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FINANCIAL AND ECONOMIC DATA RELATING TO NATO DEFENCE



DEFENCE EXPENDITURES OF NATO COUNTRIES

1949 - 1979

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	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979
(o)	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
Belgium	Million Belgian Francs	8,273	20,707	37,388	40,654	45,183	50,533	57,739	70,899	81,444	89,480	99,726	109,467
Canada	Million Canadian \$	372	1,771	2,061	2,131	2,238	2,405	2,862	3,127	3,589	4,124	4,662	4,799
Denmark	Million Danish Kroners	360	885	2,757	3,195	3,386	3,520	4,439	5,281	5,680	6,343	7,250e	8,000
France	Million Francs	4,787	11,710	32,672	34,907	37,992	42,284	47,878	55,872	63,899	73,097	84,042	94,926
Germany (a)	Million DM	..	6,287	22,573	25,450	28,720	31,908	35,644	37,589	38,922	40,184	43,019	45,414
Greece	Million Drachmae	1,630	3,428	14,208	15,480	17,211	19,866	24,126	43,917	..	..	..	..
Italy	Milliard Lira	301	543	1,562	1,852	2,162	2,392	2,852	3,104	3,608	4,533	5,301	6,119
Luxembourg	Million Luxembourg Francs	112	565	416	442	517	601	710	836	983	1,029	1,154	1,229
Netherlands	Million Guilders	680	1,583	3,968	4,466	4,974	5,465	6,254	7,246	7,817	9,260	9,317	10,001
Norway	Million Norwegian Kroners	370	1,141	2,774	3,022	3,239	3,505	3,938	4,771	5,333	5,934	6,854	7,394
Portugal	Million Escudos	1,419	2,100	12,538	14,699	16,046	16,736	25,108	19,898	18,845	22,082	27,354	37,733
Turkey	Million Liras	556	934	6,237	8,487	9,961	12,192	15,831	..	..	..	..	..
United Kingdom	Million £ Sterling	779	1,569	2,444	2,815	3,258	3,512	4,160	5,165	6,132	6,810	7,620	9,085
United States	Million US \$	13,503	42,786	77,854	74,862	77,639	78,358	85,906	90,948	91,013	100,928	108,357	122,261
<u>Area</u>													
NATO Europe (b) (c)	Million US \$	4,531	11,308	23,458	26,910	32,338	39,214	44,097	51,958	51,869	58,254	71,676	85,226
Total North America (b)	Million US \$	13,875	44,557	79,821	76,973	79,898	80,761	88,832	94,023	94,653	104,806	112,444	126,360
Total NATO (b) (c)	Million US \$	18,406	55,865	103,279	103,883	112,236	119,975	132,929	145,981	146,522	163,060	184,120	211,586

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 11,875 million DM in 1979.

b. These 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 total figures 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.

e. Estimate.

.. Information not available.

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

Country	Average 1970-1974	1975	1976	1977	1978	1979(a)
(0)	(1)	(2)	(3)	(4)	(5)	(6)
Belgium	2.8	3.1	3.1	3.2	3.3	3.3
Denmark	2.2	2.4	2.3	2.3	2.4	2.4
France	3.9	3.8	3.8	3.9	4.0	4.0
Germany (b)	3.5	3.6	3.5	3.4	3.4	3.3
Greece	4.4	6.5	..	..	..	..
Italy	2.7	2.5	2.3	2.4	2.4	2.3
Luxembourg	0.8	1.0	1.0	1.0	1.1	1.0
Netherlands	3.4	3.5	3.3	3.5	3.3	3.3
Norway	3.2	3.2	3.1	3.1	3.3	3.2
Portugal	6.9	5.3	4.0	3.5	3.5	3.8
Turkey	4.2	..	..	..	..	..
United Kingdom	5.0	5.0	5.0	4.8	4.7	4.9
NATO Europe (c)	4.0	3.7	3.6	3.5	3.5	3.6
Canada	2.1	1.9	1.9	1.9	2.0	1.8
United States	6.7	6.0	5.4	5.4	5.1	5.2
Total NATO (c)	5.2	4.7	4.4	4.4	4.2	4.3

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:

1975: 4.4 1977: 4.2 1979: 4.1
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	1979(b)	1975	1976	1977	1978	1979(b)
(0)	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Belgium	7,582	7,970	8,056	8,235	8,442	236	248	254	270	282
Denmark	8,404	8,966	9,110	9,176	9,328	199	202	208	215	215
France	6,712	7,018	7,189	7,400	7,610	258	268	280	293	301
Germany	7,718	8,156	8,397	8,678	9,067	290 c	292 c	291 c	300 c	308 c
Greece	2,636	2,763	2,828	2,973	3,048	..	..	..	..	..
Iceland	8,124	8,322	8,676	8,879	8,942	..	..	..	..	..
Italy	3,572	3,758	3,814	3,894	4,046	89	88	91	94	94
Luxembourg	7,519	7,755	7,953	8,207	8,421	77	82	81	87	88
Netherlands	7,233	7,553	7,718	7,853	8,066	250	247	272	256	264
Norway	8,064	8,573	8,847	9,119	9,372	273	273	276	296	304
Portugal	1,499	1,592	1,664	1,700	1,726	79	64	59	59	66
Turkey	1,055	1,115	1,136	1,144	1,143	..	..	..	..	..
United Kingdom	4,170	4,321	4,411	4,540	4,587	219	217	213	210	216
NATO Europe (d)	5,689	5,968	6,105	6,270	6,462	213	214	217	222	227
Canada	8,096	8,455	8,602	8,816	8,931	160	163	167	166	165
United States	7,959	8,336	8,666	8,977	9,071	476	465	465	471	480
Total NATO (d)	6,756	7,084	7,307	7,540	7,691	322	319	321	326	333

Notes:

- a. All figures are expressed in 1977 prices; the national currencies have been converted into US \$ on the basis of the average exchange rates for 1977; 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 \$ 340 for 1975, US \$ 348 for 1976, US \$ 349 for 1977, US \$ 359 for 1978 and US \$ 376 for 1979.
 - 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 1970-1974	1975 or 1975/76	1976 or 1976/77	1977 or 1977/78	1978 or 1978/79	1979 or(b) 1979/80
(0)	(1)	(2)	(3)	(4)	(5)	(6)
Belgium	10.6	9.0	11.0	11.9	13.9	16.8
Canada	7.3	6.3	8.0	8.5	10.0	12.7
Denmark	16.8	19.0	19.4	21.8	16.4	16.2
Germany	11.9	11.8	13.2	12.5	13.0	13.9
Italy	15.4	13.9	13.1	15.3	16.2	17.6
Luxembourg	1.6	1.0	3.4	2.0	1.7	1.6
Netherlands	12.6	15.7	15.2	20.6	18.0	18.5
Norway	13.5	11.6	11.4	14.2	17.5	17.7
Portugal	7.5	1.9	1.9	2.1	1.8	4.6
Turkey	4.0	..	..	..	..	..
United Kingdom	17.3	19.3	20.6	22.0	22.9	24.0
United States	21.1c	17.5 c	17.4	17.5	20.0	..

Notes:

- a. Calendar year for all countries except for Canada and the United Kingdom (Fiscal Year: April-March); Denmark (Fiscal Years 1975/76-1977/78: April-March; Fiscal Year 1978: April-December; Fiscal Year 1979 onwards: January-December); Turkey (Fiscal Year: March-February) and the United States (Fiscal Year 1975/76: July-June; Fiscal Year 1976/77 onwards: October-September).
- 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				
	1975	1976	1977	1978	1979(a)	1975	1976	1977	1978	1979(a)
(0)	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Belgium	103	107	107	118	121	2.8	2.9	2.8	3.1	3.1
Denmark	34	31	32	33	36	1.8	1.6	1.6	1.6	1.7
France	585	585	584	581	578	3.2	3.2	3.2	3.2	3.1
Germany	491	493	495	491	495	2.5	2.6	2.6	2.5	2.6
Greece	185	186	187	..	..	6.6	6.7	6.7	..	..
Italy	459	455	475	489	490	2.5	2.4	2.5	2.5	2.5
Luxembourg	1	1	1	1	1	0.8	0.9	0.9	0.9	0.9
Netherlands	107	106	103	106	108	2.8	2.7	2.7	2.7	2.7
Norway	38	39	39	40	40	2.8	2.8	2.7	2.7	2.7
Portugal	104	83	79	82	83	2.8	2.2	2.1	2.1	2.2
Turkey	584	674	..	..	..	3.9	4.4	..	..	..
United Kingdom	348	337	326	320	321	2.5	2.4	2.3	2.2	2.2
NATO Europe (c)	2,270	2,237	2,241	2,261	2,273	2.7	2.6	2.6	2.6	2.6
Canada	78	78	78	79	79	1.2	1.1	1.1	1.1	1.1
United States	2,098	2,075	2,060	2,043	..	3.3	3.2	3.1	3.0	..
Total NATO (c)	4,446	4,390	4,379	4,383	..	2.9	2.8	2.7	2.7	..

Notes:

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