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REDUCTION OF MILITARY BUDGETS

Report of the Secretary-General

1. At its thirty-third session, the General Assembly adopted resolution 33/67 of 14 December 1978, entitled "Reduction of military budgets", in which it requested the Secretary-General, with the assistance of an ad hoc panel of experienced practitioners in the field of military budgeting:

(a) To carry out a practical test of the proposed reporting instrument with the voluntary co-operation of States;

(b) To assess the results of the practical test;

(c) To develop recommendations for further refinement and implementation of the reporting instrument;

and also requested him to report to the Assembly at its thirty-fifth session on the implementation of the resolution.

2. In pursuance of resolution 33/67, the Secretary-General appointed the members of the Ad Hoc Panel on Military Budgeting. 1/ By a letter dated 29 August 1980, the Chairman of the Ad Hoc Panel transmitted to the Secretary-General the report which is hereby submitted to the General Assembly.

1/ For the names of the experts, see the letter of transmittal below.

ANNEX

Report of the Ad Hoc Panel on Military Budgeting

The practical test of the proposed standard instrument for
international reporting of military expenditures

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FOREWORD BY THE SECRETARY-GENERAL

By its resolution 33/67 of 14 December 1978, the Assembly requested the Secretary-General, with the assistance of an ad hoc panel of experienced practitioners in the field of military budgeting: (a) to carry out a practical test of the proposed reporting instrument with the voluntary co-operation of States; (b) to assess the results of the practical test; (c) to develop recommendations for further refinement and implementation of the reporting instrument; it also requested him to report to the Assembly at its thirty-fifth session on the implementation of the resolution.

In pursuance of resolution 33/67, the members of the Ad Hoc Panel on Military Budgeting were appointed after consultation with Member States. In September 1979, the Secretary-General circulated the document entitled "Proposed reporting matrix and instructions", which had been submitted by the Ad Hoc Panel, to all Member States and requested them to return the completed reporting instrument.

The Ad Hoc Panel assessed the responses to the reporting instrument from 14 Member States participating in the test, developed recommendations for further refinement and implementation of the reporting instrument, and prepared and submitted to the Secretary-General a unanimous report.

The Secretary-General wishes to thank the members of the Ad Hoc Panel for their unanimous report, which he hereby submits to the General Assembly for its consideration. It should be noted that the observations and recommendations contained in the report are those of the members of the Ad Hoc Panel. In this connexion, the Secretary-General would like to point out that, in the complex field of disarmament matters, in many instances he is not in a position to pass judgement on all aspects of the work accomplished by experts.

LETTER OF TRANSMITTAL

29 August 1980

Sir,

I have the honour to submit herewith the report of the Ad Hoc Panel on Military Budgeting, appointed by you, which was requested by the General Assembly in paragraph 1 of its resolution 33/67 of 14 December 1978.

The members of the Ad Hoc Panel were:

Mr. Hans Christian Cars
Head of Division, Planning and Budget Secretariat
Ministry of Defence
Stockholm, Sweden

Mr. José A. Encinas del Pando
Director of the Centre for Economic and Social Research
University of Lima
Lima, Peru

Mr. Daniel Gallik
Senior Economist
U.S. Arms Control and Disarmament Agency
Washington, D.C., United States of America

Mr. Traian Grozea
Colonel Doctor, Principal Scientific Researcher
Centre for Studies and Research of History and Military Theory
Bucharest, Romania

Mr. Akira Kumagai
Director, Planning and Co-ordination Division
National Defence College
Tokyo, Japan

Mr. Victor O. Odeka
Commandant
Nigerian Army Pay Corps Training School
Lagos, Nigeria

Mr. Benjamin Parwoto
First Marshal TNI, Deputy Assistant for Planning
Department of Defence and Security
Jakarta, Indonesia

His Excellency
Mr. Kurt Waldheim
Secretary-General of the
United Nations

The Ad Hoc Panel held five sessions: from 14 to 18 May 1979, from 27 to 31 August 1979, from 21 to 25 January 1980, from 23 June to 3 July 1980, and from 25 to 29 August 1980. At the first meeting of the Ad Hoc Panel, I had the honour of being elected as its Chairman. Mr. V. O. Odeka of Nigeria participated only in the second session of the Panel.

During its first two sessions, held in 1979, the Ad Hoc Panel completed preparations for the practical test of the instrument for standardized reporting on military expenditures of Member States. At its three sessions held in 1980, the Ad Hoc Panel analysed and assessed the responses to the reporting instrument from 14 Member States participating in the test, prepared the present report and adopted it on the basis of consensus.

The Ad Hoc Panel wishes to acknowledge with appreciation the assistance it received from the Centre for Disarmament and the Statistical Office of the United Nations Secretariat. Mr. Pal Csillag, Director and Chief of the Committee and Conference Services Section of the Centre for Disarmament, served as Secretary of the Ad Hoc Panel for its sessions in 1979, and Mr. H. Matsumoto, Senior Political Affairs Officer in charge of data research and documentation in the Centre, for its sessions in 1980. Mr. G. Martinsson, Chief of the National Accounts and Special Projects Section of the Statistical Office, assisted the Panel in statistical matters during its first three sessions and Mrs. I. Tsao, Statistical Officer, continued the assistance in its last two sessions.

I have been requested by the Ad Hoc Panel, as its Chairman, to submit its report to you on its behalf.

Yours respectfully,

(Signed) J. A. ENCINAS DEL PANDO
Chairman of the
Ad Hoc Panel on Military Budgeting

I. INTRODUCTION

A. Background

1. On numerous occasions throughout the years, the General Assembly has expressed its deep concern over the continued increase in global military expenditures and its detrimental effects on international security and on economic and social developments. The Assembly has also called upon the Member States of the United Nations to take concrete steps, as an important disarmament measure, to reduce military expenditures and to reallocate human and financial resources from military to economic and social development purposes, particularly for the benefit of the developing countries.
2. To this end, the General Assembly at its twenty-eighth session considered the question of the reduction of military budgets for the first time under a separate agenda item and adopted resolutions 3093 A and B (XXVIII) of 7 December 1973 on the subject.
3. Under resolution 3093 A (XXVIII), a Special Committee on the Distribution of the Funds Released as a Result of the Reduction of Military Budgets was established, but the Committee was never convened due to differing views among the nuclear-weapon States.
4. In pursuance of resolution 3093 B (XXVIII), the Secretary-General appointed a group of experts, which prepared a report (A/9770/Rev.1) entitled Reduction of the Military Budgets of States Permanent Members of the Security Council by 10 per cent and Utilization of Part of the Funds Thus Saved to Provide Assistance to Developing Countries. a/
5. It was noted in the report that a prerequisite for negotiating the reduction of military expenditures was agreement on the scope and content of such expenditures. The questions of developing a standardized system for defining and reporting military expenditures and of verifying compliance with agreements to reduce such expenditures were also discussed.
6. In its resolution 3254 (XXIX) of 9 December 1974, the General Assembly, inter alia, invited all States to communicate to the Secretary-General, their views and suggestions on the matters covered in the report.
7. At the thirtieth session of the General Assembly, a compilation of the views and suggestions of a number of States (A/10165 and Add.1 and 2) regarding some of the issues raised in the 1974 report was submitted to the Assembly. In its resolution 3463 (XXX) of 11 December 1975, the Assembly inter alia, requested the Secretary-General, assisted by a group of qualified experts appointed by him

a/ United Nations publication, Sales No. E.75.I. 10.

after consultations with Member States, to prepare a report containing an in-depth analysis and examination in concrete terms of four issues:

(a) The definition and scope of the military sector and of military expenditures, as well as the classification and structuring of expenditures within the military budgets;

(b) The valuation of resources in the military sector, considering different economic systems and different structures of production within the military sector;

(c) The deflation for price change in military production in different countries;

(d) The international value comparison and exchange rates relevant to military production.

8. In pursuance of resolution 3463 (XXX), the Secretary-General appointed a group of qualified experts, which prepared a report (A/31/222/Rev.1) entitled: Reduction of Military Budgets: Measurement and international reporting of military expenditures. b/ One of the major recommendations of the report was the implementation of an international reporting system for military expenditures, while other technical issues concerning the agreed reduction of military budgets remained to be solved. In the substantive sections of the report, the experts formulated a definition of the scope and content of military expenditures, and designed a reporting matrix as an instrument for standardized reporting.

9. At its thirty-first session, the General Assembly, after considering the report, adopted resolution 31/87 of 14 December 1976, by which it, inter alia, invited all States to communicate to the Secretary-General their comments on the proposed standardized reporting instrument, and requested the Secretary-General to prepare, with the assistance of an intergovernmental group of budgetary experts appointed by him, a report containing an analysis of those comments.

10. In their report (A/32/194 and Add.1), which was considered by the General Assembly at its thirty-second session, the experts analysed the comments provided by 14 States, considered the further development of the reporting instrument, examined practical problems which would face budgetary experts in completing the recommended format and submitted their conclusions and recommendations.

11. After considering the report, the General Assembly, on 12 December 1977, adopted resolution 32/85, by which the Secretary-General was requested to ascertain which States would be prepared to participate in a pilot test of the reporting instrument, to report thereon to the Assembly at its special session

b/ United Nations publication, Sales No. E.77.I. 6.

devoted to disarmament and to prepare a background report for that same session, compiling the proposals and recommendations put forward by the groups of experts appointed by him under resolutions 3463 (XXX) and 31/87.

12. In pursuance of resolution 32/85, the Secretary-General submitted his report (A/S-10/6 and Add.1) to the General Assembly at its tenth special session, at which a Final Document resolution S-10/2 of 30 June 1978 was adopted reflecting, inter alia, the consensus achieved on the question of reducing military budgets. On this point, the Final Document contains the following two paragraphs:

"89. Gradual reduction of military budgets on a mutually agreed basis, for example, in absolute figures or in terms of percentage points, particularly by nuclear-weapon States and other militarily significant States would be a measure that would contribute to the curbing of the arms race, and would increase the possibilities of reallocation of resources now being used for military purposes to economic and social development, particularly for the benefit of the developing countries. The basis for implementing this measure will have to be agreed by all participating States and will require ways and means of its implementation acceptable to all of them, taking account of the problems involved in assessing the relative significance of reductions as among different States and with due regard to the proposals of States on all the aspects of reduction of military budgets.

"90. The General Assembly should continue to consider what concrete steps should be taken to facilitate the reduction of military budgets, bearing in mind the relevant proposals and documents of the United Nations on this question."

13. At its thirty-third session, the General Assembly adopted resolution 33/67 of 14 December 1978, in which, inter alia, it requested the Secretary-General with the assistance of an ad hoc panel of experienced practitioners in the field of military budgeting:

(a) To carry out a practical test of the proposed reporting instrument with the voluntary co-operation of States from different regions and representing different budgeting and accounting systems;

(b) To assess the results of the practical test;

(c) To develop recommendations for further refinement and implementation of the reporting instrument.

The test has been completed and the Ad Hoc Panel's assessment and recommendations are submitted in the present report.

14. At its thirty-fourth session, the General Assembly adopted resolution 34/83 F of 11 December 1979, in which, recognizing the need for the availability of a

satisfactory instrument for standardized reporting on the military expenditures of Member States, such as the one tested being tested within the framework of the United Nations, it considered, inter alia, that a new impetus should be given to endeavours to achieve agreements to freeze, reduce or otherwise restrain, in a balanced manner, military expenditures, including adequate measures of verification satisfactory to all parties concerned; and to this end, requested the Disarmament Commission to undertake during 1980 to examine and identify effective ways and means of achieving such agreements.

15. In response to this request, the Disarmament Commission dealt extensively with this question at its session in 1980. As a result of its deliberations, the Disarmament Commission in its report to the General Assembly at its thirty-fifth session, c/ recommended, inter alia, that the General Assembly should request the Disarmament Commission to continue its consideration of matters concerning reduction of military budgets, taking into account the provisions of resolution 34/83 F, and, in particular, to identify and elaborate the principles which should govern further actions of States in the field of freezing and reduction of military expenditures, keeping in mind the possibility of embodying such principles into a suitable document at an appropriate stage.

B. Aims of the utilization of the reporting instrument and purposes of the test

16. The standardized reporting of military expenditures is a part of a broad effort to develop a set of specific measures for the purpose of facilitating the reduction of military expenditures.

17. As stated in previous expert reports and in resolution 33/67, referred to in paragraph 12 above, the implementation of a satisfactory instrument for standardized reporting on military expenditures of Member States would be an important first objective in the move towards agreed and balanced reductions in military expenditures. Such reductions could be carried out without affecting the military balance to the detriment of the national security of any country. They would also increase the possibilities of reallocation of resources now being used for military purposes to economic and social development, particularly for the benefit of the developing countries. At the same time, a standardized reporting instrument, once applied, would serve as a means of increasing confidence between States.

18. Beyond the aims listed in the preceding paragraph, the following ones have also been taken into account by the designers of the proposed reporting instrument:

(a) The instrument should be a set of standard accounts which would encourage the publication of military expenditures, facilitate international

c/ Official Records of the General Assembly, thirty-fifth Session, supplement No. 42 (A/35/42), para. 21.

comparison of military expenditures and help overcome the great diversity among existing national military budget accounting systems.

(b) The structure and composition of military expenditures to be reported should facilitate international military force capability comparisons and ease of verification.

(c) The instrument should, where properly used, be capable of supplying basic information on military expenditures that will help to create an important basis for fruitful disarmament negotiations.

19. The purposes of the test are to examine the applicability of the proposed reporting instrument presented in document A/31/222/Rev.1 and to assess the qualities and possible short-comings of this instrument as a tool for collecting standardized data from Member States on military expenditures. The comments and suggestions received from participating countries in the course of this test should be conducive to further refinement of the reporting instrument.

20. The aims of the test as defined in resolution 33/67 also included the making of recommendations for the implementation of the reporting instrument.

C. Procedure

21. Pursuant to General Assembly resolution 33/67, the Secretary-General, after consultation with Member States, appointed an Ad Hoc Panel on Military Budgeting composed of experts from seven countries, namely, Indonesia, Japan, Nigeria, Peru, Romania, Sweden and the United States of America. The Ad Hoc Panel held five sessions, (the first from 14 to 18 May, the second from 27 to 31 August 1979, the third from 21 to 25 January, the fourth from 23 June to 3 July and the fifth from 25 to 29 August 1980). At the outset of its first session, the Ad Hoc Panel elected the expert from Peru as its Chairman.

22. During its first two sessions, the Panel completed preparations for the practical test of the instrument for standardized reporting on military expenditures by Member States.

23. On 31 August 1979, the Chairman of the Ad Hoc Panel submitted to the Secretary-General a document entitled "Proposed reporting matrix and instructions". This document, shown as appendix III, was subsequently circulated by the Secretary-General to all Member States, together with an invitation to participate on a voluntary basis in the test by completing and returning the reporting instrument to the United Nations Secretariat and the Ad Hoc Panel.

24. Fourteen Member States submitted their replies to the reporting instrument and these are attached to the present report as appendix I. At its three sessions held in 1980, the Ad Hoc Panel studied all replies and supplementary information to test and assess the proposed reporting instrument and to develop recommendations for further refinement and implementation.

25. On August 1980, the Chairman of the Ad Hoc Panel submitted the report of the Panel to the Secretary-General.

II. ANALYSIS OF REPLIES RECEIVED FROM PARTICIPATING STATES

A. Overview of replies

26. By the conclusion of the present report (29 August 1980), the following 14 Member States had submitted their replies to the reporting instrument: Australia, Austria, Belgium, Canada, France, Germany, Federal Republic of, Indonesia, Italy, Mexico, Netherlands, New Zealand, Norway, Sweden and United States of America (see appendix I). India, Philippines and United Kingdom of Great Britain and Northern Ireland communicated their views on the testing without participating in it (see appendix II).

27. The geographical distribution of the 14 States which replied is as follows:

| | |
|----------------|---|
| Asia | 1 |
| Latin America | 1 |
| North America | 2 |
| Oceania | 2 |
| Western Europe | 8 |

28. Nine of the 14 States, namely, Austria, Belgium, Canada, the Federal Republic of Germany, Indonesia, the Netherlands, Norway, Sweden and the United States completed part II of the reporting instrument together with the matrix. The other 5 States also provided supplementary information either in introductory remarks or in foot-notes to the matrix.

29. The Panel had recommended that the reporting period should be the fiscal year most closely coinciding with the calendar year 1978 and that the data presented should be actual outlays. Three of the reporting States, however, presented only budget plan data. The reporting periods and types of data actually used are as follows:

| | | 1977 | 1978 | 1979 | 1980 |
|------------------------------|--------------------------------------|-------|-------|-------|------|
| Australia | (actual outlay) | | _____ | _____ | |
| Austria | (actual outlay) | | | _____ | |
| Belgium | (actual outlay) | | | | |
| Canada | (actual outlay) | | _____ | _____ | |
| France | (budget plan data) | | | | |
| Germany, Federal Republic of | (actual outlay) | | | | |
| Indonesia | (actual outlay) | | _____ | _____ | |
| Italy | (budget plan data) | | | | |
| Mexico | (budget plan data) | | | | |
| Netherlands | (actual outlay) | | | | |
| New Zealand | (actual outlay) | | _____ | _____ | |
| Norway | (actual outlay) | | | | |
| Sweden | (actual outlay) | | _____ | _____ | |
| United States | (actual outlay and budget plan data) | _____ | _____ | | |

30. The 14 States provided figures which generally conformed to the matrix. France, Mexico and the United States reported their data in formats somewhat different from the recommended matrix. France and the United States used their own categories, aggregated in the case of France. Mexico added military industry as a new column.

31. Although the number of replies was rather limited, the Ad Hoc Panel noted with satisfaction that answers were submitted by countries from several geographical regions and having different accounting and budgeting systems, different degrees of economic development and different dimensions of military establishment. In view of this, the Panel feels that the replies received created a sufficient basis for the Panel's conclusions and recommendations. The Panel noted, however, that, owing to the limited number of replies received, suggestions and comments from additional States would appear to be useful for its further refinement at a later state. Such comments may be expected from States whose replies may yet be forthcoming and from the subsequent process of implementation of the tested reporting instrument.

B. Qualitative analysis of replies

Purposes and criteria for evaluating the reporting instrument

32. In this section, the suitability of the proposed reporting instrument is examined in the light of the replies as they refer to the content, structure and interpretation of the reporting instrument. The layout of the main table is shown in figure 1 below.

33. In considering the suitability of the proposed instrument and the comments on it, the purposes that guided its design should be kept in mind. Of the purposes noted above, in section I B, dealing with arms limitation and disarmament aims, those having the most direct relevance to the structure of the matrix are: to define and detail military expenditures so as to reflect military force capability with reasonable clarity; to ease verification; and to facilitate implementation as soon as practically possible. The Panel recognizes that these purposes tend to have divergent influences on the matrix - the first tends to call for new categories and special detail; the second, for considerable detail and connectability to other national statistics; while the last requires the use of traditional categories and little detail. Furthermore, it is recognized that requirements in the matrix, when used in a confidence-building role such as voluntary reporting, will differ from requirements when the instrument has a function in expenditure limitation agreements. The Panel considers, as the previous groups of experts did in their reports, that the matrix, in its current stage in the process of implementation, must necessarily represent a compromise among these different tendencies and roles.

34. The criteria in designing the proposed instrument are of interest to the current test of its suitability. Three criteria for evaluating the standard format were suggested in section II, paragraph 62, of the 1976 report (A/31/222/Rev.1):

(a) Structure and scope of information needed for comparisons of military expenditures;

(b) Technical feasibility: what kind of data can States present for statistical purposes?

(c) Ease of verification.

35. These criteria are kept in mind in the analysis that follows, which takes up in turn, several aspects of the standard accounts, including the over-all boundaries or scope of military expenditures, the general nature of each of the two dimensions in the double-entry system; the major categories in each dimension and, finally, the detailed categories.

Figure 1. The matrix as tested

| Resource costs | Force groups | | | | | | | | | | | Total (1-12) (13) | |
|---|----------------------|-----------------|------------------|----------------|-------------------------|---|-------------|----------------------------|----------------------|------------------------|-------------|-------------------|-----------------------|
| | Strategic forces (1) | Land forces (2) | Naval forces (3) | Air forces (4) | Other combat forces (5) | Central support administration and command a/ | | Paramilitary forces b/ (8) | Civil defence c/ (9) | Military assistance d/ | | | |
| | | | | | | Support (6) | Command (7) | | | Home territory (10) | Abroad (11) | | UN Peace keeping (12) |
| 1. OPERATING COSTS | | | | | | | | | | | | | |
| 1.1 Personnel e/ | | | | | | | | | | | | | |
| 1.1.1 Civilian | | | | | | | | | | | | | |
| 1.1.2 Conscripts f/ | | | | | | | | | | | | | |
| 1.1.3 Other military, incl. reserves | | | | | | | | | | | | | |
| 1.2 Operations and maintenance | | | | | | | | | | | | | |
| 1.2.1 Materials for current use g/ | | | | | | | | | | | | | |
| 1.2.2 Maintenance and repair h/ | | | | | | | | | | | | | |
| 1.2.3 Travel expenses etc. i/ | | | | | | | | | | | | | |
| 1.2.4 Real estate rents j/ | | | | | | | | | | | | | |
| 1.2.5 Other | | | | | | | | | | | | | |
| 2. PROCUREMENT AND CONSTRUCTION k/ | | | | | | | | | | | | | |
| 2.1 Procurement | | | | | | | | | | | | | |
| 2.1.1 Aircraft and engines | | | | | | | | | | | | | |
| 2.1.2 Missiles incl. conv. warheads | | | | | | | | | | | | | |
| 2.1.3 Nuclear warheads and bombs | | | | | | | | | | | | | |
| 2.1.4 Ships and boats | | | | | | | | | | | | | |
| 2.1.5 Armoured vehicles l/ | | | | | | | | | | | | | |
| 2.1.6 Artillery | | | | | | | | | | | | | |
| 2.1.7 Other ground force weapons | | | | | | | | | | | | | |
| 2.1.8 Ordnance and ammunition m/ | | | | | | | | | | | | | |
| 2.1.9 Electronics and communications | | | | | | | | | | | | | |
| 2.1.10 Non-armoured vehicles | | | | | | | | | | | | | |
| 2.1.11 Other | | | | | | | | | | | | | |
| 2.2 Construction n/ | | | | | | | | | | | | | |
| 2.2.1 Air bases, airfields | | | | | | | | | | | | | |
| 2.2.2 Missile sites | | | | | | | | | | | | | |
| 2.2.3 Naval bases and facilities | | | | | | | | | | | | | |
| 2.2.4 Electronics, etc. o/ | | | | | | | | | | | | | |
| 2.2.5 Personnel facilities | | | | | | | | | | | | | |
| 2.2.6 Medical facilities | | | | | | | | | | | | | |
| 2.2.7 Training facilities p/ | | | | | | | | | | | | | |
| 2.2.8 Warehouses, depots, etc. q/ | | | | | | | | | | | | | |
| 2.2.9 Command and adm. facilities | | | | | | | | | | | | | |
| 2.2.10 Fortifications | | | | | | | | | | | | | |
| 2.2.11 Shelters r/ | | | | | | | | | | | | | |
| 2.2.12 Land s/ | | | | | | | | | | | | | |
| 2.2.13 Other | | | | | | | | | | | | | |
| 3. RESEARCH AND DEVELOPMENT t/ | | | | | | | | | | | | | |
| 3.1 Basic and applied research | | | | | | | | | | | | | |
| 3.2 Development, testing and evaluation | | | | | | | | | | | | | |
| 4. TOTAL (1+2+3) | | | | | | | | | | | | | |

Note: For foot-notes, see appendix III.

/...

Scope and level of detail of military expenditures in the proposed system

36. The boundaries of military expenditures should first of all be defined in such a way as best to facilitate arms limitation and disarmament measures. Therefore, the aim is military capability rather than total cost or economic burden. The main interest being current and future force potential, expenditures related to past activities are generally excluded. For the present purpose, boundaries of military expenditures include those "activities whose object is the research, development, provision, assembly, maintenance and deployment of current and future force potential intended for application mainly against external forces" (A/31/222/Rev.1, executive summary, para. 11).

37. There were some areas of uncertainties recognized by previous expert groups regarding these boundaries, namely:

- (a) Paramilitary forces;
- (b) Civil defence;
- (c) Military assistance;
- (d) Stockpiling of strategic commodities;
- (e) Mothballed or reserve arms production facilities.

The proposed format includes the first three mentioned above, while the last two were excluded.

38. Considering existing differences in national budgeting and accounting practices, previous experts were of the opinion that a detailed presentation of resource costs was needed to facilitate consistent measuring of military expenditures and to render such expenditures reasonably comparable between States (A/31/222/Rev.1, sect. II, para. 67).

(a) Respondents' comments

39. No country raised any general objections to the scope of military expenditures as it has been conceived in the tested reporting instrument. Concerning the degree of detail, France stated explicitly that it regarded the matrix as being "presented in too detailed a form for it to be possible ... to provide the Panel at this stage, with a reply in this form. It has therefore, seemed preferable to prepare a double-entry matrix corresponding to the budgetary categories in use in France." Norway stated that "the completion of the matrix has proved to be a time-consuming task. This is primarily due to the fact that the subdivision of the Norwegian Defence establishment follows a pattern based on other criteria than the matrix drawn up by the Ad Hoc Panel. ... If the matrix were to be altered to enable the required information to be obtained directly from Norwegian accounts, this would entail changes which would presumably be unacceptable and serve little purpose otherwise."

/...

40. Sweden, on the other hand, declared that it had "encountered no great difficulties when filling in the matrix". Measures for its improvement should, therefore, "not change the main structure and content of the proposed reporting instrument which the Swedish Government regards as an appropriate, viable and recommendable means of reporting military expenditures".

41. The United States stated that "United States data that can be inserted directly to complete the proposed matrix in its entirety is not readily available at present ... accounting of actual outlays follows the appropriation categories used by the Congress of the United States in granting budget authority to United States government agencies Outlays, which are not the main financial measure used in United States budgetary planning and accounting, are readily available only in this format."

(b) Panel's comments

42. It lies in the nature of standardization that a standardized format tends to be more suitable for some countries and less so for others. Nevertheless, it was possible also for all countries to structure their military expenditures in approximate accordance, at least, with the main categories in the matrix.

(c) Panel's assessment

43. In view of the fact that no countries had any objections concerning the general scope of military expenditures as defined by the matrix and that only France and two other countries did not at the time of replying report their figures on a very detailed level, the Panel considers that the current scope and detail of information requested by the matrix are generally appropriate. This does not, of course, preclude certain minor modifications with the view of further improving and simplifying the matrix. Such questions will be discussed below.

Force groups (column headings)

44. The classification of column headings in the matrix represents a compromise between functional categorization by mission or programme (Strategic forces, Support) and the traditional organization or agency categories (Army, Navy, Air Force).

Strategic forces (column 1)

(a) Respondents' comments

45. Among the respondents, France and the United States have strategic forces. Under this column, France reported its expenditures on both strategic nuclear forces and tactical nuclear arms. The reason for this, however, was not explained.

46. The United States did not fill in the columns for strategic forces in its main table, which reflects military organizations, but did provide supplementary data showing obligational authority for the strategic forces programme by resource cost category. Strategic forces are said to include offensive and defensive aircraft and missile units.

(b) Panel's comments

47. While there is no universally accepted definition of strategic forces, generally speaking, the term implies weapons of mass destruction with long or intercontinental range. For example, the SALT II Treaty covers intercontinental ballistic missiles with a range of over 5,500 kilometres, submarine-launched ballistic missiles and heavy bombers. Another question that needs to be settled is the extent to which delivery systems such as aircraft and submarines should be included under the heading of strategic forces.

(c) Panel's assessment

48. Concerning strategic nuclear weapons, the Panel recommends that respondents should apply, if appropriate, the definitions elaborated in the SALT II Treaty. Should this not be done, respondents are requested to explain the definition used. In addition to this, they should also, under this column, report their expenditures on all such forces or units that are specifically equipped and trained to operate systems for carrying and delivering strategic nuclear arms.

49. Expenditures on other nuclear arms and forces should be reported elsewhere in the matrix.

Central support, administration and command (columns 6 and 7)

(a) Respondents' comments

50. Norway suggested that central support administration and command be viewed as a single heading.

(b) Panel's assessment

51. Since the majority of respondents did submit data in both columns, the Panel considers that no change is called for.

Paramilitary forces (column 8)

(a) Respondents' comments

52. Six countries reported expenditures on paramilitary forces. Belgium declared that its gendarmerie was a public force established to ensure the maintenance of order and law enforcement; it participated in the preparation of mobilization operations. France also defined its gendarmerie as a paramilitary force. The Federal Republic of Germany stated that it did not dispose of forces which fall under this heading and that the "Bundesgrenzschutz" was by law strictly limited to police functions. Indonesia noted that its police force was part of the Armed Services, and thus organized under the Department of Defence. Italy annotated column 8 with the abbreviation "G.F./P.S." which stands for "Guards Finances" and "Police" of the Ministry of Interior. The Netherlands reported no figures under column 8 but presented the expenditures on its "Marechaussee" forces instead under column 5 (Other combat forces). It was explained that the "Marechaussee" forces were charged with external as well as internal security tasks.

53. In spite of the problems of definition involved, no changes were suggested by any respondent concerning the column for paramilitary forces.

(b) Panel's comments

54. As noted in the Panel's instructions for filling in the matrix, those forces that are organized, equipped and able to function similarly to the regular armed forces should be regarded as paramilitary and expenditures reported accordingly. The information received by the respondents concerning the forces in question has not been sufficient to enable the Panel to analyse the interpretations of its instructions. In any future reporting, further clarifying descriptions of the forces would be helpful.

(c) Panel's assessment

55. No change is called for.

Civil defence (column 9)

(a) Respondents' comments

56. About half of the respondents supplied data on civil defence. Some of them submitted special comments, raising, inter alia, the question whether civil defence should be included within the bounds of military expenditures or be excluded from the matrix.

57. Australia pointed out that although an amount had been included under Civil Defence, Australian Civil Defence did not fall within the terms of the United Nations definition in that it was more oriented to national disaster than conflicts. The Federal Republic of Germany stated that "the task of civil defence is to protect the civilian population, homes and places of work. ... Due to its intrinsic non-military character, it would be the preference of the Federal German Government not to include these data in a military expenditure framework although they have been reproduced in the current matrix for reasons of transparency". Indonesia stated that its civil defence was organized by the Department of Interior, while technical guidance and support was given by the armed services. The Netherlands stressed that the figures reported on civil defence originated from the budget of the Ministry of the Interior and only represented estimates. The Dutch Government also expressed the opinion that if a reporting State considered it to be unsuitable to report on civil defence expenditures, such a view should be expressed by that State in its reply. Norway stated that civil defence expenditures were not covered by the Defence Budget and therefore not included in the matrix. Sweden argued that the main purpose of a country's civil defence is to protect the civilian population and not to contribute to the military strength of the country. It was therefore doubtful whether such expenditures should be treated like military expenditures. In view of this, the Swedish Government said it would prefer to have the column for civil defence removed from the matrix. The United States included all outlays of the Defense Civil Preparedness Agency, since reorganized into the Federal Emergency Management Agency.

(b) Panel's assessment

58. In view of this, the Panel suggests that the reporting of civil defence is a question primarily for countries with strategic forces and that figures concerning civil defence should be requested as supplementary information in the reporting instrument but outside the total for military expenditures in the matrix proper.

Resource costs (row headings)

59. The structure of the resource cost classification was intended first of all to help assure that the expenditures reported for each force group (column headings) be of uniform content. Furthermore, the classification was designed to reflect the broad time-stages in which the military capability being purchased would be realized. Thus, current operating expenditures are relevant to immediate capabilities; equipment procurement and construction expenditures to intermediate-term capabilities; and research and development expenditures to long-term capabilities. It was also intended that the resource breakdown of expenditure would assist in the assurance and verification aspects.

60. Most respondents used the major resource headings, without apparent difficulty. One country said, in its reply, that it employed its own national categories, instead of the major row and column headings, but these appear to conform closely to those in the proposed matrix and alternative standard headings were not suggested.

61. Some of the detailed headings presented problems to some countries, as could be expected with any standard classification. For a number of detailed categories some countries presented no data, usually without indication as to whether this was owing to difficulties or preference.

62. The Panel has found reason to consider specifically the following detailed resource categories.

Personnel (row 1.1)

(a) Respondents' comments

63. Austria explained that it reported its expenditures on both military and civilian personnel on active duty on one single row. Canada changed the item 1.1.2, "Conscripts", to "Regular forces" and reserved the following item strictly for expenditures on reserve forces. Indonesia declared that it reported salaries and allowances for all military personnel, regular and draft under item 1.1.2, "Conscripts". It also stated that the figures did not include pension funds, while the Netherlands stated that military pensions were reported under column 6, "Support". The United States indicated that rows 1.1.2-3 covered all military personnel compensation and the entry in column 7 was military retirement pay.

(b) Panel's comments

64. Since several countries have evidently encountered some difficulties in reporting their expenditures on personnel, the structure of subitems under "Personnel" ought to be made more suitable for reporting regardless of whether a country has voluntary or conscripted forces.

(c) Panel's assessment

65. Military categories should come first and civilian last. A category for voluntary military personnel should be included (see revised matrix in subsection D below).

66. The aim should be to exclude payments for past services, but to include payments for current and future services, such as payments into pension funds or the liability incurred for such payments. If data on the latter is unavailable, the former might serve as a surrogate, particularly if the numbers of personnel remain at the same level. In any event, an explanation of the nature of the data submitted should accompany the reports.

Operation and maintenance (row 1.2)

(a) Respondents' comments

67. Concerning subitem 1.2.2, "Maintenance and repair", respondents were requested not to report major modifications and repairs containing substantial investment elements under this item, but instead to report such expenditures under their respective procurement or construction items. The Netherlands and Sweden declared explicitly that they had done so. Nor does any other respondent seem to have had any trouble in this regard.

68. Concerning subitem 1.2.3, "Travel expenses etc.", Norway proposed that the subitem be confined to travel expenses only. Sweden suggested that it should be renamed "Purchased services" with the following explanatory lines inserted in the guidelines: "This item should include expenditures for various kinds of purchased services such as travel expenses, postal charges, printing expenses and other."

69. Concerning subitem 1.2.4, "Real estate rents", Indonesia stated that its expenditures reported under this item were confined to the use of electricity, telephone, water and gas and that there were no rents, because almost all facilities, including lands used by military units for establishments, were government properties. Sweden pointed to the fact that expenditures for the use of buildings and other facilities could be reported in the tested matrix under several subitems and suggested that respondents should be requested to report all kinds of rent costs under one single item.

(b) Panel's assessment

70. Concerning subitems 1.2.2 and 1.2.4, no change seems to be called for. Subitem 1.2.3, with its related guidelines, ought to be modified according to the Swedish proposition as described above.

Procurement (row 2.1)

(a) Respondents' comments

71. In the Panel's guidelines to the matrix, respondents were requested to submit information concerning retirement and average-length-of-service rates for various kinds of equipment. Only one country did in fact supply such information. Canada explicitly stated that as a result of deferrals in most re-equipment programmes over the past several years, average-length-of-service rates would not be particularly meaningful.

72. Italy suggested that respondents should be requested also to report the unit costs of the largest items of equipment (missiles, tanks and combat aircraft), in order to make it easier to compare individual military budgets.

73. The United States noted that outlays under official United States procurement appropriation accounts, except for their personnel compensation component, were assigned in their entirety to the most applicable cells of the matrix.

(b) Panel's assessment

74. In spite of the obvious difficulties in obtaining relevant information about average-length-of-service rates, the Panel feels that the reporting instrument should still contain a request for such information.

75. Concerning the Italian proposal that unit costs also should be reported, it is the Panel's opinion that although such information would be valuable, to request it would raise complex new issues going beyond the present scope of the reporting instrument.

Ordnance and ammunition (row 2.1.8)

(a) Respondents' comments

76. Indonesia stated that its figures under this subitem only reflected expenditures for the procurements of ammunition. Sweden did the same thing and added that it had not found the definition of ordnance quite clear.

(b) Panel's assessment

77. The ambiguity surrounding the terms "Ordnance" contained in subitem 2.1.8 and the two preceding subitems, "Artillery" and "Other ground force weapons", should be clarified. The Panel's solution is to omit "Ordnance" from 2.1.8 and to rename subitem 2.1.7 "Other ordnance and ground force weapons".

Construction (row 2.2)

(a) Respondents' comments

78. Belgium, Italy and the Netherlands, all of whom presented detailed information under other resource categories, did not, however, report any figures under the subitems of "Construction". Norway noted that expenditures for military assistance under "Construction" were those in connexion with North Atlantic Treaty Organization (NATO) infrastructure programmes, and that they were included only in the aggregate for "Construction" since it had not been considered feasible to split up those expenditures into different resource costs. The United States noted that Marine Corps construction was included in Navy construction, and also stated that for separate and distinct projects, particularly major procurement and construction projects, budget authority provided full funding, that is, the entire cost to complete the project regardless of the expected time of completion. On the other hand, seven of the other respondents reported figures under the subitems of "Construction". No suggestions were made, either to remove or to modify the structure of subitems under the cost category (row 2.2).

(b) Panel's assessment

79. The fact that a number of countries did not submit detailed data under "Construction" is not in the Panel's opinion a sufficient reason to remove any of the subitems in question. The Panel recommends therefore that this part of the matrix be kept as it is.

Research and development (row 3)

(a) Respondents' comments

80. The Netherlands reported the total amount for "Research and development" but explained that "for technical reasons" these expenditures had been included in the appropriate "procurement" items. Sweden expressed concern at the fact that basic research would probably be identified and reported according to very different principles by different countries. The United States stated that research and development covered the support for R and D activities and projects not related to items approved for procurement or deployment.

(b) Panel's assessment

81. The Panel recognizes that some difficulties may arise in providing data under categories 3.1 and 3.2. In order to help provide a basis for further improvements in this part of the matrix, the Panel considers further reporting, while continuing to employ the aggregate category 3, should provide data or suggest definitions for such alternative categories as may be available and useful.

C. Quantitative analysis of replies

82. The matrix has a pyramidal structure which allows countries to report their military expenditures on three levels of aggregation. This possibility was explicitly recognized in the guidelines for filling in the matrix. Nevertheless, a majority of the participating countries did submit information at the most detailed of the three levels of aggregation. Four of the remaining countries have done so with regard to all cost categories except for item 2.2, "Construction". Only one of the 14 respondents did not use the most detailed level at all.

83. All figures were reported in terms of the respective country's national currency. For aggregation and comparison purposes, these figures were converted to United States dollars and special drawing rights (SDR) by means of the average exchange rates published by the International Monetary Fund for the relevant time periods. The question of conversion is discussed in section III A.

84. The total value of the military expenditures reported by the 14 participating countries amounts to \$US 176 billion (for reporting years that varied somewhat, as noted in section II A). This amount can be taken to represent roughly as much as 35 to 40 per cent of world military expenditures in 1978. d/ The expenditures reported are shown in table 1.

Table 1. Total military expenditures reported by participating countries
(in millions of US dollars and SDR of the reporting period)

| Country | Reporting period | Millions of US dollars | Millions of SDR |
|---------------------------------|---------------------|---------------------------|-----------------|
| Australia | 1/7/1978-30/6/1979 | 3 064 | 2 391 |
| Austria | 1/1/1979-31/12/1979 | 882 | 683 |
| Belgium | 1/1/1978-31/12/1978 | 2 664 | 2 128 |
| Canada | 1/4/1978-31/3/1979 | 3 733 | 2 941 |
| France | 1/1/1980-31/12/1980 | 21 679 | 16 368 |
| Germany, Federal Republic of | 1/1/1978-31/12/1978 | 19 417 | 15 510 |
| Indonesia | 1/4/1978-31/3/1979 | 1 405 | 1 107 |
| Italy | 1/1/1980-31/12/1980 | 6 966 | 5 260 |
| Mexico | 1/1/1980-31/12/1980 | 515 | 389 |
| Netherlands | 1/1/1978-31/12/1978 | 4 508 | 3 601 |
| New Zealand | 1/4/1978-31/3/1979 | 313 | 247 |
| Norway | 1/1/1978-31/12/1978 | 1 361 | 1 087 |
| Sweden | 1/7/1978-30/6/1979 | 3 242 | 2 530 |
| United States | 1/10/1977-30/9/1978 | 106 354 | 86 891 |

d/ According to the Stockholm International Peace Research Institute (SIPRI) Yearbook of World Armaments and Disarmament of 1980, world military expenditures amounted to \$US 440 billion in 1978. Other sources show somewhat higher estimates for that year.

85. For most of the items appearing under resource costs, total figures have been reported by a majority of respondents. This is also true concerning the columns of the force groups. The number of answers under each specific heading, either explicitly or implicitly by adding together the more detailed data received, is shown in tables 2 and 3.

Table 2. Number of entries in the total column of each item

| Resource costs | Number of entries | |
|--|-------------------|-----------------------|
| | Explicit | Explicit and Implicit |
| 1. <u>OPERATING COSTS</u> | 11 | 14 |
| 1.1 <u>Personnel</u> | 14 | 14 |
| 1.1.1 Civilian | 12 | 12 |
| 1.1.2 Conscripts | 9 | 10 |
| 1.1.3 Other military, incl. reserves | 11 | 12 |
| 1.2 <u>Operations and maintenance</u> | 10 | 14 |
| 1.2.1 Materials for current use | 12 | 12 |
| 1.2.2 Maintenance and repair | 12 | 12 |
| 1.2.3 Travel expenses etc. | 11 | 11 |
| 1.2.4 Real estate rents | 10 | 10 |
| 1.2.5 Other | 13 | 13 |
| 2. <u>PROCUREMENT AND CONSTRUCTION</u> | 11 | 14 |
| 2.1 <u>Procurement</u> | 11 | 14 |
| 2.1.1 Aircraft and engines | 13 | 13 |
| 2.1.2 Missiles incl. conv. warheads | 7 | 7 |
| 2.1.3 Nuclear warheads and bombs | 7 | 9 |
| 2.1.4 Ships and boats | 11 | 11 |
| 2.1.5 Armoured vehicles | 10 | 10 |
| 2.1.6 Artillery | 10 | 10 |
| 2.1.7 Other ground force weapons | 9 | 9 |
| 2.1.8 Ordnance and ammunition | 13 | 13 |
| 2.1.9 Electronics and communications | 9 | 9 |
| 2.1.10 Non-armoured vehicles | 11 | 11 |
| 2.1.11 Other | 13 | 13 |

Table 2. (continued)

| Resource costs | Number of entries | |
|--|-------------------|-----------------------|
| | Explicit | Explicit and Implicit |
| 2.2 <u>Construction</u> | 12 | 14 |
| 2.2.1 Airbases, airfields | 7 | 7 |
| 2.2.2 Missile sites | 5 | 5 |
| 2.2.3 Naval bases and facilities | 6 | 6 |
| 2.2.4 Electronics etc. | 7 | 7 |
| 2.2.5 Personnel facilities | 8 | 8 |
| 2.2.6 Medical facilities | 7 | 7 |
| 2.2.7 Training facilities | 6 | 6 |
| 2.2.8 Warehouses, depots etc. | 7 | 7 |
| 2.2.9 Command and adm. facilities | 6 | 6 |
| 2.2.10 Fortifications | 6 | 6 |
| 2.2.11 Shelters | 7 | 7 |
| 2.2.12 Land | 8 | 8 |
| 2.2.13 Other | 9 | 9 |
| 3. <u>RESEARCH AND DEVELOPMENT</u> | 11 | 13 |
| 3.1 <u>Basic and applied research</u> | 6 | 6 |
| 3.2 <u>Development, testing and evaluation</u> | 7 | 7 |
| 4. Total | 14 | 14 |

Table 3. Number of entries in the total row of each force group

| Column No. | Force groups | Number of entries explicitly stated |
|------------|------------------------------|-------------------------------------|
| 1. | Strategic forces | 7 |
| 2. | Land forces | 13 |
| 3. | Naval forces | 11 |
| 4. | Air forces | 12 |
| 5. | Other combat forces | 10 |
| 6. | Support | 10 |
| 7. | Command | 12 |
| 8. | Paramilitary forces | 8 |
| 9. | Civil defence | 7 |
| 10. | Home territory | 7 |
| 11. | Abroad | 9 |
| 12. | United Nations peace-keeping | 8 |
| 13. | Total | 14 |

86. As shown by table 2, all respondents have been able to supply their figures concerning "Operating costs" and "Procurement and construction" both at that level and the next lower level of aggregation. Regarding the cost category "Research and development", only one country has failed to supply any figures at all. The subitems under this category have, however, presented some difficulties of interpretation for a number of the respondents. No country has suggested that these items ought to be modified or deleted.

87. Concerning the structure of force groups, table 3 shows that the main columns 1 to 7 are generally applicable. The low number of answers under "Strategic forces" is naturally due to the fact that only two of the participating countries possess such armaments and that most of the other respondents found it superfluous to state explicitly that they do not.

88. Although the number of replies under columns 8 to 12 is rather limited, no changes seem to be indicated except for the column of "Civil defence", which was discussed above (paras. 56-58).

89. A majority of participating countries provided answers to the questions in part II of the instructions of the reporting instrument.

1..

90. In view of the preceding paragraphs, the Panel has arrived at the conclusion that its quantitative analysis gives no reason to suggest any substantial changes in the structure of the matrix. Some limited modifications may, however, seem to be indicated in the light of this analysis. The reporting instrument, including the matrix as revised and recommended by the Panel, is presented in section II D below.

91. The matrix is constructed in such a way as to give ample opportunities for various analytical calculations and comparisons which would help in assessing information needed for future disarmament negotiations. In the following paragraphs, some examples are given of the types of calculations that are possible.

92. The matrix allows for the distribution of military expenditures between different cost categories such as operating costs, procurement and construction as well as research and development. It is also possible to simultaneously distribute the expenditures according to different force groups both in absolute figures and in percentages, which are shown in tables 4 to 6 in which the military expenditures of the participating countries have been aggregated.

Table 4. Distribution of military expenditures according to cost categories and force groups

(Total expenditures in millions of US dollars)

| Force groups Resource costs | Strategic forces (1) | Land forces (2) | Naval forces (3) | Air forces (4) | Other combat forces (5) | Central support administration and command | | Para-military forces (8) | Civil defence (9) | Military assistance | | | Total (1-12) (13) |
|---------------------------------|-------------------------|--------------------|---------------------|-------------------|----------------------------|--|----------------|-----------------------------|----------------------|------------------------|----------------|--------------------------|----------------------|
| | | | | | | Support (6) | Command (7) | | | Home territory (10) | Abroad (11) | UN Peace keeping (12) | |
| | | | | | | | | | | | | | |
| 1. Operating costs | 1 333 | 36 128 | 23 555 | 25 579 | 4 109 | 11 047 | 12 621 | 4 987 | 339 | 6 | 80 | 77 | 122 197 |
| 2. Procurement and construction | 3 266 | 9 322 | 12 106 | 11 880 | 433 | 1 562 | 481 | 333 | 120 | 116 | 79 | 0 | 40 325 |
| 3. Research and development | 1 621 | 2 028 | 3 438 | 3 814 | 300 | 1 556 | 125 | 0 | 12 | 0 | 0 | 0 | 12 973 |
| 4. Total | 6 220 | 47 478 | 39 098 | 41 274 | 4 843 | 14 165 | 13 132 | 5 318 | 534 | 122 | 643 | 139 | 176 104 |

Note: Components do not always add up to the total due to undistributed expenditures and statistical discrepancy. This note applies also to tables 5 to 13.

Table 5. Distribution of military expenditures according to cost categories and force groups

(Total expenditures in millions of special drawing rights)

| Force groups Resource costs | Strategic forces (1) | Land forces (2) | Naval forces (3) | Air forces (4) | Other combat forces (5) | Central support administration and command | | Para-military forces (8) | Civil defence (9) | Military assistance | | | Total (1-12) (13) |
|---------------------------------|-------------------------|--------------------|---------------------|-------------------|----------------------------|--|----------------|-----------------------------|----------------------|------------------------|----------------|--------------------------|----------------------|
| | | | | | | Support (6) | Command (7) | | | Home territory (10) | Abroad (11) | UN Peace keeping (12) | |
| | | | | | | | | | | | | | |
| 1. Operating costs | 1 007 | 28 905 | 19 031 | 20 590 | 3 275 | 8 754 | 10 226 | 3 947 | 270 | 5 | 63 | 61 | 97 956 |
| 2. Procurement and construction | 2 594 | 7 415 | 9 767 | 9 550 | 346 | 1 239 | 380 | 259 | 95 | 93 | 63 | 0 | 32 286 |
| 3. Research and development | 1 224 | 1 643 | 2 794 | 3 079 | 227 | 1 255 | 97 | 0 | 10 | 0 | 0 | 0 | 10 391 |
| 4. Total | 4 825 | 37 963 | 31 591 | 33 219 | 3 849 | 11 248 | 10 629 | 4 204 | 426 | 97 | 522 | 112 | 141 132 |

Table 6. Distribution of military expenditures according to cost categories and force groups

(Total expenditures, percentages)

| Force groups | Strategic forces | Land forces | Naval forces | Air forces | Other combat forces | Central support administration and command | | Paramilitary forces | Civil defence | Military assistance | | | Total (1-12) |
|---------------------------------|------------------|-------------|--------------|------------|---------------------|--|---------|---------------------|---------------|---------------------|--------|------------------|--------------|
| | | | | | | Support | Command | | | Home territory | Abroad | UN Peace keeping | |
| | | | | | | | | | | | | | |
| 1. Operating costs | 0.8 | 20.5 | 13.4 | 14.5 | 2.3 | 6.3 | 7.2 | 2.8 | 0.2 | 0.0 | 0.0 | 0.0 | 69.4 |
| 2. Procurement and construction | 1.9 | 5.3 | 6.9 | 6.7 | 0.2 | 0.9 | 0.3 | 0.2 | 0.1 | 0.1 | 0.0 | 0.0 | 22.9 |
| 3. Research and development | 0.9 | 1.2 | 2.0 | 2.2 | 0.2 | 0.9 | 0.1 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 7.4 |
| 4. Total | 3.5 | 27.0 | 22.2 | 23.4 | 2.8 | 8.0 | 7.5 | 3.0 | 0.3 | 0.1 | 0.4 | 0.1 | 100.0 |

93. The data received may also be assembled in such a way as to show the percentage distribution of each cost category over the various force groups. This is shown in table 7. The same thing may also be shown for each force group according to the various cost categories. This is shown in table 8.

Table 7. Distribution of military expenditures according to cost categories and force groups

(Percentage of row totals)

| Force groups | Strategic forces | Land forces | Naval forces | Air forces | Other combat forces | Central support administration and command | | Paramilitary forces | Civil defence | Military assistance | | | Total (1-12) |
|---------------------------------|------------------|-------------|--------------|------------|---------------------|--|---------|---------------------|---------------|---------------------|--------|------------------|--------------|
| | | | | | | Support | Command | | | Home territory | Abroad | UN Peace keeping | |
| | | | | | | | | | | | | | |
| 1. Operating costs | 1.1 | 29.6 | 19.3 | 20.9 | 3.4 | 9.0 | 10.3 | 4.1 | 0.3 | 0.0 | 0.1 | 0.1 | 100.0 |
| 2. Procurement and construction | 8.1 | 23.1 | 30.0 | 29.5 | 1.1 | 3.9 | 1.2 | 0.8 | 0.3 | 0.3 | 0.2 | 0.0 | 100.0 |
| 3. Research and development | 12.5 | 15.6 | 26.5 | 29.4 | 2.3 | 12.0 | 1.0 | 0.0 | 0.1 | 0.0 | 0.0 | 0.0 | 100.0 |
| 4. Total | 3.5 | 27.0 | 22.2 | 23.4 | 2.8 | 8.0 | 7.5 | 3.0 | 0.3 | 0.1 | 0.4 | 0.1 | 100.0 |

Table 8. Distribution of military expenditures according to cost categories and force groups

(Percentage of column totals)

| Force groups Resource costs | Strategic forces (1) | Land forces (2) | Naval forces (3) | Air forces (4) | Other combat forces (5) | Central support administration and command | | Paramilitary forces (8) | Civil defence (9) | Military assistance | | | Total (1-12) (13) |
|---------------------------------|-------------------------|--------------------|---------------------|-------------------|----------------------------|--|----------------|----------------------------|----------------------|------------------------|----------------|--------------------------|----------------------|
| | | | | | | Support (6) | Command (7) | | | Home territory (10) | Abroad (11) | UN Peace keeping (12) | |
| 1. Operating costs | 21.4 | 76.1 | 60.2 | 62.0 | 84.9 | 78.0 | 94.7 | 93.7 | 63.5 | 4.7 | 12.5 | 55.4 | 69.4 |
| 2. Procurement and construction | 52.5 | 19.6 | 31.0 | 28.8 | 8.9 | 11.0 | 3.6 | 6.3 | 22.5 | 95.3 | 12.3 | 0.2 | 22.9 |
| 3. Research and development | 26.1 | 4.3 | 8.8 | 9.2 | 6.2 | 11.0 | 0.9 | 0.0 | 2.3 | 0.0 | 0.0 | 0.0 | 7.4 |
| 4. Total | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |

94. On a lower level of aggregation, the distribution of military expenditures, is shown within each cost category, both in absolute figures and in percentage points. This is shown in tables 9 and 11. It should be noted that the amount and percentage shown here for the detailed levels are often understated since countries did not fully distribute aggregated amounts into their detailed components.

Table 9. Distribution of military expenditures within the cost category "Operating costs"

| Cost category | Millions of US dollars | Percentage |
|---------------------------------------|------------------------|------------|
| 1. <u>OPERATING COSTS</u> | 122 197 | 100.0 |
| 1.1 <u>Personnel</u> | 82 536 | 67.5 |
| 1.1.1 Civilian | 25 212 | 20.6 |
| 1.1.2 Conscripts | 3 567 | 2.9 |
| 1.1.3 Other military, incl. reserves | 45 090 | 36.9 |
| 1.2 <u>Operations and maintenance</u> | 39 650 | 32.4 |
| 1.2.1 Materials for current use | 3 184 | 2.6 |
| 1.2.2 Maintenance and repair | 4 827 | 4.0 |
| 1.2.3 Travel expenses etc. | 1 029 | 0.8 |
| 1.2.4 Real estate rents | 352 | 0.3 |
| 1.2.5 Other | 2 701 | 2.2 |

Table 10. Distribution of military expenditure within the cost category "Procurement and construction"

| Cost category | Millions of US dollars | Percentage |
|--|------------------------|------------|
| 2. <u>PROCUREMENT AND CONSTRUCTION</u> | 40 325 | 100.0 |
| 2.1 <u>Procurement</u> | 34 927 | 86.6 |
| 2.1.1 Aircraft and engines | 12 350 | 30.6 |
| 2.1.2 Missiles incl. conv. warheads | 271 | 0.7 |
| 2.1.3 Nuclear warheads and bombs | 2 070 | 5.1 |
| 2.1.4 Ships and boats | 4 242 | 10.5 |
| 2.1.5 Armoured vehicles | 2 107 | 5.2 |
| 2.1.6 Artillery | 251 | 0.6 |
| 2.1.7 Other ground force weapons | 112 | 0.3 |
| 2.1.8 Ordnance and ammunition | 1 791 | 4.4 |
| 2.1.9 Electronics and communications | 888 | 2.2 |
| 2.1.10 Non-armoured vehicles | 593 | 1.5 |
| 2.1.11 Other | 5 688 | 14.1 |
| 2.2 <u>Construction</u> | 5 352 | 13.3 |
| 2.2.1 Air bases, airfields | 91 | 0.2 |
| 2.2.2 Missile sites | 16 | 0.0 |
| 2.2.3 Naval bases and facilities | 30 | 0.1 |
| 2.2.4 Electronics etc. | 46 | 0.1 |
| 2.2.5 Personnel facilities | 390 | 1.0 |
| 2.2.6 Medical facilities | 48 | 0.1 |

Table 10 (continued)

| Cost category | Millions of US dollars | Percentage |
|-----------------------------------|---------------------------|------------|
| 2.2.7 Training facilities | 268 | 0.7 |
| 2.2.8 Warehouses, depots, etc. | 159 | 0.4 |
| 2.2.9 Command and adm. facilities | 114 | 0.3 |
| 2.2.10 Fortifications | 41 | 0.1 |
| 2.2.11 Shelters | 42 | 0.1 |
| 2.2.12 Land | 51 | 0.1 |
| 2.2.13 Other | 674 | 1.7 |

Table 11. Distribution of military expenditures within the cost category "Research and development"

| Cost category | Millions of US dollars | Percentage |
|--|---------------------------|------------|
| 3. <u>RESEARCH AND DEVELOPMENT</u> | 12 973 | 100.0 |
| 3.1 <u>Basic and applied research</u> | 174 | 1.3 |
| 3.2 <u>Development, testing and evaluation</u> | 954 | 7.4 |

95. The percentage distribution of military expenditures can be easily calculated either by force groups or by resource costs as shown in tables 12 and 13.

Table 12. Percentage distribution of military expenditures by force groups

| Country | Force groups (1) | Strategic forces (2) | Land forces (3) | Naval forces (4) | Air forces (5) | Other combat Support (6) | Command (7) | Parami- litary forces (8) | Civil defence (9) | Military assistance | | | Total (1 - 12) (13) |
|-------------------------|---------------------|----------------------------|-----------------------|------------------------|----------------------|-----------------------------------|----------------|------------------------------------|-------------------------|---------------------------|----------------|------------------------------|---------------------------|
| | | | | | | | | | | Home territory (10) | Abroad (11) | UN Peace- keeping (12) | |
| Australia | | | | | | | | | | | | | 100.0 |
| Austria | | 93.8 | | | | | 3.9 | | 1.3 | | | 1.1 | 100.0 |
| Belgium | .. | 42.9 | 5.3 | 26.8 | .. | 3.7 | 7.3 | 13.3 | 0.4 | .. | 0.2 | .. | 100.0 |
| Canada | .. | 21.2 | 17.1 | 25.5 | .. | 16.6 | 17.6 | .. | 0.1 | 0.0 | 1.3 | 0.6 | 100.0 |
| France | 19.1 | 25.1 | 13.8 | 15.8 | 3.3 | 10.1 | 3.8 | 9.1 | | | | | 100.0 |
| Germany, Fed Rep. of | | 39.8 | 9.1 | 18.7 | .. | 29.5 | 0.8 | | 1.3 | 0.4 | 0.3 | 0.0 | 100.0 |
| Indonesia | .. | 40.3 | 15.7 | 12.3 | .. | 10.4 | 2.5 | 18.7 | ... | .. | .. | ... | 100.0 |
| Italy | | 32.5 | 15.6 | 24.9 | 14.4 | 9.0 | 2.5 | 1.1 | | | | | 100.0 |
| Mexico | | 89.2 | | 6.6 | | | | | | | | | 100.0 |
| Netherlands | | 40.6 | 19.5 | 20.8 | 1.9 | 14.4 | 0.0 | | 1.8 | 0.4 | 0.6 | | 100.0 |
| New Zealand | | 36.4 | 22.0 | 30.2 | | 0.1 | 11.2 | | | | 0.2 | 0.0 | 100.0 |
| Norway | .. | 28.8 | 20.9 | 27.8 | .. | 18.1 a/ | .. | ... | | 2.0 | 0.8 | 1.7 | 100.0 |
| Sweden | .. | 33.4 | 14.2 | 34.7 | .. | 9.2 | 3.9 | .. | 2.6 | .. | .. | 0.6 | 100.0 |
| United States | 1.9 b/ | 23.3 | 28.7 | 26.4 | 2.9 | 3.6 | 10.0 | 2.5 | 0.1 | | 0.5 | 0.1 | 100.0 |

a/ This figure applies to columns 6 and 7 jointly.

b/ Partial data only.

Table 13. Percentage distribution of military expenditures by resource costs

| Resource costs Country | Operating costs | | | Procurement and construction | | | Research and development | | | Total military expenditure |
|---------------------------|-----------------------|-------------------------|------|------------------------------|--------------|-------|--------------------------|-------------|-------|----------------------------|
| | Personnel maintenance | Operations and Total | | Procurement | Construction | Total | Research | Development | Total | |
| Australia | 50.4 | 26.2 | 76.6 | 16.7 | 3.6 | 20.3 | | | 3.1 | 100.0 |
| Austria | 47.9 | 20.2 | 68.1 | 23.6 | 8.3 | 31.8 | 0.0 | 0.1 | 0.1 | 100.0 |
| Belgium | 55.4 | 19.5 | 74.8 | 18.7 | 6.4 | 25.1 | ... | ... | 0.0 | 100.0 |
| Canada | 55.1 | 28.7 | 83.8 | 12.9 | 2.5 | 15.4 | .. | .. | 0.8 | 100.0 |
| France | 36.8 | 27.1 | 63.9 | 18.8 | 4.3 | 23.1 | | | 13.0 | 100.0 |
| Germany, Fed. Rep. of | 41.4 | 28.2 | 69.6 | 19.0 | 7.0 | 26.0 | 0.6 | 3.8 | 4.4 | 100.0 |
| Indonesia | 47.9 | 27.7 | 76.6 | 14.0 | 7.8 | 23.3 | 0.0 | 0.1 | 0.1 | 100.0 |
| Italy | 49.0 | 23.9 | 72.9 | 24.0 | 1.8 | 25.8 | 0.1 | 1.2 | 1.3 | 100.0 |
| Mexico | 78.0 | 13.8 | 91.8 | 2.4 | 1.4 | 8.0 | | | | 100.0 |
| Netherlands | 56.7 | 19.4 | 76.1 | 19.6 | 3.4 | 23.0 | | | 0.9 | 100.0 |
| New Zealand | 59.4 | 29.3 | 88.7 | 7.4 | 3.1 | 10.5 | 0.5 | 0.3 | 0.8 | 100.0 |
| Norway | 45.7 | 27.4 | 73.1 | 21.0 | 5.1 | 26.1 | | | 0.8 | 100.0 |
| Sweden | 40.4 | 19.2 | 59.6 | 29.3 | 5.6 | 34.8 | 1.5 | 4.0 | 5.6 | 100.0 |
| United States | 48.8 | 20.3 | 69.1 | 20.2 | 1.8 | 22.0 | | | 8.3 | 100.0 |

96. The above tables should be regarded as examples of such analytical calculations as could be made on the basis of the supplied data. The reader is referred for further study to annexes I and IV containing the data as received from the participating countries.

D. Revised and recommended reporting instrument

97. Having examined the replies received from participating countries and assessed their comments, the Panel has come to the conclusion that some minor modifications of the matrix and its accompanying instructions should be made. Such changes, which in most cases were suggested by the respondents, have been described and discussed above.

98. For the sake of clarity, the complete instrument is presented below in its new form as revised and recommended by the Panel.

Instrument for standardized international reporting of military expenditures

(Actual outlays, current prices)

Country:.....

Fiscal year:.....
day month year // day month year

National currency and unit of measure:.....

(The unit of measure should not exceed one ten thousandth of the total military expenditures)

MATRIX

| Force groups Resource costs | Strategic forces <u>a/</u> (1) | Land forces (2) | Naval forces (3) | Air forces (4) | Other combat forces (5) | Central support administration and command <u>b/</u> | | Parasail- itary forces <u>c/</u> (8) | Military assistance <u>d/</u> | | | Undistrib- uted (12) | Total military expendi- tures (1-12) (13) | Civil defence <u>e/</u> (14) |
|---|--------------------------------------|--------------------|---------------------|-------------------|----------------------------|--|---------|---|-------------------------------|--------|----------------------------|-------------------------|--|---------------------------------|
| | | | | | | Support | Command | | Home terri- tory | Abroad | UN Peace keep- ing (11) | | | |
| | | | | | | (6) | (7) | | (9) | (10) | (11) | | | |
| 1. OPERATING COSTS | | | | | | | | | | | | | | |
| 1.1 Personnel <u>f/</u> | | | | | | | | | | | | | | |
| 1.1.1 Conscripts <u>g/</u> | | | | | | | | | | | | | | |
| 1.1.2 Other military personnel incl. reserves | | | | | | | | | | | | | | |
| 1.1.3 Civilian personnel | | | | | | | | | | | | | | |
| 1.2 Operations and maintenance | | | | | | | | | | | | | | |
| 1.2.1 Materials for current use <u>h/</u> | | | | | | | | | | | | | | |
| 1.2.2 Maintenance and repair <u>i/</u> | | | | | | | | | | | | | | |
| 1.2.3 Purchased services <u>j/</u> | | | | | | | | | | | | | | |
| 1.2.4 Rent costs <u>k/</u> | | | | | | | | | | | | | | |
| 1.2.5 Other | | | | | | | | | | | | | | |
| 2. PROCUREMENT AND CONSTRUCTION | | | | | | | | | | | | | | |
| 2.1 Procurement <u>l/</u> | | | | | | | | | | | | | | |
| 2.1.1 Aircraft and engines | | | | | | | | | | | | | | |
| 2.1.2 Missiles incl. conv. warheads | | | | | | | | | | | | | | |
| 2.1.3 Nuclear warheads and bombs | | | | | | | | | | | | | | |
| 2.1.4 Ships and boats | | | | | | | | | | | | | | |
| 2.1.5 Armoured vehicles <u>m/</u> | | | | | | | | | | | | | | |
| 2.1.6 Artillery | | | | | | | | | | | | | | |

| Force groups Resource costs | Strategic forces <u>a/</u> (1) | Land forces (2) | Naval forces (3) | Air forces (4) | Other combat forces (5) | Central support administration and command <u>b/</u> | | Paramilitary forces <u>c/</u> (8) | Military assistance <u>d/</u> | | | Undistributed (12) | Total military expenditures (1-12) (13) | Civil defence <u>e/</u> (14) |
|---|--------------------------------------|--------------------|---------------------|-------------------|----------------------------|--|---------|--------------------------------------|-------------------------------|--------|--------------------------|-----------------------|--|---------------------------------|
| | | | | | | Support | Command | | Home territory | Abroad | UN Peace keeping (11) | | | |
| | | | | | | (6) | (7) | | (9) | (10) | (11) | | | |
| 2.1.7 Other ordnance and ground force weapons | | | | | | | | | | | | | | |
| 2.1.8 Ammunition <u>n/</u> | | | | | | | | | | | | | | |
| 2.1.9 Electronics and communications | | | | | | | | | | | | | | |
| 2.1.10 Non-armoured vehicles | | | | | | | | | | | | | | |
| 2.1.11 Other | | | | | | | | | | | | | | |
| 2.2 <u>Construction o/</u> | | | | | | | | | | | | | | |
| 2.2.1 Airbases, airfields | | | | | | | | | | | | | | |
| 2.2.2 Missile sites | | | | | | | | | | | | | | |
| 2.2.3 Naval bases and facilities | | | | | | | | | | | | | | |
| 2.2.4 Electronics etc. <u>p/</u> | | | | | | | | | | | | | | |
| 2.2.5 Personnel facilities | | | | | | | | | | | | | | |
| 2.2.6 Medical facilities | | | | | | | | | | | | | | |
| 2.2.7 Training facilities <u>q/</u> | | | | | | | | | | | | | | |
| 2.2.8 Warehouses, depots etc. <u>r/</u> | | | | | | | | | | | | | | |
| 2.2.9 Command and adm, facilities | | | | | | | | | | | | | | |
| 2.2.10 Fortifications | | | | | | | | | | | | | | |
| 2.2.11 Shelters <u>s/</u> | | | | | | | | | | | | | | |
| 2.2.12 Land <u>t/</u> | | | | | | | | | | | | | | |
| 2.2.13 Other | | | | | | | | | | | | | | |

| Resource costs | Force groups | | | | | | | | | | | Undistrib- uted (12) | Total military expendi- tures (1-12) (13) | Civil defence <u>e/</u> (14) |
|--|--|-----------------------|------------------------|----------------------|----------------------------------|--|----------------|--|-------------------------------|----------------|-------------------------------------|----------------------------|--|---------------------------------------|
| | Strate- gic forces <u>a/</u> (1) | Land forces (2) | Naval forces (3) | Air forces (4) | Other combat forces (5) | Central support administration and command <u>b/</u> | | Paramil- itary forces <u>c/</u> (8) | Military assistance <u>d/</u> | | | | | |
| | | | | | | Support (6) | Command (7) | | Home terri- tory (9) | Abroad (10) | UN Peace keep- ing (11) | | | |
| 3. <u>RESEARCH AND DEVELOPMENT</u> <u>u/</u> | | | | | | | | | | | | | | |
| 3.1 <u>Basic and applied research</u> | | | | | | | | | | | | | | |
| 3.2 <u>Development, testing and evaluation</u> | | | | | | | | | | | | | | |
| 4. TOTAL (1+2+3) | | | | | | | | | | | | | | |

...

INSTRUCTIONS

Part I

General guidelines

The purpose of this inquiry is to collect data on military expenditure in order to test the applicability of the proposed reporting instrument and to obtain information that would be of value in the process of further refinement and implementation of this instrument.

The proposed reporting instrument is in the form of a matrix whose vertical axis details expenditures by type of resource costs and whose horizontal axis details expenditures by type of force groups. Concerning the resource costs, the matrix has a pyramidal structure in order to permit reporting on different levels of aggregation. The vertical axis consists of three main cost categories, namely (1) operating costs; (2) procurement and construction; (3) research and development. Each of these categories is then disaggregated into different subcategories and most of the subcategories into sub-subcategories. The figure given for each main category should be equal to the sum of its respective subcategories and for each subcategory equal to the sum of its respective sub-subcategories.

Whenever applicable, expenditure data are of course highly desirable on all levels of aggregation. If, however, respondents find it possible to supply data only on higher but not on lower levels of aggregation, they are urged not to refrain from participating in the test but to present their figures on the level of aggregation that they find appropriate.

The figures to be reported shall show actual military expenditures for the fiscal year most closely coinciding with calendar year 1978, or for the nearest fiscal year available. The amounts shall be reported in the respondent's national currency and in current prices - that is, in prices prevailing in the reporting year. The unit of measure in which expenditures are reported may be the standard currency unit itself - that is, pound, rial, etc. - or a commonly used multiple number of units. This number, however, should not be larger than one ten-thousandth of the total amount of the country's military expenditures. For example, if total military expenditures are 78,453,296 national currency units, the reported amounts may be expressed in units as large as $\frac{1}{10,000} \times 78,453,296 (=7,845)$. That is, the reporting unit of measure may be thousands of currency units, but not tens of thousands of currency units.

For the sake of uniformity and clarity of presentation, only the following conventional symbols should be used as required:

- 0 (zero) = Nil or negligible (or less than half of the unit employed)
- .. (two dots) = not applicable
- () (brackets) = provisional figure
- ... (three dots) = figure not available

With a view to further refinement of the reporting instrument, respondents are requested to comment upon any technical or other difficulties that they may encounter when filling in the matrix and to recommend such changes of the matrix as they may find advisable. Such comments should be attached to the completed matrix.

Specific guidelines

The following comments and interpretations are related to those items in the matrix that seem to need some special clarifications. The small letters denoting paragraphs correspond to the notes in the matrix. As has already been pointed out in the introduction, respondents are requested to describe the nature of problems of interpretation that may arise when filling in the matrix.

Force groups (column headings)

(a) Strategic forces

Respondents are requested to report their expenditures on strategic nuclear arms by applying the definitions elaborated in the SALT II Treaty. Should these definitions not be applicable, respondents are requested to explain their definition used. Reported data should include expenditures on all forces or units which are specifically equipped and trained to operate systems for carrying and delivering such arms. Expenditures on other nuclear arms and forces should be reported under the respective branch of the armed forces.

(b) Central support, administration and command (columns 6 and 7)

Columns 6 and 7 should include supporting activities that are common to more than one of the types of forces covered by columns 1 to 5. Column 6 should include all support activities which, in many cases, may be carried out by special common agencies, while expenditures associated with central command and direction of the military forces should be placed in column 7. The latter would include central and regional military staff with authority over more than one type of force, including the Ministry of Defense administrative function.

(c) Paramilitary forces (column 8)

The term paramilitary can apply to a variety of forces. Such forces may be intended to guard the national frontiers, mainly against such activities as illegal migration, smuggling or guerrilla infiltration. In other cases, their chief mission

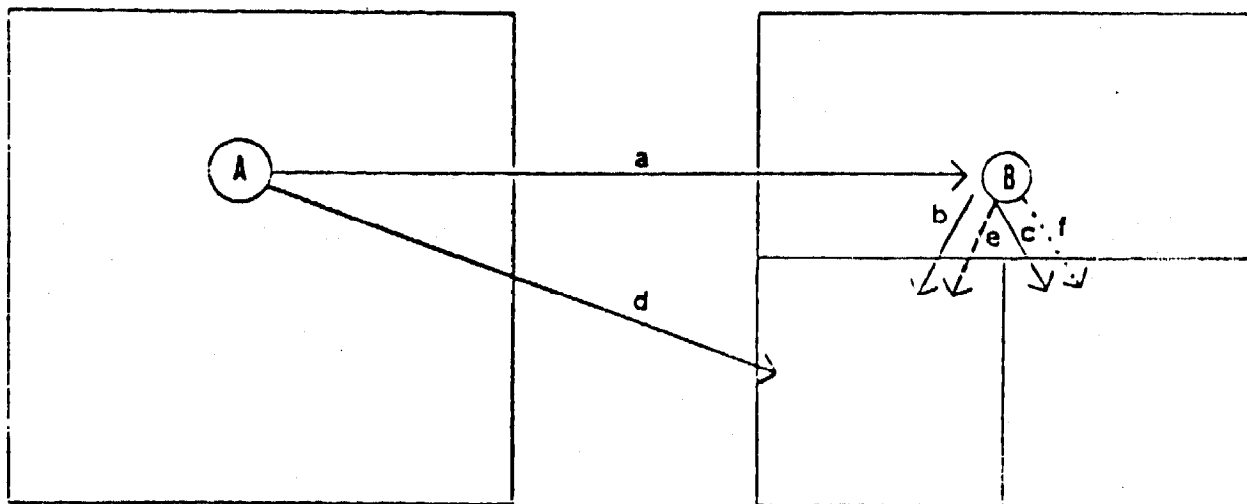
is the maintenance of internal security. Such forces may also be usable against an external armed enemy.

For present purposes, it is necessary to identify those elements that should be included in the military sector and those which should not. It seems reasonable to include in paramilitary forces those units, formations, etc., that are organized, equipped and behave in a similar way to the armed forces, and which could carry out combat actions of the same nature in terms of goal, area and results as those performed by the armed forces.

If respondents present figures under this heading, it is requested that a short description of the functions of these forces be attached to the matrix.

(d) Military assistance (columns 9, 10 and 11)

Figure showing the ways along which military assistance can be granted



Explanations

Military assistance may be given from one country A to another B (flow a) and channelled through the State budget of the receiving country, either to allied forces stationed on this country's territory (flow b) or to the military sector of the receiving country (flow c).

Military assistance may also be given directly to allied forces stationed on another country's territory without passing through any other country's budget (flow d). (A country's support of its own military forces abroad shall not be reported as military assistance. Such expenditures shall instead be reported in columns 1 to 7.)

Military assistance may finally be given by a country to allied forces stationed on the country's own territory (flow e). Expenditures of country B for its own military forces from its own resources are designated as flow f.

Conclusions

Respondents such as country A are requested to report the sum of the flows a and d, i.e., all their military assistance granted to recipients abroad. This should be done in column 10. Respondents such as country B are requested to report the sum of the flows b and e, i.e., all their military assistance to allied forces stationed on their own territory. This should be done in column 9. The flows c and f, i.e., expenditure for the country's own military forces should accordingly be reported in columns 1 to 7.

There is a risk of double counting in so far as b and c are part of the same flow as a. The same money may thus be reported twice, both by country A and country B. In order to avoid such double counting, all respondents are requested below to report the total amount of military assistance received from abroad, i.e., the sum of the flow a. In cases where a country is both a donor and a recipient of military assistance, it is requested that both columns 9 and 10 be filled in.

Respondents are also requested to report any additional expenditures made in the reporting year by the country specifically for the purpose of supplying troops and equipment for United Nations peace-keeping activities. These expenditures should be shown in column 11 of the matrix, net of any compensation from external sources.

(e) Civil defence (column 14)

This requirement is intended to apply to expenditures for the protection, by other than customary military means, of civilian populations and facilities against danger of hostilities and disasters. Examples are expenditures on shelters and on plans and preparations for the evacuation and subsequent maintenance of civilians from areas under threat of attack. For an exhaustive definition of civil defence, respondents are referred to article 61 of the Additional Protocol of 1977 to the Geneva Convention of 1949. Reporting on civil defence is a question primarily for countries with strategic forces.

Resource costs (row headings)

(f) Personnel (row 1.1)

As the aim should be to exclude payments for past services, but to include payments for current and future services, the figures should include the direct payments made to personnel as well as other personnel compensation expenditures

made by the employer such as taxes, pension fees and other contributions. If such data are unavailable, expenditures on past services like pensions might serve as a surrogate, particularly if numbers of personnel remain level. In any event, an explanation of the nature of the data submitted should accompany the report.

(g) Conscripts (row 1.1.2)

The costs of conscripts should be valued in terms of actual payments. In order to approximate the opportunity costs of using conscripts in the military sector, respondents are requested to provide in part II below, information on appropriate average civilian wage rates as well as information on the quantity of civilian labour foregone by the use of conscripts.

(h) Materials for current use (row 1.2.1)

This item should include purchases of food, clothing, petroleum products, training materials, (excluding ordnance and ammunition) medical materials, office supplies and the like.

(i) Maintenance and repair (row 1.2.2)

This item should include both contract services for repair and maintenance of equipment and facilities and purchases of parts, materials and tools for repair and maintenance of equipment and facilities.

In some cases, repairs may be intended not only to restore the quality and performance of equipment and facilities, but also to improve the quality or modify the performance. Such activities are to some extent to be regarded as investments. These major modifications and major repairs containing substantial investment elements should be reported under the cost categories 2.1 (Procurement) or 2.2 (Construction).

In any case, respondents are requested to describe the procedure chosen and to explain their current accounting practices or rules concerning the possible investment elements in major modification and repair activities. Such comments should be attached to the completed matrix.

(j) Purchased services (row 1.2.3)

This item should include expenditures for various kinds of purchased services such as travel expenses, postal charges, printing expenses and other.

(k) Rent costs (row 1.2.4)

If capital costs for real estate belonging to the military sector do not result in actual payments, it is desirable that the rent costs to be reported be augmented by adding imputed capital costs. Such capital costs may be estimated by means of appropriate interest rates or rates of depreciation for the reporting year.

(1) Procurement (row 2.1)

A country's military potential depends not only on its procurement of military equipment but also on the rates of depreciation, depletion and retirement. Information of the latter type may not be readily available. It would, however, be highly desirable to obtain such information as is available concerning retirement and average-length-of-service rates for various kinds of equipment. Such information should be attached to the completed matrix. See also note (i) above.

(m) Armoured vehicles (row 2.1.5)

This item should include tanks, armoured personnel carriers and other armoured vehicles.

(n) Ammunition (row 2.1.8)

For the same reasons as mentioned under (1) above, it would be desirable to be able to compare the procurement figures for ammunition with corresponding consumption figures. In order to make this possible, respondents are requested in part II below to supply the latter type of information.

(o) Construction (row 2.2)

The construction of new facilities may often be connected with the acquisition of land. The expenditures of the military sector for the acquisition of land should be reported separately under 2.2.12 (Land).

(p) Electronics etc. (row 2.2.4)

This item should also include communications and related structures and facilities.

(q) Training facilities (row 2.2.7)

This item should include expenditures for construction of fixed installations for training purposes, such as firing ranges, obstacle courses and others.

(r) Warehouses, depots etc. (row 2.2.8)

This item should also include repair and maintenance facilities.

(s) Shelters (row 2.2.11)

Since it may not be possible to distinguish between fortifications and shelters for military personnel, respondents are requested to report all such costs under 2.2.10 (Fortifications), and to reserve item 2.2.11 (Shelters) for shelters that are constructed mainly for the purpose of protecting the civilian population.

(t) Land (row 2.2.12)

Information on sales of land by the military sector is requested in part II below.

(u) Research and development (row 3)

A distinction between the two subdivisions of this item could be made according to the degree to which research activities are object-oriented, i.e., connected with the creation of a concrete product such as a specific weapon system. Basic and applied but not object-oriented research may accordingly fall under the subdivision 3.1, while mainly object-oriented research would come under the subdivision 3.2 together with the development activities which are regarded as always object-destinated.

Where the respondents find difficulties in dealing with the subcategories, they are requested to make comments along these lines and to attach such comments to the completed matrix.

Part II

1. In order to approximate the opportunity costs of using conscripts in the military sector, the following information is requested:

(a) The average civilian wage rate that the conscripts would have been likely to obtain during the reporting year if they had not been occupied in the military sector.

Answer:
(wage per period of time, currency unit)

If such an estimate is not available, respondents are requested to suggest an average civilian wage rate that may be readily available and that the respondents believe might serve as a reasonable measure of opportunity costs.

(b) The number of man-years devoted by conscripts to military service during the reporting year concerned.

Answer:
(number of man-years)

2. With reference to point (d) of the specific guidelines above, respondents are requested to give below the total amount of military assistance received from abroad during the reporting year. The amount should be given in the same denomination and currency as used in the matrix, preferably converted from foreign currencies to national currency at average annual market or par value exchange rate as reported by the International Monetary Fund.

Answer:
(amount)

3. With reference to points (n) and (o) above, the requested information should be reported here in the same value terms as used in the matrix. It is requested that total expenditures, at least, and preferably detailed by type of force group as in columns 1 to 12 of the matrix, be reported for the following items:

Depletion of ammunition:

Sales from the military sector of:

- (a) Land
- (b) Real estate other than land
- (c) Equipment
- (d) Services
- (e) Other

Respondents are requested to submit information as to whether statistics of the following kinds would be readily available for the reporting year.

| | <u>Available</u> | <u>Answer</u> | <u>Not available</u> |
|--|--------------------------|---------------|--------------------------|
| Price index of specific relevance to the military sector | <input type="checkbox"/> | | <input type="checkbox"/> |
| Exports of military equipment | <input type="checkbox"/> | | <input type="checkbox"/> |
| Such exports divided by | | | |
| (i) Countries | <input type="checkbox"/> | | <input type="checkbox"/> |
| (ii) Regions | <input type="checkbox"/> | | <input type="checkbox"/> |
| Imports of military equipment | <input type="checkbox"/> | | <input type="checkbox"/> |
| Such imports divided by | | | |
| (i) Countries | <input type="checkbox"/> | | <input type="checkbox"/> |
| (ii) Regions | <input type="checkbox"/> | | <input type="checkbox"/> |

If a regularly published exchange rate is unavailable, or considered unsuitable for converting military expenditures, respondents are requested to comment on other possible ways for comparing the military expenditures of the responding country with those of other countries.

III. RELATED PROBLEMS AND ASPECTS

A. Problems of comparability

Background

99. Implementation of the revised standard reporting instrument, calling for data in national currencies and established prices, would in itself be a major achievement that should yield benefits through an increase in openness on military matters and in the degree of confidence existing among States. However, the ultimate aim of establishing a system for international reporting of military expenditures is to provide a necessary basis for negotiating reductions of such expenditures. Without generally accepted procedures for comparing military expenditures of different countries at different periods of time, it would probably be very difficult to arrive at any long-lasting and substantial agreements in this respect. This is why it is so important to deal with the problems of international and intertemporal comparisons and to find acceptable and practical solutions to both these types of problems.

100. The report of the group of experts in 1974 had already clearly recognized the need to address the problems of intertemporal and international comparisons, on the basis of a standard model of the scope and content of military expenditures (A/9770/Rev.1, paras. 27-30).

101. Resolution 3463 (XXX) of 11 December 1975, which put in train the current exercise dealing with the scope and content of military expenditures, also called for attention to the problems of valuation of resources, the deflation for price change and the conversion of currencies. The report of the group of experts in 1976 likewise noted that these major technical issues, as well as the problems of verification, should be ready for international attention upon completion of the operational development of the standardized instrument for reporting in national currencies and established prices (A/31/222/Rev.1). This report also noted that, at the appropriate time, further consideration should be given to utilizing part of the resources released from the reduction of military expenditures for social and economic development, particularly for the benefit of the developing countries.

102. In calling for the gradual reduction of military budgets on a mutually agreed basis, the General Assembly at its tenth special session noted among other things, that an agreed basis for implementation of such reductions will require ways and means which take account of problems involved in assessing the relative significance of reductions as among different States (see resolution S-10/2, para. 89 of the Final Document of the Tenth Special Session of the General Assembly).

103. Attention to these related problems of international comparison is also encouraged by United Nations decisions taken since the report of the Group of Experts in 1977 (A/32/194 and Add.1). New United Nations groups of experts have been established, for whom the availability of means to make valid international comparisons of military expenditures is important, namely, the Group of Experts on

the Relationship between Disarmament and International Security and the Group of Governmental Experts on the Relationship between Disarmament and Development. Resolution 34/83 F, concerning the examination of the freezing and reduction of military budgets, also calls attention to the above-mentioned paragraph in the Final Document of the Tenth Special Session as well as to the need for the availability of a satisfactory reporting instrument.

International comparisons

104. In order to allow comparisons of expenditure data presented in different national currencies, these data have to be converted to a common currency by some set of exchange rates or parities. Practices in this field can be quite different. One usual method is to convert the national figures into United States dollars, using some variant of exchange rates.

105. Such rates may apply to a particular point in time or to the average values prevailing during a certain period. Well-known institutions have in this respect preferred to choose different approaches. The International Institute for Strategic Studies (IISS) has picked the set of official exchange rates prevailing at the end of the first quarter of the relevant year. The United States Arms Control and Disarmament Agency (ACDA) has instead in its latest publication selected the average market exchange rates for the year 1976. The same principle of using average rates for specific years is also adopted by the Stockholm International Peace Research Institute (SIPRI).

106. The kind of exchange rates most commonly used are the ones regularly reported to and published by the International Monetary Fund (IMF). These exchange rates are calculated on the basis of daily data for all countries members of IMF. For the countries not members of IMF, a set of so-called operational rates of exchange are communicated by the Governments of these countries to the United Nations for accounting purposes.

107. Thus, the operational rates here described and the par or market exchange rates published by IMF, form together a complete set of exchange rates which embraces all States Members of the United Nations.

108. The main problem in using exchange rates for comparisons of domestic expenditure of different countries is that such rates are based on the prices of only those goods and services that are internationally traded. In most cases, such products represent only a small part of all services and commodities that are produced within each country. Thus, exchange rates established by international trade can only be regarded as approximations to the rates that would prevail if all types of goods and services were taken into account, or if only military goods and services were considered.

109. This problem of using exchange rates for international comparisons does not apply only to the case of military expenditures but to other domestically accounted expenditure categories as well. The United Nations Committee on Contributions is, for instance, faced with the same problem.

110. The Committee on Contributions stated in one of its reports that "the price relationship of goods and services not internationally traded may indeed depart greatly from exchange rates. e/ The Committee also stated that, thus, the real value to each inhabitant of his share of the national income may be quite different from the purchasing power which the same amount would represent in another country after conversion at the current exchange rate.

111. This had led the Statistical Office of the United Nations to initiate a study aiming at the elaboration of a set of purchasing power parities (PPPs) that could be used instead of exchange rates for comparisons of data on "real" gross domestic product (GDP) per capita. Such parities may prove to be more suitable than exchange rates to use for the purpose of comparing military expenditures. This study was carried out under the International Comparison Project (ICP), which represents a joint undertaking of the Statistical Office, the World Bank and the International Comparison Unit of the University of Pennsylvania.

112. Begun in 1968, this project has calculated detailed and aggregated PPPs for about 34 countries. These PPPs are at a level which recognizes as many as 153 detailed categories of GDP. Although the military sector is not specifically recognized, PPPs are derived for government expenditures in some detail. The PPPs have been calculated for selected benchmark years - 1970, 1973 and 1975 - but according to the ICP, the PPPs may be extrapolated by application of price indexes so as to apply to expenditures in other years.

113. The results of the ICP have shown that the distorting effects of using exchange rates to compare certain expenditures among countries can be very large. The extent of distortion tends to increase with two factors (and primarily the first) namely, the relative income per capita, and indexes of exposure to international trade. f/ The extent of distortion can be illustrated by the data from the ICP (table 14 below) for selected countries in 1970 on GDP after conversion to a common currency. g/

e/ Official Records of the General Assembly, Thirty-third Session, Supplement No. 11 (A/33/11 and Corr.1), para. 11.

f/ Irving B. Kravis, Alan W. Heston, and Robert Summers, "Real GDP Per Capita For More Than One Hundred Countries," The Economic Journal, June 1978.

g/ Irving B. Kravis et al., International Comparisons of Real Product and Purchasing Power (United Nations International Comparison Project: Phase II (Baltimore and London, The John Hopkins University Press, 1978), p. 22.

Table 14. Comparison of exchange rate and PPP for selected countries

| <u>Country</u> | <u>Per capita GDP in 1970 US dollars (at PPPs)</u> | <u>Ratio of real GDP at PPPs to nominal GDP at exchange rates</u> | <u>Ratio of PPPs to exchange rates</u> |
|---------------------------------|--|---|--|
| Kenya | 303 | 2.12 | .473 |
| India | 331 | 3.35 | .300 |
| Malaysia | 915 | 2.36 | .422 |
| Hungary | 2 043 | 1.97 | .507 |
| Italy | 2 356 | 1.37 | .730 |
| Japan | 2 835 | 1.49 | .673 |
| Germany, Federal Republic of | 3 747 | 1.22 | .820 |

114. Use of an average PPP (i.e., for GDP as a whole) is one alternative to the use of exchange-rate conversions. The effect this would have is illustrated in table 15 below, showing total military expenditures for selected countries converted to dollars at prevailing exchange rates (as in sect. II C above) and at extrapolated ICP PPPs.

Table 15. Alternative conversion of total military expenditures

(millions of US dollars)

| | <u>Reporting period</u> | <u>Converted at prevailing exchange rates</u> | <u>Converted at extrapolated PPPs</u> |
|---------------------------------|-------------------------|---|---|
| Belgium | 1/1/1978-31/12/1978 | 2 664 | 2 034 |
| France | 1/1/1980-31/12/1980 | 21 679 | 17 545 |
| Germany, Federal Republic of | 1/1/1978-31/12/1978 | 19 417 | 14 231 |
| Italy | 1/1/1980-31/12/1980 | 6 966 | 7 347 |
| Netherlands | 1/1/1978-31/12/1978 | 4 508 | 3 236 |

115. An advantage claimed for the ICP PPPs is that they can be based on average prices in a group of countries. Thus the results are expressed in what are termed international units - any currency can be used as the basis. (The results of the ICP are expressed in international dollars).

116. An advantage of specially-calculated military PPPs, if adequate price data were available, is that their use would minimize the effects of radically different pricing practices in countries being compared, such as minimal pay to conscripts versus competitive pay to voluntary enlistees, or subsidized

/...

prices for weapons versus unsubsidized prices. PPPs can show the equivalence in purchasing power of disparate types of prices. Although the ICP has not calculated military sector PPPs, a proposal for research on means to estimate such rates has been made to the United Nations group of experts studying the relationship between disarmament and development. Such estimates would be made on the basis of the detailed categories for which PPPs have already been estimated and on other data.

117. Although a full solution to the conversion problem may not be imminent, the complexity of the problem, the length of time likely to be required for a solution, and the existence of the related ICP research, suggest that the time is at hand to initiate an international effort to resolve the problem of currency conversion as applied to military expenditures.

Intertemporal comparisons

118. In view of the tendency for prices to change, comparisons of military expenditures over time require appropriate price indexes for the things purchased. Indexes calculated specifically for military goods are, in most countries, generally unavailable. Recourse may be had to surrogate indexes for other goods, but the resulting estimates of "real" expenditures suffer to the extent such surrogates diverge from what a true index would be.

119. In the report of the group of experts in 1976 (A/31/222/Rev.1), this question is discussed at some length. Possible ways of constructing a military price index are described together with the difficulties of finding accurate statistical data. It is recognized that the issue is not purely technical but has a strong political nature, as the kind of index chosen or composed will have an important impact on the actual rate at which agreed reductions of military expenditures will have to be carried out.

120. The outline for constructing a weighted price index for the military sector as proposed in the 1976 report is very ambitious. Nevertheless, as it represents a serious attempt to provide a well-elaborated model for the construction of military price indexes, it deserves further attention.

121. As stated above, very few countries have developed price indexes with particular relevance to the military sector. For practical reasons, one may, therefore, in the foreseeable future have to rely on price indexes of a more general nature. There are several such indexes to consider.

122. For instance, when calculating time series of military expenditures in constant prices, both SIPRI and ILSS use the consumer price index of each country, while ACDA instead has chosen to work with the gross national product (GNP) deflator. According to the findings of SIPRI, the use of a general index such as a GNP deflator instead of a consumer price index does not make much difference for its purposes, as the two series normally develop in a rather similar fashion. A number of other surrogate price indexes taken from the civilian sector might also be adapted for application to the military sector.

123. The difficulties of intertemporal comparisons apply not only to single countries but affect comparisons among countries as well. As noted above, military price indexes would be useful for extrapolating purchasing power parities or other conversion rates that may apply to a single point in time.

B. Other aspects of military expenditure measurement, comparison and reduction

124. In addition to the development of satisfactory means for conversion among currencies and adjustment for price change, a number of other issues of military expenditure measurement, comparison and limitation warrant serious attention from the international community upon the implementation of an international instrument for standardized reporting of military expenditures. These issues which have been touched upon by previous expert groups dealing with the reduction of military budgets, will be briefly recalled in this chapter.

Valuation of resources

125. The report of the group of experts in 1974 (A/9770/Rev.1) noted that pricing practices vary from country to country, and that questions arise as to the extent to which prices for military goods and services fully reflect their real worth either in the sense of military capability or in the economic sense of opportunities foregone. Improved means for dealing with these questions would significantly enhance the value of an international system for standardized reporting of military expenditures, particularly in respect to potential agreements for their reduction and limitation.

126. One approach for measuring economic worth was considered viable by the group of experts in their report in 1976 (A/31/222/Rev.1), namely, use of an "adjusted factor cost" valuation. In this approach standard elements of price, to consist of average charges for factors of production, would be established to provide a consistent and feasible set of rules of valuation. Where actual costs in domestic currencies diverge from the standards, an adjustment of the expenditures would be called for. In part II of the instructions of the recommended reporting instrument (see sect. II D above), certain information is requested, which would facilitate an evaluation of opportunity costs for the use of conscripts.

Stocks of military capital

127. The measurement of military capability is an important aim of standardized reporting. In this regard, it has been noted in previous reports of groups of experts that annual military expenditures represent only a part of a country's military potential, much of which results from past expenditures. However, the proposed matrix distinguishes investment-type expenditures by type of weapon, equipment or facility and by type of force group. This information, if available for a series of years, is potentially useful for measuring the quantities of military capital acquired by a country, and thus serving as a better indicator of military capability.

128. A number of additional problems arise in such a form of analysis. For one, procurement and construction expenditures, representing additions to the stock of military capital, need to be offset by some measures of depreciation and subtractions from that stock. In order to facilitate such an analysis, the Panel decided to incorporate in the recommended reporting instrument a request for information concerning average-length-of-service rates for main items of equipment, the depletion of ammunition and sales from the military sector of different kinds of resources.

129. Further examination of these and other problems associated with comparisons of the stock of military capital would be desirable in order to develop more fully the potential uses of an international reporting system. Such an analysis should begin as soon as possible on a conceptual basis and would probably be considerably enhanced by the implementation of the reporting instrument.

Some aspects of military expenditures limitation and reduction agreements

130. With the prospects of the implementation of an international reporting system, renewed international attention should be given to the features which agreements to constrain and reduce military expenditure might have. The report of the group of experts in 1974 (A/9770/Rev.1) presents a brief taxonomy of the various features of such agreements. This work could usefully be extended and deepened to consider further various technical and practical aspects.

131. In addition to the features that such agreements might have, further study would address, inter alia, such aspects as their effect on force postures and international security; kinds of linkage to other non-expenditure limitations; and over-all versus component limitations.

Verification of agreements on reduction of military expenditures

132. As repeatedly stated in relevant United Nations documents, including resolution 34/83 F, agreements concerning reduction of military expenditures should include "adequate measures of verification satisfactory to all parties concerned". Little attention beyond a brief introduction in the 1974 report (ibid.) has been given to this important issue thus far. Although an examination in concrete terms may not yet be appropriate, in conceptual or prospective terms it could help clarify and advance prospects for successful negotiations on agreements.

133. It should be noted that the use of the reporting instrument in itself would enhance prospects for verifiability of agreements due to the detail, the cross-classification of expenditures by forces and costs, and the standardized definition of categories. At the same time, a major approach to verification rests on the consistency between reported military expenditures and data on other aspects of a national economy. Thus, converting data from national to international accounts introduces a new difficulty in this approach, unless the relationship between the standard and national accounting systems is clarified.

134. Some approaches to verification of agreements that might warrant further examination include among others: the relationship between expenditure and

related economic information and information obtainable by national technical means; the notion of a graduated ladder of increasing disclosure cited in the 1974 report of the group of experts (ibid., annex II, para. 131) and the potentials of various types of national accounting systems and of calculations based on the use of input-output tables, particularly if specially designed to serve the purpose of verification.

IV. ASSESSMENT, CONCLUSIONS AND RECOMMENDATIONS

A. Assessment and conclusions

135. While the number of countries participating in the test has been rather limited, these countries are from different geographical regions and have different budgeting and accounting systems. The Panel, therefore, considers that the participation in the test has been sufficient to meet the conditions set out in resolution 33/67.

136. It is the opinion of the Panel that the data and other information submitted for the test by participating countries constitute a satisfactory basis for the Panel's assessment concerning the viability of the reporting instrument and for its recommendations for further refinement and implementation of this instrument.

137. In view of the above, the Panel considers that with the present report, including the revised reporting instrument, the practical test of the instrument as called for in resolution 33/67 has been completed and that under the present circumstances, no further testing is necessary. This does not exclude the possibility that the instrument may be further refined in the light of experience gained in the course of its implementation and with a broader participation of countries.

138. Although certain minor parts of the instrument may call for some further consideration, the results of the test have shown that it represents a viable and practical means for international reporting of military expenditures. After the modifications proposed by the Panel in the present report, the reporting instrument should be even better suited to its purpose.

139. The present report deals extensively with the technical problems involved in the test and touches only briefly upon related problems of comparison and verification, as discussed in section III above. Therefore, the Panel has not attempted to find a solution to the latter problems, but it felt that they deserve some consideration at this time and much attention in the future.

140. In view of the assessment of the test given above, the Panel is of the opinion that a solid and practical basis now exists for appropriate decisions to implement a system of international standardized reporting on military expenditures. At the same time, this may help to create conditions that may facilitate the negotiation of agreements for the reduction of military budgets and the reallocation of the funds thus saved for the purpose of economic and social development, particularly for the benefit of developing countries.

141. The Panel wishes to underline the close relationship between building confidence among States and increased openness in matters of military expenditures by way of standardized reporting. Progress toward either of those two goals would have positive effects on the other.

B. Recommendations

142. Considering the reports prepared by the successive groups of experts since 1974 (A/9770/Rev.1, A/31/222/Rev.1 and A/32/194 and Add.1), which have led to the elaboration of the reporting instrument, and in view of the results of the test carried out by the Panel, the Panel recommends that steps should be taken by the General Assembly leading to the early implementation of the revised reporting instrument in a general and regular system for the international reporting of military expenditures.

143. Such steps could include a specific call for the reporting, by all States Members of the United Nations, of their military expenditures in accordance with the revised reporting instrument on a general and regular basis. This reporting would entail the comments of States with a view to further refinement of the reporting instrument. These comments would be particularly valuable when coming from a widening set of countries beyond those that participated in the practical test under report. Such expanded reporting would strengthen the basis for an international system for collecting, assembling and reporting military expenditure information.

144. Further steps should also be taken to ensure an increasing participation with a view to universal reporting by an ever-widening set of States. The importance of this matter should be brought to the attention of all Member States and to international organizations and other bodies concerned with global and regional disarmament. Another step may be to provide information in as many ways as possible, including the mass media, about the recommended reporting instrument, the outline of the international system of reporting and other recommendations contained in the present report.

145. In order to ensure such general and regular implementation of the reporting instrument, a special international body, assisted by the United Nations Secretariat, may be needed to collect, assemble and report on a general and regular basis, the data of military expenditures received from Member States. The Panel suggests that this body may also be entrusted with the task of further refining the reporting instrument on the basis of future comments and suggestions received from States during the general and regular implementation of the reporting instrument.

146. The Panel also recommends that, together with the general and regular implementation of the reporting instrument, further study should be undertaken of the problems of comparing military expenditures among different States and in different years as well as the problems of verification that will arise in connexion with agreements on reduction of military expenditures. The Panel considers this study to be important and therefore deserving of being carried out, as soon as possible by the United Nations and Member States.

APPENDIX I

Replies received from participating States

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AUSTRALIA

Original: English

16 July 1980

The Australian Mission wishes to point out that although an amount has been included under Civil Defence, Australian Civil Defence does not fall within the terms of the United Nations definition in that it is more oriented to national disaster than conflicts.

UNITED NATIONS MILITARY EXPENDITURE MATRIX FILLED OUT FOR 1978-79
 USING APPROPRIATION BILL NO. 1 AND THE 1979 DEFENCE REPORT

(Millions of Australian dollars)

| Force Groups Resource Costs | Strategic Forces (1) | Land Forces (2) | Naval Forces (3) | Air Forces (4) | Other Combat Forces (5) | Central Support Administration and Command | | Para- Military Forces (8) | Civil Defence (9) | Military Assistance | | | TOTAL (1-13) (13) (\$m) |
|--|----------------------------|-----------------------|------------------------|----------------------|----------------------------------|--|----------------|------------------------------------|-------------------------|--------------------------------|----------------|--------------------------------|----------------------------------|
| | | | | | | Support (6) | Command (7) | | | Home Terri- tory (10) | Abroad (11) | UN Peace Keeping (12) | |
| 1. OPERATING COSTS | | | | | | | | | | | | | |
| 1.1 <u>Personnel</u> | | | | | | | | | | | | | 1,358.396 |
| 1.1.1 Civilian | | | | | | | | | 0.757 | | | | 282.154 |
| 1.1.2 Conscripts | | | | | | | | | | | | | |
| 1.1.3 Other military, incl Reserves | | 419.420 | 208.509 | 290.315 | | | | | | | | | 1,076.238 |
| 1.2 <u>Operations and Maintenance</u> | | | | | | | | | | | | | 705.966 |
| 1.2.1 Materials for current use | | | | | | | | | | | | | 236.923 |
| 1.2.2 Maintenance and Repair | | | | | | | | | | | | | 146.386 |
| 1.2.3 Travel Expenses etc | | | | | | | | | | | | | 185.109 |
| 1.2.4 Real estate rents | | | | | | | | | | | | | 46.230 |
| 1.2.5 Other | | | | | | | | | | 24.600 | | | 91.318 |
| 2. PROCUREMENT AND CONSTRUCTION | | | | | | | | | | | | | 547.354 |
| 2.1 <u>Procurement</u> | | | | | | | | | | | | | 449.611 |
| 2.1.1 Aircraft and engines | | | | 87.501 | | | | | | | | | 87.501 |
| 2.1.2 Missiles incl conv warheads | | | | | | | | | | | | | |
| 2.1.3 Nuclear warheads and bombs | | | | | | | | | | | | | |
| 2.1.4 Ships and boats | | | 159.685 | | | | | | | | | | 159.685 |
| 2.1.5 Armoured vehicles | | | | | | | | | | | | | |
| 2.1.6 Artillery | | 43.983 | | | | | | | | | | | 43.983 |
| 2.1.7 Other ground force weapons | | | | | | | | | | | | | |
| 2.1.8 Ordnance and ammunition | | | | | | | | | | | | | |
| 2.1.9 Electronics & communications | | | | | | | | | | | | | 24.679 |
| 2.1.10 Non-armoured vehicles | | | | | | | | | | | | | |
| 2.1.11 Other | | | | | | | | | | | | | 133.763 |

AUSTRIA

[Original: English]

[24 March 1980]

Proposed matrix for international reporting on military expenditure

(Actual outlays, current prices)

(Table A of United Nations document A/31/222/Rev.1)

Country: AUSTRIA Fiscal year: 1 1 1979 // 31 12 1979
day month year day month year

(The reporting or fiscal year most closely coinciding with
calendar year 1978 for which data are available)

National currency and unit of measure: 1,000,000 ÖS

(The unit of measure should not exceed one ten thousandth of the total military expenditures)

| Resource costs | Force groups | | | | | Central support administration and command a/ | | Parasail- iary forces b/ (8) | Civil defence c/ (9) | Military assistance d/ | | | Total (1-12) (13) |
|---|----------------------------------|------------------------|------------------------|----------------------|----------------------------------|---|----------------|---------------------------------------|----------------------------|---------------------------|----------------|--------------------------------|-------------------------|
| | Sty- pologic forces (1) | Land forces* (2) | Naval forces (3) | Air forces (4) | Other combat forces (5) | Support (6) | Command (7) | | | Home territory (10) | Abroad (11) | UN Peace keeping (12) | |
| 1. OPERATING COSTS | | | | | | | | | | | | 8 022.2 | |
| 1.1 Personnel e/ ** | 3 | 3 564.0 | | | | 1 | 365.4 | | 1.8 | | | 3 922.2 | |
| 1.1.1 Civilian | | | | | | | | | | | | | |
| 1.1.2 Conscripts f/ | | 1 492.7 | | | | | 10.6 | | | | | 1 503.3 | |
| 1.1.3 Other military, incl. reserves | | 40.1 | | | | | 56.1 | | | 124.2 | | 220.4 | |
| 1.2 Operations and maintenance | | | | | | | | | | | | | |
| 1.2.1 Materials for current use g/ | | 1 201.5 | | | | | 7.1 | | | | | 1 208.6 | |
| 1.2.2 Maintenance and repair h/ | | 598.5 | | | | | 0.9 | | | | | 599.4 | |
| 1.2.3 Travel expenses etc. i/ | | 214.9 | | | | | 19.3 | | | | | 234.2 | |
| 1.2.4 Real estate rents j/ | | 91.5 | | | | | 1.4 | | | | | 92.9 | |
| 1.2.5 Other | | 242.9 | | | | | 8.2 | | | | | 251.1 | |
| 2. PROCUREMENT AND CONSTRUCTION k/ | | | | | | | | | | | | 3 756.1 | |
| 2.1 Procurement | | | | | | | | | | | | | |
| 2.1.1 Aircraft and engines | | 145.4 | | | | | | | | | | 145.4 | |
| 2.1.2 Missiles incl. conv. warheads | | / | | | | | | | | | | | |
| 2.1.3 Nuclear warheads and bombs | | / | | | | | | | | | | | |
| 2.1.4 Ships and boats | | / | | | | | | | | | | | |
| 2.1.5 Armoured vehicles l/ | | 99.8 | | | | | | | | | | 99.8 | |
| 2.1.6 Artillery | | 9.3 | | | | | | | | | | 9.3 | |
| 2.1.7 Other ground force weapons | | 522.2 | | | | | | | | | | 522.2 | |
| 2.1.8 Ordnance and ammunition m/ | | 805.4 | | | | | | | | | | 805.4 | |
| 2.1.9 Electronics and communications | | 775.1 | | | | | | 26.6 | | | | 801.7 | |
| 2.1.10 Non-armoured vehicles | | 225.5 | | | | | | | | | | 225.5 | |
| 2.1.11 Other | | 172.1 | | | | | | | | | | 172.1 | |
| 2.2 Construction n/ | | | | | | | | | | | | | |
| 2.2.1 Air bases, airfields | | 1.2 | | | | | | | | | | 1.2 | |
| 2.2.2 Missile sites | | / | | | | | | | | | | / | |
| 2.2.3 Naval bases and facilities | | / | | | | | | | | | | / | |
| 2.2.4 Electronics, etc. o/ | | 96.2 | | | | | | | | | | 96.2 | |
| 2.2.5 Personnel facilities | | 217.0 | | | | | | | | | | 217.0 | |
| 2.2.6 Medical facilities | | 19.0 | | | | | | | | | | 19.0 | |
| 2.2.7 Training facilities p/ | | 27.7 | | | | | | | | | | 27.7 | |
| 2.2.8 Warehouses, depots, etc. q/ | | 33.3 | | | | | | | | | | 33.3 | |
| 2.2.9 Command and adm. facilities | | 3.5 | | | | | | | | | | 3.5 | |
| 2.2.10 Fortifications | | 90.0 | | | | | | | | | | 90.0 | |
| 2.2.11 Shelters r/ | | / | | | | | | 104.8 | | | | 104.8 | |
| 2.2.12 Land s/ | | 15.1 | | | | | | | | | | 15.1 | |
| 2.2.13 Other | | 253.0 | | | | | | 14.8 | | | | 267.8 | |
| 3. RESEARCH AND DEVELOPMENT t/ | | | | | | | | | | | | 8.0 | |
| 3.1 Basic and applied research | | | | | | | | | | | | | |
| 3.2 Development, testing and evaluation | | 8.0 | | | | | | | | | | 8.0 | |
| 4. TOTAL (1+2+3) | | 11 064.5 | | | | | 460.0 | | 148.0 | | 142.2 | 11 796.7 | |

* Including army aviation.

** Military and civilian personnel on active duty.

/...

Part II

In order to approximate the opportunity costs of using conscripts in the military sector, the following information is requested:

(a) The average civilian wage rate that the conscripts would have been likely to obtain during the reporting year if they had not been occupied in the military sector.

Answer: approximately 3,820 millions OS per year (1979)
(wage per period of time, currency unit)

If such an estimate is not available, respondents are requested to suggest an average civilian wage rate that may be readily available and that the respondents believe might serve as a reasonable measure of opportunity costs.

(b) The number of man-years devoted by conscripts to military service during the reporting year concerned.

Answer: approximately 33,450 man-years
(number of man-years)

With reference to the specific guidelines in section C, point (d), respondents are requested to give below the total amount of military assistance received from abroad during the reporting year. The amount should be given in the same denomination and currency as used in the matrix (section B), preferably converted from foreign currencies to national currency at average annual market or par value exchange rates as reported by the International Monetary Fund.

Answer: /
(amount)

With reference to section C, points (m) and (n), the requested information should be reported here in the same value terms as used in the matrix (section B). It is requested that total expenditures, at least, and preferably detailed by type of force group as in columns (1) through (12) of the matrix, be reported for the following items:

Depletion of ordnance and ammunition: /

Sales from the military sector of:

- (a) land
- (b) real estate other than land.....
- (c) equipment
- (d) services.....
- (e) other.....

Respondents are requested to inform the Panel as to whether statistics of the following kinds would be readily available for the reporting year.

| | <u>Answer</u> | |
|--|-------------------------------------|-------------------------------------|
| | <u>Available</u> | <u>Not available</u> |
| Price index of specific relevance to the military sector | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| Exports of military equipment | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| Such exports divided by | | |
| (i) countries | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| (ii) regions | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| Imports of military equipment | <input type="checkbox"/> | <input type="checkbox"/> |
| Such imports divided by | | |
| (i) countries | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| (ii) regions | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

Possibilities for converting national military expenditures into a common currency for comparison purposes will be considered by the Ad Hoc Panel in drawing up its recommendations. If a regularly published exchange rate is unavailable, or considered unsuitable for converting military expenditures, respondents are requested to comment on other possible ways for comparing the military expenditure of the responding country with those of other countries.

BELGIUM

[Original: French]

[1 July 1980]

Proposed matrix for international reporting on military expenditure

(Actual outlays, current prices)

(Table A of United Nations document A/31/222/Rev.1)

| | |
|----------------|---|
| Country: | BELGIUM |
| | Fiscal year: 1 January 1978 // 31 December 1978 |
| | day month year day month year |

(The reporting or fiscal year most closely coinciding with calendar year 1978 for which data are available)

National currency and unit of measure: Belgian franc - 1 million

(The unit of measure should not exceed one ten thousandth of the total military expenditures)

| Force groups | Strategic forces (1) | Land forces (2) | Naval forces (3) | Air forces (4) | Other combat forces (5) | Central support administration and command a/ | | Paramilitary forces b/ (8) | Civil defence c/ (9) | Military assistance d/ | | | Total (1-12) (13) |
|---|----------------------|-----------------|------------------|----------------|-------------------------|---|-------------|----------------------------|----------------------|------------------------|-------------|-----------------------|-------------------|
| | | | | | | Support (6) | Command (7) | | | Home territory (10) | Abroad (11) | UN Peace keeping (12) | |
| | | | | | | | | | | | | | |
| 1. OPERATING COSTS | .. | 27 467 | 2 307 | 14 488 | .. | 2 312 | 4 729 | 10 811 | 305 | .. | 202 | .. | 62 621 |
| 1.1 Personnel g/ | ... | 17 819 | 1 636 | 8 157 | .. | 1 138 | 2 848 | 9 372 | 0 | .. | 172 | .. | 41 142 |
| 1.1.1 Civilian | | 1 840 | 85 | 278 | | 380 | 1 065 | 380 | 273 | | .. | | 4 301 |
| 1.1.2 Conscripts f/ | | 593 | 30 | 94 | | 55 | 39 | .. | 0 | | .. | | 811 |
| 1.1.3 Other military, incl. reserves | | 64 | 4 | 9 | | 0 | 0 | .. | 0 | | .. | | 77 |
| 1.2 Operations and maintenance | .. | 7 151 | 52 | 5 950 | .. | 739 | 777 | 1 059 | 32 | .. | 30 | .. | 16 290 |
| 1.2.1 Materials for current use g/ | | 2 930 | 178 | 2 460 | | 382 | 218 | ... | ... | | ... | | 6 168 |
| 1.2.2 Maintenance and repair h/ | | 2 618 | 274 | 2 855 | | 59 | 108 | ... | ... | | ... | | 5 914 |
| 1.2.3 Travel expenses etc. i/ | | 85 | 7 | 26 | | 9 | 303 | ... | ... | | ... | | 230 |
| 1.2.4 Real estate rents j/ | | 601 | 0 | 141 | | 0 | 16 | ... | ... | | ... | | 758 |
| 1.2.5 Other | | 917 | 93 | 468 | | 289 | 332 | ... | ... | | 30 | | 2 129 |
| 2. PROCUREMENT AND CONSTRUCTION k/ | .. | 8 421 | 2 135 | 7 932 | .. | 796 | 1 362 | 311 | 63 | .. | .. | .. | 21 020 |
| 2.1 Procurement | .. | 5 589 | 1 918 | 7 547 | .. | 124 | 129 | 311 | ... | .. | .. | .. | 15 618 |
| 2.1.1 Aircraft and engines | | 3 | 0 | 6 857 | | ... | ... | 0 | | | | | 6 860 |
| 2.1.2 Missiles incl. conv. warheads | | ... | ... | ... | | ... | ... | 0 | | | | | ... |
| 2.1.3 Nuclear warheads and bombs | | .. | .. | .. | | .. | .. | .. | | | | | .. |
| 2.1.4 Ships and boats | | 0 | 1 835 | 0 | | 0 | 0 | 0 | | | | | 1 835 |
| 2.1.5 Armoured vehicles l/ | | 2 829 | 0 | 0 | | 0 | 0 | 0 | | | | | 2 829 |
| 2.1.6 Artillery | | 0 | 0 | 0 | | 0 | 0 | 0 | | | | | 0 |
| 2.1.7 Other ground force weapons | | 2 | 0 | 0 | | 0 | 0 | 17 | | | | | 19 |
| 2.1.8 Ordnance and ammunition m/ | | 958 | 22 | 394 | | 1 | 0 | 26 | | | | | 1 401 |
| 2.1.9 Electronics and communications | | 284 | 16 | 141 | | 0 | 31 | 87 | | | | | 559 |
| 2.1.10 Non-armoured vehicles | | 703 | 23 | 66 | | 8 | 3 | 94 | | | | | 897 |
| 2.1.11 Other | | 810 | 22 | 89 | | 115 | 93 | 87 | | | | | 1 218 |
| 2.1.12 Other | | 2 832 | 217 | 385 | .. | 672 | 1 233 | 0 | ... | .. | .. | .. | 5 339 |
| 2.2 Construction n/ | .. | 2 832 | 217 | 385 | .. | 672 | 1 233 | 0 | ... | .. | .. | .. | 5 339 |
| 2.2.1 Air bases, airfields | | ... | ... | ... | | ... | ... | 0 | | | | | ... |
| 2.2.2 Missile sites | | ... | ... | ... | | ... | ... | 0 | | | | | ... |
| 2.2.3 Naval bases and facilities | | ... | ... | ... | | ... | ... | 0 | | | | | ... |
| 2.2.4 Electronics, etc. o/ | | ... | ... | ... | | ... | ... | 0 | | | | | ... |
| 2.2.5 Personnel facilities | | ... | ... | ... | | ... | ... | 0 | | | | | ... |
| 2.2.6 Medical facilities | | ... | ... | ... | | ... | ... | 0 | | | | | ... |
| 2.2.7 Training facilities p/ | | ... | ... | ... | | ... | ... | 0 | | | | | ... |
| 2.2.8 Warehouses, depots, etc. q/ | | ... | ... | ... | | ... | ... | 0 | | | | | ... |
| 2.2.9 Command and adm. facilities | | ... | ... | ... | | ... | ... | 0 | | | | | ... |
| 2.2.10 Fortifications | | ... | ... | ... | | ... | ... | 0 | | | | | ... |
| 2.2.11 Shelters r/ | | ... | ... | ... | | ... | ... | 0 | | | | | ... |
| 2.2.12 Land s/ | | ... | ... | ... | | ... | ... | 0 | | | | | ... |
| 2.2.13 Other | | ... | ... | ... | | ... | ... | 0 | | | | | ... |
| 3. RESEARCH AND DEVELOPMENT t/ | .. | ... | ... | ... | .. | ... | 38 | ... | .. | .. | .. | .. | 38 |
| 3.1 Basic and applied research | | | | | | | ... | | .. | | | | ... |
| 3.2 Development, testing and evaluation | | | | | | | ... | | .. | | | | ... |
| 4. TOTAL (1+2+3) | .. | 35 888 | 4 442 | 22 420 | .. | 3 108 | 6 129 | 11 122 | 368 | .. | 202 | .. | 83 679 |

II. SUPPLEMENTARY NOTES

1. A breakdown of expenditures for construction and operations and for the maintenance of paramilitary forces - the gendarmerie - is not possible.
2. The gendarmerie is a public force established to ensure the maintenance of order and law enforcement; it participates in the preparation of mobilization operations.
3. a. Taking account of the economic situation in 1978, we suggest an average gross annual income of 275,000 Belgian francs as the opportunity cost of using conscripts.
b. 37,454 conscripts did their military service in 1978.
4. The number of months of military service done by conscripts in 1978 is:
 - a. Ten months in the case of forces stationed in Belgium;
 - b. Eight months in the case of units stationed in the Federal Republic of Germany.
5. Belgium did not receive any military assistance from abroad during the year under consideration.
6. There is no sale of goods and equipment by the military sector properly speaking. After retirement, military goods and equipment are handed over:
 - a. To the Administration of Property, under the authority of the Ministry of Finance, for sale;
 - b. To the United States authorities in the case of equipment received under the Mutual Assistance Programme;
 - c. To the German authorities in the case of equipment received under the head of post-war reparations credits.

7. Available statistics

| | <u>Available</u> | <u>Not available</u> |
|--|------------------|----------------------|
| Price index of specific relevance to the military sector | | X |
| Exports of military equipment | | X |
| - by country | | X |
| - by region | | X |
| Imports of military equipment | X | |
| - by country | X | |
| - by region | | X |

CANADA

Original: English

/22 April 1980

B. Proposed matrix for international reporting on military expenditure

(Actual outlays, current prices)

(Table A of United Nations document A/31/222/Rev.1)

Country: CANADA Fiscal year: 1 April 1978 // 31 March 1979
day month year day month year

(The reporting or fiscal year most closely coinciding
with calendar year 1978 for which data are available)

National currency and unit of measure: Dollar (\$) Canadian - Millions

(The unit of measure should not exceed one ten thousandth of the total military expenditures)

| Force groups | Strategic forces (1) | Land forces (2) | Naval forces (3) | Air forces (4) | Other combat forces (5) | Central support administration and command a/ | | Paramilitary forces b/ (8) | Civil defence c/ (9) | Military assistance d/ | | | Total (1-12) (13) |
|---|----------------------|-----------------|------------------|----------------|-------------------------|---|-------------|----------------------------|----------------------|------------------------|-------------|-----------------------|-------------------|
| | | | | | | Support (6) | Command (7) | | | Home territory (10) | Abroad (11) | UN Peace keeping (12) | |
| | | | | | | | | | | | | | |
| 1. OPERATING COSTS | .. | 698.9 | 494.2 | 1 031.6 | .. | 601.8 | 750.6 | .. | 4.9 | 0.3 | 58.3 | 27.2 | 3 627.4 |
| 1.1 Personnel e/ | .. | 421.5 | 317.9 | 527.9 | .. | 436.7 | 658.9 | .. | 1.7 | .. | 0 | 21.1 | 2 385.7 |
| 1.1.1 Civilian | .. | 81.2 | 128.3 | 121.0 | .. | 190.0 | 148.9 | .. | 1.7 | .. | 0 | 0 | 671.1 |
| 1.1.2 Regular forces | .. | 304.7 | 176.9 | 401.5 | .. | 240.3 | 509.8 | .. | 0 | .. | 0 | 21.1 | 1 654.3 |
| 1.1.3 Reserve forces | .. | 35.6 | 12.7 | 5.4 | .. | 6.4 | 0.2 | .. | 0 | .. | .. | .. | 60.3 |
| 1.2 Operations and maintenance | .. | 237.4 | 176.3 | 503.7 | .. | 165.1 | 91.7 | .. | 3.2 | 0.3 | 58.3 | 6.1 | 3 241.7 |
| 1.2.1 Materials for current use g/ | .. | 115.0 | 100.0 | 241.8 | .. | 65.8 | 17.1 | .. | 0.8 | .. | 0 | 1.8 | 542.3 |
| 1.2.2 Maintenance and repair h/ | .. | 38.5 | 41.3 | 158.8 | .. | 18.0 | 10.8 | .. | 0.3 | .. | 0 | 0.2 | 267.9 |
| 1.2.3 Travel expenses etc. i/ | .. | 34.4 | 17.2 | 40.4 | .. | 21.9 | 14.0 | .. | 0.2 | .. | 0 | 2.1 | 130.2 |
| 1.2.4 Real estate rents j/ | .. | 3.0 | 2.3 | 6.9 | .. | 0.1 | 0.1 | .. | 0 | .. | 0 | 0 | 12.4 |
| 1.2.5 Other | .. | 46.5 | 15.5 | 55.8 | .. | 59.3 | 49.7 | .. | 1.9 | 0.3 | 58.3 | 2.0 | 288.9 |
| 2. PROCUREMENT AND CONSTRUCTION k/ | .. | 290.2 | 236.8 | 69.4 | .. | 100.3 | 9.0 | .. | .. | .. | .. | .. | 665.7 |
| 2.1 Procurement | .. | 227.1 | 223.5 | 43.7 | .. | 96.9 | 6.1 | .. | .. | .. | .. | .. | 596.9 |
| 2.1.1 Aircraft and engines | .. | .. | 158.1 | 25.8 | .. | 0.2 | .. | .. | .. | .. | .. | .. | 184.1 |
| 2.1.2 Missiles incl. conv. warheads | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. |
| 2.1.3 Nuclear warheads and bombs | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. |
| 2.1.4 Ships and boats | .. | .. | 10.4 | .. | .. | .. | .. | .. | .. | .. | .. | .. | 10.4 |
| 2.1.5 Armoured vehicles l/ | .. | 121.3 | .. | .. | .. | 15.3 | .. | .. | .. | .. | .. | .. | 136.6 |
| 2.1.6 Artillery | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. |
| 2.1.7 Other ground force weapons | .. | 1.8 | .. | .. | .. | 0.1 | .. | .. | .. | .. | .. | .. | 1.9 |
| 2.1.8 Ordnance and ammunition m/ | .. | 73.4 | 9.4 | .. | .. | 11.3 | .. | .. | .. | .. | .. | .. | 94.1 |
| 2.1.9 Electronics and communications | .. | 8.9 | 26.7 | 7.7 | .. | 11.2 | 5.1 | .. | .. | .. | .. | .. | 59.6 |
| 2.1.10 Non-armoured vehicles | .. | 3.4 | 1.5 | 2.4 | .. | 3.1 | .. | .. | .. | .. | .. | .. | 10.4 |
| 2.1.11 Other | .. | 18.3 | 17.4 | 7.8 | .. | 15.3 | 1.0 | .. | .. | .. | .. | .. | 59.8 |
| 2.2 Construction n/ | .. | 23.1 | 13.3 | 25.7 | .. | 43.8 | 2.9 | .. | .. | .. | .. | .. | 108.8 |
| 2.2.1 Air bases, airfields | .. | .. | .. | 9.5 | .. | .. | .. | .. | .. | .. | .. | .. | 9.5 |
| 2.2.2 Missile sites | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. |
| 2.2.3 Naval bases and facilities | .. | .. | 3.6 | .. | .. | .. | .. | .. | .. | .. | .. | .. | 3.6 |
| 2.2.4 Electronics, etc. o/ | .. | .. | .. | .. | .. | 0.8 | 2.1 | .. | .. | .. | .. | .. | 2.9 |
| 2.2.5 Personnel facilities | .. | 2.6 | 4.3 | 2.1 | .. | 8.0 | 0.8 | .. | .. | .. | .. | .. | 17.8 |
| 2.2.6 Medical facilities | .. | .. | .. | .. | .. | 0.4 | .. | .. | .. | .. | .. | .. | 0.4 |
| 2.2.7 Training facilities p/ | .. | 9.1 | 0.7 | .. | .. | 28.5 | .. | .. | .. | .. | .. | .. | 38.3 |
| 2.2.8 Warehouses, depots, etc. q/ | .. | .. | .. | .. | .. | 5.2 | .. | .. | .. | .. | .. | .. | 5.2 |
| 2.2.9 Command and adm. facilities | .. | 0.2 | 0.7 | .. | .. | .. | .. | .. | .. | .. | .. | .. | 0.9 |
| 2.2.10 Fortifications | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. |
| 2.2.11 Shelters r/ | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. |
| 2.2.12 Land s/ | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. |
| 2.2.13 Other | .. | 11.2 | 4.0 | 14.1 | .. | 0.9 | .. | .. | .. | .. | .. | .. | 30.2 |
| 3. RESEARCH AND DEVELOPMENT t/ | .. | 6.7 | 8.4 | 2.3 | .. | 16.0 | .. | .. | .. | .. | .. | .. | 33.4 |
| 3.1 Basic and applied research | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. |
| 3.2 Development, testing and evaluation | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. |
| 4. TOTAL (1+2+3) | .. | 915.8 | 739.4 | 1 103.3 | .. | 718.1 | 759.6 | .. | 4.9 | 0.3 | 58.3 | 27.2 | 4 326.9 |

NOTES: (k) As a result of deferrals in most re-equipment programmes over the past several years, average-length-of-service rates would not be particularly meaningful.
(m) Annual ammunition consumption in the order of \$100.0 million per year.

Part II

In order to approximate the opportunity costs of using conscripts in the military sector, the following information is requested:

(a) The average civilian wage rate that the conscripts would have been likely to obtain during the reporting year if they had not been occupied in the military sector.

Answer: Not applicable
(wage per period of time, currency unit)

If such an estimate is not available, respondents are requested to suggest an average civilian wage rate that may be readily available and that the respondents believe might serve as a reasonable measure of opportunity costs.

(b) The number of man-years devoted by conscripts to military service during the reporting year concerned.

Answer: Not applicable
(number of man-years)

With reference to the specific guidelines in section C, point (d), respondents are requested to give below the total amount of military assistance received from abroad during the reporting year. The amount should be given in the same denomination and currency as used in the matrix (sect. B), preferably converted from foreign currencies to national currency at average annual market or par value exchange rates as reported by the International Monetary Fund.

Answer: Nil
(amount)

With reference to section C, points (m) and (n), the requested information should be reported here in the same value terms as used in the matrix (sect. B). It is requested that total expenditures, at least, and preferably detailed by type of force group as in columns (1) through (12) of the matrix, be reported for the following items:

- Depletion of ordnance and ammunition: \$100 million per annum
- Sales from the military sector of:
 - (a) land)
 - (b) real estate other than land) Sales from the military
 - (c) equipment) sector are negligible.
 - (d) services)
 - (e) other)

Canada's amendment

Respondents are requested to inform the Panel as to whether statistics of the following kinds would be readily available for the reporting year.

| | <u>Answer</u> | |
|--|-------------------------------------|----------------------------|
| | <u>Available</u> | <u>Not available</u> |
| Price index of specific relevance to the military sector | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| Exports of military equipment | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| Such exports divided by | | |
| (i) countries | <input type="checkbox"/> * | <input type="checkbox"/> * |
| (ii) regions | <input type="checkbox"/> * | <input type="checkbox"/> * |
| Imports of military equipment | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| Such imports divided by | | |
| (i) countries | <input type="checkbox"/> * | <input type="checkbox"/> * |
| (ii) regions | <input type="checkbox"/> * | <input type="checkbox"/> * |

Possibilities for converting national military expenditures into a common currency for comparison purposes will be considered by the Ad Hoc Panel in drawing up its recommendations. If a regularly published exchange rate is unavailable, or considered unsuitable for converting military expenditures, respondents are requested to comment on other possible ways for comparing the military expenditures of the responding country with those of other countries.

* These questions are under consideration.

FRANCE.

/Original: French/
/20 May 1980/

This contribution requires several observations:

(1) The matrix conceived by the Ad Hoc Panel on Military Budgeting is presented in too detailed a form for it to be possible, particularly in the case of a country not included in the sample used by the Panel, to provide it, at this stage, with a reply in this form. It has therefore seemed preferable to prepare a double-entry matrix corresponding to the budgetary categories in use in France;

(2) The data in the attached matrix constitute a synthesis of the national budgetary documents publicly available;

(3) The terms "FMS-ANT" appearing in the matrix correspond to expenditures relating to nuclear forces.

DEFENCE BUDGET
(excluding pensions)
(Millions of French francs)

YEAR 1980

| COST CATEGORY | SNF + TWA (1) | LAND FORCES (2) | AIR FORCES (3) | NAVAL FORCES (4) | COMMON SECTION (5) | SUPPORT AND COMMAND | | CIVIL DEFENCE (9) | MILITARY ASSISTANCE | | TOTAL (13) | COMMENTS |
|--|---------------|-----------------|----------------|------------------|--------------------|---------------------|-------|-------------------|---------------------|------|------------|---|
| | | | | | | (6) | (7) | | (10) | (11) | | |
| 1 | | | | | | | | | | | | |
| Pay and social insurance contributions | 1 531 | 9 014 | 3 808 | 3 360 | 781 | 5 702 | 2 235 | - | - | - | 32 596 | (a) Programmed maintenance of personnel + food + operation |
| Current living expenses (a) | 774 | 3 985 | 1 113 | 843 | 479 | 2 194 | 674 | - | - | - | 11 137 | (b) Programmed maintenance of equipment + operating fuel + ammunition |
| Activities (b) | 3 144 | 2 938 | 3 088 | 3 371 | - | 151 | 54 | - | - | - | 12 866 | |
| 2 | | | | | | | | | | | | |
| Manufactures | 4 247 | 4 273 | 3 656 | 3 498 | 159 | 466 | 149 | - | - | - | 16 672 | |
| Infrastructure | 641 | 1 260 | 350 | 204 | 299 | 393 | 231 | - | - | - | 3 836 | |
| 3 | | | | | | | | | | | | |
| RESEARCH and DEVELOPMENT | 6 626 | 761 | 1 973 | 907 | 1 228 | - | - | - | - | - | 11 495 | |
| 4 | | | | | | | | | | | | |
| TOTAL | 16 963 | 22 231 | 13 988 | 12 183 | 2 946 | 8 906 | 3 343 | - | - | - | 88 602 | |

(1) Strategic nuclear forces + tactical nuclear arms.

(6) Personnel and material support agencies.

(7) General administration.

GERMANY, FEDERAL REPUBLIC OF

/Original: English/

/19 August 1980/

Proposed matrix for international reporting on military expenditure

(Actual outlays, current prices)

(Table A of United Nations document A/31/222/Rev.1)

Country: FEDERAL REPUBLIC OF GERMANY
.....
Fiscal year: 01 01 1978 // 31 12 1978
.....
day month year day month year

(The reporting or fiscal year most closely coinciding
with calendar year 1978 for which data are available)

National currency and unit of measure: Deutsche mark Millions (1 000 000)
.....

(The unit of measure should not exceed one ten thousandth of the total military expenditures)

Comments to Reporting Matrix of Federal Republic of Germany

- Paramilitary forces (8)

The Federal Republic of Germany does not dispose of forces which fall under this heading. The "Bundesgrenzschutz" (BGS) is by law strictly limited to police functions. It is not "a unit, formation etc. which is organized, equipped and behave(s) in a similar way as the armed forces, and which could carry out combat actions of the same nature in terms of goal, area and results as those performed by the armed forces."

- Civil defence (9)

In view of the Federal German Government, it is the task of civil defence to protect the civilian population, homes and places of work, vital civilian factories, services (public departments) and installations as well as cultural property against the effects of war and to repair or mitigate any damage caused by non-military measures.

Due to its intrinsic non-military character it would be the preference of the Federal German Government not to include these data in a military expenditure framework although they have been reproduced in the current matrix for reasons of transparency. The figures originate from the Federal Ministry of the Interior.

| Resource costs | Force groups | | | | | | | | | | | Total (1-12) (13) | |
|---|----------------------|-----------------|------------------|----------------|-------------------------|---|-------------|----------------------------|----------------------|------------------------|-------------|-------------------|-----------------------|
| | Strategic forces (1) | Land forces (2) | Naval forces (3) | Air forces (4) | Other combat forces (5) | Central support administration and command a/ | | Paramilitary forces b/ (8) | Civil defence g/ (9) | Military assistance d/ | | | |
| | | | | | | Support (6) | Command (7) | | | Home territory (10) | Abroad (11) | | UN Peace keeping (12) |
| 1. OPERATING COSTS | .. | 10 528 | 2 134 | 3 320 | .. | 8 061 | 222 | .. | 377 | 10.7 | 30 | 7 | 27 151.7 |
| 1.1 Personnel e/ | .. | 7 291 | 1 168 | 2 222 | .. | 4 069 | 272 | .. | 136.6 | .. | .. | .. | 16 149.6 |
| 1.1.1 Civilian | .. | 1 457 | 317 | 729 | .. | 2 664 | 171 | .. | 136.6 | .. | .. | .. | 6 446.6 |
| 1.1.2 Conscripts f/ | .. | 2 115 | 194 | 442 | .. | .. | .. | .. | .. | .. | .. | .. | 2 749.0 |
| 1.1.3 Other military, incl. reserves | .. | 3 699 | 657 | 2 051 | .. | 207 | 101 | .. | .. | .. | .. | .. | 6 954.0 |
| 1.2 Operations and maintenance | .. | 3 681 | 446 | 2 024 | .. | 3 992 | 17 | .. | 220.4 | 10.7 | .. | 7 | 10 922.1 |
| 1.2.1 Materials for current use g/ | .. | 1 074 | 177 | 443 | .. | 116 | .. | .. | 17.9 | 1.3 | 20 | .. | 1 849.2 |
| 1.2.2 Maintenance and repair h/ | .. | 2 451 | 736 | 1 604 | .. | 478 | 14 | .. | 63.1 | 4.2 | 10 | .. | 5 284.3 |
| 1.2.3 Travel expenses etc. i/ | .. | 1.26 | 19 | 51 | .. | 318 | 3 | .. | 1.8 | .. | .. | .. | 548.8 |
| 1.2.4 Real estate rents j/ | .. | .. | .. | .. | .. | 72 | .. | .. | 20.3 | 0.1 | .. | .. | 92.4 |
| 1.2.5 Other | .. | 0 | 0 | 0 | .. | 2 998 | .. | .. | 117.3 | 5.1 | .. | 7 | 3 127.4 |
| 2. PROCUREMENT AND CONSTRUCTION k/ | .. | 4 612 | 1 409 | 1 920 | .. | 1 747 | 10 | .. | 137.8 | 143.8 | 100 | .. | 10 138.6 |
| 2.1 Procurement | .. | 3 624 | 1 286 | 1 681 | .. | 644 | 1 | .. | 52.8 | 41.4 | .. | .. | 7 397.2 |
| 2.1.1 Aircraft and engines | .. | 177 | 334 | 591 | .. | 49 | 0 | .. | 1.7 | .. | .. | .. | 1 132.7 |
| 2.1.2 Missiles incl. conv. warheads | .. | .. | .. | 363 | .. | .. | .. | .. | .. | .. | .. | .. | 363.0 |
| 2.1.3 Nuclear warheads and bombs | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. |
| 2.1.4 Ships and boats | .. | 0 | 664 | 0 | .. | 7 | 0 | .. | .. | 1.8 | .. | .. | 672.8 |
| 2.1.5 Armoured vehicles l/ | .. | 1 365 | 0 | 0 | .. | .. | 0 | .. | .. | .. | 24 | .. | 1 384.0 |
| 2.1.6 Artillery | .. | 33 | 0 | 0 | .. | 0 | 0 | .. | .. | .. | .. | .. | 33.0 |
| 2.1.7 Other ground force weapons | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | 21 | .. | 21.0 |
| 2.1.8 Ordnance and ammunition m/ | .. | 767 | 203 | 427 | .. | 6 | 0 | .. | .. | .. | .. | .. | 1 403.0 |
| 2.1.9 Electronics and communications | .. | 225 | 60 | 170 | .. | 103 | 1 | .. | .. | 28.6 | .. | .. | 591.6 |
| 2.1.10 Non-armoured vehicles | .. | 583 | 10 | 65 | .. | 41 | 0 | .. | 31.5 | .. | 15 | .. | 745.5 |
| 2.1.11 Other | .. | 479 | 14 | 69 | .. | 438 | 0 | .. | 19.6 | 11.0 | .. | .. | 1 030.6 |
| 2.2 Construction n/ | .. | 688 | 119 | 293 | .. | 1 103 | 9 | .. | 85.0 | 102.4 | 40 | .. | 2 741.4 |
| 2.2.1 Air bases, airfields | .. | 27 | 17 | 96 | .. | 0 | 0 | .. | .. | .. | .. | .. | 136.0 |
| 2.2.2 Missile sites | .. | 0 | 0 | 31 | .. | 0 | 0 | .. | .. | .. | .. | .. | 31.0 |
| 2.2.3 Naval bases and facilities | .. | 0 | 39 | 0 | .. | 0 | 0 | .. | .. | .. | .. | .. | 39.0 |
| 2.2.4 Electronics, etc. o/ | .. | 5 | 14 | 23 | .. | 2 | 0 | .. | 6.2 | 5.9 | .. | .. | 58.1 |
| 2.2.5 Personnel facilities | .. | 348 | 1 | 25 | .. | 141 | 0 | .. | 4.2 | .. | .. | .. | 524.2 |
| 2.2.6 Medical facilities | .. | 0 | 0 | 0 | .. | 56 | 0 | .. | 19.3 | .. | .. | .. | 75.3 |
| 2.2.7 Training facilities p/ | .. | 77 | 12 | 24 | .. | 252 | 0 | .. | .. | .. | .. | .. | 365.0 |
| 2.2.8 Warehouses, depots, etc. q/ | .. | 110 | 2 | 34 | .. | 71 | 0 | .. | 23.4 | 1.2 | .. | .. | 347.6 |
| 2.2.9 Command and adm. facilities | .. | 20 | 2 | 13 | .. | 89 | 9 | .. | .. | .. | .. | .. | 132.0 |
| 2.2.10 Fortifications | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. |
| 2.2.11 Shelters r/ | .. | .. | .. | .. | .. | .. | .. | .. | 31.5 | 14.0 | .. | .. | 45.5 |
| 2.2.12 Land s/ | .. | .. | .. | .. | .. | 68 | .. | .. | .. | .. | .. | .. | 68.0 |
| 2.2.13 Other | .. | 461 | 34 | 39 | .. | 424 | 0 | .. | 0.4 | 81.3 | .. | .. | 979.7 |
| 3. RESEARCH AND DEVELOPMENT t/ | .. | .. | .. | .. | .. | 1 712 | 0 | .. | 6.1 | .. | .. | .. | 1 718.1 |
| 3.1 Basic and applied research | .. | .. | .. | .. | .. | 237 | 0 | .. | .. | .. | .. | .. | 237.0 |
| 3.2 Development, testing and evaluation | .. | .. | .. | .. | .. | 1 475 | 0 | .. | 6.1 | .. | .. | .. | 1 481.1 |
| 4. TOTAL (1+2+3) | .. | 15 544 | 3 242 | 7 368 | .. | 11 520 | 302 | .. | 500.9 | 154.5 | 130 | 7 | 39 008.4 |

In order to approximate the opportunity costs of using conscripts in the military sector, the following information is requested:

(a) The average civilian wage rate that the conscripts would have been likely to obtain during the reporting year if they had not been occupied in the military sector.

Answer:
(wage per period of time, currency unit)

If such an estimate is not available, respondents are requested to suggest an average civilian wage rate that may be readily available and that the respondents believe might serve as a reasonable measure of opportunity costs.

(b) The number of man-years devoted by conscripts to military service during the reporting year concerned.

Answer: 236,000
(number of man-years)

With reference to the specific guidelines in section C, point (d), respondents are requested to give below the total amount of military assistance received from abroad during the reporting year. The amount should be given in the same denomination and currency as used in the matrix (sect. B), preferably converted from foreign currencies to national currency at average annual market or par value exchange rates as reported by the International Monetary Fund.

Answer: 0
(amount)

With reference to section C, points (m) and (n), the requested information should be reported here in the same value terms as used in the matrix (sect. B). It is requested that total expenditures, at least, and preferably detailed by type of force group as in columns (1) through (12) of the matrix, be reported for the following items:

Depletion of ordnance and ammunition: ordnance: ...; ammo: 416
.....

Sales from the military sector of:

- (a) land)
- (b) real estate other than land)
- (c) equipment)
- (d) services)
- (e) other)

Respondents are requested to inform the Panel as to whether statistics of the following kinds would be readily available for the reporting year.

| | <u>Answer</u> | |
|--|-------------------------------------|-------------------------------------|
| | <u>Available</u> | <u>Not available</u> |
| Price index of specific relevance to the military sector | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| Exports of military equipment | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| Such exports divided by | | |
| (i) countries | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| (ii) regions | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| Imports of military equipment | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| Such imports divided by | | |
| (i) countries | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| (ii) regions | <input checked="" type="checkbox"/> | <input type="checkbox"/> |

Possibilities for converting national military expenditures into a common currency for comparison purposes will be considered by the Ad Hoc Panel in drawing up its recommendations. If a regularly published exchange rate is unavailable, or considered unsuitable for converting military expenditures, respondents are requested to comment on other possible ways for comparing the military expenditures of the responding country with those of other countries.

B. Proposed matrix for international reporting on military expenditure

(Actual outlays, current prices)

(Table A of United Nations document A/31/222/Rev.1)

Country: INDONESIA..... Fiscal year: 1 April 1978 // 31 March 1979
 day month year // day month year

(The reporting or fiscal year most closely coinciding with calendar year 1978 for which data are available)

National currency in unit of measure: 10 million Indonesian rupiah.....

(The unit of measure should not exceed one ten thousandth of the total military expenditures)

| Resource costs | Force groups | Strategic forces (1) | Land forces (2) | Naval forces (3) | Air forces (4) | Other combat forces (5) | Central support administration and command a/ | | Paramilitary forces b/ (8) | Civil defence g/ (9) | Military assistance d/ | | | Total (1-12) (13) |
|---|--------------|----------------------|-----------------|------------------|----------------|-------------------------|---|-------------|----------------------------|----------------------|------------------------|-------------|-----------------------|-------------------|
| | | | | | | | Support (6) | Command (7) | | | Home territory (10) | Abroad (11) | UN Peace keeping (12) | |
| | | | | | | | | | | | | | | |
| 1. OPERATING COSTS | | 23 928 | 6 892 | 5 000 | | | 4 952 | 634 | 11 487 | | | | 52 893 | |
| 1.1 Personnel g/ | | 16 505 | 4 113 | 2 942 | | | 2 080 | | 7 469 | | | | 23 107 | |
| 1.1.1 Civilian | | 3 635 | 1 289 | 687 | | | 332 | | 346 | | | | 6 369 | |
| 1.1.2 Conscripts f/ | | 12 868 | 2 825 | 2 255 | | | 1 748 | | 7 122 | | | | 20 838 | |
| 1.1.3 Other military, incl. reserves | | 0 | 0 | 0 | | | 0 | | 0 | | | | 0 | |
| 1.2 Operations and maintenance | | 7 425 | 2 778 | 2 058 | | | 2 872 | | 4 019 | | | | 12 192 | |
| 1.2.1 Materials for current use g/ | | 5 371 | 1 462 | 1 206 | | | 1 278 | | 3 176 | | | | 12 583 | |
| 1.2.2 Maintenance and repair h/ | | 879 | 957 | 417 | | | 445 | | 285 | | | | 2 983 | |
| 1.2.3 Travel expenses etc. i/ | | 544 | 115 | 156 | | | 574 | | 258 | | | | 1 647 | |
| 1.2.4 Real estate rents j/ | | 630 | 244 | 187 | | | 575 | | 300 | | | | 1 936 | |
| 1.2.5 Other | | 0 | 0 | 0 | | | 0 | | 0 | | | | 0 | |
| 2. PROCUREMENT AND CONSTRUCTION k/ | | 3 028 | 3 930 | 3 522 | | | 2 220 | 1 054 | 1 455 | | | | 16 127 | |
| 2.1 Procurement | | 1 766 | 3 436 | 3 009 | | | 1 322 | | 489 | | | | 9 662 | |
| 2.1.1 Aircraft and engines | | 0 | 36 | 2 740 | | | | | 43 | | | | 2 829 | |
| 2.1.2 Missiles incl. conv. warheads | | 0 | 0 | 0 | | | | | 0 | | | | 0 | |
| 2.1.3 Nuclear warheads and bombs | | 0 | 0 | 0 | | | | | 0 | | | | 0 | |
| 2.1.4 Ships and boats | | 74 | 3 188 | 0 | | | | | 20 | | | | 3 282 | |
| 2.1.5 Armoured vehicles l/ | | 296 | 0 | 0 | | | | | 0 | | | | 296 | |
| 2.1.6 Artillery | | 78 | 0 | 0 | | | | | 0 | | | | 78 | |
| 2.1.7 Other ground force weapons | | 225 | 52 | 0 | | | | | 22 | | | | 299 | |
| 2.1.8 Ordnance and ammunition m/ | | 169 | 0 | 72 | | | | | 23 | | | | 264 | |
| 2.1.9 Electronics and communications | | 251 | 0 | 37 | | | 485 | | 121 | | | | 874 | |
| 2.1.10 Non-armoured vehicles | | 358 | 0 | 135 | | | | | 89 | | | | 482 | |
| 2.1.11 Other | | 24 | 160 | 25 | | | 867 | | 0 | | | | 1 076 | |
| 2.2 Construction n/ | | 2 561 | 495 | 513 | | | 898 | | 976 | | | | 5 433 | |
| 2.2.1 Air bases, airfields | | 0 | 12 | 212 | | | | | 0 | | | | 231 | |
| 2.2.2 Missile sites | | 0 | 0 | 0 | | | | | 0 | | | | 0 | |
| 2.2.3 Naval bases and facilities | | 0 | 302 | 0 | | | | | 0 | | | | 302 | |
| 2.2.4 Electronics, etc. o/ | | 45 | 0 | 53 | | | | | 22 | | | | 127 | |
| 2.2.5 Personnel facilities | | 1 774 | 0 | 37 | | | | | 124 | | | | 1 975 | |
| 2.2.6 Medical facilities | | 0 | 0 | 0 | | | 25 | | 0 | | | | 25 | |
| 2.2.7 Training facilities p/ | | 669 | 0 | 7 | | | 257 | | 305 | | | | 1 166 | |
| 2.2.8 Warehouses, depots, etc. q/ | | 0 | 104 | 69 | | | | | 0 | | | | 173 | |
| 2.2.9 Command and adm. facilities | | 0 | 70 | 107 | | | 566 | | 411 | | | | 1 174 | |
| 2.2.10 Fortifications | | 0 | 0 | 0 | | | | | 0 | | | | 0 | |
| 2.2.11 Shelters r/ | | 0 | 0 | 0 | | | | | 0 | | | | 0 | |
| 2.2.12 Land s/ | | 0 | 0 | 0 | | | | | 0 | | | | 0 | |
| 2.2.13 Other | | 134 | 0 | 27 | | | | | 0 | | | | 161 | |
| 3. RESEARCH AND DEVELOPMENT t/ | | 20 | 6 | 2 | | | 45 | | 1 | | | | 74 | |
| 3.1 Basic and applied research | | 0 | 0 | 0 | | | 0 | | 0 | | | | 0 | |
| 3.2 Development, testing and evaluation | | 20 | 6 | 2 | | | 45 | | 1 | | | | 74 | |
| 4. TOTAL (1+2+3) | | 27 075 | 10 026 | 8 524 | | | 7 217 | 1 698 | 12 954 | | | | 69 096 | |

/...

Foot-notes to the matrix

1/ Figures reported under 1.1.2 on "Conscripts" are salaries and allowances for all military personnel, regular and draft. But defence budget does not include pension funds which are taken care of by the Department of Finance, as for all the other retired government civil servants.

2/ Item 1.2.4 are expenditures for electricity, telephone, water and gas. Almost all facilities, including lands used by military units or establishments, are government properties, therefore no rents.

3/ Only for the procurements of ammunitions.

4/ 2.2.1 and 2.2.3 are mostly not for new constructions, but more for the maintenance of those facilities.

5/ By paramilitary forces (column 8) are meant the police force of the country. Police is part of the armed services, and thus organized under the Department of Defence.

6/ Civil defence is organized by the Department of Interior, while technical guidance and support is given by the armed services.

7/ Expenditures for the United Nations peace-keeping force are included in columns 6 and 7.

Part II

In order to approximate the opportunity costs of using conscripts in the military sector, the following information is requested:

(a) The average civilian wage rate that the conscripts would have been likely to obtain during the reporting year if they had not been occupied in the military sector.

Answer: Rp. 192.000,- per year
(wage per period of time, currency unit)

If such an estimate is not available, respondents are requested to suggest an average civilian wage rate that may be readily available and that the respondents believe might serve as a reasonable measure of opportunity costs.

(b) The number of man-years devoted by conscripts to military service during the reporting year concerned.

Answer: 25.500
(number of man-years)

With reference to the specific guidelines in section C, point (d), respondents are requested to give below the total amount of military assistance received from abroad during the reporting year. The amount should be given in the same denomination and currency as used in the matrix (sect. B), preferably converted from foreign currencies to national currency at average annual market or par value exchange rates as reported by the International Monetary Fund.

Answer: 57
(amount)

With reference to section C, points (m) and (n), the requested information should be reported here in the same value terms as used in the matrix (sect. B). It is requested that total expenditures, at least, and preferably detailed by type of force group as in columns (1) through (12) of the matrix, be reported for the following items:

Depletion of ordnance and ammunition: Not available

Sales from the military sector of:

- (a) land None
- (b) real estate other than land None
- (c) equipment None
- (d) services None
- (e) other -

Respondents are requested to inform the Panel as to whether statistics of the following kinds would be readily available for the reporting year.

| | <u>Answer</u> | |
|--|-------------------------------------|-------------------------------------|
| | <u>Available</u> | <u>Not available</u> |
| Price index of specific relevance to the military sector | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| Exports of military equipment | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| Such exports divided by | | |
| (i) countries | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| (ii) regions | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| Imports of military equipment | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| Such imports divided by | | |
| (i) countries | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| (ii) regions | <input checked="" type="checkbox"/> | <input type="checkbox"/> |

Possibilities for converting national military expenditures into a common currency for comparison purposes will be considered by the Ad Hoc Panel in drawing up its recommendations. If a regularly published exchange rate is unavailable, or considered unsuitable for converting military expenditures, respondents are requested to comment on other possible ways for comparing the military expenditures of the responding country with those of other countries.

ITALY

[Original: French]

[28 March 1980]

In view of Italy's interest in the question of reducing military budgets and of the importance in that connexion of the Ad Hoc Panel's study, the Permanent Representative of Italy has the honour to transmit herewith the above-mentioned reporting instrument with the entries completed for Italy's defence budget for the year 1980.

With regard to category 2.2 "Construction", the technical organization of the Italian budget estimates is such that only over-all data can be stated and not the details sought in items 2.2.1-2.2.13. Moreover, the Italian Government considered it useful to add to the categories contained in the proposed standardized reporting instrument an additional category covering "daily average remuneration of armed forces personnel", in the belief that this datum will make a thorough assessment of military budgets easier. Finally, it would, in Italy's view, be desirable to have the standardized reporting instrument specify the unit costs of the largest items of equipment (missiles, tanks and combat aircraft), in order to make it easier to compare individual military budgets.

PROPOSED MATRIX FOR INTERNATIONAL REPORTING ON MILITARY EXPENDITURE

(Billions of lire)

Italy - 1980 Defence Budget

| Force groups Resource costs | Strategic forces (1) | Land forces (2) | Naval forces (3) | Air forces (4) | Other combat forces (State police) (5) | Central support administration and command | | Paramilitary forces (G.P./P.S.) (8) | Civil defence (9) | Military assistance | | | Total (1-12) (13) |
|--|-----------------------------|------------------------|-------------------------|-----------------------|---|--|--------------------------|--|--------------------------|----------------------------|--------------------|------------------------------|-----------------------------|
| | | | | | | Support (USG) (6) | Command (SMD) (7) | | | Home territory (10) | Abroad (11) | UN Peace keeping (12) | |
| | | | | | | | | | | | | | |
| 1. OPERATING COSTS | | | | | | | | | | | | | |
| 1.1 <u>Personnel</u> | - | 464.8 | 114.1 | 267.2 | 682.8 | 64.2 | 15.2 | 5.2 | - | - | - | - | 1 613.5 |
| 1.1.1 Civilian | - | 128.8 | 62.0 | 57.4 | 1.0 | 184.9 | 3.9 | - | - | - | - | - | 438.0 |
| 1.1.2 Conscripts | - | 442.4 | 86.7 | 161.8 | - | 29.7 | 5.3 | - | - | - | - | - | 809.8 |
| 1.1.3 Other military, incl. reserves | - | 13.5 | - | - | 70.4 | - | - | - | - | - | - | - | - |
| 1.2 <u>Operations and maintenance</u> | | | | | | | | | | | | | |
| 1.2.1 Materials for current use | - | 108.2 | 40.2 | 76.7 | 22.0 | 35.5 | 1.2 | 12.6 | | | | | 296.4 |
| 1.2.2 Maintenance and repair | - | 274.2 | 124.1 | 239.3 | 37.9 | 36.0 | 4.4 | 5.4 | | | | | 721.3 |
| 1.2.3 Travel expenses etc. | - | 56.6 | 16.5 | 25.5 | 8.6 | 21.1 | 3.2 | - | | | | | 131.9 |
| 1.2.4 Real estate rents | - | 1.3 | 0.1 | 0.3 | 1.3 | 43.3 | 2.0 | - | | | | | 48.3 |
| 1.2.5 Other | - | 12.4 | 23.7 | 58.0 | 7.7 | 51.2 | 31.3 | 16.4 | | | | | 200.7 |
| 2. PROCUREMENT AND CONSTRUCTION | | | | | | | | | | | | | |
| 2.1 <u>Procurement</u> | | | | | | | | | | | | | |
| 2.1.1 Aircraft and engines | - | 17.1 | 8.9 | 413.6 | - | 28.0 | - | - | | | | | 467.6 |
| 2.1.2 Missiles incl. conv. warheads | - | 6.8 | - | 5.4 | - | - | - | - | | | | | 12.2 |
| 2.1.3 Nuclear warheads and bombs | - | - | - | - | - | - | - | - | | | | | - |
| 2.1.4 Ships and boats | - | - | 280.9 | - | - | 9.8 | - | - | | | | | 290.7 |
| 2.1.5 Armoured vehicles | - | 195.7 | - | - | 0.9 | - | - | - | | | | | 196.6 |
| 2.1.6 Artillery | - | 64.7 | 60.2 | - | - | - | - | - | | | | | 124.9 |

| Force groups Resource costs | Strategic forces | Land forces | Naval forces | Air forces | Other combat forces (State police) | Central support administration and command | | Paramilitary forces (G.P./P.S.) | Civil defence | Military assistance | | | Total (1-12) |
|--------------------------------------|------------------|-------------|--------------|------------|------------------------------------|--|---------------|---------------------------------|---------------|---------------------|--------|------------------|--------------|
| | | | | | | Support (USG) | Command (SMD) | | | Home territory | Abroad | UN Peace keeping | |
| | | | | | | | | | | | | | |
| 2.1.7 Other ground force weapons | - | 0.4 | - | - | 1.5 | - | - | - | | | | | 1.9 |
| 2.1.8 Ordnance and ammunition | - | 1.0 | 3.2 | - | - | - | - | 1.0 | | | | | 5.2 |
| 2.1.9 Electronics and communications | - | 38.0 | 66.0 | 62.8 | 1.6 | 3.8 | 18.3 | 17.2 | | | | | 207.7 |
| 2.1.10 Non-armoured vehicles | - | 12.7 | - | 18.3 | 1.3 | - | - | - | | | | | 32.3 |
| 2.1.11 Other | - | 23.6 | 5.4 | 26.8 | 1.0 | 6.3 | - | - | | | | | 63.1 |
| 2.2 Construction | | 30.5 | 16.1 | - | 2.2 | 10.0 | 43.6 | 4.5 | | | | | 106.9 |
| 2.2.1 Airbases, airfields | | | | | | | | | | | | | |
| 2.2.2 Missile sites | | | | | | | | | | | | | |
| 2.2.3 Naval bases and facilities | | | | | | | | | | | | | |
| 2.2.4 Electronics etc. | | | | | | | | | | | | | |
| 2.2.5 Personnel facilities | | | | | | | | | | | | | |
| 2.2.6 Medical facilities | | | | | | | | | | | | | |
| 2.2.7 Training facilities | | | | | | | | | | | | | |
| 2.2.8 Warehouses, depots etc. | | | | | | | | | | | | | |
| 2.2.9 Command and adm. facilities | | | | | | | | | | | | | |
| 2.2.10 Fortifications | | | | | | | | | | | | | |
| 2.2.11 Shelters | | | | | | | | | | | | | |
| 2.2.12 Land | | | | | | | | | | | | | |
| 2.2.13 Other | | | | | | | | | | | | | |

...

| Resource costs | Force groups | Strategic forces | Land forces | Naval forces | Air forces | Other combat forces (State police) | Central support administration and command | | Paramilitary forces (G.P./P.S.) | Civil defence | Military assistance | | | Total (1-12) |
|----------------|--|------------------|-------------|--------------|------------|------------------------------------|--|---------------|---------------------------------|---------------|---------------------|--------|------------------|--------------|
| | | | | | | | Support (USG) | Command (SMD) | | | Home territory | Abroad | UN Peace keeping | |
| | | | | | | | | | | | | | | |
| 3. | <u>RESEARCH AND DEVELOPMENT</u> | | | | | | | | | | | | | |
| 3.1 | <u>Basic and applied research</u> | | 0.9 | 0.9 | - | - | - | 2.8 | - | | | | | 4.6 |
| 3.2 | <u>Development, testing and evaluation</u> | | 7.3 | 1.2 | 43.4 | - | - | 17.2 | - | | | | | 69.1 |
| 4. | <u>TOTAL (1+2+3)</u> | | 1 900.9 | 910.2 | 1 456.5 | 840.2 | 523.8 | 148.4 | 62.3 | | | | | 5 842.3 |

Average daily remuneration of armed forces personnel (by rank)

- Officers : 30 450 lire
- Non-commissioned officers: 22 190 "
- Conscripts : 1 000 "

PROPOSED MATRIX FOR INTERNATIONAL REPORTING ON MILITARY EXPENDITURE

1. Operating costs

(Pesos)

| Force groups Resource costs | Strategic forces (1) | Land forces (2) | Naval forces (3) | Air forces (4) | Other combat forces (5) | Military Industry Department (*) | Central support administration and command | | Paramilitary forces (8) | Civil defence (9) | Military assistance | | | Total (13) |
|---------------------------------------|-------------------------|--------------------|---------------------|-------------------|----------------------------|-------------------------------------|--|----------------|----------------------------|----------------------|------------------------|----------------|--------------------------|---------------|
| | | | | | | | Support (6) | Command (7) | | | Home territory (10) | Abroad (11) | UN peace-keeping (12) | |
| 1. OPERATING COSTS | | | | | | | | | | | | | | |
| 1.1 <u>Personnel</u> | | 8 690 641 000 | | 526 359 000 | | 82 176 000 | | | | | | | | 9 299 176 000 |
| 1.1.1 Civilian | | 15 769 000 | | 1 831 000 | | 214 385 000 | | | | | | | | 231 985 000 |
| 1.1.2 Conscripts | | | | | | | | | | | | | | |
| 1.1.3 Other military, incl. reserves | | | | | | | | | | | | | | |
| 1.2 <u>Operations and maintenance</u> | | | | | | | | | | | | | | |
| 1.2.1 Materials for current use | | 977 649 000 | | 52 446 000 | | 100 293 000 | | | | | | | | 1 130 388 000 |
| 1.2.2 Maintenance and repair | | 148 926 000 | | 118 195 000 | | 100 293 000 | | | | | | | | 367 414 000 |
| 1.2.3 Travel expenses etc. | | 16 500 000 | | | | 170 000 | | | | | | | | 16 670 000 |
| 1.2.4 Real estate rents | | 10 000 000 | | | | | | | | | | | | 10 000 000 |
| 1.2.5 Other | | 310 197 000 | | 276 000 | | 9 749 000 | | | | | | | | 320 222 000 |

PROPOSED MATRIX FOR INTERNATIONAL REPORTING ON MILITARY EXPENDITURE

2. Procurement and construction

| Force groups Resource costs | Strategic forces (1) | Land forces (2) | Naval forces (3) | Air forces (4) | Other combat forces (5) | Military Industry Department (*) | Central support administration and command | | Para-military forces (8) | Civil defence (9) | Military assistance | | | Total (13) |
|--|-------------------------|--------------------|---------------------|-------------------|----------------------------|-------------------------------------|--|----------------|-----------------------------|----------------------|------------------------|----------------|--------------------------|---------------|
| | | | | | | | Support (6) | Command (7) | | | Home territory (10) | Abroad (11) | UN peace-keeping (12) | |
| 2. PROCUREMENT AND CONSTRUCTION | | | | | | | | | | | | | | |
| 2.1 Procurement | | | | | | | | | | | | | | |
| 2.1.1 Aircraft and engines | | | | 80 962 000 | | | | | | | | | | 80 962 000 |
| 2.1.2 Missiles incl. conv. warheads | | | | | | | | | | | | | | |
| 2.1.3 Nuclear warheads and bombs | | | | | | | | | | | | | | |
| 2.1.4 Ships and boats | | | | | | | | | | | | | | |
| 2.1.5 Armoured vehicles | | | | | | | | | | | | | | |
| 2.1.6 Artillery | | | | | | | | | | | | | | |
| 2.1.7 Other ground force weapons | | 51 502 000 | | | | | | | | | | | | 51 502 000 |
| 2.1.8 Ordnance and ammunition | | 850 000 | | | | 66 000 | | | | | | | | 916 000 |
| 2.1.9 Electronics and communications | | | | | | | | | | | | | | |
| 2.1.10 Non-armoured vehicles | | 80 000 000 | | | | 1 750 000 | | | | | | | | 81 750 000 |
| 2.1.11 Other | | 70 691 000 | | | | 60 750 000 | | | | | | | | 131 441 000 |

PROPOSED MATRIX FOR INTERNATIONAL REPORTING ON MILITARY EXPENDITURE

2. Procurement and construction (continued)

| Force groups Resource costs | Strategic forces (1) | Land forces (2) | Naval forces (3) | Air forces (4) | Other combat forces (5) | Military Industry Department (*) | Central support administration and command | | Para-military forces (8) | Civil defence (9) | Military assistance | | | Total (13) | |
|--|-------------------------|--------------------|---------------------|-------------------|----------------------------|-------------------------------------|--|----------------|-----------------------------|----------------------|------------------------|----------------|--------------------------|---------------|-------------|
| | | | | | | | Support (6) | Command (7) | | | Home territory (10) | Abroad (11) | UN peace-keeping (12) | | |
| | | | | | | | | | | | | | | | |
| 2.2 <u>Construction</u> | | | | | | | | | | | | | | | |
| 2.2.1 Airbases, airfields | | | | | | | | | | | | | | | |
| 2.2.2 Missile sites | | | | | | | | | | | | | | | |
| 2.2.3 Naval bases and facilities | | | | | | | | | | | | | | | |
| 2.2.4 Electronics etc. <u>o/</u> | | 37 546 000 | | | | | | | | | | | | | 37 546 000 |
| 2.2.5 Personnel facilities | | 132 421 000 | | | | | | | | | | | | | 132 421 000 |
| 2.2.6 Medical facilities | | | | | | | | | | | | | | | |
| 2.2.7 Training facilities <u>p/</u> | | | | | | | | | | | | | | | |
| 2.2.8 Warehouses, depots, etc. <u>g/</u> | | | | | | 10 000 000 | | | | | | | | | 10 000 000 |
| 2.2.9 Command and adm. facilities | | | | | | | | | | | | | | | |
| 2.2.10 Fortifications | | | | | | | | | | | | | | | |
| 2.2.11 Shelters <u>r/</u> | | | | | | | | | | | | | | | |
| 2.2.12 Land <u>a/</u> | | | | | | | | | | | | | | | |
| 2.2.13 Other | | | | | | | | | | | | | | | |

PROPOSED MATRIX FOR INTERNATIONAL REPORTING ON MILITARY EXPENDITURE

3. Research and Development

4. Total

| Force groups Resource costs | Strategic forces (1) | Land forces (2) | Naval forces (3) | Air forces (4) | Other combat forces (5) | Military Industry Department (*) | Central support administration and command | | Para-military forces (8) | Civil defence (9) | Military assistance | | | Total (13) |
|---|-------------------------|--------------------|---------------------|-------------------|----------------------------|-------------------------------------|--|----------------|-----------------------------|----------------------|------------------------|----------------|--------------------------|----------------|
| | | | | | | | Support (6) | Command (7) | | | Home territory (10) | Abroad (11) | UN peace-keeping (12) | |
| 3. <u>Research and Development</u> t/ | | | | | | | | | | | | | | |
| 3.1 Basic and applied research | | | | | | | | | | | | | | |
| 3.2 Development, testing and evaluation | | | | | | | | | | | | | | |
| 4. TOTAL (1+2+3) | | 10,542,692,000 | | 780,069,000 | | 491,839,000 | | | | | | | | 11,814,600,000 |

* Additional column taking account of the structure of the Mexican Army and Air Force (SDN).

NETHERLANDS

/Original: English/

/15 April 1980/

This memorandum shall have to be considered as an integral part of the Netherlands' reply to the note of the Secretary-General. Conversely the document entitled "Proposed Reporting Matrix and Instructions" as filled in by and for the Netherlands should not be used independently from this memorandum.

Reporting matrix

- re: 1.1.3. Military pensions are headed in total under "Support" (6) at the amount of 942,462 thousands of guilders.
- re: 1.2.2. Major overhauls and modifications are included in the appropriate "procurement" items.
- re: 1.2.3. The amounts between brackets only concern "travel expenses". An amount of 2,895 thousands of guilders under "Support" (6) represents the expenditure for periodicals.
- re: 2.2. The specification asked is not available.
- re: 3. The amounts for Research and Development are for technical reasons included in the appropriate "procurement" items, for the total amount of 89,538 thousands of guilders.
- re: (8) The Netherlands Royal "Marechaussee" (charged with external as well as internal security tasks) is represented under (5) "Other combat forces". Additional expenditures concerning the "Marechaussee" forces are included in the figures presented under (2), (3) and (4).
- re: (9) Figures concerning "Civil Defence" are included in the Netherlands' reply. It is stressed that these figures originate from the budget of the Ministry of the Interior. (For technical reasons it was found necessary to present budgetary figures instead of real expenditures. Therefore these figures represent estimates and are put between brackets.)

If a reporting State would consider it to be unsuitable to report on civil defence expenditures, such a view should in the opinion of the Netherlands be expressed in that State's reply concerning the reporting instrument and should form integral part of that reply.

| Resource costs | Force groups | | | | | | | | | | | Total (1-12) (13) | |
|---|----------------------------|-----------------------|------------------------|----------------------|----------------------------------|---|----------------|---------------------------------------|----------------------------|---------------------------|----------------|-------------------------|--------------------------------|
| | Strategic forces (1) | Land forces (2) | Naval forces (3) | Air forces (4) | Other combat forces (5) | Central support administration and command a/ | | Paramil- itary forces b/ (8) | Civil defence c/ (9) | Military assistance d/ | | | |
| | | | | | | Support (6) | Command (7) | | | Home territory (10) | Abroad (11) | | UN Peace keeping (12) |
| 1. OPERATING COSTS | .. | 3 055 675 | 1 281 548 | 1 322 744 | 171 907 | 1 404 791 | 3 118 | .. | (159 996) | .. | 17 300 | .. | 7 417 079 |
| 1.1 Personnel e/ | .. | 2 332 119 | 973 560 | 891 070 | 143 505 | 1 137 326 | 3 118 | .. | (25 178) | .. | .. | .. | 5 325 874 |
| 1.1.1 Civilian | .. | 611 023 | 323 205 | 176 028 | 6 705 | 183 968 | 2 631 | .. | (11 921) | .. | .. | .. | 1 315 481 |
| 1.1.2 Conscripts f/ | .. | 629 386 | 18 238 | 57 062 | 4 638 | 1 023 | .. | .. | (2 478) | .. | .. | .. | 713 445 |
| 1.1.3 Other military, incl. reserves | .. | 1 091 110 | 632 097 | 657 980 | 132 160 | 972 335 | 487 | .. | (10 779) | .. | .. | .. | 3 496 948 |
| 1.2 Operations and maintenance | .. | 723 556 | 307 988 | 431 674 | 28 404 | 247 465 | .. | .. | (134 818) | .. | 17 300 | .. | 1 891 205 |
| 1.2.1 Materials for current use g/ | .. | 330 723 | 113 944 | 200 936 | 9 303 | 112 238 | .. | .. | (14 185) | .. | .. | .. | 781 329 |
| 1.2.2 Maintenance and repair h/ | .. | 222 660 | 146 009 | 153 808 | 5 730 | .. | .. | .. | (14 367) | .. | .. | .. | 542 594 |
| 1.2.3 Travel expenses etc. i/ | .. | 66 320 | 19 218 | 20 775 | 3 008 | 7 742 | .. | .. | .. | .. | .. | .. | 117 063 |
| 1.2.4 Real estate rents j/ | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. |
| 1.2.5 Other | .. | 103 853 | 28 817 | 56 155 | 10 343 | 127 485 | .. | .. | (106 266) | .. | 17 300 | .. | 450 219 |
| 2. PROCUREMENT AND CONSTRUCTION k/ | .. | 901 345 | 621 776 | 701 510 | 10 800 | .. | .. | .. | (19 952) | 37 000 | 41 645 | .. | 2 334 028 |
| 2.1 Procurement | .. | 786 070 | 574 776 | 657 750 | 3 700 | .. | .. | .. | (2 902) | .. | .. | .. | 2 005 198 |
| 2.1.1 Aircraft and engines | .. | 2 070 | 53 700 | 455 565 | .. | .. | .. | .. | .. | .. | .. | .. | 511 335 |
| 2.1.2 Missiles incl. conv. warheads | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. |
| 2.1.3 Nuclear warheads and bombs | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. |
| 2.1.4 Ships and boats | .. | .. | 440 300 | .. | .. | .. | .. | .. | .. | .. | .. | .. | 440 300 |
| 2.1.5 Armoured vehicles l/ | .. | 316 000 | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | 316 000 |
| 2.1.6 Artillery | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. |
| 2.1.7 Other ground force weapons | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. |
| 2.1.8 Ordnance and ammunition m/ | .. | 189 000 | 10 000 | 18 280 | 330 | .. | .. | .. | .. | .. | .. | .. | 217 610 |
| 2.1.9 Electronics and communications | .. | 33 000 | 22 000 | 44 253 | 1 060 | .. | .. | .. | (2 080) | .. | .. | .. | 102 293 |
| 2.1.10 Non-armoured vehicles | .. | 164 000 | 1 000 | 10 353 | 2 140 | .. | .. | .. | .. | .. | .. | .. | 177 493 |
| 2.1.11 Other | .. | 82 000 | 47 376 | 109 399 | 170 | .. | .. | .. | (822) | .. | .. | .. | 239 967 |
| 2.2 Construction n/ | .. | 115 275 | 47 000 | 63 760 | 7 100 | .. | .. | .. | (17 050) | 37 000 | 41 645 | .. | 328 830 |
| 2.2.1 Air bases, airfields | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. |
| 2.2.2 Missile sites | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. |
| 2.2.3 Naval bases and facilities | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. |
| 2.2.4 Electronics, etc. o/ | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. |
| 2.2.5 Personnel facilities | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. |
| 2.2.6 Medical facilities | .. | .. | .. | .. | .. | .. | .. | .. | (11 118) | .. | .. | .. | 11 118 |
| 2.2.7 Training facilities p/ | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. |
| 2.2.8 Warehouses, depots, etc. q/ | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. |
| 2.2.9 Command and adm. facilities | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. |
| 2.2.10 Fortifications | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. |
| 2.2.11 Shelters r/ | .. | .. | .. | .. | .. | .. | .. | .. | (4 606) | .. | .. | .. | 4 606 |
| 2.2.12 Land s/ | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. |
| 2.2.13 Other | .. | .. | .. | .. | .. | .. | .. | .. | (1 326) | .. | .. | .. | 1 326 |
| 3. RESEARCH AND DEVELOPMENT t/ | | | | | | | | | | | | | |
| 3.1 Basic and applied research | | | | | | | | | | | | | |
| 3.2 Development, testing and evaluation | | | | | | | | | | | | | |
| 4. TOTAL (1+2+3) | | 3 957 020 | 1 903 324 | 2 024 254 | 182 707 | 1 404 791 | 3 118 | | 179 948 | 37 000 | 58 945 | | 9 751 107 |

Part II

In order to approximate the opportunity costs of using conscripts in the military sector, the following information is requested:

(a) The average civilian wage rate that the conscripts would have been likely to obtain during the reporting year if they had not been occupied in the military sector.

Answer: 21,000 guilders a year.
(wage per period of time, currency unit)

If such an estimate is not available, respondents are requested to suggest an average civilian wage rate that may be readily available and that the respondents believe might serve as a reasonable measure of opportunity costs.

(b) The number of man-years devoted by conscripts to military service during the reporting year concerned.

Answer: 47,000
(number of man-years)

With reference to the specific guidelines in section C, point (d), respondents are requested to give below the total amount of military assistance received from abroad during the reporting year. The amount should be given in the same denomination and currency as used in the matrix (sect. B), preferably converted from foreign currencies to national currency at average annual market or par value exchange rates as reported by the International Monetary Fund.

Answer: none
(amount)

With reference to section C, points (m) and (n), the requested information should be reported here in the same value terms as used in the matrix (sect. B). It is requested that total expenditures, at least, and preferably detailed by type of force group as in columns (1) through (12) of the matrix, be reported for the following items:

Consumption of ordnance and ammunition: not available

Sales from the military sector of:

- (a) land)
- (b) real estate other than land) 6,050,094 guilders (a + b)
- (c) equipment) 11,890,726 guilders (c)
- (d) services)
- (e) other) 4,258,097 guilders (d + e)

Respondents are requested to inform the Panel as to whether statistics of the following kinds would be readily available for the reporting year.

| | <u>Answer</u> | |
|--|--------------------------|-------------------------------------|
| | <u>Available</u> | <u>Not available</u> |
| Price index of specific relevance to the military sector | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| Exports of military equipment | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| Such exports divided by | | |
| (i) countries | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| (ii) regions | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| Imports of military equipment | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| Such imports divided by | | |
| (i) countries | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| (ii) regions | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

Possibilities for converting national military expenditures into a common currency for comparison purposes will be considered by the Ad Hoc Panel in drawing up its recommendations. If a regularly published exchange rate is unavailable, or considered unsuitable for converting military expenditures, respondents are requested to comment on other possible ways for comparing the military expenditures of the responding country with those of other countries.

NEW ZEALAND

/Original: English/

/18 June 1980/

The New Zealand Ministry of Defence has requested that attention be drawn to the fact that their figures do not include war pensions nor superannuation payments for ex-servicemen or civilian employees of the Ministry. In compiling the figures on research and development, the Ministry has aggregated all expenditure, including personnel costs, under that heading.

(Thousands of New Zealand dollars)

| Resource costs | Force groups | | | | | | | | | | Total (1-12) (13) | | |
|---|----------------------|-----------------|------------------|----------------|-------------------------|---|-------------|----------------------------|----------------------|------------------------|-------------------|-----------------------|---------|
| | Strategic forces (1) | Land forces (2) | Naval forces (3) | Air forces (4) | Other combat forces (5) | Central support administration and command a/ | | Paramilitary forces b/ (8) | Civil defence c/ (9) | Military assistance d/ | | | |
| | | | | | | Support (6) | Command (7) | | | Home territory (10) | Abroad (11) | UN Peace Keeping (12) | |
| 1. OPERATING COSTS | | 98 581 | 56 014 | 78 491 | | | 32 000 | | | | 534 | 112 | 265 732 |
| 1.1 Personnel e/ | | 69 544 | 39 173 | 45 145 | | | 23 714 | | | | 201 | 112 | 177 688 |
| 1.1.1 Civilian | | 6 049 | 13 136 | 2 267 | | | 9 885 | | | | | | 32 037 |
| 1.1.2 Conscripts f/ | | | | | | | | | | | | | |
| 1.1.3 Other military, incl. reserves | | 63 495 | 26 037 | 42 176 | | | 13 830 | | | | 201 | 112 | 145 651 |
| 1.2 Operations and maintenance | | 29 037 | 16 841 | 33 348 | | | 8 285 | | | | 333 | | 87 044 |
| 1.2.1 Materials for current use g/ | | 8 672 | 8 412 | 11 988 | | | 625 | | | | 116 | | 29 613 |
| 1.2.2 Maintenance and repair h/ | | 13 612 | 5 484 | 16 598 | | | 1 317 | | | | 2 | | 37 013 |
| 1.2.3 Travel expenses etc. i/ | | 4 919 | 1 645 | 3 016 | | | 3 070 | | | | 214 | | 12 864 |
| 1.2.4 Real estate rents j/ | | 9 | 25 | 56 | | | 463 | | | | | | 551 |
| 1.2.5 Other | | 1 825 | 1 275 | 1 690 | | | 2 810 | | | | 1 | | 7 601 |
| 2. PROCUREMENT AND CONSTRUCTION k/ | | 10 341 | 8 571 | 11 037 | | | 1 375 | | | | | | 31 344 |
| 2.1 Procurement | | 5 789 | 7 584 | 7 896 | | | 842 | | | | | | 22 111 |
| 2.1.1 Aircraft and engines | | | | 4 379 | | | | | | | | | 4 379 |
| 2.1.2 Missiles incl. conv. warheads | | | | | | | | | | | | | |
| 2.1.3 Nuclear warheads and bombs | | | | | | | | | | | | | |
| 2.1.4 Ships and boats | | | 5 684 | | | | | | | | | | 5 684 |
| 2.1.5 Armoured vehicles l/ | | | | | | | | | | | | | |
| 2.1.6 Artillery | | | | | | | | | | | | | |
| 2.1.7 Other ground force weapons | | | | | | | | | | | | | |
| 2.1.8 Ordnance and ammunition m/ | | 983 | 177 | 1 258 | | | 398 | | | | | | 2 616 |
| 2.1.9 Electronics and communications | | | | | | | | | | | | | |
| 2.1.10 Non-armoured vehicles | | 598 | 231 | 283 | | | | | | | | | 1 112 |
| 2.1.11 Other | | 4 208 | 1 492 | 1 976 | | | 444 | | | | | | 8 120 |
| 2.2 Construction n/ | | 4 552 | 987 | 3 161 | | | 533 | | | | | | 9 233 |
| 2.2.1 Air bases, airfields | | | | 3 085 | | | | | | | | | 3 085 |
| 2.2.2 Missile sites | | | | | | | | | | | | | |
| 2.2.3 Naval bases and facilities | | | 729 | | | | | | | | | | 729 |
| 2.2.4 Electronics, etc. o/ | | | | | | | | | | | | | |
| 2.2.5 Personnel facilities | | 683 | 258 | 76 | | | | | | | | | 1 017 |
| 2.2.6 Medical facilities | | | | | | | | | | | | | |
| 2.2.7 Training facilities p/ | | | | | | | | | | | | | |
| 2.2.8 Warehouses, depots, etc. q/ | | | | | | | | | | | | | |
| 2.2.9 Command and adm. facilities | | | | | | | | | | | | | |
| 2.2.10 Fortifications | | | | | | | | | | | | | |
| 2.2.11 Shelters r/ | | | | | | | | | | | | | |
| 2.2.12 Land s/ | | 17 | | | | | | | | | | | 17 |
| 2.2.13 Other | | 3 852 | | | | | 533 | | | | | | 4 385 |
| 3. RESEARCH AND DEVELOPMENT t/ | | 65 | 1 450 | 750 | | 165 | | | | | | | 2 450 |
| 3.1 Basic and applied research | | | 1 170 | 290 | | 30 | | | | | | | 1 490 |
| 3.2 Development, testing and evaluation | | 65 | 280 | 460 | | 135 | | | | | | | 940 |
| .. TOTAL (1+2+3) | | 108 987 | 66 035 | 90 298 | | 165 | 33 375 | | | | 534 | 112 | 299 506 |

1...

NORWAY

/Original: English/

/7 August 1980/

B. Proposed matrix for international reporting on military expenditure

(Actual outlays, current prices)

(Table A of United Nations document A/31/222/Rev.1)

Country: NORWAY Fiscal year: 1 January 1978 31 December 1978
day month year // day month year

(The reporting or fiscal year most closely coinciding
with calendar year 1978 for which data are available)

National currency and unit of measure: Million Norwegian kroner

(The unit of measure should not exceed one ten thousandth of the total military expenditures)

| Force groups | | Strategic forces (1) | Land forces (2) | Naval forces (3) | Air forces (4) | Other combat forces (5) | Central support administration and command g/ | | Paramilitary forces h/ (8) | Civil defence e/ (9) | Military assistance d/ | | | Total (1-12) (13) |
|----------------------|--|----------------------|-----------------|------------------|----------------|-------------------------|---|-------------|----------------------------|----------------------|------------------------|-------------|-----------------------|-------------------|
| | | | | | | | Support (6) | Command (7) | | | Home territory (10) | Abroad (11) | UN Peace keeping (12) | |
| | | | | | | | | | | | | | | |
| 1. | OPERATING COSTS | .. | 1 643 | 1 071 | 1 205 | .. | | 1 222 | .. | ... | 0 | 0 | 120 | 5 261 |
| 1.1 | Personnel e/ | .. | 1 184 | 601 | 767 | .. | | 672 | .. | ... | 0 | 0 | 80 | 3 304 |
| 1.1.1 | Civilian | .. | 304 | 195 | 220 | .. | | 289 | .. | ... | 0 | 0 | 0 | 1 008 |
| 1.1.2 | Conscripts f/ | .. | 164 | 57 | 51 | .. | | .. | .. | ... | 0 | 0 | 0 | 275 |
| 1.1.3 | Other military, incl. reserves | .. | 716 | 349 | 496 | .. | | 382 | .. | ... | 0 | 0 | 80 | 2 023 |
| 1.2 | Operations and maintenance | .. | 459 | 470 | 438 | .. | | 550 | .. | ... | 0 | 0 | 40 | 1 957 |
| 1.2.1 | Materials for current use g/ | .. | 151 | 108 | 140 | .. | | 9 | .. | ... | 0 | 0 | ... | 408 |
| 1.2.2 | Maintenance and repair h/ | .. | 185 | 245 | 204 | .. | | 59 | .. | ... | 0 | 0 | ... | 691 |
| 1.2.3 | Travel expenses etc. i/ | .. | | | | .. | | | .. | ... | | | ... | |
| 1.2.4 | Real estate rents j/ | .. | | | | .. | | | .. | ... | | | ... | |
| 1.2.5 | Other | .. | 125 | 117 | 94 | .. | | 482 | .. | ... | 0 | 0 | ... | 818 |
| 2. | PROCUREMENT AND CONSTRUCTION k/ | .. | 409 | 422 | 778 | .. | | 55 | .. | ... | 142 | 54 | 0 | 1 860 |
| 2.1 | Procurement | .. | 325 | 378 | 729 | .. | | 55 | .. | ... | 0 | 0 | 0 | 1 495 |
| 2.1.1 | Aircraft and engines | .. | 0 | 0 | 643 | .. | | 0 | .. | ... | 0 | 0 | 0 | 643 |
| 2.1.2 | Missiles incl. conv. warheads | .. | 0 | 0 | 0 | .. | | 0 | .. | ... | 0 | 0 | 0 | 0 |
| 2.1.3 | Nuclear warheads and bombs | .. | 0 | 0 | 0 | .. | | 0 | .. | ... | 0 | 0 | 0 | 0 |
| 2.1.4 | Ships and boats | .. | 0 | 219 | 0 | .. | | 0 | .. | ... | 0 | 0 | 0 | 219 |
| 2.1.5 | Armoured vehicles l/ | .. | 0 | 0 | 0 | .. | | 0 | .. | ... | 0 | 0 | 0 | 0 |
| 2.1.6 | Artillery | .. | 10 | 29 | 1 | .. | | 0 | .. | ... | 0 | 0 | 0 | 40 |
| 2.1.7 | Other ground force weapons | .. | 53 | 0 | 12 | .. | | 0 | .. | ... | 0 | 0 | 0 | 65 |
| 2.1.8 | Ordnance and ammunition m/ | .. | 142 | 98 | 25 | .. | | 0 | .. | ... | 0 | 0 | 0 | 265 |
| 2.1.9 | Electronics and communications | .. | 28 | 28 | 33 | .. | | 14 | .. | ... | 0 | 0 | 0 | 103 |
| 2.1.10 | Non-armoured vehicles | .. | 96 | 3 | 11 | .. | | 3 | .. | ... | 0 | 0 | 0 | 113 |
| 2.1.11 | Other | .. | 4 | 1 | 4 | .. | | 38 | .. | ... | 0 | 0 | 0 | 47 |
| 2.2 | Construction n/ | .. | 76 | 44 | 49 | .. | | 0 | .. | ... | 142 | 54 | 0 | 365 |
| 2.2.1 | Air bases, airfields | .. | 0 | 0 | 1 | .. | | 0 | .. | ... | ... | ... | 0 | (1) |
| 2.2.2 | Missile sites | .. | 0 | 0 | 2 | .. | | 0 | .. | ... | ... | ... | 0 | (2) |
| 2.2.3 | Naval bases and facilities | .. | 0 | 2 | 0 | .. | | 0 | .. | ... | ... | ... | 0 | (2) |
| 2.2.4 | Electronics, e't.c. o/ | .. | 2 | 2 | 8 | .. | | 0 | .. | ... | ... | ... | 0 | (12) |
| 2.2.5 | Personnel facilities | .. | 16 | 5 | 4 | .. | | 0 | .. | ... | ... | ... | 0 | (25) |
| 2.2.6 | Medical facilities | .. | 2 | 1 | 1 | .. | | 0 | .. | ... | ... | ... | 0 | (4) |
| 2.2.7 | Training facilities p/ | .. | 16 | 2 | 2 | .. | | 0 | .. | ... | ... | ... | 0 | (20) |
| 2.2.8 | Warehouses, depots, etc. q/ | .. | 20 | 5 | 9 | .. | | 0 | .. | ... | ... | ... | 0 | (34) |
| 2.2.9 | Command and adm. facilities | .. | 3 | 1 | 3 | .. | | 0 | .. | ... | ... | ... | 0 | (7) |
| 2.2.10 | Fortifications | .. | 3 | 18 | 3 | .. | | 0 | .. | ... | ... | ... | 0 | (24) |
| 2.2.11 | Shelters r/ | .. | 0 | 0 | 0 | .. | | 0 | .. | ... | ... | ... | 0 | (0) |
| 2.2.12 | Land s/ | .. | 2 | 1 | 9 | .. | | 0 | .. | ... | ... | ... | 0 | (12) |
| 2.2.13 | Other | .. | 12 | 5 | 7 | .. | | 0 | .. | ... | ... | ... | 0 | (24) |
| 3. | RESEARCH AND DEVELOPMENT t/ | .. | 0 | 0 | 0 | .. | | 15 | .. | ... | 0 | 0 | 0 | 15 |
| 3.1 | Basic and applied research | .. | 0 | 0 | 0 | .. | | ... | .. | ... | 0 | 0 | 0 | |
| 3.2 | Development, testing and evaluation | .. | 0 | 0 | 0 | .. | | ... | .. | ... | 0 | 0 | 0 | |
| TOTAL (1+2+3) | | .. | 2 052 | 1 493 | 1 983 | .. | | 1 292 | .. | ... | 142 | 54 | 120 | 7 136 |

/...

Part II

In order to approximate the opportunity costs of using conscripts in the military sector, the following information is requested:

(a) The average civilian wage rate that the conscripts would have been likely to obtain during the reporting year if they had not been occupied in the military sector.

Answer: 28.000 N Kr
(wage per period of time, currency unit)

If such an estimate is not available, respondents are requested to suggest an average civilian wage rate that may be readily available and that the respondents believe might serve as a reasonable measure of opportunity costs.

(b) The number of man-years devoted by conscripts to military service during the reporting year concerned.

Answer: 25.000
(number of man-years)

With reference to the specific guidelines in section C, point (d), respondents are requested to give below the total amount of military assistance received from abroad during the reporting year. The amount should be given in the same denomination and currency as used in the matrix (section B), preferably converted from foreign currencies to national currency at average annual market or par value exchange rates as reported by the International Monetary Fund.

Answer: 96 mill Norwegian kroner
(amount)

With reference to section C, points (m) and (n), the requested information should be reported here in the same value terms as used in the matrix (section B) It is requested that total expenditures, at least, and preferably detailed by type of force group as in columns (1) through (12) of the matrix, be reported for the following items:

- Depletion of ordnance and ammunition:
- Sales from the military sector of:
- (a) land
- (b) real estate other than land
- (c) equipment
- (d) services
- (e) other

Respondents are requested to inform the Panel as to whether statistics of the following kinds would be readily available for the reporting year.

| | <u>Answer</u> | |
|--|-------------------------------------|-------------------------------------|
| | <u>Available</u> | <u>Not available</u> |
| Price index of specific relevance to the military sector | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| Exports of military equipment | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| Such exports divided by | | |
| (i) countries | <input type="checkbox"/> | <input type="checkbox"/> |
| (ii) regions | <input type="checkbox"/> | <input type="checkbox"/> |
| Imports of military equipment | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| Such imports divided by | | |
| (i) countries | <input type="checkbox"/> | <input type="checkbox"/> |
| (ii) regions | <input type="checkbox"/> | <input type="checkbox"/> |

Possibilities for converting national military expenditures into a common currency for comparison purposes will be considered by the Ad Hoc Panel in drawing up its recommendations. If a regularly published exchange rate is unavailable, or considered unsuitable for converting military expenditures, respondents are requested to comment on other possible ways for comparing the military expenditures of the responding country with those of other countries.

Comments

The completion of the matrix has proved to be a time-consuming task. This is primarily due to the fact that the subdivision of the Norwegian Defence establishment follows a pattern based on other criteria than the matrix drawn up by the Ad Hoc Panel. As a result it is impossible, without a considerable rearrangement of the Norwegian statements of account, to arrive at the expenditure for the various "Force groups" according to "Resource costs". If the matrix were to be altered to enable the required information to be obtained directly from the Norwegian accounts, this would entail changes which would presumably be unacceptable and serve little purpose otherwise. To facilitate the work somewhat, the following changes are however proposed:

1. "Central support administration and command" be viewed as a single heading.
2. "Travel expenses etc." (1.2.3) be confined to travel expenses only.

Attention is also drawn to the following points:

/...

Under "Force groups":

Item (7) includes expenditure both for "Support" (6) and "Command" (7). In total, the expenditures here are estimated at Nkr 1,150 million for "Support" and Nkr 250 million for "Command".

Civil defence expenditures (9) are not covered by the Defence Budget. These expenditures are therefore not included in the calculations.

Under "Resource costs":

Items 1.2.3 and 1.2.4 have been taken together and entered under item 1.2.5.

Under 2.2 "Construction", expenditures for military assistance, "Home territory" (10) and "Abroad" (11) have been entered as respectively Nkr 142 million and Nkr 54 million. These are expenditures in connexion with NATO infrastructure programmes. It has not been considered feasible to split up these amounts into the different "resource costs". The amounts are therefore only included in the aggregate for "Construction". Items 2.2.1 to 2.2.15 have been placed in parenthesis, since the sum of these amounts does not tally with the aggregate sum "Construction", 2.2.

Expenditures on pay, approximately Nkr 45 million to "Research and development", item 3, are not included in calculating this sum, since these have been entered under item 1.1.

SWEDEN

/Original: English/

/21 January 1980/

Proposed matrix for international reporting on military expenditure

(Actual outlays, current prices)

(Table A of United Nations document A/31/222/Rev.1)

Country: Sweden Fiscal year: 1 July 1978 // 30 June 1979
day month year day month year

(The reporting or fiscal year most closely coinciding
with calendar year 1978 for which data are available)

National currency and unit of measure: Million Swedish kronor

(The unit of measure should not exceed one ten thousandth of the total military expenditures)

| Resource costs | Force groups | | | | | Central support administration and command a/ | | Paramilitary forces b/ (8) | Civil defence c/ (9) | Military assistance d/ | | | Total (1-12) (13) |
|---|----------------------|-----------------|------------------|----------------|-------------------------|---|-------------|----------------------------|----------------------|------------------------|-------------|-----------------------|-------------------|
| | Strategic forces (1) | Land forces (2) | Naval forces (3) | Air forces (4) | Other combat forces (5) | Support (6) | Command (7) | | | Home territory (10) | Abroad (11) | UN Peace keeping (12) | |
| | | | | | | | | | | | | | |
| 1. OPERATING COSTS | .. | 3 255 | 1 266 | 1 911 | .. | 1 245 | 498 | .. | 224 | .. | 79 | 8 476 | |
| 1.1 Personnel e/ | .. | 2 223 | 872 | 999 | .. | 963 | 362 | .. | 165 | .. | 66 | 5 750 | |
| 1.1.1 Civilian | .. | 740 | 314 | 416 | .. | 879 | 181 | .. | 129 | .. | 0 | 2 659 | |
| 1.1.2 Conscripts f/ | .. | 510 | 110 | 74 | .. | 7 | 0 | .. | 36 | .. | 0 | 735 | |
| 1.1.3 Other military, incl. reserves | .. | 1 073 | 448 | 509 | .. | 79 | 181 | .. | 0 | .. | 66 | 2 356 | |
| 1.2 Operations and maintenance | .. | 932 | 394 | 912 | .. | 280 | 136 | .. | 59 | .. | 13 | 2 726 | |
| 1.2.1 Materials for current use g/ | .. | 155 | 80 | 242 | .. | 22 | 4 | .. | 3 | .. | 0 | 506 | |
| 1.2.2 Maintenance and repair h/ | .. | 172 | 102 | 405 | .. | 15 | 15 | .. | 3 | .. | 0 | 712 | |
| 1.2.3 Travel expenses etc. i/ | .. | 225 | 91 | 109 | .. | 136 | 75 | .. | 17 | .. | 5 | 652 | |
| 1.2.4 Real estate rents j/ l/ | .. | 231 | 78 | 117 | .. | 18 | 32 | .. | 22 | .. | 0 | 438 | |
| 1.2.5 Other | .. | 149 | 43 | 39 | .. | 89 | 10 | .. | 14 | .. | 8 | 352 | |
| 2. PROCUREMENT AND CONSTRUCTION k/ | .. | (1 365) | (689) | (2 560) | .. | (60) | (51) | .. | 129 | .. | 1 | 4 955 | |
| 2.1 Procurement | .. | 1 020 | 642 | 2 411 | .. | 0 | 45 | .. | 43 | .. | 1 | 4 162 | |
| 2.1.1 Aircraft and engines | .. | 4 | 19 | 1 735 | .. | 0 | 0 | .. | 0 | .. | 0 | 1 758 | |
| 2.1.2 Missiles incl. conv. warheads | .. | 92 | 21 | 218 | .. | 0 | 0 | .. | 0 | .. | 0 | 331 | |
| 2.1.3 Nuclear warheads and bombs | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | |
| 2.1.4 Ships and boats | .. | 0 | 215 | 0 | .. | 0 | 0 | .. | 0 | .. | 0 | 215 | |
| 2.1.5 Armoured vehicles l/ | .. | 297 | 0 | 0 | .. | 0 | 0 | .. | 0 | .. | 0 | 297 | |
| 2.1.6 Artillery | .. | 62 | 52 | 0 | .. | 0 | 0 | .. | 0 | .. | 0 | 114 | |
| 2.1.7 Other ground force weapons | .. | 156 | 0 | 0 | .. | 0 | 0 | .. | 0 | .. | 0 | 156 | |
| 2.1.8 Ordnance and ammunition m/ n/ | .. | 117 | 118 | 31 | .. | 0 | 0 | .. | 0 | .. | 0 | 266 | |
| 2.1.9 Electronics and communications | .. | 128 | 146 | 256 | .. | 0 | 45 | .. | 5 | .. | 0 | 560 | |
| 2.1.10 Non-armoured vehicles | .. | 43 | 0 | 0 | .. | 0 | 0 | .. | 3 | .. | 1 | 47 | |
| 2.1.11 Other | .. | 122 | 72 | 173 | .. | 0 | 0 | .. | 35 | .. | 0 | 400 | |
| 2.2 Construction o/ | .. | (345) | (47) | (149) | .. | (60) | (6) | .. | 86 | .. | 0 | 791 | |
| 2.2.1 Air bases, airfields | .. | 0 | 0 | 31 | .. | 0 | 0 | .. | 0 | .. | 0 | 31 | |
| 2.2.2 Missile sites | .. | 0 | 0 | 0 | .. | 0 | 0 | .. | 0 | .. | 0 | 0 | |
| 2.2.3 Naval bases and facilities | .. | 0 | 0 | 0 | .. | 0 | 0 | .. | 0 | .. | 0 | 0 | |
| 2.2.4 Electronics, etc. p/ | .. | 0 | 0 | 0 | .. | 0 | 0 | .. | 0 | .. | 0 | 0 | |
| 2.2.5 Personnel facilities | .. | 139 | 6 | 22 | .. | 0 | 0 | .. | 0 | .. | 0 | 167 | |
| 2.2.6 Medical facilities | .. | 13 | 0 | 0 | .. | 0 | 0 | .. | 0 | .. | 0 | 13 | |
| 2.2.7 Training facilities q/ | .. | 33 | 15 | 28 | .. | 0 | 0 | .. | 7 | .. | 0 | 103 | |
| 2.2.8 Warehouses, depots, etc. r/ | .. | 56 | 1 | 22 | .. | 0 | 0 | .. | 2 | .. | 0 | 81 | |
| 2.2.9 Command and adm. facilities | .. | 46 | 0 | 0 | .. | 49 | 0 | .. | 0 | .. | 0 | 95 | |
| 2.2.10 Fortifications | .. | .. | .. | .. | .. | .. | .. | .. | 32 3/ | .. | 0 | 122 | |
| 2.2.11 Shelters s/ | .. | .. | .. | .. | .. | .. | .. | .. | 40 | .. | 0 | 40 | |
| 2.2.12 Land g/ | .. | 9 | 1 | 0 | .. | 0 | 0 | .. | 0 | .. | 0 | 10 | |
| 2.2.13 Other | .. | 29 | 24 | 46 | .. | 11 | 6 | .. | 5 | .. | 0 | 121 | |
| 3. RESEARCH AND DEVELOPMENT t/ u/ | .. | (123) | (67) | (462) | .. | (0) | (2) | .. | (11) | .. | (0) | 790 | |
| 3.1 Basic and applied research | .. | (28) | (17) | (35) | .. | (0) | (0) | .. | (10) | .. | (0) | 215 | |
| 3.2 Development, testing and evaluation | .. | 95 | 50 | 427 | .. | 0 | 2 | .. | 1 | .. | 0 | 575 | |
| 4. TOTAL (1+2+3) | .. | (4 743) | (2 022) | (4 933) | .. | (1 303) | (551) | .. | (364) | .. | 89 5/ | 14 221 | |

/...

Foot-notes to the filled-in matrix

1/ The figures given under item "1.2.4 Real estate rents" include capital costs and costs of maintenance for military establishments and all costs (including heating) for such buildings that are rented but not owned by the military sector. This refers to columns 2-4.

2/ Ammunition exclusively. The definition of "ordnance" is not quite clear.

3/ This figure shows expenditure on fortifications for the protection of the commanding and administrative centres of the civil defence.

4/ See explanations under foot-note (t) in the annexed "Comments".

5/ The total extra outlays for Swedish United Nations peace-keeping forces amounted to 160 million kroner. It is, however, estimated that half of it will be reimbursed by the United Nations.

Part II

In order to approximate the opportunity costs of using conscripts in the military sector, the following information is requested:

(a) The average civilian wage rate that the conscripts would have been likely to obtain during the reporting year if they had not been occupied in the military sector.

Answer: In the range between 6,000 and 6,500 SW kroner
(wage per period of time, currency unit)

If such an estimate is not available, respondents are requested to suggest an average civilian wage rate that may be readily available and that the respondents believe might serve as a reasonable measure of opportunity costs.

(b) The number of man-years devoted by conscripts to military service during the reporting year concerned.

Answer: 37,049
(number of man-years)

With reference to the specific guidelines in section C, point (d), respondents are requested to give below the total amount of military assistance received from abroad during the reporting year. The amount should be given in the same denomination and currency as used in the matrix (sect. B), preferably converted from foreign currencies to national currency at average annual market or par value exchange rates as reported by the International Monetary Fund.

Answer: None
(amount)

With reference to section C, points (m) and (n), the requested information should be reported here in the same value terms as used in the matrix (sect. B). It is requested that total expenditures, at least, and preferably detailed by type of force group as in columns (1) through (12) of the matrix, be reported for the following items:

| | (2) | (3) | (4) | (6) | (7) | (13) |
|---------------------------------------|-----|-----|-----|-----|-----|------|
| Depletion of ordnance and ammunition: | 184 | 28 | 24 | 0 | 0 | 236 |
| Sales from the military sector of: | | | | | | |
| (a) land | | | | | | 0 |
| (b) real estate other than land | | | | | | 0 |
| (c) equipment | 27 | 2 | 10 | 0 | 0 | 39 |
| (d) services | 1 | 28 | 1 | 0 | 0 | 30 |
| (e) other | | | | | | 0 |

Respondents are requested to inform the Panel as to whether statistics of the following kinds would be readily available for the reporting year.

Answer

| | <u>Available</u> | <u>Not available</u> |
|--|-------------------------------------|-------------------------------------|
| Price index of specific relevance to the military sector | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| Exports of military equipment | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| Such exports divided by | | |
| (i) countries | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| (ii) regions | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| Imports of military equipment | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| Such imports divided by | | |
| (i) countries | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| (ii) regions | <input checked="" type="checkbox"/> | <input type="checkbox"/> |

Possibilities for converting national military expenditures into a common currency for comparison purposes will be considered by the Ad Hoc Panel in drawing up its recommendations. If a regularly published exchange rate is unavailable, or considered unsuitable for converting military expenditures, respondents are requested to comment on other possible ways for comparing the military expenditures of the responding country with those of other countries.

Estimation of average civilian wage rate for employees in the age of 20-24 years

| Sector selection | Monthly pay (mid-78) (1) | Social costs (2) | Total (1)+(2) (3) | Number of full-time employees (4) | Weights (5) | Weighted pay (3)x(5) (6) |
|--------------------------|--------------------------------|------------------------|-------------------------|--|----------------|-----------------------------------|
| <u>Manufacturing ind</u> | | | | | | |
| Salaried employees | 4 467 | 1 742 | 6 209 | 4 276 | 0.080 | 496.7 |
| Workers | 5 541 | 2 161 | 7 702 | 8 552 | 0.159 | 1 224.6 |
| <u>Trade</u> | | | | | | |
| Salaried employees | 4 351 | 1 697 | 6 048 | 2 416 | 0.045 | 272.2 |
| Workers | 4 137 | 1 613 | 5 750 | 12 770 | 0.238 | 1 368.5 |
| <u>Public sector</u> | | | | | | |
| Central government | 4 319 | 1 684 | 6 003 | 16 947 | 0.316 | 1 896.9 |
| Local government | 4 053 | 1 581 | 5 634 | 8 709 | 0.162 | 912.7 |
| | | | | | | <u>6 172 1/</u> |

1/ This figure, which must be regarded as very approximate, should be raised by about 5 per cent to account for wage increases during the fiscal year 1978/79. The impact of unemployment should also be considered.

Comments

1. With reference to page 8 in the reporting instrument, the Swedish Government would like to declare that it has encountered no great difficulties when filling in the matrix. Some improvements may still be made with regard to the composition of the matrix and the formulation of its accompanying instructions and guidelines. Such measures should, however, not change the main structure and content of the proposed reporting instrument which the Swedish Government regards as an appropriate, viable and recommendable means of reporting military expenditures.
2. The following comments are made with reference to the respective foot-notes in part I of the instructions for the filling-in of the matrix.

Foot-note (c): The Swedish Government is still of the opinion earlier expressed to the Secretary-General that the main purpose of a country's civil defence is to protect the civilian population and not to contribute to the military strength of the country. It is therefore doubtful whether expenditure on civil defence should be treated like military expenditure and reported together with such expenditure. The preference of the Swedish Government is that the column for civil defence be removed from the matrix.

Foot-note (h): According to Swedish accounting practices, major modification and repair activities are budgeted and accounted for under different headings. The figures shown in the matrix have consequently been reported accordingly and no particular problems have been encountered on this point.

Foot-note (i): The heading of item 1.2.3 seems to be somewhat misleading. It is suggested that it be reformulated to read "1.2.3. Purchased services" with the following explanatory lines: "This item should include expenditures for various kinds of purchased services such as travel expenses, postal charges, printing expenses and other".

Foot-note (j): In the Swedish accounting system the military sector has to pay capital costs also for such buildings and facilities that belong to the military sector itself. It has therefore not been difficult to find and report the desired figures. This accounting practice will, however, be abandoned after the fiscal year 1979/80.

One problem that seems to call for some consideration is the fact that costs for the use of buildings are reported under several items. Item 1.2.1 "Materials for current use" includes for instance the costs for heating (petroleum products) in case the military sector pays for these costs separately. In other cases, when they are paid for as an integral part of the rent costs, they will normally appear under 1.2.4 "Real estate rents". It is the same thing with the costs of maintenance, which may be reported separately under 1.2.3 "Maintenance and repair" but also fall under item 1.2.4.

Considering this rather confusing pattern it may be preferable to instruct the respondents to report all kinds of rent costs under one single item.

/...

Foot-note (k): Concerning such major weapons systems that were procured by Swedish forces in the reporting year their average-length-of-service rates could be roughly estimated as follows.

| | | | |
|-------|--|----|-------|
| 2.1.1 | Aircraft (system 37 Viggen) | 15 | years |
| 2.1.2 | Missiles etc. (mainly air defence and air-to-air missiles) | 15 | " |
| 2.1.4 | Ships and boats (patrol-boats) | 25 | " |
| 2.1.5 | Armoured vehicles (light tanks) | 25 | " |

During the same year equivalent equipment of the same order and magnitude has been taken out of service so in no case has the procurement of new systems led to an increase of military equipment within the armed forces.

Foot-note (t): One problem has been to distribute such research costs which could not be referred to any particular force group. As a consequence of this, the figures reported in the different columns under items 3 and 3.1 do not add up to the total figure given in column 13. A way of eliminating this inconsistency could be to insert an extra column for this type of expenditure.

The distinction between basic research for military purposes and other basic research has been made by the Swedish Government on a purely institutional basis. The basic research reported in the matrix has been limited to such basic research that has been identified and carried out by the National Defence Research Institute.

It seems most probable that basic research will be identified and reported according to very different principles by different countries. This seems to call for further attention when refining the matrix.

UNITED STATES OF AMERICA

/Original: English/

/27 August 1980/

Proposed matrix for international reporting on military expenditure

(Actual outlays, current prices)

(Table A of United Nations document A/31/222/Rev.1)

Country: United States of America
.....

Fiscal year: 1 October 1977 / 30 September 1978
.....
day month year day month year

(The reporting or fiscal year most closely coinciding
with calendar year 1978 for which data are available)

National currency and unit of measure: US dollar: million
.....

(The unit of measure should not exceed one ten thousandth of the total military expenditures)

...

Table 1. Outlays (By Agency and Service)

| Component | Department of Defence (Military Functions) | | | | | | | Defence Civil Prepar- edness Agency* (9) | Military assistance ^{d/} | | | Total (1-12) (13) | |
|---|---|-------------|---------------------|------------------------|---------------------|-------------------------|---------------------------|---|---|----------------|--------------------------------|-------------------------|---------|
| | Army (2) | Navy (3) | Air Force (4) | Marine Corps (5) | Defence Agencies | Defence wide* (7) | National Guards (8) | | Dept. of Energy (Nuclear Mater- ials* (10) | Abroad (11) | UN Peace keeping (12) | | |
| Resource costs | | | | | | | | | | | | | |
| 1. OPERATING COSTS | 19 495 | 18 298 | 17 068 | 2 750 | 2 884 | 10 444 | 2 561 | (22) | 1 670 | ... | ... | 75 172 | |
| 1.1 Personnel ^{e/} | 14 176 | 11 599 | 11 059 | 2 188 | 1 525 | 9 432 | 1 881 | 22 | ... | ... | ... | 51 862 | |
| 1.1.1 Civilian | 5 755 | 5 833 | 4 164 | 336 | 1 525 | 261 | 980 | 22 | | | | 18 876 | |
| 1.1.2 Conscripts ^{f/} | | | | | .. | 9 171* | 901 | 0 | | | | 32 987 | |
| 1.1.3 Other military, incl. reserves | | | | | | | | | | | | 21 641 | |
| 1.2 Operations and maintenance | 5 319 | 6 699 | 6 029 | 542 | 1 359 | 1 012 | 680 | ... | ... | ... | ... | 21 641 | |
| 1.2.1 Materials for current use ^{g/} | ... | ... | ... | ... | ... | ... | ... | | | | | | |
| 1.2.2 Maintenance and repair ^{h/} | ... | ... | ... | ... | ... | ... | ... | | | | | | |
| 1.2.3 Travel expenses etc. ^{i/} | ... | ... | ... | ... | ... | ... | ... | | | | | | |
| 1.2.4 Real estate rents ^{j/} | ... | ... | ... | ... | ... | ... | ... | | | | | 62 | |
| 1.2.5 Other | ... | ... | ... | ... | ... | ... | ... | 62 | | | | 62 | |
| 2. PROCUREMENT AND CONSTRUCTION ^{k/} | 3 540 | 9 088 | 7 851 | 306 | 243 | 213 | 99 | ... | 400 | ... | ... | 21 780 | |
| 2.1 Procurement | 2 995 | 8 520 | 7 335 | 306 | 220 | 0 | 0 | ... | ... | ... | ... | 19 376 | |
| 2.1.1 Aircraft and engines | 380 | | 3 989 | ... | ... | ... | ... | | | | | 9 905 | |
| 2.1.2 Missiles incl. conv. warheads | 406 | 3 754 | 1 376 | ... | ... | ... | ... | | 2 070 | ... | ... | 2 070 | |
| 2.1.3 Nuclear warheads and bombs | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | 2 943 | |
| 2.1.4 Ships and boats | .. | 2 943 | .. | .. | .. | .. | .. | .. | .. | .. | .. | 2 943 | |
| 2.1.5 Armoured vehicles ^{l/} | 748 | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | 748 | |
| 2.1.6 Artillery | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | |
| 2.1.7 Other ground force weapons | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | |
| 2.1.8 Ordnance and ammunition ^{m/} | 652 | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | 652 | |
| 2.1.9 Electronics and communications | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | |
| 2.1.10 Non-armoured vehicles | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | |
| 2.1.11 Other | 808 | 1 823 | 1 969 | .. | .. | .. | .. | .. | .. | .. | .. | 4 600 | |
| 2.2 Construction ^{n/} | 545 | 568 | 497 | ..* | 23 | 213 | 99 | 0 | ... | ... | ... | 1 944 | |
| 2.2.1 Air bases, airfields | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | |
| 2.2.2 Missile sites | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | |
| 2.2.3 Naval bases and facilities | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | |
| 2.2.4 Electronics, etc. ^{o/} | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | |
| 2.2.5 Personnel facilities | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | |
| 2.2.6 Medical facilities | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | |
| 2.2.7 Training facilities ^{p/} | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | |
| 2.2.8 Warehouses, depots, etc. ^{q/} | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | |
| 2.2.9 Command and adm. facilities | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | |
| 2.2.10 Fortifications | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | |
| 2.2.11 Shelters ^{r/} | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | |
| 2.2.12 Land ^{s/} | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | |
| 2.2.13 Other | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | |
| 3. RESEARCH AND DEVELOPMENT ^{t/} | 1 797 | 3 189 | 3 171 | 0 | 689 | 0 | 0 | 7 | ... | ... | ... | 8 853 | |
| 3.1 Basic and applied research | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | |
| 3.2 Development, testing and evaluation | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | |
| 4. TOTAL (1+2+3) | ... | 24 832 | 30 575 | 28 071 | 3 056 | 3 815 | 10 699 | 2 659 | 91 | 2 070 | 484 | 62 | 206 354 |

0 Nil or 1/2 unit.
 .. Not Applicable.
 ... Not Available.
 () Provisional Data.
 [] Reference Data (non-additive).
 * See Notes.

Notes to table 1

(Totals may not agree with sums of components due to independent rounding.)

Columns

- 6: Includes the Office of the Secretary of Defense.
- 9: Includes all outlays of the Defense Civil Preparedness Agency, since reorganized into the Federal Emergency Management Agency.
- 10: Includes all atomic energy defence-related outlays. Entries in row 2.1.3 are for reference only - they are not additive in columns 10 and 13. Row 3 is included in rows 1 and 2.

Rows

- 1.1.2-3: All military personnel compensation. The entry in column 7 is military retirement pay.
- 2.1 : Outlays under official United States procurement appropriation accounts, except for their personnel compensation component, are assigned in their entirety to the most applicable cells of the United Nations matrix.
- 2.2 : Marine Corps (column 5) is included in Navy construction.

Part II

In order to approximate the opportunity costs of using conscripts in the military sector, the following information is requested:

(a) The average civilian wage rate that the conscripts would have been likely to obtain during the reporting year if they had not been occupied in the military sector.

Answer: Not applicable, in the absence of conscription. Military compensation is designed to compete with civilian.

If such an estimate is not available, respondents are requested to suggest an average civilian wage rate that may be readily available and that the respondents believe might serve as a reasonable measure of opportunity costs.

(b) The number of man-years devoted by conscripts to military service during the reporting year concerned.

Answer: .None (Conscription has not been in practice since 1973.)
(number of man-years)

With reference to the specific guidelines in section C, point (d), respondents are requested to give below the total amount of military assistance received from abroad during the reporting year. The amount should be given in the same denomination and currency as used in the matrix (section B), preferably converted from foreign currencies to national currency at average annual market or par value exchange rates as reported by the International Monetary Fund.

Answer: .None
(amount)

With reference to section C, points (m) and (n), the requested information should be reported here in the same value terms as used in the matrix (section B). It is requested that total expenditures, at least, and preferably detailed by type of force group as in columns (1) through (12) of the matrix, be reported for the following items:

Depletion of ordnance and ammunition:

Sales from the military sector of:

- (a) land
- (b) real estate other than land
- (c) equipment
- (d) services
- (e) other.

Respondents are requested to inform the Panel as to whether statistics of the following kinds would be readily available for the reporting year.

| | <u>Answer</u> | |
|--|-------------------------------------|--------------------------|
| | <u>Available</u> | <u>Not available</u> |
| Price index of specific relevance to the military sector | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| Exports of military equipment | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| Such exports divided by | | |
| (i) countries | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| (ii) regions | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| Imports of military equipment | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| Such imports divided by | | |
| (i) countries | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| (ii) regions | <input checked="" type="checkbox"/> | <input type="checkbox"/> |

Possibilities for converting national military expenditures into a common currency for comparison purposes will be considered by the Ad Hoc Panel in drawing up its recommendations. If a regularly published exchange rate is unavailable, or considered unsuitable for converting military expenditures, respondents are requested to comment on other possible ways for comparing the military expenditures of the responding country with those of other countries.

Official or market exchange rates can be very unsuitable, particularly where voluntary versus conscription personnel compensation is involved. Purchasing power parities, where available, should be more accurate. They should be calculated specifically for the military sector, at least for personnel pay, in order to achieve maximum accuracy.

Explanatory note

This note is intended to assist the United Nations Ad Hoc Panel on Military Budgeting in carrying out its practical test of the proposed matrix for reporting on military expenditures. As the United States Government has already observed (A/32/194, 14 September 1977) and as explained further below, United States data that can be inserted directly to complete the proposed matrix in its entirety is not readily available at present.

The instructions call for actual outlays. In United States practice, formal accounting of actual outlays follows the appropriation categories used by the

/...

Congress of the United States in granting budget authority to United States Government agencies giving them the right to enter into obligations resulting in outlays (payments by the United States Treasury).

For military expenditures, these appropriation categories indicate the general function of the outlays (that is, military personnel, operations and maintenance, procurement, research and development, etc.) and the military service or agency to which they are assigned.* Outlays, which are not the main financial measure used in United States budgetary planning and accounting, are readily available only in this format. They are shown as such in table 1 above, in which column headings reflect United States Armed Forces service branches, and other defence agencies, and defence-wide expenditures. The appropriation titles have been arranged to conform as far as possible to the vertical tab of the United Nations format. In doing so, the personnel compensation component has been removed from each appropriation account and consolidated in accordance with the standard matrix.

Besides "outlays", United States defence budget accounting is also done in terms of "budget authority" (BA) and its variant, "total obligational authority" (TOA). In FY 1978, the three measures for major Department of Defense appropriation categories differed as follows (in millions):

| <u>Appropriation Account</u> | <u>Outlays</u> | <u>BA</u> | <u>TOA</u> |
|------------------------------|----------------|-----------|------------|
| Military personnel | 27 075 | 27 246 | 27 184 |
| Retired pay | 9 173 | 9 180 | 9 172 |
| Operations and maintenance | 33 578 | 34 732 | 34 902 |
| Procurement | 19 976 | 29 529 | 30 346 |
| Military construction | 1 932 | 1 641 | 1 860 |
| RDT and E | 10 508 | 11 371 | 10 508 |
| . . . | | | |
| Total DOD (military) | 103 042 | 115 322 | 116 494 |

With steady programme levels, outlays and budget authority are approximately equal, but with changing levels, a disparity arises. For activities whose cost depends on the level planned for a fiscal year, such as operations and maintenance, the budget authority amount covers the obligations expected to be incurred during the year. Annual outlays and budget authority are therefore close to equal. For separate and distinct projects, particularly major procurement and construction projects, budget authority provides full funding; that is, it covers the entire cost to complete the project regardless of the expected time of completion. In these cases, therefore, annual outlays in categories encompassing such projects relate to budget authority granted in several preceding years, and conversely, authority granted in one year will be reflected in outlays of several succeeding years.

* A description of each appropriation account may be found in the appendix volume of the annual Budget of the United States, (Part I, Detailed Budget Estimates).

In recent years, approximately 70 per cent of total outlays for military functions is on the budget authority enacted by the Congress in the given year. Of the total new budget authority, approximately 65 per cent results in outlays in the same year, with the rest in succeeding years. This over-all picture varies by type of expenditure, as seen in the following data for FY 1979.

| <u>Appropriation Type</u> | <u>Per cent of Total</u> | |
|---|--|--|
| | <u>New BA going to current outlays</u> | <u>Current outlays based on new BA</u> |
| Military personnel | 98.0 | 97.1 |
| Operations and maintenance | 84.5 | 82.2 |
| Research, development, test, and evaluation | 64.7 | 60.4 |
| Procurement | 17.7 | 13.6 |
| Military construction | 6.1 | 4.9 |
| ... | | |
| Total DOD (military) | 71.3 | 65.4 |

TOA is the value of the direct programme of activity under a given appropriation account. In FY 1978, it differed from BA by including prior-year budget authority transferred by the Congress and certain stock sales receipts applied to direct programmes, and by excluding lapsed BA. In total, TOA exceeded BA in FY 1978 by only one per cent, and is even closer since FY 1979 when the first difference was eliminated.

TOA is used more extensively than outlays of BA for programming DOD activities. Within procurement appropriation accounts, subaccounts for "activities" - that is, for types of weapons, equipment, or related service procured - are valued in terms of TOA. These data permit a closer fit to the standard matrix and are shown in table 2, below. It should be noted that the TOA data in this table and elsewhere in the explanatory note include the civilian personnel compensation component of each appropriations account, which was removed and consolidated in table 1.

Table 2. Allocation of U.S. Agency Procurement Activity
Accounts To Standard Matrix Rows (TOA)

| | | Army | Navy | Air Force | Marine Corps | Defense Agencies | Dept. of Energy | Total |
|--------|----------------------------------|--------------|---------------|---------------|-----------------|---------------------|--------------------|---------------|
| 2.1 | <u>Procurement</u> | <u>5 347</u> | <u>13 788</u> | <u>10 438</u> | <u>446</u> | <u>357</u> | <u>2 514</u> | <u>32 889</u> |
| 2.1.1 | Aircraft and engines | 551 | 2 744 | 4 514 | - | - | - | 7 909 |
| 2.1.2 | Missiles incl. con. warheads | 439 | 1 877 | 735 | 83 | - | - | 3 134 |
| 2.1.3 | Nuclear warheads and bombs | - | - | - | - | - | 2 514 | 2 514 |
| 2.1.4 | Ships and boats | - | 5 780 | - | - | - | - | 5 780 |
| 2.1.5 | Armoured vehicles | 1 409 | - | - | 77 | - | - | 1 485 |
| 2.1.6 | Artillery | - | - | - | - | - | - | - |
| 2.1.7 | Other ground force weapons | - | - | - | - | - | - | - |
| 2.1.8 | Ordnance and ammunition | 876 | 414 | 291 | 89 | - | - | 1 669 |
| 2.1.9 | Electronic and communications | 706 | 775 | 502 | 73 | - | - | 2 057 |
| 2.1.10 | Non-armoured vehicles | 375 | - | 114 | 57 | - | - | 546 |
| 2.1.11 | Other* | 991 | 2 199 | 4 182 | 67 | 357 | - | 7 794 |

* Mainly spare and repair parts and support equipment.

Note: Components may not add to totals due to independent rounding.

In addition to accounting by agency organization component, the Department of Defense conducts programming and accounting in terms of primary activity units, known as "programme elements". However, the main form of accounting is TOA rather than outlays. Programme elements are combined into summary groupings. The main classification is into 10 "major programmes" which consist of the following:

1. Strategic forces - Offensive and defensive aircraft and missile units.
2. General purpose forces - Unified commands, tactical Army combat and support forces, Navy ship and air forces, the Marine Corps fleet forces, including aviation, and Air Force combat and support aircraft units. It also includes related logistics and support units.
3. Intelligence and communications - Missions and activities related to combat forces and centrally directed activities for intelligence, security, and communications.
4. Airlift and Sealift - Airlift, sealift, and other transportation, including logistic and support units.
5. Guard and reserve - Support for National Guard and Reserve training units.
6. Research and development - Support for R and D activities and projects not related to items approved for procurement or deployment.
7. Central supply and maintenance - Non-deployable supply and maintenance depots, and supply and maintenance activities not organic to mission units.
8. Training, medical, and other general personnel activities - These activities associated with military personnel.
9. Administration and associated activities - The administrative support of departmental and major administration headquarters, field commands, and administrative activities.
10. Support of other nations - Activities for the support of allies.

Table 3 below shows FY 1978 TOA by these major programmes and by appropriation account. (All rows after 1.1 contain a civilian personnel compensation component, data for which are presently unavailable for consolidation as in table 1.)

Table 3. TOA BY MAJOR PROGRAMME (DOD) AND MATRIX ROW

| Major programme Resource Cost | Strategic forces (1) | General purpose forces (2) | Intel- ligence and com- munica- tions (3) | Airlift and Sealift (4) | Guard and reserve (5) | Research and develop- ment (6) | Central supply and main- tenance (7) | Training, medical, and other (8) | Admin- istration and associ- ated activi- ties (9) | Support of other nations (10) | TOTAL (11) |
|-------------------------------------|----------------------------|-------------------------------------|--|----------------------------------|--------------------------------|--|--|--|---|---|---------------|
| 1. OPERATING COSTS | 4 183 | 21 880 | 4 007 | 1 308 | 5 013 | 434 | 10 559 | 21 855 | 1 857 | 160 | 71 259 |
| 1.1 Personnel (military only) | 1 763 | 11 951 | 1 283 | 720 | 2 297 | 434 | 413 | 16 936* | 479 | 81 | 36 357 |
| 1.2 Operations and maintenance | 2 420 | 9 929 | 2 724 | 588 | 2 716 | 0 | 10 146 | 4 919 | 1 378 | 79 | 34 902 |
| 2. PROCUREMENT AND CONSTRUCTION | 4 523 | 19 668 | 3 295 | 281 | 1 873 | 74 | 1 399 | 672 | 321 | 98 | 32 204 |
| 2.1 Procurement | 4 305 | 19 146 | 3 273 | 257 | 1 697 | 0 | 1 161 | 470 | 36 | 0 | 30 344 |
| 2.2 Construction | 218 | 522 | 22 | 24 | 176 | 74 | 238 | 202 | 285 | 98 | 1 860 |
| 3. RESEARCH AND DEVELOPMENT | 470 | 724 | 645 | 31 | 0 | 9 628 | 3 | 1 | 0 | 1 | 11 503 |
| ... (Other) | - | 171 | - | - | - | - | - | 1 389 | 2 | - | 1 562 |
| 4. TOTAL | 9 177 | 42 443 | 7 947 | 1 619 | 6 889 | 10 136 | 11 961 | 23 917 | 2 181 | 259 | 116 528 |

Note: Components may not add to totals due to independent rounding.

* Includes retirement pay for all military personnel.

Programme elements are also combined into "defense planning and programming categories", for certain DOD planning purposes. A similar classification employing the same building blocks is the set of "mission" categories employed by the Congressional Budget Office. The chart below shows the common use of programme elements or building blocks to form the "major defence programme" and the "defence planning and programming categories" classifications.

It would be more difficult to reach full compliance with the details of the United Nations resource cost classification. In this regard, another classification, by "object", is used in United States budgeting practice. However, its utility for present purposes is limited because:

- it is available only in terms of obligations to be incurred - actual outlays are not compiled in these terms;
- it is prepared only for appropriation accounts as a whole, and can be cross-classified only by branch of service;
- in some respects, usage practices vary from service to service.

PROGRAMME ELEMENTS: THE BUILDING BLOCKS*

| DEFENCE PLANNING AND PROGRAMMING CATEGORIES | MAJOR DEFENCE PROGRAMS | | | | | | | | | |
|---|---|---|---|--|--|---|---|---|---|--|
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
| | STRATEGIC | GENERAL PURPOSE | INTELL AND COMM | AIRLIFT/SEALIFT | GUARD AND RESERVE | RESEARCH AND DEVELOP | CENTRAL SUPPLY AND MAINT | TRAINING MEDICAL AND OTH PERS | ADMIN AND ASSOCIATES | SPT OF OTHER NATIONS |
| STRATEGIC | STRAT AIRCRAFT STRAT MISSILE CMD CNTRL COMM SURV AND WARN CIVIL DEFENCE | AIRBORNE CMD POST | NAT MIL CMD SYS | | STRAT AIRCRAFT STRAT MISSILE | STRAT ACFT PROJ STRAT MSL PROJ CMD/CNTRL SURV AND WARN PROJ | | | WWMCSS, ADP | |
| TACTICAL/ MOBILITY | | DIVISION FORCES THEATRE FORCES TACTICAL AIRCRAFT TACAIR CONTROL NAVAL FORCES | TACAIR CONTROL AEROSPACE RESCUE | TACTICAL AIRLIFT STRATEGIC AIRLIFT SEALIFT TRAFFIC MGMT | DIVISION FORCES THEATRE FORCES TACTICAL AIRCRAFT TACAIR CONTROL NAVAL FORCES AIRLIFT (TAC AND STRAT) SEALIFT | DIVISION FCS PROJ TAC ACFT PROJ TACAIR CNTRL PROJ NAVAL FCS PROJ | | | | |
| AUXILIARY | | | INTELLIGENCE COMMUNICATIONS GEOPHYSICAL | | INTELLIGENCE COMMUNICATIONS GEOPHYSICAL | RESEARCH PROJECTS EXPLOR DEV PROJ ADVANCED DEV PROJ ENG DEV PROJECTS MANAGEMENT | | | | |
| SUPPORT ACTIVITIES | BASE OPERATIONS BASE COMM COMBAT TRAINING MANAGEMENT HQ | BASE OPERATIONS BASE COMM COMBAT TRAINING AERIAL DEMO LOGISTIC SUPPORT MANAGEMENT HQ | BASE OPERATIONS BASE COMM AIR TRAFFIC CNTRL COUNTER INTEL INVESTIGATION NUCLEAR AGY MANAGEMENT HQ | BASE OPERATIONS BASE COMM COMBAT TRAINING MANAGEMENT HQ | BASE OPERATIONS BASE COMM COMBAT TRAINING MOB BASE UNITS MEDICAL RECRUITING OTHER TRAINING LOGISTICS MANAGEMENT HQ | MEDICAL PROJECTS MANPOWER PROJECTS MANAGEMENT HQ | BASE OPERATIONS BASE COMM CENTRAL SUPPLY CENTRAL MAINT EASTERN TEST RANGE OTHER LOG SUPT MANAGEMENT HQ | BASE OPERATIONS BASE COMM MEDICAL RECRUITING EDUCATION AND TRNG MANAGEMENT HQ | BASE OPERATIONS BASE COMM PUBLIC AFFAIRS OTHER ADMIN FED AGY SPT MANAGEMENT HQ | INTERNATIONAL HQ NATO INFRASTRUCT MAAGS/MSNS/ MIL GFS MILITARY ASSISTANCE |
| INDIVIDUALS | CREW TRNG STUDENTS | CREW TRNG STUDENTS | | CREW TRNG STUDENTS | RECRUIT TRNG STUDENTS | | | TRANSIENTS PATIENTS PRISONERS HOLDEES TRAINEES STUDENTS CADETS | | |

* A list of the abbreviations used in the table is given on the following page.

List of abbreviations

| | |
|-------------|--|
| ACFT | Aircraft |
| ADMIN | Administration |
| ADP | Automated data processing |
| AGY | Agency |
| CMD | Command |
| CNTL | Control |
| COMM | Communications |
| DEMO | Demonstration |
| DEV | Development |
| DEVELOP | Development |
| EXPLOR | Exploratory |
| FCS | Forces |
| FED | Federal |
| HQ | Headquarters |
| INFRASTRUCT | Infrastructure |
| INTEL (L) | Intelligence |
| MAAGS | Military Assistance Advisory Groups |
| MAINT | Maintenance |
| MGMT | Management |
| MIL | Military |
| MIL GPS | Military [Assistance] Groups |
| MOB | Mobility |
| MSL | Missile |
| MSNS | Missions |
| NAT | National |
| OTH | Other |
| PERS | Personnel |
| PROJ | Project |
| SPT | Support |
| STRAT | Strategic |
| SUPT | Support |
| SURV | Surveillance |
| SYS | System |
| TACAIR | Tactical aircraft |
| WARN | Warning |
| WWMCCS | World Wide Military Command and Control System |

APPENDIX II

Communications from other States

INDIA

[Original: English]

[14 January 1980]

Considering the basic fact that six States account for more than 80 per cent of the total global military expenditures, India has consistently taken the position that the question of reduction of military budgets is primarily a political matter, which can be resolved through parallel actions based on a policy of mutual example by the States concerned. Further, keeping in view the essential link between disarmament and development, India has also stressed that the funds released by reductions in military expenditures should be used for providing additional assistance to developing countries over and above what they were already receiving.

PHILIPPINES

[Original: English]

[28 April 1980]

The Philippines ... at present cannot participate in the Pre-Test. The Philippine Government is currently studying the recommended format with the end in view of proposing another format.

UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND

[Original: English]

[8 August 1980]

The United Kingdom fully supports the aim of greater openness in the reporting of military budgets, which would contribute to the building of confidence among States. For this reason, the United Kingdom played an active part in the Secretary-General's group of experts which devised the proposed international reporting instrument. The United Kingdom co-sponsored General Assembly resolution 33/67 of 14 December 1978 requesting, inter alia, the Secretary-General "to carry out a practical test of the proposed reporting instrument with the voluntary co-operation of States from different regions and representing different budgeting and accounting systems". The United Kingdom also supported General Assembly resolution 34/83 F of 11 December 1979 which, inter alia, recognized "the need for the availability of a satisfactory instrument for standardized reporting on the military expenditures of Member States, such as the one currently being tested within the framework of the United Nations".

The United Kingdom has repeatedly stressed the need for the completion of the proposed reporting instrument by a representative sample of Member States. It notes that a large number of countries with free market economies have completed the instrument. All Western countries, including the United Kingdom, produce detailed statistics of their military spending. A recent example in the case of the United Kingdom is Volume II (Defence Statistics) of the Statement on Defence Estimates 1980. Given the large number of Western countries which have participated in the test, the United Kingdom sees no need to complete the matrix on this occasion.

The United Kingdom further notes that a number of other Member States from different regions and with different budgeting and accounting systems have agreed to participate in the pilot test. This does not, however, mean that the sample of countries completing the matrix can be regarded as representative of all groups of States. The United Kingdom is not aware of any positive response from a member of the Warsaw Pact. In particular it notes that the Soviet Union, the largest military spender of the Warsaw Pact, abstained on certain paragraphs of resolution 34/83 in the First Committee of the General Assembly in 1979 and has never shown any sign of support for the Secretary-General's study on the reduction of military budget despite the strong endorsement of the General Assembly in successive years. The United Kingdom regards this as particularly unfortunate, given the widespread scepticism that exists as to the accuracy of the Soviet Union's published data on its defence budget. As the Stockholm International Peace Research Institute (SIPRI) has stated: "The level and trend of military spending in the Soviet Union are a matter of great argument - not helped by the incredibility of official figures released by the USSR".

While one important group of States continues to boycott the Secretary-General's pilot test of the reporting instrument, the test cannot be said to be fully representative. The value of the reporting exercise will be greatly reduced if it does not cover those States which demonstrate the greatest secrecy in military matters and which yet frequently make sweeping proposals for unverifiable reductions in military budgets. Only with their participation can the matrix be refined and adapted to meet the different circumstances of all States, whatever their economic and social systems, with a view to its eventual introduction as a specific item of statistical reporting within the United Nations Organization, in a standard form which is subject to verification.

APPENDIX III

The reporting instrument as tested

Proposed matrix for international reporting on military expenditure

(Actual outlays, current prices)

(Table A of United Nations document A/31/222/Rev.1)

Country: Fiscal year: //
 day month year day month year

(The reporting or fiscal year most closely coinciding
with calendar year 1978 for which data are available)

National currency and unit of measure:

(The unit of measure should not exceed one ten thousandth of the total military expenditures)

| Force groups Resource costs | Strategic forces (1) | Land forces (2) | Naval forces (3) | Air forces (4) | Other combat forces (5) | Central support administration and command ^{a/} | | Paramilitary forces ^{b/} (8) | Civil defence ^{c/} (9) | Military assistance ^{d/} | | | Total (1-12) (13) |
|--|-----------------------------|------------------------|-------------------------|-----------------------|--------------------------------|--|--------------------|--|--|-----------------------------------|--------------------|---------------------------------------|-----------------------------|
| | | | | | | Support (6) | Command (7) | | | Home territory (10) | Aboard (11) | UN Peacekeeping ^{e/} (12) | |
| | | | | | | | | | | | | | |
| 1. <u>OPERATING COSTS</u> | | | | | | | | | | | | | |
| 1.1 <u>Personnel</u> ^{e/} | | | | | | | | | | | | | |
| 1.1.1 Civilian | | | | | | | | | | | | | |
| 1.1.2 Conscripts ^{f/} | | | | | | | | | | | | | |
| 1.1.3 Other military, incl. reserves | | | | | | | | | | | | | |
| 1.2 <u>Operations and maintenance</u> | | | | | | | | | | | | | |
| 1.2.1 Materials for current use ^{g/} | | | | | | | | | | | | | |
| 1.2.2 Maintenance and repair ^{h/} | | | | | | | | | | | | | |
| 1.2.3 Travel expenses etc. ^{i/} | | | | | | | | | | | | | |
| 1.2.4 Real estate rents ^{j/} | | | | | | | | | | | | | |
| 1.2.5 Other | | | | | | | | | | | | | |
| 2. <u>PROCUREMENT AND CONSTRUCTION</u> ^{k/} | | | | | | | | | | | | | |
| 2.1 <u>Procurement</u> | | | | | | | | | | | | | |
| 2.1.1 Aircraft and engines | | | | | | | | | | | | | |
| 2.1.2 Missiles incl. conv. warheads | | | | | | | | | | | | | |
| 2.1.3 Nuclear warheads and bombs | | | | | | | | | | | | | |
| 2.1.4 Ships and boats | | | | | | | | | | | | | |
| 2.1.5 Armoured vehicles ^{l/} | | | | | | | | | | | | | |
| 2.1.6 Artillery | | | | | | | | | | | | | |

| Force groups Resource costs | Strategic forces (1) | Land forces (2) | Naval forces (3) | Air forces (4) | Other combat forces (5) | Central support administration and command ^{a/} | | Paramilitary forces ^{b/} (8) | Civil defence ^{c/} (9) | Military assistance ^{d/} | | | Total (1-12) (13) |
|---|-----------------------------|------------------------|-------------------------|-----------------------|--------------------------------|--|---------|--|--|-----------------------------------|--------|----------------------|-----------------------------|
| | | | | | | Support | Command | | | Home territory | Abroad | UN Peacekeeping (12) | |
| | | | | | | (6) | (7) | | | (10) | (11) | (12) | |
| 2.1.7 Other ground force weapons | | | | | | | | | | | | | |
| 2.1.8 Ordnance and ammunition ^{m/} | | | | | | | | | | | | | |
| 2.1.9 Electronics and communications | | | | | | | | | | | | | |
| 2.1.10 Non armoured vehicles | | | | | | | | | | | | | |
| 2.1.11 Other | | | | | | | | | | | | | |
| 2.2 <u>Construction</u> ^{n/} | | | | | | | | | | | | | |
| 2.2.1 Airbases, airfields | | | | | | | | | | | | | |
| 2.2.2 Missile sites | | | | | | | | | | | | | |
| 2.2.3 Naval bases and facilities | | | | | | | | | | | | | |
| 2.2.4 Electronics etc. ^{o/} | | | | | | | | | | | | | |
| 2.2.5 Personnel facilities | | | | | | | | | | | | | |
| 2.2.6 Medical facilities | | | | | | | | | | | | | |
| 2.2.7 Training facilities ^{p/} | | | | | | | | | | | | | |
| 2.2.8 Warehouses, depots etc. ^{q/} | | | | | | | | | | | | | |
| 2.2.9 Command and adm. facilities | | | | | | | | | | | | | |
| 2.2.10 Fortifications | | | | | | | | | | | | | |
| 2.2.11 Shelters ^{r/} | | | | | | | | | | | | | |
| 2.2.12 Land ^{s/} | | | | | | | | | | | | | |
| 2.2.13 Other | | | | | | | | | | | | | |

| Resource costs | Force groups | | | | | | | | | | | | Total (1-12) (13) |
|--|---------------------|----------------|-----------------|---------------|---------------------------|--|---------|---|-----------------------------------|-----------------------------------|--------|-------------------------------------|-----------------------------|
| | Strategic forces | Land forces | Naval forces | Air forces | Other combat forces | Central support administration and command ^{a/} | | Paraall- itary forces ^{b/} | Civil defence ^{c/} | Military assistance ^{d/} | | | |
| | | | | | | Support | Command | | | Home terri- tory | Abroad | UN peace keep- ing (12) | |
| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) | (10) | (11) | (12) | (13) | |
| 3. <u>RESEARCH AND DEVELOPMENT</u> ^{t/} | | | | | | | | | | | | | |
| 3.1 <u>Basic and applied research</u> | | | | | | | | | | | | | |
| 3.2 <u>Development, testing and evaluation</u> | | | | | | | | | | | | | |
| 4. <u>TOTAL (1+2+3)</u> | | | | | | | | | | | | | |

INSTRUCTIONS

Part I

(i) General guidelines

The purpose of this enquiry is to collect data on military expenditure in order to test the applicability of the proposed reporting instrument and to obtain information that would be of value in the process of further refinement and implementation of this instrument.

The proposed reporting instrument is in the form of a matrix whose vertical axis details expenditures by type of resource costs and whose horizontal axis details expenditures by type of force groups. Concerning the resource costs, the matrix has a pyramidal structure in order to permit reporting on different levels of aggregation. The vertical axis consists of three main cost categories, namely (1) operating costs; (2) procurement and construction; (3) research and development. Each of these categories is then disaggregated into different subcategories and each of the subcategories into sub-subcategories. The figure given for each main category should be equal to the sum of its respective subcategories and for each subcategory equal to the sum of its respective sub-subcategories.

Whenever applicable, expenditure data are of course highly desirable on all levels of aggregation. If, however, respondents would find it possible to supply data only on higher but not on lower levels of aggregation, they are urged not to refrain from participating in the test but to present their figures on that level of aggregation which they may find appropriate.

The figures to be reported shall show actual military expenditures for the fiscal year most closely coinciding with calendar year 1978, or for the nearest fiscal year available. The amounts shall be reported in the respondent's national currency and in current prices - that is, in prices prevailing in the reporting year. The unit of measure in which expenditures are reported may be the standard currency unit itself - that is, pound, rial, etc. - or a commonly used multiple number of units. This number, however, should not be larger than one ten thousandth of the total amount of the country's military expenditures. For example, if total military expenditures are 78,453,296 national currency units, the reported amounts may be expressed in units as large as $\frac{1}{10,000} \times 78,453,296 (=7,845)$

That is, the reporting unit of measure may be thousands of currency units, but not ten-thousands of currency units.

For the sake of uniformity and clarity of presentation, only the following conventional symbols should be used as required:

- 0 (zero) = Nil or negligible (or less than half of the unit employed)
- .. (two dots) = Not applicable
- () (brackets) = Provisional figure
- ... (three dots) = Figure not available

With the view to further refinement of the reporting instrument, respondents are requested to comment upon any technical or other difficulties that they may encounter when filling in the matrix and to recommend such changes of the matrix that they may find advisable. Such comments should be attached to the completed matrix.

(ii) Specific guidelines

The following comments and interpretations are related to such items in the matrix, which seem to need some special clarifications. The small letters denoting paragraphs correspond to the notes in the matrix. As has already been pointed out in the Introduction, respondents are requested to advise the Ad Hoc Panel on the nature of problems of interpretation that may arise when filling in the matrix.

(a) Central support, administration and command (6) and (7)

Columns (6) and (7) should include supporting activities that are common to more than one of the types of forces covered by columns (1) through (5). Column (6) should include all support activities other than those associated with central command and direction of the military forces which should be placed in column (7). The latter would include central and regional military staff with authority over more than one type of force, including the Ministry of Defense administrative function.

(b) Paramilitary forces (8)

The term paramilitary can apply to a variety of forces. Such forces may be intended to guard the national frontiers, mainly against such activities as illegal migration, smuggling or guerrilla infiltration. In other cases, their chief mission is the maintenance of internal security. Such forces may also be usable against an external armed enemy.

For present purposes, it is necessary to identify those elements that should be included in the military sector and those which should not. It seems reasonable to include in paramilitary forces those units, formations, etc., that are organized, equipped and behave in a similar way as the armed forces, and which could carry out combat actions of the same nature in terms of goal, area and results as those performed by the armed forces.

In case respondents present figures under this heading, it is requested that a short description of the functions of these forces be attached to the matrix.

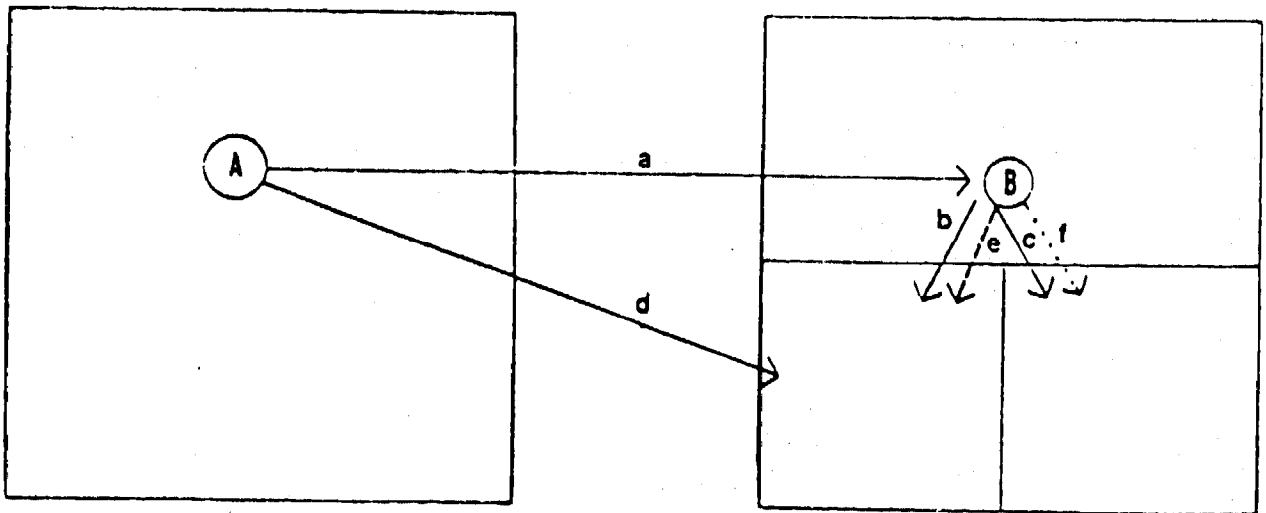
(c) Civil defence (9)

This requirement is intended to apply to expenditures for the protection, by other than customary military means, of civilian populations and facilities from air attack. An example is expenditures on plans and preparations for the evacuation and subsequent maintenance of civilians from areas under threat of attack.

Different opinions have been expressed with regard to both the definition of civil defence and the appropriateness of including civil defence in the matrix. (For example, see the previously cited United Nations document A/32/194, para. 84, and the attached document A/31/222/Rev.1, para. 39). Respondents' views on this question are therefore requested.

(d) Military assistance (10), (11) and (12)

Figure showing the ways along which military assistance can be granted



Explanations

Military assistance may be given from one country A to another B (flow a) and channelled through the state budget of the receiving country, either to allied forces stationed on this country's territory (flow b) or to the military sector of the receiving country (flow c).

Military assistance may also be given directly to allied forces stationed on another country's territory without passing through any other country's budget (flow d). (A country's support of its own military forces abroad shall not be reported as military assistance. Such expenditure shall instead be reported in columns (1) through (7).)

Military assistance may finally be given by a country to allied forces stationed on the country's own territory (flow e).

Expenditures of country B for its own military forces from its own resources are designated as flow (f).

Conclusions

Respondents such as country A are requested to report the sum of the flows (a) and (d), i.e. all their military assistance granted to recipients abroad. This should be done in column (11).

Respondents such as country B are requested to report the sum of the flows (b) and (e), i.e., all their military assistance to allied forces stationed on their own territory. This should be done in column (10). The flows (c) and (f), i.e. expenditure for the country's own military forces should accordingly be reported in columns (1) through (7).

There is a risk for double counting in so far as (b) and (c) are part of the same flow as (a). The same money may thus be reported twice, both by country A and country B. In order to avoid such double counting, respondents such as country B are requested to report the total amount of military assistance received from abroad, i.e. the sum of the flow (a).

In cases where a country is both a donor and a recipient of military assistance, it is requested that both columns (10) and (11) be filled in. All countries are expected to answer the question in section C, Part II, about military assistance received.

The Ad Hoc Panel recommends the reporting of any additional expenditure made in the reporting year by the country specifically for the purpose of supplying troops and equipment for United Nations peace-keeping activities. These expenditures should be shown in column (12) of the matrix net of any compensation from external sources.

(e) 1.1 Personnel

The figures should include the direct payments made to personnel as well as other personnel compensation expenditures made by the employer such as taxes, pension fees and other contributions.

(f) 1.1.2 Conscripts

The costs of conscripts should be valued in terms of actual payments. In order to approximate the opportunity costs of using conscripts in the military sector, respondents are requested to provide in section C, Part II, information on appropriate average civilian wage rates as well as information on the quantity of civilian labour foregone by the use of conscripts.

(g) 1.2.1 Materials for current use

This item should include purchases of food, clothing, petroleum products, training materials (excluding ordnance and ammunition), medical materials, office supplies and the like.

(h) 1.2.2 Maintenance and repair

This item should include both contract services for repair and maintenance of equipment and facilities and purchases of parts, materials and tools for repair and maintenance of equipment and facilities.

In some cases, repairs may be aiming not only at restoring the quality and performance of equipment and facilities, but also at improving the quality or modifying the performance. Such activities are to some extent to be regarded as investments. These major modifications and major repairs containing substantial investment elements should be reported below under the cost categories 2.1 Procurement or 2.2 Construction.

In any case, respondents are requested to describe the procedure chosen and to explain their current accounting practices or rules concerning the possible investment elements in major modification and repair activities. Such comments should be attached to the completed matrix.

(i) 1.2.3 Travel expenses etc.

This item should include expenditures for various kinds of purchased services such as postal charges, printing expenses and other.

(j) 1.2.4 Real estate rents

Since capital costs for real estate belonging to the military sector usually result in actual payments, it is desirable that the rent costs to be reported be augmented by adding imputed capital costs. Such capital costs may be estimated by means of appropriate interest rates or rates of depreciation for the reporting year.

(k) 2. Procurement and construction

A country's military potential depends not only on its procurement and construction of military equipment and facilities, but also on their rates of depreciation, depletion and retirement. Information of the latter type may not be readily available. It would, however, be highly desirable to obtain such information as is available concerning retirement and average-length-of-service rates for various kinds of equipment and facilities. Such information should be attached to the completed matrix. See also note (h) above.

(l) 2.1.5 Armoured vehicles

This item should include tanks, armoured personnel carriers and other armoured vehicles.

(m) 2.1.8 Ordnance and ammunition

For the same reasons as mentioned under (k) above, it would be desirable to be able to compare the procurement figures for ordnance and ammunition with corresponding consumption figures. In order to make this possible, respondents are requested to supply the latter type of information in section C, Part II.

(n) 2.2 Construction

The construction of new facilities may often be connected with the acquisition of land. The expenditures of the military sector for the acquisition of land should be reported separately in 2.2.12.

(o) 2.2.4 Electronics etc.

This item should also include communications and related structures and facilities.

(p) 2.2.7 Training facilities

This item should include expenditures for construction of fixed installations for training purposes such as firing ranges, obstacle courses and others.

(q) 2.2.8 Warehouses, depots etc.

This item should also include repair and maintenance facilities.

(r) 2.2.11 Shelters

Since it may not be possible to distinguish between fortifications and shelters for military personnel, respondents are therefore requested to report all such costs under 2.2.10 - Fortifications, and to reserve the item 2.2.11 - Shelters, for such shelters that are constructed mainly for the purpose of protecting civilian population.

(s) 2.2.12 Land

The inclusion of the expenditures on the acquisition of land have been suggested by the Ad Hoc Panel. Information on sales of land by the military sector is requested in section C, Part II.

(t) 3. Research and development

A distinction between the two subdivisions of this item could be made according to the degree to which research activities are object-oriented, i.e., connected with the creation of a concrete product such as a specific weapon system. Basic and applied but not object-oriented research may accordingly fall under the subdivision 3.1, while mainly object-oriented research would come under the subdivision 3.2 together with the development activities which are regarded as always object-destinated.

Where the respondents find difficulties in dealing with the subcategories, they are requested to make comments along these lines and to attach such comments to the completed matrix.

Part II

In order to approximate the opportunity costs of using conscripts in the military sector, the following information is requested:

(a) The average civilian wage rate that the conscripts would have been likely to obtain during the reporting year if they had not been occupied in the military sector.

Answer:
(wage per period of time, currency unit)

If such an estimate is not available, respondents are requested to suggest an average civilian wage rate that may be readily available and that the respondents believe might serve as a reasonable measure of opportunity costs.

(b) The number of man-years devoted by conscripts to military service during the reporting year concerned.

Answer:
(number of man-years)

With reference to the specific guidelines in section C, point (d), respondents are requested to give below the total amount of military assistance received from abroad during the reporting year. The amount should be given in the same denomination and currency as used in the matrix (section B), preferably converted from foreign currencies to national currency at average annual market or par value exchange rates as reported by the International Monetary Fund.

Answer:
(amount)

With reference to section C, points (m) and (n), the requested information should be reported here in the same value terms as used in the matrix (section B). It is requested that total expenditures, at least, and preferably detailed by type of force group as in columns (1) through (12) of the matrix, be reported for the following items:

Depletion of ordnance and ammunition:

Sales from the military sector of:

- (a) land
- (b) real estate other than land
- (c) equipment
- (d) services
- (e) other

Respondents are requested to inform the Panel as to whether statistics of the following kinds would be readily available for the reporting year.

| | <u>Answer</u> | |
|--|--------------------------|--------------------------|
| | <u>Available</u> | <u>Not available</u> |
| Price index of specific relevance to the military sector | <input type="checkbox"/> | <input type="checkbox"/> |
| Exports of military equipment | <input type="checkbox"/> | <input type="checkbox"/> |
| Such exports divided by | | |
| (i) countries | <input type="checkbox"/> | <input type="checkbox"/> |
| (ii) regions | <input type="checkbox"/> | <input type="checkbox"/> |
| Imports of military equipment | <input type="checkbox"/> | <input type="checkbox"/> |
| Such imports divided by | | |
| (i) countries | <input type="checkbox"/> | <input type="checkbox"/> |
| (ii) regions | <input type="checkbox"/> | <input type="checkbox"/> |

Possibilities for converting national military expenditures into a common currency for comparison purposes will be considered by the Ad Hoc Panel in drawing up its recommendations. If a regularly published exchange rate is unavailable, or considered unsuitable for converting military expenditures, respondents are requested to comment on other possible ways for comparing the military expenditures of the responding country with those of other countries.

APPENDIX IV

Computerized tables

Figures in the tables presented or listed below have been reported by participating countries and, where necessary, have been assigned to the standard matrix by the United Nations Statistical Office in consultation with the Panel. Unreported totals clearly implied by reported components have been added.

The listed tables are available at the United Nations Centre for Disarmament and the Statistical Office.

List of tables

Section I

1. All expenditures by participating country, in national currency. (This table is presented below)
2. All expenditures by participating country and total for all countries, in United States dollars.
3. All expenditures by participating country and total for all countries, in special drawing rights (SDR).
4. All expenditures by participating country and total for all countries, in percentages of each resource category total.
5. All expenditures by participating country and total for all countries, in percentages of each force group total.

Section II

- IA. Main resource category expenditures by participating country, in United States dollars and in percentages of country total.
- IB. Main resource category expenditures by participating country, in SDR and in percentages of country total.
- IIA. Force group expenditures by participating country, in United States dollars and in percentages of country total.
- IIB. Force group expenditures by participating country, in SDR and in percentages of country total.
- III. Main operating cost categories by force group and participating country, in percentages of country operating cost total.
- IV. Procurement and construction expenditures by force group and participating country, in percentages of country total procurement and construction expenditures.
- V. Research and development expenditures by force group and participating country, in percentages of country research and development expenditures total.
- VIA. Main resource category expenditures by force group, in United States dollars and in percentages of force group total: each country and total for all countries.
- VIB. Main resource category expenditures by force group, in SDR and in percentages of force group total: each country and total for all countries.

List of tables (continued)

- VIIA. Depletion of ordnance and sales from the military sector by force group and participating country, in United States dollars.
- VII B. Depletion of ordnance and sales from the military sector by force group and participating country, in SDR.
- VIIIA. Total military expenditures by country, in United States dollars and in percentages of total for all participating countries.
- VIIIB. Total military expenditures by country, in SDR and in percentages of total for all participating countries.

Explanatory note

1. For analytical purposes, information on military expenditures received in the 14 replies has been computerized. The following table (table 1) shows the information with some minor adjustments as mentioned in the opening paragraph of this annex. These data form the basis for the tables presented in section II C of the report.
2. Exchange rates for conversion into a common unit were selected from the International Monetary Fund (IMF) International Financial Statistics (IFS), August 1980. Two sets of exchange rates have been compiled: units of national currency per United States dollar and units of national currency per SDR.
3. For countries reporting data for calendar years (Belgium, the Federal Republic of Germany, the Netherlands and Norway, 1978; Austria, 1979; France, Italy and Mexico, 1980), the United States dollar rates were usually the respective annual average of market rates shown in IFS (line rf) except for France, Italy and Mexico, where the latest available exchange rates were market rates at the end of June 1980 (line ae).
4. For countries reporting data for fiscal years (Australia, Canada, Indonesia, New Zealand, Sweden and the United States), simple averages of the four corresponding quarterly averages of market rates were used so that the exchange rate referred to the same period as the reported data.
5. In the case of the SDR rates, they were period average rates derived using the following procedure: the United States dollar rates as explained in paragraphs 3 and 4 above, multiplied by the corresponding United States dollar/SDR rates published in the country page for the United States in IFS (line Sb). The SDR rates shown in each country page of IFS were end-of-period rates and, therefore not selected except for France, Italy and Mexico.
6. A column of "Undistributed expenditure" was added between columns 12 and 13 of the matrix. A row of "Statistical discrepancy" was added to each given total and subtotal of the resource costs.
7. The following symbols were used in the present set of tables.
 - 0 (zero) = Nil or negligible (or less than half of the unit employed)
 - .. (two dots) = Not applicable
 - () (brackets) = Provisional figure
 - ... (three dots) = Figure not available

TABLE 1. ALL EXPENDITURES BY PARTICIPATING COUNTRY
(IN NATIONAL CURRENCY)

AUSTRALIA (100,000 AUSTRALIAN DOLLARS)

| | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) | MILITARY ASSISTANCE | | | UNDI- STRIBU- TED EXPEN- DITURE | TOTAL (14) |
|--|-----|-----|-----|-----|-----|-----|-----|-----|-----|------------------------|--------|------------------------|---|---------------|
| | | | | | | | | | | HOME TERRI- TORY | ABROAD | UN PRACE KEEPING | | |
| 2.2.5 PERSONNEL FACILITIES..... | | | | | | | | | | | | | | |
| 2.2.6 MEDICAL FACILITIES..... | | | | | | | | | | | | | | |
| 2.2.7 TRAINING FACILITIES..... | | | | | | | | | | | | | | |
| 2.2.8 WAREHOUSES, DEPOTS ETC..... | | | | | | | | | | | | | | |
| 2.2.9 COMMAND AND ADM. FACILITIES... | | | | | | | | | | | | | | |
| 2.2.10 | | | | | | | | | | | | | | |
| FORTIFICATIONS... | | | | | | | | | | | | | | |
| 2.2.11 SHELTERS... | | | | | | | | | | | | | | |
| 2.2.12 LAND..... | | | | | | | | | | | | | | |
| 2.2.13 OTHER..... | | | | | | | | | | | | | | |
| 2.2.14 STATISTICAL DISCREPANCY..... | | | | | | | | | | | | | 98 | 98 |
| 2.3 STATISTICAL DISCREPANCY..... | | | | | | | | | | | | | 879 | 879 |
| | | | | | | | | | | | | | | 0 |
| | | | | | | | | | | | | | | 1 |
| 3. RESEARCH AND DEVELOPMENT..... | | | | | | | | | | | | | | |
| 3.1 BASIC AND APPLIED RESEARCH.. | | | | | | | 848 | | | | | | | 848 |
| 3.2 DEVELOPMENT, TESTING AND EVALUATION..... | | | | | | | | | | | | | | |
| 3.3 STATISTICAL DISCREPANCY..... | | | | | | | 848 | | | | | | | 848 |

**TABLE 1. ALL EXPENDITURES BY PARTICIPATING COUNTRY
(IN NATIONAL CURRENCY)**

AUSTRALIA (100,000 AUSTRALIAN DOLLARS)

| | STRATE- GIC FORCES | LAND FORCES | NAVAL FORCES | AIR FORCES | OTHER COMBAT FORCES | CENTRAL SUPPORT | | PARAMI- LITARY FORCES | CIVIL DEFENCE | MILITARY ASSISTANCE | | | UNDI- STRIBU- TED EXPE- NDITURE | TOTAL |
|------------------------------------|--------------------------|----------------|-----------------|---------------|---------------------------|-------------------------------|---------|-----------------------------|------------------|---------------------|------------------------|--------|---|--------|
| | | | | | | ADMINISTRATION AND COMMAND | SUPPORT | | | COMMAND | HOME TERRI- TORY | ABROAD | | |
| | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) | (10) | (11) | (12) | (13) | (14) |
| 4. STATISTICAL DISCREPANCY..... | | | | | | | | | | | | | 1 | 1 |
| 5. TOTAL..... | | | | | | | | | | | | | 26,965 | 26,965 |

TABLE 1. ALL EXPENDITURES BY PARTICIPATING COUNTRY
(IN NATIONAL CURRENCY)

AUSTRIA (100,000 SCHILLINGS)

| (1) | (2) | (3) | (4) | (5) | (6) | | (8) | (9) | MILITARY ASSISTANCE | | | (13) | TOTAL |
|---|--------|-----|-----|-----|--|-----------------|-----|-------|---------------------|--------|------------------|------|--------|
| | | | | | CENTRAL SUPPORT ADMINISTRATION AND COMMAND | SUPPORT COMMAND | | | HOME TERRITORY | ABROAD | UN PEACE KEEPING | | |
| 1. OPERATING COSTS... | 74,462 | | | | | 4,690 | | 18 | | | 1,242 | -90 | 80,322 |
| 1.1 PERSONNEL..... | 50,968 | | | | | 4,321 | | 18 | | | 1,242 | -90 | 56,459 |
| 1.1.1 CIVILIAN..... | 14,927 | | | | | 106 | | | | | | 0 | 15,033 |
| 1.1.2 CONSCRIPTS... | | | | | | | | | | | | 0 | |
| 1.1.3 OTHER MILITARY, INCL. RESERVES..... | 401 | | | | | 561 | | | | | 1,242 | 0 | 2,204 |
| 1.1.4 STATISTICAL DISCREPANCY..... | 35,640 | | | | | 3,654 | | 18 | | | 0 | -90 | 39,222 |
| 1.2 OPERATIONS AND MAINTENANCE..... | 23,494 | | | | | 369 | | | | | | 0 | 23,863 |
| 1.2.1 MATERIALS FOR CURRENT USE... | 12,015 | | | | | 71 | | | | | | 0 | 12,086 |
| 1.2.2 MAINTENANCE AND REPAIR..... | 5,985 | | | | | 9 | | | | | | 0 | 5,994 |
| 1.2.3 TRAVEL EXPENSES ETC..... | 2,149 | | | | | 193 | | | | | | 0 | 2,342 |
| 1.2.4 REAL ESTATE RENTS..... | 916 | | | | | 14 | | | | | | 0 | 930 |
| 1.2.5 OTHER..... | 2,429 | | | | | 82 | | | | | | 0 | 2,511 |
| 1.2.6 STATISTICAL DISCREPANCY..... | 0 | | | | | 0 | | | | | | 0 | 0 |
| 1.3 STATISTICAL DISCREPANCY..... | 0 | | | | | 0 | | 0 | | | 0 | 0 | 0 |
| 2. PROCUREMENT AND CONSTRUCTION... | 36,108 | | | | | | | 1,462 | | | | -5 | 37,565 |
| 2.1 PROCUREMENT..... | 27,548 | | | | | | | 266 | | | | 0 | 27,814 |
| 2.1.1 AIRCRAFT AND ENGINES..... | 1,454 | | | | | | | | | | | 0 | 1,454 |

TABLE 1. ALL EXPENDITURES BY PARTICIPATING COUNTRY
(IN NATIONAL CURRENCY)

AUSTRIA (100,000 SCHILLINGS)

| | STRATEGIC FORCES | LAND FORCES | NAVAL FORCES | AIR FORCES | OTHER COMBAT FORCES | CENTRAL SUPPORT ADMINISTRATION AND COMMAND | | PARAMILITARY FORCES | CIVIL DEFENCE | MILITARY ASSISTANCE | | | UNDISTRIBUTED EXPENDITURE | TOTAL |
|---------------------------------|------------------|-------------|--------------|------------|---------------------|--|---------|---------------------|---------------|---------------------|--------|------------------|---------------------------|---------|
| | | | | | | SUPPORT | COMMAND | | | HOME TERRITORY | ABROAD | UN PEACE KEEPING | | |
| | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) | (10) | (11) | (12) | (13) | (14) |
| 4. STATISTICAL DISCREPANCY..... | | 5 | | | | | 90 | | 0 | | | 0 | -95 | 0 |
| 5. TOTAL..... | | 110,645 | | | | | 4,600 | | 1,480 | | | 1,242 | 0 | 117,967 |

TABLE 1. ALL EXPENDITURES BY PARTICIPATING COUNTRY

(IN NATIONAL CURRENCY)

BELGIUM (1,000,000 FRANCS)

| | (1) | (2) | (3) | (4) | (5) | (6) | | (8) | (9) | MILITARY ASSISTANCE | | | UNDI-STRIBU- TED EXPE- NDITURE | TOTAL (14) |
|---|-----|--------|-------|--------|-----|-------|-------|--------|-----|------------------------|--------|------------------------|---|---------------|
| | | | | | | (7) | (7) | | | HOME TERRI- TORY | ABROAD | UN PEACE KEEPING | | |
| 1. OPERATING COSTS... | .. | 27,467 | 2,307 | 14,488 | .. | 2,312 | 4,729 | 10,811 | 305 | .. | 202 | .. | 0 | 62,621 |
| 1.1 PERSONNEL..... | .. | 20,376 | 1,755 | 8,538 | .. | 1,573 | 3,952 | 9,752 | 273 | .. | 172 | .. | 0 | 46,331 |
| 1.1.1 CIVILIAN..... | .. | 1,840 | 85 | 278 | .. | 380 | 1,065 | 380 | 273 | .. | .. | .. | 0 | 4,301 |
| 1.1.2 CONSCRIPTS... | .. | 593 | 30 | 94 | .. | 55 | 39 | .. | 0 | .. | .. | .. | 0 | 811 |
| 1.1.3 OTHER MILITARY, INCL. RESERVES..... | .. | 17,883 | 1,640 | 8,166 | .. | 1,138 | 2,848 | 9,372 | 0 | .. | .. | .. | 0 | 41,047 |
| 1.1.4 STATISTICAL DISCREPANCY..... | .. | 0 | 0 | 0 | .. | 0 | 0 | 0 | 0 | .. | 172 | .. | 0 | 172 |
| 1.2 OPERATIONS AND MAINTENANCE..... | .. | 7,151 | 552 | 5,950 | .. | 739 | 777 | 1,059 | 32 | .. | 30 | .. | 0 | 16,290 |
| 1.2.1 MATERIALS FOR CURRENT USE... | .. | 2,930 | 178 | 2,460 | .. | 382 | 218 | .. | .. | .. | .. | .. | 0 | 6,168 |
| 1.2.2 MAINTENANCE AND REPAIR..... | .. | 2,618 | 274 | 2,855 | .. | 59 | 108 | .. | .. | .. | .. | .. | 0 | 5,914 |
| 1.2.3 TRAVEL EXPENSES ETC..... | .. | 85 | 7 | 26 | .. | 9 | 103 | .. | .. | .. | .. | .. | 0 | 230 |
| 1.2.4 REAL ESTATE RENTS..... | .. | 601 | 0 | 141 | .. | 0 | 16 | .. | .. | .. | .. | .. | 0 | 758 |
| 1.2.5 OTHER..... | .. | 917 | 93 | 468 | .. | 289 | 332 | .. | .. | .. | 30 | .. | 0 | 2,129 |
| 1.2.6 STATISTICAL DISCREPANCY..... | .. | 0 | 0 | 0 | .. | 0 | 0 | 1,059 | 32 | .. | 0 | .. | 0 | 1,091 |
| 1.3 STATISTICAL DISCREPANCY..... | .. | 0 | 0 | 0 | .. | 0 | 0 | 0 | 0 | .. | 0 | .. | 0 | 0 |
| 2. PROCUREMENT AND CONSTRUCTION..... | .. | 8,421 | 2,135 | 7,932 | .. | 796 | 1,362 | 311 | 63 | .. | .. | .. | 0 | 21,020 |
| 2.1 PROCUREMENT..... | .. | 5,589 | 1,918 | 7,547 | .. | 124 | 129 | 311 | .. | .. | .. | .. | 0 | 15,618 |
| 2.1.1 AIRCRAFT AND ENGINES..... | .. | 3 | 0 | 6,857 | .. | .. | .. | 0 | .. | .. | .. | .. | 0 | 6,860 |

TABLE 1. ALL EXPENDITURES BY PARTICIPATING COUNTRY
(IN NATIONAL CURRENCY)

BELGIUM (1,000,000 FRANCS)

| | STRATEGIC FORCES | LAND FORCES | NAVAL FORCES | AIR FORCES | OTHER COMBAT FORCES | CENTRAL SUPPORT ADMINISTRATION AND COMMAND | | PARAMILITARY FORCES | CIVIL DEFENCE | MILITARY ASSISTANCE | | | UNDISTRIBUTED EXPENDITURE | TOTAL |
|--|------------------|-------------|--------------|------------|---------------------|--|---------|---------------------|---------------|---------------------|--------|------------------|---------------------------|-------|
| | (1) | (2) | (3) | (4) | (5) | SUPPORT | COMMAND | (8) | (9) | HOME TERRITORY | ABROAD | UN PEACE KEEPING | (13) | (14) |
| | | | | | | (6) | (7) | | | (10) | (11) | (12) | | |
| 2.2.5 PERSONNEL FACILITIES..... | | ... | ... | ... | | ... | ... | 0 | | | | | 0 | ... |
| 2.2.6 MEDICAL FACILITIES..... | | ... | ... | ... | | ... | ... | 0 | | | | | 0 | ... |
| 2.2.7 TRAINING FACILITIES..... | | ... | ... | ... | | ... | ... | 0 | | | | | 0 | ... |
| 2.2.8 WAREHOUSES, DEPOTS ETC..... | | ... | ... | ... | | ... | ... | 0 | | | | | 0 | ... |
| 2.2.9 COMMAND AND ADM. FACILITIES... | | ... | ... | ... | | ... | ... | 0 | | | | | 0 | ... |
| 2.2.10 FORTIFICATIONS.... | | ... | ... | ... | | ... | ... | 0 | | | | | 0 | ... |
| 2.2.11 SHELTERS..... | | ... | ... | ... | | ... | ... | 0 | | | | | 0 | ... |
| 2.2.12 LAND..... | | ... | ... | ... | | ... | ... | 0 | | | | | 0 | ... |
| 2.2.13 OTHER..... | | ... | ... | ... | | ... | ... | 0 | | | | | 0 | ... |
| 2.2.14 STATISTICAL DISCREPANCY..... | .. | 2,832 | 217 | 385 | .. | 672 | 1,233 | 0 | ... | .. | .. | .. | 0 | 5,339 |
| 2.3 STATISTICAL DISCREPANCY..... | .. | 0 | 0 | 0 | .. | 0 | 0 | 0 | 63 | .. | .. | .. | 0 | 63 |
| 3. RESEARCH AND DEVELOPMENT..... | .. | ... | ... | ... | .. | ... | 38 | ... | .. | .. | .. | .. | 0 | 38 |
| 3.1 BASIC AND APPLIED RESEARCH.. | | | | | | | ... | .. | .. | .. | .. | .. | 0 | ... |
| 3.2 DEVELOPMENT, TESTING AND EVALUATION..... | | | | | | | ... | .. | .. | .. | .. | .. | 0 | ... |
| 3.3 STATISTICAL DISCREPANCY..... | .. | ... | ... | ... | .. | ... | 38 | ... | .. | .. | .. | .. | 0 | 38 |

TABLE 1. ALL EXPENDITURES BY PARTICIPATING COUNTRY
(IN NATIONAL CURRENCY)

| | BELGIUM (1,000,000 FRANCS) | | | | | | | | | | | | | |
|------------------------------------|----------------------------|--------|-------|--------|-----|-------|-------|--------|-----|------------------------|--------|------------------------|---|--------|
| | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) | MILITARY ASSISTANCE | | | UNDI- STRIBU- TED EXPE- NDITURE | TOTAL |
| | | | | | | | | | | HOME TERRI- TORY | ABROAD | UN PEACE KEEPING | | |
| | | | | | | | | | | (10) | (11) | (12) | (13) | (14) |
| 4. STATISTICAL DISCREPANCY..... | .. | 0 | 0 | 0 | -- | 0 | 0 | 0 | 0 | -- | 0 | -- | 0 | 0 |
| 5. TOTAL..... | .. | 35,688 | 4,442 | 22,420 | -- | 3,108 | 6,129 | 11,122 | 368 | -- | 202 | -- | 0 | 83,679 |

TABLE 1. ALL EXPENDITURES BY PARTICIPATING COUNTRY
(IN NATIONAL CURRENCY)

CANADA (100,000 DOLLARS)

| | (1) | (2) | (3) | (4) | (5) | (6) | | (8) | (9) | (10) | | | (12) | (13) | (14) |
|---|-----|-------|-------|--------|-----|--|-----------------|-----|-----|---------------------|----------------|--------|------|--------|------|
| | | | | | | CENTRAL SUPPORT ADMINISTRATION AND COMMAND | SUPPORT COMMAND | | | MILITARY ASSISTANCE | HOME TERRITORY | ABROAD | | | |
| 1. OPERATING COSTS... | -- | 6,589 | 4,942 | 10,316 | -- | 6,018 | 7,506 | -- | 49 | 3 | 583 | 272 | -4 | 36,274 | |
| 1.1 PERSONNEL..... | -- | 4,215 | 3,179 | 5,279 | -- | 4,367 | 6,589 | -- | 17 | -- | 0 | 211 | 0 | 23,857 | |
| 1.1.1 CIVILIAN..... | -- | 812 | 1,283 | 1,210 | -- | 1,900 | 1,489 | -- | 17 | -- | 0 | 0 | 0 | 6,711 | |
| 1.1.2 CONSCRIPTS... | -- | 0 | 0 | 0 | -- | 0 | 0 | -- | 0 | -- | 0 | 0 | 0 | 0 | |
| 1.1.3 OTHER MILITARY, INCL. RESERVES..... | -- | 3,403 | 1,896 | 4,069 | -- | 2,467 | 5,100 | -- | 0 | -- | -- | 211 | 0 | 17,146 | |
| 1.1.4 STATISTICAL DISCREPANCY..... | -- | 0 | 0 | 0 | -- | 0 | 0 | -- | 0 | -- | 0 | 0 | 0 | 0 | |
| 1.2 OPERATIONS AND MAINTENANCE..... | -- | 2,374 | 1,763 | 5,037 | -- | 1,651 | 917 | -- | 32 | 3 | 583 | 61 | -4 | 12,417 | |
| 1.2.1 MATERIALS FOR CURRENT USE... | -- | 1,150 | 1,000 | 2,418 | -- | 658 | 171 | -- | 8 | -- | 0 | 18 | 0 | 5,423 | |
| 1.2.2 MAINTENANCE AND REPAIR..... | -- | 385 | 413 | 1,588 | -- | 180 | 108 | -- | 3 | -- | 0 | 2 | 0 | 2,679 | |
| 1.2.3 TRAVEL EXPENSES ETC..... | -- | 344 | 172 | 404 | -- | 219 | 140 | -- | 2 | -- | 0 | 21 | 0 | 1,302 | |
| 1.2.4 REAL ESTATE RENTS..... | -- | 30 | 23 | 69 | -- | 1 | 1 | -- | 0 | -- | 0 | 0 | 0 | 124 | |
| 1.2.5 OTHER..... | -- | 465 | 155 | 558 | -- | 593 | 497 | -- | 19 | 3 | 583 | 20 | -4 | 2,889 | |
| 1.2.6 STATISTICAL DISCREPANCY..... | -- | 0 | 0 | 0 | -- | 0 | 0 | -- | 0 | 0 | 0 | 0 | 0 | 0 | |
| 1.3 STATISTICAL DISCREPANCY..... | -- | 0 | 0 | 0 | -- | 0 | 0 | -- | 0 | 0 | 0 | 0 | 0 | 0 | |
| 2. PROCUREMENT AND CONSTRUCTION..... | -- | 2,502 | 2,368 | 694 | -- | 1,003 | 90 | -- | -- | -- | -- | -- | 0 | 6,657 | |
| 2.1 PROCUREMENT... | -- | 2,271 | 2,235 | 437 | -- | 565 | 61 | -- | -- | -- | -- | -- | 0 | 5,569 | |
| 2.1.1 AIRCRAFT AND ENGINES..... | -- | -- | 1,581 | 258 | -- | 2 | -- | -- | -- | -- | -- | -- | 0 | 1,841 | |

TABLE 1. ALL EXPENDITURES BY PARTICIPATING COUNTRY
(IN NATIONAL CURRENCY)

CANADA (100,000 DOLLARS)

| | STRATEGIC FORCES | LAND FORCES | NAVAL FORCES | AIR FORCES | OTHER COMBAT FORCES | CENTRAL SUPPORT ADMINISTRATION AND COMMAND | | PARAMILITARY FORCES | CIVIL DEFENCE | MILITARY ASSISTANCE | | | UNDISTRIBUTED EXPENDITURE | TOTAL |
|--|------------------|-------------|--------------|------------|---------------------|--|---------|---------------------|---------------|---------------------|--------|------------------|---------------------------|-------|
| | (1) | (2) | (3) | (4) | (5) | SUPPORT | COMMAND | (8) | (9) | HOME TERRITORY | ABROAD | UN PEACE KEEPING | (13) | (14) |
| | | | | | | (6) | (7) | | | (10) | (11) | (12) | | |
| 2.1.2 MISSILES INCL. CONV. WARHEADS..... | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | 0 | .. |
| 2.1.3 NUCLEAR WARHEADS AND BOMBS | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | 0 | .. |
| 2.1.4 SHIPS AND BOATS..... | .. | .. | 104 | .. | .. | .. | .. | .. | .. | .. | .. | .. | 0 | 104 |
| 2.1.5 ARMoured VEHICLES..... | .. | 1,213 | .. | .. | .. | 153 | .. | .. | .. | .. | .. | .. | 0 | 1,366 |
| 2.1.6 ARTILLERY..... | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | 0 | .. |
| 2.1.7 OTHER GROUND FORCE WEAPONS..... | .. | 18 | .. | .. | .. | 1 | .. | .. | .. | .. | .. | .. | 0 | 19 |
| 2.1.8 ORDNANCE AND AMMUNITION..... | .. | 734 | 94 | .. | .. | 113 | .. | .. | .. | .. | .. | .. | 0 | 941 |
| 2.1.9 ELECTRONICS AND COMMUNICATIONS | .. | 89 | 267 | 77 | .. | 112 | 51 | .. | .. | .. | .. | .. | 0 | 596 |
| 2.1.10 NON ARMoured VEHICLES.. | .. | 34 | 15 | 24 | .. | 31 | .. | .. | .. | .. | .. | .. | 0 | 104 |
| 2.1.11 OTHER..... | .. | 183 | 174 | 78 | .. | 153 | 10 | .. | .. | .. | .. | .. | 0 | 598 |
| 2.1.12 STATISTICAL DISCREPANCY..... | .. | 0 | 0 | 0 | .. | 0 | 0 | .. | .. | .. | .. | .. | 0 | 0 |
| 2.2 CONSTRUCTION..... | .. | 231 | 133 | 257 | .. | 438 | 29 | .. | .. | .. | .. | .. | 0 | 1,088 |
| 2.2.1 AIRBASES, AIRFIELDS..... | .. | .. | .. | 95 | .. | .. | .. | .. | .. | .. | .. | .. | 0 | 95 |
| 2.2.2 MISSILE SITES..... | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | 0 | .. |
| 2.2.3 NAVAL BASES AND FACILITIES..... | .. | .. | 36 | .. | .. | .. | .. | .. | .. | .. | .. | .. | 0 | 36 |
| 2.2.4 ELECTRONICS ETC..... | .. | .. | .. | .. | .. | 8 | 21 | .. | .. | .. | .. | .. | 0 | 29 |

TABLE 1. ALL EXPENDITURES BY PARTICIPATING COUNTRY
(IN NATIONAL CURRENCY)

CANADA (100,000 DOLLARS)

| | STRATEGIC FORCES | LAND FORCES | NAVAL FORCES | AIR FORCES | OTHER COMBAT FORCES | CENTRAL SUPPORT ADMINISTRATION AND COMMAND | | PARAMILITARY FORCES | CIVIL DEFENCE | MILITARY ASSISTANCE | | | UNDISTRIBUTED EXPENDITURE | TOTAL |
|---------------------------------|------------------|-------------|--------------|------------|---------------------|--|---------|---------------------|---------------|---------------------|--------|------------------|---------------------------|--------|
| | | | | | | SUPPORT | COMMAND | | | HOME TERRITORY | ABROAD | UN PEACE KEEPING | | |
| | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) | (10) | (11) | (12) | (13) | (14) |
| 4. STATISTICAL DISCREPANCY..... | -- | 0 | 0 | 0 | -- | 0 | 0 | -- | 0 | 0 | 0 | 0 | 4 | 4 |
| 5. TOTAL..... | -- | 9,158 | 7,394 | 11,033 | -- | 7,181 | 7,596 | -- | 49 | 3 | 583 | 272 | 0 | 43,269 |

TABLE 1. ALL EXPENDITURES BY PARTICIPATING COUNTRY
(IN NATIONAL CURRENCY)

FRANCE (1,000,000 FRANCS)

| | (1) | (2) | (3) | (4) | (5) | CENTRAL SUPPORT ADMINISTRATION AND COMMAND | | (8) | (9) | MILITARY ASSISTANCE | | | TOTAL |
|--|-------|-------|-----|-------|-------|--|---------|-----|------|---------------------|--------|------------------|--------|
| | | | | | | SUPPORT | COMMAND | | | HOME TERRITORY | ABROAD | UN PEACE KEEPING | |
| | | | | | | | (6) | (7) | (10) | (11) | (12) | (13) | (14) |
| 2-2-5 PERSONNEL FACILITIES..... | | | | | | | | | | | | | 0 |
| 2-2-6 MEDICAL FACILITIES..... | | | | | | | | | | | | | 0 |
| 2-2-7 TRAINING FACILITIES..... | | | | | | | | | | | | | 0 |
| 2-2-8 WAREHOUSES, DEPOTS ETC..... | | | | | | | | | | | | | 0 |
| 2-2-9 COMMAND AND ADM. FACILITIES..... | | | | | | | | | | | | | 0 |
| 2-2-10 PORTIFICATIONS..... | | | | | | | | | | | | | 0 |
| 2-2-11 SHELTERS..... | | | | | | | | | | | | | 0 |
| 2-2-12 LAND..... | | | | | | | | | | | | | 0 |
| 2-2-13 OTHER..... | | | | | | | | | | | | | 0 |
| 2-2-14 STATISTICAL DISCREPANCY..... | 641 | 1,260 | 204 | 350 | 299 | 393 | 231 | 458 | | | | | 3,836 |
| 2.3 STATISTICAL DISCREPANCY..... | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | | | | 0 |
| 3. RESEARCH AND DEVELOPMENT..... | 6,626 | 761 | 907 | 1,973 | 1,228 | 0 | 0 | 0 | | | | | 11,495 |
| 3.1 BASIC AND APPLIED RESEARCH..... | | | | | | | | | | | | | 0 |
| 3.2 DEVELOPMENT, TESTING AND EVALUATION..... | | | | | | | | | | | | | 0 |
| 3.3 STATISTICAL DISCREPANCY..... | 6,626 | 761 | 907 | 1,973 | 1,228 | 0 | 0 | 0 | | | | | 11,495 |

TABLE 1. ALL EXPENDITURES BY PARTICIPATING COUNTRY

(IN NATIONAL CURRENCY)

FRANCE (1,000,000 FRANCS)

| | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) | MILITARY ASSISTANCE | | | TOTAL | | |
|---------------------------------|--------|--------|--------|--------|-------|-------|-------|-------|-----|---------------------|-------------|--------------|-------|------------|---------------------|
| | | | | | | | | | | STRATEGIC FORCES | LAND FORCES | NAVAL FORCES | | AIR FORCES | OTHER COMBAT FORCES |
| 4. STATISTICAL DISCREPANCY..... | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| 5. TOTAL..... | 16,963 | 22,231 | 12,183 | 13,988 | 2,946 | 8,906 | 3,343 | 8,042 | | (9) | (10) | (11) | (12) | (13) | (14) |

TABLE 1. ALL EXPENDITURES BY PARTICIPATING COUNTRY
(IN NATIONAL CURRENCY)

GERMANY, FED. REP. OF (1,000,000 DEUTSCHE MARK)

| | (1) | (2) | (3) | (4) | (5) | CENTRAL SUPPORT | | (8) | (9) | MILITARY ASSISTANCE | | | (13) | TOTAL |
|---|------------------|-------------|--------------|------------|---------------------|-----------------|-------------|---------------------|---------------|---------------------|---------|-------------|------|--------|
| | | | | | | ADMINISTRATION | AND COMMAND | | | HOME | ABROAD | UN | | |
| | STRATEGIC FORCES | LAND FORCES | NAVAL FORCES | AIR FORCES | OTHER COMBAT FORCES | SUPPORT | COMMAND | PARAMILITARY FORCES | CIVIL DEFENSE | TERRITORY | KEEPING | EXPENDITURE | | |
| | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) | (10) | (11) | (12) | (13) | (14) |
| 1. OPERATING COSTS... | -- | 10,932 | 2,134 | 5,328 | -- | 8,061 | 292 | | 357 | 11 | 30 | 7 | 0 | 27,152 |
| 1.1 PERSONNEL..... | -- | 7,251 | 1,188 | 3,230 | -- | 4,069 | 275 | | 137 | -- | -- | -- | 0 | 16,150 |
| 1.1.1 CIVILIAN..... | | 1,437 | 313 | 725 | | 3,664 | 171 | | 137 | -- | -- | -- | 0 | 6,447 |
| 1.1.2 CONSCRIPTS... | | 2,115 | 184 | 442 | | 8 | 0 | | -- | -- | -- | -- | 0 | 2,749 |
| 1.1.3 OTHER MILITARY, INCL. RESERVES..... | | 3,699 | 691 | 2,063 | | 397 | 104 | | -- | -- | -- | -- | 0 | 6,954 |
| 1.1.4 STATISTICAL DISCREPANCY..... | -- | 0 | 0 | 0 | -- | 0 | 0 | | 0 | -- | -- | -- | 0 | 0 |
| 1.2 OPERATIONS AND MAINTENANCE..... | | 3,681 | 946 | 2,098 | | 3,997 | 17 | | 220 | 11 | 30 | 7 | 0 | 11,002 |
| 1.2.1 MATERIALS FOR CURRENT USE... | | 1,074 | 177 | 443 | | 116 | | | 18 | 1 | 20 | | 0 | 1,849 |
| 1.2.2 MAINTENANCE AND REPAIR..... | | 2,451 | 750 | 1,604 | | 488 | 14 | | 63 | 4 | 10 | | 0 | 5,384 |
| 1.2.3 TRAVEL EXPENSES ETC..... | | 156 | 19 | 51 | | 318 | 3 | | 2 | -- | -- | -- | 0 | 549 |
| 1.2.4 REAL ESTATE RENTS..... | | -- | -- | -- | | 72 | -- | | 20 | 0 | -- | -- | 0 | 92 |
| 1.2.5 OTHER..... | | 0 | 0 | 0 | -- | 2,998 | -- | | 117 | 5 | -- | 7 | 0 | 3,127 |
| 1.2.6 STATISTICAL DISCREPANCY..... | 0 | 0 | 0 | 0 | -- | 0 | 0 | | 0 | 1 | 0 | 0 | 0 | 1 |
| 1.3 STATISTICAL DISCREPANCY..... | -- | 0 | 0 | 0 | -- | 0 | 0 | | 0 | 0 | 0 | 0 | 0 | 0 |
| 2. PROCUREMENT AND CONSTRUCTION..... | | 4,612 | 1,408 | 1,980 | | 1,747 | 10 | | 136 | 144 | 100 | | 0 | 10,139 |
| 2.1 PROCUREMENT... | | 3,624 | 1,289 | 1,685 | | 644 | 1 | | 53 | 41 | 60 | | 0 | 7,397 |
| 2.1.1 AIRCRAFT AND ENGINES..... | | 177 | 334 | 591 | | 49 | 0 | | 2 | | | | 0 | 1,153 |

TABLE 1. ALL EXPENDITURES BY PARTICIPATING COUNTRY

(IN NATIONAL CURRENCY)

GERMANY, FED. REP. OF (1,000,000 DEUTSCHE MARK)

| | (1) | (2) | (3) | (4) | (5) | (6) | | (7) | (8) | (9) | MILITARY ASSISTANCE | | | (13) | TOTAL |
|--|-----|-------|-----|-----|-----|------------------------------------|-----------------|-----|-----|-----|---------------------|--------|------------------|------|-------|
| | | | | | | CENTRAL ADMINISTRATION AND COMMAND | SUPPORT COMMAND | | | | HOME TERRITORY | ABROAD | UN PEACE KEEPING | | |
| 2.1-2 MISSILES INCL. CONV. WARHEADS..... | | | | 363 | | | | | | | | | | | 363 |
| 2.1.3 NUCLEAR WARHEADS AND BOMBS | | | | | | | | | | | | | | | |
| 2.1.4 SHIPS AND BOATS..... | | 0 | 664 | 0 | | 71 | 0 | | | | 2 | | | | 673 |
| 2.1.5 ARMoured VEHICLES..... | | 1,360 | 0 | 0 | | | 0 | | | | | 24 | | | 1,384 |
| 2.1.6 ARTILLERY.... | | 33 | 0 | 0 | | 0 | 0 | | | | | | | | 33 |
| 2.1.7 OTHER GROUND FORCE WEAPONS..... | | | | | | | | | | | | 21 | | | 21 |
| 2.1.8 ORDNANCE AND AMMUNITION..... | | 767 | 203 | 427 | | 6 | 0 | | | | | | | | 1,403 |
| 2.1.9 ELECTRONICS AND COMMUNICATIONS | | 229 | 60 | 170 | | 103 | 1 | | | | 29 | | | | 592 |
| 2.1.10 NON ARMoured VEHICLES. | | 583 | 10 | 65 | | 41 | 0 | | | | | 15 | | | 746 |
| 2.1.11 OTHER..... | | 475 | 18 | 69 | | 438 | 0 | | | 32 | | | | | 1,031 |
| 2.1.12 STATISTICAL DISCREPANCY..... | | 0 | 0 | 0 | | 0 | 0 | | | 20 | | | | | 2 |
| 2.2 CONSTRUCTION..... | | 988 | 119 | 295 | | 1,103 | 9 | | | 1 | | | | | 2,741 |
| 2.2.1 AIRBASES, AIRFIELDS..... | | 27 | 13 | 96 | | 0 | 0 | | | 85 | | 40 | | | 136 |
| 2.2.2 MISSILE SITES..... | | 0 | 0 | 31 | | 0 | 0 | | | | | | | | 31 |
| 2.2.3 NAVAL BASES AND FACILITIES.... | | 0 | 39 | 0 | | 0 | 0 | | | | | | | | 39 |
| 2.2.4 ELECTRONICS ETC..... | | 5 | 16 | 23 | | 2 | 0 | | | 6 | | 6 | | | 58 |

TABLE 1. ALL EXPENDITURES BY PARTICIPATING COUNTRY
(IN NATIONAL CURRENCY)

GERMANY, FED. REP. OF (1,000,000 DEUTSCHE MARK)

| | (1) STRATEGIC FORCES | (2) LAND FORCES | (3) NAVAL FORCES | (4) AIR FORCES | (5) OTHER COMBAT FORCES | (6) CENTRAL SUPPORT ADMINISTRATION AND COMMAND | (7) PARAMILITARY FORCES | (8) CIVIL DEFENSE | MILITARY ASSISTANCE | | | UNDISTRIBUTED EXPENDITURE | TOTAL | |
|--|-------------------------|--------------------|---------------------|-------------------|----------------------------|---|----------------------------|----------------------|-----------------------|----------------|--------------------------|---------------------------|-------|-------|
| | | | | | | | | | (9) HOME TERRITORY | (10) ABROAD | (11) UN PEACE KEEPING | | | |
| | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) | (10) | (11) | (12) | (13) | (14) |
| 2.2.5 PERSONNEL FACILITIES..... | | 342 | 1 | 36 | -- | 141 | 0 | 4 | | | | | 0 | 524 |
| 2.2.6 MEDICAL FACILITIES..... | | 0 | 0 | 0 | -- | 56 | 0 | 19 | | | | | 0 | 75 |
| 2.2.7 TRAINING FACILITIES..... | | 77 | 12 | 24 | -- | 252 | 0 | | | | | | 0 | 365 |
| 2.2.8 WAREHOUSES, DEPOTS ETC..... | | 116 | 2 | 34 | -- | 71 | 0 | 23 | | 1 | | | 1 | 248 |
| 2.2.9 COMMAND AND ADM. FACILITIES... | | 20 | 2 | 12 | -- | 89 | 9 | -- | | -- | | | 0 | 132 |
| 2.2.10 FORTIFICATIONS... | | -- | -- | -- | -- | -- | -- | -- | | -- | | | 0 | -- |
| 2.2.11 SHELTERS... | | -- | -- | -- | -- | -- | -- | 32 | | 14 | | | 0 | 46 |
| 2.2.12 LAND... | | -- | -- | -- | -- | 68 | -- | | | | | | 0 | 68 |
| 2.2.13 OTHER... | | 401 | 34 | 39 | -- | 424 | 0 | 0 | | 81 | | | 1 | 980 |
| 2.2.14 STATISTICAL DISCREPANCY..... | | 0 | 0 | 0 | -- | 0 | 0 | 1 | | 0 | 40 | | -2 | 39 |
| 2.3 STATISTICAL DISCREPANCY..... | | 0 | 0 | 0 | -- | 0 | 0 | 0 | | 1 | 0 | | 0 | 1 |
| 3. RESEARCH AND DEVELOPMENT..... | | -- | -- | -- | -- | 1,712 | 0 | 6 | | -- | | | 0 | 1,718 |
| 3.1 BASIC AND APPLIED RESEARCH... | | -- | -- | -- | -- | 237 | 0 | -- | | -- | | | 0 | 237 |
| 3.2 DEVELOPMENT, TESTING AND EVALUATION..... | | -- | -- | -- | -- | 1,475 | 0 | 6 | | | | | 0 | 1,481 |
| 3.3 STATISTICAL DISCREPANCY..... | | -- | -- | -- | -- | 0 | 0 | 0 | | -- | | | 0 | 0 |

TABLE 1. ALL EXPENDITURES BY PARTICIPATING COUNTRY
(IN NATIONAL CURRENCY)

GERMANY, FED-REP. OF (1,000,000 DEUTSCHE MARK)

| | STRATEGIC FORCES | LAND FORCES | NAVAL FORCES | AIR FORCES | OTHER COMBAT FORCES | CENTRAL SUPPORT ADMINISTRATION AND COMMAND | | PARAMILITARY FORCES | CIVIL DEFENCE | MILITARY ASSISTANCE | | | UNDISTRIBUTED EXPENDITURE | TOTAL |
|---------------------------------|------------------|-------------|--------------|------------|---------------------|--|---------|---------------------|---------------|---------------------|--------|------------------|---------------------------|--------|
| | | | | | | SUPPORT | COMMAND | | | HOME TERRITORY | ABROAD | UN PEACE KEEPING | | |
| | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) | (10) | (11) | (12) | (13) | (14) |
| 4. STATISTICAL DISCREPANCY..... | | 0 | 0 | 0 | -- | 0 | 0 | | 0 | 0 | 0 | 0 | 1 | 1 |
| 5. TOTAL..... | | 15,544 | 3,542 | 7,308 | -- | 11,520 | 302 | | 501 | 155 | 130 | 7 | -1 | 39,008 |

TABLE 1. ALL EXPENDITURES BY PARTICIPATING COUNTRY
(IN NATIONAL CURRENCY)

INDONESIA (1,000,000 RUPIAH)

| | (1) | (2) | (3) | (4) | (5) | (6) | | (7) | (8) | (9) | MILITARY ASSISTANCE | | | (13) | TOTAL |
|---|--------|--------|-------|-------|-----|-------------|-----------------|-----|-------|-----|---------------------|---------------------|--|--------|-------|
| | | | | | | LAND FORCES | NAVAL FORCES | | | | AIR FORCES | OTHER COMBAT FORCES | CENTRAL SUPPORT ADMINISTRATION AND COMMAND | | |
| STRATEGIC FORCES | | | | | | | SUPPORT COMMAND | | | | | | UNDISTRIBUTED EXPENDITURE | | |
| 2.1.2 MISSILES INCL. CONV. WARHEADS..... | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| 2.1.3 NUCLEAR WARHEADS AND BOMBS..... | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| 2.1.4 SHIPS AND BOATS..... | 840 | 31,880 | 0 | 0 | 0 | 0 | 0 | 0 | 800 | 0 | 0 | 0 | 0 | 33,520 | |
| 2.1.5 ARMoured VEHICLES..... | 2,960 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 2,960 | |
| 2.1.6 ARTILLERY..... | 790 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 790 | |
| 2.1.7 OTHER GROUND FORCE WEAPONS..... | 2,250 | 520 | 0 | 0 | 0 | 0 | 0 | 0 | 920 | 0 | 0 | 0 | 0 | 3,690 | |
| 2.1.8 ORDNANCE AND AMMUNITION..... | 1,690 | 0 | 0 | 720 | 0 | 0 | 0 | 0 | 230 | 0 | 0 | 0 | 0 | 2,640 | |
| 2.1.9 ELECTRONICS AND COMMUNICATIONS..... | 2,310 | 0 | 0 | 370 | 0 | 0 | 4,850 | 0 | 1,210 | 0 | 0 | 0 | 0 | 8,740 | |
| 2.1.10 NON ARMoured VEHICLES..... | 2,580 | 0 | 1,350 | 0 | 0 | 0 | 0 | 0 | 890 | 0 | 0 | 0 | 0 | 4,820 | |
| 2.1.11 OTHER..... | 240 | 1,600 | 250 | 0 | 0 | 0 | 8,670 | 0 | 0 | 0 | 0 | 0 | 0 | 10,760 | |
| 2.1.12 STATISTICAL DISCREPANCY..... | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 10 | 0 | 0 | 0 | 0 | 10 | |
| 2.2 CONSTRUCTION..... | 25,610 | 4,950 | 5,130 | 5,130 | 0 | 0 | 8,680 | 0 | 9,760 | 0 | 0 | 0 | 0 | 54,130 | |
| 2.2.1 AIRBASES, AIRFIELDS..... | 0 | 190 | 2,120 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 2,310 | |
| 2.2.2 MISSILE SITES..... | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| 2.2.3 NAVAL BASES AND FACILITIES..... | 0 | 3,020 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 3,020 | |
| 2.2.4 ELECTRONICS ETC..... | 450 | 0 | 530 | 0 | 0 | 0 | 0 | 0 | 990 | 0 | 0 | 0 | 0 | 1,970 | |

TABLE 1. ALL EXPENDITURES BY PARTICIPATING COUNTRY
(IN NATIONAL CURRENCY)

INDONESIA (1,000,000 RUPIAHS)

| | STRATEGIC FORCES | LAND FORCES | NAVAL FORCES | AIR FORCES | OTHER COMBAT FORCES | CENTRAL SUPPORT ADMINISTRATION AND COMMAND | | PARAMILITARY FORCES | CIVIL DEFENCE | MILITARY ASSISTANCE | | | UNDISTRIBUTED EXPENDITURE | TOTAL |
|--|------------------|-------------|--------------|------------|---------------------|--|---------|---------------------|---------------|---------------------|--------|------------------|---------------------------|--------|
| | | | | | | SUPPORT | COMMAND | | | HOME TERRITORY | ABROAD | UN PEACE KEEPING | | |
| | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) | (10) | (11) | (12) | (13) | (14) |
| 2.2.5 PERSONNEL FACILITIES..... | .. | 17,740 | 0 | 370 | .. | .. | .. | 1,640 | .. | .. | .. | .. | 0 | 19,750 |
| 2.2.6 MEDICAL FACILITIES..... | .. | 0 | 0 | 0 | .. | 250 | .. | 0 | .. | .. | .. | .. | 0 | 250 |
| 2.2.7 TRAINING FACILITIES..... | .. | 6,090 | 0 | 70 | .. | 2,570 | .. | 3,030 | .. | .. | .. | .. | 0 | 11,760 |
| 2.2.8 WAREHOUSES, DEPOTS ETC..... | .. | 0 | 1,040 | 690 | .. | .. | .. | 0 | .. | .. | .. | .. | 0 | 1,730 |
| 2.2.9 COMMAND AND ADM. FACILITIES... | .. | 0 | 700 | 1,070 | .. | 5,860 | .. | 4,110 | .. | .. | .. | .. | 0 | 11,740 |
| 2.2.10 FORTIFICATIONS..... | .. | 0 | 0 | 0 | .. | .. | .. | 0 | .. | .. | .. | .. | 0 | 0 |
| 2.2.11 SHELTERS..... | .. | 0 | 0 | 0 | .. | .. | .. | 0 | .. | .. | .. | .. | 0 | 0 |
| 2.2.12 LAND..... | .. | 0 | 0 | 0 | .. | .. | .. | 0 | .. | .. | .. | .. | 0 | 0 |
| 2.2.13 OTHER..... | .. | 1,340 | 0 | 270 | .. | .. | .. | 0 | .. | .. | .. | .. | 0 | 1,610 |
| 2.2.14 STATISTICAL DISCREPANCY..... | .. | 10 | 0 | 10 | .. | 0 | .. | 10 | .. | .. | .. | .. | -20 | 10 |
| 2.3 STATISTICAL DISCREPANCY..... | .. | 10 | 10 | 0 | .. | 0 | 10,640 | 0 | .. | .. | .. | .. | -20 | 10,640 |
| 3. RESEARCH AND DEVELOPMENT..... | .. | 200 | 60 | 20 | .. | 450 | .. | 10 | .. | .. | .. | .. | 0 | 740 |
| 3.1 BASIC AND APPLIED RESEARCH.. | .. | 0 | 0 | 0 | .. | 0 | .. | 0 | .. | .. | .. | .. | 0 | 0 |
| 3.2 DEVELOPMENT, TESTING AND EVALUATION..... | .. | 200 | 60 | 20 | .. | 450 | .. | 10 | .. | .. | .. | .. | 0 | 740 |
| 3.3 STATISTICAL DISCREPANCY..... | .. | 0 | 0 | 0 | .. | 0 | .. | 0 | .. | .. | .. | .. | 0 | 0 |

TABLE 1. ALL EXPENDITURES BY PARTICIPATING COUNTRY
(IN NATIONAL CURRENCY)

INDONESIA (1,000,000 RUPIAH)

| | (1) | (2) | (3) | (4) | (5) | CENTRAL SUPPORT | | PARAMI- LITARY FORCES | CIVIL DEFENCE | MILITARY ASSISTANCE | | | UNDI- STRIBU- TED EXPE- DITURE | TOTAL |
|------------------------------------|-----|---------|---------|--------|-----|-------------------------------|---------|-----------------------------|------------------|------------------------|--------|------------------------|--|---------|
| | | | | | | ADMINISTRATION AND COMMAND | SUPPORT | | | HOME TERRI- TORY | ABROAD | UN PEACE KEEPING | | |
| | | | | | | (6) | (7) | | | (8) | (9) | (10) | | |
| 4. STATISTICAL DISCREPANCY..... | .. | 10 | 0 | 0 | .. | 0 | 0 | 10 | .. | .. | .. | .. | -20 | 0 |
| 5. TOTAL..... | .. | 278,750 | 108,280 | 85,240 | .. | 72,170 | 16,980 | 129,540 | .. | .. | .. | .. | 0 | 690,960 |

TABLE 1. ALL EXPENDITURES BY PARTICIPATING COUNTRY
(IN NATIONAL CURRENCY)

ITALY (1,000,000 LIRE)

| | (1) | (2) | (3) | (4) | (5) | CENTRAL SUPPORT (PARA-MILITARY DEFENSE) | | MILITARY ASSISTANCE | | | UNDI-STRIBUTED EXPENDITURE | TOTAL |
|---|-----|---------|---------|---------|---------|---|-----------------|---------------------|--------|------------------|----------------------------|------------|
| | | | | | | ADMINISTRATION AND COMMAND | SUPPORT COMMAND | HOME TERRITORY | ABROAD | UN PEACE KEEPING | | |
| | | | | | | | | | | | | |
| 1. OPERATING COSTS... | | 150,220 | 467,400 | 886,200 | 831,700 | 465,900 | 66,500 | 39,600 | | | | 4,259,500 |
| 1.1 PERSONNEL..... | | 104,950 | 262,800 | 486,400 | 754,200 | 278,800 | 24,400 | 5,200 | | | | 2,861,300 |
| 1.1.1 CIVILIAN..... | | 128,800 | 62,000 | 57,400 | 1,000 | 184,900 | 3,900 | 0 | | | | 438,000 |
| 1.1.2 CONSCRIPTS... | | 442,400 | 86,700 | 161,800 | 0 | 29,700 | 5,300 | 0 | | | 83,900 | 809,800 |
| 1.1.3 OTHER MILITARY, INCL. RESERVES..... | | 478,300 | 114,100 | 267,200 | 753,200 | 64,200 | 15,200 | 5,200 | | | | 16,135,000 |
| 1.1.4 STATISTICAL DISCREPANCY..... | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | | | 0 |
| 1.2 OPERATIONS AND MAINTENANCE..... | | 452,700 | 204,600 | 399,800 | 77,500 | 187,100 | 42,100 | 34,400 | | | | 13,982,000 |
| 1.2.1 MATERIALS FOR CURRENT USE... | | 108,200 | 40,200 | 76,700 | 22,000 | 35,500 | 1,200 | 12,600 | | | | 2,964,400 |
| 1.2.2 MAINTENANCE AND REPAIR..... | | 274,200 | 124,100 | 239,300 | 37,900 | 36,000 | 4,400 | 5,400 | | | | 7,213,300 |
| 1.2.3 TRAVEL EXPENSES ETC..... | | 56,600 | 16,500 | 25,500 | 8,600 | 21,100 | 3,200 | 0 | | | | 1,315,500 |
| 1.2.4 REAL ESTATE RENTS..... | | 1,300 | 100 | 300 | 1,300 | 43,300 | 2,000 | 0 | | | | 48,300 |
| 1.2.5 OTHER..... | | 12,400 | 23,700 | 58,000 | 7,700 | 51,200 | 31,300 | 16,400 | | | | 200,700 |
| 1.2.6 STATISTICAL DISCREPANCY..... | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | | | 0 |
| 1.3 STATISTICAL DISCREPANCY..... | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | | | 0 |
| 2. PROCUREMENT AND CONSTRUCTION..... | | 390,500 | 440,700 | 526,900 | 8,500 | 57,900 | 61,900 | 22,700 | | | | 15,091,000 |
| 2.1 PROCUREMENT... | | 360,000 | 424,600 | 526,900 | 6,300 | 47,900 | 18,300 | 18,200 | | | | 14,022,000 |
| 2.1.1 AIRCRAFT AND ENGINES..... | | 17,100 | 8,900 | 13,600 | 0 | 28,000 | 0 | 0 | | | | 467,600 |

TABLE 1. ALL EXPENDITURES BY PARTICIPATING COUNTRY
(IN NATIONAL CURRENCY)

ITALY (1,000,000 LIRE)

| | STRATEGIC FORCES | LAND FORCES | NAVAL FORCES | AIR FORCES | OTHER COMBAT FORCES | CENTRAL ADMINISTRATION AND COMMAND | PARAMILITARY FORCES | CIVIL DEFENCE | MILITARY ASSISTANCE | | | UNDISTRIBUTED EXPENDITURE | TOTAL | |
|--|------------------|-------------|--------------|------------|---------------------|------------------------------------|---------------------|---------------|---------------------|--------|------------------|---------------------------|-------|---------|
| | | | | | | | | | HOME TERRITORY | ABROAD | UN PEACE KEEPING | | | |
| | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) | (10) | (11) | (12) | (13) | (14) |
| 2-2.5 PERSONNEL FACILITIES..... | | | | | | | | | | | | | | |
| 2-2.6 MEDICAL FACILITIES..... | | | | | | | | | | | | | | |
| 2-2.7 TRAINING FACILITIES..... | | | | | | | | | | | | | | |
| 2-2.8 WAREHOUSES, DEPOTS ETC..... | | | | | | | | | | | | | | |
| 2-2.9 COMMAND AND ADM. FACILITIES.... | | | | | | | | | | | | | | |
| 2-2.10 FORTIFICATIONS.... | | | | | | | | | | | | | | |
| 2-2.11 SHELTERS.... | | | | | | | | | | | | | | |
| 2-2.12 LAND..... | | | | | | | | | | | | | | |
| 2-2.13 OTHER..... | | | | | | | | | | | | | | |
| 2-2.14 STATISTICAL DISCREPANCY..... | | 30,500 | 16,100 | 0 | 2,200 | 10,000 | 43,600 | 4,500 | | | | | | 106,900 |
| 2.3 STATISTICAL DISCREPANCY..... | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | | | | | 0 |
| 3. RESEARCH AND DEVELOPMENT..... | | 8,200 | 2,100 | 43,400 | 0 | 0 | 20,000 | 0 | | | | | | 73,700 |
| 3.1 BASIC AND APPLIED RESEARCH.. | | 900 | 900 | 0 | 0 | 0 | 2,800 | 0 | | | | | | 4,600 |
| 3.2 DEVELOPMENT, TESTING AND EVALUATION..... | | 7,300 | 1,200 | 43,400 | 0 | 0 | 17,200 | 0 | | | | | | 69,100 |
| 3.3 STATISTICAL DISCREPANCY..... | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | | | | | 0 |

TABLE 1. ALL EXPENDITURES BY PARTICIPATING COUNTRY
(IN NATIONAL CURRENCY)

ITALY (1,000,000 LIRE)

| | STRATEGIC FORCES | LAND FORCES | NAVAL FORCES | AIR FORCES | OTHER COMBAT FORCES | CENTRAL SUPPORT ADMINISTRATION AND COMMAND | | PARAMILITARY FORCES | CIVIL DEFENCE | MILITARY ASSISTANCE | | | UNDISTRIBUTED EXPENDITURE | TOTAL |
|---------------------------------|------------------|-------------|--------------|------------|---------------------|--|---------|---------------------|---------------|---------------------|--------|------------------|---------------------------|---------|
| | | | | | | SUPPORT | COMMAND | | | HOME TERRITORY | ABROAD | UN PEACE KEEPING | | |
| | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) | (10) | (11) | (12) | (13) | (14) |
| 4. STATISTICAL DISCREPANCY..... | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | | | 0 | 0 |
| 5. TOTAL..... | | 1900900 | 910,200 | 1456500 | 840,200 | 523,800 | 148,400 | 62,300 | | | | | 0 | 5842300 |

TABLE 1. ALL EXPENDITURES BY PARTICIPATING COUNTRY
(IN NATIONAL CURRENCY)

MEXICO (100,000 PESOS)

| | STRATEGIC FORCES | LAND FORCES | NAVAL FORCES | AIR FORCES | OTHER COMBAT FORCES | CENTRAL SUPPORT ADMINISTRATION AND COMMAND | PARAMILITARY FORCES | CIVIL DEFENCE | MILITARY ASSISTANCE | | | UNDISTRIBUTED EXPENDITURE | TOTAL |
|--|------------------|-------------|--------------|------------|---------------------|--|---------------------|---------------|---------------------|--------|------------------|---------------------------|-------|
| | | | | | | | | | HOME TORY | ABROAD | UN PEACE KEEPING | | |
| | | | | | | | | | | | | | |
| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) | (10) | (11) | (12) | (13) | (14) |
| 2.2.5 PERSONNEL FACILITIES..... | | 1,324 | | | | | | | | | | | 1,324 |
| 2.2.6 MEDICAL FACILITIES..... | | | | | | | | | | | | | 0 |
| 2.2.7 TRAINING FACILITIES..... | | | | | | | | | | | | | 0 |
| 2.2.8 WAREHOUSES, DEPOTS ETC..... | | | | | | | | | | | | | 0 |
| 2.2.9 COMMAND AND ADH. FACILITIES... | | | | | | | | | | | | | 0 |
| 2.2.10 FORTIFICATIONS... | | | | | | | | | | | | | 0 |
| 2.2.11 SHELTERS... | | | | | | | | | | | | | 0 |
| 2.2.12 LAND... | | | | | | | | | | | | | 0 |
| 2.2.13 OTHER... | | | | | | | | | | | | | 0 |
| 2.2.14 STATISTICAL DISCREPANCY..... | | 1 | | | | | | | | | | | 1 |
| 2.3 STATISTICAL DISCREPANCY..... | | 0 | | | | | | | | | | | 0 |
| 3. RESEARCH AND DEVELOPMENT..... | | | | | | | | | | | | | 0 |
| 3.1 BASIC AND APPLIED RESEARCH... | | | | | | | | | | | | | 0 |
| 3.2 DEVELOPMENT, TESTING AND EVALUATION..... | | | | | | | | | | | | | 0 |
| 3.3 STATISTICAL DISCREPANCY..... | | | | | | | | | | | | | 0 |
| | | | | | | | | | | | | 4,918 | 4,918 |

TABLE 1. ALL EXPENDITURES BY PARTICIPATING COUNTRY
(IN NATIONAL CURRENCY)

NETHERLANDS (100,000 GUILDERS)

| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) | MILITARY ASSISTANCE | | | UNDI- STRIBU- TED EXPEN- DITURE | TOTAL |
|------------------------------------|--------|--------|--------|-------|--------|-----|-----|-------|-------------------------|-----------------|---------------|---|--------|
| | | | | | | | | | STATE- GIC FORCES | NAVAL FORCES | AIR FORCES | | |
| | | | | | | | | | | | | | |
| 4. STATISTICAL DISCREPANCY..... | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 1 | 0 | 0 | 0 | -2 | 0 |
| 5. TOTAL..... | 39,570 | 19,033 | 20,243 | 1,827 | 14,048 | 31 | 31 | 1,799 | 370 | 589 | 0 | 1 | 97,511 |

TABLE 1. ALL EXPENDITURES BY PARTICIPATING COUNTRY
(IN NATIONAL CURRENCY)

NEW ZEALAND (100,000 NEW ZEALAND DOLLARS)

| | (1) | (2) | (3) | (4) | (5) | (6) | | (8) | (9) | MILITARY ASSISTANCE | | | (13) | TOTAL |
|--|-----|-----|-----|-----|-----|--|-----------------|-----|-----|---------------------|--------|------------------|------|-------|
| | | | | | | CENTRAL SUPPORT ADMINISTRATION AND COMMAND | SUPPORT COMMAND | | | HOME TERRITORY | ABROAD | UN PEACE KEEPING | | |
| 2.2.5 PERSONNEL FACILITIES..... | | 7 | | | | | | | | | | | | |
| 2.2.6 MEDICAL FACILITIES..... | | | 3 | 1 | | | | | | | | | | 10 |
| 2.2.7 TRAINING FACILITIES..... | | | | | | | | | | | | | | 0 |
| 2.2.8 WAREHOUSES, DEPOTS ETC..... | | | | | | | | | | | | | | 0 |
| 2.2.9 COMMAND AND ADM. FACILITIES..... | | | | | | | | | | | | | | 0 |
| 2.2.10 FORTIFICATIONS..... | | | | | | | | | | | | | | 0 |
| 2.2.11 SHELTERS..... | | | | | | | | | | | | | | 0 |
| 2.2.12 LAND..... | | 0 | | | | | | | | | | | | 0 |
| 2.2.13 OTHER..... | | 39 | | | | | | 5 | | | | | | 44 |
| 2.2.14 STATISTICAL DISCREPANCY..... | | 0 | 0 | 0 | | | | 0 | | | | | | 0 |
| 2.3 STATISTICAL DISCREPANCY..... | | 1 | 0 | 0 | | | | 1 | | | | | | 0 |
| 3. RESEARCH AND DEVELOPMENT..... | | 1 | 15 | 8 | | | 2 | | | | | | | 24 |
| 3.1 BASIC AND APPLIED RESEARCH.. | | | 12 | 3 | | | 0 | | | | | | | 15 |
| 3.2 DEVELOPMENT, TESTING AND EVALUATION..... | | 1 | 3 | 5 | | | 1 | | | | | | | 9 |
| 3.3 STATISTICAL DISCREPANCY..... | | 0 | 0 | 0 | | | 1 | | | | | | | 0 |

TABLE 1. ALL EXPENDITURES BY PARTICIPATING COUNTRY
(IN NATIONAL CURRENCY)

NEW ZEALAND (100,000 NEW ZEALAND DOLLARS)

| | STRATE- GIC FORCES | LAND FORCES | NAVAL FORCES | AIR FORCES | OTHER COMBAT FORCES | CENTRAL SUPPORT ADMINISTRATION AND COMMAND | | PARAMI- LITARY FORCES | CIVIL DEFENCE | MILITARY ASSISTANCE | | | UNDI- STRIBU- TED EXPE- NDITURE | TOTAL |
|------------------------------------|--------------------------|----------------|-----------------|---------------|---------------------------|--|---------|-----------------------------|------------------|------------------------|--------|------------------------|---|-------|
| | | | | | | SUPPORT | COMMAND | | | HOME TERRI- TORY | ABROAD | UN PEACE KEEPING | | |
| | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) | (10) | (11) | (12) | (13) | (14) |
| 4. STATISTICAL DISCREPANCY..... | | 0 | 1 | 1 | | 0 | 0 | | | | 0 | 0 | -1 | 1 |
| 5. TOTAL..... | | 1,090 | 660 | 903 | | 2 | 334 | | | | 5 | 1 | 0 | 2,995 |

TABLE 1. ALL EXPENDITURES BY PARTICIPATING COUNTRY
(IN NATIONAL CURRENCY)

NORWAY (1,000,000 KRONER)

| | (1) | (2) | (3) | (4) | (5) | (6) | | (8) | (9) | MILITARY ASSISTANCE | | | (14) | |
|---|-----|-------|-------|-------|-----|--|-----------------|-----|-----|---------------------|--------|------------------|------|---------------------------|
| | | | | | | CENTRAL SUPPORT ADMINISTRATION AND COMMAND | SUPPORT COMMAND | | | HOME TERRITORY | ABROAD | UN PEACE KEEPING | | UNDISTRIBUTED EXPENDITURE |
| 1. OPERATING COSTS... | | 1,643 | 1,071 | 1,205 | .. | | 1,222 | .. | .. | 0 | 0 | 120 | -85 | 5,216 |
| 1.1 PERSONNEL..... | | 1,184 | 601 | 767 | .. | | 672 | .. | .. | 0 | 0 | 80 | -85 | 3,259 |
| 1.1.1 CIVILIAN..... | | 304 | 195 | 220 | .. | | 289 | .. | .. | 0 | 0 | 0 | 0 | 1,008 |
| 1.1.2 CONSCRIPTS... | | 164 | 57 | 51 | .. | | 1 | .. | .. | 0 | 0 | 0 | 0 | 273 |
| 1.1.3 OTHER MILITARY, INCL. RESERVES..... | | 716 | 349 | 496 | .. | | 382 | .. | .. | 0 | 0 | 80 | 0 | 2,023 |
| 1.1.4 STATISTICAL DISCREPANCY..... | | 0 | 0 | 0 | .. | | 0 | .. | .. | 0 | 0 | 0 | 45 | 45 |
| 1.2 OPERATIONS AND MAINTENANCE..... | | 459 | 470 | 438 | .. | | 550 | .. | .. | 0 | 0 | 40 | 0 | 1,957 |
| 1.2.1 MATERIALS FOR CURRENT USE... | | 151 | 108 | 140 | .. | | 9 | .. | .. | 0 | 0 | .. | 0 | 408 |
| 1.2.2 MAINTENANCE AND REPAIR..... | | 183 | 245 | 204 | .. | | 59 | .. | .. | 0 | 0 | .. | 0 | 691 |
| 1.2.3 TRAVEL EXPENSES ETC..... | | | | | .. | | | .. | .. | | | .. | 0 | |
| 1.2.4 REAL ESTATE RENTS..... | | | | | .. | | | .. | .. | | | .. | 0 | |
| 1.2.5 OTHER E/..... | | 125 | 117 | 94 | .. | | 482 | .. | .. | 0 | 0 | .. | 0 | 818 |
| 1.2.6 STATISTICAL DISCREPANCY..... | | 0 | 0 | 0 | .. | | 0 | .. | .. | 0 | 0 | 40 | 0 | 40 |
| 1.3 STATISTICAL DISCREPANCY..... | | 0 | 0 | 0 | .. | | 0 | .. | .. | 0 | 0 | 0 | 0 | 0 |
| 2. PROCUREMENT AND CONSTRUCTION..... | | 409 | 422 | 778 | .. | | 55 | .. | .. | 142 | 54 | 0 | 0 | 1,860 |
| 2.1 PROCUREMENT... | | 333 | 378 | 729 | .. | | 55 | .. | .. | 0 | 0 | 0 | 0 | 1,495 |
| 2.1.1 AIRCRAFT AND ENGINES..... | | 0 | 0 | 643 | .. | | 0 | .. | .. | 0 | 0 | 0 | 0 | 643 |

e/ Including items (1.2.3) and (1.2.4).

TABLE 1. ALL REPENDITURES BY PARTICIPATING COUNTRY
(IN NATIONAL CURRENCY)

NORWAY (1,000,000 KRONER)

| | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) | MILITARY ASSISTANCE | | | (13) | TOTAL |
|--|-----|-----|-----|-----|-----|-----|-----|-----|-----|---------------------|-------------|--------------|------|-------|
| | | | | | | | | | | STRATEGIC FORCES | LAND FORCES | NAVAL FORCES | | |
| 2.1.2 MISSILES INCL. CONV. WARHEADS..... | | 0 | 0 | 0 | | | 0 | | | | 0 | 0 | 0 | 0 |
| 2.1.3 NUCLEAR WARHEADS AND BOMBS | | 0 | 0 | 0 | | | 0 | | | | 0 | 0 | 0 | 0 |
| 2.1.4 SHIPS AND BOATS..... | | 0 | 219 | 0 | | | 0 | | | | 0 | 0 | 0 | 219 |
| 2.1.5 ARMoured VEHICLES..... | | 0 | 0 | 0 | | | 0 | | | | 0 | 0 | 0 | 0 |
| 2.1.6 ARTILLERY... | | 10 | 29 | 1 | | | 0 | | | | 0 | 0 | 0 | 40 |
| 2.1.7 OTHER GROUND FORCE WEAPONS..... | | 53 | 0 | 12 | | | 0 | | | | 0 | 0 | 0 | 65 |
| 2.1.8 ORDNANCE AND AMMUNITION..... | | 142 | 98 | 25 | | | 0 | | | | 0 | 0 | 0 | 265 |
| 2.1.9 ELECTRONICS AND COMMUNICATIONS | | 28 | 28 | 33 | | | 14 | | | | 0 | 0 | 0 | 103 |
| 2.1.10 MON ARMoured VEHICLES.. | | 96 | 3 | 11 | | | 3 | | | | 0 | 0 | 0 | 113 |
| 2.1.11 OTHER..... | | 4 | 1 | 4 | | | 38 | | | | 0 | 0 | 0 | 47 |
| 2.1.12 STATISTICAL DISCREPANCY..... | | 0 | 0 | 0 | | | 0 | | | | 0 | 0 | 0 | 0 |
| 2.2 CONSTRUCTION..... | | 76 | 44 | 49 | | | 0 | | | | 142 | 54 | 0 | 365 |
| 2.2.1 AIRBASES, AIRFIELDS..... | | 0 | 0 | 1 | | | 0 | | | | | | 0 | (1) |
| 2.2.2 MISSILE SITES..... | | 0 | 0 | 2 | | | 0 | | | | | | 0 | (2) |
| 2.2.3 NAVAL BASES AND FACILITIES..... | | 0 | 2 | 0 | | | 0 | | | | | | 0 | (2) |
| 2.2.4 ELECTRONICS ETC..... | | 2 | 2 | 8 | | | 0 | | | | | | 0 | (12) |

**TABLE 1. ALL EXPENDITURES BY PARTICIPATING COUNTRY
(IN NATIONAL CURRENCY)**

NORWAY (1,000,000 KROWER)

| | STRATE- GIC FORCES | LAND FORCES | NAVAL FORCES | AIR FORCES | OTHER COMBAT FORCES | CENTRAL SUPPORT ADMINISTRATION AND COMMAND | | PARAMI- LITARY FORCES | CIVIL DEFENCE | MILITARY ASSISTANCE | | | UNDI- STRIBU- TED EXPE- NDITURE | TOTAL |
|------------------------------------|--------------------------|----------------|-----------------|---------------|---------------------------|--|---------|-----------------------------|------------------|------------------------|--------|------------------------|---|-------|
| | | | | | | SUPPORT | COMMAND | | | HOME TERRI- TORY | ABROAD | UN PEACE KEEPING | | |
| | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) | (10) | (11) | (12) | (13) | (14) |
| 4. STATISTICAL DISCREPANCY..... | -- | 0 | 0 | 0 | -- | 0 | -- | -- | 0 | 0 | 0 | 0 | 0 | 0 |
| 5. TOTAL..... | -- | 2,052 | 1,493 | 1,983 | -- | 1,292 | -- | -- | 142 | 54 | 120 | 0 | 7,136 | |

TABLE 1. ALL EXPENDITURES BY PARTICIPATING COUNTRY
(IN NATIONAL CURRENCY)

SWEDEN (1,000,000 KRONOR)

| | STRATEGIC FORCES | LAND FORCES | NAVAL FORCES | AIR FORCES | OTHER COMBAT FORCES | CENTRAL SUPPORT ADMINISTRATION AND COMMAND | | PARAMILITARY FORCES | CIVIL DEFENCE | MILITARY ASSISTANCE | | | UNDISTIBUTED EXPENDITURE | TOTAL |
|---|------------------|-------------|--------------|------------|---------------------|--|---------|---------------------|---------------|---------------------|--------|------------------|--------------------------|-------|
| | (1) | (2) | (3) | (4) | (5) | SUPPORT | COMMAND | (8) | (9) | HOME TERRITORY | ABROAD | UN PEACE KEEPING | (13) | (14) |
| | | | | | | (6) | (7) | | | (10) | (11) | (12) | | |
| 1. OPERATING COSTS... | .. | 3,255 | 1,266 | 1,911 | .. | 1,243 | 498 | .. | 224 | .. | .. | 79 | 0 | 8,476 |
| 1.1 PERSONNEL..... | .. | 2,323 | 872 | 999 | .. | 963 | 362 | .. | 165 | .. | .. | 66 | 0 | 5,750 |
| 1.1.1 CIVILIAN..... | .. | 740 | 314 | 416 | .. | 879 | 181 | .. | 129 | .. | .. | 0 | 0 | 2,659 |
| 1.1.2 CONSCRIPTS... | .. | 510 | 110 | 74 | .. | 5 | 0 | .. | 36 | .. | .. | 0 | 0 | 735 |
| 1.1.3 OTHER MILITARY, INCL. RESERVES..... | .. | 1,073 | 448 | 509 | .. | 79 | 181 | .. | 0 | .. | .. | 66 | 0 | 2,356 |
| 1.1.4 STATISTICAL DISCREPANCY..... | .. | 0 | 0 | 0 | .. | 0 | 0 | .. | 0 | .. | .. | 0 | 0 | 0 |
| 1.2 OPERATIONS AND MAINTENANCE..... | .. | 932 | 394 | 912 | .. | 280 | 136 | .. | 59 | .. | .. | 13 | 0 | 2,726 |
| 1.2.1 MATERIALS FOR CURRENT USE... | .. | 155 | 80 | 242 | .. | 22 | 4 | .. | 3 | .. | .. | 0 | 0 | 506 |
| 1.2.2 MAINTENANCE AND REPAIR..... | .. | 172 | 102 | 405 | .. | 15 | 15 | .. | 3 | .. | .. | 0 | 0 | 712 |
| 1.2.3 TRAVEL EXPENSES ETC..... | .. | 225 | 91 | 109 | .. | 136 | 75 | .. | 17 | .. | .. | 5 | 0 | 658 |
| 1.2.4 REAL ESTATE RENTS..... | .. | 231 | 78 | 117 | .. | 18 | 32 | .. | 22 | .. | .. | 0 | 0 | 498 |
| 1.2.5 OTHER..... | .. | 149 | 43 | 39 | .. | 89 | 10 | .. | 14 | .. | .. | 8 | 0 | 352 |
| 1.2.6 STATISTICAL DISCREPANCY..... | .. | 0 | 0 | 0 | .. | 0 | 0 | .. | 0 | .. | .. | 0 | 0 | 0 |
| 1.3 STATISTICAL DISCREPANCY..... | .. | 0 | 0 | 0 | .. | 0 | 0 | .. | 0 | .. | .. | 0 | 0 | 0 |
| 2. PROCUREMENT AND CONSTRUCTION..... | .. | (1,365) | (689) | (2,560) | .. | (60) | (51) | .. | 129 | .. | .. | 1 | 100 | 4,955 |
| 2.1 PROCUREMENT..... | .. | 1,020 | 642 | 2,411 | .. | 0 | 45 | .. | 43 | .. | .. | 1 | 0 | 4,162 |
| 2.1.1 AIRCRAFT AND ENGINES..... | .. | 4 | 19 | 1,735 | .. | 0 | 0 | .. | 0 | .. | .. | 0 | 0 | 1,758 |

TABLE 1. ALL KREDITORS BY PARTICIPATING COUNTRY
(IN NATIONAL CURRENCY)

SWEDEN (1,000,000 KRONOR)

| | (1) | (2) | (3) | (4) | (5) | (6) | | (8) | (9) | MILITARY ASSISTANCE | | | TOTAL |
|--|-------|------|-------|-----|-----|--|-----------------|-----|-----|---------------------|--------|----------|-------|
| | | | | | | CENTRAL SUPPORT ADMINISTRATION AND COMMAND | SUPPORT COMMAND | | | HOME TERRITORY | ABROAD | UNIFORMS | |
| 2.1.2 MISSILES INCL. CONV. WARHEADS..... | 92 | 21 | 218 | | | 0 | 0 | | 0 | | | 0 | 331 |
| 2.1.3 NUCLEAR WARHEADS AND BOMBS | -- | -- | -- | | | -- | -- | | -- | | | -- | -- |
| 2.1.4 SHIPS AND BOATS..... | 0 | 215 | 0 | | | 0 | 0 | | 0 | | | 0 | 215 |
| 2.1.5 ARMORED VEHICLES..... | 297 | 0 | 0 | | | 0 | 0 | | 0 | | | 0 | 297 |
| 2.1.6 ARTILLERY... | 62 | 52 | 0 | | | 0 | 0 | | 0 | | | 0 | 114 |
| 2.1.7 OTHER GROUND FORCE WEAPONS..... | 156 | 0 | 0 | | | 0 | 0 | | 0 | | | 0 | 156 |
| 2.1.8 ORDNANCE AND AMMUNITION..... | 117 | 118 | 31 | | | 0 | 0 | | 0 | | | 0 | 266 |
| 2.1.9 ELECTRONICS AND COMMUNICATIONS | 128 | 146 | 256 | | | 0 | 45 | | 5 | | | 0 | 580 |
| 2.1.10 NON ARMORED VEHICLES. | 43 | 0 | 0 | | | 0 | 0 | | 3 | | | 1 | 47 |
| 2.1.11 OTHER..... | 122 | 72 | 171 | | | 0 | 0 | | 35 | | | 0 | 400 |
| 2.1.12 STATISTICAL DISCREPANCY..... | 1 | 1 | 0 | | | 0 | 0 | | 0 | | | 0 | 2 |
| 2.2 CONSTRUCTION..... | (345) | (47) | (149) | | | (60) | (6) | | 86 | | | 100 | 793 |
| 2.2.1 AIRBASES, AIRFIELDS..... | 0 | 0 | 31 | | | 0 | 0 | | 0 | | | 0 | 31 |
| 2.2.2 MISSILE SITES..... | 0 | 0 | 0 | | | 0 | 0 | | 0 | | | 0 | 0 |
| 2.2.3 NAVAL BASES AND FACILITIES..... | 0 | 0 | 0 | | | 0 | 0 | | 0 | | | 0 | 0 |
| 2.2.4 ELECTRONICS ETC..... | 0 | 0 | 0 | | | 0 | 0 | | 0 | | | 0 | 0 |

TABLE 1. ALL EXPENDITURES BY PARTICIPATING COUNTRY
(IN NATIONAL CURRENCY)

SWEDEN (1,000,000 KRONOR)

| | STRATE- GIC FORCES | LAND FORCES | NAVAL FORCES | AIR FORCES | OTHER COMBAT FORCES | CENTRAL SUPPORT | | PARAMI- LITARY FORCES | CIVIL DEFENCE | MILITARY ASSISTANCE | | | UNDI- STRIBU- TED EXPE- NDITURE | TOTAL |
|------------------------------------|--------------------------|----------------|-----------------|---------------|---------------------------|-------------------------------|---------|-----------------------------|------------------|---------------------|------------------------|--------|---|--------|
| | | | | | | ADMINISTRATION AND COMMAND | SUPPORT | | | COMMAND | HOME TERRI- TORY | ABROAD | | |
| | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) | (10) | (11) | (12) | (13) | (14) |
| 4. STATISTICAL DISCREPANCY..... | .. | 0 | 0 | 0 | .. | 0 | 0 | .. | 0 | .. | .. | 0 | 0 | 0 |
| 5. TOTAL..... | .. | (4,743) | (2,022) | (4,933) | .. | (1,303) | (551) | .. | (364) | .. | .. | 80 | 225 | 14,221 |

TABLE 1. ALL EXPENDITURES BY PARTICIPATING COUNTRY
(IN NATIONAL CURRENCY)

U.S. (1,000,000 US DOLLARS)

| | (1) | (2) | (3) | (4) | (5) | (6) | | (7) | (8) | (9) | MILITARY ASSISTANCE | | | (13) | TOTAL |
|---|-------|--------|----------|--------|-------|------------------------------------|-----------------|-------|-----|-------|---------------------|----------------|--------|------|--------|
| | | | | | | CENTRAL ADMINISTRATION AND COMMAND | SUPPORT COMMAND | | | | CIVIL DEFENSE | HOME TERRITORY | ABROAD | | |
| 1. OPERATING COSTS... | | 19,495 | 18,298 | 17,068 | 2,730 | 2,884 | 10,444 | 2,561 | | (22) | | | | 0 | 73,502 |
| 1.1 PERSONNEL..... | | 14,176 | 11,599 | 11,039 | 2,188 | 1,525 | 9,432 | 1,881 | | 22 | | | | 0 | 51,862 |
| 1.1.1 CIVILIAN..... | | 5,755 | 5,833 | 4,164 | 336 | 1,525 | 261 | 980 | | 22 | | | | 0 | 18,876 |
| 1.1.2 CONSCRIPTS... | | | | | | | | | | | | | | 0 | |
| 1.1.3 OTHER MILITARY, INCL. RESERVES..... | | 8,421 | 5,766 | 6,875 | 1,852 | | 9,171 | 901 | | 0 | | | | 1 | 32,987 |
| 1.1.4 STATISTICAL DISCREPANCY..... | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | 0 | | | | 1 | 1 |
| 1.2 OPERATIONS AND MAINTENANCE..... | | 5,319 | 6,699 | 6,029 | 542 | 1,359 | 1,012 | 680 | | a/ 62 | | | | -61 | 21,641 |
| 1.2.1 MATERIALS FOR CURRENT USE... | | | | | | | | | | | | | | 0 | |
| 1.2.2 MAINTENANCE AND REPAIR..... | | | | | | | | | | | | | | 0 | |
| 1.2.3 TRAVEL EXPENSES ETC..... | | | | | | | | | | | | | | 0 | |
| 1.2.4 REAL ESTATE RENTS..... | | | | | | | | | | | | | | 0 | |
| 1.2.5 OTHER..... | | | | | | | | | | | | | | 0 | |
| 1.2.6 STATISTICAL DISCREPANCY..... | | | | | | | | | | | | | | 0 | |
| 1.3 STATISTICAL DISCREPANCY..... | | 5,319 | 6,699 | 6,029 | 542 | 1,359 | 1,012 | 680 | | 62 | | | | -61 | 21,641 |
| 2. PROCUREMENT AND CONSTRUCTION..... | 2,070 | 3,540 | 9,088 | 7,831 | 306 | 243 | 213 | 99 | | | | | | | 23,390 |
| 2.1 PROCUREMENT... | 2,070 | 2,995 | 8,520 | 7,335 | 306 | 220 | 0 | 0 | | | | | | | 21,446 |
| 2.1.1 AIRCRAFT AND ENGINES..... | | 380 | b/ 3,754 | 3,989 | | | | | | | | | | | 9,905 |

a/ Including item (2.1).

b/ Including item (2.1.2).

TABLE 1. ALL EXPENDITURES BY PARTICIPATING COUNTRY
(IN NATIONAL CURRENCY)

U.S. (\$1,000,000 US DOLLARS)

| | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) | MILITARY ASSISTANCE | | | (13) | (14) |
|--|-------------|--------------|------------|---------------------|--|---------------------|---------------|---------------------------|-------|---------------------|-------------|----------------------|------|--------|
| | | | | | | | | | | HOME-TERRITORY (10) | ABROAD (11) | UN PEACEKEEPING (12) | | |
| STRATEGIC FORCES | LAND FORCES | NAVAL FORCES | AIR FORCES | OTHER COMBAT FORCES | CENTRAL SUPPORT ADMINISTRATION AND COMMAND | PARAMILITARY FORCES | CIVIL DEFENCE | UNDISTRIBUTED EXPENDITURE | TOTAL | | | | | |
| 2.1.2 MISSILES INCL. CONV. WARHEADS..... | 406 | | 1,376 | | | | | | | | | | | |
| 2.1.3 NUCLEAR WARHEADS AND BOMBS | 2,070 | | | | | | | | | | | | | 2,070 |
| 2.1.4 SHIPS AND BOATS..... | | 2,983 | | | | | | | | | | | | 2,943 |
| 2.1.5 ARMoured VEHICLES..... | c/ 748 | | | | | | | | | | | | | c/ 748 |
| 2.1.6 ARTILLERY..... | | | | | | | | | | | | | | |
| 2.1.7 OTHER GROUND FORCE WEAPONS..... | | | | | | | | | | | | | | |
| 2.1.8 ORDNANCE AND AMMUNITION..... | | 652 | | | | | | | | | | | | 652 |
| 2.1.9 ELECTRONICS AND COMMUNICATIONS | | | | | | | | | | | | | | |
| 2.1.10 NON ARMoured VEHICLES. | | | | | | | | | | | | | | |
| 2.1.11 OTHER..... | 808 | 1,823 | 1,969 | | | | | | | | | | | 4,600 |
| 2.1.12 STATISTICAL DISCREPANCY..... | 0 | 1 | 0 | 1 | 306 | 220 | 0 | 0 | | | | | | 528 |
| 2.2 CONSTRUCTION..... | 545 | 568 | 497 | | 23 | 213 | 99 | | 0 | | | | -1 | 1,944 |
| 2.2.1 AIRBASES, AIRFIELDS..... | | | | | | | | | | | | | | |
| 2.2.2 MISSILE SITES..... | | | | | | | | | | | | | | |
| 2.2.3 NAVAL BASES AND FACILITIES.... | | | | | | | | | | | | | | |
| 2.2.4 ELECTRONICS ETC..... | | | | | | | | | | | | | | |

c/ Including item 2.1.11

TABLE 1. ALL EXPENDITURES BY PARTICIPATING COUNTRY
(IN NATIONAL CURRENCY)

U.S. (1,000,000 US DOLLARS)

| | STRATEGIC FORCES | LAND FORCES | NAVAL FORCES | AIR FORCES | OTHER COMBAT FORCES | CENTRAL SUPPORT ADMINISTRATION AND COMMAND | | PARAMILITARY FORCES | CIVIL DEFENCE | MILITARY ASSISTANCE | | | UNDISTRIBUTED EXPENDITURE | TOTAL |
|--|------------------|-------------|--------------|------------|---------------------|--|---------|---------------------|---------------|---------------------|--------|------------------|---------------------------|-------|
| | | | | | | SUPPORT | COMMAND | | | HOME TERRITORY | ABROAD | UN PEACE KEEPING | | |
| | | | | | | | | | | | | | | |
| 2.2.5 PERSONNEL FACILITIES..... | | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | 0 | --- |
| 2.2.6 MEDICAL FACILITIES..... | | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | 0 | --- |
| 2.2.7 TRAINING FACILITIES..... | | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | 0 | --- |
| 2.2.8 WAREHOUSES, DEPOTS ETC..... | | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | 0 | --- |
| 2.2.9 COMMAND AND ADM. FACILITIES... | | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | 0 | --- |
| 2.2.10 PORTIFICATIONS..... | | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | 0 | --- |
| 2.2.11 SHELTERS..... | | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | 0 | --- |
| 2.2.12 LAND..... | | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | 0 | --- |
| 2.2.13 OTHER..... | | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | 0 | --- |
| 2.2.14 STATISTICAL DISCREPANCY..... | | 545 | 568 | 497 | --- | 23 | 213 | 99 | 0 | --- | --- | --- | -1 | 1,944 |
| 2.3 STATISTICAL DISCREPANCY..... | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 0 | --- | --- | --- | --- | -1 | 0 |
| 3. RESEARCH AND DEVELOPMENT..... | | 1,797 | 3,189 | 3,171 | 0 | 689 | 0 | 0 | 7 | --- | --- | --- | 0 | 8,853 |
| 3.1 BASIC AND APPLIED RESEARCH... | | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | 0 | --- |
| 3.2 DEVELOPMENT, TESTING AND EVALUATION..... | | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | 0 | --- |
| 3.3 STATISTICAL DISCREPANCY..... | | 1,797 | 3,189 | 3,171 | 0 | 689 | 0 | 0 | 7 | --- | --- | --- | 0 | 8,853 |

TABLE 1. ALL EXPENDITURES BY PARTICIPATING COUNTRY
(IN NATIONAL CURRENCY)

U.S. (1,000,000 US DOLLARS)

| | STRATEGIC FORCES | LAND FORCES | NAVAL FORCES | AIR FORCES | OTHER COMBAT FORCES | CENTRAL SUPPORT ADMINISTRATION AND COMMAND | | PARAMILITARY FORCES | CIVIL DEFENCE | MILITARY ASSISTANCE | | | UNDISTRIBUTED EXPENDITURE | TOTAL |
|---------------------------------|------------------|-------------|--------------|------------|---------------------|--|---------|---------------------|---------------|---------------------|--------|------------------|---------------------------|---------|
| | | | | | | SUPPORT | COMMAND | | | HOME TERRITORY | ABROAD | UN PEACE KEEPING | | |
| | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) | (10) | (11) | (12) | (13) | (14) |
| 4. STATISTICAL DISCREPANCY..... | 0 | 0 | 0 | 1 | 0 | 1 | 2 | 1 | 62 | | 484 | 62 | -4 | 609 |
| 5. TOTAL..... | 2,070 | 24,832 | 30,575 | 28,071 | 3,036 | 3,815 | 10,659 | 2,659 | 91 | | 484 | 62 | 0 | 106,354 |