ECONOMIC AND SOCIAL CONSEQUENCES OF DISARMAMENT

Conversion to peaceful needs of the resources released by disarmament

Replies of Governments

CONTENTS

Replies of Governments

Brazil ................................................................. 2
Finland ............................................................... 2
Union of Soviet Socialist Republics ..................... 2
Brazil

[Original: English]
May 1966

The Brazilian Armed Forces have been organized and equipped with the objective to uphold the basic principles of sovereignty and internal security, which are indispensable to achieve development and social welfare.

Furthermore, the Brazilian Armed Forces concern themselves, exclusively, with the maintenance of international peace and security, in accordance with the provisions of the Charter of the United Nations.

Consequently, the Brazilian Government’s aim is to reduce its military expenditures to the minimum level possible. These expenditures represent 16 per cent of its National Budget, including payments of active and inactive personnel, overhead costs, as well as a number of pioneer activities envisaging the promotion of economic development and social welfare.

Thus, it is obvious that, as far as the questions in the framework referred to in resolution 1087 (XXIX) of the Economic and Social Council are concerned, the Brazilian Government does not find itself in a position to supply the information requested by the Secretary-General.

Finland

[Original: English]
31 May 1966

Since less than 2 per cent of Finland’s gross national product is spent on defence, the conversion to peaceful uses of resources released by disarmament would not have any significant impact on the economy.

Union of Soviet Socialist Republics

[Original: Russian]
10 May 1966

The information here submitted by the USSR in connexion with the Secretary-General’s inquiry of 29 November 1965 supplements and develops our earlier reports.¹

¹/ See documents E/3593/Rev.1, E/3736/Add.5, E/3998/Add.1 and E/4042.
The documents submitted annually to the Secretary-General outline the measures taken by the Soviet State to prepare for the peaceful use of the portion of the national resources which at present goes to defence. They also mention the studies being made in the USSR on this problem, and present the basic conclusions to be drawn from them.

As is known, the Soviet Union has for a number of years been consistently reducing its military expenditure. In 1965, for example, when some relaxation of international tension was experienced, the USSR's military expenditure was reduced by 500 million roubles as compared with the previous year, amounting to 12,800 million roubles or 12.8 per cent of total budgetary expenditure.

Unfortunately, the international situation deteriorated in the course of the year with the expansion of the armed United States intervention in Viet-Nam. As a result, and in view of the constant rise in military appropriations in the United States, the Soviet Union was compelled to take steps to strengthen its defences. In 1966, military expenditure in the USSR is to be increased by 5 per cent. We wish particularly to stress, however, that despite that small increase for 1966, Soviet military expenditure will continue to decrease relative to the national income, for what will be the fourth consecutive year.

At the same time, studies of the economic aspects of disarmament carried out or at present in progress in the USSR indicate the following:

1. Since the basic factor now leading to rising world military expenditure is United States aggression in Viet-Nam, the termination of that aggression is the most urgent and essential condition for successful disarmament negotiations and a transition to reduced world military expenditure and the use of the released funds for raising levels of living.

2. The termination of United States military aggression in Viet-Nam and the withdrawal of United States troops from Viet-Nam and from the Dominican Republic and other countries where they are now stationed would permit substantial financial savings both in the United States and in other countries which are compelled to make additional budgetary appropriations for military defence.

3. An important means of preventing further increases in world military expenditure would be the conclusion of a treaty on the non-proliferation of nuclear weapons. The abandonment of the plan to create a multilateral nuclear NATO force would prevent the need for additional military expenditure on such a force.
4. The establishment of nuclear-free zones in Africa, Latin America and other areas would render unnecessary additional military expenditure by States in the continents concerned which might desire to develop their own nuclear weapons. In view of the limited financial resources of the developing countries, the development of their own nuclear weapons (or the purchase of such weapons from nuclear Powers) would mean a sharp increase in the burden of military expenditure and serious economic difficulties for the countries concerned.

5. A source of substantial savings for the nuclear Powers would be the banning of underground tests of nuclear weapons. Control of the implementation of a possible agreement on the banning of underground tests would not require any additional expenditure, since in recent years the United States, the USSR and other countries have in any case developed modern national systems of seismic stations to detect and identify underground nuclear weapons explosions.

As has been stated in previous replies of the USSR to inquiries of the Secretary-General on the economic and social aspects of disarmament, the Soviet Union, for its part, is making tremendous efforts to develop the peaceful sectors of its national economy. The directives adopted at the Twenty-third Congress of the Communist Party of the Soviet Union for the 1966-1970 five-year plan of economic development of the USSR are an important further step in this direction.

The main economic goal of the new Soviet five-year plan, of course, is to ensure, through the fullest use of scientific and technological advances, the industrial development of all branches of production and a rise in production efficiency and labour productivity, a further major expansion of industry, rapid and stable rates of agricultural development and, as a consequence, a substantial rise in the level of living and the fuller satisfaction of the material and cultural needs of all Soviet people.

The targets of the new five-year plan are based on the scientifically determined requirements of socialist society and on an objective assessment of productive resources and reserves. They point the way to the most efficient development of the USSR's economy. At the same time, the targets of the new Soviet plan are founded on the Soviet Union's policy of peaceful development.
Only in conditions of peaceful economic construction will it be possible to raise the national income of the USSR by 38 to 41 per cent, as envisaged in the 1966-1970 plan. Over the same period, Soviet industrial output is to rise by 47 to 50 per cent.

The new Soviet five-year plan provides for further improvements in the structure of industrial production.

Between 1966 and 1970 the output of producer goods industries (group A) is to rise by 49 to 52 per cent, while the output of consumer goods industry (group B) is to rise 45 to 46 per cent. The substantial increase in the output of consumer goods planned for the next five years offers further opportunities for the use of the portion of industrial output now employed for the national defence. Thus, the considerable expansion planned in the production of television sets will to some extent be accomplished in the USSR through the conversion of electronics factories now turning out military goods.

The Soviet Union already has experience in industrial conversion of this kind. Study of the conversion of the Krasny Proletary Factory, for instance, has shown that:

(a) The time proposed by the Soviet Union for general and complete disarmament (four to five years) is more than sufficient for the smooth conversion of war industry. The basic conversion phase at the Krasny Proletary plant lasted only a few months, during which time the factory continued to operate. Even including the entire preparatory period required for the reorganization and modernization of the production process, the time needed for smooth conversion was 1.5 to 2 years.

(b) During the process of conversion no large-scale dismissal of personnel was necessary. On the contrary, the factory found that it needed more workers, and it gradually recruited these from among demobilized servicemen and through the extensive system of training and further training in operation within the factory itself.

(c) Contrary to the opinion of some Western specialists, who speak of the "difficulties" caused by the conversion process for highly qualified personnel, it was found that such personnel experienced no serious difficulties in the new circumstances, precisely because of their high qualifications. Retraining
for periods of a few weeks to several months was required only for certain categories of less qualified personnel.

(a) The material situation of the factory's employees did not worsen but actually improved after the conversion. Many were able to better their housing conditions, to acquire new furniture, refrigerators, television sets and books, to take holidays at rest homes and sanatoria, and to improve their qualifications and pay.

(e) After switching over from munitions to machine tools production, the factory had no difficulty in finding markets for its output. In addition to sales in the Soviet Union, a considerable part of its output goes to other countries, including industrially advanced capitalist States. It should be said that an important factor in this regard is the high quality of the machine tools being turned out.

The Soviet Union has gained experience in the direct use of munitions for peaceful purposes through the activity of the "Soyuzvyryvperm" trust. The experience shows that many types of munitions can be widely used for peaceful purposes without alteration. Such use is economically very advantageous for several reasons: there is a saving of the funds that would have to be spent if the munitions were simply destroyed on the expiry of their maximum storage time in military depots (the destruction of munitions is a rather complicated operation because of the need for safety precautions); the use of explosives in earth-moving projects is frequently cheaper than the use of excavators and bulldozers (considerably lower consumption of fuel, smaller work force, less extensive auxiliary operations etc.).

The use of munitions for peaceful purposes would be suitable and significant for the economic development of Asian, African and Latin American countries. Large numbers of highly qualified personnel and quantities of complex machinery are not required; results are obtained quickly; controlled explosions can be used to build dams for hydroelectric stations and reservoirs on the large and as yet unregulated rivers of Asia, Africa and Latin America, thus helping to increase the production of power needed for industrialization; in areas of drought controlled explosions can be used to construct large numbers of reservoirs.
whose sides are formed by the explosions themselves; man-made reservoirs are a major factor in agricultural development in many regions of developing countries where the rainfall is irregular.

As indicated in previous replies to the Secretary-General, studies of the problems of disarmament are conducted in the USSR by government bodies, scientific institutions, public organizations, enterprises, theoreticians and practical experts.

Work has continued on various aspects of general and complete disarmament and measures to reduce international tension. Particular attention has been given to the problem of non-proliferation of nuclear weapons. The results of the studies have been reflected in the draft treaty on the non-proliferation of nuclear weapons and in the documents and statements presented by representatives of the Soviet Government.

The Commission on the Scientific Problems of Disarmament established by the Presidium of the USSR Academy of Sciences, and the USSR Pugwashi Committee, together with representatives of other countries, took an active part in the preparation and holding of the Pugwashi Conferences at Venice and Addis Ababa, where disarmament problems were examined in connexion with international scientific co-operation, the development of Asian, African and Latin American countries and other issues. The Soviet delegation at these Conferences was headed by M. Millionshchikov, Vice-President of the Academy of Sciences. The late Academician A. Azumanyan has been succeeded as Chairman of the Commission on the Scientific Problems of Disarmament by V.S. Emelyanov, Corresponding Member of the Academy of Sciences, who is preparing a study on the non-proliferation of nuclear weapons. The Commission's membership has been expanded and includes prominent Soviet scientists and directors of scientific research institutes. It has held discussions with foreign scientists studying the problems of peace and disarmament, among them Mrs. A. Myrdal (Sweden), I. Galtung (Norway) and D. Brennan (United States).

The Institute of World Economics and International Relations of the USSR Academy of Sciences has prepared a collective work entitled State Policy and Disarmament. The first volume, The USSR, the USA and Disarmament, presents an
analysis of the two lines in the disarmament issue, the Soviet programme and policy of fostering peace and disarmament and the United States policy of expanding armaments. This volume, like the other two, also analyses existing international agreements concerning disarmament.

The second volume, Western Europe and Disarmament, examines the positions on disarmament of the major Western European States, pointing out both similarities and differences. The third, The Developing Countries and Disarmament, analyses the role of developing countries in the struggle against aggression and the arms race and studies their position on the disarmament question and their need for the speediest possible achievement of an agreement on general and complete disarmament. All three books discuss not only the position of Governments but also the work of public organizations, which is very important in the solution of disarmament problems.

In 1966 the Institute began the preparation of a new collective work entitled Current Problems of Disarmament. Unlike the previous publications, this work will be organized on the basis of problems and not of regions. It will analyse questions relating both to general and complete disarmament and to partial measures.

A number of works by members of the Institute have been published in Soviet and foreign publications, including UNESCO publications.

In mid-1965 the Economic Commission of the Soviet Committee for the Defence of Peace submitted to UNESCO a study on methods of expanding aid to the developing countries in the field of education with the resources released by disarmament. This study was discussed in Moscow with the participation of Professor I. Galtung (Norway), Professor M. Mathur (India), Dr. B. Hammeesh (Algeria) and other specialists.

The Economic Commission of the Soviet Committee for the Defence of Peace has begun work on an extensive international study, "The direction of world development in the coming decades". The study has been organized jointly with the Peace Research Institute (Norway), and specialists from various countries and continents are contributing to it. The work will describe the prospects for
economic, social and scientific and technological progress under conditions of peaceful coexistence and disarmament, and also the alternative - the possible consequences of a nuclear war.

The Commission on Disarmament and International Security of the Institute of Soviet-United States Relations held a discussion with United States scientists and public figures concerned with questions of disarmament, among them Dr. G. Taylor, Chairman of the National Research Council on Peace Strategy, and Mr. R. Hudson, editor of War/Peace Report. The Commission arranges for public lectures and the preparation of articles for the Press.

The Science Publishing House, the periodicals International Life and New Times, the information bulletin of the Soviet Committee for the Defence of Peace, TASS, the News Press Agency and other Soviet publishing houses and periodicals regularly publish material on disarmament. Scientific documentary films are produced and photographs published illustrating practical measures and research in this sphere.

All these activities are of great importance for the dissemination of the results of disarmament studies among the people and the moulding of public opinion in the USSR and abroad, which is essential for the solution of the disarmament problem and the establishment of lasting peace.

An unremitting search for ways and means of resolving the questions connected with disarmament is one of the most pressing tasks of the day. Fresh efforts to widen the study of the problems involved in converting to peaceful needs the resources released by disarmament can facilitate the fulfilment of these tasks. In this connexion it would be desirable if the coming year of preparation for the World Disarmament Conference could become an International Year of preparation for actual disarmament. This means that Governments and scientific and public organizations should even now, in their respective fields, take practical steps towards disarmament.

The Soviet Government and the scientific institutions and public organizations of the USSR are prepared to assume an active part in such measures.