were very uneven, as some stated definite additional requirements, whereas others merely listed additional activities, without giving their financial implications.

70. It might therefore save time to adjourn the debate on the item until the necessary documents were available, since it would otherwise be difficult for governments to make firm commitments concerning programmes under consideration by the Council and its Committees.

71. Mr. VIAUD (France) said his delegation did not believe that the Council's action concerning the financial implications of its decisions should be motivated merely by a wish to reduce expenditure through juggling with Secretariat posts; the over-riding goal should be efficiency, and experience had shown that an international organization, like national administrations, must establish certain priorities. The best procedure from that point of view was to integrate budgets and programmes. It was the duty of the Council to advise the Second Committee of the General Assembly on economic activities and the Third Committee on social activities; it should, however, also advise the Fifth Committee on the financial implications of those activities and, for that purpose, it needed to co-operate closely with the Advisory Committee on Administrative and Budgetary Questions. But if its advice was to be effective, certain conditions had to be met.

72. In the first place, members of the Council must be jointly determined to bring order into the economic, social and human rights activities of the United Nations, on a long-term, not a short-term basis: the Council as a body must agree on a system of priorities, based on an accurate knowledge of available resources. Secondly, the Council must have adequate documentation at its disposal: it must be in a position to compare the budget estimates for the forthcoming year with the appropriations voted for the current year, not so much in budgetary, as in functional terms; in other words, in terms of the various categories of activity. Thirdly, work

programmes should as far as possible be removed from the restrictions imposed by the calendar; they might, for instance, be planned for two years ahead, the Council's views on the development of activities being taken into account by the budgetary activities not only in the budget for the forthcoming year, but in the budgets for the following two years. Fourthly, in order to maintain closer liaison with the Advisory Committee, the Chairman of that Committee might be invited to explain some of that body's views to the Council and perhaps to address the Co-ordination Committee on the budgetary aspects of the Council's work. Finally, it might be advisable for a small body to prepare documentation on financial implications for each summer session. Perhaps the Special Committee on Co-ordination could undertake the task; if any members felt that a more representative organ should be selected, his delegation would be prepared to make suggestions to that effect.

73. The Council should not limit its consideration of financial implications to those of decisions taken by the Council and its subsidiary organs. It should consider all expenditure connected with economic and social activities under the work programme. The documents available gave only a partial picture of that expenditure. They did not, for instance, mention expenditure on meetings; now that trade and development was taking up so much of the United Nations calendar, it might be in the interests of the Council to review the length and periodicity of meetings in accordance with General Assembly resolutions on the subject. The Secretariat had conscientiously fulfilled its obligations during the austerity period, and the Council should exercise a similar self-discipline and should refrain from adopting resolutions involving immediate increases in expenditure. In that connexion, he noted from the statement by the Secretary-General (E/4082, para. 6) that the 62 new posts recommended by him had been reduced to 50 by the Advisory Committee; it was now proposed to create 169 new posts to deal with new activities for industrial development. Those 219 posts represented 25 per cent of the staff of the Department, and the French delegation would be interested to know the views of the Advisory Committee on that proposal.

74. It was proposed that expenditure resulting from certain resolutions of the Commission on the Status of Women and the Population Commission should be met from technical assistance funds. His delegation was opposed to financing the activities of functional commissions by increasing the regular technical assistance budget, and considered that the necessary funds should be raised on a voluntary basis. Moreover, it reserved its position on the activities that the Secretariat had seen fit to undertake in pursuance of certain decisions of the Population Commission. It was also regrettable that more details were not given of the financial backing required by the Advisory Committee on Science and Technology; it was to be hoped that those details would be forthcoming, so that the Council could form an opinion on the possibility of action which would be of great value for economic and social development.

75. In conclusion, he hoped that further discussion of item 37 would not be postponed until the closing meetings

of the session. It would be advisable to have another debate in plenary and then to refer the item to the Co-ordination Committee for a more technical discussion of the problem of budget-programme integration.

76. Mr. ADIL (Pakistan) observed that, when the Co-ordination Committee had originally been established, some delegations had expressed the view that it should not be used to curtail the economic and social activities of the United Nations. Nevertheless, some decisions taken in the Council and its other committees had been modified in the Co-ordination Committee, thus leading to considerable confusion. Of course, no decisions could become final until the financial implications were known; but his delegation believed that resources should be found to implement all final decisions and was willing to support the Secretary-General's proposals concerning the resources required to carry out recommended programmes. He agreed with previous speakers that the item should be discussed further in the Co-ordination

Committee in the light of the comments made during the current debate.

77. Mr. de SEYNES (Under-Secretary for Economic and Social Affairs) said that to the best of his knowledge, the two essential documents to which he had referred in his earlier statement would be available by the end of the following week. With regard to the system of two-year programming mentioned by the French representative, the possibilities which he himself had suggested at the thirty-seventh session were still under consideration by administrative experts.

78. The PRESIDENT suggested that the Council should suspend its discussion on item 37 until the necessary documentation was available.

It was so decided.

The meeting rose at 6.15 p.m.