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REVIEW OF THE IMPLEMENTATION OF THE RECOMMENDATIONS AND DECISIONS
ADOPTED BY THE GENERAL ASSEMBLY AT ITS TENTH SPECIAL SESSION

Relationship between disarmament and development

Report of the Secretary-General

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* A/36/49, para. 18.

I. INTRODUCTION

1. At its thirty-sixth session, the General Assembly adopted resolution 36/92 G of 9 December 1981, entitled "Study on the relationship between disarmament and development", the operative part of which read as follows:

"The General Assembly,

...

"1. Welcomes with satisfaction the report of the Secretary-General and the study contained therein;

"2. Expresses its thanks to the Secretary-General and to the Ad Hoc Group on the Relationship between Disarmament and Development, as well as to the Governments, international organizations and non-governmental organizations that have rendered assistance in the preparation of the report;

"3. Commends the report, its conclusions and recommendations to the attention of all Member States;

"4. Requests the Secretary-General to make the necessary arrangements for the reproduction of the report as a United Nations publication and to give it the widest possible distribution;

"5. Invites all Member States to inform the Secretary-General, no later than 15 April 1982, of their views regarding the report and, in particular, its recommendations;

"6. Decides to transmit the report to the General Assembly at its second special session devoted to disarmament for its substantive consideration and appropriate action;

"7. Requests the Secretary-General to transmit the report to the Committee on Disarmament and recommends that it be taken into account in future disarmament negotiations;

"8. Notes with appreciation that arrangements have been made for the preparation of a short version of the report aimed at a mass audience;

"9. Recommends to all Governments the widest possible distribution of the report, including, where appropriate, its translation into their national languages, so as to acquaint public opinion in their countries with its content, and invites specialized agencies and national and non-governmental organizations to use their facilities to make the report widely known."

2. Pursuant to paragraph 5 of resolution 36/92 G, the Secretary-General submits herewith the replies received from Member States concerning their views regarding the report and, in particular, its recommendations.

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II. REPLIES RECEIVED FROM GOVERNMENTS

AUSTRIA

[Original: English]

[9 April 1982]

1. Austria welcomes the study on the relationship between disarmament and development (A/36/356). This most comprehensive research effort so far undertaken in the field of disarmament fulfils the highest demands to be made on study activities of the United Nations. It offers an in-depth analysis of the various aspects of the relationship between disarmament and development and contains an impressive array of data on the current utilization of resources for military purposes and on future perspectives. Its treatment of conversion problems and of possible institutional measures for the reallocation of resources prepares the ground for future efforts in these areas. The realistic and useful recommendations of the Group of Governmental Experts provide the basis for practical follow-up measures of Governments and the United Nations.

2. Earlier work on the relationship between disarmament and development has focused on the contrast between the vast resources used for military purposes and the unmet needs of large segments of the world's population. From this discrepancy arose a strong moral appeal for a reordering of priorities and a reallocation of resources. The present study confirms the validity of this argument and offers abundant data to support it. But its analysis of disarmament and development in terms of a broad concept of international security sheds light on several other important aspects of the relationship. Thus, the Group elaborated the increasingly competitive relationship between the arms race and development at a time of slowing economic growth rates, resource scarcities, severe ecological stress and a growing world population. It outlined the dimensions of economic interdependence and demonstrated that insufficient development and its consequences, regional crisis and East-West confrontation in the third world, are becoming a major threat to international security. In sum, the study makes a convincing case for the necessity of ending the arms race as an essential prerequisite for the co-operative management of interdependence in the interest of enduring global development.

3. The comprehensive assessment of the amount of labour, industrial and research capacity, raw materials and land currently used for military purposes and of the magnitude of the international trade of arms and military expenditures provides valuable new data on the vast amount of resources claimed by military activities. Because of a lack of pertinent information the Group did not, however, entirely succeed in establishing a reliable data base. Austria believes that an increased flow of information on resource allocation and expenditures in the military field will be essential to increase public awareness of the social and economic costs of the arms race and to strengthen support for disarmament. Since misperceptions of the military capabilities of States have often in the past contributed to an acceleration of the arms build-up, greater openness in this area could dampen the arms race, build confidence and enhance prospects for disarmament agreements. Improved information is, finally, a prerequisite for any rational planning for a

reallocation of military resources to development purposes. Austria therefore supports the Group's recommendation for a fuller and more systematic compilation and dissemination of data on the military use of human and material resources and military transfers.

4. The Group's evaluation of the economic impact of the arms race, of the implications of its continuation and the potential benefits of disarmament goes well beyond previous studies of these issues. Building on the extensive body of research commissioned by the Group and using a more quantitative approach than previous studies, the experts effectively refute the widespread beliefs concerning the presumed positive effects of military efforts on economic development. They demonstrate the relative inefficiency of military expenditures compared to civilian outlays in terms of creating employment and maintaining monetary stability, the negative effect of the prevailing concentration of research and development efforts in the area of military technology and the particularly high opportunity costs of the arms race for developing countries. The projections of future economic prospects in the event of an unabated arms race and, conversely, in the case of a successful disarmament process clearly show the alternatives facing the international community. A continuation of present trends would mean slower economic growth, greater instability and an even sharper polarization of wealth and poverty. Progress towards disarmament would, on the other hand, provide significant economic benefits for all regions in the world and enhance prospects for mutually advantageous co-operation and the establishment of a more equitable international economic order. Austria supports the widest possible publication of the findings of the Group of Governmental Experts, as well as the carrying out of additional research on these questions on both national and international levels.

5. The study, further, contains a detailed discussion of the potential and modalities of the conversion of military resources to civilian purposes and of possible international institutional arrangements for the reallocation of these resources (in particular, the possible establishment of an international fund for development). As concrete action in those areas would presuppose substantial progress in the disarmament process, Austria is, in the light of the present international climate, not optimistic about the chances for an early implementation of these ideas. Nevertheless, Austria agrees with the Group that continued study and considerations of conversion and redeployment issues can prove useful in gaining public support for a reordering of priorities and in laying the groundwork for disarmament.

6. Austria, finally, supports the Group's recommendation that the disarmament-development perspective be incorporated in a concrete and practical manner in the programmes and activities of the United Nations system.

BRAZIL

[Original: English]
[19 April 1982]

1. The Government of Brazil considers the military production of the super-Powers to be a waste of material and human resources which, far from contributing to the security of peoples, represents an ever-growing threat to international peace. Brazil has more than once expressed its concern with the level of military expenditures reached by the super-Powers. The head of the Brazilian delegation referred specifically to this problem in his speech at the opening of the thirty-sixth session of the General Assembly, when he stated that "hundreds of billions are spent on activities which are, at best, unproductive. International co-operation to improve living conditions and to create a more equitable international society receives a lesser priority, as if the problems of development should, or even could, wait for a better opportunity" (A/36/PV.5, p. 3).

2. We hope, therefore, that the second special session of the General Assembly devoted to disarmament proceeds with a detailed analysis of the conclusions and recommendations of the study that had been requested by the Assembly at the first special session devoted to disarmament (resolution S-10/2, para. 94) on the relationship between disarmament and development. We contributed to that study and it has our support. Brazil co-sponsored Assembly resolution 36/92 G on the understanding that the analysis would be promptly undertaken.

3. The study, which puts into high relief the grotesque disparity between the huge military product of some developed States and the virtual insignificance and dependence of the rest of the world in the field of arms manufacture, should serve, in the opinion of the Brazilian Government, to promote first and foremost the idea enshrined in the Final Document of the Tenth Special Session of the General Assembly that resources released through the process of disarmament should be allocated to economic and social development in developing countries.

4. We sincerely hope that the second special session devoted to disarmament may render it possible to translate into practical and efficient measures the study's proposition that economic and social dividends derived from disarmament can benefit both developed and developing countries.

BULGARIA

[Original: Russian]
[2 April 1982]

1. The People's Republic of Bulgaria actively and consistently supports all measures designed to attain the basic objectives of the international community, the maintenance of peace and international security and the strengthening of peaceful international co-operation. On the basis of the principle that the

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defence of peace is the most vital task of all nations of the world, Bulgaria steadfastly advocates action to restrain and halt the arms race and to promote disarmament. It is also guided by the firm conviction that disarmament and arms limitation, especially in the nuclear field, constitute vital prerequisites for the economic and social progress of all nations.

2. In the view of Bulgaria, the arms race not only adversely affects political relations between States but also places a heavy burden on the economy of all States. In addition, the arms race absorbs an ever-increasing share of the world's material and intellectual resources, and further hampers, or even renders impossible, the solution of the complex problems associated with economic development. The continuation of the arms race greatly impedes the solving of global problems of mankind - problems of ever-increasing urgency - such as the reduction of the gap in the levels of economic development of different countries and regions; the maintenance of a reliable supply of raw materials, food-stuffs and energy; the efficient utilization of ocean resources; the conquest of outer space; the safeguarding of public health; and the protection of the environment.

3. Bulgaria is firmly convinced of the direct and close link between the struggle for peace, security and disarmament, on the one hand, and the problems of development on the other. In this connexion, Bulgaria attaches value to the report of the Secretary-General entitled "Study on the relationship between disarmament and development" (A/36/356). This study is particularly appropriate in the context of preparations for the second special session of the General Assembly devoted to disarmament.

4. The conclusions of the study rightly emphasize that the arms race is incompatible with the objectives of a new international economic order (A/36/356, para. 400) and that the resources released as a result of curbing the arms race and adopting practical disarmament measures could be used to enhance national well-being, to improve economic conditions in developing countries, to combat inflation and mass unemployment in some countries and to raise economic growth rates in all countries.

5. At the same time, the report underestimates the significance of certain previously concluded agreements on curbing the arms race, especially in the field of strategic weapons.

6. In the view of Bulgaria, the establishment of an international disarmament fund for development would make sense only if it were made contingent upon genuine reductions in the military budgets of States, especially the permanent members of the Security Council. In this regard, the simplest and most reliable means of ensuring additional resources for development assistance would be the reduction of military budgets. The relevant proposals to this end have already been adopted by the United Nations. The well-known proposals advanced by the Socialist countries for a reduction in military budgets in either relative or absolute terms, or for the freezing of military budgets, would provide a sound basis for the adoption of practical measures. To achieve that objective, however, other States Members of the United Nations which possess substantial economic and military potential, including permanent members of the Security Council, must show political will.

7. Bulgaria does not share the view that the absence of information on the military efforts of States is one of the basic factors contributing to the arms race, nor does it agree with the positive assessment of the efforts undertaken by the United Nations to establish accounting standards for military budgets. Such assessments and recommendations with regard to a fuller compilation and dissemination of data on the cost of States' military preparations and the military use of human and material resources usually conceal the true reason for continuing the arms race, which is the absence of political will on the part of some States for the adoption of genuine disarmament measures.

8. Bulgaria is convinced that the gathering of additional information on States' military expenditures, the elaboration of a system for comparing such expenditures and the devising of various accounting methods bear no relation to reality. Such an approach makes it impossible to solve the problem of reducing military budgets, a problem which must be solved in order to release, eventually, additional resources for development.

BYELORUSSIAN SOVIET SOCIALIST REPUBLIC

[Original: Russian]

[21 April 1982]

1. Motivated by its firm conviction that curbing the arms race and bringing about disarmament constitute a global problem of prime importance, the Byelorussian Soviet Socialist Republic considers that action in this area is the key to international security, important to the economic and social development of all States, and an indispensable prerequisite to solving other global problems, such as how to close the gap between different countries' levels of economic development, or how to protect the environment. The Byelorussian SSR reaffirms its attitude towards the study on the relationship between disarmament and development (A/36/356) and the conclusions and recommendations it contains, as set forth in the joint statement by a number of States from the socialist community, delivered on their behalf by the delegation of the Polish People's Republic in the First Committee at the thirty-sixth session of the General Assembly on 24 November 1981 (A/C.1/36/PV.42).

2. There exists a close relationship between disarmament and development. The Byelorussian SSR endorses the conclusions of the study to the effect that disarmament can and must contribute effectively to the restructuring of international economic relations on a just and democratic basis and the establishment of a new international economic order, inter alia by diverting resources from military ends to development, particularly in the developing countries.

3. The concrete and realistic initiatives taken in this connexion by the Soviet Union are well known. The apportionment of whatever resources are earmarked for developing countries should be made on a just basis, taking into account recipient countries' most pressing needs and requirements without discrimination of any kind. An ad hoc committee on resource apportionment might be created for that purpose.

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4. At the same time it should be pointed out that the study underestimates the value of certain previous agreements on limiting the arms race, particularly in the case of strategic weapons.
5. In connexion with the proposal to establish an international disarmament fund for development, it should be stressed that the creation of any such mechanism within the United Nations to finance the development process would make sense only if associated with genuine reductions in States' military budgets. At the same time, the simplest and most effective means of providing development assistance is to reduce military budgets. Corresponding initiatives by the countries of the socialist community have already been endorsed by the General Assembly. The socialist States' flexible approach in presenting concrete and realistic proposals, their willingness to accept cuts in military budgets in either percentage or absolute terms and to agree to a freeze on military budgets as a first step towards the attainment of this goal constitute an excellent foundation for practical measures. Yet the chief prerequisite for success in this area is unquestionably the existence of political will on the part of other militarily important States, including States permanent members of the Security Council.
6. In view of this, it would appear that the recommendations made in the study regarding, for instance, the collection of additional information on States' military outlays and the development of different accounting methods, are divorced from reality; the assessment of the importance of this factor provided in the study overshadows the true cause of the arms race, to wit certain States' lack of political will to take real steps towards disarmament, and thereby serves to conceal their reluctance to agree to cuts in their military budgets.
7. In view of the above, the basic conclusion of the study, namely that an unchecked continuation of the arms race is incompatible with deliberate and planned progress towards more stable, balanced socio-economic development within the framework of a just international economic and political order, is of exceptional importance.
8. The Byelorussian SSR, together with other States of the socialist community, is motivated by a sense of historical optimism and a conviction that mankind has enough common sense and political will to prevent the uncontrolled growth of the arms race, to succeed in curbing it and achieving disarmament, and to preserve and strengthen the peace.

CANADA

[Original: English]

[28 April 1982]

1. The main value of the study on the relationship between disarmament and development (A/36/356) is, in Canada's view, that it has emphasized the economic motivation for disarmament. It has added another nail to the coffin of the myth that military expenditures are of net benefit to society. It is now generally

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accepted that the same expenditures, if devoted to non-military purposes, would produce increased benefits both in material wealth and in employment. This message must be expounded, illustrated and constantly repeated.

2. This message, however, is only one of the means to an end, that end being a revolution in man's behaviour which, from the beginning of history, has been to search for security through armaments. Security is man's common goal, as it should be, but in its attainment, it has become another man's - or another State's - insecurity.

3. However, the level of a State's security must be the main criterion against which efforts for disarmament must be measured, not its level of economic gain. The economic well-being of a State is indeed one aspect of its security, and there has begun to develop a much wider view of how improved international economic co-operation for development could contribute to security and gradually reduce tensions.

4. But security is still seen mainly in terms of military strength. It is Canada's view that security must also be sought after by means of negotiating specific and verifiable agreements to control and/or reduce the level of armaments. If an undiminished level of international security can be attained at lower levels of armaments and expenditures, the minimum objective of disarmament can be said to be achieved. The economic benefits of such an achievement would be immense, as this study well shows. Security, however, is the touchstone.

5. The following views of the Canadian Government are directed specifically to the nine recommendations of the study. Generally speaking, Canada is pleased with the report, and is satisfied at having participated in the study, both by financing two research projects, and by being represented in the Group of Governmental Experts. The Canadian Government hopes that the thoughts included in the report and some of the most useful commissioned studies will be widely disseminated and will receive serious consideration, and is pleased to have arranged for the writing of a popular version of the report, to promote this dissemination and consideration.

6. Recommendation 1 of the Group of Governmental Experts (A/36/356, para. 426) reads, in part, as follows:

"Accordingly, the Group recommends that all Governments, but particularly those of the major military Powers, should prepare assessments of the nature and magnitude of the short and long-term economic and social costs attributable to their military preparations so that their general public be informed of them."

7. Both research projects financed by the Canadian Government for the study are related to this recommendation, and one of them ("The Utilization of Resources for Military Purposes in Canada and the Impact on Canadian Industrialization and Defence Procurement") is directly related to it. It is the Canadian Government's view that such research projects, done by someone having no connexion with the Government or with activities which might be construed as being "anti-disarmament", are likely to be viewed with fewer reservations than one prepared by the Government

itself. This project, and the popular version of the final report, should serve to inform the Canadian public of the short- and long-term economic and social costs attributable to Canadian military activities, as is recommended.

8. Annually, the Canadian Department of National Defence presents estimates of the following year's expenditures, and the Standing Committee on External Affairs and National Defence of the House of Commons has an opportunity to question the Minister of National Defence, in a number of public hearings, on any aspect of the estimates it wishes. In addition, the Department of National Defence publishes a detailed annual report of its operations, command structure and activities, all its significant programmes, and a summary of its estimates and expenditures. A detailed account of its expenditures is published in the Public Accounts of Canada, which is reviewed in detail, also in public hearings, by the Public Accounts Committee. Both the estimates and expenditures are published and available to the public.

9. The Canadian authorities will be interested in learning what the Soviet Government and other Warsaw Pact Governments tell their publics about the costs of their military activities.

10. Recommendation 2 concludes with the following sentence:

"The Group recommends that Governments urgently undertake studies to identify and to publicize the benefits that would be derived from the reallocation of military resources in a balanced and verifiable manner, to address economic and social problems at the national level and to contribute towards reducing the gap in income that currently divides the industrialized nations from the developing world and establishing a new international economic order."

11. In the present international atmosphere, because significant disarmament seems unlikely in the short term, the Canadian authorities see value in giving priority to the publication of studies which have already been written on the subject of reallocating military resources to address economic and social problems.

12. Recommendation 3 concludes as follows:

"In order to fill the above-mentioned major gaps in the existing data, the Group therefore recommends a fuller and more systematic compilation and dissemination by Governments of data on the military use of human and material resources and military transfers, taking into account the needs of the United Nations in terms of the above resolution."

13. The Canadian Government whole-heartedly supports the spirit and the letter of recommendation 3, and can point to concrete action on its part as proof of this support. Each year, detailed information is published concerning Canada's military expenditures. It would be difficult for any country to use the low degree of secrecy which exists in the Canadian defence budgetary area as a pretext for its own arms build-up.

14. Believing that efforts to reach effective and verifiable agreements on the multilateral reduction of military budgets could bear fruit if sufficient statistics from all countries were available, Canada supported the United Nations studies in this area. From the first test run onward, the Canadian Department of National Defence has expended considerable effort to adapt its cost figures to fit the format of the reporting instrument developed by the Group of Governmental Experts conducting the study. However, the Canadian Government has been disappointed, although not surprised, that not one country from the Warsaw Pact has apparently made any effort to shed more light on its military accounts for international examination. In the light of past calls from the Soviet Union to reduce military budgets, it is therefore difficult to view these calls as anything more than empty gestures for propaganda effect. These calls appear all the more hypocritical when judged against estimates of Soviet expenditures by recognized neutral and objective organizations such as the Stockholm International Peace Research Institute (SIPRI), estimates which show a steady increase in military expenditures during the 1970s, whereas some significant Western States' defence budgets actually decreased. The Warsaw Pact States' total military spending is estimated as having increased, from 1971 to 1980, by 16.3 per cent, whereas, over an equivalent period, the total military spending of the member States of the North Atlantic Treaty Organization (NATO) increased by 3.6 per cent.

15. Therefore, the Canadian Government sees recommendation 3 as being directed, for the most part, to closed societies, particularly those in the Warsaw Pact. For its part, the Canadian Government cannot commit itself to continue indefinitely completing the reporting instrument unless it can see that (a) there is some sign of reciprocity from the States of the Warsaw Pact, or (b) the Canadian effort advances in some other way the efforts of the United Nations and the States which have participated towards effective and verifiable agreements in this area.

16. Recommendation 4 contains the following statement:

"The Group recommends that the disarmament-development perspective elaborated in this report be incorporated in a concrete and practical way in the ongoing activities of the United Nations system."

17. The Canadian Government has no objection in principle to recommendation 4 and supports it inasmuch as the means of its implementation are indeed "concrete and practical", and proper use is made of the Centre for Disarmament for technical and political guidance and co-ordination. Canada sees a danger in this recommendation in the temptation for agencies specializing in areas other than disarmament to simplify the issues involved and, by doing so, to distort the "disarmament-development perspective". There is also the danger that, if the means of implementing this recommendation remains at the level of general statements, this could constitute the inclusion of political considerations in the deliberations of United Nations agencies and technical bodies. The Canadian Government has long made abundantly clear in the specialized agencies and other technical bodies that it does not accept the inclusion of political considerations in their deliberations and decisions. The reasoning behind this position is straightforward. If the United Nations system is to respond to the expectations of Member States, it must be functional and efficient. Each component of the system must adhere strictly to

its mandate and must respect the division of labour on which the system is predicated. To act otherwise could result only in growing dissatisfaction on the part of Member States and the world community with a system on which so many hopes and expectations are founded. Therefore Canada cannot accept the increasing tendency in United Nations agencies to divert scarce resources to non-productive debates and activities when there is so much of critical practical importance to be done around the world within the technical mandates of all of them, from nuclear and trade matters to health and agriculture.

18. Although this type of activity is presumably not what is meant by recommendation 4, the principle to be drawn is that the agencies concerned must treat the disarmament/development issue with the balance and objectivity it deserves.

19. Recommendation 5 states, in part:

"The Group recommends that Governments create the necessary prerequisites, including preparations and, where appropriate, planning, to facilitate the conversion of resources freed by disarmament measures to civilian purposes, especially to meet urgent economic and social needs, in particular, in the developing countries."

20. The Canadian Government agrees with the spirit of recommendation 5, and will be alert to a change in attitudes which will allow progress in the major issues under negotiation or which should be, to obtain maximum notice that reductions in military expenditures may be possible. In the meantime, it is considered that, the main conclusions of the two major Canadian studies regarding the economic effects of disarmament in Canada are relevant. These studies ("The Canadian Economy and Disarmament by Gideon Rosenbluth, 1978, and "The Impact of Disarmament on the Canadian Economy" by J.-T. Vernard and M. Truchon, 1980) conclude that, generally speaking, the military industrial sector being relatively small, in percentage and absolute terms, "the dimensions of the problems of aggregate demand and adjustment are not great ..." (Rosenbluth). None the less, specific industries could be seriously affected, and conversion planning could be useful in overcoming concerns of the people in these industries.

21. Efforts will be made to retain whatever principles were shown to be of value during the sharp and sudden disarmament process experienced after the Second World War and to learn from other experiences, where relevant.

22. Recommendation 6 contains the statement:

"The Group therefore recommends that Governments consider making the results of experiences and preparations in their respective countries available by submitting reports from time to time to the General Assembly on possible solutions to conversion problems."

23. The Canadian Government will endeavour to make available to the General Assembly any relevant information in these areas which might be useful to other Governments.

24. Recommendation 7 concludes as follows:

"The Group recommends that further consideration be given to establishing an international disarmament fund for development and that the administrative and technical modalities of such a fund be further investigated by the United Nations with due regard to the capabilities of the agencies and institutions currently responsible for the international transfer of resources."

25. Although the Canadian Government agrees that the disarmament dividend approach is the most feasible of the various options examined, it considers that the likelihood of a separate disarmament fund for development, which is being established, is remote, at least for the foreseeable future. Whereas savings of public expenditures resulting from disarmament would undoubtedly allow for greater resources to be made available for purposes of official development assistance, very few Governments, if any, are prepared to commit such resources in advance, especially in a period of global economic austerity. Further, any excessive stress on the idea of a deceptively simple "transfer" of financial resources from military to development purposes could serve to obscure the more significant aspects of global efficiency and economic co-operation for development which the Group's report has begun to illuminate. It is therefore suggested that an informal sounding be made of those Governments which would be the major potential contributors to such a fund. If the results are negative, it would not appear useful to investigate, at present, the technical modalities of such a fund.

26. Recommendation 8 reads, in part:

"... the Group recommends that the Secretary-General take appropriate action, through the existing interagency consultative mechanism of the Administrative Committee on Co-ordination, to foster and co-ordinate the incorporation of the disarmament and development perspective in the programmes and activities of the United Nations system."

27. The Canadian Government fully supports the principle of co-ordination when fostering the disarmament and development perspective in the programmes and activities of the United Nations system.

28. Recommendation 9 contains the following statement:

"The Group further recommends that the Department of Public Information and other relevant United Nations organs and agencies, while continuing to emphasize the danger of war - particularly nuclear war - should give increased emphasis in their disarmament-related public information and education activities to the social and economic consequences of the arms race and to the corresponding benefits of disarmament."

29. This recommendation is also supported by the Government of Canada. There is a disturbing and long-lasting tendency to view the concept of security in its narrowest sense, and to concentrate on raising the level of military strength without fully realizing the negative effects on social and economic security. It is therefore suggested that, while increasing the emphasis on the social and

economic consequences of the arms race, the motive of positive self-interest be used by also emphasizing the benefits which would result for those States reducing military expenditures themselves. If these benefits were clear and convincing, there would be more pressure on Governments to view security in its larger sense, and to moderate military spending.

30. However, if this kind of process is to achieve practical impact in allowing all Governments to reduce the priority they now place on military aspects of security, it obviously must be a mutual and balanced process. In this light, the Canadian authorities and public would welcome some indication that the message is also being heard directly by the populations of closed societies and that they will be able to influence the priorities of their Governments.

CUBA

[Original: Spanish]

[14 April 1982]

1. Similarly, the Government of the Republic of Cuba believes, and has so stated at the United Nations and in other international forums, that there is a close relationship between disarmament and development; this ultimately means that there will be no peace without development nor development, without peace.
2. During his statement as Chairman of the Movement of Non-Aligned Countries at the thirty-fourth session of the General Assembly, in analysing these questions, the President of the Councils of State and of Government of the Republic of Cuba, proposed the creation of a supplementary flow of resources of no less than \$US 300 billion in the form of soft, long-term and low-interest credits in order to contribute to the financing of the development of the developing countries over a 10-year period, and stressed at that time that, if we want peace, these resources are required and that, if there are no resources for development, there will be no peace.
3. In September 1981, while inaugurating the 68th Inter-Parliamentary Conference, held in Havana, the Cuban President said that "We have insisted countless times that at the heart of the problem of peace, which is a cardinal concern of all peoples of the world, is the economic and social injustice which reigns on our planet and that there will be no solution to the tensions, contradictions and political conflicts which threaten and disturb international relations as long as the world does not have an economic order which is new and which promotes the integral development of peoples and reduces inequality among nations".
4. Opening the tenth World Trade Union Congress, held in Havana in February 1982, the highest official of the Cuban Government repeated the idea upheld by the Republic of Cuba, stating that "the arms race not only poses a threat to world peace by increasing the risk that a war could lead to the end of mankind, but also creates unstable and unusual circumstances in which it is not possible to counteract the tragic and overwhelming problems deriving from underdevelopment or to make progress in achieving the rights and demands of workers in the industrialized countries".

5. The Government of Cuba believes that the report prepared by the Group of Governmental Experts on the Relationship between Disarmament and Development is a serious and profound study which demonstrates in a general way how human and material resources which are currently being spent on the arms race could be diverted to peaceful purposes and contribute to the economic and social development of peoples, particularly in the developing countries, and also make it possible to implement the new international economic order.

6. Nevertheless, without prejudging the advisability and feasibility of establishing an international disarmament fund for development, a matter which should be discussed within the context of the existing United Nations structures for development co-operation, the Government of Cuba believes that many of the recommendations made by the Group concern practical measures to allow the funds which are currently being spent on the arms race to be reallocated to economic and social development.

7. It is obvious that such measures must be only suggestions now, since the possibility of their implementation by Governments requires the sine qua non of the end of the arms race, together with a climate of confidence and international tranquility.

8. Under these circumstances, the Government of Cuba believes that the report submitted by the Group of Governmental Experts can contribute in a significant way to mobilizing public opinion in order to create a better understanding of the problems involved in the arms race and, as a consequence, to make possible a demonstration by Governments of the necessary political will to end the arms race.

HUNGARY

[Original: English]

[11 May 1982]

1. The Government of the Hungarian People's Republic considers that the study on the relationship between disarmament and development (A/36/356) is of extremely topical interest, particularly in view of the imperialist endeavours to obtain military superiority and to step up the arms race. It focuses attention on the dangers and damage caused by the arms race and on the possibilities and advantages that would be afforded by the redeployment of military resources for purposes of economic and social development, with particular emphasis on the concerns of developing countries. Furthermore, the study is a noteworthy contribution to the preparations for the second special session of the General Assembly devoted to disarmament.

2. The Government of Hungary appreciates the fact that the study, unlike similar documents which treated the question of disarmament and development in isolation or merely referred to the linkages between them, is the first analysis to have attempted an organic interconnexion of the two areas. While earlier analyses discussed several important aspects of disarmament and development from a predominantly financial point of view, the present study has undertaken an

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appraisal of the impact which the arms race is making, in terms of human and material values, on development, particularly as regards the squandering of non-renewable raw-material resources. In the light of the study of these aspects, the report clearly demonstrates the senselessness of the arms race, the danger inherent in the immense stockpiling of weapons, particularly nuclear weapons, and the irreparable damage caused by the arms race to the economic and social development of countries and to the international situation. It adduces appropriate arguments in support of the statement that conversion of military resources to peaceful uses is both possible and necessary.

3. At the same time, the study would have arrived at more convincing conclusions if it had reflected more fully the close relationship between development and the strengthening of international peace and security, on the one hand, and efforts to promote disarmament, on the other; if it had expressed more clearly the need to eliminate the vestiges of colonialism and to abandon neo-colonialist and imperialist political practices in order to ensure smooth economic and social development in developing countries; and if it had emphasized more strongly the necessity of socio-political change also in developing countries. All these ideas are embodied in United Nations documents such as the Charter of Economic Rights and Duties of States (General Assembly resolution 3281 (XXIX)), the International Development Strategy for the Third United Nations Development Decade (General Assembly resolution 35/56, annex) and the Declaration on the Establishment of a New International Economic Order (General Assembly resolution 3201 (S-VI)).

4. The value of the study would have been increased by an analysis of the interrelationship between the losses suffered by developing countries in consequence of the worsening terms of trade and the intensifying practice of protectionist economic policy in some capitalist countries. These phenomena should be examined in the context of unfavourable processes released by the aggressive policy of extremist circles in the international situation. This is another form of the same policy course which is afflicting East-West trade, and it is correctly pointed out in the report that some industrially developed countries seek to subordinate their external economic policies to the attainment of military and political goals.

5. A deficiency of the report consists in its failure to make an appropriate distinction between the concepts of the world's two differing socio-economic systems regarding the need for increased economic assistance to developing countries. The efforts of the member countries of the Council for Mutual Economic Assistance to contribute, through provision of economic assistance to developing countries, to the attainment of their economic independence, the liquidation of colonial vestiges, the evening out of discrepancies in levels of economic development, the achievement of full employment and the solution of the food problem in those countries are not adequately reflected in the report. In the absence of a comprehensive in-depth analysis, the statements on the economic development of socialist countries present a distorted picture of the economies of those countries both with respect to the present situation and the prospects for the future.

6. In spite of these failings, the report on the relationship between disarmament and development may play an important part in the mobilization of world public opinion against the arms race and for the peaceful uses of military resources to the benefit of individual countries and the whole of mankind, endeavours which the Government of Hungary supports and wishes to promote through its foreign policies.

JAPAN

[Original: English]

[22 April 1982]

1. The Government of Japan fully recognizes the importance of the relationship between disarmament and development.

2. The Prime Minister of Japan, Mr. Zenko Suzuki, in his policy speech last January at the National Diet, stated that disarmament and arms control are issues on which the whole world should work together, and that true peace will be unattainable unless the resource surpluses resulting from such efforts are effectively channelled to co-operation with developing countries and to the development of the world economy.

3. The Government of Japan notes that the report of the Secretary-General entitled "Study on the relationship between disarmament and development" (A/36/356) is the result of more than three years' hard work by experts from various countries and the Centre for Disarmament, and would like to pay most sincere tribute to them for this outstanding work.

4. While the report contains a number of useful suggestions, the Government of Japan considers that various matters involved require further study in greater depth. It also considers that, in tackling this matter, it is desirable to push ahead with (a) the effort to promote understanding with regard to the economic implications of the arms race and disarmament, as pointed out in the report; (b) the collection and dissemination of information relating to military matters, a prerequisite in considering the relationship between disarmament and development; and (c) studies on institutional arrangements for a reallocation of the resource surpluses which will result from disarmament and arms control.

MEXICO

[Original: Spanish]

[30 April 1982]

I. BACKGROUND TO THE STUDY

1. The origin of the study on the relationship between disarmament and development (A/36/356) can be traced to General Assembly resolution 32/88 A of 12 December 1977, to document A/S-10/9 of 21 March 1978 and to Assembly resolution S-10/2 of 30 June 1978.

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A. Guidelines for the study

2. In the preparation of the study, the following guidelines were borne in mind:
- (a) That the study should be made in the context of the current disarmament situation and in the context of how disarmament could contribute to the establishment of a new international economic order;
 - (b) That the study should stress the importance of disarmament (a) for détente and international peace and security; and (b) for economic and social development and the promotion of international co-operation;
 - (c) That the study should serve as a basis for decisions on concrete actions to release real resources now being used for military purposes for economic and social development, particularly for the benefit of the developing countries;
 - (d) That the study should construct a reliable data base concerning the present-day utilization of material and human resources for military purposes.

B. Points considered by the Group of Governmental Experts

3. The Group of Governmental Experts considered the following points:
- (a) The disarmament approach of the industrialized countries. For the past 10 years, development assistance has been on the decline. The development process now involves basic structural changes (within and among States), such as more equitable income distribution, access to the means of production, greater participation by all social groups in decision-making, and progress towards the establishment of the new international economic order;
 - (b) The dynamic triangular interaction between disarmament, development and security. A new conceptual approach has been introduced: national security (not to mention international security) neither depends on nor is the same as military might; the risks to security may be aggravated by factors other than military threats, such as serious reductions in prospects for economic growth, environmental problems, the scarcity of resources, in particular, energy resources and non-renewable raw materials, the steep increase in the world's population, and the polarization between the rich and the poor;
 - (c) The arms race is incompatible with the objectives of the new international economic order;
 - (d) In international relations, there is a tendency to threaten or use military force as a response to non-military problems: for example, to ensure the supply of subsistence goods or of services necessary for the health and well-being of society;
 - (e) Military expenditure falls into the category of consumer expenditure. It is inflationary and reduces the investment capability. Accordingly, high and ever-increasing military expenditure tends to hamper economic development, divert productive investment and reduce productivity levels;

(f) It was impossible to secure a reliable data base concerning the utilization material and human resources for military purposes. Many countries, including some that are actively involved in the arms race, supplied limited and incomplete information;

(g) Between 5 and 6 per cent of the world's resources now go towards expenditure on armaments.

II. VIEWS

On the basis of the above, the Government of Mexico formulates its views as follows:

A. Recommendation 1

4. The Group recommends that all Governments, but particularly those of the major military Powers, should prepare assessments of the nature and magnitude of the short- and long-term economic and social costs attributable to their military preparations so that their general public may be informed of them.

5. The Government of Mexico supports this recommendation, inasmuch as the scarcity of data and figures regarding the economic and social costs of military activities, the potential benefits of resource reallocation and the military use of resources in general, and the resulting ignorance on these points are all factors that limit the scope for vigorous action by the general public against the arms race and in favour of disarmament. The arms race is causing an increasingly acute feeling of greater insecurity. A strong, health economy and an imaginative economic and social policy afford a sound basis for national security.

B. Recommendation 2

6. The Group recommends that Governments urgently undertake studies to identify and to publicize the benefits that would be derived from the reallocation of military resources in a balanced and verifiable manner, to address economic and social problems at the national level and to contribute towards reducing the gap in income that currently divides the industrialized nations from the developing world and establishing a new international economic order.

7. In fulfilment of the objectives of co-operation among States, the international community adopted by consensus United Nations resolutions on the establishment of the new international economic order and the respective Programme of Action. To the extent that the reallocation of military resources would contribute to the establishment of this new order, Mexico believes that studies on the reallocation of such resources deserve support.

C. Recommendation 3

8. In order to fill the major gaps in the existing data, the Group recommends a fuller and more systematic compilation and dissemination by Governments of data on the military use of human and material resources and military transfers, taking into account the needs of the United Nations in terms of General Assembly resolution 35/142 B.

9. This recommendation deserves support, because the secrecy and the lack of comprehensive and reliable data concerning military expenditure favour the arms race. On the other hand, data and figures would encourage national and international action for disarmament, as well as possible standardization in the preparation and reporting of budget statistics regarding military expenditure. In resolution 35/142 B, all States were requested to report their respective military expenditures to the United Nations.

D. Recommendation 4

10. The Group recommends that the disarmament-development perspective elaborated in the report be incorporated in a concrete and practical way in the ongoing activities of the United Nations system.

11. Information concerning the use of resources for military purposes, the study of the adverse effects of the arms race on the economy and on society, and the examination of conversion problems and possible methods of resource reallocation should remain an integral part of United Nations research, planning or educational programmes. The Group is to be commended on its suggestion that the Comprehensive Programme of Disarmament, now under negotiation in the Committee on Disarmament, should take account of the relationship between disarmament and development, and that the United Nations organs concerned with international development and with the International Development Strategy for the Third United Nations Development Decade, in particular, the United Nations Conference on Trade and Development, should give greater attention to the parameter of the allocation of resources for the military sector and its implications for development prospects. The United Nations Institute for Training and Research, the United Nations Institute for Disarmament Research and the Centre for Science and Technology for Development should also direct their activities on the basis of the General Assembly's guidelines for the preparation of the study on the relationship between disarmament and development. The United Nations Centre on Transnational Corporations could focus its attention on the anti-social impact of the role of transnational corporations in the production of and trade in arms.

E. Recommendation 5

12. The Group recommends that Governments create the necessary prerequisites, including preparations and, where appropriate, planning, to facilitate the conversion of resources freed by disarmament measures to civilian purposes, especially to meet urgent economic and social needs, in particular, in the

developing countries. Conversion will take place in the final stages of disarmament. Nevertheless, the recommendation on preparations for conversion is sound. The study itself and, in particular, the alternative uses of the resources freed will have a favourable impact on public opinion with regard to disarmament. It is essential to anticipate the extent and character of the conversion problems that will arise.

13. Preparation for conversion should be among the first steps on the road to disarmament.

F. Recommendation 6

14. The Group recommends that Governments consider making the results of experiences and preparations in their respective countries available by submitting reports from time to time to the General Assembly on possible solutions to conversion problems.

15. Mexico supports this recommendation. The fact that the General Assembly will be informed of and will discuss the experiences in and preparations for solving the problems of conversion in various countries will have a favourable effect on public opinion and will help to foster a propitious climate for disarmament.

G. Recommendation 7

16. The Group recommends that further consideration be given to establishing an international disarmament fund for development and that the administrative and technical modalities of such a fund be further investigated by the United Nations with due regard to the capabilities of the agencies and institutions currently responsible for the international transfer of resources.

17. In order for the benefits of disarmament to contribute to the development of the developing countries, changes in international economic relations are essential. An increase in the flows of capital to developing countries as grants or as financial assistance on concessional terms is of vital importance. The establishment of a special fund for development, to be financed from savings realized through the reduction of military budgets in the implementation of disarmament measures, from a levy on the arms trade or from voluntary contributions, would represent a direct institutional relationship between disarmament and development. The Group is therefore right in its opinion regarding the disarmament dividend approach to financing such a fund. That approach is in accord with the United Nations conception of disarmament and development.

H. Recommendation 8

18. The Group recommends that the Secretary-General take appropriate action, through the existing interagency consultative mechanism of the Administrative Committee on Co-ordination, to foster and co-ordinate the incorporation of the disarmament and development perspective in the programmes and activities of the United Nations system.

19. Mexico believes that the Group is correct in its view that the disarmament and development perspective has an international dimension that is both interdisciplinary and interdepartmental. The Group is also correct in its view that there is no centre in the United Nations system with full responsibility for a global focus on the diversity of issues involved in the important process whereby disarmament and development would together contribute to the establishment of the new international economic order. At present, the Centre for Disarmament and the Office of the Director-General for Development and International Economic Co-operation are the two bodies having lead functions in the fields of disarmament and development.

I. Recommendation 9

20. The Group recommends that the Department of Public Information and other relevant United Nations organs and agencies, while continuing to emphasize the danger of war - particularly nuclear war - should give increased emphasis in their disarmament-related public information and education activities to the social and economic consequences of the arms race and to the corresponding benefits of disarmament.

21. In Mexico's opinion, this is a sound recommendation. The mobilization of world public opinion on behalf of disarmament, for which the General Assembly has called, requires the submission of data, research, official reports and scientific publications on the relationship between disarmament and development, if that mobilization is to have an impact and contribute to the formation of well-informed public opinion on the dangers of the arms race, the benefits of disarmament and the need to promote and ultimately achieve disarmament. The communication of an awareness of the relationship between disarmament, development and security to as broad a public as possible is one responsibility of the international community. Co-operation with non-governmental organizations has proved valuable and should be encouraged and further developed.

NORWAY

[Original: English]

[16 April 1982]

1. In view of the fact that disarmament and development are two of the major challenges facing the global community, Norway has taken an active part in both initiating and implementing the United Nations study. In Norway's preparations for the first special session of the General Assembly devoted to disarmament, we recognized that there was a need for a study of how the release of resources through balanced, mutual and verifiable disarmament could contribute to economic and social development, particularly in the third world. This required an in-depth, forward-looking and policy-oriented report, which could be a basis for concrete decisions and follow-up by the United Nations.

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2. On this background,

(a) Norway was among the Nordic countries which in August 1977 presented the memorandum to the Preparatory Committee for the First Special Session of the General Assembly Devoted to Disarmament, proposing such a study (A/AC.187/80).

(b) Norway introduced, in the First Committee, the draft resolution which became General Assembly resolution 32/88 A.

(c) A Norwegian representative participated in the Ad Hoc Group of Governmental Experts which, in 1978, elaborated the framework and terms of reference for the study.

(d) A Norwegian representative took part in the Group of Governmental Experts which produced the report entitled "Study on the relationship between disarmament and development" (A/36/356) during the years 1978-1981.

(e) The Norwegian Government made a voluntary contribution to the disarmament project fund, which was established to finance research projects.

(f) Two Norwegian research projects, which were commissioned by the Group of Governmental Experts, were financed on a national basis. In addition, the Group financed three other research projects which were carried out in Norway. In total, five of the 40 projects were undertaken in Norway.

(g) The Norwegian Ministry of Foreign Affairs and the Norwegian Committee for Arms Control and Disarmament organized an international conference on disarmament and development in May 1980. ("The Sandefjord Report on Disarmament and Development", which was worked out on the basis of this international conference, has been given wide distribution in a number of countries.)

A. Analysis of the relationship between disarmament and development

3. Chapters II to V of the report analyse a broad range of questions relevant to an understanding of the relationship between disarmament and development. The Norwegian Government would, for its part, like to stress the importance of the following observations.

4. In considering the disarmament/development problem it is necessary to take a closer look at the triangular relationship between disarmament, development and security in the global context. Today, security must be viewed in a wider context where not only military strengths, but also economic and social conditions in the world community are of major importance for security. Development trends, such as the poorer prospects for growth in the world economy and the widening gap in economic levels between the developing countries and the industrialized countries, may affect the international situation in terms of security policy. Therefore, a balanced global economic growth, which is also able to contribute to solving the world's problem of poverty, will increase the possibilities of attaining global security arrangements beneficial to all countries.

5. The total global military expenditure equals about 6 per cent of world output. Although the global military expenditure's share of world output has fallen somewhat since the 1950s, military expenditure has increased both nominally and in real terms. Thus, in real terms this represents a fourfold escalation over the post-war period and in excess of a 25-fold escalation since the beginning of the century.
6. The overwhelming bulk of the global military production is undertaken by the industrialized countries. As an estimate, 5 per cent of the total military production comes from the developing countries. This is a much lower percentage than the developing countries' percentage of the total military expenditure (approximately 16 per cent).
7. Military industrial production lays claim to a number of different raw materials. In assessing this consumption, it is necessary to bear in mind the fact that it involves non-renewable resources which are thus largely used for non-productive purposes. The bulk of the military and civilian consumption of these raw materials occurs in the industrialized countries which are becoming increasingly dependent on imports from the developing countries.
8. The military consumption of resources is large and growing. The burden which this consumption of resources places on the economy is greater for the developing countries than for the industrialized countries. The military expenditure's percentage of the gross national product for the developing countries in recent years has been increasing, while the contrary has been the case for the industrialized countries.
9. The economic and social effects of the expenditure on defence are difficult to estimate. The individual countries' capacity to bear the defence expenditure seems to vary from country to country depending on the particular stage of development of the country and its general economic situation. For example, in a situation with idle production capacity, increased defence expenditure may have a positive effect on employment and the level of economic activity. In a corresponding situation, however, government expenditure for civilian purposes will by and large have a greater effect on employment than a corresponding increase in defence expenditure. Growth in the military sector does not help to solve social and economic problems in a global context.
10. Increased military expenditure, particularly with a rapid escalation of such expenditure, may contribute to accelerating increases in prices and costs. Increased military expenditure implies today an ever-higher demand for scarce resources, such as highly qualified manpower, strategic raw materials, and highly developed production equipment. In this connexion it is also an important factor that increases in prices for military products from several industrialized countries appear to be higher than increases in prices for civilian products. For many developing countries, the growing import of increasingly more costly arms and weapons systems means a considerable deterioration in the balance of payments.
11. Both directly and indirectly, military expenditure leads to employment. Nevertheless, various analyses which have been made seem to confirm that investment

for civilian purposes has a higher employment impact than military investment. This follows, among other things, from the fact that the arms industry is less labour-intensive than other industries.

12. Military expenditure appears to be a heavier economic burden for the developing countries than for the developed countries. In the case of the developing countries, high military expenditure will act as a brake on economic growth and fair distribution. On the other hand, disarmament measures could have a relatively more favourable effect on the developing countries than on the industrialized countries. This can be explained by the fact that the industrialized countries possess a broader economic base to support expenditure on defence. Moreover, the industrialized countries benefit from the export of arms to developing countries.

13. Conversion from military to civilian production through disarmament raises special problems. Conversion is, however, in principle, a process of adaptation and reorganization which modern industry must continually undergo in the light of altered market conditions and production methods. Experience of such adaptation and reorganization measures could be useful in the event of a transition from military to civilian production.

14. Conversion of this nature requires planning, steering and a certain amount of time. An important precondition, if such reorganization is to be successful, is that planning must be carried out in good time. Such planning is possible owing to the fact that the arms industry is often State-owned or, at any rate, to a certain extent State-run. Moreover, with a reasonable degree of certainty, the planning can start from the premise that a disarmament process will occur gradually, which facilitates conversion. Even so, disarmament measures may result in short-term problems, for example, as regards geographical location and employment. Some of the employees in military undertakings possess special skills which cannot necessarily be put to use in civilian production. Furthermore, the production equipment is often specialized.

15. As a result of disarmament measures, States are likely to face certain problems in the short term. Military demand will have to be superseded by other demands, for example, for civilian public consumption or for private consumption. The problems related to employment will be of particular importance. These must be solved by countermeasures implemented by the State. Such countermeasures may consist in retraining, social benefits and temporary employment schemes in the public sector.

16. These countermeasures must be implemented as an element in a carefully prepared public plan. The aim, in other words, should be to strengthen the national preparedness so that States, as far as possible, are equipped to deal with the situation which would arise if disarmament measures were introduced. In implementing international disarmament measures, it would most probably be an advantage if there were international co-operation on solving transitional problems of an economic and social character.

B. Follow-up of the study on the relationship between disarmament and development

17. In the Norwegian statement in the general debate of the First Committee during the thirty-sixth session of the General Assembly, it was stressed that Norway would participate actively in the follow-up of the study on the relationship between disarmament and development. This was also confirmed by the Norwegian Minister of Foreign Affairs in his foreign policy statement of 9 December 1981 to the Norwegian Parliament.

18. In the series Current Foreign Policy Issues, the Ministry of Foreign Affairs issued a summary in Norwegian of the report of the Group of Governmental Experts (A/36/356). This edition, which was published in October 1981, has been distributed to newspapers, schools, research institutes, etc., in Norway. The Ministry of Foreign Affairs will also publish a Norwegian edition of the popular version of the report.

19. In the view of the Norwegian Government, the nine recommendations contained in the report represent a good basis for the future work of the United Nations in the field of the relationship between disarmament and development. These recommendations are formulated as conclusions of the most comprehensive study undertaken by the United Nations in the field of the relationship between disarmament and development. They are based on both research and political considerations. However, some of the recommendations can only be implemented in a long-term perspective. An effective follow-up will require a strengthening of the staff of the United Nations, which can claim competence with regard to the relationship between disarmament and development. In particular, the role of the Disarmament Centre and the United Nations Institute for Disarmament Research in this field should be increased.

20. The Norwegian Government places special emphasis on the recommendation in the report which calls for fuller and more systematic compilation and dissemination of data on the military use of human and material resources and on military transfers. This recommendation should be viewed in the context of the work already undertaken by the United Nations on a standardized system for international reporting of military expenditures. Norway has, since this system was recommended for use, delivered reports to the Secretary-General according to the questionnaire. In view of the Norwegian Government, the reporting system could be supplemented to include information relevant to a strengthening of the disarmament/development perspective. This could be done by including data on the material and human resources devoted to the military sector and on arms trade. The way in which such data should be included in the reporting system needs to be further studied by the United Nations.

21. As to the question of possible institutional measures for international reallocation of resources from armaments to development, the Norwegian Government supports the recommendation of the Group of Governmental Experts that the proposal concerning the establishment of an international disarmament fund for development deserves further investigation by the United Nations. In principle, a fund of this kind could be financed in three years from the following sources:

(a) Taxes levied on the individual country's defence budgets and/or arms trade;

(b) Voluntary contributions unrelated to defence budgets/arms trade or to disarmament measures;

(c) Resources released through disarmament.

22. In assessing the three methods, it is necessary to keep in mind that establishing an international disarmament fund for development may serve as a political symbol for the relationship between disarmament and development.

23. It might be difficult to obtain a consensus on the levying of taxes as a means to finance the fund. A programme based on voluntary contributions unconnected with defence budgets/arms trade or with disarmament measures would probably be easier to agree on. Voluntary contributions would, however, hardly result in any considerable increase in funds for development assistance. Therefore, a system based on the transfer of resources released through disarmament would, in the long term, seem to be the most attractive of the three possible funding methods.

24. However, the proposal needs to be further analysed. Some of the questions that need to be answered are: How is the value of the disarmament measures to be determined, that is, what calculating methods will be used? Is it likely that a programme for a new fund can be found in the United Nations context on which there will be a consensus between the great majority of Member States?

25. The United Nations must, therefore, take a closer look at these and other points in the many unclarified aspects of the proposal for such a fund. A decision regarding a more detailed evaluation of this nature, as recommended by the Group, should be adopted by the second special session of the General Assembly devoted to disarmament. It seems natural that this more detailed study should be undertaken under the auspices of the United Nations Institute for Disarmament Research. Such a study could be submitted to the General Assembly at its thirty-ninth session.

26. Norwegian researchers undertook two of the three research projects which the Group of Governmental Experts commissioned concerning the proposal to establish an international disarmament fund for development. On this background, Norway is prepared to take part in further analyses of this proposal.

27. The Norwegian Government is also interested in an effective follow-up of the other proposals. Together with the other Nordic countries, we intend to present a working paper on the nine recommendations contained in the study to be considered by the General Assembly at its second special session devoted to disarmament, under item 9 of the provisional agenda.

28. With reference to the Nordic working paper and the content of this answer, the Norwegian Government is of the opinion that the General Assembly at its second special session devoted to disarmament should take the following decisions towards an effective follow-up of the study:

(a) The staff of the United Nations, which can claim competence with regard to the relationship between disarmament and development, should be strengthened.

(b) The Centre for Disarmament/United Nations Institute for Disarmament Research should assume a central role in the collection, analysis and dissemination of the economic and social consequences, on both national and international levels, of military spending.

(c) The United Nations should develop and implement methods for identifying and analysing the benefits that would be derived from the reallocation of military resources, following disarmament, to address social and economic development.

(d) Assisted by qualified experts, the Secretary-General should be confided the task of investigating the nature and amount of information on military use of resources and military transfers Governments ought to be invited to supply, as well as the form in which such information is to be supplied.

(e) The matter of conversion should be included in the agenda of the General Assembly at regular intervals, for example, every four or five years, starting with the fortieth session of the General Assembly in 1985.

(f) The administrative and technical modalities of an international disarmament fund for development and their political acceptability should be investigated by the United Nations Institute for Disarmament Research. The report from this study should be considered by the General Assembly at its thirty-ninth session.

POLAND

[Original: English]

[30 April 1982]

1. Poland has been consistently working with traditional activity to attain the fundamental goals of the international community: preserving peace, consolidating international security and promoting peaceful, mutually advantageous co-operation between nations. Efforts with a view to halting the arms race and promoting disarmament have always been and, indeed, are at present among the priorities of foreign policy pursued by People's Poland. In its policy in that regard, the Government of the Polish People's Republic is guided by a firm conviction that effective arms limitation and genuine disarmament, especially in the nuclear sphere, would be important prerequisites for the social progress and economic development of all countries.

2. In the opinion of the Government of Poland, the negative effects of the arms race are not limited solely to the poisoning of international relations and the aggravation of the political climate in the world. Appropriations for armaments place a heavy burden on the economies of all States, irrespective of their level of development. Consuming an ever greater share of material and human resources, the arms race renders it more difficult, if not impossible, for States and societies to cope with the complex and difficult tasks posed by economic development. In particular, the arms race makes difficult and complex the solution of such pressing global problems as reducing the gap in the levels of development of various

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countries and regions; the campaign against hunger; health care; research on new sources of energy; and environmental protection. Thus, Poland is convinced that there is a direct and close relationship between the limitation of the arms race and progress in the field of disarmament, on one hand, and the objective possibilities of development, on the other.

3. We are convinced that it is precisely from such an angle that one should assess the report of the Secretary-General entitled "Study on the relationship between disarmament and development" (A/36/356). Its publication in the course of preparations for the second special session of the General Assembly devoted to disarmament is particularly opportune because it draws the attention of the international community to the close nature of that relationship. In our view, the Group of Governmental Experts deserves appreciation for the preparation of the report.

4. The Government of Poland considers, as was earlier recorded at the thirty-sixth session of the General Assembly in a statement made by the representative of Poland on behalf of a group of socialist States, that the report contains a number of correct conclusions and recommendations which fully coincide with the position of Poland. In particular, we share the view that the arms race is incompatible with the objectives of a new international economic order. We also believe that resources released as a result of curbing the arms race and resulting from the implementation of specific disarmament measures should be used for economic assistance to developing countries, to fight inflation and mass unemployment in a number of countries and to promote the social and economic development of all countries.

5. At the same time, we find it difficult to agree with the approach adopted in the report as regards other issues. This refers, in particular, to the unwarranted - in our view - underestimation of the positive significance of a number of earlier international arms limitation agreements, including those concerning strategic weapons.

6. With reference to the concept of the establishment of an international disarmament fund for development, the Government of the Polish People's Republic wishes to observe that provision for an appropriate mechanism in that regard within the framework of the United Nations would be justified only when tied to genuine progress in the process of disarmament, including meaningful reductions of the military budgets of States, primarily the permanent members of the Security Council. Proceeding from such a premise, we consider that, while the report correctly questions the expediency of introducing an armaments levy to finance the development fund, there is no basis for a theory purporting that such a fund would be the most feasible solution, or that it would be the most consistent with the United Nations concept of relationship between disarmament and development. Indeed, that would mean the creation of a development fund without disarmament.

7. Hence, in our view, the simplest and the most reliable way of securing additional funds to provide for development assistance can be found only in the reduction of military budgets, in accordance with the well-known proposals of the socialist States.

8. We beg to observe, furthermore, that Poland does not share the views contained in the report suggesting that, among the factors contributing to the continuation of the arms race is the lack of information about military expenditures of States. We cannot, therefore, endorse the report's positive assessments with respect to the efforts pursued within the United Nations framework as regards the standardization of military-expenditure cost accounting and the comparability and reporting of military budgets. Such assessments, as well as recommendations in respect of dissemination of data pertaining to military expenditures, are divorced from reality and they only obscure the true causes of the arms race, especially the absence of political will on the part of some States to take measures for genuine disarmament.

9. At the same time, the Government of Poland has no hesitation in subscribing to the principal conclusion of the report that the choice before the world is either to undertake a programme of balanced social and economic development within the framework of an enduring international economic order, or to continue the arms race with all its dangerous consequences. There is no other choice.

ROMANIA

[Original: French]

[7 May 1982]

1. Romania takes a positive view of the study of the Group of Governmental Experts on the Relationship between Disarmament and Development, especially since this problem is of fundamental importance for peace and the well-being of all mankind. Disarmament and development today constitute two interacting factors, particularly in the sense that a halt to the current arms race and the reduction of military spending are increasingly becoming an essential premise for ensuring the economic and social progress of all States. As is, moreover, recognized in the conclusions of the study, the world today may apply itself either to the pursuit of the arms race or to stable and balanced economic and social development within the framework of a just and equitable international economic and political order.

2. With the intensification of the arms race, which absorbs immense quantities of funds and material and human resources for non-productive and destructive ends and seriously affects mutually advantageous economic co-operation between nations, the economic crisis is continually worsening, and the social and economic situation of the developing countries is continually deteriorating, which increases economic and political instability at the world level and further accentuates the dangers facing international peace and security. It is the conviction of Romania that the elimination of underdevelopment and the ensuring of more rapid development for backward countries require, in addition to the efforts made by those countries themselves, the allocation by the international community of substantial funds, which can and must be obtained from arms expenditures.

3. "It must not be forgotten", the President of Romania, Nicolas Ceausescu stressed in this regard, "that the serious problems of the world economy and the heightening crisis ... are also a direct result of the arms race and huge military

expenditures. That is why the struggle for disarmament and for the reduction of military spending constitutes, at the same time, an integral part of the struggle to overcome the disparities between the rich and the poor, for a new international economic order, to ensure powerful support for the developing countries, with a view to their economic and social progress, and for the solution of the serious problem of malnutrition and the other serious problems which concern mankind today."

4. Romania, itself a developing country, has submitted many proposals and initiatives, in the United Nations and in other international forums, on the freezing and gradual reduction of military spending, proposing, inter alia, that a part of those reductions should be earmarked for the establishment of a disarmament fund for development. Romania believes that it is imperative to arrive, without delay, at an agreement on the freezing of military budgets at the 1982 level and on their subsequent reduction until 1985 by 10 to 15 per cent, a part of the funds thus released to be used, in the proportion of 30 to 50 per cent, to support the efforts made by the developing countries and the other part for the creation of new jobs and the implementation of other economic and social measures in the countries making such reductions.

5. Expressing its constant concern for a halt to and reversal of the arms race as an important means of accelerating the economic progress of all countries, particularly the developing countries, Romania, as early as 1970, brought to the attention of the United Nations the problem of the economic and social consequences of the arms race and its highly detrimental effects on world peace and security. That initiative led to the preparation, in 1971 and 1977, of two studies on the economic and social consequences of the arms race and military expenditures. A third study, in preparation, is to be submitted to the next regular session of the General Assembly. Those studies, like that on the relationship between disarmament and development, demonstrate scientifically that the two fundamental objectives of the international community, namely, disarmament and development, are, in fact, organically linked and that it is impossible to reconcile development with the pursuit of the current arms race.

6. The study on the relationship between disarmament and development has the merit of emphasizing, although not strongly enough, the fact that the escalation of the arms race, on the one hand, and development, on the other, can no longer be pursued concurrently and that, consequently, it is necessary for mankind to choose the course which it wishes to follow. As the study emphasizes, that course can only be towards the reduction of military spending and actual and effective disarmament measures, so that the funds so absurdly squandered at present on arms may serve the development purposes of all mankind. The study rightly emphasizes, in that regard, that evolution towards the establishment of a new international economic order is seriously jeopardized by the escalation of the arms race, since the pursuit of the latter is incompatible with the implementation of the concept of the establishment of a new international economic and political order.

7. Also commendable is the special emphasis which the study places, in its recommendations, on the need for public opinion to be mobilized on behalf of disarmament and for the vast sums spent for military purposes to be channelled towards the acceleration of the economic progress of all peoples.

8. We believe, at the same time, that the study (A/36/356) would have been more convincing if it had adopted more precise language with regard to certain problems, namely:

(a) It is stated, in paragraph 182 of the English text, that inflation and, possibly, unemployment might have been aggravated by the cumulative effect of their high levels of military spending. [The French text of the study seems to have corrected the wording of the English original ("... inflation and, possibly, unemployment might have been aggravated by the ...") when it states that "l'inflation et peut-être le chômage, ont sans doute été aggravés par ..." ("inflation and, possibly, unemployment have, undoubtedly, been aggravated by ...").] The facts show decisively that inflation and unemployment are really and actually aggravated by such measures. Similarly, the study speaks of certain "development effects" of international arms transfers (para. 186), explaining that these derive from "imported technology". It is not taken into consideration, in this context, that arms imports do not automatically imply and involve imports of technology also. In paragraph 194, reference is made to a "stimulating effect" of military spending on the economy of the industrialized countries, although the statistical data given in the same paragraph prove, more than convincingly, that "those devoting considerable resources to the development of military technology experienced slower rates of growth than those who were not leading developers in that field".

(b) One is surprised to read, in paragraph 219 (c), that arms trade is "of little or no productive economic value for the recipient [developing] country", while it is clear that arms imports have and can have no productive value to recipient countries but, at most, a certain productive economic value to supplier countries. Arms imports are, in fact, for the developing countries, a factor which aggravates their general economic situation.

(c) The assessment that it "seems likely that progress in establishing a new international economic order will be adversely affected by the arms race" (para. 396) is not sufficiently clear. The study thus avoids stating directly that the efforts made for the establishment of a new international economic order are, quite definitely, deeply affected and obstructed by the pursuit of the arms race.

(d) Some questions are raised also by the statement, in paragraph 209, that "if in the centrally planned economies the military expenditures expand, this will mean the capacity to produce other products will diminish" and, thus, "the military expansion will create deficits of civilian products". It seems clear to us that this phenomenon may be noted, to the same extent, in all countries, regardless of the modalities of the organization of their economies.

(e) In view of some of the study's conclusions relating to the problem of conversion or reconversion, according to which, in certain areas (combat aircraft, missiles, warships, tanks), reconversion is more difficult to carry out, and, in view of trends towards weapons development, it would have been useful to add, in present paragraph 416 or in chapter VII, entitled "Summary, conclusions and recommendations", a paragraph stressing the need to proceed to reconversion as soon as possible, since, owing to the sophistication and modernization of the military industry, that operation will become increasingly difficult and will raise even more complicated problems.

9. In conclusion, we believe that, although it was "not within the Group's terms of reference to interfere with the process of disarmament negotiations" - as stated in the introduction to the study (para. 23) - but, "in a deeper sense, however, this work should help to enhance the climate and political will for disarmament efforts" (para. 23), it seems to us essential to lay special emphasis on the fact that, ultimately, transition to firm and substantial disarmament measures and thus to the practical implementation of the relationship between disarmament and development requires of States and, primarily, those of great military importance, a new attitude and the political will to act together to put an end to the grave threat which the arms race presents to the security and progress of all peoples.

10. In view of the unquestionable value of the study and the irrefutable scientific arguments which it adduces in support of the disarmament imperative, as an essential condition for the economic and social development of all countries, we believe that wide dissemination of the study by the United Nations and by Member States would be a significant contribution to the promotion of the fundamental objectives of the United Nations, in particular, the establishment of a world with less armaments and greater prosperity and security.

SENEGAL

[Original: French]

[24 February 1982]

As a member of the Group of Governmental Experts on the Relationship between Disarmament and Development, Senegal took an active part in the preparation of the report in question (A/36/356). Senegal has already formulated its observations on the recommendations set forth in the report, and these observations are contained in appendix III of the report.

SWEDEN

[Original: English]

[21 April 1982]

A. Introduction

1. Sweden attaches considerable importance to an effective follow-up by the United Nations, in the first instance by the second special session of the General Assembly devoted to disarmament, of the recommendations contained in the report. This view is also stressed in Sweden's reply, dated 31 March 1982 (A/AC.206/19), to the Secretary-General's note of 19 January 1982, and the memorandum to the second special session devoted to disarmament on this question of 19 April 1982 (A/S-12/8, annex), submitted by the Governments of Denmark, Finland, Iceland, Norway and Sweden. Some of the remarks contained in these two documents will be elaborated here.

B. The need for a reliable data base

2. One of the study's tasks was to establish a reliable data based on the present-day utilization of material and human resources for military purposes. Sweden deploras that this proved impossible. All except four Member States failed to respond to the General Assembly's appeal, in resolution 33/71 M, to make available data and information relevant to a meaningful completion of the study. Considering the evident need of the international community in its disarmament-related activities, for a reliable and acceptable base of data on the military preparations of Member States, it is, in Sweden's view, highly appropriate that the second special session devoted to disarmament devotes considerable attention to the collection, evaluation and dissemination, by the United Nations, of data on the military use of human and material resources in all Member States, and of military transfers between them. Such information should be continuously updated and reviewed.
3. In view of the recommendations contained in the study, Sweden proposes that the United Nations should collect information, relevant to the strengthening of the disarmament/development perspective, on the material and human resources devoted to the military sector in Member States, and international military transfers. Such information could, for instance, include the number of persons engaged in the military sector, such as military personnel in uniform (drafted or employed), civilians in military administrations and in research, development and production for military purposes, as well as information on material resources consumed by the military sector, and data on the international trade in military equipment and arms. It is possible that, in the future, such information could be submitted in connexion with the yearly reporting of military expenditures, a system which has been recently adopted and introduced by the General Assembly.
4. Sweden suggests that the Secretary-General, assisted by qualified experts, should be confided the task of examining the nature and amount of information which Member States ought to be invited to supply, on a regular basis, in order to fill the above-mentioned gaps of knowledge. In this context, the recommendations of the 1982 report of the Secretary-General entitled "Reduction of military budgets" (A/S-12/7) should be taken into account.
5. Concerning recommendation 1, it is obvious that central governments, as the single purchaser of goods and services in the military sector, also bear the responsibility that investigations are executed on the economic and social consequences, national and international, of its military spending, and for informing the public about them. In Sweden's view, the major military Powers should assume special responsibility in this regard. The provision of such data to the United Nations, for example, in the form of regular updatings of the study entitled Economic and Social Consequences of the Arms Race and of Military Expenditures, 1/ would also strengthen international confidence and United Nations' capacity for effectively linking disarmament and development. The Centre for

1/ United Nations publication, Sales No. E.78.IX.1.

Disarmament/United Nations Institute for Disarmament Research would naturally assume a central role in the collection, analysis and dissemination of such information.

6. It may also be appropriate for Governments to co-operate with such scientific institutions, which might have the necessary access to national and international data, in order to develop and implement methods for identifying and analysing the benefits that would be derived from the reallocation of military resources, following disarmament, to address economic and social problems at the national level and to contribute towards reducing the gap in income between industrial nations and the developing world and establishing a new international economic order. At the United Nations level, such methods could be developed and implemented by the Centre for Disarmament/United Nations Institute for Disarmament Research in close co-operation with the office of the Director-General for Development and International Economic Co-operation.

C. Planning for conversion

7. Sweden holds the firm view that there is a need for planning and preparation for smoothing the transition from military to civilian production, following disarmament. All Governments should undertake to create the necessary prerequisites, including preparation and planning for the conversion of resources freed by disarmament measures to civilian purposes, especially to meet urgent economic and social needs, in particular in the developing countries. Sweden also supports the idea that Governments should make conversion experiences internationally available by submitting reports from time to time to the General Assembly on possible solutions to conversion problems.

8. The Centre for Disarmament/United Nations Institute for Disarmament Research would be given the task of developing methods for the collection, reporting and dissemination of information on experiences in conversion.

9. Sweden suggests that the matter of conversion should be included in the agenda of the General Assembly at regular intervals, for example, every four or five years, starting with the fortieth session in 1985.

10. As a background for the present report, Swedish researchers, assisted by the Disarmament Project Fund, analysed early Swedish experiences in conversion (Research Report A:21, Peter Wallensteen, "New Wine and Old Bottles"). Since the early 1960s, the Swedish Government has from time to time initiated more detailed studies on specific conversion problems.

11. In 1978-1980, a commission appointed by the Swedish Government studied the problems of adopting Sweden's predominantly military aircraft industry to a decreasing defence demand and a correspondingly increasing civilian line of production. To supplement this study, the Government set up, in 1979, another commission to look into planning and preparation for alternative production and work in defence industries, apart from the aerospace industry. The latter commission's report - containing a survey of the Swedish defence industry, an inquiry into concepts and experiences of conversion, as well as some proposals - was recently submitted to the Government for possible legislative action.

12. Summaries of these two studies are annexed. Sweden is prepared to share more detailed information on these and other studies with the United Nations and interested Member States.

D. Other recommendations of the study

13. Sweden endorses recommendations 4, 8 and 9 of the study, aiming at a more thorough and effective integration of the disarmament/development perspective in the work programmes of the specialized agencies and organs of the United Nations. In this regard, note should be taken of the resolution concerning the economic and social consequences of disarmament adopted by the International Labour Conference at its sixty-seventh session.

14. In Sweden's view, any extra resources freed for financing development activities, following disarmament measures, should constitute a net increase in official development assistance. We note with regret the wide disparities of opinion regarding institutional arrangements for the transfer of such resources to social and economic development in developing countries. Sweden shares the opinion, expressed in the report, that the disarmament dividend approach to financing an eventual disarmament fund for development is most in accord with United Nations' conception of disarmament and development, and is most feasible and politically acceptable. Sweden supports the recommendation that further investigations of the administrative and technical modalities of a fund and their political acceptability are necessary. In Sweden's view, such investigations should take into consideration the capabilities of existing agencies and institutions which are currently responsible for the transfer of resources for development. Investigations on these questions could be executed by the Centre for Disarmament/United Nations Institute for Disarmament Research in close co-operation with other appropriate institutions and programmes of the United Nations system.

15. Sweden is pleased that arrangements were made for the writing of a short and popularized version of the main report, and that it will shortly be published in English and other languages.

16. A Swedish edition will be published, with the financial support of the Swedish Government, in a joint initiative by the Swedish United Nations Association, Swedish peace organizations, the Confederation of Trade Union Organizations, the Central Organization of Salaried Employees, and Christian organizations. Material on the relationship between disarmament and development is prepared by the United Nations Association for use in study groups and other popular educational activities.

ANNEX

Summaries of two recent Swedish conversion studies

1. The two studies that are briefly described below were conducted by commissions appointed by the Swedish Government at the request of the Parliament. In the

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Swedish system, such investigations are conducted autonomously by the Commissions, whose proposals are transmitted to the Government for consideration and possible legislative action.

A. Conversion study of the Swedish military aircraft industry

2. In 1978-1980, a commission studied and analysed the problems of adopting Sweden's predominantly military aircraft industry to a decreasing defence demand and a correspondingly increasing civilian line of production. Although the Government considers that the main responsibility to convert from military to civilian activities falls on the private companies, it noted in its instructions to the Commission that, inter alia, labour market policy could be adapted to streamline and soften a shift of personnel to other companies or activities. The Government also instructed the Commission to investigate particular governmental activities that could create the necessary prerequisites for the alternative use of resources, released as a result of shrinking military orders, for technological research and development.

3. The Commission co-operated, throughout its work, with regional authorities in the two provinces in which Sweden's aircraft industry is situated, as well as with municipal authorities and with management and trade unions in the companies concerned, namely Saab-Scania (jetfighters, trainers) and Volvo Flygmotor (jet propulsion).

4. The Commission concluded that the commercial risks involved in alternative work were considerable, particularly if the company concerned opted for entirely new fields of activity outside its traditional sector. In fact, only alternative civilian production within this sector was judged to offer the potential of substantial industrial development for the two companies over the next few years. Commercially interesting projects outside the aerospace field could only gain importance in the long run. Proposals put forward by the Commission in the latter field were exploratory and preliminary. Apart from civil aviation and space activities, a number of such new areas were discussed, inter alia, technology for wind energy, computer-aided design/manufacturing, marine technology, urban transports, medical technology, environmental protection, etc. It was suggested that the Government, as a competent and large buyer, could, to some extent, influence development in the longer term by placing orders in those fields.

5. Development and production of a new civilian aircraft and new aeroplane engines were considered the most feasible in the shorter perspective. In 1980, the Parliament accepted a Governmental proposal to issue loans of about 400 million Swedish Kronor (around \$US 80 million) to Saab-Scania and Volvo Flygmotor for the development and production of civilian aircraft and engines. As a result of diversification, the military share of Saab-Scania's aircraft production may be reduced, during the 1980s, from its current 80 per cent to 50 per cent.

B. Conversion study of other Swedish defence industries

6. To supplement the above-mentioned study, the Government, in 1979, set up another commission to look into planning and preparation for alternative production and work in defence industries, apart from the aerospace industry. This Commission's report - containing a survey of the Swedish defence industry, an inquiry into concepts and experiences of conversion, as well as some proposals - was recently submitted to the Government.

7. The Commission concludes that the Swedish defence industry, that is, companies which both develop and produce military equipment, is mainly concentrated in 13 companies. Over the past years, these firms have received around 80 per cent of government orders for military procurement. At least another 2,000 firms receive the remaining 20 per cent of the orders.

8. Defence production represents a market value of SKr 6,500 million (approximately \$US 1,300 million) representing about 6 per cent of Sweden's engineering industry, or 2 per cent of its manufacturing industry. Exports, production of aeroplanes, and other defence products each constitute roughly one third of total defence production.

9. Employment in Sweden's defence industry is estimated to 24,000 man-years in 1980, comprising 9,000 man-years in the military aerospace industry and 15,000 in other defence production. Another 8,000 man-years were employed in subcontractors and suppliers to the defence industry and the military services. In all, 32,000 man-years were employed in Sweden's defence industry, representing 6 per cent of employment in the engineering industry and close to 3 per cent of the manufacturing industry.

10. Procurement and research and development for Swedish defence diminished during most of the 1970s, up to fiscal year 1976/77 after which a certain increase in procurement was recorded. In real terms, expenditures for military procurements in fiscal year 1980/81 are thus 5 per cent below the fiscal year 1970/71 level. Current planning indicates that the present level will be maintained during the remaining part of the 1980s. In the years 1977 through 1980, employment in the military industrial sector diminished by some 2,000 persons.

11. The Commission has also studied international experiences of conversion and documented the scientific debate in the field. In its deliberations, the Commission has also profited from the findings and recommendations of the study on the relationship between disarmament and development (A/36/356).

12. To initiate and successfully perform a process of conversion from military to civilian production, the Commission concludes that particular measures are necessary, including on the governmental level. It noted that a suitable base of information for the projection of future developments in production and employment in the Swedish defence industry is currently not available. Hence, the Commission recommends that the defence industry should be monitored more closely. It suggests an organized co-operation between the governmental procurement organization,

governmental agencies for industrial and technological development and the national Labour Market Board. A central co-ordinating working group, composed of representatives of ministries and business and trade union organizations, is also suggested.

13. The Commission argues for a more systematic search for civilian spin-offs from the military research and development potential, technological development, production techniques, etc., in order to develop a competitive and profitable civilian activity in defence-oriented industries. To this end, the Commission recommends that steering committees, composed of management and trade union organizations, be established in each of the firms concerned. To finance the search for civilian innovation, it is suggested that a special "civilian levy", amounting to 0.5 per cent of the order be imposed on all military orders. To maintain a balance of competition, this levy would be equally imposed on imported goods. Allocations for military procurement should be raised accordingly.

14. The Commission proposed that the levy should be paid directly to the 13 firms in the case of domestic production, and to the National Board for Technological Development in the case of imported military goods. The Board would in turn allocate these resources to assist the development of civilian activities in the other Swedish firms which receive orders for the Swedish defence. For the current fiscal year the levy would yield a total of SKr 20 million (around \$US 4 million) to the 13 major firms and SKr 10 million (approximately \$US 2 million) to be managed by the Board for Technological Development.

15. It was proposed that public civilian procurement in defence-related technologies be made more efficient, particularly at the planning stage.

16. As noted above, these proposals have only recently been put forward, and have not yet been studied and evaluated at the governmental level.
