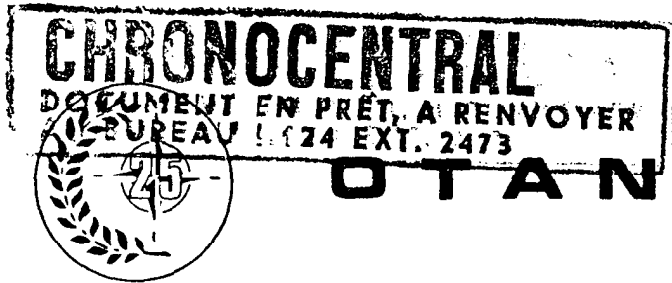


NATO



OTAN

PRESS SERVICE . SERVICE DE PRESSE

1110 BRUXELLES ■ TELEPHONES : 241.00.40 - 241.44.00 - 241.44.90 TELEX : 23-867

PRESS RELEASE
M-DPC-2(74)14

11th December 1974

FINANCIAL AND ECONOMIC DATA RELATING TO NATO DEFENCE



TABLE I. DEFENCE EXPENDITURES
AS PERCENTAGE OF GNP (FACTOR COST)
(current prices)

| Country | 1970 | 1971 | 1972 | 1973 | 1974(a) |
|--------------------------|------|------|------|------|---------|
| Belgium | 3.3 | 3.2 | 3.1 | 3.0 | 3.1 |
| Denmark | 2.8 | 3.0 | 2.8 | 2.5 | 2.6 |
| France | 4.7 | 4.5 | 4.2 | 4.0 | 3.8 |
| Fed. Rep. of Germany (b) | 3.7 | 3.8 | 3.9 | 3.9 | 4.1 |
| Greece | 5.6 | 5.5 | 5.2 | 4.6 | 5.0 |
| Italy | 3.0 | 3.3 | 3.4 | 3.3 | 3.0 |
| Luxembourg | 0.9 | 0.9 | 1.0 | 1.0 | 0.9 |
| Netherlands | 3.8 | 3.9 | 3.8 | 3.6 | 3.8 |
| Norway | 4.1 | 4.0 | 3.9 | 3.8 | 3.8 |
| Portugal | 7.9 | 8.3 | 8.0 | 6.9 | 6.4 |
| Turkey | 4.7 | 4.9 | 4.7 | 4.5 | 4.1 |
| United Kingdom | 5.6 | 5.8 | 5.9 | 5.6 | 5.8 |
| Total Europe | 4.2 | 4.3 | 4.3 | 4.1 | 4.1 |
| Canada | 2.8 | 2.7 | 2.5 | 2.4 | 2.4 |
| United States | 8.7 | 7.7 | 7.3 | 6.6 | 6.6 |
| Total NATO | 6.7 | 6.2 | 5.9 | 5.3 | 5.3 |

Footnotes : a. Preliminary estimates.

b. These percentages have been calculated without taking into account the expenditures on Berlin (see note c. to Table III) ; if these expenditures were included, the percentages would be as follows :

| | | | | | |
|------|-------|------|-------|------|-------|
| 1970 | : 4.3 | 1972 | : 4.7 | 1974 | : 4.9 |
| 1971 | : 4.5 | 1973 | : 4.7 | | |

TABLE II. DEFENCE EXPENDITURES

Percentage change in monetary terms
over previous fiscal year (a)

| Country | 1970 or 1970/71 | 1971 or 1971/72 | 1972 or 1972/73 | 1973 or 1973/74 | 1974 or 1974/75 (b) |
|----------------------|--------------------|--------------------|--------------------|--------------------|------------------------|
| Belgium | + 10.7 | + 5.8 | + 11.3 | + 10.9 | + 17.1 |
| Denmark | + 12.2 | + 11.2 | + 4.4 | + 8.2 | + 14.6 |
| France | + 4.7 | + 5.4 | + 5.1 | + 9.4 | + 9.2 |
| Fed. Rep. of Germany | + 4.6 | + 12.8 | + 12.9 | + 11.1 | + 12.7 |
| Greece | + 11.3 | + 9.0 | + 11.2 | + 15.4 | + 21.4 |
| Italy | + 10.6 | + 18.6 | + 16.8 | + 10.6 | + 11.9 |
| Luxembourg | + 6.2 | + 6.2 | + 17.1 | + 16.2 | + 12.6 |
| Netherlands | + 7.0 | + 12.6 | + 11.4 | + 9.9 | + 17.8 |
| Norway | + 10.9 | + 9.0 | + 7.2 | + 8.2 | + 16.4 |
| Portugal | + 16.3 | + 17.2 | + 9.2 | + 4.3 | + 24.9 |
| Turkey | + 18.0 | + 39.2 | + 14.7 | + 22.9 | + 31.4 |
| United Kingdom | + 13.4 | + 12.9 | + 9.5 | + 12.4 | + 17.8 |
| Total Europe | + 6.4 | + 12.1 | + 11.7 | + 9.9 | + 14.4 |
| Canada | - 0.2 | + 7.9 | + 4.0 | + 13.1 | + 11.4 |
| United States | - 2.9 | + 0.5 | - 2.5 | + 6.3 | + 9.2 |
| Total NATO | - 1.6 | + 0.5 | + 6.1 | + 3.9 | + 9.9 |

General Note :

The percentages shown above are based on actual payments made for defence and reflect to a large extent price and pay increases that have accelerated strongly since 1972.

Footnotes : 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 year : July-June), the fiscal year of the countries shown in this table coincides with calendar year (1st January-31st December).

b. Preliminary estimates.

TABLE III. GROSS NATIONAL PRODUCT (FACTOR COST)
AND DEFENCE EXPENDITURES PER HEAD

- 1974 - (a)

| Gross National Product per head | | | Defence Expenditures per head | |
|------------------------------------|----------------------|-----------|----------------------------------|-----------|
| Rk | Country | US \$ (b) | Country | US \$ (b) |
| 1 | United States | 5,997 | United States | 397 |
| 2 | Fed. Rep. of Germany | 5,427 | Fed. Rep. of Germany | 228(c) |
| 3 | Canada | 5,298 | Norway | 183 |
| 4 | Luxembourg | 5,289 | United Kingdom | 172 |
| 5 | Denmark | 5,213 | Netherlands | 172 |
| 6 | Norway | 4,786 | France | 170 |
| 7 | Belgium | 4,737 | Belgium | 146 |
| 8 | France | 4,497 | Denmark | 137 |
| 9 | Netherlands | 4,488 | Canada | 127 |
| 10 | United Kingdom | 2,951 | Portugal | 97 |
| 11 | Italy | 2,493 | Greece | 89 |
| 12 | Greece | 1,788 | Italy | 76 |
| 13 | Portugal | 1,499 | Luxembourg | 48 |
| 14 | Turkey | 710 | Turkey | 29 |

Footnotes : a. Preliminary estimates.

- b. The national currencies have been converted into US \$ on the basis of the average exchange rates for the first five months of 1974 ; since then further changes have occurred and a certain amount of caution should be exercised in making comparisons.
- c. In addition to military expenses proper, 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 interest of the defence of the Free World, to ensure its viability. These Berlin expenditures are not included since they do not come within the NATO Definition of Defence Expenditures. If they were taken into account, the figure would be US \$ 275.

TABLE IV. CAPITAL EXPENDITURES AS PERCENTAGE
OF TOTAL DEFENCE EXPENDITURES

Fiscal year 1974 or 1974/75 (a)(b)

| Country | Major Equipment | Construction | Total |
|----------------------|--------------------|--------------|-------|
| Belgium | 9.7 | 6.6 | 16.3 |
| Canada | 6.8 | 2.7 | 9.5 |
| Denmark | 17.9 | 3.9 | 21.8 |
| Fed. Rep. of Germany | 13.1 | 5.8 | 18.9 |
| Greece | 11.1 | 6.2 | 17.3 |
| Italy | 14.4 | 2.0 | 16.4 |
| Luxembourg | 1.7 | 6.5 | 8.2 |
| Netherlands | 13.4 | 2.5 | 15.9 |
| Norway | 11.5 | 4.2 | 15.7 |
| Portugal | 6.2 | 4.2 | 10.4 |
| Turkey | 16.6 | 5.7 | 22.3 |
| United Kingdom | 20.3 | 2.5 | 22.8 |
| United States | 18.6 | 1.7 | 20.3 |

Footnotes : a. Preliminary estimates.

b. See note a., Table II.

TABLE V. MAJOR EQUIPMENT EXPENDITURES AS PERCENTAGE
OF TOTAL DEFENCE EXPENDITURES

(fiscal year) (a)

| Country | Average 1965-1970 | 1971 or 1971/72 | 1972 or 1972/73 | 1973 or 1973/74 | 1974 or 1974/75 ^(b) |
|----------------------|----------------------|--------------------|--------------------|--------------------|-----------------------------------|
| Belgium | 11.0 | 12.2 | 11.4 | 8.4 | 9.7 |
| Canada | 11.6 | 8.5 | 6.1 | 7.0 | 6.8 |
| Denmark | 13.6 | 16.6 | 15.4 | 17.2 | 17.9 |
| Fed. Rep. of Germany | 16.1 | 11.0 | 12.3 | 12.0 | 13.1 |
| Greece | 5.6 | 5.0 | 8.5 | 9.4 | 11.1 |
| Italy | 13.0 | 14.4 | 16.9 | 15.2 | 14.4 |
| Luxembourg | 2.6 | 0.9 | 1.5 | 1.3 | 1.7 |
| Netherlands | 14.5 | 12.8 | 10.7 | 11.2 | 13.4 |
| Norway | 16.8 | 15.7 | 11.8 | 11.7 | 11.5 |
| Portugal | 16.9 | 11.4 | 7.5 | 4.5 | 6.2 |
| Turkey | 3.1 | 3.6 | 4.9 | 12.6 | 16.6 |
| United Kingdom | 15.9 | 14.9 | 18.6 | 20.1 | 20.3 |
| United States | 27.8 | 22.5 | 21.0 | 19.3 | 18.6 |

Footnotes : a. See note a., Table II.

b. Preliminary estimates.

TABLE VI. PAY AND ALLOWANCES OF MILITARY AND CIVILIAN PERSONNEL
AS PERCENTAGE OF TOTAL DEFENCE EXPENDITURE

(fiscal year) (a)

| Country | Average 1965-1970 | 1971 or 1971/72 | 1972 or 1972/73 | 1973 or 1973/74 | 1974 or 1974/75 ^(b) |
|----------------------|----------------------|--------------------|--------------------|--------------------|-----------------------------------|
| Belgium | 47.2 | 49.7 | 49.8 | 51.1 | 49.0 |
| Canada | 54.7 | 57.2 | 62.0 | 63.5 | 64.3 |
| Denmark | 49.3 | 48.7 | 51.4 | 50.5 | 50.0 |
| Fed. Rep. of Germany | 30.4 | 36.6 | 37.2 | 37.2 | 37.6 |
| Greece | 43.0 | 40.2 | 38.3 | 38.1 | 41.0 |
| Italy | 35.4 | 42.4 | 38.4 | 38.4 | 41.7 |
| Luxembourg | 61.1 | 63.2 | 61.0 | 59.7 | 60.3 |
| Netherlands | 49.0 | 51.1 | 52.1 | 52.6 | 51.5 |
| Norway | 42.4 | 44.7 | 46.6 | 47.3 | 46.6 |
| Portugal | 30.3 | 33.2 | 34.5 | 34.5 | 37.9 |
| Turkey | 43.0 | 51.5 | 47.7 | 40.3 | 34.6 |
| United Kingdom | 37.8 | 43.4 | 43.4 | 41.7 | 40.2 |
| United States (c) | 22.1 | 23.8 | 24.5 | 25.4 | 25.4 |

Footnotes : a. See note a., Table II.

b. Preliminary estimates.

c. The percentages have been calculated on the basis of the expenditures on Pay and Allowances of Military Personnel only, since expenditures on Pay and Allowances of Civilian are not given separately and are included with the category of expenditures to which they are applicable.