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FINANCIAL AND ECONOMIC DATA RELATING TO NATO DEFENCE



DEFENSE EXPENDITURES OF NATO COUNTRIES

1949 - 1977

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

TABLE A

TOTAL DEFENSE EXPENDITURES OF NATO COUNTRIES  
(Current prices)

Country	Currency Unit	Actual											Forecast
		1949	1954	1960	1969	1970	1971	1972	1973	1974	1975	1976	1977
(a)	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
Belgium	Million Belgian Francs	8,273	20,707	32,319	33,754	37,388	39,670	44,140	48,941	57,395	69,936	81,055	91,350
Canada	Million Canadian \$	372	1,771	1,927	1,899	2,061	2,131	2,238	2,405	2,862	3,127	3,589	4,133
Denmark	Million Danish Kroner	360	885	2,591	2,640	2,757	3,195	3,386	3,520	4,439	5,281	5,688	6,295
France	Million France	4,787	11,710	30,264	30,696	32,672	34,307	37,992	42,284	47,878	55,873	65,899	71,890
Fed. Rep. of Germany (a)	Million DM	..	6,287	19,310	21,577	22,573	25,450	28,720	31,908	35,644	37,589	38,922	40,890
Greece	Million Drachmas	1,630	3,428	11,003	12,762	14,208	15,480	17,211	19,866	24,126	43,917	..	..
Italy	Milliard Lire	301	543	1,403	1,412	1,562	1,852	2,162	2,392	2,852	3,104	3,608	4,199
Luxembourg	Million Luxembourg Francs	112	565	374	391	416	442	517	601	710	836	983	1,044
Netherlands	Million Guilders	680	1,583	3,280	3,682	3,968	4,466	4,974	5,465	6,254	7,246	7,917	8,588
Norway	Million Norwegian Kroner	570	1,141	2,300	2,502	2,774	3,022	3,299	3,505	5,938	4,771	5,533	6,076
Portugal	Million Escudos	1,419	2,100	10,692	10,779	12,538	14,699	16,046	16,736	25,108	19,898	18,245	21,094
Turkey	Million Liras	554	934	5,159	5,395	6,231	6,487	9,961	12,192	15,831	..	..	..
United Kingdom	Million £ Sterling	779	1,569	2,332	2,503	2,444	2,815	3,298	3,512	4,160	5,165	6,162	6,823
United States	Million US \$	13,903	42,786	80,732	81,443	77,894	74,862	77,699	78,398	89,906	90,948	91,008	104,226
<u>Area</u>													
Total Europe (b) (c)	Million US \$	4,531	11,308	21,399	21,972	23,456	26,889	32,314	39,172	44,087	51,932	51,914	57,132
Total North America	Million US \$	13,875	44,557	87,915	83,199	79,821	76,973	79,898	80,761	88,832	94,023	94,648	108,160
Total NATO (b) (c)	Million US \$	18,406	55,865	109,314	105,171	103,279	103,862	112,212	119,933	132,919	145,955	146,562	165,292

a. Before it acceded to the North Atlantic Treaty Organisation (May 1955), the Federal Republic of 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 9,866 million DM in 1977.

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 efforts of countries. It should be noted, that for 1949, the Europe and NATO totals do not take into account the defence expenditures made by the Federal Republic of Germany.

c. For purposes of comparison, the figures for Greece and Turkey, which are not available for each of the years under review, have been included throughout from the regional totals.

.. Information not available.

**TABLE II. DEFENSE EXPENDITURES  
AS PERCENTAGE OF GROSS DOMESTIC PRODUCT IN PURCHASES' VALUES**

Country	1972	1973	1974	1975	1976	1977(a)
(0)	(1)	(2)	(3)	(4)	(5)	(6)
Belgium	2.8	2.8	2.8	3.1	3.2	3.3
Denmark	2.3	2.1	2.4	2.6	2.4	2.5
France	3.9	3.8	3.8	3.9	3.9	3.9
F.R. of Germany(b)	3.5	3.5	3.6	3.6	3.5	3.4
Greece	4.6	4.1	4.2	6.5	..	..
Italy	3.1	2.9	2.8	2.7	2.5	2.5
Luxembourg	0.9	0.8	0.8	1.0	1.1	1.1
Netherlands	3.4	3.3	3.3	3.5	3.3	3.3
Norway	3.3	3.1	3.1	3.2	3.1	3.1
Portugal	7.0	6.0	7.4	5.4	4.0	3.3
Turkey	4.3	4.1	3.9	..	..	..
United Kingdom	5.2	4.9	5.1	5.0	5.1	4.9
NATO Europe(c)	3.8	3.6	3.7	3.8	3.6	3.6
Canada	2.1	1.9	2.0	1.9	1.9	2.0
United States	6.6	6.0	6.1	6.0	5.4	5.5
Total NATO(c)	5.3	4.8	4.9	4.8	4.4	4.5

**Notes :**

a. Preliminary estimates.

b. These percentages have been calculated without taking into account the expenditures on Berlin (see note a., Table I) ; if those expenses were included, the percentages would be as follows :

1972 : 4.2      1974 : 4.4      1976 : 4.3  
1973 : 4.2      1975 : 4.4      1977 : 4.2

c. These percentages have been calculated without Greece and Turkey (see note a., 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			
	1974	1975	1976	1977(b)	1974	1975	1976	1977(b)
(0)	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Belgium	5,466	5,343	5,456	5,576	151	163	173	181
Denmark	5,979	5,896	6,194	6,238	144	147	150	155
France	5,032	5,013	5,255	5,375	189	195	203	207
F.R. of Germany	6,148	6,011	6,377	6,612	230c	227c	228c	233c
Greece	2,117	2,227	2,325	2,425	90	145	..	..
Iceland	6,489	6,363	6,248	6,198	-	-	-	-
Italy	2,804	2,686	2,819	2,869	79	76	74	73
Luxembourg	6,116	5,614	5,831	5,947	51	54	58	57
Netherlands	5,221	5,113	5,310	5,453	172	176	176	181
Norway	5,858	6,018	6,347	6,652	179	183	181	..
Portugal	1,490	1,325	1,392	1,470	111	73	58	49
Turkey	755	802	853	878	29	..	..	..
United Kingdom	3,407	3,364	3,413	3,451	174	177	177	176
NATO Europe(d)	4,430	4,337	4,530	4,642	166	166	167	169
Canada	6,637	6,569	6,779	6,865	130	123	124	128
United States	6,633	6,476	6,821	7,102	405	389	364	391
Total NATO(d)	5,458	5,342	5,604	5,789	266	259	249	262

Notes :

- a. All figures are expressed in 1974 prices ; the national currencies have been converted into US \$ on the basis of the average exchange rates for 1974 ; since then, further changes in exchange rates have occurred and a certain number of caution should be exercised in making comparisons.
  - b. Preliminary estimates.
  - 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. If they were taken into account, the figures would be US \$ 266 for 1974, US \$ 266 for 1975, US \$ 272 for 1976 and US \$ 290 for 1977.
  - d. These totals have been calculated without Greece and Turkey (see note c., Table I).
- .. Information not available.
- Zero or less than half of last digit shown.

**TABLE IV. MAJOR EQUIPMENT EXPENDITURES  
AS PERCENTAGE OF TOTAL DEFENCE EXPENDITURES**  
(Fiscal Years) (a)

Country	Average 1965-1970	1972 or 1972/73	1973 or 1973/74	1974 or 1974/75	1975 or 1975/76	1976 or 1976/77	1977 or 1977/78 (b)
(0)	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Belgium	11.0	11.4	8.4	8.9	9.1	11.1	10.3
Canada	11.6	5.1	7.3	5.9	6.3	8.0	9.1
Denmark	13.6	15.4	17.2	19.3	19.0	19.4	17.3
F.R. of Germany	16.1	12.3	12.1	11.9	11.8	13.2	13.3
Italy	13.0	16.9	15.2	15.2	13.9	13.1	14.0
Luxembourg	2.6	1.5	1.3	2.4	1.0	3.4	2.9
Netherlands	14.5	10.7	11.2	13.2	15.6	15.2	16.1
Norway	16.8	11.8	11.7	13.4	14.4	13.3	16.6
Portugal	16.9	7.5	4.5	3.1	1.9	1.9	2.2
Turkey	3.1	4.9	5.0	3.0	..	..	..
United Kingdom	15.9	18.0	19.0	17.2	19.3	20.6	21.8
United States	27.8	21.6	18.9	19.1	17.5	18.5	20.8

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 1971/72 to 1975/76: July-June; Fiscal Years 1976/77 and 1977/78: October-September), the fiscal year of countries shown in this table coincides with calendar year (1st January-31st December).
- b. Preliminary estimates.
- .. Information not available.

TABLE V. ARMED FORCES

Country	Military only (thousands)				Total armed forces as % of total labour force(b)			
	1972	1975	1976	1977(a)	1972	1975	1976	1977(a)
(0)	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Belgium	107	103	107	107	3.0	2.8	2.9	2.9
Denmark	42	34	31	33	2.1	1.8	1.6	1.7
France	574	585	585	584	3.3	3.2	2.9	2.9
F.R.of Germany	457	491	493	495	2.3	2.5	2.6	2.6
Greece	186	185	186	187	6.5	6.5	6.5	6.5
Italy	541	459	455	475	3.2	2.6	2.6	2.7
Luxembourg	1	1	1	1	0.9	0.3	0.8	0.9
Netherlands	115	107	106	107	3.0	2.8	2.7	2.8
Norway	38	30	39	39	2.9	2.6	2.8	2.8
Portugal	260	104	83	77	7.4	3.1	2.5	2.3
Turkey	561	584	674	..	3.8	3.7	4.2	..
United Kingdom	381	348	337	330	2.6	2.5	2.3	2.3
NATO Europe	3,263	3,039	3,027	..	3.2	2.9	2.9	..
Canada	82	78	78	78	1.4	1.1	1.1	1.1
United States	2,324	2,098	2,088	2,079	3.8	3.3	3.2	3.2
Total NATO	5,669	5,215	5,263	..	3.3	3.0	3.0	..

Notes :

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