ECONOMIC AND SOCIAL CONSEQUENCES OF DISARMAMENT

Conversion to peaceful needs of the resources released by disarmament

Note by the Secretary-General and replies of Governments
CONTENTS

Note by the Secretary-General ............................................. 3

Replies of Governments:

<table>
<thead>
<tr>
<th>Country</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Australia</td>
<td>5</td>
</tr>
<tr>
<td>Austria</td>
<td>6</td>
</tr>
<tr>
<td>Cameroon</td>
<td>6</td>
</tr>
<tr>
<td>Canada</td>
<td>6</td>
</tr>
<tr>
<td>Ceylon</td>
<td>7</td>
</tr>
<tr>
<td>Czechoslovakia</td>
<td>7</td>
</tr>
<tr>
<td>Denmark</td>
<td>8</td>
</tr>
<tr>
<td>France</td>
<td>9</td>
</tr>
<tr>
<td>Gambia</td>
<td>9</td>
</tr>
<tr>
<td>Ireland</td>
<td>10</td>
</tr>
<tr>
<td>Japan</td>
<td>10</td>
</tr>
<tr>
<td>Malawi</td>
<td>10</td>
</tr>
<tr>
<td>Malaysia</td>
<td>10</td>
</tr>
<tr>
<td>Malta</td>
<td>11</td>
</tr>
<tr>
<td>Mexico</td>
<td>11</td>
</tr>
<tr>
<td>Netherlands</td>
<td>12</td>
</tr>
<tr>
<td>New Zealand</td>
<td>16</td>
</tr>
<tr>
<td>Nigeria</td>
<td>17</td>
</tr>
<tr>
<td>Norway</td>
<td>17</td>
</tr>
<tr>
<td>Pakistan</td>
<td>18</td>
</tr>
<tr>
<td>Republic of Viet-Nam</td>
<td>19</td>
</tr>
<tr>
<td>Rwanda</td>
<td>19</td>
</tr>
<tr>
<td>Sweden</td>
<td>20</td>
</tr>
<tr>
<td>Switzerland</td>
<td>20</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>22</td>
</tr>
<tr>
<td>United Republic of Tanzania</td>
<td>25</td>
</tr>
<tr>
<td>United States of America</td>
<td>25</td>
</tr>
<tr>
<td>Zambia</td>
<td>29</td>
</tr>
</tbody>
</table>

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Note by the Secretary-General

In resolution 1087 (XXXIX) of 30 July 1965, the Economic and Social Council requested the Secretary-General to continue to inform the Council of the national studies he received concerning the economic and social consequences of disarmament, of the international studies carried out as part of a co-ordinated programme of the Inter-Agency Committee and of such studies undertaken by non-governmental organizations as he deemed appropriate.

Pursuant to this request, the Secretary-General circulated a note verbale, on 29 October 1965, inviting Governments to provide information regarding any national studies that might have been undertaken in connexion with the use for peaceful purposes of the resources released by disarmament. To maintain continuity with previous reports and increase the feasibility of international studies of the problem, the note verbale was accompanied by a "framework" classifying various aspects of concern and by a "questionnaire" devised by the Inter-Agency Committee on the Conversion to Peaceful Needs of the Resources Released by Disarmament.¹/

Subsequently, in line with a recommendation of the Administrative Committee on Co-ordination, a second note verbale was sent to Governments to acquaint them with the relevant studies and activities being carried out by the various agencies in the United Nations family.²/

The replies received from Governments up to 7 May are reproduced below.³/

They reconfirm the conviction that whatever the transitory problems that might accompany it, disarmament would in the longer run be of incalculable benefit to all nations and people. As far as the reconversion problems are concerned, the replies indicate that there is a widespread awareness not only of the nature of the economic and social difficulties that might be occasioned by disarmament, but also of their magnitude. Several Governments have carried out econometric studies of the effects of possible changes in military expenditure. Quantitative studies

¹/ The note verbale, framework and questionnaire are reproduced in annex I.
²/ This note verbale and its attached summaries are reproduced in annex II.
³/ If additional replies are received, they will be reproduced as addenda to this document.
have also been conducted on the repercussions at the plant, local and regional
levels of changes that have actually occurred in the use of particular military
facilities. A number of Governments also report on the measures that are
contemplated to ease transitional difficulties that a redeployment of resources
might occasion.

While a certain amount of new research has been undertaken since the previous
report in this series (E/4020), many Governments indicate that they have nothing
further to add to what has already been reported. In the absence of any
significant disarmament activity, the opportunities to carry out empirical studies
have not been very great. Most of the Governments that devote a sizable
proportion of their gross product to military defence have established regular
machinery to study disarmament problems, including those that may arise in the
economic and social fields.

Though the replies of some Governments to the Secretary-General's inquiry
elicited a certain amount of cognate material, or references to published sources
of such material, there was little direct response to the questionnaire. The
information provided does not lend itself to meaningful international comparisons.
Nor was there much reference to the possibility of using resources released by
disarmament to augment the flow of assistance to developing countries.

The facts that the Governments chiefly concerned are committed to the
maintenance of high levels of employment and high rates of growth, that they are
alert to the need to meet the problems that disarmament may cause and that many
of them find it difficult to furnish the sort of data that would be required
for international studies of a comparative or quantitative nature suggest that
the role to be played by the United Nations in this field may be due for a
re-examination.

In this connexion it might be noted that while calling for a renewed effort
"to obtain, from the Member States concerned, that information without which the
United Nations family of organizations would not be in a position to carry out
realistic studies" (E/4191, para. 40), the Administrative Committee on
Co-ordination endorsed the idea put forward at the fortieth session of the Council,
namely, that the Secretary-General's report on development in the field of the
economic and social consequences of disarmament should be made biennially rather
than annually.
Australia

Original: English
7 February 1966

The following statement of defence expenditure and personnel in Australia, while not in the form of an answer to the questionnaire, is submitted in the hope that it may be of assistance in connexion with the studies being made of the economic and social aspects of disarmament.

Statistics on defence expenditure and personnel

1. Expenditure

Expenditure incurred on direct defence items in 1964/65 totalled £304.5 million. This does not include expenditure on repatriation benefits for ex-servicemen. Of this amount, about £69 million was incurred overseas. The total expenditure represented 3.1 per cent of gross domestic expenditure on goods and services.

Included in the expenditure of £304.5 million are the following items of particular interest to the review under consideration:

£m.

(a) Capital facilities for defence production under control of the Commonwealth 3.132
(b) Research and development in connexion with projects of a warlike nature 20.537
(c) Contracts placed with private industry for the supply of equipment and stores for the Armed Forces 55.800
(d) Direct foreign aid financed from the Defence Vote 2.970

The provision in the 1965/66 budget for defence expenditure was £385.9 million.

2. Personnel

The numbers of personnel in the Armed Forces as at 31 October 1965 are shown hereunder:

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<thead>
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<th>Navy</th>
<th>Army</th>
<th>Air</th>
<th>Total</th>
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<tbody>
<tr>
<td>Permanent Forces</td>
<td>13,995</td>
<td>27,993</td>
<td>17,909</td>
<td>59,897</td>
</tr>
<tr>
<td>Citizen Forces</td>
<td>4,407</td>
<td>29,520</td>
<td>887</td>
<td>34,814</td>
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</table>
A Selective National Service Scheme was introduced for the Army in 1964. The first intake of personnel under this scheme occurred in June 1965, when 1,780 personnel were called up for duty.

There were 40,979 civilians employed in the Departments of the Defence Group at 31 October 1965. Of these, 4,712 were employed in naval dockyards.

Information is not available on the number of persons in private employment who are engaged on military contracts.

Austria

[Original: English]
18 December 1961

The information submitted in 1961 remains valid.¹/

Cameroon

[Original: French]
3 March 1966

Faithful to its policy based on the promotion of peace and concord among nations, the Cameroonian Government cannot but encourage every effort for the conversion to peaceful uses - and particularly the economic growth of the developing nations - of the resources released by disarmament, although Cameroon is not among the countries significantly involved in this respect and is not called upon to take any special measures in regard to disarmament.

Canada

[Original: English]
12 January 1966

The Canadian authorities submitted detailed reports in 1962 and 1964 in response to the previous United Nations questionnaires on the economic and social consequences of disarmament. These reports (see E/3593/Add.1 of 11 April 1962 and E/3898/Add.3 of 17 July 1964) included information on certain of the items listed in the present questionnaires. The Canadian authorities have no additional information to submit on this subject at this time.

¹/ See E/3593/Rev.1/Add.1.
Ceylon

Original: English
10 February 1966

In Ceylon, expenditure on armaments is negligible, and therefore Ceylon does not have the problem of conversion to peaceful uses of the resources released by disarmament. As a developing country, however, Ceylon is very much interested in the actions of countries significantly involved in the arms race undertaking national and international studies and activities regarding the economic and social aspects of disarmament and their consequences.

Czechoslovakia

Original: English
17 March 1966

The viewpoint of the Government of the Czechoslovak Socialist Republic on the problem of the economic and social aspects of disarmament discussed in the various bodies of the United Nations is known from the presentations of the Czechoslovak delegations which co-authored and initiated resolutions supporting actions related to the promotion of this idea. The Czechoslovak Government holds the opinion that the consideration of this matter at the United Nations so far has already provided sufficient proofs of the benefits of disarmament for economic, social and other welfare of mankind, and that nothing ought to stand in the way of its realization.

In the Czechoslovak Socialist Republic various institutions on the governmental as well as other levels engage in systematic studies of the economic and social consequences of disarmament. The Government of the Czechoslovak Socialist Republic has kept the United Nations Secretariat informed of their efforts in accordance with the resolutions adopted by the United Nations. The Czechoslovak Socialist Republic is also a member of the Committee of Eighteen Nations on Disarmament. It is active at the Committee's meetings in Geneva in promoting the adoption of concrete partial measures that may contribute to the lessening of international tension, suspension and slowing down of the arms race and thus create more favourable pre-conditions for achieving general and complete disarmament. Among these measures an important place belongs to the problem of lowering military budgets. Its solution could substantially contribute to the general improvement of the economic and social position of the individual countries of the world.
In the Czechoslovak Socialist Republic pertinent studies and materials are also being systematically prepared for the use by the Czechoslovak delegation at the meetings of the Committee of Eighteen Nations on Disarmament for the promotion of positive proposals. This is considered by the Czechoslovak Government to constitute their best utilization in the existing circumstances.

Denmark

Original: English
16 March 1966

As indicated in the Danish Government's reply of August 1964... the immediate impact on the Danish economy of general and complete disarmament would be beneficial. 1/ The above-mentioned reply may now be supplemented by the following information:

In December 1965, the Danish Government published a long-term projection of trends in the Danish economy during the period 1964 through 1969. The gross national product is estimated to grow by 21 per cent; this will be somewhat less than in the preceding five-year period, which showed a total growth of 30 per cent.

The main reason for this slow-down is that the economy absorbed all idle manpower in the preceding five-year period so that economic growth in the second half of the 1960's will have to be based entirely on natural additions to the labour force. The long-term prognosis estimates the number of persons in the active age classes (14-64 years) to have risen by 145,000 during the period 1959-1964, while employment went up by 100,000, of which 25,000 derived from reduced unemployment. During the period 1964-1969 the active-age classes are expected to increase by 85,000 persons, but the labour force will grow less than that, notably because there is a general tendency for periods of training and education to be longer than previously.

In view of the labour shortage anticipated in the period 1964-1969, there is no reason to expect that general and complete disarmament would have any adverse effects on the manpower situation and production in Denmark.

1/ See E/3898/Add.5.
The Danish Government reaffirms its hope that the United Nations deliberations on this central problem in connexion with the disarmament question may lead to constructive results, notably by creating new possibilities for meeting the developing countries' needs for assistance in the development of their economies, and wishes to assure the Secretary-General that it is still following with keen attention the current negotiations on general and complete disarmament as well as partial disarmament and is profoundly interested in all matters relating to this question.

France

Original: French
7 December 1965

It should be pointed out that the "framework" relating to studies of the economic and social consequences of disarmament is not referred to in resolution 1087 (XXXIX). On the contrary, this questionnaire was explicitly excluded by a majority of delegations during the discussions which preceded the vote on resolution 1087 (XXXIX).

The French Government supplied information on this topic to the United Nations in 1963.1/

Gambia

Original: English
22 November 1965

Disarmament does not constitute a problem in the Gambia. There are no military forces in this country, and the only conventional arms kept are those strictly necessary for the maintenance of law and order. The question of converting military expenditure to peaceful uses, as well as the problems connected therewith, consequently do not arise in the Gambia.

1/ See E/3736/Add.7.
Ireland

Original: English
1 March 1966

Ireland's defence establishment is small, and there is no heavy armaments industry in the country. Expenditure on defence, measured either in absolute terms or as a percentage of gross national product, is not significant.

In the event of world disarmament, the resources, if any, which would be released in Ireland would not entail any significant economic or social consequences.

Japan

Original: English
30 March 1966

Because of the absolutely minimum level of Japan's defense expenditures, no particular disarmament measure, as referred to in paragraphs A and B of the questionnaire exists in Japan, nor is any study or proposal to be reported under paragraph C.1/

Malawi

Original: English
10 February 1966

The Government of Malawi has studied the questionnaire in much detail, but regrets that it has no information relating to national activities designed to facilitate the conversion to peaceful uses of the resources released by disarmament.

Malaysia

Original: English
19 November 1965

The Malaysian Government have no major armament or military build-up in terms of personnel or war industries, and therefore the information requested is not relevant to Malaysia's situation.

1/ The questionnaire is reproduced in annex I.
Malta

The Government has nothing further to add to the view conveyed in the letter dated 1 March 1965,\(^1\) in which it was stated that the problem of disarmament and of the consequent conversion to peaceful uses of the resources released by disarmament does not arise in Malta in view of the limited manpower, scientific and industrial resources and expenditure absorbed by Maltese armed forces.

Mexico

The Government of Mexico wishes to state that it maintains in the national territory only the minimum of weapons and armed forces required in order to safeguard the peace and security of the country. Mexico's rapid development makes it necessary to give priority in national planning to such factors vitally affecting the future as education, economic growth, social progress, agriculture and transport. At no time has the country's economy been based on war industry, nor does the latter constitute such an important element that the advent of disarmament would cause dislocations or imbalances for reasons relating to the dismissal of personnel, the productive capacity of factories or the closing of factories, the availability of materials etc. Therefore, the Government of Mexico has made no studies relating to over-all planning for the conversion of military expenditure to peaceful uses or for facilitating the process of such conversion.

This does not mean, however, that the Government of Mexico is not concerned with the economic and social consequences that the adoption of an agreement on general and complete disarmament might have for the world, and particularly for the developing countries.

As far as atomic energy is concerned, Mexico has never thought of using it for military purposes and has said so on many occasions; it does believe, however, that the peaceful use of nuclear energy is very important for economic and scientific development.

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\(^1\) See E/4042.
In that connexion efforts are being made by a number of countries, including Mexico, to sign a multilateral agreement under which the parties would undertake not to manufacture, receive, store or test nuclear weapons or nuclear launching devices, thus transforming the geographic region in question into a denuclearized zone. Needless to say, one of the main results of such an agreement would be to enable the countries concerned to avoid involvement in the ruinous nuclear arms race and the unjustifiable diversion for military purposes of the limited resources available for economic and social development.

Moreover, as is stated in resolution I of the Preliminary Meeting on the Denuclearization of Latin America, the Latin American countries place emphasis on "the desirability of promoting international co-operation in the peaceful uses of nuclear energy, particularly for the benefit of the developing countries".

In submitting this information, the Government of Mexico expresses its confidence in the early achievement of general and complete disarmament— a goal towards which it has always worked both in the United Nations General Assembly and in the Eighteen-Nation Disarmament Committee.

Netherlands

Original: English
6 April 1966

The following summary of the first part of a report drafted by an interdepartmental commission contains macro-economic data on the consequences to be expected of disarmament in the Netherlands.

This summary will be followed in due time by a second part, in which attention will be given to general and if possible specific measures of a politico-economic nature, which the Government could take against the consequences of disarmament. The forthcoming second part will also deal more thoroughly with the problems of those branches of industry that would be affected most by the consequences of disarmament. Furthermore, it will contain considerations on the problem of unemployment which may arise from disarmament, particularly with regard to professional military personnel and civilian officials.
The report can also be considered as an answer to part C ("Future disarmament programmes") of the questionnaire which was attached to the note verbale of the Secretary-General.\(^1\) Parts A and B were not answered to, as the Netherlands has not yet proceeded to disarmament. The studies mentioned in the "framework" will be dealt with more particularly in the second part of the report.

Résumé of the first part of the Report of the Working Party on Disarmament concerning the economic and social consequences of disarmament in the Netherlands

The interdepartmental Working Party on Disarmament was set up in 1964 on the initiative of the Minister of Economic Affairs. This action was prompted, on the one hand, by a request by the Secretary-General of the United Nations that the economic programmes to be adopted in the event of disarmament be made available to the Secretariat, and, on the other hand, by the Minister of Foreign Affairs' recognition of the importance of carrying out further research into the social and economic consequences of disarmament, expressed during the debates in the Lower Chamber of the States-General on a Memorandum relating to the disarmament problem.

During the years 1950 to 1966,\(^2\) Netherlands defence expenditure, expressed in nominal figures, increased by approximately 190 per cent. Yet if we take into account the steep rise in the domestic price level in the period in question, due partly to international economic co-operation and integration, the relative increase in defence expenditure is far smaller.\(^3\) Moreover, the rise in defence expenditure lagged far behind the rise in total government expenditure, which from 1950 to 1960 was no less than 270 per cent. Expenditure on defence, therefore, dropped from nearly 19 to 15 per cent of total government expenditure.

Finally, it should be pointed out that since 1962 national expenditure on education and science has exceeded that on defence and in 1966 constituted approximately 23 per cent of the total budget.

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\(^1\) See annex I below.

\(^2\) The amounts for 1966 are estimates.

\(^3\) There being no fixed basis on which to calculate expenditure in this sector, it is not possible to give the rise in defence expenses, excluding price influences, more exactly.
During the years 1950 to 1964, expenditure on defence, expressed as a percentage of the national product, dropped from 5.5 per cent to 4.9 per cent; according to present estimates, it will be only 4.0 per cent for the current year. If the present economic growth continues and if the international situation does not deteriorate, our defence expenses, which are already proportionally low and compare favourably with those of other countries, may be expected to decrease still further.

Compared with the expenditure in the purely military section, expenditure on civil defence is practically negligible; in 1964 it was only 0.2 per cent of the gross national product at factor costs. In the next few years the latter expenditure is unlikely to fluctuate, so that its relative importance will drop still further (the forecast for 1966 being approximately 0.18 per cent).

When defence expenditure is broken down into personnel costs and other expenses, it is found that about 40 per cent of the total is accounted for by orders to third parties for material, the rest being absorbed by military and civilian personnel costs. Part (in recent years less than one third) of this money is spent abroad. This is to a certain extent counterbalanced by orders for material placed in the Netherlands by other countries. The difference between the two amounts is not great. Consequently there is an import-export gap of not more than a few per cent of the entire expenditure on defence.

Considering the relatively low expenditure on defence, and the large proportion thereof absorbed by personnel costs, it is not surprising that service contracts account for only a small part of the total volume of industrial and building production. Moreover, in the past few years they have shown a downward tendency. In 1960, government contracts to industry and the building trade totalled 2.5 per cent, and in 1964, 1.7 per cent of the total production. Leaving the food-stuffs and clothing industries out of account, those percentages were 2.3 and 1.6 respectively.

All this means that a relative lightening of the defence burden (a rise smaller than that of the total production) is accompanied by a slight decrease in the use made of industrial machinery of ever-growing productive capacity. If, as has been said, economic growth continues and the international situation does not deteriorate, the burden of production for defence will become progressively lighter.
The above-mentioned figures relating to the proportion of service contracts may, of course, be affected in either direction by changes in the import-export gap, yet considering the relative smallness of both amounts and the even smaller difference between them, a widening or narrowing of the import-export gap is of no real significance.

The service contracts are not, of course, spread proportionally over the various branches of industry. The industries chiefly concerned are those engaged in the production of chemicals, electrical equipment, motor vehicles, aircraft and shipping, and armaments. Yet the chemical industry's production for defence had declined considerably, orders from the Netherlands Government and abroad having accounted for only 1.5 per cent of the total turnover in 1964. As far as the electrical industry is concerned, the percentage varies a good deal, though (from 1960 to 1964) it remained, on average, in the neighbourhood of 10 per cent. With regard to the motor vehicle, aircraft and shipping industries, the fluctuations from year to year are still considerably greater; moreover the average, at least for the first two sectors, is roughly 20 per cent higher. It goes without saying, of course, that the armaments industry is wholly dependent on service contracts.

In the past few years the number of workers directly employed on production for defence - a figure calculated on the basis of the relative magnitude of service contracts and the employment figures in the building and other industries - has declined slightly. Thanks to the increase in orders from abroad, which more than compensated for the decrease in government orders, this decline is scarcely noticeable in the absolute figures for industry and, if the building industry is included, it is not noticeable at all, owing to the increase in military orders in that sector. However, if we compare the growth of the total production for defence with the increase in the number of workers required to realize that growth for the years 1960 to 1964, we find a fairly considerable relative decline in the amount of labour employed. This decline is attributable, of course, to increasing efficiency.

In view of the foregoing and allowing for further advances in mechanization and automation, we may state that in future fewer workers will be employed in production for defence; an estimate of approximately 20,000 to 25,000 for the next few years is not unreasonable.
The labour shortage in recent years has averaged approximately 100,000 workers per annum. In the event, therefore, of rapid total disarmament, most of the workers now employed in production for defence would soon find new employment.

In the light of the foregoing, it can be stated that total disarmament, even if carried out in a short space of time, would not seriously impair the Netherlands economy. Should the economic development of the country proceed satisfactorily and the rise in defence expenditure be relatively slight, the economy will not suffer unduly. This aspect of total disarmament, which is not particularly sombre, would be offset by an increase in the labour reserve, which in principle would benefit the economic growth of the country.

**New Zealand**

Original: English

2 February 1966

The New Zealand Government is pleased to bring up to date the information which has already been given in reply to the Secretary-General's previous inquiries dated 23 January 1963 and 18 March 1964.\(^1\)

The conclusion of a general disarmament agreement would not present New Zealand with significant problems of economic or social adjustment. New Zealand is a capital-importing country with its economic resources fully engaged. The demands of the public investment programme have continued to place the Government's financial resources under severe pressure and have required the support of a considerable volume of both domestic and external borrowing.

Capital available to the Government has to be rationed and projects marshalled in order of priority. The defence vote at the current level of approximately £40 million amounts to some 6.5 per cent of the national budget. Government expenditure of a less urgent category has frequently been deferred.

Moreover, a continuing problem for New Zealand is the strain on resources of overseas exchange, which are scarcely adequate for essential private and public demands. Without a domestic arms industry of consequence, New Zealand is obliged to import most of the equipment necessary for the armed services, and this results in a further substantial drain on overseas exchange.

\(^1\) See E/3736/Add.1 and E/3898/Add.1.
It follows, therefore, that any diversion of capital and overseas exchange which may be expected to result from the attainment of universal disarmament, through the elimination of expenditure for military, air and naval equipment, could only prove beneficial to New Zealand. At the same time, the proportion of such expenditure which would be freed in relation to the over-all volume of the public-capital programme is insufficient to do more than ease the pressure of demand on our financial resources. In consequence, New Zealand has seen no need to undertake special studies of the economic and financial repercussions of a disarmament agreement.

On the question of personnel, the size of New Zealand's regular armed services establishment (1.14 per cent of the labour force) is not such as to pose any problem in their absorption into the civil economy, especially as the armed services possess a valuable reservoir of skilled artisans which our industries could readily employ.

The New Zealand Government would therefore envisage no difficulty in the fields of finance and employment arising from the conclusion of a general disarmament agreement. It would in fact prove of considerable benefit to New Zealand's economy and society. If, as a result, New Zealand's financial position improved, it would be possible for the Government to review the current levels of its contribution to international aid programmes.

Nigeria

[Original: English]
21 December 1965

The question of disarmament hardly applies to Nigeria, and the questionnaire on the economic and social consequences is therefore irrelevant to Nigeria.

Norway

[Original: English]
12 April 1966

The Norwegian authorities have not undertaken new studies on the conversion to peaceful uses of resources released by disarmament, since the response to the
Secretary-General's previous invitation to provide such information ¹ and have at the present time no supplementary material to submit. A copy of an analysis of the economic consequences of disarmament in Norway, prepared by a member of the Peace Research Institute in Oslo, which might be of some interest, is enclosed herewith. This paper was presented at the International Conference on the Economic Aspects of World Disarmament and Interdependence held in Oslo in August 1965.²

Pakistan

Original: English
5 April 1966

A. Disarmament measures already implemented:

1. Although Pakistan as a peace-loving nation fully supports the efforts of the United Nations in view of the present national emergency arising out of hostilities with India in September 1965, it has not been possible on the part of Pakistan to undertake any disarmament measure at this stage.

2. No resources have been released in Pakistan through disarmament, and as such the question of any economic and social problem of conversion and re-employment of such resources does not arise.

3. Since no resources have been released from the defence sector for meeting civilian needs, the problem of utilizing any such resources does not arise.

B. Disarmament measures announced but not yet fully implemented:

4. No specific disarmament measure has so far been announced by Pakistan.

C. Future (contingent) disarmament programmes:

5. Pakistan has suggested to India that it would be ready to consider proposals for a reduction in the armed forces of India and Pakistan following settlement of the Kashmir dispute.

See E/3898/Add.1.

This paper - by Olav Bjerkholt - has not been reproduced here. Along with other papers submitted to the International Conference on the Economic Aspects of World Disarmament and Interdependence (Oslo, 29 August-1 September 1965), it is due to be published in the summer of 1966 by the Oslo Universities Press in a volume entitled Disarmament and World Economic Interdependence.
6. (a) A Committee set up by the Secretary-General of the United Nations in 1963 has already subjected this question to a detailed examination.

(b) A substantial part of the resources released through disarmament by the developed countries should be devoted to help develop the socio-economic growth of under-developed countries. The economic growth and consequent rise in general standard of living of the people through the utilization of resources released from disarmament can probably provide one of the best guarantees for lasting peace.

The transformation of the economies of the developed nations from armament production to capital goods required for development will ensure that the over-all level of economic activity is maintained at a high level. Otherwise the result may be economic depression and consequent effect on the developing countries through reduced world trade and shrinkage in economic assistance.

(c) It appears prima facie that the export sector of Pakistan will not be affected by a programme of general disarmament in the developed countries as Pakistani exports are not directly required for defence production. If, however, the general disarmament programme is not accompanied by a large-scale programme of increased assistance to developing countries, the resultant dampening effect on economic activity in general may also affect exports from all developing countries.

Republic of Viet-Nam

Original: French
16 November 1965

The Republic of Viet-Nam, being a victim of communist aggression and forced to fight to safeguard its independence and freedom, cannot for the moment envisage disarmament and undertake studies of its economic and social consequences.

Rwanda

Original: French
18 March 1966

The Government of Rwanda has nothing to add to its memorandum submitted on 9 April 1965.\(^1\)

\(^1\) See E/4042.
Sweden

24 March 1966

Sweden responded to earlier requests in connexion with studies of the economic and social aspects of disarmament and submitted information in a note in May 1965, which information was brought up to date in another note in March 1965.1/

No further studies regarding economic and social aspects of disarmament have been made in Sweden during 1965. However, in connexion with a study which is expected to be completed later during this year regarding the structural trends in the development of Swedish society, it is expected that, as a by-product, some further information will be made available which could be of value in connexion with the recommendation of the Economic and Social Council.

Switzerland

11 March 1966

Switzerland is carefully following the negotiations which are taking place at Geneva within the framework of the eighteen-Power Conference. It earnestly hopes that a form of disarmament may be evolved which will lead to the positive results which all mankind desires.

If the great Powers were to reach agreement, the Federal Government would most surely take certain steps which it considered appropriate.

Since the achievement of a disarmament agreement does not depend on the Swiss authorities, they have not thus far undertaken studies on the economic and social consequences which general and complete disarmament would have for the country or on the use to which the resources at present utilized for military requirements might be put.

The Federal Government is, however, in a position to submit a number of general considerations on this matter, without going into detail. First of all, it must be pointed out that, because of Switzerland's neutrality, its army is an exclusively defensive organ. Being composed of militias, the Swiss army is

1/ See E/3736/Add.6 and E/4042.
recruited from among the entire active population of the country. It is an instrument not only of defence, but also of physical training and civic education. The small number of professional soldiers would be absorbed easily into other professions in the event of disarmament. Moreover, the setting up and development of a civilian service corps would absorb a large number of men.

With regard to Switzerland's foreign trade, although imports of military equipment include some substantial items, the elimination of those items would cause no major dislocation. As Swiss armaments exports represent only a negligible component of the trade balance, their elimination would give rise to no disruption. In particular, Switzerland's commercial relations with the developing countries would not be affected in any way by general and complete disarmament. A large proportion of the expenditure on armaments has, to be sure, been allocated to contracts with private Swiss concerns. There are many such concerns throughout the country. Nevertheless, in view of the present prosperous state of the Swiss economy and the steady rate of increase in employment, it does not seem likely that the slowing down, or even the gradual halting, of military spending would create insurmountable difficulties.

The Federal Government is aware of the problems which Swiss industry would face in the event of disarmament; it believes, however, that the absorption, within a relatively short period, into the civilian economy of all firms and persons now working on national defence requirements should not be impossible. The Federal Government will then take the necessary measures to find solutions which will limit the economic disruption caused by general and complete disarmament.

With regard to agriculture - the protection of which is justified by the need to secure the country's supplies in case of war - it is impossible at the present time to assess the consequences which general disarmament might have on its structure.

Furthermore, no one can now foresee the use which might be made, at the appropriate time, of the national resources released by general disarmament, and no one is in a position today to say precisely what proportion could be used for the benefit of the developing countries. At present Switzerland, like all other countries, is faced with great tasks at home, such as the building of motorways and the abatement of water pollution; the resources made available by disarmament would enable these tasks to be completed more rapidly.
In conclusion, it should be noted that general and complete disarmament would create for Switzerland not only material problems, but also problems of principle. One of these is the elimination of compulsory military service, which would require an amendment to the Federal Constitution. Such an amendment would have to be approved by the Swiss people and by the cantons.

United Kingdom

[Original: English]
21 March 1966

In their reply last year to the Secretary-General's invitation to supply information about activities designed to facilitate the conversion to peaceful uses of the resources released by disarmament, Her Majesty's Government in the United Kingdom indicated their readiness to co-operate in studies in this field when these seemed likely to contribute to elucidation of the problems involved.¹

Quite apart from the obvious and very great benefits to humanity to be derived from international disarmament, the urgent demands of its own domestic economy give the United Kingdom a special interest in reducing the volume of the resources and manpower employed for defence purposes. At factor cost, the United Kingdom defence programme represents about 7 per cent of the United Kingdom's national output. Present government plans aim at reducing defence expenditure by 1969/70 to about the level of the estimates for 1964/65 in real terms. This will represent a saving of about 20 per cent in 1969/70 over the expenditure originally planned for that year.

As indicated in earlier replies, Her Majesty's Government do not consider that the problem of redeployment of manpower or resources caused by disarmament differs substantially from similar problems in recent years in relation to the textile, coal, shipbuilding and agricultural sectors of the economy. Indeed, to the extent that workers engaged in manning or equipping the Armed Forces have more readily transferable skills than those in the sectors undergoing radical modernization just mentioned, they will present less of a retraining problem.

In the United Kingdom many branches of Service training, particularly for the technical and manipulative trades, closely follow civilian practice, and a number of trade unions recognize such training as a qualification for membership. Some

¹/ See E/4042/Add.1.
professional bodies also recognize military training and qualifications as being of value to a civilian career and allow officers, appropriately qualified, concessions in the matter of membership. In addition, encouragement is given to further study by means of the Services' correspondence course scheme, or attendance at local schools of further education. There is also a Forces Resettlement Scheme, under which personnel due for release may receive up to twenty-eight days training in trades, commerce or general subjects at a Resettlement Centre, or be attached for a similar period to a civilian firm for specialist training. The Government operates a vocational training scheme for extended training, which is open to all personnel on discharge from the Services; the length of these courses varies from three months to two years.

All members of the Services are thus encouraged to study for their eventual return to civil life, and to work for qualifications such as the General Certificate of Education, external university degrees and membership of professional bodies. For those in trades or professions having a civilian counterpart, there should be no difficulty in pursuing similar employment in civilian life.

While no special study has been made of the training implications of disarmament, it seems possible that if the need arose, Service training schools could be adapted to train military personnel for civilian occupations requiring similar skills.

Recent measures taken by Her Majesty's Government to deal with a specific problem - in this case the cancellation of the TSR2 aircraft programme - have been successful in avoiding widespread unemployment and consequent dislocation of the economy. In this case, the measures adopted through the appropriate Government Departments were:

(i) Financial help, where necessary, to ease the burden of severance payments to redundant workers;

(ii) The publication of local vacancies on the notice boards of factories affected by redundancies;

(iii) The establishment of special teams of employment officers in factories affected by major redundancies;

(iv) Financial help for those taking approved jobs beyond daily travelling distance from their homes;
(v) The facilities of the Government Training Centres were made available for those displaced workers requiring retraining. In addition, the Regional Offices of the Ministry of Labour were asked to report on the redundancy situation in their regions to ensure that local difficulties were not overlooked.

Adjustment problems arising from disarmament are thus not different in kind, but only in degree, from those associated with any major changes in the composition of final demand. Each involves a certain amount of frictional unemployment (i.e., short-term, whilst men transfer from one job to another) and structural unemployment (i.e., lasting a longer period, during which some reductions occur before reabsorption of labour takes place). In general terms, it can be said of the United Kingdom that the resources of the economy are at present fully employed and are likely to remain so for some time. It is likely that the economy would benefit by the redeployment of resources into more productive work. The total number employed in connexion with United Kingdom defence is approximately 1.25 million, representing about 7 per cent of the total labour force. In particular industries the proportion of resources devoted to defence is relatively high. The problems of absorption of manpower and resources from these industries would clearly be relatively greater than elsewhere, but the demand for skilled manpower and the scope for increased civilian work in some of the industries would, by themselves, obviate most of the difficulties; but some would not be solved in this way, the redeployment of unskilled and non-industrial personnel posing perhaps the greater problem. The regional grouping of industries might pose special additional problems. In some fields of enterprise, disarmament would precipitate major changes in pattern. Where problems were not self-solving, Government intervention would be necessary to deal with the social problems of redundancy and the problems of creating new and expanding industries; but these problems would not differ in nature from those involving the ordinary planning mechanisms.

Her Majesty's Government do not underestimate the need for close study of the problems here discussed. They consider, however, that so far as the United Kingdom is concerned, disarmament should only necessitate an intensification of the present resettlement and vocational training, rather than any very drastically different arrangements.
United Republic of Tanzania

Original: English
20 January 1966

The Government has no information to submit.

United States of America

Original: English
1 March 1966

During 1965 the United States made further progress in its continuing efforts to determine the effects of reallocating resources from defence to non-defence purposes. Some of these essential studies have been completed and many others have been initiated. The results of these studies will be of assistance to public and private groups in understanding the opportunities presented by disarmament programmes.

In its economic planning with relation to disarmament, the United States aims to foster the ability of public and private groups to deal effectively with the economic consequences of reduction in defence spending. It aims to increase awareness among the general public and business community of the feasibility and the economic and social advantages of lower levels of defence spending. At the same time, this country's planning places emphasis on the necessity of making constructive use of the released resources - on the great social and economic opportunities which the conversion of these resources presents. These dual objectives are evident in the statute establishing the United States Arms Control and Disarmament Agency, which recognizes as necessary areas of research "the economic and political consequences of disarmament, including the problems of readjustment arising in industry and the reallocation of national resources".

Studies of this problem of reallocation of national resources - employing them for the most productive uses - are an important part of the research on the broad general subject of economic consequences of reduced defence spending. Analysis of

1/ PL 87-297.
the needs to which the resources released from defence activities can be applied is a necessary element in the studies of the adjustment problems of defence-dependent communities and of companies wholly or largely engaged in military production.

The most notable recent contribution to the subject in the United States has been the Report of the Committee on the Economic Impact of Defense and Disarmament submitted to President Johnson in July 1965. The Committee included high Government officials having responsibilities in the fields of economics and arms control. The Report reviews the actual trend in levels of defence spending and the relationship between defence expenditures and gross national product, discusses fiscal policies appropriate to changes in defence spending, identifies existing governmental machinery available to assist in the process of economic adjustment, reaches some initial policy conclusions and lists informational and research needs.1/

The Committee's findings firmly support the conclusion reached in earlier United States studies that disarmament would yield positive economic benefits for the United States economy. The Report states that "even general and complete disarmament would pose no insuperable problems; indeed, it would mainly afford opportunities for a better life for our citizens". And it notes that the release of defence resources provides an opportunity to increase the long-run rate of economic growth, pointing out that "the three most important ways to increase the growth rate are to devote more resources to investment in physical capital, to devote more resources to investment in human capital, and to accelerate the growth and spread of new technology". The Committee's report also provides useful information on studies undertaken on the economic impact of defence and disarmament as of the date of the report.

The information submitted below elaborates on and brings up to date the situation with respect to economic impact studies in the United States since last year's report to the Secretary-General.2/ Although concerned generally with the economic and social consequences of disarmament, this submission does not accord precisely with the headings contained in the Secretary-General's questionnaire. It

1/ Copies of the report, as printed by the United States Government Printing Office, have been transmitted to the United Nations.
2/ See E/4042, especially pp. 32-36.
may be noted that no international agreements on the reduction of arms have yet been reached, and thus there has been no opportunity to trace the economic impact of any such measures on a large scale. However, there have been changes in the level and composition of expenditures for national defence involving economic impact and the release of economic resources. As will be seen from some of the studies discussed below, consideration is being given to many of the implications of these changes.

Respecting the conversion of industrial resources to peaceful uses, a number of important studies now have been or are being completed. Among these are studies dealing with the implication of reduced defence demand for the electronics industry, a study dealing with the conversion potential of the shipbuilding industry, case studies of industrial conversion and diversification experience, and case studies of the management problems of small research and development firms. Further studies in the area of industrial conversion will be sponsored this year by the United States Arms Control and Disarmament Agency. One of these will deal with the broad problems of adapting defence industry output and marketing to civilian commercial purposes. Another will deal with the broad problem of adaptability of defence industry output and marketing to meeting the requirements for economic and social programmes undertaken by federal, state and local governments.

In the broad area of transfer of manpower resources to peaceful needs, three studies of value have now been completed. These studies deal with the re-employment experience of workers displaced, owing to defence procurement changes, in defence industry plants in Seattle, Washington; Denver, Colorado; and Long Island, New York. The three studies together cover the re-employment experience of some 20,000 workers. The studies provide basic information on the problems and opportunities for workers shifting from defence to civilian activities. The findings from the three studies will be further analysed in order to derive the best possible conclusions regarding the policies needed to ease personal hardships for displaced workers and to develop policies for making the most effective use of manpower skills. In connexion with the study of the Long Island lay-off, an additional part of the research effort has involved analysis of the relationship of worker skills in the production of military aircraft to skill requirements in the civilian labour market.

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1/ Copies of these studies have been submitted to the United Nations; for their titles, see the list below.
A future study along these lines, which will concentrate upon transfer of skills for workers in missile plants, is now being initiated under the sponsorship of the United States Arms Control and Disarmament Agency. Another study effort being initiated by that agency addresses itself specifically to the transfer of engineer skills to civilian purposes and to the problems of retraining of defence-oriented engineers.

Two studies on the impact of defence and disarmament on regional economic activities have been completed. One deals with regional economic adjustment to arms reduction in the metropolitan areas of Seattle, Washington; Baltimore, Maryland; and New London-Groton-Norwich, Connecticut. Another deals with the problems of economic readjustment in the state of New Mexico. The same agency is sponsoring two additional studies on regional economic impact and adjustment. One involves the development of a system of economic indicators to be used as a tool of adjustment policy by defence-dependent regions. Another involves tracing the impact on particular communities of the closings of the military installations ordered by the Secretary of Defense in November 1964.

The United States attaches importance to this economic planning related to disarmament and will continue to press its programme of research of this character. It aims both to assure completeness of scope and to be responsive to changing conditions.

**List of documents submitted**

The following domestic economic impact studies sponsored by the United States Arms Control and Disarmament Agency:

1. The Implications of Reduced Demand for the Electronics Industry, by the Battelle Memorial Institute, ACDA Publication No. 28.


The quarterly bibliography, *Arms Control and Disarmament*, prepared by the United States Library of Congress and published by the Government Printing Office, Washington, in which are listed studies dealing, among other subjects, with the economic aspects of defence: vol. 1, Nos. 3 and 4 and vol. 2, No. 1.

Zambia

10 February 1966

The Government of the Republic of Zambia would like to advise that the present development of their defence forces is such that the request for a report on the economic and social effects of disarmament would appear irrelevant.
ANNEX I

... and has the honour to refer to resolution 1087 (XXXIX) of the Economic and Social Council in which the Council recommended "that governments, particularly of those countries significantly involved, continue and attempt to develop national studies regarding economic and social aspects of disarmament and transmit them to the Secretary-General as early as feasible".

The same resolution requested "the Secretary-General to continue to inform the Council of the national studies he receives concerning the economic and social consequences of disarmament". Reports on such national studies have been received from Governments each year since the adoption of General Assembly resolution 1516 (XV) and have been transmitted to the Economic and Social Council.¹/

The Secretary-General has the honour to renew his invitation to Governments to provide information relating to national activities designed to facilitate the conversion to peaceful uses of the resources released by disarmament. The framework, referred to in resolution 1087 (XXXIX), within which Governments are invited to reply is reproduced and attached hereto.

Governments may wish to submit copies of pertinent studies and reports, legislation, administrative instructions and similar documents to complement their replies. Governments which have responded to previous invitations to supply information may wish merely to supplement or bring up to date their earlier submissions, and to devote their replies mainly to topics not previously dealt with.

At its thirty-ninth session in April 1965, the Administrative Committee on Co-ordination, endorsing a proposal made by its Inter-Agency Committee on the Economic and Social Consequences of Disarmament, concluded that if more fruitful international studies were to be made in this area, a great deal more information would be required from Member Governments than is currently

available.\textsuperscript{1} To this end, the Committee felt that the questionnaire that had been devised by the IAC should be sent by the Secretary-General to Member Governments. The questionnaire was attached to the Secretary-General's report on the "Conversion to Peaceful Needs of the Resources Released by Disarmament" (document E/40\textsuperscript{k}2, annex II) submitted to the thirty-ninth session of the Economic and Social Council.

The Secretary-General has the honour, therefore, to invite Governments to provide the information called for in the questionnaire which, for convenience, has been reproduced and attached to this note.

The next meeting of the Inter-Agency Committee on the Economic and Social Consequences of Disarmament has been tentatively scheduled for March 1966. The Secretary-General would wish to pass on to the Committee the information provided by Governments in response to this note. He has the honour to request, therefore, that replies be submitted to him (in triplicate) at the United Nations in New York not later than the beginning of March 1966.

29 October 1965

\textsuperscript{1} See the Thirty-first Report of the Administrative Committee on Co-ordination, document E/4029, paragraphs 34-37.
FRAMEWORK FOR

National and International Studies and Activities Regarding Economic and Social Aspects of Disarmament

I. Studies and activities relating to over-all planning of conversion of military expenditures to peaceful uses:
   (a) for facilitating the process of conversion so as to take advantage of opportunities to transfer resources to peaceful uses with minimum delay and minimum cost.
   (b) For ensuring the optimum reallocation of resources so as to obtain the most favourable possible impacts on production, employment, and economic growth and development.

II. Studies and activities relating to the promotion of necessary economic and social readjustments during the period of conversion, especially with respect to:
   (a) Possible transfer to peaceful purposes of specialized military personnel and associated military facilities.
   (b) Interindustry and occupational mobility of production workers and scientific staff.
   (c) Changes in the industry-by-industry pattern of industrial production and capacity.
   (d) Economic problems affecting particular enterprises and localities.
   (e) Problems that might arise in the field of international trade during the conversion period.
   (f) Social problems arising during the conversion period.

III. Studies and activities relating to the longer-term uses of liberated resources for accelerating economic and social development, including:
   (a) National uses for:
      (i) Advancement of scientific and technological research for peaceful purposes.
      (ii) Development and improvement of education and training.
(iii) Improvement of the employment-market organization to promote a more effective utilization and distribution of manpower supply and skills.
(iv) Increasing productivity in agriculture and forestry.
(v) Development of communications, transport, energy and natural resources.
(vi) Acceleration of growth of industry.
(vii) Promotion of health and nutrition.
(viii) Provision of adequate housing and intensification of rural and urban planning.
(ix) Promotion of social welfare.
(b) Uses in expanding the total flow and improving the effectiveness of financial aid and technical assistance to developing countries:
   (i) At the country level.
   (ii) At the regional level.
   (iii) At the interregional level.
Questionnaire on the Economic and Social Consequences of Disarmament

A. Disarmament measures already implemented

1. State briefly the nature of each disarmament measure.
2. Describe the nature and volume of resources released, indicating in each case their essential characteristics relevant to the economic and social problems of conversion and redeployment:
   (a) Manpower
       Distinguishing among the major categories of occupation and skill, indicate their suitability for and the nature of retraining and other measures of adaptation necessary for their civilian employment in sectors such as industry, energy, transport, agriculture, health education and research.
   (b) Plant and equipment
       Distinguishing among the various types of asset - nuclear, industrial, residential, marine, research, medical and so on - indicate their suitability for and the nature of the adaptation process involved in their conversion to civilian use. Discuss any special problems which may have arisen because of location or specificity.
   (c) Supplies of consumer goods and raw materials
       Indicate the nature of the agricultural and mineral raw materials and consumer goods previously absorbed by the defence activity, differentiating in so far as possible, on the one hand, between domestic and imported supplies, and, on the other between liquidations of stocks and reductions in rates of current purchase.
   (d) Financial savings, taking into account the cost of transitional measures to facilitate the process of conversion and adaptation.
3. Discuss the opportunities created by the release of these resources for meeting civilian needs, the problems encountered in utilizing the resources for such purposes, the measures adopted to take advantage of the opportunities and to resolve the problems encountered, and the degree of success achieved. Summarize the lessons taught by these experiences for administrative, technical, economic and social action necessary to deal with the consequences of disarmament.
B. Disarmament measures announced but not yet fully implemented

4. Comment in so far as possible under the same headings as in A above on the opportunities foreseen, the problems expected to be encountered and the programmes planned for dealing with the economic and social consequences of disarmament programmes already announced but not yet fully implemented.

C. Future (contingent) disarmament programmes

5. General
   Describe any studies that may have been made or activities that may have been planned in relation to the following subjects:
   (a) Provision for the longer-term uses of the released resources for accelerating the process of economic and social development, including:
       (i) in the case of developed countries, studies relating to the use of released resources for external aid, bilateral or multilateral, and
       (ii) in the case of developing countries, studies relating to the possibilities of effectively utilizing the resources that may become available from domestic disarmament and increased external aid.
   (b) Promotion of the economic and social readjustments necessary to facilitate the conversion, retraining and redeployment of resources released by disarmament.¹/
   (c) Psychological and cultural impact of disarmament.

6. Specific proposals
   (a) Discuss in appropriate detail the economic and social consequences of specific disarmament proposals that have been made by your Government and other Member Governments of the United Nations or its specialized agencies.
   (b) Comment on the possible distribution of released resources between alternative peaceful uses.
   (c) Describe the main problems, including possible changes in the volume and pattern of international trade and capital movements that your country would face if the specific proposals referred to above were generally adopted, and indicate the main measures that might be taken to meet them.

¹/ In answering questions (a) and (b) make use as appropriate of the sub-headings mentioned in A.2 above.
ANNEX II

... and has the honour to refer to his communication dated 29 October 1965 on the subject of the economic and social consequences of disarmament. Attached to that communication was a Questionnaire sent to Governments in accordance with a recommendation of the Administrative Committee on Co-ordination (ACC).\(^1\) When this Questionnaire was submitted to the ACC by the Inter-Agency Committee (IAC) on the Conversion to Peaceful Needs of the Resources Released by Disarmament, it was suggested that Governments might at the same time be informed of the activities being carried out by various members of the United Nations system in the field of the economic and social consequences of disarmament.

..... A list of such activities has recently been completed and the Secretary-General has the honour to transmit it to Governments for their information.

29 April 1966

\(^1\) See the Thirty-first Report of the Administrative Committee on Co-ordination, document E/4029, paragraph 37.
A. Activities and Studies Relating Specifically to the Economic and Social Consequences of Disarmament

I. Inter-Agency activity

The United Nations and all the specialized agencies and the International Atomic Energy Agency co-operate in an Inter-Agency Committee on the Conversion to Peaceful Needs of the Resources Released by Disarmament. The Committee has devoted most of its attention so far to questions of methodology: how can studies carried out at the international level be made as factual and realistic as possible? It was in pursuit of this objective that the Committee suggested to the Administrative Committee on Co-ordination that Governments might be asked to provide - in addition to information about the studies that were being undertaken in connexion with the economic and social consequences of disarmament - certain types of substantive material concerning acts of arms reduction already taken or proposed. This suggestion was embodied in the Questionnaire annexed to the Secretary-General’s note verbale of 29 October 1965.

II. Work at present under way in individual agencies

United Nations Educational, Scientific and Cultural Organization (UNESCO)

1. Activities relating to the economic and social consequences of disarmament in fields directly within the constitutional competence of UNESCO.

(1) Disarmament and education

Three comparative studies on the utilization of resources released by disarmament in the developed countries for the extension of the education system in the developing countries, by Dr. Selma Mushkin, George Washington University, United States of America, the Research Institute on the Role of Education in Social Development of the University of Saarbrücken, Federal Republic of Germany, and the Economic Commission of the Soviet Peace Committee USSR, were completed at the end of 1965. In 1966, a specialist from a country receiving foreign aid will make a critical appreciation of these three studies and take part with their authors in a meeting to be organized by the European Co-ordination Centre for Social Science Research and Documentation (Vienna, Austria). The results of the studies and appreciation will be published subsequently in an appropriate form.
(2) Disarmament and youth

As part of UNESCO's programme to promote the development of youth activities, and particularly international co-operation between young people, the Secretariat has begun to compile a guide entitled "Study Guide on the Participation of Youth in International Co-operation", which will include a chapter on "The United Nations and Disarmament Today". The chapter will contain sections dealing with points such as the following: short outline of the discussions on disarmament in the United Nations; complete disarmament as the final aim; the progress already achieved; the great significance of disarmament for the younger generation.

The guide, which will be written by a Soviet author and a Canadian author, will include bibliographical data and suggestions regarding the possible use of audiovisual aids. The guide will be made available to youth leaders and present intention is to publish it in English and French towards the end of 1966.

(3) Disarmament and its long-term effects on the development of scientific and technical research

A study group comprising specialists in the exact and natural sciences and the social sciences has been set up by UNESCO, in liaison with the Pugwash Conference, to study the problems mentioned below:

Following two meetings in March and May 1965, it was suggested that a specific study should be made of the problems of transferring scientists and engineers now engaged in military research to civilian research activities. The study is being undertaken by specialists from France, the United Kingdom, the United States and the USSR, the object being to provide detailed answers to the following questions:

How far could the requirements of the less developed countries in respect of scientific and technical personnel be met, in whole or in part, by the transfer of scientific and technical personnel from the highly industrialized countries now engaged in military research?

What retraining arrangements would have to be made so that such staff would be able to make an effective contribution to the developing countries?

(4) Disarmament and culture

As part of the meeting on modern humanism which the Romanian National Commission for UNESCO proposes to convene in July 1966 at Sinaia, arrangements have been made in principle to hold a symposium, financed by UNESCO under its participation programme, on the topic "Culture and disarmament".
(5) Disarmament and information

In so far as possible the UNESCO secretariat will distribute information and publications on the economic and social consequences of disarmament (see, for example, the November 1964 issue of the UNESCO Courier, which is devoted exclusively to this subject, and the January 1966 issue, which will contain an article on "Peace Research").

III. Activities relating to the economic and social consequences of disarmament as a subject for inter-disciplinary social science studies and research

(1) Documentation activities

(a) A compendium of national scientific research institutions concerned with the economic and social consequences of disarmament and peace research has been completed. It will be published by UNESCO in 1966.

(b) UNESCO gives financial support for the publication of:

(i) International Peace Research Newsletter by the International Peace Research Association (Groningen, Netherlands);

(ii) Peace Research Abstracts by the Canadian Peace Research Institute (Toronto, Canada).

(2) Scientific information

The third issue for 1965 of the quarterly International Social Science Journal (vol. XVII (3)) was devoted to peace research from a broad inter-disciplinary viewpoint.

(3) Scientific studies and research

(a) The European Co-ordination Centre for Social Sciences Research and Documentation (Vienna, Austria) is co-ordinating three public opinion polls in France, Norway and Poland, on the subject "The image of a world without weapons". The preliminary conclusions drawn from the samples taken and the determination of the scientific hypotheses to be deduced therefrom will be discussed at a meeting of experts organized by the Vienna Centre and the Peace Research Institute (Oslo), to be held at Oslo early in 1966. The results of these public opinion polls are expected to be published in 1966.

(b) The International Peace Research Association, under a 1965 contract with UNESCO, is to prepare a paper on the hypotheses of peace and disarmament and their
typology. It is expected that this study will be published under the auspices of the Association in 1966.

It is also expected that, under a proposed grant from the Secretariat starting in 1967-1968, the Association will compile other papers on similar topics in 1967-1968 and will subsequently publish them itself.

(c) The European Co-ordination Centre for Social Science Research and Documentation (Vienna, Austria) is also co-ordinating surveys conducted in a number of European Countries with different political, economic and social systems on the effects of disarmament on foreign aid to the developing countries. The results of these surveys will be discussed in 1966 at the meeting to be organized by the Vienna Centre in connexion with item I,1 above. The results of these surveys will be published later under the auspices of the Vienna Centre.

International Labour Organisation (ILO)

The International Labour Organisation's interest in disarmament is twofold: in the first place it is concerned that any resources released as the result of disarmament should as far as possible be utilized to promote the objectives of higher levels of living throughout the world; secondly, it wishes to ensure that the transfer of resources from defence and defence-related industries will not cause hardship to any particular section of the population or any particular group or groups of workers.

The ILO is making a contribution, on retraining, to a study by the Economic Commission for Europe (ECE) of the impact of disarmament in Europe. To obtain information for the ILO contribution, a special questionnaire additional to that sent out by the Secretary-General was sent to thirty-three European Governments. By mid-February, eighteen had replied, and a report containing an analysis of the replies thus far received was being prepared for the forthcoming session of the ECE.

ILO studies of problems of adaptation to structural change in general (see part B below) may also have some direct relevance to problems resulting from disarmament, a contraction of defence expenditure being one among other possible causes of structural change, and problems of adaptation of the labour force to structural change being often very similar whatever the origin of the change.
International Atomic Energy Agency (IAEA)

The International Atomic Energy Agency is at present updating a report on national policies in respect of the production and stockpiling of fissile material and its use for peaceful purposes. An earlier version of this report was reproduced as annex IV of the Secretary-General's report on the "Conversion to Peaceful Needs of the Resources Released by Disarmament" (E/3898/Rev.1) of 7 October 1964.

B. Activities and Studies Relating Indirectly to the Economic and Social Consequences of Disarmament

Much of the work of the United Nations family of organizations is concerned with the processes and problems of economic development. Part of this work is in the form of technical assistance to developing countries, part of it in the form of studies of particular aspects of the current and emerging economic and social situation. This work thus provides an essential background both to any analysis of the economic and social impact of arms reduction and to any transfer of resources to the developing countries that may become possible as a result of this release through disarmament measures.

Within this general framework of activities and studies, the following appear to have particular relevance to the problem of redeploying men and material released by disarmament.

United Nations

The World Economic Survey and the Report on the World Social Situation keep economic and social conditions under regular review. Changes in the utilization of resources - including public revenue and expenditure, and employment and unemployment - are examined in a fairly systematic fashion. The International Flow of Long-term Capital and Official Donations is also analysed on a continuing basis, with particular emphasis on the resources being made available to the developing countries by the more advanced countries.

International Labour Organisation (ILO)

There is a continuing programme of research within the International Labour Organisation on problems of adaptation to structural change in general.
A volume entitled Unemployment and Structural Change was published in 1962. The ILO has also prepared a study on behalf of the OECD of problems of redundancy in certain industries - textiles, railways, iron and steel and telecommunications. The study includes an examination of the influence of the economic and technological conditions confronting these specific industries on the way in which their redundancy problems are handled and an attempt to evaluate the results and costs of different ways of handling these problems.

Work is being carried out on a series of country studies (approximately ten studies of industrialized countries), reviewing the programmes which are available to assist in meeting problems associated with the introduction of automation and advanced technology. The studies cover a range of programmes, including national activity for maintaining full employment, as well as plant-level programmes designed to provide assistance to workers who may be forced to change jobs within a plant or to leave the employ of their company. The studies are all being organized according to a common outline for purposes of comparison. Clearly, too, many of the programmes are designed to combat the effects of dislocation regardless of its causes and would therefore be relevant to any study of the problems arising out of disarmament.

Finally, since adjustment to disarmament will be easier the greater the occupational and geographical mobility of labour, mention may be made of the completion of a study (routed, AUT/DOC/7, 1965) of international differences in factors affecting labour mobility in selected western European countries.

Food and Agriculture Organization (FAO)

Though the Food and Agriculture Organization's programme does not at present contain any project explicitly and specifically concerned with the economic and social consequences of disarmament, the Indicative World Plan for Agricultural Production on which the organization is at present engaged is working out projections for 1985, with broad intermediate projections for 1975, which should serve to elucidate the type and order of magnitude of the effort needed to meet targets for the production and consumption of and trade in, agricultural products within the framework of economic development generally. The Plan will contain constructive and co-ordinated programmes for agricultural development, and an
indication both of nutritional targets and of means to attain them. The Plan appears to be calculated to facilitate a study on a world-wide scale of the use of any resources liberated by disarmament for the purpose of furthering economic development, especially in the agricultural sector.

World Health Organization (WHO)

The World Health Organization has published a number of Reports on the World Health Situation: the first covered 157 countries and territories for the period 1954-1956; the second, 163 countries and territories for the period 1957-1960; and the third, covering the period 1961-1964, will be issued in 1966. These and a statistical study of the Cost of Sources of Finance of Health Services, provide a good deal of the information necessary for planning health services and for effectively utilizing related resources that might be released in the course of disarmament.

General Agreement on Tariffs and Trade (GATT)

Most of the studies and activities of General Agreement on Tariffs and Trade contribute directly to the expansion of international trade and thus indirectly to the structural flexibility of national economies. Hence they are in a general way relevant to problems of economic adjustment. More particularly, GATT administers measures taken by the Contracting Parties in regard to the liquidation of strategic stocks. This activity stems chiefly from the resolution adopted on 4 March 1955, calling upon Contracting Parties which intend to liquidate stocks of primary products from national strategic stockpiles to proceed in such a manner as to avoid injury to the interests of producers and consumers and disruption of world markets. The resolution calls upon Contracting Parties to give at least forty-five days notice of their intention to liquidate stocks and to consult with interested Governments.