DISARMAMENT COMMISSION

RELATIONSHIP BETWEEN DISARMAMENT AND DEVELOPMENT

Addendum

CONTENTS

REPLIES RECEIVED FROM GOVERNMENTS

Austria ................................................................. 2
Poland ................................................................. 3
AUSTRIA

[Original: English]

[30 April 1984]

1. Austria supported resolution 38/71 B entitled "Relationship between disarmament and development" and welcomes the involvement of the United Nations Disarmament Commission in the consideration of this important issue. In Austria's view a substantive discussion on this item in the Commission could contribute to a fuller understanding of the various aspects of the complex relationship between disarmament and development. In building on the work already accomplished the Commission should also aim at adopting practical recommendations for further action in this area.

2. The traditional approach to the relationship between disarmament and development emphasizes the contrast between the vast resources used for military purposes and the unmet needs of large segments of the world's population. From the stark discrepancies revealed by such a comparison arises a strong moral appeal for a reordering of priorities and a reallocation of resources. In recent years, not least thanks to the United Nations study on this issue, additional dimensions of the relationship between disarmament and development have come to light. There is increasing awareness, today, of the competitive nature of this relationship at a time of reduced economic growth, resource scarcities and a growing world population. The myth of the alleged positive effect of military spending on economic development has been destroyed. Military expenditures were found to be relatively ineffective compared to civilian outlays in terms of creative employment and maintaining monetary stability. The negative consequences of the concentration of research and development in the area of military technology and the particularly high opportunity costs of the arms race in developing countries have been demonstrated and analysed.

3. The international community has come to a better understanding of the triangular interaction between the arms race, underdevelopment and security. The economically interdependent and ecologically strained world of today is confronted with new threats against which huge military establishments can provide no security. The arms race not only detracts from the capacity to face these challenges but has itself become a major threat to international security. The growing burden of military expenditures on the world economy darkens the prospects of development and exacerbates the polarization of wealth and poverty. Poverty and deprivation lead to social turmoil and regional crises which in turn provide new fuel for the arms race. The military buildup and underdevelopment thus feed on each other to the detriment of security and peace. Austria is convinced that this negative interaction must be transformed into a process in which progress towards disarmament and the improvement of economic and social conditions in the world facilitate and promote each other. Austria fully shares the conviction expressed in resolution 38/71 B that "increased solidarity in the field of development would serve the cause of international peace and security and that the resources released by the reduction of arms expenditures would contribute to the growth and stability of the world economy, and particularly the economies of developing countries".

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4. Austria believes that the Disarmament Commission should examine ways and means to strengthen the disarmament-development perspective. In this regard the recommendations of the expert group on the relationship between disarmament and development in its 1982 report will be of great value. The Commission should identify areas where additional research both on the national and the international level would be particularly useful. It should promote a fuller and more systematic compilation and dissemination of data on the military uses of human and material resources and on military transfers. Austria believes that an increased flow of information on these matters is needed to enhance public awareness of the social and economic cost of the arms race and to strengthen support for disarmament. The Commission should also consider the various proposals concerning mechanisms for reallocating resources from military uses to development. Austria is interested in the proposal concerning the setting up of a disarmament fund for development which could be financed alternatively by a tax on the armaments of the richest and most heavily armed States, by voluntary contributions or in the longer term by redeploying resources released by disarmament measures. The establishment of such a direct institutional link between disarmament and development would, of course, presuppose the solution of many complex political and technical questions. The Disarmament Commission should, in Austria's view, recommend modalities for the further consideration of these issues.

5. In this connection Austria welcomes the offer by the Government of France to host a conference on the relationship between disarmament and development. Such a meeting could promote the public awareness of this relationship and provide an opportunity for an in-depth study of the potential and the problems of mechanisms for the reallocation of resources with a view to the adoption of concrete recommendations. In the light of the results of this meeting a United Nations conference might be convened at an appropriate time to consider and approve the necessary measures.

POLAND

[Original: English]

[8 May 1984]

Pursuant to resolution 38/71 B of the General Assembly of the United Nations, the Government of the Polish People's Republic has the honour to submit the following observations:

1. The Government of the Polish People's Republic has on many occasions expressed the view that the process of disarmament constitutes an important premise of solving the pressing questions of economic and social development in the contemporary world, in particular for creating more favourable conditions for growth of the developing countries. For this reason, all the initiatives put forward at the United Nations with a view to identifying the negative socio-economic effects of the arms race, on one hand, and the positive interdependence between disarmament and development, on the other, have always met with the recognition and support of Poland. Thus, Polish experts have made an important contribution to the preparation of reports of the Secretary-General in
that area, especially concerning the relationship, between disarmament and
development (A/36/356 and Corr.1). The Polish Government is ready to continue
supporting all initiatives and efforts aimed at the cessation of the arms race
which would enable reallocating resources released through the reduction of
military expenditures to development purposes, including the growth of the
developing countries.

2. The last few years have not only failed to record any substantive progress in
the efforts to cut military expenditures but, on the contrary, they have witnessed
an unprecedented acceleration of the growth of military spending. According to
estimates released by specialized research institutes, the average annual growth
rate of arms spending over the years 1974 to 1978 was 2.2 per cent globally. In
the following four-year period (1978-1982), the growth rate had almost doubled to
reach 4 per cent annually. In 1982 alone, global military spending grew by almost
7 per cent (6.9 per cent) compared with 1981. 1/

The adoption by the United States of America and the NATO alliance of a new
politico-strategic doctrine, constituting a departure from the policy of détente in
relations with the socialist States, has triggered off an unprecedented increase in
arms spending. It is estimated that global military spending in 1982 amounted to
700-750 billion United States dollars, whereas early in the 1970s the figure was
close to 400-450 billion United States dollars. Such a high rate of increase of
military expenditure has resulted in its amounting to some 7 per cent of the world
gross national product. 2/

3. The acceleration of the rate of global military spending towards the end of
the 1970s and at the beginning of the 1980s coincides with lowered growth rate in
the world. In some areas of world economy, especially in the developing countries,
the effects of the grave economic recession in the capitalist world have led to a
considerable cut-back of both production and consumption. In some countries the
deterioration of the economic situation has dramatically reduced the possibilities
of accumulation, thereby adversely affecting chances of recovery in the years
ahead. Under such circumstances the attempts to search for the possibilities of
additionally mobilizing international resources to increase aid for the most needy
countries are quite understandable. The establishment of a disarmament fund for
development could become such a possibility - on certain conditions. Notably, we
proceed from the premise that the principles governing such a fund should provide
for effective means of collecting the necessary resources and favour the reduction of
military spending. From that point of view, the principle of establishing such
a fund as the effect of a real disarmament process is of basic importance. In this
context, Poland has already had the opportunity to voice its reservations with
respect to initiatives which fail to establish a direct link between a disarmament
fund and the reduction of military expenditures. The proposal of an
armaments-related tax for development purposes is clearly a concept which divorces
the development fund from disarmament. The reservations with respect to such a
proposal are of a twofold nature:

1/ SIPRI Yearbook 1983 (Stockholm, Stockholm International Peace Research
Institute, 1983), p. 129.

2/ Ibid.
First - the creation of a disarmament fund through a tax imposed on military expenditures reminds one of attempts to put the cart before the horse since the fund would precede the actual disarmament process. It is obvious that such a formula would offer but slim chances of success.

Secondly - as Polish experts and, indeed, experts in other countries believe, there is a considerable likelihood that a tax imposed on military expenditures can have a result contrary to the one hoped for. Instead of promoting the limitation of arms spending, it just may boost it up. Experts are agreed in pointing out that the formula of the armaments-related tax may encourage, indeed invite, the effect well known in tax policy of compensating for tax-induced losses by increasing the overall cost of armament.

4. The Government of the Polish People's Republic believes that the only effective way of establishing a disarmament fund for development would be a net reduction in arms spending and the reallocation of funds thus released to development purposes, including those in the developing countries.

In this connection it will be recalled that Poland has repeatedly voiced its support for initiatives aiming at gradual reduction of military budgets of all States, first of all nuclear-weapon Powers and other militarily important States. As it is well-known, Poland and other States parties to the Warsaw Treaty, in a Declaration of the Political Consultative Committee of 5 January 1983, proposed to the members of the NATO alliance to resume immediately direct negotiations on a freeze of military expenditures and their gradual reduction, percentage-wise or in absolute figures. This proposal was subsequently reaffirmed on 28 June 1983 at the Moscow meeting of the leaders of the States members of the Warsaw Treaty. Most recently, it has been formulated in concrete terms in an aide-memoire of the Government of Romania of 5 March 1984 entitled "A proposal of the States parties to the Warsaw Treaty made to States members of the NATO alliance to proceed to negotiations on non-increase and reduction of military expenditures".

The States parties to the Warsaw Treaty submitted the above proposals with a view to achieving early and concrete agreement on a freeze and subsequent reduction of military spending precisely in order that the material and human resources thus released be reallocated to economic and social development, including that of the developing countries.

The stress on the reduction of military budgets appears to us warranted for a number of pragmatic reasons. Among other things, it stems from Poland's conviction that effective measures in that regard should contribute to halting the arms race and promoting genuine disarmament. It is therefore no coincidence that in the proposals of the socialist States the possibility of a genuine limitation of the armaments-related economic effort and the reallocation of resources to economic and social development goals are closely linked to the undertaking of concrete steps in regard to the reduction of armaments and disarmament.
5. Consequently, the Government of Poland strongly believes that the suggestion contained in General Assembly resolution 38/71 B for convening a conference on the various implications of the relationship between disarmament and development including the idea of an international disarmament fund for development could have realistic chances of success provided the principal objective of such a conference is the consideration of ways and means of contributing to a disarmament fund for development through effective and tangible measures of arms limitation and disarmament. By the same token, any attempt at initiating an international discussion, through the convening of a conference on the establishment of a disarmament fund for development without actual disarmament, would stand little chance of success and could not gain broad international support.