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SUB-COMMITTEE ON SOVIET ECONOMIC POLICY

ESTIMATES OF MILITARY EXPENDITURES OF THE EASTERN
EUROPEAN COMMUNIST COUNTRIES IN 1966

Note by the United States Delegation

Estimated military expenditures in the Eastern European Communist countries in 1966, valued in domestic currencies, range from 3½% to 5½% of Gross National Product (GNP), as shown in the following table:

East European Communist Countries: Estimated
Defense Expenditures and GNP, 1966

<u>Country</u>	<u>Unit of Currency</u>	<u>Defense Expenditures</u>	<u>GNP</u>	<u>Defense Expendit- ures as a Share of GNP</u>
Bulgaria	billion leva	0.28	8.0	3½%
Czecho- slovakia	billion crowns	11.8	207.5	5½%
Sov. Zone				
Germany	billion DME	4.8	109.6	4½%
Hungary	billion forints	8.9	208.9	4 - 4½%
Poland	billion zlotys	33.9	686	5%
Rumania	billion lei	6.1	145	4%

2. The more advanced countries tend to spend a larger share of their GNP on defense. Czechoslovakia and Poland have the largest defense industries in Eastern Europe; their relatively large expenditures probably reflect the high costs of the production of military hardware in Eastern Europe.

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3. The above estimates for Eastern Europe should be taken as only approximations. Some of the problems in estimating presumably would be solved by further research; some would not. The estimates are based on the announced military budget figures, which have been adjusted in a number of ways, primarily to take account of expenditures included elsewhere in the budgets.

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