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FINANCIAL AND ECONOMIC DATA RELATING TO NATO DEFENCE



DEFENCE EXPENDITURES OF NATO COUNTRIES

1949 - 1978

The figures given in Table I represent payments actually made or to be made during the course of the calendar year. They are based on the NATO definition of defence expenditures. In view of the differences between this and national definitions, the figures shown may diverge considerably from those which are quoted by national authorities or given in national budgets.

The figures relating to the United States and Canada include expenditures for military aid programmes. The figures shown for European NATO countries do not include the value of end-items received under military aid programmes from the United States and Canada.

TABLE I

TOTAL DEFENCE EXPENDITURES OF NATO COUNTRIES
(Current prices)

Country	Currency Unit	Actual											Forecast
		1949	1954	1969	1970	1971	1972	1973	1974	1975	1976	1977	1978
(0)	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
Belgium	Million Belgian Francs	8,273	20,707	33,754	37,388	39,670	44,140	48,941	57,395	69,936	81,444	89,480	99,008
Canada	Million Canadian \$	372	1,771	1,899	2,061	2,131	2,238	2,405	2,862	3,127	3,589	4,124	4,597
Denmark	Million Danish Kroners	360	885	2,640	2,757	3,195	3,386	3,520	4,439	5,281	5,680	6,343	7,135
France	Million Francs	4,787	11,710	30,696	32,672	34,907	37,992	42,284	47,878	55,873	63,899	73,530	83,414
Germany (a)	Million DM	..	6,287	21,577	22,573	25,450	28,720	31,908	35,644	37,589	38,922	40,184	42,588
Greece	Million Drachmae	1,630	3,428	12,762	14,208	15,480	17,211	19,866	24,126	43,917	..	..	..
Italy	Milliard Lira	301	543	1,412	1,562	1,852	2,162	2,392	2,852	3,104	3,608	4,533	5,223
Luxembourg	Million Luxembourg Francs	112	565	391	416	442	517	601	710	836	983	1,029	1,160
Netherlands	Million Guilders	680	1,583	3,682	3,968	4,466	4,974	5,465	6,254	7,246	7,817	9,260	9,367
Norway	Million Norwegian Kroners	370	1,141	2,502	2,774	3,022	3,239	3,505	3,938	4,771	5,333	5,934	6,756
Portugal	Million Escudos	1,419	2,100	10,779	12,538	14,699	16,046	16,736	25,108	19,898	18,845	22,082	26,111
Turkey	Million Liras	556	934	5,395	6,237	8,487	9,961	12,192	15,831	..	..	..	..
United Kingdom	Million £ Sterling	779	1,569	2,303	2,444	2,815	3,258	3,512	4,160	5,165	6,132	6,822	7,492
United States	Million US \$	13,503	42,786	81,443	77,854	74,862	77,639	78,358	85,906	90,948	91,013	100,928	105,135
Area													
Total Europe (b) (c)	Million US \$	4,531	11,308	21,972	23,458	26,889	32,315	39,173	44,088	51,932	51,869	58,363	68,951
Total North America	Million US \$	13,875	44,557	83,199	79,821	76,973	79,898	80,761	88,832	94,023	94,653	104,806	109,238
Total NATO (b) (c)	Million US \$	18,406	55,865	105,171	103,279	103,862	112,213	119,934	132,920	145,955	146,522	163,169	178,189

- a. Before it acceded to the North Atlantic Treaty Organisation (May 1955), Germany contributed to the defence budgets of certain NATO countries by the payment of occupation costs; moreover, it bore certain other costs which also fall within the NATO definition of defence expenditures. In addition to defence expenditures (NATO definition), the German Authorities are obliged to incur large annual expenditures for Berlin owing to the exceptional situation of this city and the need, in the interests of the defence of the free world, to ensure its viability. These expenditures, which are not included in the figures given above since they do not come within the NATO definition, are forecast to be 10,181 million DM in 1978.
- b. The Europe and NATO totals are based on the currency exchange rates in force during the years concerned. This means that the trends shown are affected, to varying degrees, by the changes which have taken place in national exchange rates against the US dollar. Direct comparisons between figures for different years must therefore be made with caution, the more so because, due to the impact of price and salary increases, the figures on this table give only an imperfect view of the real trend in the defence effort of countries. It should be noted, that for 1949, the Europe and NATO totals do not take into account the German expenditures.
- c. For purposes of comparison, the figures for Greece and Turkey, which are not available for each of the years under review, have been excluded throughout from the regional totals.

.. Information not available.

**TABLE II. DEFENCE EXPENDITURES
AS PERCENTAGE OF GROSS DOMESTIC PRODUCT IN PURCHASERS' VALUES**

Country	1973	1974	1975	1976	1977	1978(a)
(0)	(1)	(2)	(3)	(4)	(5)	(6)
Belgium	2.7	2.7	3.0	3.1	3.2	3.3
Denmark	2.1	2.4	2.6	2.4	2.4	2.5
France	3.8	3.7	3.9	3.8	3.9	4.0
Germany (b)	3.5	3.6	3.6	3.5	3.4	3.3
Greece	4.1	4.3	6.5	..	..	..
Italy	2.9	2.8	2.7	2.5	2.6	2.6
Luxembourg	0.8	0.8	1.0	1.0	1.0	1.1
Netherlands	3.3	3.3	3.5	3.3	3.6	3.4
Norway	3.1	3.0	3.2	3.1	3.1	3.2
Portugal	6.0	7.4	5.3	4.1	3.5	3.3
Turkey	4.1	3.9	..	..	..	..
United Kingdom	4.9	5.1	5.0	5.0	4.8	4.7
NATO Europe (c)	3.6	3.7	3.7	3.6	3.6	3.6
Canada	1.9	1.9	1.9	1.9	2.0	2.0
United States	6.0	6.1	6.0	5.3	5.4	5.0
Total NATO (c)	4.8	4.8	4.7	4.4	4.4	4.2

Notes:

- a. Preliminary estimates.
- b. These percentages have been calculated without taking into account the expenditures on Berlin (see Note a., Table I); if these expenses were included, the percentages would be as follows:
- | | | |
|-----------|-----------|------------|
| 1973: 4.2 | 1975: 4.4 | 1977: 4.2 |
| 1974: 4.4 | 1976: 4.3 | 1978: 4.1. |
- c. These percentages have been calculated without Greece and Turkey (see Note c., Table I).
- .. Information not available.

**TABLE III. GROSS DOMESTIC PRODUCT IN PURCHASERS' VALUES
AND DEFENCE EXPENDITURES
PER CAPITA, IN US \$ (a)**

Country	Gross Domestic Product Per Head				Defence Expenditures Per Head			
	1975	1976	1977	1978(b)	1975	1976	1977	1978(b)
(0)	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Belgium	6,555	6,917	6,998	7,105	202	215	220	231
Denmark	7,235	7,606	7,726	7,777	183	185	191	198
France	6,336	6,603	6,765	6,938	244	253	266	274
Germany	6,850	7,265	7,484	7,714	258c	260c	259c	265c
Greece	2,322	2,427	2,494	2,588	..	..	..	..
Iceland	6,455	6,611	6,897	6,978	..	..	..	..
Italy	2,929	3,078	3,113	3,161	78	77	79	80
Luxembourg	6,561	6,896	7,005	7,201	66	72	70	74
Netherlands	6,267	6,501	6,624	6,738	219	215	239	229
Norway	7,324	7,710	7,993	8,254	243	243	245	257
Portugal	1,503	1,585	1,668	1,737	79	64	59	57
Turkey	946	1,000	1,019	1,028	..	..	..	..
United Kingdom	3,817	3,933	4,008	4,116	199	198	194	195
NATO Europe (d)	5,085	5,326	5,447	5,580	193	194	197	201
Canada	8,139	8,452	8,563	8,781	155	158	164	166
United States	7,529	7,911	8,235	8,476	452	423	440	425
Total NATO (d)	6,256	6,564	6,775	6,962	301	290	299	295

Notes:

- a. All figures are expressed in 1976 prices; the national currencies have been converted into US \$ on the basis of the average exchange rates for 1976; since then, further changes in exchange rates have occurred and a certain amount of caution should be exercised in making comparisons.
 - b. Preliminary estimates.
 - c. These figures have been calculated without taking into account the expenditures on Berlin (see Note a., Table I); if these expenses were included, the figures would be as follows: US \$ 302 for 1975, US \$ 309 for 1976, US \$ 311 for 1977 and US \$ 318 for 1978.
 - d. These totals have been calculated without Greece and Turkey (see Note c., Table I).
- .. Information not available.

TABLE IV. EQUIPMENT EXPENDITURES
AS PERCENTAGE OF TOTAL DEFENCE EXPENDITURES

(Fiscal Years) (a)

Country	Average 1965-1970	1973 or 1973/74	1974 or 1974/75	1975 or 1975/76	1976 or 1976/77	1977 or 1977/78	1978 or 1978/79 ^(b)
(0)	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Belgium	11.0	8.4	8.8	9.1	11.0	11.9	12.3
Canada	11.6	7.3	5.9	6.3	8.0	8.5	10.8
Denmark	13.6	17.2	19.3	19.0	19.4	21.8	15.7
Germany	16.1	12.1	11.9	11.8	13.2	12.5	14.2
Italy	13.0	15.2	15.2	13.9	13.1	15.3	17.2
Luxembourg	2.6	1.3	2.4	1.0	3.4	2.0	2.3
Netherlands	14.5	11.3	13.2	15.7	15.2	20.6	18.5
Norway	16.8	11.7	11.6	11.6	11.4	14.2	17.0
Portugal	16.9	4.5	3.1	1.9	1.9	2.1	2.4
Turkey	3.1	5.0	3.0	..	..	..	..
United Kingdom	15.9	19.3	17.2	19.3	20.6	22.0	25.0
United States	27.8c	18.9c	18.1c	17.5c	17.4	17.0	17.7

Notes:

- a. With the exception of Canada, Denmark and the United Kingdom (Fiscal Year: April-March), Turkey (Fiscal Year: March-February) and the United States (Fiscal Years 1973/74 to 1975/76: July-June; Fiscal Years 1976/77 to 1978/79: October-September), the fiscal year of countries shown in this table coincides with calendar year (1st January-31st December).
- b. Preliminary estimates.
- c. Including Ammunition and Explosives.
- .. Information not available.

TABLE V. ARMED FORCES

Country	Military only (thousands)				Total armed forces (b) as % of total labour force			
	1972	1976	1977	1978(a)	1972	1976	1977	1978(a)
(0)	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Belgium	107	107	107	109	3.0	2.9	2.8	2.8
Denmark	42	31	32	34	2.1	1.6	1.6	1.7
France	574	585	584	581	3.2	3.2	3.2	3.2
Germany	457	493	495	495	2.3	2.6	2.6	2.6
Greece	186	186	187	..	6.5	6.5	6.4	..
Italy	541	455	475	489	3.2	2.6	2.5	2.5
Luxembourg	1	1	1	1	0.9	0.9	0.9	0.9
Netherlands	115	106	103	107	3.0	2.7	2.7	2.8
Norway	38	39	39	39	2.9	2.8	2.7	2.7
Portugal	260	83	79	81	7.4	2.4	2.3	2.3
Turkey	561	674	..	..	3.8	4.4	..	..
United Kingdom	381	337	326	322	2.8	2.4	2.3	2.2
NATO Europe	3,263	3,097	..	..	3.2	3.0	..	..
Canada	82	78	78	79	1.4	1.1	1.1	1.1
United States	2,324	2,075	2,066	2,059	3.8	3.2	3.1	3.0
Total NATO	5,669	5,250	..	..	3.3	3.0	..	..

Notes:

- a. Preliminary estimates.
- b. Military and civilian personnel.
- .. Information not available.