DISARMAMENT COMMISSION

VERBATIM RECORD OF THE THIRTY-THIRD MEETING

Held at Headquarters, New York, on Wednesday, 21 May 1980, at 10.30 a.m.

Chairman: Mr. VELLODI (India)

Agenda item 5: (continued)

(a) Harmonization of views on concrete steps to be undertaken by States regarding a gradual agreed reduction of military budgets and reallocation of resources now being used for military purposes to economic and social development, particularly for the benefit of the developing countries, noting the relevant resolutions of the General Assembly

(b) Examination and identification of effective ways and means of achieving agreements to freeze, reduce or otherwise restrain, in a balanced manner, military expenditures, including adequate measures of verification satisfactory to all parties concerned

Programme of work

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80-61282
The meeting was called to order at 11.00 a.m.

AGENDA ITEM 5 (continued)

(a) HARMONIZATION OF VIEWS ON CONCRETE STEPS TO BE UNDERTAKEN BY STATES REGARDING A GRADUAL AGREED REDUCTION OF MILITARY BUDGETS AND REALLOCATION OF RESOURCES NOW BEING USED FOR MILITARY PURPOSES TO ECONOMIC AND SOCIAL DEVELOPMENT, PARTICULARLY FOR THE BENEFIT OF THE DEVELOPING COUNTRIES, NOTING THE RELEVANT RESOLUTIONS OF THE GENERAL ASSEMBLY.

(b) EXAMINATION AND IDENTIFICATION OF EFFECTIVE WAYS AND MEANS OF ACHIEVING AGREEMENTS TO FREEZE, REDUCE OR OTHERWISE RESTRAY, IN A BALANCED MANNER, MILITARY EXPENDITURES, INCLUDING ADEQUATE MEASURES OF VERIFICATION SATISFACTORY TO ALL PARTIES CONCERNED.

Mr. LIDGARD (Sweden): In my intervention the day before yesterday I referred to the aggravation of international relations and to the accelerated arms race in the world today. This race is directly reflected in an alarming increase of military outlays. At the time of the first special session of the General Assembly devoted to disarmament, the figure of $365 billion was mentioned; at this session we have heard the figure of $450 billion.

The Swedish Government firmly believes that it must be in the interest of all countries to arrive at agreements that would bring about a halt in further increases in military expenditures and then their gradual reduction. This could be done without affecting the military balance to the detriment of the national security of any State. On the contrary, a halt in the increases of military expenditures and reductions would in our opinion strengthen the security of nations, on both global and regional levels. Such reductions could furthermore release resources from military purposes to economic and social development, particularly for the benefit of the developing countries.
In the present rather frustrating political climate we must not despair but strive harder than ever to put an end to the arms race and try to create an atmosphere of confidence between all States that will be conducive to general disarmament.

One way of improving confidence and promoting further steps in the field of disarmament would be to freeze and eventually to reduce the military expenditures of all countries, especially of those most heavily armed. Such measures would exert 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.

The question of restricting military expenditures has been considered and discussed for a long time. Some progress has been made towards the solution of technical problems involved. Since the subject was introduced on the agenda of the General Assembly in 1973, several resolutions have been adopted and some expert studies have been carried out, mainly concerning the problems of defining and reporting military expenditures. The need for restricting such expenditures was again stressed in the Final Document adopted by the first special session devoted to disarmament. In pursuance of General Assembly resolution 33/67 of 1978 the reporting instrument proposed by an expert group in 1976 according to General Assembly resolution 3463 (XXX) is now being tested by several States on a voluntary basis.

I should add that it is our sincere hope that as many countries as possible will participate and thereby facilitate future agreements on the freezing and reduction of military expenditures.

The result of this test will be assessed by a specially appointed Ad Hoc Panel of experienced practitioners in the field of military budgeting. This panel will present its report to the Secretary-General in a few months from now. The Swedish Government attaches great importance to this task of finding a workable and generally acceptable instrument for defining and reporting military expenditures as one necessary step on the path to effective agreements on reductions. Many other problems remain, however, still to be settled.
In General Assembly resolution 34/83 F of last year, it was emphasized that a new impetus should be given to endeavours to achieve agreements to freeze, reduce or otherwise restrain military expenditures. In light of this, Romania and Sweden have submitted to the Commission a joint working paper on this subject. The purpose of this paper, as the representative of Romania outlined yesterday in his statement, is to stimulate the discussion within the Commission and to prepare the ground for further actions by the General Assembly at its next session.

Special attention is drawn to the fact that "a system for international reporting of military expenditures" has been made available (A/CN.10/14, p. 2). The working paper further suggests that new measures should be taken essentially in two stages.

First, the States Members of the United Nations should elaborate, and later adopt, a joint commitment in the form of a declaration expressing their firm intention to freeze and subsequently to reduce their military expenditures. This expression of intent 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, and to exercise self-restraint in military expenditures pending the conclusion of such agreements.

In the second stage, increased efforts should be devoted to negotiating and concluding international agreements on reductions of military expenditures, on global, regional and bilateral levels.

The working paper also expresses the hope that countries take unilateral measures to promote the conditions for later international agreements on freezing and reductions.

In order to pursue this issue, it is suggested that the General Assembly at its thirty-fifth session decide to request the Disarmament Commission to work out the main elements of a joint commitment in the form of a declaration to be further elaborated and negotiated on the basis of later recommendations of the United Nations General Assembly. The next special session on disarmament in 1982 would then be in a position to adopt such a declaration.
With a view to facilitating future agreements on freezing and reductions, it is important to intensify the work on those problems that still remain to be solved. Among these are the problem of verification; the problem of comparing military expenditures of different countries, the so-called exchange rate problem; and the problem of comparing military expenditures at different periods of time, that is, the problem of price deflation.

The verification of whether States parties to an agreement to freeze or reduce military expenditures really comply with the stipulations of the agreement is an important issue that must be given further thorough study. It is the conviction of the Swedish Government that it will not be possible to arrive at any substantive agreements concerning freezing or reductions of military expenditures unless the problem of verification has been settled in a way satisfactory to all parties. Some kind of machinery, such as a special United Nations committee with full insight into the national budgeting and accounting procedures of the States parties, might be helpful in settling this issue.

As long as agreements are restricted to the freezing or reducing of military expenditures in terms of percentage points equal for all States parties, there will be no need to make international comparisons. The reductions may well be carried out, reported and verified in national currencies. But as soon as the reductions are to be done according to another principle - for instance more heavily armed States reducing relatively more than less heavily armed States - the need for international comparisons arises. This will pose some problems that have to be settled before an agreement can be concluded.

Since agreements on freezing or reduction of military expenditures are supposed to last for several years, the rate of price increases will have to be taken into account. These rates may be different in various countries and may also be measured in several different ways. It will therefore be necessary to arrive at generally acceptable solutions to the problem of price deflation as well.
Against this background, it is suggested that, parallel to the elaboration of a joint commitment, these problems, together with all other fundamental elements of international agreements to freeze and reduce military expenditures, be further examined before the next special session on disarmament. Sufficient means must of course be devoted to the financing of the important research that will have to be carried out concerning these problems. In this context, individual Member States could play an essential role by promoting and supporting these efforts.

The Swedish Government, which is seriously concerned by the present deterioration of the international situation, and which is conscious of all problems and obstacles blocking the road to disarmament, would like to express its firm opinion that new, strong efforts are urgently needed in order to stop the arms race and to reduce the world's military expenditures. It is also my Government's hope that the working paper which we have presented in co-operation with Romania contains some propositions which deserve to be studied by the United Nations Disarmament Commission. We hope that the Commission may wish to take appropriate measures along these lines.

Mr. SUCHARITA (Austria): At this early stage in our consideration of agenda items 5 a and b, the Austrian delegation would like to offer the following brief comments.

Austria has always regarded the reduction of military budgets as a disarmament measure of special importance and significance, because attempts to deal directly with the most deplorable squandering of financial and limited natural resources which is so characteristic of the arms race. Preceding speakers have already mentioned the fact that global military expenditures have by now reached the inconceivable amount of $450 billion which, estimated in constant prices, means that the world military budget has increased by an amount of well over 70 per cent within the last decade, which, as we all know, was meant to be a decade of disarmament. And yet, there is no sign that this trend
might be reversed in the near future. Quite the contrary, both of the two leading military alliances are obviously continuing with further increases in their military expenditures, a policy which is being emulated - although on a much lower level - by many other countries as well. It was in the light of this dismal situation that at the last General Assembly session, Austria agreed to be a sponsor of resolution 34/83, which, inter alia, called for a new impetus to endeavours to achieve agreements on the freezing or reduction of military budgets. We would like to express the sincere hope that our work on this issue within the Disarmament Commission, pursuant to this General Assembly resolution will provide an adequate framework for such a new impetus.
The reduction of military budgets as an agreed disarmament measure not only would offer the optimal avenue for reversing the constantly growing trend towards increased military budgets but also would lead to a situation where through appropriate mechanisms a substantive amount of the resources that currently are being used for military purposes could be redeployed and used for social and economic development purposes, especially within the developing countries. Furthermore, the reduction of military budgets has a very specific advantage over all other disarmament measures. It is very flexible in nature in so far as it leaves to the participating States the choice as to which individual armament systems would be the subject of budgetary reductions. Thus, the States taking part in an agreement on the reduction of their military budgets can make their own assessment as to their specific security needs.

Furthermore, agreed reductions in military expenditures could also be a vehicle for reductions in such areas as military research and development, which present the greatest difficulties for arms control and disarmament measures in physical terms. Thus, for many reasons the reduction of military budgets would constitute a very promising disarmament measure.

Of course, like any other disarmament measure, the reduction of military budgets can only succeed if, apart from the necessary political will, sufficient confidence between States can be generated. The latter requirement and the necessity of assuring that the reductions are carried out in a balanced manner call for the establishment of a reliable international reporting instrument through which the actual compliance with agreed targets for reductions can be monitored. It is for these reasons that Austria not only has supported the current efforts within the United Nations to finalize such a reporting instrument but also has submitted all relevant information concerning Austria’s military budget in conformity with the questionnaire that has been drawn up by the United Nations panel for military budgeting.
By delegation is awaiting with the greatest interest the panel's report to the thirty-fifth session which will assess the result of the current testing of the reporting instrument. On the basis of this report it will then be our task to find the proper solution to the overall problem of verification. We feel therefore that the process that has been set in motion for the establishment of a general reporting instrument on military budgets should, with the active participation of as many States as possible, be accelerated and finalized in due time. The Austrian delegation hopes that the recommendations which this Commission might adopt on this subject will make a major contribution towards this goal.

In this connexion it should also be underlined that improved and reliable information about military budgets has a significant value of its own as an important confidence-building measure. The availability of data concerning military expenditures could constitute an additional basis for estimates concerning the military potential of States and would make it possible for Governments to gain a more objective assessment concerning possible military threats directed against their respective countries. Thus the mutual overreaction to military procurements entered into by countries regarded as potential adversaries, which is a primary cause of the spiralling arms race, might be avoided.

These were the brief comments my delegation wanted to make at this stage of our work. In conclusion, I should like to thank the Romanian and Swedish delegations for their concrete contribution to our discussion of agenda item 5. We are confident that their working paper will provide an excellent basis for our deliberations and for the recommendations which we shall have to submit to the thirty-fifth session of the General Assembly. In particular, my delegation is in general agreement with the idea that, pending the conclusion of formal agreements on the reduction of military expenditures, for which, as I have already indicated, the availability of a generally acceptable reporting instrument is indispensable, appropriate efforts should be made towards restraining the current tendency towards budget increases in the military field.
Mr. AL DOY (Bahrain) (interpretation from Arabic): It is with great satisfaction, Sir, that we see you presiding over this session of our Commission. This testifies to the fact that the Member countries can appreciate everything which was achieved under your Chairmanship during the previous session.

In connexion with item 5 of our agenda, my delegation considers that what currently concerns mankind is that armaments expenditure far exceeds expenditure in the fields of education, health and housing. Moreover, the arms race is intensifying year by year. Today expenditure on armaments totals more than $450 billion a year, which exceeds by several times the expenditure in the same area 25 years ago. The portion of this total expended by the two super-Powers is more than 51 per cent, at a time when hundreds of millions of human beings are dying of hunger.

The arms race is having harmful effects by hampering efforts to establish a new international economic order. Some reports on spending in military and social areas suggest that military expenditure on the world level has reached $92 per inhabitant whereas only 37 cents are going to each inhabitant under United Nations humanitarian programmes. Based on these reports, it emerges that military expenditure around the world has increased more rapidly than the inflation rate, which is nevertheless currently running at a gallop.

Some people believe that military expenditure in most cases has political support because it is thought that this spending serves an active economy and creates new employment. But this is a mistaken idea and we categorically reject it, because studies have never proved the existence of a positive link between military spending and economic development. They have in fact shown that military spending, because it exacerbates inflation, absorbs raw materials and diverts investment, constitutes an obstacle to development.
One of the most important objectives of disarmament is the use of a portion of the resources coming from the enormous reduction of the military budgets for the development of countries with limited resources. In the Final Document of the tenth special session devoted to Disarmament, it is stated that it is necessary

"...to release real resources now being used for military purposes to economic and social development in the world, particularly for the benefit of the developing countries." (resolution S.10/2, para. 94)

The State of Bahrain, which is a developing country and a peace-loving country, is devoting all its efforts and concentrating its economy on the achievement of civil objectives, such as the construction of schools, hospitals, power stations and housing and the establishment of means of communication. In other words, everything which can raise the standard of living of our country and ensure a better way of life.
Mr. SUMMERHAYES (United Kingdom): Because there is a certain overlapping between the subjects which we are considering under items 4 and 5 of our agenda, I intend to make some comments this morning directed at what we see as important aspects of both questions, that is, both conventional arms and the reduction of military budgets.

We are all very conscious that we are deliberating against the background of a tense international atmosphere. Because that is so we must continue to strive for progress on those aspects of the disarmament process where positive action is possible. My Government remains firmly committed to the task of negotiating balanced and practical measures of arms control and disarmament with provision for adequate verification. To this end, we are taking an active part in current negotiations in both the nuclear and conventional fields, on the one hand in negotiations with the United States and the Soviet Union on a comprehensive test ban, and on the other in the negotiations in Vienna for mutual and balanced force reductions.

It goes without saying that measures of nuclear arms control are of fundamental importance to the creation of a relaxation of tension in the world. But there is also essential work to be done - and to be done urgently - in the conventional field. This, however, must be planned in a balanced and integrated manner, in order to avoid a destabilizing effect which could plunge us all into the sort of conflict which we seek to avoid. My Government has long urged the United Nations to pay more attention to conventional arms control and its interrelationship with nuclear disarmament.

We therefore warmly welcomed the submission of working papers on conventional arms control by the delegations of Denmark and Spain. These raise many important issues and will, we hope, provoke some wide-ranging discussion in the Commission. We should like to see such discussion adequately reflected in the report of our Commission to the General Assembly this year, and in compliance with the Chairman's suggestion that we should aim to make action-oriented recommendations, I hope that the Commission will ask the General Assembly to set in hand a study of the whole range of these complex problems. Such a study might, inter alia, include an analysis of the connexion between conventional and nuclear disarmament, the international transfer of conventional weapons and the possibility of reciprocal limitation of the level and types of conventional weapons. It might also consider
the practicalities of regional agreements on restraints, in order to help initiatives that are currently under consideration. It should be designed to point the way to policy decisions by Governments, and it would, in our opinion, be an important aspect of the preparations for the second special session on disarmament in 1982.

Turning now to the question of the reduction of military budgets, it is the view of my Government that, as set out in the Final Document of the special session on disarmament, the gradual reduction of military budgets on a mutually agreed basis could contribute to the curbing of the arms race in all its forms. We therefore welcome the interesting paper submitted by the delegations of Romania and Sweden as a further contribution to consideration of this issue.

But before we can begin to negotiate on the reduction of military budgets, we must first agree on the method of reporting military expenditure. Until this has been established, we cannot make an accurate comparison of what different countries spend for military purposes, nor can we measure what is to be reduced.

The second requirement for any negotiation of agreed reductions is to devise an acceptable and adequate method of verifying the accuracy of the data presented in any such reporting system, so that in due course it can be seen that States are in fact making the reductions to which they have pledged themselves. This is why the United Kingdom has consistently supported the work of the Secretary-General's study group on military expenditures and the expert panel. The United Kingdom expert contributed to the original drawing up of the reporting matrix which is currently being tested, and we continue to support this work.

In constructing the reporting mechanism, the panel of experts attempted to take full account of the differences in economic organization between States. Thus, in order to test the reporting instruments properly, the sample of countries participating in the pilot test clearly needs to reflect all political groupings, and the different systems of military budgeting and accounting which are used around the world. We thus regret that the group of States which have so far agreed to complete the matrix is not more representative. Those Western countries which have replied to the Secretary-General have demonstrated their own frankness in these matters and their willingness to make more progress. Others, like the United Kingdom, are already publishing detailed defence statistics quite openly.
It seems to us now that it is up to those States which insist on cloaking these matters in secrecy to show a certain frankness in order that real progress in this field can be made. It is not enough simply to make sweeping appeals for flat-rate cuts in budgets when we have no means of knowing that the figures published are accurate and represent the full picture of a State's military spending. The publication of more detailed information about military expenditure will in itself act as a confidence-building measure and help to give impetus to the next stage in this exercise.

We thus hope that in drawing up the recommendations on this subject in its report to the General Assembly, this Commission will lend its full support to the work already underway in the United Nations, which seems to my Government to be the only practical path to any agreements on reductions in military expenditure.

Mr. de la CORCE (France) (interpretation from French): The question raised in item 5 of our agenda has been the subject of many studies and proposals in the United Nations, and a new contribution has just been made, in connexion with our debate, by Romania and Sweden. Thus, we have a sound basis for our work.

We should like first of all to note that past work here at the United Nations relating to military expenditure has not been fruitless. In its resolution 33/67 of 14 December 1978, the General Assembly established an Ad Hoc Panel on Military Budgeting. This panel of experts drafted an instrument to facilitate standardized reporting of military budgets by Member States. A pilot study based on this work is currently underway; the Ad Hoc Panel is to report during the thirty-fifth session of the General Assembly.

The French delegation considers that this Panel's work deserves special attention, for it would be wishful thinking to advocate concerted measures for the reduction of military budgets without the means for an accurate assessment of their true scope.
My country therefore decided to respond to the inquiry by the special group in order to contribute to the development of an acceptable instrument for the presentation of military budgets. We hope that States representing all the regional groups will make a useful contribution to this experiment.

The French delegation learned with great interest of the working paper presented to the Commission by Romania and Sweden. The text will undoubtedly provided the basis for our work in the days to come. It sets forth a certain number of principles which should receive general support. I think it may be useful to recall in summary the need for all those States most powerfully armed to enter into a period of freeze and of reduction in military budgets; the possibility and the need to bring about such a reduction without changing the military balance to the detriment of the security of States; the assurance of adequate and satisfactory methods of verification; and the allocation of part of the resources freed following the measures relating to the freeze and the reduction in military budgets to developing countries.

The undertakings entered into based on these principles could take various forms. The document submitted by Sweden and Romania proposes an initial stage: a declaration by Member States to be elaborated after the General Assembly, during its thirty-fifth session, has studied the deliberations of our Commission and the work of the special group on the establishment of military expenditure. We think that those ideas offer a very substantial basis for our work here.

The French delegation attaches particular importance to the item under discussion because it is linked to a fundamental objective, recalled in the principles expressed in the document presented by Sweden and Romania, namely, allocation of resources made available by disarmament to the tasks of development. The French Government’s attachment to this cause may be seen in the plan for a special disarmament fund for development presented by the President of the Republic of France during the special session of 1978. This plan was the subject of studies carried out by a group of experts presided over by Mrs. Thorsson. We hope that these studies will contribute to the success of our initiative.

The French delegation assures you, Mr. Chairman, of its wholehearted support in the work of this Commission on a subject that is of particular importance but which experience has clearly shown is a difficult issue.
Mr. KOSTOV (Bulgaria): I should like to state briefly the position of my delegation on item 5 of the agenda.

The People's Republic of Bulgaria holds the view that the question of reducing military budgets requires particular attention. Its speedy solution would yield, in the whole complex of disarmament efforts, at least two concrete results.

First, it would represent a simple but effective way of curbing the arms race and proceeding to disarmament. Secondly, it would provide the opportunity to diminish and consequently halt the diverting of an enormous part of the economic resources of States for use for military purposes.

In other words, the reduction of military budgets would contribute to preventing the danger of war and to strengthening the international peace and security, and at the same time would be conducive to the releasing of substantial resources and their reallocation for the economic and social development needs of States, particularly in the developing countries. The magnitude and urgency of those needs are widely known.

The reduction of military budgets could also furnish favourable conditions for the successful and prompt solution of a number of acute global problems for the benefit of all mankind.

All of those reasons explain why the overwhelming majority of Member States have displayed a deep and lasting interest in this problem. For several years it has remained highlighted in the United Nations. There have also been specific proposals and decisions on the way in which it should be dealt with.

In this respect I should like to recall that in 1973, on the initiative of the Soviet Union, the General Assembly adopted resolution 3093 (XXVIII) calling for the reduction of the military budgets of States permanent members of the Security Council by 10 per cent and the utilization of part of the funds thus saved to provide assistance to developing countries. My Government supported that decision
as being fully logical and justifiable. It reflected the special responsibility of States permanent members of the Security Council for preserving world peace and security, as well as the fact that their military budgets are by far the largest ones. The undertaking of such a step on their part would reaffirm their readiness to contribute in deed to limiting the arms race and would impart a tangible impetus to the efforts in the other fields of disarmament. An immediate result which the realization of this step could yield would be the imposition of a definite ceiling on the escalation of armaments. Moreover, the utilization of part of the huge funds thus saved to provide assistance to the developing countries would have a sizable political and economic effect.

Unfortunately that decision has remained unimplemented. As is well known, its practical realization has been rendered rather difficult by the problem of "incomparability of military budgets" of various States, which has been evoked quite artificially. Obviously the goal thus pursued has been to replace the actual reduction of military budgets with the endless academic discussions on the technical aspects of the problem.

In our submission, all difficulties can be surmounted on the basis of the simple and rational proposal put forward by the Soviet Union at the tenth special session on disarmament, to the effect that the States possessing large economic and military potential, and more particularly the States permanent members of the Security Council, should agree to reduce their military budgets not in terms of percentages but in absolute figures. This proposal offers an opportunity for the problem of curbing military budgets to become the subject of immediate business-like negotiations.

The ongoing arms race has categorically confirmed the need for tackling pragmatically the problem of the reduction of military budgets. In the present day international set-up this task acquires
an increasingly topical and urgent dimension. Certainly we are fully aware of the fact that obstacles are raised by forces that are interested in the endless inflating of military spending. That is why we do not think that the main hurdle on the road to solving this problem is the "incomparability of budgets" but rather the incompatibility or, even more, the irreconcilability of the proposals for the limitation of military budgets with the decisions for their automatic increases, with the monstrously expensive plans for the manufacture and deployment of nuclear weapon missiles, with the maintaining of more military bases and with the creation of new types and systems of weapons of mass destruction.

Therefore, in order to solve this problem properly political will is necessary and political decisions are required. That is why in their joint declaration of 15 May of this year the States members of the Warsaw Treaty Organization have listed the question of "cutting the military budgets, above all of major Powers" among the proposals considered as immediate objectives in the field of practical measures to end the arms race which require the speediest successful completion.
The Final Document of the special session on disarmament explicitly states that:

"Gradual reduction of military budgets on a mutually agreed basis, for example, in absolute figures or in terms of percentage points, particularly by nuclear-weapon States and other militarily significant States, would be a measure that would contribute to the curbing of the arms race and would 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." (A/5.10/4, para. 89)

The efforts of Member States ought to be directed to the practical implementation of that urgent task. The sooner that is accomplished the more material resources would be diverted from purposes of destruction to peaceful development and the prosperity of nations.

My delegation reserves its right to express its views on document A/C.10/14 submitted by Romania and Sweden at a later stage of our work.

Mr. Rodríguez (Sri Lanka): Mr. Chairman, as this is the first time my delegation is taking the floor in the current session of the Disarmament Commission, I should like to express our pleasure at seeing you in the Chair, not only because of your wide personal experience and proven eminence in the field of disarmament deliberations, but also because you are the representative of a friendly and close neighbour.

The tenth special session of the General Assembly, devoted to disarmament, recognized that the gradual reduction of military budgets on a mutually agreed basis would contribute to curbing the arms race and assist in the fruitful reallocation of resources now squandered on military purposes to economic and social development, particularly of the developing countries.

More recently the sixth Summit Conference of Non-Aligned Countries, held in Havana, urged the immediate reduction of expenditure on armaments, especially by the nuclear-weapon States and their allies, and called for concrete disarmament measures, the implementation of which would progressively enable a significant portion of the resources so diverted to be used for social and economic needs.
The part that bloated arms budgets have played in accelerating inflationary tendencies and economic imbalances; the social, political and moral effects of the emergence of powerful interest groups and lobbies which may have a vested interest in perpetrating the arms race; the denial of resources for urgent and pressing needs in economic and social development; the misdirection of funds for research into more and more insidious weaponry - all these have been well documented and underline the compelling need to reduce military budgets.

The military expenditure of my own country would be easily exceeded by the advertising budget of any major United States corporation. A small country like mine relies for its independence and security primarily on its goodwill and friendship with other nations, its faith in the United Nations and its firm adherence to a policy of non-alignment. Clearly Sri Lanka's perceptions of its security concerns and options are not shared by everyone and to nuclear-weapon States and militarily significant States in particular our position might even appear naive.

Past weeks saw two separate gatherings of groups of States which perceive the further development of their two mutually exclusive military alliances as their best guarantee of security. The positions and decisions adopted at these two gatherings are a matter of public record.

The negative aspects of escalations in military expenditure are being amply demonstrated in practice. Rather than helping to create an atmosphere of confidence between the major nuclear Powers, each significant increase in military expenditure has only bred suspicion and political nervousness, leading to an unfortunate deterioration in the overall relations between those Powers. Such feelings of bad blood between them have, in turn, tended to poison the general global situation and have seriously undermined international peace and security.

The situation in the Indian Ocean provides an example. Increased military activity in the region and additional expenditure incurred by the great Powers to meet their separately and differently perceived security threats have in fact engendered adverse tendencies in their relations and greatly jeopardized the peace and stability of that strategically sensitive region. As an Indian Ocean nation, Sri Lanka regrets that even the restricted conversations on mutual arms limitation in the Ocean, begun within the SALT talks, have been stalled.
The decision by the permanent members of the Security Council to participate fully in the work of the Ad Hoc Committee on the Indian Ocean is however a positive step and should be welcomed, and we hope that the Committee will provide a suitable forum in which the great Powers could co-operate positively in the implementation of the Declaration of the Indian Ocean as a Zone of Peace.

Resolution 34/03 F has already placed the item "Reduction of military budgets" on the provisional agenda of the thirty-fifth session of the General Assembly. The resolution further requests the Disarmament Commission to examine and identify effective ways and means of achieving agreements to freeze, reduce or otherwise restrain, in a balanced manner, military expenditures, as well as adequate measures of verification satisfactory to all parties concerned. Although there is no specific request for a report on this subject to the General Assembly, my delegation agrees with you, Mr. Chairman, that if this Commission could reach certain agreed conclusions and recommendations on this subject, the deliberations on this item at the thirty-fifth session would certainly benefit. Some delegations, such as those of Sweden and Romania, have in fact advanced specific suggestions and proposals which deserve consideration. We call for positive and mutually agreed initiatives particularly from those States which account for most of the estimated $400 billion in annual military expenditure, in the realization that it is certainly possible to achieve mutual reductions in military budgets without adversely affecting the national security of any State and in the further realization that the channelling of a substantial portion of resources, freed by disarmament measures, to economic and social development, particularly of the developing countries, would in fact enhance overall international peace, security and development.

Mr. SEZAKI (Japan): Japan has always advocated the need for a just and fair evaluation of military budgets as an indispensable precondition for their reduction. That is why my delegation welcomes the fact that a practical test of a standardized reporting instrument is about to be carried out with the help of the ad hoc panel of experts in the field of military budgeting, which was set up under a resolution of the thirty-third General Assembly more than six years after the adoption of the relevant resolution at the twenty-eighth session of the General Assembly.
One may criticize the slowness of progress during those six years. But there would probably have been no progress at all over those six years if countries had continued to call only for the reduction of military budgets, however drastic the proposal might have been. Therefore Japan emphasizes the accumulation of realistic and concrete measures in order to achieve progress on the long road to disarmament.

We are to continue our discussion on the freezing and reduction of military budgets at this session of the Commission and my delegation hopes that we shall be able to consider a series of concrete measures that can eventually lead to actual reductions on the basis of a just and fair measurement and comparison of military budgets under a standardized system, taking fully into account the work of the past six years.

Turning to the problem of disarmament and development, I should like to touch on the question of diverting resources from military to peaceful purposes. My delegation is convinced that there is wide recognition among countries regarding the desirability of utilizing as far as possible the tremendous resources now being spent for military purposes on promoting the welfare of mankind. Of course, in the actual transfer of such resources careful study will need to be devoted to many factors, including the security requirements of countries, as well as their economies, industries, the employment situation and the domestic allocation of natural resources to different uses. My Government appreciates the wide extent of the work being undertaken by the United Nations group of experts on development and disarmament and considers that, upon receipt of their final report, clear-cut and feasible ways and means should be sought to render possible the actual transfer of resources from military to peaceful purposes.
Ir. KRYSZKOSIK (Poland): As we discuss item 5 of the agenda that has been adopted the Polish delegation wishes to emphasize the outstanding significance of the reduction of military budgets as one of the means that could bring about the curbing of the arms race and the facilitating of disarmament negotiations. Such a reduction can be implemented if based on the principle of proportional reduction or reductions of exactly the same magnitude. It is advisable that this be done without any unreasonable delay. It should embrace the budgets of the States which are permanent members of the Security Council and States with considerable military and economic potential.

If achieved, progress in this respect would undoubtedly help to redirect great resources from the programmes of military expenditure to the urgent needs in other fields. The resources obtained in this way could be used, among other things, for the objectives of socio-economic development.

We do not agree that the technical aspects of accounting of military budgets and their components should be entered into. We should avoid an approach which would only prolong the reaching of the relevant decisions. Peace and disarmament can be achieved only on the basis of mutual understanding and confidence. We have to build up and strengthen such a basis.

To strengthen this basis, to make it really solid and strong, the strict observance of the provisions of international agreements and accords, both multilateral and bilateral, and the strict meeting of the obligations and commitments deriving from them are absolutely necessary.

A number of major international agreements have been concluded in the past Disarmament Decade. Suffice it to mention the following: a ban on the emplacement of weapons of mass destruction on the sea-bed and on the ocean floor and in the subsoil thereof; a ban on bacteriological and toxic weapons and the elimination thereof; and a prohibition of military or any other hostile use of environmental modification techniques. The régime of nuclear arms non-proliferation has been strengthened through an expansion of international provisions of the Non-Proliferation Treaty. Those as well as other numerous positive results have been duly noted by the General Assembly at the tenth special session, which was devoted to disarmament. The Final Document of that session, specifying major principles, goals and a long-term programme of disarmament efforts, was unanimously adopted.
In Europe, the Final Act of the Conference on Security and Co-operation in Europe was signed by the leaders of the participating States.

There are obligations upon States deriving from these accords and agreements. In the opinion of the Polish delegation, their full implementation, both in the letter and in the spirit, is of the utmost importance today.

The continuation and deepening of the process of détente on the European continent depend in decisive measure on how carefully all the States which participated in the all-European Conference treat the positive assets accumulated over the past decade and how consistently all the principles and provisions of the Helsinki Final Act are implemented in practice. In the Declaration of the States Parties to the Warsaw Treaty adopted at the meeting of the Political Consultative Committee in Warsaw special attention was drawn to the resumed attempts to call in question the sovereignty of States and the inviolability of their borders. Such attempts are in conflict with the commitments undertaken in the Final Act of the Conference on Security and Co-operation in Europe by all the States participating in it.

Last Saturday the Permanent Representative of Poland transmitted to the Secretary-General of the United Nations the Statement and the Declaration of the States parties to the Warsaw Treaty with a request that both the Statement and the Declaration be circulated as official documents of the General Assembly under item 46, "General and complete disarmament", and item 50, "Implementation of the Declaration on the Strengthening of International Security", of the provisional agenda, and also as documents of the Security Council.

The Declaration emphasizes inter alia that an analysis of the existing situation dictates the need to concentrate efforts to rule out the possibility of the outbreak of a new war, first of all in the following directions.

Agreement should be reached that, from a certain agreed date, no one State or grouping of States in Europe shall increase the size of its armed forces in the area defined by the Final Act of the Conference on Security and Co-operation in Europe.

All the provisions of the Final Act signed in Helsinki should be strictly observed. The States participating in that Conference committed themselves to be guided in their mutual relations by the principles of sovereign
equality, respect for the rights inherent in sovereignty, non-use of force or threat of force, the inviolability of borders, the territorial integrity of States, peaceful settlement of disputes, non-interference in internal affairs, respect for human rights and basic freedoms, equality and the right of peoples to decide their destiny, co-operation between States and conscientious compliance with commitments in accordance with international law.

Exchanges of views on a bilateral and multilateral basis should be intensified and deepened in the interest of a successful outcome of the Madrid meeting.

The preparation of a conference on military détente and disarmament in Europe should be accelerated.

Efforts should be made to achieve speedy agreements in the talks being held on various aspects of the limitation and ending of the arms race. The talks should be immediately resumed towards the same end as when they were suspended or broken off. Along with the ratification of the Soviet-United States Treaty on the Limitation of Strategic Arms (SALT II), it should be agreed to consider that the immediate objective in the field of practical measures to end the arms race should be the speediest successful completion of the talks on the general and complete prohibition of nuclear weapon tests; on the prohibition of radiological weapons; on the prohibition of chemical weapons and destruction of stockpiles thereof; on the non-use of nuclear weapons against non-nuclear States which do not have them on their territories; and on the non-deployment of nuclear weapons on the territories of States where there are no such weapons at present.
Business-like talks should be started immediately on the following urgent measures for ending the arms race and eliminating the threat of war: on concluding a world treaty on the non-use of force; on ending the production of nuclear weapons and the gradual reduction of their stocks until their complete liquidation; on a ban on the development of new types and new systems of weapons of mass destruction; and on a cut in military budgets, above all of the major Powers. It is also necessary without further delay to make efforts on an international scale to achieve a permanent ban on the use of nuclear weapons and a renunciation by all States of the use of force in their relations; to dismantle foreign military bases and to secure the withdrawal of troops from foreign territories; to make reductions in forces and arms; and to create nuclear free zones and zones of peace in various areas of the world, including Europe.

It is necessary to start examining, for example, within the United Nations framework, the question of limiting and reducing the level of military presence and military activity in the areas concerned, whether it be in the Atlantic, Indian or Pacific Oceans, the Mediterranean Sea or the Persian Gulf.

The proposals of the Warsaw Treaty member States are aimed at strengthening peace and international security, at continuation and development of the process of détente, at curbing the arms race, at carrying out disarmament and at developing international co-operation. They are of major importance for the improvement of the international situation; they are of major importance in the work of this Commission.

Mr. TALIANI (Italy): Mr. Chairman, since it is the first time I have spoken in our deliberations, may I first express my satisfaction at being able to do so under your experienced and purposeful guidance.

The reduction of military budgets represents a disarmament-related question on which the attention of the international community has recently been focused.
We consider this to be a positive fact: indeed, aside from limited discussion concomitant with consideration of relevant resolutions during several sessions of the General Assembly, and a partial analysis of the question during the first special session devoted to disarmament, this subject has not yet received full consideration by any of the various disarmament forums within the United Nations.

My delegation therefore takes this opportunity to express its satisfaction at the occasion now offered to us, practically for the first time, by the United Nations Disarmament Commission, to discuss in detail this important subject.

The reduction of military budgets, since it is part of the general problem of disarmament, should in our opinion be guided by the same fundamental principles of disarmament. Among these I would mention in particular the safeguarding of security, the maintenance of balance - which is a condition of security - and international verification.

To the extent that it does affect defence expenditures, the reduction of military budgets could have destabilizing consequences for the security of States, if the principle of balanced reduction is not applied. Consequently, it does not seem appropriate or realistic to propose reduction of either a fixed percentage or of absolute figures to be applied uniformly to all countries; it is known that defence spending varies considerably from country to country according to respective security thresholds.

On the other hand, this Commission is aware that estimates of military expenditures of States vary widely depending upon the different sources considered; these divergent appraisals lead to discrepancies, which may assume large proportions. It is therefore necessary, as a preliminary step, to elaborate an instrument capable of determining in an objective and verifiable manner the expenditures actually effected for defence. Once the elements to be included in this instrument have been agreed upon and testing has been carried out, we may then proceed, with good prospects of success, to negotiations with a view to reaching an agreement on the reduction of military budgets.
I wish to recall that a preliminary reporting instrument for the determination of military expenditures has already been elaborated by a group of experts under the auspices of the General Assembly, and that it is currently being tested. To this end, the Secretary-General of the United Nations last October requested interested Member States to fill out questionnaires, which represent the current version of the reporting instrument.

Italy last April responded to the Secretary-General's Note, indicating the full extent of its defence expenditures and subdividing them, so far as possible, by the categories listed.

This first attempt, within the United Nations framework, to implement an objectively reliable instrument for the effective reporting of military expenditures can have a positive outcome only if the largest number of States participate in this pilot experiment. In fact, only in this way will it be possible to have at our disposal an instrument which is applicable to the diverse systems, including those of States whose budgetary structures and categorization procedures are different from those normally used.

In this respect, I should like to recall the statement made on behalf of the nine member States of the European Community on 14 May on this specific point:

"The Nine would wish more countries of other regional groups, and particularly those with different budgetary systems, to participate actively in this endeavour with the aim of making budgets more comparable. Only truly representative participation by countries from all regions will make a contribution to the comparability of budgets, the necessary prerequisite for an agreement on the reduction of military budgets in full respect for the need for undiminished security."

(A/CH.10/PV.27, p. 26)
The question of the reduction of military budgets was the subject of a working paper presented to us by the delegations of Romania and Sweden (A/CN.10/44). We wish to thank those delegations for their efforts and for the contribution they make to the better understanding of the problems connected with this topic. We note, however, that this working paper, while emphasizing the necessity of adequate verification of eventual "agreements" on the reduction of military budgets, does not, in our view, sufficiently take into account the necessity of elaborating the reporting instruments first. In our opinion, therefore, this working paper constitutes a contribution which can be most effectively utilized at a later stage of our work within the United Nations.

The reduction of military spending must naturally affect all types of arms, both nuclear and conventional. However, in practice, given the great part that conventional weapons play in the military budgets of States, this reduction will affect mainly conventional arms. In practice, conventional disarmament and reduction of military budgets form part of the same problem, which must be approached globally.

Two working papers on conventional arms have been submitted to the United Nations Disarmament Commission by Denmark and Spain, whom we wish to thank for their excellent analyses. These documents rightly approach the problem of conventional arms in a global perspective, leaving the further elaboration of the subject to future deliberations or relevant studies. During the general exchange of opinions, however, the need for concrete steps was also underlined, as I well remember the representative of Nigeria saying.

In this connexion, I wish to recall that Italy presented to the Committee on Disarmament in Geneva last February a concrete initiative contained in document CD/56, which pertained to a specific aspect of conventional disarmament which is, moreover, related to the question of the reduction of military budgets.
It is well known that the expenditures related to conventional arms transfers have assumed a magnitude which is disproportionate to the amount spent on economic and social development and, in particular, to aid to the countries of the developing world. Italy has, therefore, proposed the establishment within the United Nations of an ad hoc body, which could take the form of an agency, for the control and limitation of the transfer of conventional arms. This body should be composed of regional commissions in which suppliers and recipients of arms participate on an equal footing. Their participation in a joint organ is necessary to avoid the occurrence of what has been termed a form of "non-proliferation of conventional arms". Instead, the restraints which would emerge from this process would be fully and jointly agreed upon by all parties, taking into account regional defence needs.

Italy trusts that this proposal will in due course be given detailed consideration by the Committee on Disarmament and by the United Nations Disarmament Commission.

The reduction of military expenditures has multiple aspects, which my delegation has tried to indicate in a preliminary way. Italy, as well as a number of other countries, considers this to be a subject of great importance. The results which could be derived are such that it is in the interest of all States, without exception, to develop this subject in grounds for action.

Representatives of certain countries have during the course of our deliberations made critical references to certain security decisions taken within the North Atlantic Treaty Organization (NATO) concerning theatre nuclear forces. However, as the representative of the Federal Republic of Germany mentioned yesterday, none of these representatives referred to the NATO offer - recently reiterated in Brussels - to negotiate on theatre nuclear forces on a basis of equality, without preconditions or delays. Nor have these representatives referred to the well-known fact that failure to initiate negotiations on theatre nuclear forces rests entirely on the negative position taken by one country which has so far refused even to enter into preliminary exchanges of views on this matter, while, on the other hand, continuing actually to deploy long-range theatre nuclear weapons at a rapid pace.
Mr. VUKOVIC (Yugoslavia): My delegation attaches great importance to the question which we are considering under item 5 of the agenda. The problems arising from the ever-increasing expenditures for the non-productive purposes of the arms race have been amply discussed at the tenth special session of the General Assembly. At that session, the international community rejected the policies of squandering huge resources of financial, material and human potential which are needed so badly to solve the economic and social problems of the world.

In the Final Document an agreed consensus was reached that further increases of expenditures and the accumulation of armaments do not lead to greater security for States but, on the contrary, jeopardizes the security of all nations. Yet, we see that nuclear Powers and their military alliances are competing in the production and deployment of ever more sophisticated weapons of all kinds involving greater increases in their military budgets.

Being fully aware of the complexity and particularly of the importance and urgent need to pay adequate attention to these problems, my delegation has proposed a separate item on the agenda of the Disarmament Commission on this subject.

I am referring to item 5 (a) on the agenda, where we have envisaged the need for harmonization of the views of Member States on

"... concrete steps to be undertaken by States regarding a gradual agreed reduction of military budgets and reallocation of resources now being used for military purposes to economic and social development, particularly for the benefit of the developing countries." (A/CN.10/L.5)

Owing to the urgency of other priority items on the agenda of the Disarmament Commission last year, this question was not considered. We welcomed and supported the proposal of Romania at the 34th session of the General Assembly for the examination and identification of effective ways and means of achieving agreements to freeze, reduce or otherwise restrain, in a balanced manner, military expenditures.

We are happy, therefore, that the Commission is able to address itself to these important subjects, which will provide a new impetus for the achievement of agreements that are so badly needed for the reduction of military expenditures.
My delegation has examined the working paper on the freezing and reduction of military expenditures submitted jointly by Romania and Sweden (A/CN.10/PV.14) of 15 May 1980 with keen interest and has sent it to the appropriate authorities for study and consideration. At this stage, however, we can express our agreement with the general approach of the working paper. It is in line with the basic thrust of the Final Document of the tenth special session. It emphasizes the responsibilities of nuclear-weapon States and other militarily significant States. It is flexible in character and it contains a concrete suggestion for action by the General Assembly in this field.

A detailed appraisal of this working paper will be possible only after it has been studied by competent authorities. I am convinced, however, that the examination of this proposal will enable the Commission to recommend to the General Assembly that it take further action on the subject under consideration in line with the suggestions of Romania and Sweden.

Mr. ROSSIDES (Cyprus): The problem now before us - perhaps I should not call it a problem, but rather the concept we are considering - is that of reducing expenditures on things military and reducing military budgets.

I do not propose, particularly at this late hour, to go into the benefits that will be derived from such an agreed and balanced reduction of military budgets. They are obvious and have been fully explained over the years and now in this Commission. But the question I must pose once again is, how do we achieve any reduction of budgets? May I remind the Commission that the history of proposals for the freeze or reduction of military budgets goes back a very long way - indeed, as far back as 1899, to the Hague Peace Conference? At that time Russia proposed ceilings on army and navy expenditures with the aim of preventing an arms race. Nothing happened. The effort was continued and was taken up by the Preparatory Commission of the Conference on Disarmament without results.

In the 1930s, there was another effort that never succeeded. Why? Because there was always the concept of power and domination prevailing in the world. "Might was right", and therefore it was impossible to arrive at agreements
for the reduction of military budgets. Then came the time of the United Nations. The Charter abolished the notion of balance of power and promoted the idea of effective collective security through the United Nations by providing for a United Nations force and by rendering binding the resolutions of the Security Council.

That vital part of the Charter has not been implemented in violation of mandatory requirements of the Charter. That concept was abandoned, for although we are functioning under the United Nations we have not set into motion the provisions of the Charter in order to give validity to the Security Council and provide for effective collective security.

Therefore, we are still subject to the concept of balance of power, with its inevitable consequence, the arms race. While we are in such a situation how can we expect a balanced reduction, which would need agreements for the reduction of budgets and expenditures that would require control, trust and confidence that one side was not being deceived by the other? The arms race creates and perpetuates enmity and antagonism, and any genuine effort at détente and coexistence is immediately submerged by the effects of the arms race and the enmity created by it.

Hence, although we support fully the ideas contained in the working paper on freezing and reduction of military expenditures presented by Romania and Sweden, and also the working papers presented by Denmark and Spain, and appreciate what those countries have done, and while we support every idea for the reduction of military budgets, I believe - and I want to stress this - that we must go to the root of the problem and see why, 80 years and more after the first attempt to solve this problem, nothing has succeeded. Let us not forget that we must comply with the basic requirements of the Charter in order to achieve the confidence, trust, co-operation, détente and co-existence that are needed to reach any balanced agreement on the reduction of armaments or of military budgets. No such agreement is possible with a balance-of-power concept continuing to rule in the policies of nations, with little regard to the basic requirements of the Charter in its main principles and purposes.
My delegation categorizes this item in the same way as it does the reduction of weapons. The reduction of weapons cannot be achieved without the necessary establishment of international security under the United Nations. Collateral agreements can and should be reached, such as the comprehensive test-ban treaty and the treaty on the prohibition of chemical weapons, particularly because these entail problems having to do with global destruction. But we must remember that achieving a comprehensive test-ban treaty means interfering with the arms race, and as long as the concept of balance of power is not abandoned and the arms race continues, this too becomes difficult if not impossible of achievement.

Our position is that we must turn to the roots of the problem, and then we can find a solution to all the relevant matters. Having said that, however, I fully support every effort made towards the reduction of budgets and military expenditures, in the hope of a gradual realization of the growing dangers from the lack of international order and security in our world.

PROGRAMME OF WORK

The CHAIRMAN: I should like to give the Commission some indication of the programme of work for the remainder of this week and for next week.

The Working Group on agenda item 3 has had three meetings, and will meet again this afternoon, tomorrow afternoon and possibly on Friday morning. Several delegations have asked that Friday afternoon be reserved for informal consultations and meetings of the various groups. I do not see any difficulty in acceding to that request. Indeed, I feel that such consultations during this week would perhaps contribute to and help us with the work that we will have before us next week.
As far as item 4 is concerned, we agreed yesterday to continue consideration of it in informal meetings, and after consultations that I have had with interested delegations it would appear that we can commence the informal exchange of views at our first meeting next week, which will be held on Tuesday morning since Monday is a holiday.

We have not so far taken a decision on how to proceed with the consideration of item 5 once the formal exchange of views in the plenary Commission has been completed. I have had consultations on this and have also brought it up in Bureau meetings, and it is my hope that by the time we finish the formal exchange of views tomorrow morning I shall be in a position to make some suggestion that will meet with the support of the Commission.

I want to indicate once more that the workload for next week is going to be rather heavy, especially since, as I say, Monday is a holiday. Hence I should like to ask delegations that wish to submit working papers either individually or as groups to try to do so by Friday morning.

On item 4 we have two documents, one submitted by the delegation of Spain and one by Denmark, which will be taken up when we consider that item in our informal exchange of views. I would ask any other delegation that may wish to submit a paper on item 4 to do so if possible by Friday evening.

On item 5 we have the paper submitted jointly by Romania and Sweden, and here again if there are any others I hope that they will be submitted before Friday evening.

On item 3 there are already two papers, one submitted by the delegation of the Federal Republic of Germany on behalf of a certain number of countries, and the other submitted by Cuba on behalf of the non-aligned delegations participating in the Commission's meetings. I understand that another paper has already been submitted to the Secretariat by the socialist group, and I am told it will be available in Russian and in English this afternoon during the meetings of the working groups.

If there are no comments at this stage I intend to adjourn the meeting. The plenary Commission will meet tomorrow morning at 10.30 to continue the exchange of views on item 5.

The meeting rose at 12.45 p.m.