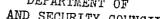
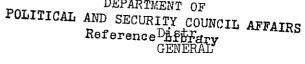
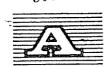

UNITED NATIONS CENTRE FOR DISARMAMENT DEPARTMENT OF







UNITED NATIONS GENERAL ASSEMBLY



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DISARMAMENT COMMISSION

REDUCTION OF MILITARY BUDGETS

Report of the Secretary-General

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INTRODUCTION

1. On 12 December 1980, the General Assembly adopted resolution 35/142 A, the operative part of which reads as follows:

"The General Assembly,

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- "1. Reaffirms the urgent need to reinforce the endeavours of all States and international action in the area of the reduction of military budgets, with a view to reaching international agreements to freeze, reduce or otherwise restrain military expenditures;
- "2. Reiterates the appeal to all States, in particular the most heavily armed States, pending the conclusion of agreements on the reduction of military expenditures, to exercise self-restraint in their military expenditure with a view to reallocating the funds thus saved to economic and social development, particularly for the benefit of developing countries;
- "3. Requests the Disarmament Commission to continue at its session to be held in 1981 the consideration of the item entitled "Reduction of military budgets", taking into account the provisions of General Assembly resolution 34/83 F as well as those of the present resolution, and, in particular, to identify and elaborate on the principles which should govern further actions of States in the field of the freezing and reduction of military expenditures, keeping in mind the possibility of embodying such principles into a suitable document at an appropriate stage;
- "4. Requests the Secretary-General to invite Member States to express their views and suggestions on the principles which should govern their actions in the field of the freezing and reduction of military expenditures and to prepare on this basis a report to be submitted to the Disarmament Commission at its session in 1981;
- "5. Considers that this action to be carried out by the Disarmament Commission should be regarded as complementary to any other ongoing activity within the framework of the United Nations related to the question of reduction of military budgets as well as to any possible unilateral initiatives which may be undertaken by States in this field;
- "6. <u>Decides</u> to include in the provisional agenda of its thirty-sixth session the item entitled "Reduction of military budgets".
- 2. Pursuant to paragraph 4 of the above resolution, by a note verbale dated 20 January 1981, the Secretary-General invited Member States to express their views and suggestions on the principles which should govern their actions in the field of the freezing and reduction of military expenditures and to prepare on

this basis a report to be submitted to the Disarmament Commission at its session in 1981.

3. The Secretary-General submits herewith his report to the Disarmament Commission which contains the replies received as of 22 April 1981 from 12 Member States to the note verbale mentioned in paragraph 2 above. Further replies will be issued subsequently in addenda to this report as they are received.

REPLIES RECEIVED FROM GOVERNMENTS

ARGENTINA

<u>/</u>Original: Spanish///
/16 April 1981/

- 1. It is clear that the total sum of world-wide military expenditures far exceeds the individual defence needs of countries. This situation is the result of the continuous increase in the military expenditures of the great Powers.
- 2. A considerable part of this expenditure is aimed at perfecting and expanding nuclear arsenals, made up of weapons which through their eminently offensive nature constitute a permanent threat to mankind.
- 3. This situation is highly prejudicial to international security and at the same time entails a waste of the resources that should be used in efforts to solve the serious economic problems that afflict the present-day world and basic development activities for the benefit of the developing countries.
- 4. The reduction of world-wide military expenditures should be effected in accordance with the principle of greatest responsibility. The great Powers should be the first to begin the process of reducing military expenditures, in particular in the field of nuclear weapons.
- 5. Transferring this responsibility to all those countries which possess only the minimum compatible with their defence needs could be interpreted as means of evading the adoption of significant disarmament measures.

AUSTRIA

<u>/Criginal: English/</u>
/14 April 1981/

Arms expenditures continue their spiralling rise while an increasing part of mankind lives in poverty and need.

Deeply concerned about this situation, the Austrian Government has from the outset supported the efforts undertaken in the framework of the United Nations to conclude agreements on the freezing and the reduction of military budgets. These

endeavours constitute not only a theoretically promising approach to reverse the trend towards increased military expenditures but would also facilitate a redeployment of resources currently wasted for military purposes for use in social and economic development.

In spite of the inherent logic and attraction of the concept of reduction agreements, the relevant considerations in United Nations organs have so far produced only very limited results. The work already accomplished nevertheless enables us to identify certain elements and principles which will have to be taken into account in future efforts for the reduction of military expenditures.

Past experience has proved that in the present conditions of mistrust and military competition, mere appeals for self-restraint in military expenditures go unheeded. The exclusive reliance on a steady buildup of national military capabilities can only be ended through carefully negotiated agreements of a binding nature.

Any negotiation will only be successful if a common understanding and a clear definition of the substance at issue can be achieved. It is for this reason that the availability, openness and comparability of national military budgets will prove a precondition for agreements in this area. Austria has, therefore, from the beginning participated in the elaboration and testing of the reporting instrument and strongly supports the institutionalization of an international system of annual and standardized reporting of military expenditures. By participation in the reporting system every Member State can contribute in a significant and concrete way to the conclusion of agreements on the reduction of military budgets. As an important step towards greater openness in military matters, a regular exchange of information on military expenditures could also break the action-reaction cycle based on worst case estimates which drives arms expenditures higher and higher. The greater transparency of potential adversaries' military efforts would reduce exaggerated fears and build confidence and thereby create an international climate conducive to agreements on the limitation of military budgets and potentials.

The availability of data on military expenditures obviously constitutes one of the most important elements of a verification system for agreed reductions of military budgets. It would seem, however, that in addition appropriate measures would have to be elaborated to monitor the working of the reporting system and to settle disputes on the accuracy of the reported data.

Such a verification system is of primordial importance to obtain the trust and willingness of Governments to participate in international action striving for the general reduction of military budgets. Without agreed principles on a verification system which has to incorporate the elements of fairness, comparability of all levels of military expenditure and budgetary accuracy, real progress towards military budget reduction is hardly conceivable.

Any agreement on the freezing or the reduction of military budgets will have to be carefully balanced taking into account the legitimate security interest of the participating States. A gradual approach providing first for a freezing then for successively deeper cuts in military budgets within an agreed time frame appears to be particularly well suited for measures in this area. In the Austrian Government's view there should be considerable flexibility as far as the scope and, respectively, the participation in such agreements is concerned. Most urgently needed would be a reduction of the military budgets of the Member States of the two major alliance systems, since these nations account for approximately 70 per cent of world total military expenditures. Because of the excessive weight of their military potential they can more easily afford reductions without immediately cutting into their vital security interests. Agreements on the reductions of these expenditures would obviously have a great impact on further comparable steps by others.

Finally it has to be stressed that the growing discrepancy between military spending and expenditures for social and economic development is one of the most disconcerting aspects of the present international situation and one of the many urgent motives for ending the arms race. Agreements on the freezing or reduction of military budgets would offer at least the possibility of diverting a fair share of the resources thus saved to development.

DENMARK

/Original: English/
/14 April 1981/

- 1. The Danish Government confirms its readiness to co-operate to achieve a diminution of the dangers of war by means of a reduction of military budgets. One first condition of realistic steps to reduce military budgets, however, is the existence of a reliable and verifiable system of registration of military expenditures of all States which would allow a comparison of military expenditures.
- 2. It is recalled that in 1976 an international standardized reporting instrument was developed by a group of United Nations experts which was followed by a practical test of that reporting instrument with the voluntary co-operation of a number of United Nations Member States.
- 3. Pursuant to General Assembly resolution 35/142 B a new group of United Nations experts has now been asked to further refine that reporting instrument. This expert group has also been asked to examine and suggest solutions to the question of comparing military expenditures among different States, as well as to problems of verification that will arise in connexion with agreements on reduction of military budgets.
- 4. In this connexion, Denmark finds that all States ought to co-operate actively in this endeavour to make military budgets more transparent and comparable in full respect of the need for undiminished security in order to contribute to the building of confidence among States.

- 5. It is the opinion of Denmark that further actions in the field of the freezing and reduction of military expenditures could only be considered after further study, development and implementation of the present reporting instrument on the basis of ever wider participation by States from all regional groups. Denmark is also of the opinion that the question of verification of agreements on the gradual reduction of military budgets on a mutually agreed basis deserves similar thorough examination.
- 6. On this basis Denmark feels that the discussion on the identification and elaboration of principles should take into account the following:
- 1. Agreements on the freezing and reduction of military budgets should not in any way affect the principle of undiminished security of all States.
- 2. Agreements on the freezing and reduction of military budgets must include a verification procedure for which a reliable reporting instrument constitutes a necessary precondition although not sufficient in itself.
- 3. The reduction of military budgets should be complementary to other arms control agreements and should not be considered as a substitute for them.
- 7. Denmark is of the opinion that part of the resources released through the reduction of military budgets should be reallocated to economic and social development, particularly for the benefit of the developing countries.

FINLAND

<u>/Original: English</u>/ <u>/14 April 1981</u>/

The world military expenditure is growing at an alarming rate. While the arms race, particularly the nuclear-arms race, is accelerating and assuming new dimensions technologically, geographically and conceptually, outlays on arms are cutting ever deeper into the scarce resources which should be available for peaceful purposes, in particular development. The arms race has become a threat to the security of all nations, and it is jeopardizing agreed goals of economic and social development. In the light of, in particular, the Final Document of the first special session of the General Assembly devoted to disarmament, there is broad consensus among the international community about the grave economic and social consequences of the arms race.

The aspirations of the General Assembly are in sharp contrast with reality. The General Assembly has repeatedly called for restraint in armament and military expenditures. It has recognized that a gradual reduction of military budgets on a mutually agreed basis would contribute to the curbing of the arms race and the reallocation of resources presently being used for military purposes.

As all approaches to arms limitation should be explored, the Government of

Finland has welcomed the continued consideration by both the General Assembly and the Disarmament Commission of the question of the reduction of military budgets. Although agreement on practical steps on the freezing or reduction of military expenditure may not be readily attainable, it is most appropriate that the Commission identify and elaborate on the principles which should govern further actions in that field, as called for by the General Assembly in its resolution 35/142 A.

With regard to the further consideration of the subject of the freezing and reduction of military expenditure, Finland wishes to make the following observations:

- 1. The fundamental principles for disarmament incorporated and elaborated in the Final Document of the special session should be taken into account, where applicable, in the consideration of the reduction of military budgets. The following principles, in particular, are relevant:
 - Measures on the freezing and reduction of military expenditure should be carried out in an equitable and balanced manner without detriment to the security of any State
 - Such measures should provide for adequate means of verification satisfactory to all parties concerned in order to create the necessary confidence and ensure that they are being observed by all parties.
- 2. Arms limitation and disarmament measures proper and measures to freeze or reduce military expenditure should be viewed as complementary approaches to curbing and reversing the arms race. Progress in each would have repercussions on the other. Thus, e.g., agreement to limit or prohibit a certain category of weapons should also be considered a measure to limit military expenditure. In such cases, in particular, resources actually or potentially released should not be allowed to spill over to other sectors of military outlay.
- 3. Arrangements aimed at mutual restraint in and reduction of military expenditure can be undertaken and should be particularly encouraged at the regional level in accordance with the basic principles of disarmament negotiations referred to above. Especially in the context of regions, limitation of military programmes and expenditures could also significantly contribute to confidence building and vice versa.
- 4. Availability and mutual comparability of data related to military expenditures has been identified as a factor which, by providing greater openness, could increase confidence and lessen the possibility of misjudgements about the intentions of potential adversaries. Such measures could create conditions for mutually agreed limitations or reductions, for which the necessary political will would naturally be an indispensable requisite.

Finland has welcomed the work carried out within the United Nations with regard to defining and reporting military expenditures in a standardized way. A

reporting instrument has now become available for general implementation. It is obvious that the widest possible participation by countries with different social systems and budgetary practices in this work would contribute to the further refinement of the reporting instrument as well as to devising tangible measures of freezing and reduction of military expenditure as well as their verification.

FRANCE

<u>/Original: French/</u> <u>/7 April 1981/</u>

France attaches great importance to the question of establishing objective procedures for comparing the military budgets of different States, since it considers that any freezing or proportional reduction of military budgets would merely be illusory unless it was preceded by an agreement on the equivalences of the budgetary concepts and values expressed in the official documents of different States.

That being the case, France takes the view that the work of the group of experts in the field of military budgets, as provided for in General Assembly resolution 35/142 B, is of particular importance.

It regrets that the reserved or aloof attitude of a number of countries to this work has thus far made it more difficult to establish a matrix of truly universal applicability which would enable States to make comparisons between budgets.

However, France believes that progress in this field can be achieved concurrently at a regional level or even on a bilateral basis.

GREECE

<u>/</u>Original: French/ <u>/</u>22 April 1981/

Greece attaches great importance to the question of reducing defence expenditures and to the search for an effective means of comparing such expenditures.

The preliminary objective is to arrive at a balanced and progressive reduction in the expenditures of the principal military States, and subsequently of all States.

Greece joined in the consensus that emerged on resolution 35/142 A, as appropriately supplemented by resolution 35/142 B, which stresses the introduction of viable procedures for comparing military budgets as an indispensable means of

arriving at the desired reductions without thereby affecting the security of any country.

Greece is greatly interested in the activities which the Secretary-General has been requested to carry out, with the assistance of an <u>ad hoc</u> group of experts, under the provisions of resolution 35/142 B.

It appeals to all countries, especially those with different budgeting systems, to participate actively in this effort.

NETHERLANDS

<u>/Original: English</u>//
/8 April 1981/

- 1. On several occasions the Netherlands has stressed the importance it attaches to the question of the reduction of military budgets. In this connexion the Netherlands has actively and continuously supported the still ongoing search for ways and means which would allow a comparison of military expenditures.
- 2. It is recalled that in 1976 an international standardized reporting instrument was developed by a group of United Nations experts which was followed by a practical test of that reporting instrument with the voluntary co-operation of a number of States Members of the United Nations, among which the Netherlands.
- 3. Pursuant to General Assembly resolution 35/142 B a new group of United Nations experts has now been asked to further refine that reporting instrument. This expert group has also been asked to examine and suggest solutions to the question of comparing military expenditures among different States, as well as to problems of verification that will arise in connexion with agreements on reduction of military budgets. The Netherlands continues to support fully this ongoing work of the expert group.
- 4. In this connexion, the Netherlands appeals to all States, especially those which have not yet done so, to co-operate actively in this endeavour to make military budgets more transparent and comparable. Only then a necessary prerequisite has been met for agreement on the reduction of military budgets in full respect of the need for undiminished security. In any case the exchange of reliable information on military expenditures, especially if made on a regular basis as requested by the General Assembly in its resolution 35/142 B, would contribute to the building of confidence among States.
- 5. It is in the light of the foregoing that the Netherlands has considered the identification and elaboration of the principles which should govern further actions of States in the field of the freezing and reduction of military expenditures. It is the opinion of the Netherlands that further actions could only be considered after further study, development and implementation of the present reporting instrument on the basis of ever wider participation by States from all

regional groups. The Netherlands is also of the opinion that the question of verification of agreements on the gradual reduction of military budgets on a mutually agreed basis deserves equal thorough examination. Only then it will become clear in what concrete ways such agreements will contribute to the curbing of the arms race and will increase the possibilities of reallocation of resources now being used for military purposes to economic and social development, particularly for the benefit of the developing countries.

- 6. It is on this basis that the Netherlands feels that the discussion on the identification and elaboration of principles should take into account the following:
 - (1) Agreements on the freezing and reduction of military budgets should not in any way affect the principle of undiminished security of all States:
 - (2) Agreements on the freezing and reduction of military budgets should be verifiable, for which the availability of a reliable reporting instrument constitutes a necessary pre-condition, although not sufficient in itself;
 - (3) The reduction of military budgets should be complementary to other arms control agreements and should not be considered as a substitute for it;
 - (4) The distribution of the reductions among different military categories and activities should be made subject to negotiations among the States concerned.
- 7. The Netherlands is of the opinion that part of the resources released through the reduction of military budgets should be reallocated to economic and social development, particularly for the benefit of the developing countries. In this connexion the Netherlands looks forward to the results of the study by a group of governmental experts on the relationship between disarmament and development, which for a major part will also deal with the question of conversion and redeployment of resources released from military purposes through disarmament measures to economic and social development purposes.

ROMANIA

<u>/Original: French</u>/
<u>/O April 1981</u>/

In its resolution 35/142 A, the General Assembly of the United Nations requested the Disarmament Commission to continue at its 1981 session the consideration of the question of the reduction of military budgets and, in particular, to identify and elaborate on the principles which will govern the actions of States in the field of the freezing and reduction of military expenditures, keeping in mind the possibility of embodying them into a suitable document at an appropriate stage.

The resolution also invites States to communicate to the Secretary-General their views and suggestions on the above-mentioned principles.

In this connexion, the Romanian Government wishes to make the following comments:

I. The reduction of military budgets has for years been an objective of the efforts made by States in the field of disarmament. Discussions have taken place and proposals and initiatives have been formulated with the aim of freezing and reducing military expenditures.

A number of States, including Romania, have put forward concrete proposals for the freezing and reduction, in terms of percentage points or in absolute figures, of military budgets. Some States have also announced unilateral measures to reduce their military budgets. During 1978, 1979 and 1980, Romania made sizable successive reductions in its military expenditures and directed the savings thus achieved towards implementing its programme for raising the people's level of living.

The Final Document of the 1978 special session of the United Nations General Assembly devoted to disarmament stressed that reduction of military budgets would be a measure that would contribute to the curbing of the arms race and would increase the possibilities of reallocation of resources being used for military purposes to economic and social development, particularly for the benefit of the developing countries.

In recent years, there have been new developments in the efforts of the United Nations to deal with the problem of the freezing and reduction of military budgets. In its resolution 34/83 F, the General Assembly emphasized the need for a new impetus to be given to endeavours to achieve agreements to freeze or reduce military expenditures and requested the Disarmament Commission to identify effective ways and means of achieving that objective.

At the same time, by its resolutions 33/67 and 35/142 B, the General Assembly has initiated a process of examination of certain technical aspects relating to the comparability of military budgets and to verification, with a view to facilitating future negotiations for the conclusion of agreements on the freezing and reduction of military budgets.

The debate at the last session of the United Nations General Assembly pointed both to the deep concern of States, particularly small and medium-sized countries and developing countries, at the growth of military expenditures and to the urgency of measures to freeze and reduce them and the positive effect of such measures in increasing confidence between States, improving the international political climate and energizing and consolidating the policy of détente. Frequent reference was made in the debate to the positive impact which a reduction of military expenditures would have on economic and social progress, particularly in the developing countries.

Although military expenditures continue to increase at an alarming pace, seriously affecting the economies of all States and exerting an extremely

detrimental influence on international peace and security, the initiatives and proposals which have been formulated have not led to the commencement of concrete negotiations aimed at the conclusion of agreements on freezing and reducing military budgets; efforts to that end continue to be nampered by persistent differences in approach, mistrust and lack of political will on the part of States, particularly the heavily armed States, to initiate effective negotiations for a reduction of military budgets.

In this field, as in negotiations on disarmament generally, the main problem for the United Nations at the present stage is uniting the efforts of the whole international community so as to create favourable conditions for increasing confidence among States and promoting the creation and expression of the political will of States, the existence of such conditions being necessary in order to proceed without delay to real negotiations on the freezing and reduction of military budgets.

One of the concrete actions which the United Nations can take to this end is the adoption of certain principles governing all activities by States aimed at achieving agreements on the freezing and reduction of military budgets.

In the opinion of the Romanian Government, such principles should embody the agreed views of States on the objectives they are pursuing and on the political and security factors which determine what ways and means are practical for achieving those objectives.

If designed along those lines, the principles would help to create a common framework for action conducive to reconciliation of the different viewpoints on the problem of freezing and reducing military expenditures, to confidence-building and to the creation and expression of the political will of States to proceed to the negotiation of agreements for the reduction of military expenditures.

- II. On the basis of the foregoing, the Romanian Government believes that the principles designed to govern the activities of States in the field of the freezing and reduction of military expenditures, which would be embodied in a suitable document, should give expression to the following points:
- (a) First of all, it is essential to state clearly that the ultimate objective of United Nations efforts in the field of military budgets is the adoption of internationally agreed measures for the freezing and reduction of the military expenditures of States.

Proposals and initiatives by States, and the basic approaches and content of future discussion and negotiations in this field in the United Nations or other international forums, should be geared to the achievement of this objective.

(b) In close correlation with the statement of the ultimate objective of United Nations efforts in the field of military budgets, it would be particularly important to affirm the political commitment of States, pending the achievement of agreements on the freezing and reduction of military budgets, to exercise self-restraint in military expenditure and to give particular attention to the positive impact which such a policy would have on the international climate and on international peace and security.

- (c) In view of the fact that neither international security nor the security of individual States can be maintained by increasing military expenditures, but only by decreasing them, it would be particularly significant to lay down the principle that measures for the freezing and reduction of military budgets should lead to the establishment of a balance of forces, internationally or regionally, at progressively lower levels of military forces and armaments.
- (d) In this connexion, as in other aspects of disarmament, it is necessary to establish and strictly observe the principle that any measure for the freezing and reduction of military budgets must in no way affect the right of States to equal security or creat unilateral advantages for a State or group of States.
- (e) In order to be effective, measures for the freezing and reduction of military budgets under bilateral or international agreements should take the form of concrete actions genuinely reducing the stocks of armaments of the States parties.

When decisions are being taken on which categories of weapons or military activities might be reduced in order to reach the agreed reduced level of military budgets, first consideration should be given to nuclear weapons, other weapons of mass destruction, the development of new types and systems of such weapons and the development of military technologies.

- (f) The actions of States in the field of the freezing and reduction of military budgets should also be based on the existing arms situation and on the possibilities and vital necessities of the process aimed at halting and reversing the arms race. In view of the decisive role of the nuclear Powers and other heavily armed States, particularly those which are members of the opposing military blocs, in stepping up the trends and the pace of the arms race and of military expenditures and, more generally, their disproportionate share of total world expenditure on armaments, measures for the freezing and reduction of military budgets must start with the most heavily armed States.
- (g) The principles governing the actions of States with regard to the freezing and reduction of military budgets should clearly stipulate that any reduction provided for in agreements should be accompanied by adequate measures of verification satisfactory to all parties.

In order to be effective, verification must be adapted to the specific needs of each agreement on the freezing or reduction of military budgets, and the actual form and modalities of the verification must be such that all parties will have mutual confidence that their interests with respect to strict observance of the agreement are in no way affected by the creation of unilateral advantages for some of them.

(h) It is also necessary to express clearly the point that resources released as a result of the implementation of measures for the freezing and reduction of military budgets will be directed towards peaceful purposes of economic and social development.

In addition to the positive effect which reallocation of resources would have on the development process, it could serve indirectly as a measure for verifying that the agreed reductions in military budgets had actually been made.

Part of the resources released should be used by the countries effecting reductions in their military budgets to finance their own development programmes, and the remainder should go to assist the developing countries.

- (i) In view of the importance of unilateral measures, particularly when they serve as an example to other States which then reciprocate with similar actions, it should be emphasized that the adoption by parliaments or governments of decisions concerning the freezing or reduction of military expenditures can help to create favourable conditions for increasing confidence between States and proceeding to the negotiation of concrete agreements.
- (j) Lastly, it is necessary to reaffirm the central role of the United Nations in guiding the negotiations on the freezing and reduction of military budgets and the need for all States to co-operate in good faith with a view to the adoption of generally acceptable solutions covering all aspects of the problem of the freezing and reduction of military budgets.
- III. The points mentioned above derive from the Final Document of the first special session of the United Nations General Assembly on disarmament, from General Assembly resolutions concerning military budgets which were adopted by consensus and from other United Nations documents. The fact that they commanded the support of States should facilitate negotiations on the subject.

The Romanian Government believes that, if they are to serve their purpose, the principles governing the actions of States in the field of the freezing and reduction of military budgets must be the subject of a consensus of all States.

That is the only basis on which these actions will be capable of providing the minimum political and security framework necessary for increasing confidence between States and for an expression of their will to initiate genuine negotiations on the freezing and reduction of military budgets.

With regard to the document in which such principles are to be embodied, Romania is of the view that their adoption in the form of a declaration would give them their proper political value.

On this same subject of enhancing the political significance of the declaration, it would be desirable, if the draft is completed in time by the Disarmament Commission, that it should be adopted by the second special session of the United Nations General Assembly devoted to disarmament.

SAINT VINCENT AND THE GRENADINES

 $\sqrt{0}$ riginal: English $\sqrt{12}$ February $1981 \overline{)}$

While Saint Vincent and the Grenadines can make no useful contribution, it has noted that the work of the Disarmament Commission is very important and that every effort should be made to reduce military budgets and consequently, the armament race which poses such a grave threat to the peace and security of the world.

SWEDEN

/Original: English/ /1 April 1981/

In spite of all efforts to curb the arms race, large and ever increasing economic resources are still being devoted to military purposes.

The present military balance between the big Powers and their mutual fear of retaliation may presently exert a stabilizing effect but do not constitute any lasting guarantee for the maintenance of world peace. If this peace could no longer be upheld the world would - considering the present level of armaments - be faced with unprecedented dangers.

It is the firm belief of the Swedish Government that peace could be better preserved on a much lower level of armaments and that to all nations this would not only strengthen peace but also diminish the serious threat involved in the outbreak of a new war. The Swedish Government is further convinced that arms' limitations through reductions of military expenditures could and should be carried out without endangering the national security of any country. On the contrary reductions of military expenditures could probably strengthen the security of all countries on both global and regional levels.

Agreements on reductions of military expenditures would have the advantage of exerting constraints - not only on certain, often substitutable, kinds of weapons - but on all types of military activities. They would probably also lead to actual reductions in such fields where it is difficult to arrive at restrictions in physical terms.

If agreements could be reached about reducing military expenditures, economic resources would be released which could instead be used for economic and development purposes, inter alia, for the benefit of the developing countries.

It is the opinion of the Swedish Government that the most heavily armed States carry a particular responsibility in the disarmament field. They should therefore be expected to start the necessary process that would be aimed at leading to gradual reductions of military expenditures. As soon as the militarily most significant countries have negotiated and begun to carry out such reductions

other countries will be likely to follow. One should in this context not forget the desirable possibility of arriving at agreements on reductions also at the regional level.

In order to promote a favourable atmosphere for negotiations all States Members of the United Nations should be encouraged to express jointly their firm intention to freeze and subsequently to reduce their military expenditures. This expression of intent in the form of a declaration or some other suitable document should be regarded as a strong political commitment to take part in future international agreements on reductions, as soon as the form and content of such agreements have been successfully negotiated. It should also be a commitment to exercise self-restraint with regard to military expenditures pending the conclusion of such agreements.

Any agreement on reductions of military expenditures will have to be based on the principle that compliance with the stipulations of an agreement can be verified through adequate measures satisfactory to all parties. This calls for clear definitions but above all for a much greater openness in military matters than is normally the case today in most countries. This is also why the Swedish Government has strongly supported the fortunate decision of the General Assembly to adopt in 1980 for subsequent implementation in 1981 a carefully elaborated and well-defined system for international reporting on military expenditures. Those countries who seriously seek agreements to reduce such expenditures could be expected to show their good intentions by active participation in this system. Reporting on military expenditures by an ever-widening set of States, including in particular the most heavily armed ones, would no doubt serve as an important confidence-building measure in the field of international relations.

Another important principle governing future agreements on reduction of military expenditures is that any such agreement will have to be concerned with expenditures expressed not in nominal but in real terms, i.e. with due regard to occurring changes in the level of relevant prices. A prerequisite for this is that real expenditures can be properly defined so as to permit accurate comparisons between different periods of time. Another principal issue is the matter of comparing military expenditures between different countries. These problems of comparability together with those of verification are at present being studied by a special group of experts appointed by the Secretary-General in pursuance of General Assembly resolution 35/142 B. The Swedish Government attaches great importance to the outcome of this study, the findings and recommendations of which will to a large extent determine the possibilities of reaching general agreement on the freezing and reduction of military expenditures which was presented by Romania and Sweden to the Disarmament Commission in May 1980 and which subsequently appeared as United Nations document A/CN.10/14.

UNION OF SOVIET SOCIALIST REPUBLICS

/Original: Russian/ /14 April 1981/

The position of the USSR on the question of the reduction of military budgets of States has been explained on a number of occasions and, in particular, in the Soviet Union proposals on practical measures for ending the arms race submitted to the special session of the General Assembly devoted to disarmament, in the Soviet Union memorandum on peace, and international security guarantees submitted to the thirty-fifth session of the General Assembly, and also in replies from the Permanent Mission of the USSR to the United Nations to relevant questionnaires from the Secretary-General.

The USSR is a consistent advocate of the reduction of military expenditure, which it regards as an inseparable part of the course of limiting the arms race and achieving disarmament which it is pursuing as a matter of principle. The USSR is not increasing its military budget and, indeed, in recent years it has reduced it a number of times on a unilateral basis.

The Soviet Union is firmly convinced that the present constant increase in military expenditure in the world must make way for a practice of systematically reducing such expenditure. By embarking on this course, States could curb the arms race, which has already led to an unprecedented growth of military expenditure in a number of countries. Implementation of this measure will not jeopardize States' security, which can be maintained at a lower level of military expenditure.

The reduction of military budgets should primarily involve all States which are permanent members of the Security Council and also other States with major economic and military potential. The reduction of military expenditure of States may also be achieved on a regional or other basis. In this connexion, of course, the reduction of military budgets of some States must not be offset by an increase in the military expenditure of allies in their blocs.

The reduction of military appropriations would make it possible to transfer additional resources to the peaceful purposes of economic and social development and to enhancing the well-being of the peoples. Part of the resources saved as a result of the reduction of military expenditure should be used for the provision of aid to developing countries. In this way, a source of additional assistance would become available to these States. The resources set aside for developing countries should be distributed on an equitable basis, taking into account the most urgent needs and requirements of the countries receiving aid and without any kind of discrimination. The Soviet Union is prepared to reach agreement on the amount which would be allocated to economic assistance by each State which reduces its military budget. For this purpose machinery could be set up within the United Nations for the distribution of the resources released among the States receiving aid.

As to the resources which could be released as a result of implementing the important partial disarmament measure of banning the production of nuclear weapons and reducing stockpiles until they are completely eliminated, the Soviet Union proposes that agreement should be reached on diverting these resources to peaceful purposes and not using them for expenditure on other items in the military budgets of nuclear States.

The USSR has on a number of occasions in the United Nations and in other forums made concrete proposals on the reduction of military budgets. It initiated the adoption in 1973 of General Assembly resolution 3093 A (XXVIII) on reduction of the military budgets of States permanent members of the Security Council by 10 per cent and utilization of part of the funds thus saved to provide assistance to developing countries. This resolution provided a sound basis for successfully solving the problem of the constant growth of military expenditure, although through no fault of the USSR it has not been implemented.

Over the last few years, the Soviet Union has proposed a number of ways of overcoming the deadlock in the question of reducing military budgets. It has shown a willingness to seek flexible and mutually acceptable solutions, in particular regarding the amount of the initial reduction. In 1978, at the special session of the General Assembly devoted to disarmament, the USSR said that States with major economic and military potential, including all States permanent members of the Security Council, should reach agreement on the specific amounts by which each of them would reduce their military budgets in absolute, and not percentage terms.

Yet no progress has been made so far in the real reduction of military budgets. A number of States, including some permanent members of the Security Council, are refusing to reach a practical understanding even though it is clear that the reduction of military budgets is most easily achieved as a voluntary measure on the basis of political determination. It is being shown in practice that attempts to evolve a system of monitoring and comparing military budgets and machinery to standardize reporting procedures are being used by a number of States to disguise their unwillingness to embark on the reduction of military expenditure. In addition, some States are meanwhile actively increasing military expenditure in order to finance multi-year programmes for the build-up of their weapons and armed forces and their rapid deployment in distant regions of the world, the establishment of new military bases on foreign territory, etc.

As to the abstract technical studies of the comparability of military budgets which have been carried out in recent years in the United Nations, they are divorced from reality and cannot contribute to the reduction of military expenditure. In existing conditions, the efforts to devise a detailed system for reporting on military expenditure are a regression from concrete decisions already adopted by the United Nations and are leading to an impasse in the problem of reducing military budgets.

The achievement of a practical understanding on the reduction of military budgets will not require much time if States Members of the United Nations demonstrate the political will and desire to find a rapid solution to this exceptionally important and vital problem.

The Soviet Union is prepared to proceed without delay to define specific amounts of reduction on either a percentage or an absolute basis, as a first step over the next three years or other initial period acceptable to everyone. It would be possible to begin by freezing military budgets.

The USSR confirms its willingness to embark on business-like negotiations and serious and far-reaching measures to reduce military budgets.

UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND

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The United Kingdom believes that the fundamental guiding principles governing the actions of States are those set out in the Charter of the United Nations. It was upon these basic principles that the United Kingdom based its contribution to the first United Nations special session on disarmament in 1978. The principles which should guide negotiations on disarmament were set out in the Final Document of the special session and themselves stressed the need for strict compliance with the provisions of the Charter.

The United Kingdom believes that the principles elaborated in paragraphs 28, 29, 30, 31, 40 and 91 of the Final Document have particular relevance to the area of reductions of military budgets. These principles underlie paragraphs 89 and 90 of the Programme of Action agreed at the special session. And these principles and paragraphs encompass the four essential elements of any agreement on military budgets: openness, comparability, verification and implementation.

The United Kingdom has consistently supported calls for greater openness and transparency in military budgeting. It believes that the completion of the revised standard reporting instrument on a verifiable basis by all States would constitute a significant step towards increasing international confidence. However, despite participation in the pilot test by a representative sample of Western States, continued non-participation by any State with a centrally planned economy is calling into question the utility of further multilateral work on the reduction or freezing of military budgets.

Whilst world-wide adoption of the revised standard reporting instrument would be an important first step, there is still much work to be done in the areas of comparability (both international and intertemporal), measurement and verification. Without progress in these areas, the comparison of military budgets can contribute little to the genuine enhancement of confidence, still less can it form a basis for practicable and effective measures for the reduction of military budgets. The problems concerned are outlined in some detail in section III of the report of the Secretary-General on the reduction of military budgets (A/35/479) and paragraph 146 of the report called for further study on these issues. The United Kingdom regards the satisfactory completion of such studies as a necessary pre-condition to any further measures in this area.

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